



TRF LIMITED

A **TATA** Enterprise



41st Annual Report
2003-04

TRF LIMITED

Fortyfirst annual report 2003-04

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Annual General Meeting on Saturday, 10th July, 2004 at TMDC Auditorium, XLRI Campus, at 12.00 noon
 As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting.
 Shareholders are requested to kindly bring their copies to the meeting.

7/2/11

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(As on May 03, 2004)

Dr. Jamshed J. Irani (*Chairman*)

S. K. Mukherjee (*upto 12.07.2003*)

S. J. Ghandy

R. Sankaran

S. N. Malhotra

S. K. Bhargava

B. D. Bodhanwala

R. P. Singh

K. P. Singh

Ranaveer Sinha (w.e.f. 18-03-2004)

Santosh K. Gupta (*Managing Director*)

Management

(As on May 03, 2004)

Santosh K. Gupta Managing Director

V. K. Thakar Executive Vice President (Corporate Affairs)
(upto 29.02.2004)

A. K. Chakraborti..... Executive Vice President (Engg., IT & HR)
(w.e.f. 01.03.2004)

A. K. Sinha Vice President (Port & Yard Equipment & EPC/EPCM Divisions)

B. K. MitraSr. General Manager (Projects)

Surajit Sengupta General Manager (Bulk Material Handling Equipment Division)
(upto 07.04.2004)

Ashim Roy General Manager (Finance & Accounts)

Hari Om Prakash General Manager (Projects)
(w.e.f. 08.03.2004)

D. Syam Deputy General Manager (Engineering)

L. T. K. Ambasta Assistant General Manager (Projects)

N. Ghosh Assistant General Manager (Mini Blast Furnace)
(w.e.f. 11.07.2003)

Rahul Neogi..... **Company Secretary**
(w.e.f. 08.10.2003)

REGISTERED OFFICE

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

BANKERS

Bank of India
Canara Bank
Central Bank of India
ING Vysya Bank Ltd.

AUDITORS

A. F. Ferguson & Co.

REGISTRARS & SHARE TRANSFER AGENTS

Tata Share Registry Ltd.
Army & Navy Building,
148, Mahatma Gandhi Road,
Mumbai - 400 001

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Notice

NOTICE IS HEREBY GIVEN THAT THE FORTYFIRST ANNUAL GENERAL MEETING OF TRF LIMITED will be held at the Auditorium of the TMDC, XLRI Campus, Circuit House Area (East), Jamshedpur – 831 001, on Saturday, July 10, 2004 at 12.00 noon to transact the following business :

1. To receive and adopt the audited Profit and Loss Account of the Company for the year ended March 31, 2004, the Balance Sheet as at that date and the Reports of the Directors and Auditors.
2. To declare a dividend.
3. To appoint a Director in place of Dr. Jamshed J. Irani, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. B. D. Bodhanwala, who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in place of Mr. R. P. Singh, who retires by rotation and is eligible for re-appointment.
6. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

7. To appoint Mr. Ranaveer Sinha, who was appointed by the Board of Directors as an Additional Director of the Company with effect from March 18, 2004 and who holds office upto the date of this Annual General Meeting and who is eligible for appointment, and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956, proposing his appointment as a Director of the Company.
8. To appoint Mr. Ramesh Chander Nandrajog as a Director of the Company with effect from July 10, 2004, in respect of whom the Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956, proposing his appointment as a Director of the Company.
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 Sections 198, 269, 309, 311 and 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. Santosh Kumar Gupta as the Managing Director of the Company, who has been re-appointed by the Board of Directors for a period of three years with effect from April 01, 2004, on the terms and conditions as set out in the draft Agreement submitted to this meeting and for identification signed by a Director, authorizing the Board of Directors and/or a Committee of the Board to fix his salary within the

scale from time to time, increasing thereby proportionately value of the benefits relating to the salary, as set out in the agreement, with liberty to the Board of Directors and/or a Committee of the Board to alter and vary the terms and conditions of re-appointment and/or agreement in such manner as may be agreed to by and between the Board of Directors and Mr. Santosh Kumar Gupta within the applicable provisions of the Companies Act, 1956.”

10. 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 Sections 198, 269, 309, 311 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, as amended upto date, the Company hereby approves of the appointment of Mr. Ramesh Chander Nandrajog as the Executive Director of the Company, for a period of three years with effect from August 01, 2004, on the terms and conditions as set out in the draft Agreement submitted to this meeting and for identification signed by a Director, authorizing the Board of Directors and/or a Committee of the Board to fix his salary within the scale from time to time, increasing thereby proportionately value of the benefits relating to the salary, as set out in the agreement, with liberty to the Board of Directors and/or a Committee of the Board to alter and vary the terms and conditions of appointment and/or agreement in such manner as may be agreed to by and between the Board of Directors and Mr. Ramesh Chander Nandrajog within the applicable provisions of the Companies Act, 1956.”

