



ANNUAL REPORT 1999-2000



BOARD OF DIRECTORS

S N Agarwal	Chairman
D P Agarwal	Vice Chairman & Managing Director
Dr. Ram S Tarneja	
O Swaminatha Reddy	
K S Mehta	
M P Sarawagi	Wholetime Director
Vineet Agarwal	Executive Director

(FORMERLY KNOWN AS TCI INDUSTRIES LIMITED)

Vice President — Finance & Secretary

A K Bansal

Auditors

R S Agarwala & Co.

Chartered Accountants

Bankers

State Bank of India

Citibank

Bank of India

Canara Bank

State Bank of Mysore

Registered Office

Flat Nos.306 & 307,1-8-271 to 273,

3rd Floor, Ashoka Bhoopal Chambers,

S.P. Road, Secunderabad - 500 003

Corporate Office :

TCI House, 69, Institutional Area

Sector-32, Gurgaon-122 001, Haryana

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Notice for Annual General Meeting

Notice is hereby given that the 5th Annual General Meeting of the Company will be held on Saturday, the 22nd July, 2000 at 12:00 Noon at Surana Udyog Auditorium, The Federation of Andhra Pradesh Chambers of Commerce & Industry, 11-6-841, Red Hills, Hyderabad-500 004 to transact the following business:

Ordinary Business :

1. To receive, consider and adopt the Directors' Report, Audited Profit & Loss A/c for the Financial Year 1999-2000 and the Balance Sheet as on 31.03.2000 together with the report of auditors thereon.
2. To appoint a director in place of Mr K S Mehta who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a director in place of Mr M P Sarawagi who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint auditors in place of retiring auditors and to fix their remuneration.

Special Business :

5. To consider and if thought fit to pass with or without modification(s), the following resolution as an ordinary resolution :

"RESOLVED THAT M/s. Chitracar Sharma & Co., Chartered Accountants, Kathmandu, be and are hereby appointed as Branch Auditors for auditing the accounts of all the branches of the Company situated in Royal Kingdom of Nepal for the year 2000-2001 and to hold office till the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Board of Directors of the Company."

6. To Consider and if thought fit to pass the following resolution with or without modification(s) as a special resolution:

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered in the manner and to the extent set out below :-

After Article 4(a), the following new Article be inserted as Article 4(b) and be read as follows :

- 4(b) Notwithstanding anything contained in the Articles of Association or in any other law for the time being in force, where a nomination has been made in the manner prescribed in Section 109A of the Companies Act, 1956 purporting to confer on any person the right to vest the shares in, or debentures or deposits of the Company, the nominee shall, on the death of the shareholder or debenture / deposit holder of the Company or, as the case may be, on the death of the joint holders, become entitled to all the rights

in the shares or debentures or deposits of the Company including transmission thereof as the case may be, all the joint holders, in relation to such shares in, or debentures or deposits of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner and the provisions contained in Section 109A and 109B of the Act, shall be applicable to such cases."

7. To consider and if thought fit to pass the following Resolution with or without modification(s) as Special Resolution :

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and are hereby amended and/or altered by inserting the following heading and Article 4(c) after Article 4(b)".

4(c) Dematerialisation of Securities

Definitions

01. For the purpose of this Article :

"Beneficial Owner" means a person whose name is recorded as such with a Depository.

"Depository" means the Company formed and registered under the Companies Act, 1956, and which has been granted a Certificate of Registration under the Securities and Exchange Board of India (SEBI) Act, 1992.

"Depositories Act" means Depositories Act, 1996 or any statutory modification or re-enactment thereof.

"Registered Owner" means a Depository whose name is entered as such in the records of the Company.

"Securities" means such securities as may be specified by SEBI from time to time.

Dematerialisation/Rematerialisation of Securities

02. Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise/rematerialise its securities and to offer securities in a dematerialized form pursuant to the Depositories Act.

Options for Investors

03. Every person subscribing to securities offered by the Company shall have the option to receive the security certificate(s) or to hold the securities with a Depository. Such a person who is the beneficial owner of the securities can at any time opt out of a Depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificate(s) of securities. If a person opts to hold his securities with a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of the information, the



Depository shall enter in its records the name of the allottee as the beneficial owner of the security.

