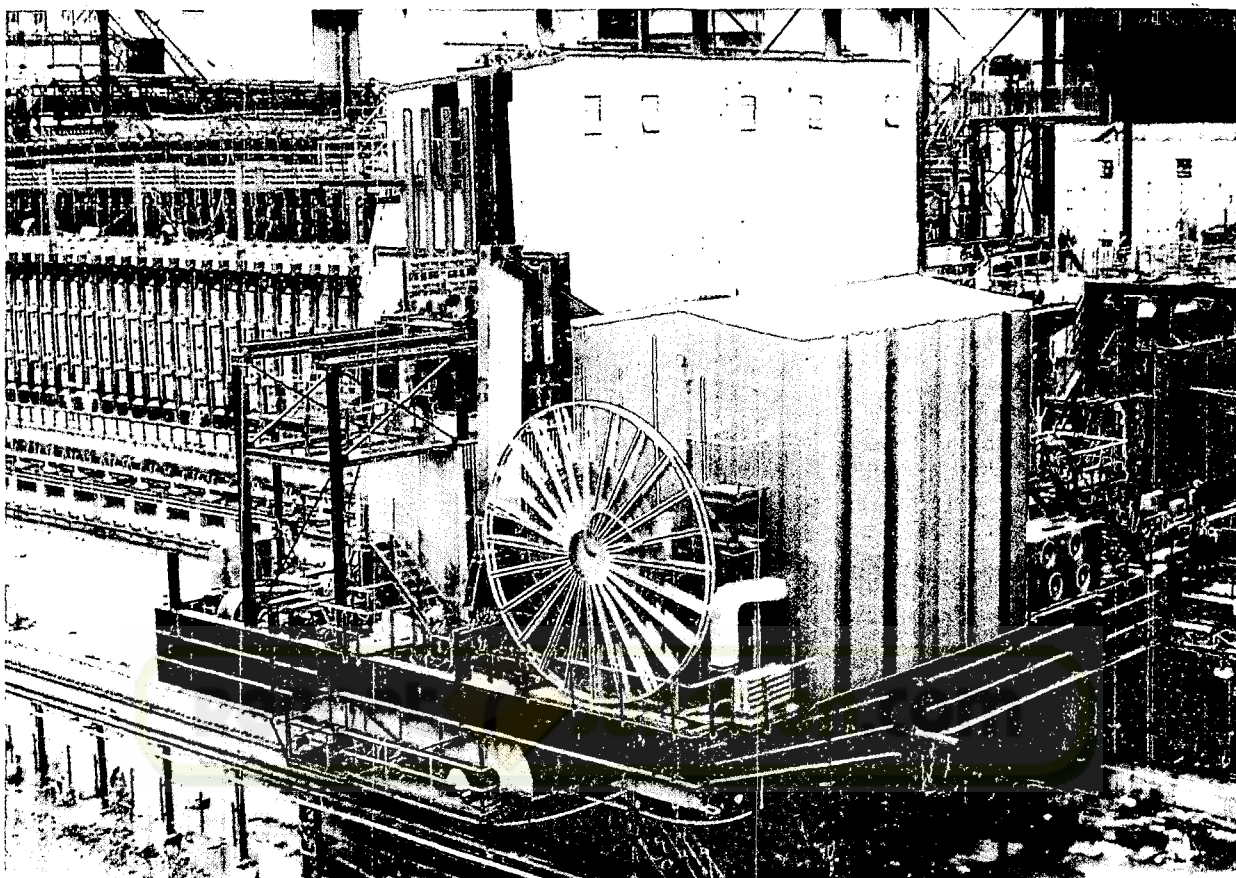


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TRF Limited
Annual Report 1997-98



Stamp Charging pushing Machine for Tata Steel's Coke Oven Battery No. 8

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TRF LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE THIRTYFIFTH ANNUAL GENERAL MEETING OF TRF LIMITED will be held at the Auditorium of the Shavak Nanavati Technical Institute, 'N' Road, Bistupur, Jamshedpur - 831001 on Friday, August 21, 1998 at 11.00 a.m. to transact the following business :

