



ANNUAL REPORT 1997-98

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BOARD OF DIRECTORS

Mr. A. Mazumdar
Chairman

Mr. Sumit Mazumder
Managing Director

Mr. Aditya Banerjee
Director - Finance

Mr. W. Williamson
Former Managing Director

Mr. R. L. Gaggar
Solicitor & Advocate

Mr. Jahar Sengupta
Chairman
SBI Home Finance Ltd.,
Vesuvius India Ltd.,
Gestetner (India) Ltd.,
Inchcape India Pvt. Ltd.,
Cookson Group of Companies in India,
M. K. Electric (India) Ltd.

Mr. S. S. Prasad
Vice Chairman
BOC India Ltd.

Mr. U. V. Rao
Former Chief Executive &
Managing Director - L&T Ltd.

Mr. S. M. Datta
Chairman
Indian Aluminium Co. Ltd.

Mr. R. N. Tripathi
Nominee
Managing Director (Retd.)
Life Insurance Corporation of India.

COMPANY SECRETARY

Mr. Debashis Nag

STRATEGIC BUSINESS UNITS :

Material Handling Group :

Mr. S. K. Bhatnagar
— President

Construction Equipment Group :

Mr. K. Singh
— Vice President

Power Systems Group :

Mr. A. K. Haldar
— Group General Manager

HUMAN RESOURCE MANAGEMENT :

Mr. D. Banerjee
— Vice President - Group HRM

BANKERS

Bank of India

ANZ Grindlays Bank

State Bank of India

Punjab & Sind Bank

State Bank of Bikaner & Jaipur

Union Bank of India

AUDITORS

Price Waterhouse

REGISTERED OFFICE

1, Taratolla Road
Garden Reach
Calcutta 700 024

Notice of Annual General Meeting



NOTICE is hereby given that the TWENTY-THIRD ANNUAL GENERAL MEETING of the members of TIL LIMITED will be held at 1, Taratolla Road, Garden Reach, Calcutta 700-024, on Monday, the 24th day of August, 1998 at 10.30 a.m. to transact the following business :

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at 31st March, 1998 and Profit & Loss Account for the year ended on that date together with the Report of the Directors and Auditors thereon.
2. To declare Dividend on Shares.
3. To appoint a Director in place of Mr. J. Sengupta, who retires by rotation, and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr. S.M. Datta, who retires by rotation, and being eligible offers himself for reappointment.
5. To consider and if thought fit, to pass with or without modification the following Resolution as a SPECIAL RESOLUTION :

"RESOLVED THAT, pursuant to Section 224A of the Companies Act, 1956, Price Waterhouse, Chartered Accountants, be and are hereby appointed Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration including terms of payment and reimbursement of related out of pocket expenses to be agreed upon with the Auditors by the Board of Directors."

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an ORDINARY RESOLUTION :

"RESOLVED THAT pursuant to the provision of Section 372 and other applicable provisions, if any, of

the Companies Act, 1956 and subject to the approval of the Central Government and any other statutory approval as may be necessary, the Company hereby accords its sanction and authorises the Board of Directors of the Company (the Board) to subscribe/ purchase/acquire Equity Shares of proposed joint ventures and or Subsidiary Companies notwithstanding that such investment may be in excess of any of the percentage prescribed in Section 372 of the Companies Act, 1956 and other provisions thereto and the Board of Directors of the Company be and is hereby authorised further to settle all questions arising out of and incidental to the investment to be so made and generally to do such other acts, matters and things as may be necessary or expedient in giving effect to this Resolution."

7. To consider and, if thought fit, to pass, with or without modification, the following Resolution as a SPECIAL RESOLUTION :

RESOLVED THAT The Articles of Association is altered by the insertion of the following new Article numbered 57A :

Restriction upon sub-division or consolidation of Certificates for Equity Shares

Notwithstanding anything contained in Article 57 of the Articles of Association, the Board may refuse any application for sub-division or consolidation of Certificates for Equity Shares into denomination of less than 50 shares except where such sub-division or consolidation is required to be made for compliance with any statutory provision or an order or a decree of any Court of competent jurisdiction.

Regd. Office :
1, Taratolla Road
Garden Reach
Calcutta 700 024
Date : 22nd June, 1998.