Securities in Depositories to be in fungible form

04. All securities held by a Depository shall be dematerialized and shall be in fungible form. Nothing contained in sections 153, 153A, 153B, 187B and 187C of the Companies Act, 1956 shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.

Rights of Depositories and Beneficial owners

05. (a) Notwithstanding anything to the contrary contained in the Companies Act, 1956 or in these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of the security on behalf of the beneficial owners.
- (b) Save as otherwise provided in (a) above, the Depository as the registered owner of the securities shall not have any voting right or any other rights in respect of securities held by it.
- (c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a Depository.

Service of documents

06. Notwithstanding anything contained in the Companies Act, 1956 or in these Articles to the contrary, where securities are held in a Depository, the notice of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.

Transfer of securities

07. Nothing contained in Section 108 of the Companies Act, 1956 or in these Articles shall apply to transfer of securities effected by a transferor and a transferee, both of whom are entered as beneficial owner in the records of the Depository.

Allotment of Securities

08. Notwithstanding anything contained in the Companies Act, 1956 or in these Articles after any issue where the securities are dealt within a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of securities.

Distinctive numbers of securities

09. Nothing contained in the Companies Act, 1956 or in these Articles regarding necessity of having distinctive numbers for securities issued by the Company shall apply to the securities held by a Depository.

Register and Index of Beneficial Owners

10. The Register and index of beneficial owners maintained by a Depository under the Depositories Act, 1996,

shall be deemed to be Register and the Index of Members and Security Holders for the purpose of these Articles."

8. To consider and if thought fit to pass the following Resolution with or without modification(s) as Special Resolution:

"**RESOLVED** that the Equity Shares of the Company be delisted from the Bangalore Stock Exchange Ltd, the Calcutta Stock Exchange Association Ltd, the Cochin Stock Exchange Ltd and Madras Stock Exchange Ltd. in accordance with the relevant laws, rules, regulations and guidelines (including any statutory modification(s) or re-enactments thereof for the time being in force and as may be enacted hereinafter) and subject to such approvals, permissions and sanctions as may be necessary and compliance with such conditions and modifications as may be necessary for this purpose.

RESOLVED FURTHER that the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred by the Board) be and is hereby authorised to seek voluntary de-listing, to take all necessary steps in this regard and to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to de-listing of the Equity Shares and to execute all such deeds, documents, writings as may be necessary, desirable or expedient as may be deemed fit and for this purpose to delegate the authority and the duty vested in it by virtue hereof to the Managing Director or the Company Secretary or any other person whom the Managing Director may consider suitable to do the various acts, deeds and things required to be done in this behalf."

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

"**RESOLVED THAT** pursuant to the provisions of section 314(1B) of the Companies Act, 1956 and subject to the approval of the Central Government, consent of the Company be and is hereby accorded to Mrs Urmila Agarwal to hold and continue to hold office or place of profit in the Company as General Manager on a remuneration as set out in the explanatory statement annexed hereto."

BY ORDER OF THE BOARD
For Transport Corporation of India Ltd.

Place: Gurgaon
Dated: 1st June 2000

A.K. Bansal
Vice President-Finance & Secretary

Notes :

1. a) A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself. A proxy need not be a member.
b) Proxy form is enclosed which should be deposited at the Registered Office of the Company duly completed and signed not less than 48 hours before the commencement of the meeting.
2. The Share Transfer Books and the Register of Members will remain closed from 17th July 2000 to 22nd July 2000 (both days inclusive).
3. The name of the Company has been changed from TCI Industries Ltd. to Transport Corporation of India Ltd. Vide fresh Certificate of Incorporation dated 29.01.99, issued by the Registrar of Companies, Andhra Pradesh, Hyderabad.
4. The members are requested to intimate any change in their address with pincode, if any, immediately and quote Folio Number in all correspondence. They are also requested to bring their copy of Annual Report while coming to the meeting.
5. Non-Resident Indian shareholders are requested to inform the Company immediately about :
a) The change in the residential status on return to India for permanent settlement.
b) The particulars of NRO Bank Account in India, if not furnished earlier.
6. Members are requested to intimate under the signature of the sole/first Joint Holder of the Bank Account Number, Type of Account, Saving (SB) or Current (CA), name and address of the bank, in which they intend to deposit the Dividend Warrants, so that the same can be printed on Dividend Warrants in future, to avoid the incidence of fraudulent encashment of the instrument.
7. As informed earlier, with effect from 01.04.99, Share Transfer Work and other related jobs are being handled in-house by the Company at its Corporate Office at Gurgaon (Haryana). Therefore, the members are requested to address all their communications regarding share/debenture related matters to Corporate Office of the Company for expeditious handling.
8. The members may also note that Shweta Computers Ltd were appointed as Trustees for disposal of fractional shares and for remitting the proceeds to the respective shareholders. They have already disposed off the shares and the proceeds thereof have also been remitted to the shareholders, wherever applicable.
9. **The members are requested to surrender their old certificates (issued by the then Transport Corporation of India Ltd. (Now known as TCI Industries Ltd. - the transferor Company under the Scheme of Arrangement) along with set of 4 signature cards to M/s Shweta**

