



TRF Limited

A **TATA** ENTERPRISE

Annual Report 1998-99

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Board of Directors

(As on July 1, 1999)

S. K. MUKHERJEE - *Chairman***S. R. SUBBARAMAN****BHASKAR MITTER****R. N. SHARMA****S. J. GHANDY****R. SANKARAN****A. R. SHENOY****N. P. SINHA****A. J. ENGINEER****SANTOSH K. GUPTA** - *Managing Director***CYRIL DE SOUSA** - *Sr. Executive Director (Operations)***Management****Santosh K. Gupta**
*Managing Director***Cyril De Sousa**
*Sr. Executive Director (Operations)***Gautam Maitra**
*Executive Vice President (Projects)***V. K. Thakar**
*Vice President (Corporate)***Prasenjit Guha**
*Company Secretary***Auditors****A. F. FERGUSON & COMPANY****Registered Office**11, Station Road,
Burma Mines,
Jamshedpur - 831 007
Fax : 0657 - 431075**Share Department**Tata Share Registry Limited
Army & Navy Building,
148, Mahatma Gandhi Road,
Mumbai - 400 001
Tel. No. 022-2873831
Fax No. 022-2844160
Website - www.tata.com/tsrl**Bankers**BANK OF INDIA
CANARA BANK
STATE BANK OF INDIA
IDBI BANK LTD.

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TRF LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE THIRTYSIXTH ANNUAL GENERAL MEETING OF TRF LIMITED will be held at the Auditorium of the Shavak Nanavati Technical Institute, 'N' Road, Bistupur, Jamshedpur - 831001 on Wednesday, August 25, 1999 at 11.30 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, 1999 and the Balance Sheet as at that date.
2. To declare a dividend.
3. To appoint a Director in place of Mr. S. J. Ghandy who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. R. Sankaran who retires by rotation and is eligible for re-appointment.
5. To resolve not to fill in for the present, the vacancy created by the retirement of Mr. S. R. Subbaraman, who retires by rotation and does not wish to seek re-appointment.
6. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

7. To appoint a Director in place of Mr. A. J. Engineer, who was appointed an Additional Director of the Company by the Board of Directors with effect from August 21, 1998, 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 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 198, 269, 309, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, as amended up-to-date, the Company hereby approves of the appointment of Mr. Santosh Kumar Gupta as the Managing

Director of the Company, who has been appointed for a period of five years from April 1, 1999, upon the terms and conditions as set out in the draft agreement submitted to this meeting and for identification signed by a Director, with the authority to the Board of Directors/Committee of Directors to fix his salary within the scale from time to time, increasing thereby proportionately all benefits relating to the quantum of salary, which agreement is hereby specifically sanctioned with the liberty to the Board of Directors/Committee of Directors to alter and vary the terms and conditions of appointment and/or agreement in the event of any increase in remuneration, if permitted under any statutory amendment or re-enactment of Schedule XIII of the Companies Act, and acceptable to Mr. Santosh Kumar Gupta.

"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 the Board of Directors is hereby authorised to take all such actions as may be necessary or expedient to effectuate this Resolution.

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

"RESOLVED that pursuant to the provisions of Section 17 and other applicable provisions, if any, of the Companies Act, 1956, the Objects Clause of the Memorandum of Association of the Company be amended to the extent and manner as set out in the Explanatory Statement by necessary insertions, additions, alterations and substitutions, in the existing Objects Clause Nos. 3(a) to 3(y)."

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

"RESOLVED THAT the Authorised Share Capital of the Company be increased from Rs. 5,00,00,000 (Rupees Five Crores) divided into 50,00,000 (Fifty lakhs) equity shares of Rs. 10 (Rupees ten) each to Rs. 15,00,00,000 (Rupees Fifteen Crores) divided into 1,50,00,000 (One Crore Fifty lakhs) equity shares of Rs. 10 (Rupees ten) each and that

Clause 5 of the Memorandum of Association be altered accordingly”.

