

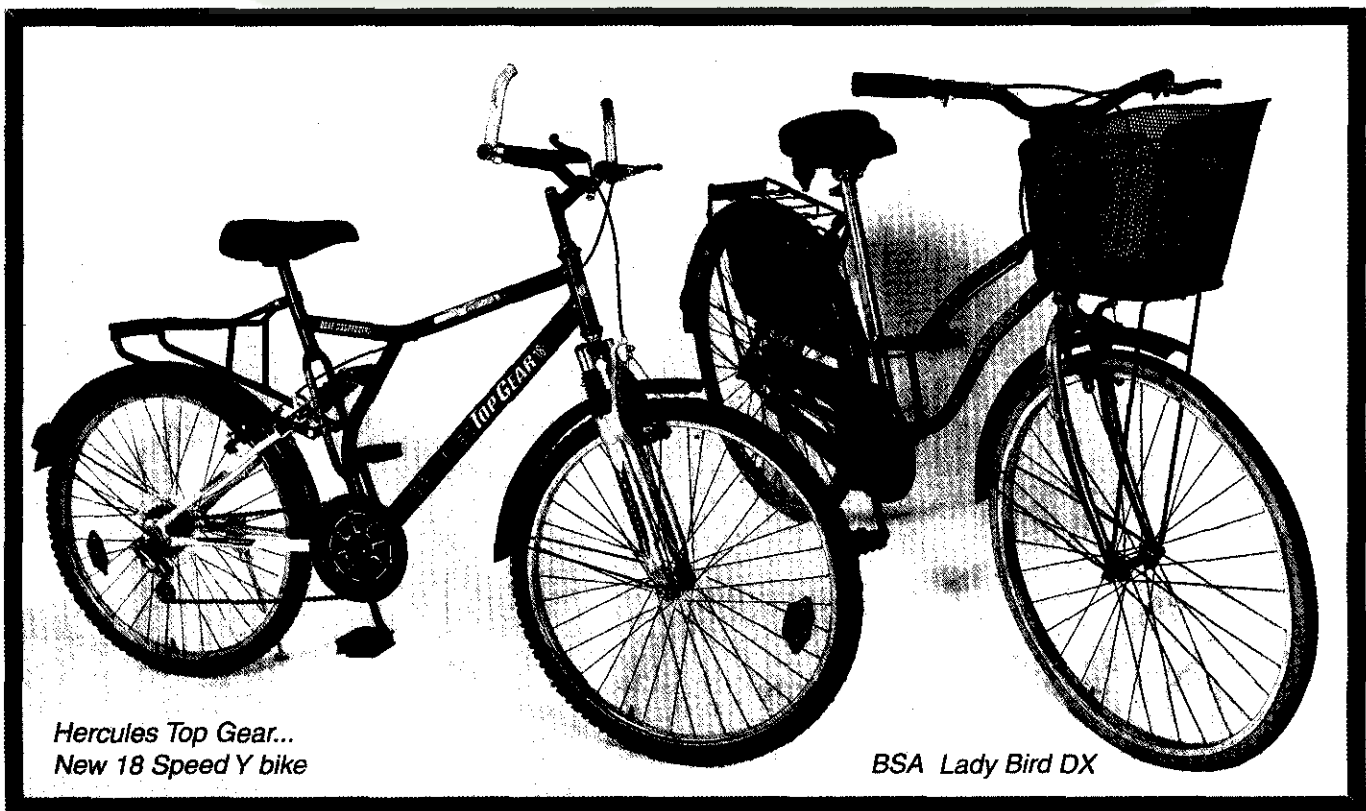


INDIA

TUBE INVESTMENTS OF INDIA LIMITED

Report  Junction.com

ANNUAL REPORT 1998-1999



The Passing of an Era



A M M ARUNACHALAM

March 1, 1918 - January 1, 1999

AMM, as Mr AMM Arunachalam was fondly known, was the guiding light of the Murugappa Group. His passing was the passing of an era, one that saw the Group emerge to become one of the foremost leaders in Indian business from humble beginnings. It was his vision that the Murugappa Group is what it is today. Today we look back and see how a great man's thoughts can change, how generations live and relate to each other, selflessly and in pursuit of higher ends than the means of living themselves.