Computers Ltd., Devki Chambers, 1-7-74/79, S D Road, Secunderabad - 500 003 as requested by the said Company vide their letter dated 25.10.98 and reminder letter of 13.04.99 and obtain their new share certificates of 4 companies including this Company.

10. As already informed, with a view to bring about operational efficiency and minimizing the related administrative cost in servicing multiple folios of the same shareholders which are otherwise identical in all respects, the Company has decided to consolidate such folios with immediate effect. Accordingly, in future, you will receive only one consolidated dividend warrant and one Annual Report in respect of your entire holding. There is no need on your part to send your certificates for this purpose nor it is necessary for you to make any correction of folio nos. on the share certificates.
11. The shares of the Company are at present listed on following Stock Exchanges viz. Bangalore, Calcutta, Cochin, Delhi, Hyderabad & Madras. The Company has made payments of listing fees to all these Stock Exchanges in time.

Explanatory Statement u/s 173(2) of the Companies Act, 1956**Special Business :****Item No. 5**

M/s K B Chitracar & Co., Chartered Accountants, Kathmandu have been the Branch Auditors for auditing the accounts of all the branches of the Company situated in Royal Kingdom of Nepal. They have intimated the Company that the said firm i.e. M/s K B Chitracar & Co. has got merged with another firm of Chartered Accountants M/s M K Sharma & Co. and the new firm has been registered in Dec 1999 in the name of M/s Chitracar Sharma & Co. They have also conveyed their willingness to carry on the work as Branch Auditors for the year 2000-2001.

The Board recommends the appointment of M/s Chitracar Sharma & Co., Chartered Accountants as Branch Auditors for the year 2000-2001.

None of the directors is interested or concerned in the resolution.

Item No. 6

An Amendment has been made to the Companies Act, 1956 through the Companies (Amendment) Act 1999, to permit the holders of every share in or debentures or deposits of the Company, to nominate in the prescribed manner, a person to whom his/her shares in or debentures or deposits of the Company shall vest in the event of his/her death.

In order to bring the Articles of Association of the Company in conformity with the provisions of the amendment made to the Companies Act, a new Article is being added, subject to the approval of the Equity Shareholders in the General Meeting.

The Board of Directors of your Company recommends passing of the aforesaid Special Resolution at Item No. 6.



The above Resolution is set out as a Special Resolution for approval by the members in terms of Section 31 of the Companies Act, 1956.

None of the Directors is concerned or interested in the Special Resolution at Item No. 6.

Item No. 7

With the introduction of the Depositories Act, 1996, and the Depository system, some of the provisions of the Companies Act, 1956 related to the issue, holding, transfer, transmission of shares and other securities have been amended to facilitate the implementation of the new system. The Depository System of holding securities in a electronic form is a far safer and more convenient method for holding and trading in the securities of a Company. Your Company is also in the process of joining the National Securities Depository Limited and/or Central Depository Services (India) Limited. It is therefore, proposed by the Board that the Company's Articles of Association be suitably altered, as set out in the Resolution at Item No.7 to reflect the provisions introduced by the Depositories Act, 1996 and to spell out the rights of the beneficial owners of the securities in such a system.

The above Resolution is set out as a Special Resolution for approval by the members in terms of Section 31 of the Companies Act, 1956.

None of the Directors is concerned or interested in the Special Resolution at Item No. 7.