1. To receive and adopt the Directors' Report, the Audited Profit and Loss Account for the year ended March 31, 1998 and the Balance Sheet as at that date.
2. To declare a dividend.
3. To appoint a Director in place of Mr. Bhaskar Mitter, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. R. N. Sharma, who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in place of Mr. A. R. Shenoy, who retires by rotation and is eligible for re-appointment.
6. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

7. To appoint a Director in place of Mr. S. K. Mukherjee, who was appointed an Additional Director of the Company by the Board of Directors with effect from August 22, 1997, and who holds office upto the date of the forthcoming Annual General Meeting but who is eligible for appointment and in respect of whom a notice in writing has been received from a member under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director.
8. To appoint a Director in place of Mr. N. P. Sinha who was appointed an Additional Director of the Company by the Board of Directors with effect from November 26, 1997, and who holds office upto the date of the forthcoming Annual General Meeting but who is eligible for appointment and in respect of whom a notice in writing has been received from a member under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director.
9. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution :

"RESOLVED that, in partial modification of the Resolution passed at the Annual General Meetings, in respect of the remuneration payable to Mr. S. A. Hasan, Managing Director, and to Mr. Cyril De Sousa, Whole-time Director of the Company, and in accordance with the provisions of Sections 269, 309, 311 and other applicable provisions,

if any, of the Companies Act, 1956, and subject to the approval of the shareholders, the Board hereby approves of the change in remuneration applicable to Mr. S. A. Hasan and Mr. Cyril De Sousa (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of their appointment) with authority to the Board of Directors/Committee of Directors to fix their salary within the salary scale, increasing thereby proportionately all benefits related to the quantum of salary with effect from April 1, 1998, as follows :

"The salary scale for Mr. S. A. Hasan, Managing Director, be fixed at Rs. 25,000 - Rs. 75,000 per month and Mr. Cyril De Sousa, Whole-time Director at Rs. 20,000 - Rs. 60,000 per month (with proportionate increases in the value of the benefits related to salary) for the remainder of the tenure of their contracts, with the authority to the Board of Directors/Committee of Directors to fix their salary from time to time. The annual increment will be merit based and take into account the Company's performance;

"All other terms and conditions of the appointment of Mr. S. A. Hasan, Managing Director and Mr. Cyril De Sousa, Whole-time Director as approved by the shareholders, will remain unchanged."

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

"RESOLVED that pursuant to the provisions of Sections 269, 309, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, as amended upto date, the Company hereby approves of the re-appointment of Mr. S. A. Hasan as the Managing Director of the Company, who has been re-appointed by the Board of Directors, for a further period of five years from July 15, 1998, upon the terms and conditions including introduction of a salary scale, as set out in the draft agreement submitted to this meeting and for identification signed by a Director, which agreement is hereby specifically sanctioned with liberty to the Directors to alter and vary the terms and conditions of re-appointment and/or agreement in the event of any increase in remuneration, if permitted under any statutory amendment or re-enactment of the said Schedule XIII, and acceptable to Mr. S. A. Hasan;

"RESOLVED ALSO that the engrossment of the Agreement when ready be executed by the Company under its Common Seal to be affixed in accordance with



the provisions of the Articles of Association of the Company and that the Board of Directors are hereby authorised to take all such actions as may be usual, necessary or expedient to effectuate this Resolution."

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

"RESOLVED that pursuant to the provisions of Sections 269, 309, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves of the re-appointment of Mr. M.K. Rao as the Whole-time Director of the Company, who has been re-appointed by the Board of Directors for a further period from April 1, 1998 upto June 14, 1999 upon the terms and conditions including the introduction of a salary scale, as set out in the draft agreement submitted to this meeting and for identification signed by a Director, which agreement is hereby specifically sanctioned with liberty to the Directors to alter and vary the terms and conditions of re-appointment and/or agreement in the event of any increase in remuneration, if permitted under any statutory amendment or re-enactment of the said Schedule XIII, and acceptable to Mr. M.K. Rao;

"RESOLVED ALSO that the engrossment of the Agreement when ready be executed by the Company under its Common Seal to be affixed in accordance with the provisions of the Articles of Association of the Company and that the Board of Directors are hereby authorised to take all such actions as may be usual, necessary or expedient to effectuate this Resolution."