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

“RESOLVED THAT Article 4 of the Articles of Association of the Company be altered and substituted by the following Clause:

4. The Authorised Capital of the Company is Rs. 15,00,00,000 divided into 1,50,00,000 Equity Shares of Rs. 10 each. Subject to the provisions of these Articles and the Act, the shares shall be under the control of the Board of Directors who may allot or otherwise dispose of the shares to such persons, on such terms and conditions, and at such times as the Board thinks fit and with full power to give any person the option to call for or be allotted shares of any class of the Company either (subject to the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount and for such time and for such consideration as the Board thinks fit, provided that option or right to call for shares shall not be given to any person or persons without the sanction of the Company in General Meeting”.

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

“RESOLVED THAT pursuant to the provisions of Section 81 and other applicable provisions (if any) of the Companies Act, 1956 including any amendments to and re-enactments thereof and subject to such approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities, and further subject to such conditions and modifications as may be prescribed by them while granting such approvals, consents, permissions, and sanctions, and subject to such terms, conditions and alterations as the Board of Directors of the Company thinks fit, which it is hereby authorised to accept in the interest of the Company, the consent of the Company be and is hereby accorded to the Board to issue and allot for consideration other than cash 8,20,333 Equity Shares of Rs. 10 each to the shareholders of the amalgamating Companies viz. Tata Material

Handling Systems Limited (TMHS) and Tata Technodyne Limited (TTDL), as provided in the proposed Scheme of Amalgamation in the manner noted below :

- (a) To the shareholders of TMHS : 1,95,333 equity shares in the proportion of 1 share of TRF for every 3 shares of TMHS;
- (b) To the shareholders of TTDL : 6,25,000 equity shares in the proportion of 1 share of TRF for every 4 shares of TTDL;

and the above equity shares be issued to the shareholders of the Transferor Companies on the following other principal terms and conditions :

- (i) Fractional entitlements arising out of the above allotment if any are to be ignored and as far as practicable may be rounded off to the next higher figure.
- (ii) The new Equity Shares shall be subject to the Memorandum and Articles of Association of the Company and shall rank *pari passu* in all respects with the existing paid up Equity Shares of the Company for dividend and voting rights save and except that the holders of such new Equity Shares shall only be entitled to a dividend if any, from the date of allotment of such shares, for the period commencing April 1, 1999 and ending on March 31, 2000 on a *pro rata* basis. The allotment of the new Equity Shares to non-resident shareholders, if any, of the Transferor Companies, will be subject to the sanction of the Reserve Bank of India under the Foreign Exchange Regulations Act, 1973.
- (iii) Applications will be made to the Mumbai, Calcutta and Magadh Stock Exchanges (where the Company's shares are listed) for listing of the new Equity Shares.

“RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution the Board of Directors of the Company be and is hereby authorised to accept any modifications, alterations, variations or abrogations in respect of the terms and conditions of issue of shares arising out of

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the proposed Scheme of Amalgamation between TRF Limited and Tata Material Handling Systems Limited and Tata Technodyne Limited as may be prescribed by the Authorities relating to the allotment of new Equity Shares and also to do all acts, deeds, matters and things as the Board in its absolute discretion considers necessary, expedient, usual or proper in respect of any matters either collectively or by a majority of them or by any of them as the Board may consider appropriate."

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 12 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 (ATTACHED AT THE END OF THIS REPORT) SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTYEIGHT 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 Friday, July 23, 1999 to Tuesday, August 10, 1999 (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 to those members whose names appear on the Register of Members of the Company as on August 10, 1999 subject, however, to the provisions of Section 206A of the Companies Act, 1956.
5. Nomination forms pursuant to Section 109A of the Companies Act, 1956 are available with the Company. Any shareholder wishing to exercise the nomination rights may write to the Company for a copy of the form. Other shareholder related information is given on page 38 of the Annual Report.

Registered Office :

11, Station Road,
Burma Mines,
Jamshedpur - 831 007
July 1, 1999

By Order of the Board of
Directors

Prasenjit Guha
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 12 of the accompanying Notice dated July 1, 1999, convening the meeting.

ITEM NO. 7

Mr. A. J. Engineer was appointed an Additional Director of the Company by the Board of Directors with effect from August 21, 1998. 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 along with a deposit of Rupees five hundred has been received from a member signifying his intention to propose Mr. Engineer's appointment as a Director.