It was his vision that shaped your company's present; first by his being the Founder Director for the present day TII and then by being the Managing Director of the company for well over two decades. He held the latter position till 1979 when he became Chairman of the Board of Directors. In 1995, he became Chairman Emeritus, a position that he held to the last. Your company gained immensely under his dynamic and creative leadership and played a crucial role in its development. His guidance at all crucial points in the history of the company and his vision of what TII can achieve have been some of our most valuable assets and we shall continue adhering to his values and beliefs.

Besides the corporate arena, AMM made remarkable contributions in the social sphere. Besides being the President of

the Madras Cricket Club to promote sporting habits in the citizens, he had been active in community development and social welfare. He was associated as Managing Trustee of several schools, polytechnics and hospitals. AMM remained committed to village community and initiated a vocational training center to be run for the youth of the villages in certain districts.

His enterprise and creativity had been appreciated as time has proved. From being a member of the Indian Team to the 23rd Congress of the Federation of Commonwealth Chambers of Commerce in London to touring China as a roving ambassador of FICCI; from being made the First Indian President of the Madras Cricket Club to being the Honorary Consul General for Japan. It was in acknowledgement of the latter that he was twice awarded by His Imperial Majesty, the Emperor of Japan, first with The Order of the Rising Sun, Gold Rays with Rosette and then with The Order of The Sacred Treasure, Gold and Silver Star. His Majesty decorating AMM twice is something exceptional in Japanese protocol and signifies the tremendous respect that people had for him.

As we look to the future today, we are guided by the brilliance and humility of AMM - As he stands in his own light to show us the path. And Your company shall fulfil its responsibility - Our tribute to his memory.

TUBE INVESTMENTS OF INDIA LIMITED

CONTENTS

	Page
Board of Directors	3
Financial Highlights	4
Notice to Shareholders	5
Directors' Report	12
Auditors' Report	18
Balance Sheet	20
Profit and Loss Account	21
Schedules to Accounts	22
Balance Sheet Abstract and Company's General Business Profile	35
Cash Flow Statement	36
Statement pursuant to Section 212	38
Subsidiary Companies	
Teeaye Investments Ltd	39
Parry Overseas Ltd	45



TUBE INVESTMENTS OF INDIA LIMITED ANNUAL REPORT 1998-99

BOARD OF DIRECTORS

M.V. SUBBIAH
Chairman
R.J.M. FISHER
(Alternate AMAL GANGULI)
K. GANESAN
Nominee of UTI
A.R. JAGANNATHAN
D. JAYAVARTHANAVELU
M. NARASIMHAM
RAM V. TYAGARAJAN
D.M. SATWALEKAR
A. VELLAYAN
Managing Director

PRESIDENT

V.A. RAGHU

COMPANY SECRETARY

V. MADAN

REGISTERED OFFICE

"TIAM HOUSE", 28 Rajaji Salai, Chennai 600 001

FACTORIES

Cycles Division:
TI Cycles of India, Ambattur, Chennai
Bicycle Components Group, Ambattur, Chennai
Engineering Division:
Tube Products of India, Avadi, Chennai
Tube Products of India, Shirwal, Satara District
Roll Form Division:
TI Metal Sections, Nemilicherry, Chennai
TI Press Metal, Tarapore
TI Metal Sections, Bawal

AUDITORS

FRASER & ROSS
Chartered Accountants

BANKERS

American Express Bank Ltd
ANZ Grindlays Bank Ltd
Bank of America, N.T & SA
Bank of Baroda
Standard Chartered Bank
State Bank of India
The Hongkong & Shanghai Banking Corporation Ltd