NOTES :

1. The relative Explanatory Statements pursuant to Section 173 of the Companies Act, 1956, in respect of the Special Business under Item Nos. 7 to 11 set out above are annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE, INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. THE PROXY FORM SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTHTYEIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

3. As already notified, the Register of Members and Share Transfer Books of the Company will be closed from Tuesday, July 21, 1998 to Friday, July 31, 1998 (both days inclusive) for the purpose of ascertaining the dividend.
4. The dividend on shares as recommended by the Directors, if declared at the meeting, will be payable on or after August 22, 1998 to those members whose names appear on the Register of Members of the Company as on July 31, 1998 subject, however, to the provisions of Section 206A of the Companies Act, 1956.

By Order of the Board of Directors

Registered Office :

11, Station Road,
Burma Mines,
Jamshedpur - 831 007

July 1, 1998

E. S. GANESH
Vice President (Finance)
& Company Secretary



ANNEXURE TO NOTICE

Explanatory Statements under Section 173(2) of the Companies Act, 1956

As required under Section 173 of the Companies Act, 1956 (hereinafter referred to as 'the Act') the following Explanatory Statements set out all material facts relating to the special business mentioned in Item Nos. 7 to 11 of the accompanying Notice dated July 1, 1998, convening the meeting.

ITEM NO.7

Mr. S.K. Mukherjee was appointed an Additional Director of the Company by the Board of Directors with effect from August 22, 1997. According to the provisions of Section 260 of the Act read with Article 104 of the Articles of Association of the Company, he holds office upto the date of this Annual General Meeting. As required by Section 257 of the Act, a Notice in writing has been received from a member signifying his intention to propose Mr. Mukherjee's appointment as a Director, alongwith a deposit of Rupees five hundred.

Mr. S.K. Mukherjee has to his credit wide experience in the engineering industry and was the Managing Director of Gujarat Heavy Chemicals Limited before taking up the present responsibility as Chairman of Engineering Group Companies of the Tata Iron and Steel Company Limited. With the increase in business activities of the Company and considering the vast experience of Mr. S.K. Mukherjee, it is felt that the appointment of Mr. Mukherjee will be of benefit to the Company. Your Directors recommend this Resolution.

Except Mr. S.K. Mukherjee, no other Director is concerned or interested in the Resolution.

ITEM NO. 8

Mr. N.P. Sinha was appointed an Additional Director of the Company by the Board of Directors with effect from November 26, 1997. According to the provisions of Section 260 of the Act read with Article 104 of the Articles of Association of the Company, he holds office upto the date of this Annual General Meeting. As required by Section 257 of the Act, a Notice in writing has been received from a member signifying his intention to propose Mr. Sinha's appointment as a Director, alongwith a deposit of Rupees five hundred.

Mr. N. P. Sinha is the Vice President (Engineering & Raw Materials) of the Tata Iron and Steel Company Limited and has to his credit wide experience in industry in various capacities besides his Directorship in other Tata Companies. With the increase in business activities of the Company and considering the vast experience of Mr. N. P. Sinha, it is felt that the appointment of Mr. Sinha will be of benefit to the Company. Your Directors recommend this Resolution.

Except Mr. N. P. Sinha, no other Director is concerned or interested in the Resolution.

ITEM NO. 9

At the 32nd Annual General Meeting of the Company held on August 22, 1995, the terms of appointment and remuneration of Mr. S. A. Hasan, Managing Director were revised with effect from April 1, 1994. At the 34th Annual General Meeting of the Company held on August 22, 1997, the members had approved the appointment of Mr. Cyril De Sousa as a Whole-time Director of the Company with effect from July 1, 1997 on the terms and conditions specified in the Explanatory Statement annexed to the Notice of the said meeting.