Mr. A. J. Engineer has wide experience in Power Sector and presently holds the position of Executive Director of Tata Power Company Limited, In-charge of projects and commercial matters of Tata Electric Companies. Considering the vast experience of Mr. A. J. Engineer, your Board considers that the appointment of Mr. Engineer as Director will be of immense benefit to the Company and commends for your approval his appointment.

Except Mr. A. J. Engineer, no other Director is concerned or interested in the Resolution.

ITEM NO. 8

The Board of Directors at their meeting held on March 30, 1999 appointed Mr. Santosh Kumar Gupta, a Director of your Company since 1993, as the Managing Director of the Company, subject to the approval of the shareholders for a period of five years from April 1, 1999, consequent to the relinquishment of the office of Managing Director by Mr. S. A. Hasan. Mr. Hasan has assumed the new responsibility as Managing Director of Tata Limited, London, from the aforesaid date.

Mr. Gupta has wide experience extending over thirty years in various capacities. He was the In-charge of TISCO's Bearing Division at Kharagpur before he took over as President of Stewarts & Lloyds of India Limited and subsequently elevated to the post of Managing Director, from where he moved over to Tata Technodyne Limited as the Managing Director. Mr. Gupta will continue to hold the position of Managing Director of Tata Technodyne Limited. He will draw his remuneration from TRF Limited. However, the total remuneration drawn by him in Tata Technodyne Limited or TRF Limited will be subject to the limits laid down under Schedule XIII to the Companies Act, 1956. With Mr. Gupta's wide experience in steel plant and in material handling business, his appointment as the Managing Director of the Company would help to steer and chart its future growth.

The Board therefore has appointed Mr. Gupta as the Managing Director, subject to the approval of Shareholders.

The principal terms and conditions of Mr. Gupta's appointment are as under :

1. Remuneration :

(a) Salary :

On a salary of Rs. 38,000/- per month in the scale of Rs. 25,000 – Rs. 75,000 per month (with proportionate increases in the value of the benefits related to salary) with authority to the Board of Directors/Committee 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.

The above starting salary however, has been raised later to Rs. 40,000/- effective from April 1, 1999 by the Board of Directors at their meeting held on May 28, 1999.

(b) Perquisites & Allowances:

In addition to the salary and commission/ performance linked remuneration as hereinafter provided, Mr. Santosh Kumar Gupta shall also be entitled to perquisites and allowances like accommodation or house rent allowance in lieu thereof; society expenses and/or maintenance charges incurred in connection with providing/maintaining the leased accommodation, together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings and repairs; medical reimbursement; club fees, leave travel concession for himself and family; medical insurance and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors/Committee of Directors and the Managing Director. Such perquisites and allowances will be restricted to 125% of the annual salary.

c) 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.

d) 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.

2. Commission :

Such remuneration by way of commission, in addition to the salary and perquisites and allowances payable, as may be determined by the Board of Directors/Committee of Directors at the end of each financial year, subject to the overall ceilings stipulated in Sections 198 and 309 of the Companies Act, 1956, subject to amendments therein, if any. The specific amount payable to the Managing Director which would be between half and twice his annual salary, would be based on certain performance criteria to be laid down by the Board of Directors/Committee of Directors and would be payable annually after the Annual Accounts have been approved by the Board of Directors and adopted by the Shareholders.

OR

Performance Linked Remuneration :

Performance Linked Remuneration not exceeding twice the annual salary as may be determined by the Board of Directors/Committee of Directors.

3. Minimum Remuneration :

Notwithstanding anything to the contrary herein contained, if in any financial year during the currency of the tenure of Mr. Gupta, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites and allowances, commission/performance linked remuneration, as specified above, subject to the limits specified in Section II Part II of the Schedule XIII to the Companies Act, 1956, and amendments, if any.