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

“RESOLVED THAT pursuant to the provisions of Section 309 and other applicable provisions if any, of the Companies Act, 1956 and Article 101 of the Articles of Association of the Company, a sum not exceeding one percent per annum of the net profits of the Company calculated in accordance with the provisions of Section 198, 349 and 350 of the Act be paid to and distributed amongst the Directors of the Company or some or any of them (other than the Managing Director and the Whole-time Director/s) in such amounts or proportions and in such manner and in all respects as may be directed by the Board of Directors and such payments shall be made in respect of the profits of the Company for each of the period of five years commencing from the financial year 2003-04.”

NOTES:

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM DULY COMPLETED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- b) The Register of Members and share transfer books of the Company were closed from May 21, 2004 to May 28, 2004 (both days inclusive) for the purpose of ascertaining the dividend.
- c) The dividend on shares, as recommended by the Directors, and if declared at the meeting, will be payable to those members whose names appear on the Register of Members of the Company as on May 28, 2004 or their mandatees, subject however, to the provisions of Section 206A of the Companies Act, 1956.

In respect of shares held in electronic form, the dividend will be payable to the beneficial owners as on May 21, 2004 as per details received from the Depositories.

- d) As per the provisions of the Companies Act, 1956, facility for making nomination is now available to the shareholders in respect of the shares held by them. Nomination forms can be obtained from the Registered Office or the Registrars & Share Transfer Agents of the Company.
- e) Pursuant to Section 205C of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the unpaid dividend account of the Company is

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required to be transferred to the Investor Education and Protection Fund set up by the Government of India and no payments shall be made in respect of any claim by the Fund.

Members who have not yet encashed their dividend warrant(s) for the financial year ended March 31, 1998 and onwards, are requested to make their claims to the Registrars & Share Transfer Agents of the Company without any delay.

- f) Members desirous of any additional information as regards the Accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready at the meeting.
- g) Members are requested to bring the admission slips along with their copies of the Annual Report to the meeting.

By Order of the Board of Directors

Registered Office:

11, Station Road,
Burma Mines,
Jamshedpur – 831 007.

Rahul Neogi
Company Secretary

June 05, 2004

ANNEXURE TO NOTICE

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

As required under Section 173(2) 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 June 05, 2004, convening the meeting.

ITEM NO. 7

The Board of Directors appointed Mr. Ranaveer Sinha as an Additional Director of the Company with effect from March 18, 2004. In accordance with the provisions of Article 104 of the Articles of Association of the Company read with Section 260 of the Act, Mr. Ranaveer Sinha holds office only upto the date of the Annual General Meeting. A notice in writing under Section 257 of the Act along with a deposit of Rs. 500/- has been received from a member signifying his intention to propose the appointment of Mr. Ranaveer Sinha as a Director of the Company at the meeting.

Mr. Ranaveer Sinha is the Managing Director of Telco Construction Equipment Company Limited (Telcon). Before taking over as the Managing Director of Telcon, he was Executive-in-Charge of the Tubes Division (erstwhile The Indian Tube Company), Asst. Director International Trading Division, and later Director of International Trade of Tata Steel. Considering the vast experience and expertise of Mr. Ranaveer Sinha, the Board of Directors considers that the appointment of Mr. Ranaveer Sinha as a Director will be of immense benefit to the Company. The Board therefore commends the resolution at Item No. 7 for acceptance by the members.

No other Director of the Company, except Mr. Ranaveer Sinha, is concerned or interested in the resolution.

ITEM NO. 8

Mr. Ramesh Chander Nandrajog, Vice President (Finance) of The Tata Iron and Steel Company Limited, is a Mechanical Engineer and a Cost Accountant having vast experience in the area of technical as well as finance. As required by Section 257 of the Act, a notice in writing along with a deposit of Rs. 500/- has been received from a member signifying his intention to propose the appointment of Mr. Ramesh Chander Nandrajog as a Director of the Company at the meeting.

Considering the vast experience of Mr. Nandrajog, the Board of Director considers that the appointment of Mr. Ramesh Chander Nandrajog as Director will be of immense benefit to the Company. The Board therefore commends the resolution at Item No. 8 for acceptance by the members.

No other Director of the Company, except Mr. Ramesh Chander Nandrajog, is concerned or interested in the resolution.

ITEM NO. 9

The five year term of office of Mr. Santosh Kumar Gupta, Managing Director of the Company expired on March 31, 2004. The Board of Directors, at their meeting held on March 18, 2004, re-appointed Mr. Gupta as the Managing Director of the Company for a further period of three years, subject to the approval of the shareholders.

Mr. Gupta has been associated with the Company for more than ten years. Mr. Gupta also has overall experience of more than thirty-six years and has held various positions in The Tata Iron and Steel Company Limited, Stewarts and Lloyds of India Limited and Tata Technodyne Limited before joining your Company. During his tenure as the Managing Director of the Company from April 01, 1999, Mr. Gupta has provided dynamic and effective leadership to the Company's management team and, under his leadership, the Company has made great strides both in manufacturing and marketing the Company's products and projects and the Company has established itself as one of the leaders in the line in which it is engaged. This is largely due to Mr. Gupta's untiring efforts, zeal, dynamism and leadership.