By Order of the Board
TIL LIMITED

DEBASHIS NAG
Company Secretary

**NOTES :-**

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company. Proxies in order to be effective must be received at the Company's Registered Office not less than fortyeight hours before the meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, the 19th August, 1998 to Monday, the 24th August, 1998 (both days inclusive).
3. The Dividend on Shares if declared, will be payable to those members whose names appear in the Register of Members as on 24th day of August, 1998 or to their mandatees subject to the provisions of Section 206 A of the Companies Act, 1956.
4. In accordance with the provisions of Section 205 A of the Companies Act, 1956, the Company is arranging to transfer the unclaimed Dividend for Equity Shares relating to the year ended 31st March, 1995 to the General Revenue Account of the Central Government. Members who have a valid claim to the unclaimed Dividend referred to above, may claim the same from the Registrar of Companies, West Bengal, Nizam Palace Annex, 234/4A, A.J.C. Bose Road, Calcutta 700 020, in the prescribed manner.
5. Members are requested to quote their Folio Number in all correspondence and to advise change of address, if any, to the Company. All intimation of change of Address must state the PIN CODE for proper delivery.
6. Members are requested to bring their copies of the Annual Report and Accounts at the Meeting.

EXPLANATORY STATEMENT TO ITEM NO. 6

[Under Section 173(2) of the Companies Act, 1956]

TIL has posted its representatives in Nepal since 1976 as a dealer of Caterpillar. Nepal has a population of over 450 earthmoving equipment and gensets of 180 KVA and above capacity. Presently no organised workshop facilities are available in Nepal to provide guaranteed repairs of these equipment. The Govt. of Nepal has liberalised the rules of operation by foreign companies and in order to take advantage of the rising business opportunities in Nepal the Board considered that it would be advantageous to the Company to form Joint Ventures and or Subsidiary Companies in Nepal.

The Company proposes to make the investment in a phased manner and as per specific needs of the business. To enable the Company to avail of such opportunities as and when the same arise, shareholders' approval is being sought to empower the Board of Directors of the Company to make investment, subject to the provisions of Section 372 and other provisions of the Companies Act, 1956 and amendments thereto, as stated in the Resolution.

No Director of the Company is concerned or interested in the proposed Ordinary Resolution.

EXPLANATORY STATEMENT TO ITEM NO. 7

Due to considerable increase in the cost of stationery, printing and postage expenses as also of other connected administrative expenses, the cost of the Company of servicing in relation to sub-division and consolidation of certificates for small number of equity shares has become highly disproportionate and consequently prohibitive. With a view to containing such cost the Board of Directors of the Company recommends that the Articles of Association of the Company should be suitably altered so as to incorporate therein appropriate provisions with respect to such uneconomic sub-division and consolidation of equity share certificates of small number of shares.

The Board of Directors of the Company accordingly recommends alteration of the Company's Articles of Association in the manner indicated in the proposed Special Resolution set out in the convening Notice. The proposed Special Resolution is self-explanatory and the Board recommends the acceptance thereof to achieve economy of the Company.

No Director of the Company is concerned or interested in the proposed Special Resolution.

The existing Articles of Association of the Company will be available for inspection of the Members at the Registered Office of the Company from 10 A.M. to 1.00 P.M. on any business day (excluding Saturdays) and also at the Meeting.

Regd. Office :
1, Taratolla Road
Garden Reach
Calcutta 700 024
Date : 22nd June, 1998

By Order of the Board
TIL LIMITED
DEBASHIS NAG
Company Secretary



TIL Limited

Registered Office : 1, Taratolla Road
Garden Reach, Calcutta 700 024

ATTENDANCE SLIP

Please complete the Attendance Slip and hand it over at the entrance of the Meeting hall.

REG. FOLIO NO.		NO. OF SHARES	
NAME OF THE SHAREHOLDER (IN BLOCK LETTERS)			

I hereby record my presence at the **TWENTY-THIRD ANNUAL GENERAL MEETING** of the Company on Monday, the 24th day of August, 1998 at 1, Taratolla Road, Garden Reach, Calcutta - 700 024.

**SIGNATURE OF THE
SHAREHOLDER OR PROXY** _____

NOTES :

- 1) Shareholders/Proxy-holders are requested to bring the Attendance Slip with them when they come to the Meeting and hand it over at the gate with their signature on it.
- 2) Shareholders who come to attend the Meeting are requested to bring their copies of the Annual Report & Accounts with them.