Item No 8

Presently, the Equity Shares of the Company are listed on the Stock Exchanges at Bangalore, Calcutta, Cochin, Delhi, Hyderabad and Madras. Consequent to the recent rapid changes in the capital market in relation to the manner of dealing in shares/securities of Companies, the volume of trading in Company's Equity Shares at the Bangalore, Calcutta, Cochin and Madras Stock Exchanges has reduced considerably which does not justify payment of considerable amounts by way of listing fees and other expenses which Company is incurring. The Board of Directors of the Company at their meeting held on 27th May, 2000 have therefore decided to get the shares of the Company de-listed from above mentioned four Stock Exchanges in accordance with the applicable laws, rules, regulations and guidelines.

As required under the Listing Agreement entered into by the Company with the Stock Exchanges, your approval for the proposal is sought by way of a Special Resolution for de-listing the shares of the Company from the said four Stock Exchanges.

All material documents, including copy of listing agreements are open for inspection by the Members on all working days between 3 p.m. to 5 p.m. at the Registered Office of the Company till the conclusion of the Meeting.

None of the directors is concerned or interested, in the special resolution at Item No.8.

Item No. 9

Mrs Urmila Agarwal has been working with the Company since 1st June 1995. Her appointment was approved by the Shareholders in the Annual General Meeting held on 14th Oct, 1998 on a total remuneration not exceeding Rs. 20,000 per month as permissible U/s 314(1)(b) of the Companies Act, 1956.

It is now proposed to pay the following remuneration to her:

- I. **Salary @ Rs.30,000 per month in the scale of Rs. 30,000-5,000-1,00,000.**
- II. In addition to the salary, she will be entitled to the allowances, perquisites and benefits as per rules of the Company the value thereof will not exceed the Annual salary.

As Mrs. Urmila Agarwal is a relative of some of the Directors, and under Section 314(1B) of the Companies Act, 1956, a relative of Director shall not hold office or place of profit carrying a total monthly remuneration in excess of Rs. 20,000/- unless prior consent of the members by a Special Resolution and approval of the Central Government to the holding of such office or place of profit is obtained. Since the remuneration to be paid to Mrs. Urmila Agarwal exceeds Rs. 20000/- p.m. the consent of the Company is being sought as per the Special Resolution at Item No. 9 and the same is recommended for approval. After the approval of the members is so obtained, an application will be made to the Central Government for its approval. The payment of the remuneration to Mrs. Urmila Agarwal will commence from such date as the Central Government approves.

Mr. S N Agarwal, Mr. D P Agarwal and Mr Vineet Agarwal, being relatives of Mrs. Urmila Agarwal, are deemed to be interested in the resolution. None of the other Directors is concerned or interested in this resolution.

The Board of Directors recommends this resolution for your approval.

BY ORDER OF THE BOARD

For Transport Corporation of India Ltd.

Place : Gurgaon

Dated : 1st June 2000

A.K. Bansal

Vice President-Finance & Secretary

MAJOR HIGHLIGHTS AT A GLANCE

(Rs. in lacs)

	1999-2000	1998-99	1997-98	1996-97
OPERATIONAL				
1. Turnover	43,573	37,788	33,658	33,399
2. Profit before interest, depreciation & tax	2,403	2,042	1,967	2,163
3. Interest (net)	1,045	1,005	861	1,054
4. Depreciation	612	510	491	459
5. Profit before tax	746	527	615	650
6. Tax	95	60	70	90
7. Net Profit	651	467	545	560
8. Cash Profit	1,263	977	1,036	1,019
9. Dividend Per Share (Rs.)	1.80	1.50	1.50	1.50
10. Earnings Per Share (Rs.)	8.93	6.41	7.48	7.68
FINANCIAL				
11. Gross Block	12,444	11,419	8,941	9,337
12. Net Block	10,879	10,237	8,137	8,906
13. Net worth	4,344	3,856	3,509	3,085
14. Total Debts	7,209	7,165	6,443	6,668
15. Avg. Capital Employed	11,287	10,486	9,853	9,753
16. Return on net worth (%)	14.99%	12.11%	15.53%	18.15%
17. Return on Capital Employed (%)	15.02%	14.04%	14.27%	16.55%
18. Debt Equity ratio (Times)	1.66	1.86	1.84	2.16
19. Interest cover (Times)	2.30	2.03	2.28	2.05
20. Book Value Per Share (Rs.)	59.59	52.90	48.14	42.32
21. Share Capital	729	729	729	729

No. of Shareholders as on 1st June, 2000 :

20,417