TUBE INVESTMENTS OF INDIA LIMITED

FINANCIAL HIGHLIGHTS

	Rupees in Lakhs									
	1989-90 (15 months)	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99
FINANCIAL POSITION										
AS AT YEAR END										
Fixed Assets	4614	5302	6485	7621	7984	12168	18617	23358	24328	24912
Investments	177	182	315	991	2617	8385	12306	9111	8316	5268
Net Current Assets	6247	8125	8623	11034	8391	17283	12381	15945	16086	16861
Total Assets	11038	13609	15423	19646	18992	37836	43304	48414	48730	47041
Share Capital	685	685	710	1077	1077	1667	2462	2462	2462	2462
Reserves	3754	4160	4635	6533	7083	24216	29392	30854	31760	30956
Net Worth	4439	4845	5345	7610	8160	25883	31854	33316	34222	33418
Loan Funds	6599	8764	10078	12036	10832	11953	11450	15098	14508	13623
Total Funds	11038	13609	15423	19646	18992	37836	43304	48414	48730	47041
OPERATING RESULTS										
FOR THE YEAR										
Revenue	23776	24319	29956	35809	42208	50905	61186	61127	61757	69225
Profit before										
Finance Charges	1611	1692	2165	2534	2700	2973	3566	3869	3655	4251
Profit before tax	551	620	656	666	1122	3102	3226	2411	1744	2150
Profit after tax	551	620	656	631	882	2732	2796	2145	1601	2108
Dividend	190	169	171	194	323	503	631	616	492	616
	(30%) *	(25%)	(25%) *	(25%) *	(30%)	(32%) *	(32%) *	(25%)	(20%)	(25%)
Earnings per share (Rs.)	8.70 @	9.05	9.57 @	8.13 @	8.19	19.76 @	14.18 @	8.71	6.50	8.56

* Prorata

@ Annualised



NOTICE TO SHAREHOLDERS

Notice is hereby given that the Fiftieth Annual General Meeting of the shareholders of Tube Investments of India Limited will be held on Friday, the 23rd July, 1999 at The Music Academy, 306 TTK Road, Chennai - 600 014 at 4.00 P.M. to transact the following business :

1. To receive, consider and adopt the Directors' Report, the Audited Profit and Loss Account for the financial year ended 31st March, 1999 and the Balance Sheet as at that date and the Auditors' Report thereon.
2. To declare a final dividend.
3. To appoint a Director in the place of Mr. R.J.M. Fisher who retires by rotation and is eligible for reappointment.
4. To appoint a Director in the place of Mr. Ram V. Tyagarajan who retires by rotation and is eligible for reappointment.
5. To appoint Auditors and fix their remuneration. Messrs. Fraser & Ross, the retiring Auditors are eligible for reappointment.

SPECIAL BUSINESS

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

"RESOLVED that in supersession of the Special Resolution passed at the 46th Annual General Meeting held on 14th August, 1995, and in accordance with the provisions of Sections 198, 309, 310, 314 and other applicable provisions, if any of the Companies Act, 1956 and subject to such approvals as may be required, the non-wholetime Directors resident in India (excluding the Managing Director(s))/ Wholetime Director(s)/Non-resident Director(s) but including the Alternate Director(s) who are resident in India) be paid remuneration by way of commission for a period of five financial years commencing from 1st April, 1999 of a sum not exceeding 1% of the net profits of the Company as computed under Sections 349 and 350 of the Companies Act, 1956.

RESOLVED FURTHER that the Board of Directors be and is hereby authorised to decide, from time to time the quantum and manner of distribution to one or more Directors within the limits prescribed.

RESOLVED FURTHER that the aforesaid commission shall be exclusive of the fees payable to such Directors for attending any meetings of the Board or a Committee thereof.

RESOLVED FURTHER that consent of the Company be and the same is hereby accorded for payment of the aforesaid commission to such Directors who may be relatives/ partners of other Directors.

RESOLVED FURTHER that the Board of Directors be and is hereby authorised to take all such steps as may be necessary, desirable or expedient to give effect to this Resolution.

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

"RESOLVED that in supersession of the resolution passed at the Annual General Meeting held on 14th August, 1995, sanction be and the same is hereby accorded under Section 293 (1) (e) of the Companies Act, 1956 to the Board of Directors of the Company to contribute / donate to charitable and other funds including philanthropic associations, not directly relating to the business of the Company or the welfare of its employees, for each financial year, up to a total amount of Rs. 50,00,000 or five percent of its average net profits as determined in accordance with provisions of Sections 349 and 350 of the Companies Act, 1956 during the three financial years immediately preceding, whichever is greater.