TIL Limited

Registered Office : 1, Taratolla Road
Garden Reach, Calcutta 700 024

PROXY FORM

I/We
of in the district of
being a member/members of the above named Company hereby appoint
of in the district of
or failing him of in the district of
as my/our Proxy to vote for me/us on my/our behalf at the **TWENTY-THIRD ANNUAL GENERAL MEETING** of the Company to be held on Monday, the 24th day of August, 1998 and at any adjournment thereof.

Signed this of 1998.

NOTE : The Proxy Form should be deposited at the Registered Office of the Company at least forty-eight hours before the Meeting.

30P
Revenue
Stamp

Signature



MD	✓		BKC	✓
CS	✓		DPY	✓
RO	✓		DIV	✓
TRA	✓		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		



CHAIRMAN'S MESSAGE

The year under review continues to reflect the low rate of economic growth, and the signals are pronounced—growing fiscal deficit, high interest rates, a negative balance of payment position, sluggish investment and cutback in spending.

The economy showed negative demand which had cascading effects on the key sectors, primarily infrastructure, construction, engineering. New investments have slowed down or have been deferred with a severe impact on the heavy engineering sectors of which we are part.

I believe the present downturn is compounded by the progressive weakening of the Rupee against major currencies, particularly the US Dollar. In a fundamental way, the depression in our economy echoes the larger scenario, specifically the South East Asian crisis which—although in diminished scale—has radiated across boundaries. It bears noting that today's economic structure implies a close inter relatedness between countries, and 'insular' economy is a vanishing phenomenon. The aftermath of the currency crisis sweeping across the Asia Pacific region, and steep depreciation have seriously disrupted business strategies.

Despite the progress following the liberalisation process, the velocity of growth has so far eluded us. The prospects of a quantum recovery will thus depend on a genuinely growth conducive environment, and the values that must accompany it—commitment to a transparent long term policy, and dynamism in decision making processes.

Notwithstanding the present situation in the economy, I would view the slowdown as a phase in the cycle. Investment opportunities and development projects have their own inherent momentum, and Government's declared commitment to infrastructure is certainly the thrust element. Clearly, despite the slowdown, infrastructure projects must necessarily materialise, as these alone will determine the availability of critical resources.

As far as TIL is concerned, our corporate objective is to consolidate our leadership position, to enhance our competitive edge and equity in today's marketplace. To this end our operations represent continuity. Our manufacturing range continues to expand, and the year has seen introduction of models that are bywords for global technology—forklift trucks from the BOSS Group UK, specialised container handling equipment from Industrias Luna, Spain. Through our distributorship of Caterpillar—a 54 year ongoing association—we are serving the marketplace with the finest range of earthmoving equipment and power systems. And most crucially, our concern for our employees which is reflected in different ways; in seeing them as our enduring asset, in training and retraining to enhance their skills and to bring about lasting linkages with customers whom we serve.

(A. Mazumdar)

DIRECTORS' REPORT

Your Directors have pleasure in presenting to you the Annual Report and Accounts for the year ended 31st March, 1998.

1. FINANCIAL RESULTS

	For the year ended 31.03.98	Rs. in Lakhs For the year ended 31.03.97
Profit for the year after meeting all expenses but before charging Depreciation and Interest	1955	2172
Less : Interest	1138	1036
Depreciation	87	59
PROFIT BEFORE TAX	730	1077
Tax Provision	156	458
(including previous year)		
PROFIT AFTER TAX	574	619
Add : Transfer from Revaluation Reserve	—	3
Less : Tax @ 10% on the Proposed Dividend	24	24
Balance Net Profit available for appropriation	550	598

APPROPRIATIONS

General Reserve	150	62
Proposed Dividend	243	243
Debenture Redemption Reserve	33	33
Balance Carried Forward	124	260

2. PERFORMANCE

Turnover for the year under review is Rs. 240.70 Crores compared to Rs. 237.68 Crores in the previous year. Profit after Tax has declined by 7% to Rs. 5.74 Crores mainly because margins were under pressure throughout the year and collections from numerous customers were delayed due to cash crunch and slow down of infrastructure activities.

The wholly owned subsidiary Company, Myanmar Tractors & Trading Company Limited, in the Union of Myanmar has achieved a turnover of Rs. 72.93 Crores (US \$ 18.23M) and a Profit after Tax of Rs. 4.08 Crores (US \$ 1.02 M).