As the shareholders are aware, the Government had liberalised Schedule XIII to the Companies Act in 1994 enhancing the limits of managerial remuneration, but the Company had set for itself certain limits in this regard. The present salary of Mr. S. A. Hasan and Mr. Cyril De Sousa were based on the internal limits of the Company and as approved by the members. It is now proposed to introduce a salary scale in the cases of Mr. S. A. Hasan and Mr. Cyril De Sousa with effect from April 1, 1998 as follows:

The salary scale of Mr. S. A. Hasan, Managing Director be fixed at Rs. 25,000 - 75,000 per month and that of Mr. Cyril De Sousa, Whole-time Director be fixed at Rs.20,000 - 60,000 per month (with proportionate increases in the value of the benefits related to the salary) for the remainder of the tenure of their contracts upto July 14, 1998 in the case of Mr. S. A. Hasan and upto June 30, 2002 in the case of Mr. Cyril De Sousa with the authority to the Board to fix their salary within the scale from time to time. The annual increment will be merit based and take into account the Company's performance.

All other terms and conditions of the appointment of Mr. S. A. Hasan and Mr. Cyril De Sousa as approved by the shareholders, will remain unchanged. The resolution for the change in the scale of remuneration payable to the Managing Director and Whole-time Director are commended for acceptance by the Shareholders.

The draft Agreement(s) between the Company and Mr. S. A. Hasan and Mr. Cyril De Sousa are available for inspection at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day of the Company.

Mr. S. A. Hasan and Mr. Cyril De Sousa are concerned or interested in the Resolution at Item No. 9 of the Notice.

This may also be treated as an abstract of the draft Agreement(s) between the Company and Mr. S. A. Hasan and Mr. Cyril De Sousa, pursuant to Section 302 of the Act.

**ITEM NO. 10**

Mr. S. A. Hasan's second five year term of appointment as the Managing Director of the Company expires on July 14, 1998. The Board have, at their Meeting held on June 19, 1998, re-appointed Mr. Hasan as the Managing Director of the Company for a further period of five years, subject to the approval of the Shareholders.

Mr. Hasan has been associated with the Company for over eleven years. Mr. Hasan also has overall experience of over 33 years and has held various positions in the Tata Iron & Steel Company Limited including that of Director of Town Services before joining TRF. During his tenure as the Managing Director from July 15, 1988, Mr. Hasan has provided effective and dynamic leadership to the Company's management team.

The Board have therefore re-appointed Mr. S. A. Hasan as the Managing Director, subject to the approval of the Shareholders.

The principal terms of Mr. Hasan's re-appointment are as under:

1. Subject to the superintendence, control and direction of the Board of Directors, the Managing Director is entrusted with the management of the whole of the affairs of the Company and he shall also carry out such duties and services as may be entrusted to him by the Board of Directors from time to time.

2. Period of appointment : Five years from July 15, 1998.

3. Remuneration :

(a) Salary :

In the scale of Rs. 25,000 to Rs. 75,000 (with proportionate increases in the value of the benefits related to salary) with authority to the Board of Directors to fix his salary within the scale from time to time. The annual increments will be merit-based and take into account the Company's performance.

(b) Commission :

As may be determined by the Board of Directors of the Company at the end of each financial year, subject to the overall ceilings stipulated in Sections 198 and 309 of the Act. The specific amount payable which shall not exceed two years' of annual salary of Mr. Hasan, will be based on certain performance criteria to be laid down by the Board and will be payable annually after the Annual Accounts have been approved by the Board of Directors and adopted by the Shareholders.

(c) Perquisites & Allowances :

i) In addition to the salary and commission payable, Mr. Hasan shall be entitled to perquisites like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance, together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings and repairs; medical reimbursement; leave travel concession for himself and family; club fees, medical insurance etc., in accordance with the rules of the Company or as may be agreed to by the Board of Directors and the Managing Director, such perquisites to be restricted to 125% of the annual salary.

ii) For the purposes of calculating the above ceiling, perquisites shall be evaluated as per the Income-tax Rules, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual cost.

Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling. Personal long distance calls and use of car for private purpose shall be billed by the Company to Mr. Hasan.

iii) Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund, to the extent these either singly or together are not taxable under the Income-tax Act, Gratuity payable as per the rules of the Company and encashment of leave at the end of the tenure shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

d) Minimum Remuneration :

If in any financial year during the currency of the tenure of Mr. Hasan, the Company has no profits or its profits are inadequate, the managerial remuneration will be limited to the amount specified in Section II of Part II of the Schedule XIII to the Act.

4. The terms and conditions of the appointment and/or Agreement may be altered and varied from time to time by the Board of Directors as it may, in its discretion, deem fit, within the maximum amount payable to Managing Director in accordance with Schedule XIII to the Act, or any amendments made hereafter in this regard.



5. The Agreement may be terminated by either party giving the other party six months' notice.
6. If, at any time, Mr. S. A. Hasan ceases to be a Director of the Company for any cause whatsoever, he shall cease to be the Managing Director.
7. If, at any time, Mr. S. A. Hasan, Managing Director ceases to be in employment of the Company, for any cause whatsoever, he shall cease to be the Managing Director.
8. Mr. S. A. Hasan, Managing Director shall not be entitled to supplement his earnings under the Agreement with any buying or selling commission and shall also not become interested or otherwise concerned, directly or through his wife and/or minor children, in any buying, selling or any other agency of the Company, without the prior approval of the Central Government.

In accordance with the provisions of Section 309 and other applicable provisions (if any) of the Act, as amended upto date, the terms of re-appointment of Mr. Hasan are placed before the members in General Meeting for their approval.

The draft Agreement to be entered into with Mr. Hasan is available for inspection by any member of the Company at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day of the Company.

Mr. Hasan is concerned or interested in Item No. 10 of the Notice.

This may also be treated as an abstract of the draft Agreement between the Company and Mr. S. A. Hasan, pursuant to Section 302 of the Act.

ITEM NO. 11

Mr. M. K. Rao's five year term of appointment as the Whole-time Director of the Company expired on March 31, 1998. The Board have, at their Meeting held on March 19, 1998, re-appointed Mr. Rao as the Whole-time Director of the Company for a further period from April 1, 1998 upto June 14, 1999, subject to the approval of the Shareholders. Further at their meeting held on June 19, 1998, the Board decided to introduce a salary scale for Mr. M. K. Rao at Rs. 20,000 - Rs. 60,000 with effect from April 1, 1998.

Mr. Rao has to his credit over 33 years' service in the Company in various capacities. During his tenure as the Whole-time Director from April 1, 1993, Mr. Rao has rendered competent service in the area of negotiation and execution of the projects of the Company. The Board considers it advisable that the Company should continue to avail itself of his services.

The Board have therefore re-appointed Mr. M. K. Rao as the Whole-time Director with the designation of Senior Executive Director (Projects), subject to the approval of the Shareholders.

The principal terms of Mr. Rao's re-appointment are as under :

1. The Senior Executive Director (Projects) shall carry out and perform such duties and services as may be entrusted to him from time to time by the Managing Director and the Board of Directors, subject to the superintendence and control of the Managing Director and the Board of Directors.
2. Period of appointment : April 1, 1998 upto June 14, 1999.
3. Remuneration :
 - a) Salary :
In the scale of Rs. 20,000 to Rs. 60,000 (with proportionate increases in the value of the benefits related to salary) with authority to the Board of Directors to fix his salary within the scale from time to time. The annual increments will be merit-based and take into account the Company's performance.
 - b) Commission :
As may be determined by the Board of Directors of the Company at the end of each financial year, subject to the overall ceilings stipulated in Sections 198 and 309 of the Act. The specific amount payable which shall not exceed two years' of annual salary of Mr. Rao, will be based on certain performance criteria to be laid down by the Board and will be payable annually after the Annual Accounts have been approved by the Board of Directors and adopted by the Shareholders.
 - c) Perquisites & Allowances :
 - i) In addition to the salary and commission payable, Mr. Rao shall be entitled to perquisites like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance, together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings and repairs; medical reimbursement; leave travel concession for himself and family, club fees, medical insurance etc., in accordance with the rules of the Company or as may be agreed to by the Board of Directors and the



Senior Executive Director (Projects), such perquisites to be restricted to 125% of the annual salary.