4. The terms and conditions of the appointment and/or Agreement may be altered or varied from time to time by the Board of Directors/Committee of Directors as it may, in its discretion, deem fit, in accordance with Schedule XIII to the Companies Act, 1956, subject to amendments, if any, or any amendments made hereafter in this regard.
5. The Agreement may be terminated by either party giving the other party six months' notice or the Company paying six months' salary in lieu thereof.
6. If at any time the Managing Director 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 the Managing Director ceases to be a Managing Director of the Company for any cause whatsoever, he shall cease to be a Director of the Company.
8. The Managing Director shall not be entitled to supplement his earnings under the Agreement with any buying or selling commission. He shall not also become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company, without the prior approval of the Board and Central Government.
9. The Managing Director shall not have the following powers:
 - (a) power to make calls on shareholders in respect of monies unpaid on shares in the Company;
 - (b) power to issue debentures; and
 - (c) power to invest the funds of the Company in shares, stocks and securities.

In accordance with the provisions of Section 309, Schedule XIII and other applicable provisions (if any) of the Companies Act, 1956, as amended up-to-date, the terms of appointment of Mr. Gupta are placed before the Members in the Annual General Meeting for their approval.

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

Mr. Gupta is concerned in Item No. 8 of the Notice. This may also be treated as an abstract of the draft Agreement between the Company and Mr. Santosh Kumar Gupta, pursuant to Section 302 of the Act.

ITEM NO. 9

As stated in the Directors' Report, there is a proposal to amalgamate Tata Material Handling Systems Limited

(TMHS) and Tata Technodyne Limited (TTDL), two companies of the engineering group of TISCO Associates, with TRF Limited. The Board of Directors of TRF Limited at their meeting of March 30, 1999 have approved the proposed Scheme of Amalgamation which will be recommended for shareholders' consent at a separate General Meeting to be specifically held in accordance with Sections 391, 394 and other applicable provisions and rules, if any, of the Act. The Board of Directors of the Transferor Companies viz. TMHS and TTDL have also considered the matter and are taking necessary action as required under the Act.

In view of the proposed Scheme of Amalgamation, it is necessary to amend the present Objects Clause of the Memorandum of Association of the Company so as to carry on the diverse businesses of TMHS and TTDL, which under the existing circumstances may conveniently or advantageously be combined with the business of the Company. The present Objects Clause of the Company does not provide for the varied businesses of the Transferor Companies, hence the need for this Resolution. This is an enabling resolution seeking authority from the shareholders to amend the Objects Clause of the Memorandum of Association in anticipation of the proposed Scheme of Amalgamation. The Company wants to be in readiness to implement the Scheme of Amalgamation at the earliest, once the necessary approvals are obtained.

The following clauses are recommended for insertion, addition or replacement to the existing Objects Clause:

New Objects to be inserted after Clause No. 3(a) of the Memorandum of Association:

- aal. (i) To carry on business as manufacturers, designers, makers of and also dealers in material handling and bulk handling equipment including components.
- (ii) To carry on business as designers, consultants and also handle turn-key projects in India and abroad.
- bb1. To design, manufacture, fabricate, assemble, construct, erect, produce, make, operate, maintain, handle, and to buy, sell, trade, export and import and otherwise deal with whether as principals or agents in all or any type of, but not

limited to, machinery, equipment, products, components and systems relating to material handling, engineering of all types and kinds, metallurgy and mining, coal beneficiation, chemicals/petrochemicals and/or hydrocarbon plants, power generation/transmission/distribution, cement, paper, and any or all materials and equipment related to all or any sectors of the economy, and also to provide all technical, design, engineering, erection, operation maintenance, and all other services, works and activities, as may be incidental to the aforesaid business or any aspect thereof as may be conveniently carried in connection therewith.

- bb2. To manufacture, buy, sell or otherwise deal in and represent all types of electrical, electronic, mechanical, fluid power and or other plants, equipments, machines, tools, accessories, instruments, gauges, apparatus, tools, dies, jigs, fixtures, including presses, lathes, shapers, planers, grinders, drilling machines, honing machines, moulding machines, die casting machines, trailers implements, dumpers shovels, rotta drills, loaders, unloaders, winches, cranes, steering, gears, capstans, ladders, refuge collectors, rolling stock, turn tables, lifts, hoists, pipe bending machines, stakers, lifting platforms, lifting tables, lifting trucks, power houses, cutters, borers, buffers, shock absorbers, closers, openers and other equipment of any kind including parts, accessories, sub-assemblies controls, relays, and spare parts thereof and also all electrical, electronic, mechanical, fluid power or other generation, transmission and utilisation circuits including components thereof like pumps, compressors, generators, motors, switch-gears, valves, transistors, diodes, batteries, accumulators, pressure vessels, conductors, pressure tubes, fittings, oil seals and insulation materials, and generally to handle engineering business of any type and in any form.
- bb3. To handle, manufacture, assemble, process, finishing construction, fabricate, build, construct, erect, operate, service, design, planning, consultation, repairs, alterations, improvements, renovations, hire, lease packaging, let on lease and/or allied activities including purchase,