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

1. Remuneration :

a) Salary :

On a salary of Rs.1,00,000/- per month in the scale of Rs. 50,000 – Rs. 1,20,000 per month (with proportionate increases in the value of the benefits related to salary) with authority to the Board of Directors and/or a Committee of the Board, 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) Perquisites & Allowances:

(i) In addition to the salary and commission payable, 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 and 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; personal accident 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 and/or a Committee of the Board, and Mr. Gupta. Such perquisites and allowances will be restricted to 125% of his 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.

(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 rules of the Company and encashment of leave as per rules of the Company, shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

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c) 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 of the Company at the end of each financial year, subject to the overall ceilings stipulated in Sections 198 and 309 of the Companies Act, 1956, and subject to amendments, therein if any. The specific amount of commission payable to the Managing Director would be between half and twice his annual salary, will be based on certain performance criteria to be laid down by the Board of Directors and/or a Committee of the Board and will be payable annually after the Annual Accounts have been approved by the Board of Directors and adopted by the shareholders.

OR

Performance Linked Remuneration not exceeding twice the annual salary as may be determined by the Board of Directors and/or a Committee of the Board, subject to the provisions of the Companies Act, 1956.

2. Minimum Remuneration: Notwithstanding anything to the contrary herein contained, if in any financial year during the currency of the tenure of Mr. Santosh Kumar Gupta, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, performance linked remuneration, perquisites and allowances as specified above, subject to the limits specified in Part II in Section II to Schedule XIII of the Companies Act, 1956, and amendments thereto, if any.
3. The terms and conditions of the re-appointment and/or Agreement may be altered or varied from time to time by the Board of Directors and/or a Committee of the Board as it may, in its discretion, deem fit, within the maximum amount payable to Mr. Santosh Kumar Gupta in accordance with Schedule XIII to the Companies Act, 1956, subject to amendments, if any, or any amendments made hereafter in this regard.
4. Mr. Santosh Kumar Gupta's re-appointment as Managing Director shall not be liable to retirement by rotation.
5. If, at any time, Mr. Santosh Kumar Gupta ceases to be a Director of the Company for any cause whatsoever, he shall cease to be the Managing Director.
6. If, at any time, Mr. Santosh Kumar Gupta ceases to be the Managing Director of the Company for any cause whatsoever, he shall cease to be a Director of the Company.
7. If, at any time, Mr. Santosh Kumar Gupta ceases to be an employee of the Company for any cause whatsoever, he shall cease to be a Director of the Company.
8. Mr. Santosh Kumar Gupta 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 Central Government.
9. Mr. Santosh Kumar Gupta 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.
10. 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.

In accordance with the provisions of Section 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, as amended upto date, the terms of re-appointment of Mr. Santosh Kumar Gupta are placed before the Members in the Annual General Meeting for their approval. Approval of the Members is sought by way of Special Resolution for payment of remuneration to Mr. Santosh Kumar Gupta in any of the aforesaid three years

of his re-appointment, only in the event the Company has no profits or inadequate profits in a financial year depending upon the effective capital of the Company as laid down in Part II in Section II to Schedule XIII of the Companies Act, 1956, in terms of Notification dated January 16, 2002 issued by the Department of Company Affairs, containing amendments to Schedule XIII of the Companies Act, 1956, with respect to payment of monthly remuneration to a managerial person in the event the Company has no profits or inadequate profits in a financial year.

The Board commends the resolution on re-appointment of Mr. Santosh Kumar Gupta as the Managing Director of the Company for acceptance by the Members.

The draft Agreement to be entered into with Mr. Santosh Kumar 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 Saturday.

No other Director of the Company, except Mr. Santosh Kumar Gupta, is concerned or interested in the resolution. 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. 10

It is proposed to appoint Mr. Ramesh Chander Nandrajog as the Executive Director of the Company for a period of three years with effect from August 01, 2004, subject to the approval of the shareholders.

Mr. Ramesh Chander Nandrajog has wide experience extending over 37 years in the area of steel and finance and has held various positions in The Tata Iron and Steel Company Limited. Currently, Mr. Nandrajog is its Vice President (Finance). With Mr. Nandrajog's varied experience in both steel and finance, his appointment as the Executive Director would immensely benefit the Company.

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

1. Remuneration:

a) Salary:

On a salary of Rs. 90,000/- per month in the scale of Rs. 50,000 – Rs. 1,20,000 per month (with proportionate increases in the value of the benefits related to salary) with authority to the Board of Directors and/or a Committee of the Board, 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) Perquisites & Allowances:

(i) In addition to the salary and commission payable, Mr. Ramesh Chander Nandrajog 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 and 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; personal accident 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 and/or a Committee of the Board, and Mr. Ramesh Chander Nandrajog. Such perquisites and allowances will be restricted to 125% of his 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.