- ii) For the purposes of calculating the above ceiling, perquisites shall be evaluated as per the Income-tax Rules, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual cost. Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling. Personal long distance calls and use of car for private purpose shall be billed by the Company to Mr. Rao.
- iii) Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund, to the extent these either singly or together are not taxable under the Income-tax Act, Gratuity payable as per the rules of the Company and encashment of leave at the end of the tenure shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

d) Minimum Remuneration :

If in any financial year during the currency of the tenure of Mr. Rao, the Company has no profits or its profits are inadequate, the managerial remuneration will be limited to the amount specified in Section II of Part II of the Schedule XIII to the Act.

- 4. The terms and conditions of the appointment and/or Agreement may be altered and varied from time to time by the Board of Directors as it may, in its discretion, deem fit, within the maximum amount payable to Whole-time Directors in accordance with Schedule XIII to the Act, or any amendments made hereafter in this regard.
- 5. The Agreement may be terminated by either party giving the other party six months' notice.
- 6. If, at any time, Mr. M. K. Rao ceases to be a Director of the Company for any cause whatsoever, he shall cease to be the Senior Executive Director (Projects).
- 7. If, at any time, Mr. M. K. Rao, Senior Executive Director (Projects) ceases to be in employment of the Company, for any cause whatsoever, he shall cease to be a Director.

- 8. Mr. M. K. Rao, Senior Executive Director (Projects) shall not be entitled to supplement his earnings under the Agreement with any buying or selling commission and shall also not become interested or otherwise concerned, directly or through his wife and/or minor children, in any buying, selling or any other agency of the Company, without the prior approval of the Central Government.

In accordance with the provisions of Section 309 and other applicable provisions (if any) of the Act, as amended upto date, the terms of re-appointment of Mr. Rao are placed before the members in General Meeting for their approval.

The draft Agreement to be entered into with Mr. Rao is available for inspection by any member of the Company at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day of the Company.

Mr. Rao is concerned or interested in Item No. 11 of the Notice.

This may also be treated as an abstract of the draft Agreement between the Company and Mr. M. K. Rao, pursuant to Section 302 of the Act.

By Order of the Board of Directors

Registered Office :

11, Station Road,
Burma Mines,
Jamshedpur - 831 007

July 1, 1998

E. S. GANESH
Vice President (Finance)
& Company Secretary



TRF LIMITED

Registered Office : 11, Station Road, Burma Mines, Jamshedpur-831 007

ATTENDANCE SLIP

Shareholders attending the Meeting in person or proxy are requested to complete this attendance slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the THIRTYFIFTH ANNUAL GENERAL MEETING of the Company at the Auditorium of Shavak Nanavati Technical Institute, 'N' Road, Bistupur, Jamshedpur-831001 on Friday, August 21, 1998 at 11.00 a.m.

.....
Full name of the Shareholder
(in block letters)

.....
Signature

Folio No.

.....
Full name of Proxy
(in block letters)

.....
Signature

TRF LIMITED

PROXY FORM

I/We of

being a member/members of the above named Company, hereby appoint.....

..... of

of.....

as my/our proxy vote for me/us on my/our behalf at the THIRTYFIFTH ANNUAL GENERAL MEETING of the Company to be held on Friday, August 21, 1998 at 11.00 a.m. and at any adjournment thereof.

Signed.....

Revenue
Stamp
30 Paise

Note : 1. Proxy must reach the Company's Registered Office not less than 48 hours before the meeting.

2. This form is to be used *'in favour of/against'* the resolution. Unless otherwise specified, the proxy will act as he thinks fit.
(*Strike out whichever is not desired)