import, sell, export, supply, trade, agencies, representations, contracts in respect of all type of metals and alloys in all forms and shapes including sheets, plates, flats, tubes, pipes, rods, rounds, spares, angles, channels, hexagonal, bars, coils, wires, strips, circles, seals, ingots, semis, sections, scraps, residues dross, dust, by-products and products made therefrom and particularly plant, machinery, vehicles, vessels, structures, apparatus, instruments, tools, domestic, utilities, hardwares, including parts and accessories thereof.

- bb4. To carry on business as importers, exporters, buyers and sellers of any merchants and dealers in and manufacturers of merchandise, goods, materials and machinery of all kinds, spare parts, accessories and equipment.
- bb5. To carry on business as engineers, metallurgists, contractors, suppliers, designers, patenters, technical consultants, licensors and licensees in respect of all types of plant equipment and machineries together with components and spare parts thereof and to design, manufacture, assemble, test, overhaul, repair, hire, sell, lease, acquire, supply, fabricate, undertake turnkey jobs, construct and commission all types of plant equipment and machineries and spare parts and components thereof, whether in India and/or abroad, whether alone or jointly with any other person firm or body corporate and to improve, render consultancy, supervisory and project services and market, plants, equipment and machineries technological know-how and other services in all business in industrial fields and to make surveys, reports, estimates, evaluations, economic studies and feasibility reports and for the purposes aforesaid, to provide and undertake all types of works and services as buyers, sellers, distributors, dealers, brokers, selling and commissioning agents and other related activities whether in India and abroad.
- bb6. To set up and operate, maintain Steel Service Centres for the activity of, but not limited to slitting, shearing, cutting to length, pickling operations etc. for converting into strips/sheets and undertaking other mechanical engineering

jobs with a view to add value, and, without prejudice to the generality of the foregoing, also to do whatever may be necessary and desirable to run such business.

- cc1. To carry on business as engineers, contractors, manufacturers, suppliers, designers, consultants, operators and to undertake consultancy jobs in all fields of metallurgical technology and engineering including transfer of technical know-how and undertaking of turnkey projects of whatever type in India and abroad including setting up and commissioning, operating and maintaining of iron and steel or other ferrous and non-ferrous metals making plants and/or facilities and other related services thereof in India and abroad including imparting training to personnel and to carry on the business of marketing plants, equipments, technological know-how and other services related to iron and steel or other ferrous and non-ferrous metals making and processing thereof and to acquire and/or transfer whether by way of sale, lease, licence or otherwise technologies, know-how, designing, drawings, machineries, tools, appliances, equipment accessories components etc. from or to any person(s), bodies corporate.
- dd1. To purchase, take on lease or otherwise acquire, any mines, coalfields, mining rights and metalliferous land or any interest therein, and to explore, work exercise, develop and turn to account the same, to quarry, win, crush, smelt, calcine, refine, dress, amalgamate, manipulate and prepare for market coal, ore, metal and mineral substances of all kinds under "Build-Own-Operate-Trade" and/or "Engineer-procure-Construct" Schemes or otherwise.
- ee. To undertake, execute, manufacture, erect, construct, maintain alter and/or assist in the execution, manufacture, erection, construction, maintenance and/or alterations of and to deal with, do business in and bring to completion all or any type of projects including Engineering, Metallurgy, Mining including Beneficiation, Chemicals, Petrochemicals, Hydrocarbons, Power Generation, Transmission & Distribution, Ports & Airports including Handling, Cement,