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

TUBE INVESTMENTS OF INDIA LIMITED

"RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered in the following manner:

- a) In the existing Article 4 of the Articles of Association of the Company the words "the purchase of or" be deleted.
- b) The following be added as Article 4 (a) after the existing Article 4 under the heading "Buy back of Company's shares".

- 4 (a) Subject to such provisions of the Act and all other applicable provisions of law, as may be in force for the time being and from time to time, the Company may purchase and/or buy back its own shares and any other securities at such price and on such terms and conditions as the Board of Directors may in their discretion deem fit and proper.

9. To consider and if deemed fit, to pass, with or without modification, the following Resolution as a 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 is hereby altered in the following manner:

Insert the following Heading and Article along with the marginal notes as Article 47A after Article 47.

DEMATERIALISATION OF SECURITIES

- 47A Definitions (1) For the purpose of this Article:-

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

"SEBI" means the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992.

"Depositories Act" means the Depositories Act, 1996, including any statutory modifications or re-enactment thereof for the time being in force.

"Depository" means a company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992.

"Member" means the duly registered holder from time to time of the shares of the Company and includes every person whose name is entered as a Beneficial Owner in the records of the Depository.

"Debentureholder" means the duly registered holders from time to time of the debentures of the Company.

"Regulations" mean the regulations made by the SEBI.

"Security" means such security as may be specified by the SEBI.

Words imparting the singular number only include the plural number and vice versa.

Words imparting persons include corporations.



INDIA

	Words and expressions used and not defined in this Article shall have the same meanings respectively assigned to them in the Depositories Act.	Beneficial Owners	these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the Beneficial Owner.
Company to recognise interest in dematerialised securities under Depositories Act	(2) <i>Either the Company or the investor may exercise an option to issue, deal in, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialised, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereof, shall be governed by the provisions of the Depositories Act.</i>		(b) Save as otherwise provided in (a) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the security held by it.
Dematerialisation/ Rematerialisation of Securities	(3) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its existing securities, rematerialise its securities held in the Depositories and/or offer its fresh securities in a dematerialised form pursuant to the Depositories Act and the rules framed thereunder, if any.		(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.
Securities in Depositories to be in fungible form	(4) All securities held by a Depository shall be dematerialised and be in fungible form. Nothing contained in sections 153, 153A, 153B, 187B, 187C, 372A of the Act shall apply to a Depository in respect of the securities held by it on behalf of the Beneficial Owners.	Beneficial Owner deemed as absolute owner	(6) Except as ordered by a Court of competent jurisdiction or as required by law, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or where the name appears as the Beneficial Owner of shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognise any benami trust or equitable, contingent, future or
Rights of Depositories and	(5) (a) Notwithstanding anything to the contrary contained in the Act or		

TUBE INVESTMENTS OF INDIA LIMITED

		partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has express or implied notice thereof, but the Board shall be at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.			If a person opts to hold his security 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 record the name of the allottee as the beneficial owner of the security.
Cancellation of certificates upon surrender by a person	(7)	Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a Participant, the Company shall cancel such certificate and substitute in its records the name of Depository as the registered owner in respect of the said securities and shall also inform the Depository accordingly.	Provisions of Articles to apply to shares held in Depository	(9)	Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository.
Options for investors	(8)	Every person subscribing to securities offered by the Company shall have the option to receive security certificates 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 Certificates of Securities.	Distinctive number of Securities held in a Depository	(10)	The shares in the capital shall be numbered progressively according to their several denominations, provided however, that the provision relating to progressive numbering shall not apply to the shares of the Company which are dematerialised or may be dematerialised in future or issued in future in dematerialised form.
			Register and Index of Beneficial Owners	(11)	The Company shall cause to be kept a Register and Index of Members and a Register and Index of Debentureholders in accordance with Sections 151 and 152 of the Act respectively, and the Depositories Act, with details of shares and debentures held in material and dematerialised forms in any media as may be permitted by law including in any form of electronic media. The Register and Index of Beneficial Owners