

TCI

INDUSTRIES LIMITED



48th
Annual Report
2012-2013

TCI INDUSTRIES LIMITED

**48th
Annual General Meeting**

Date : 25th July, 2013

Venue: Surana Udyog Auditorium,
The Federation of Andhra
Pradesh Chambers of
Commerce and Industry,
11-6-841, Red Hills,
Hyderabad 500 004.

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BOARD OF DIRECTORS

S. N. AGARWAL

D. P. AGARWAL

M. K. AGARWAL

ASHOK KUMAR AGARWAL

VIKAS AGARWAL

ASHISH AGARWAL

UTSAV AGARWAL (Additional Director)

SUNIL K. WAREKAR (Executive Director)

SIDDHARTHA AGARWAL (Alternate Director)

DHRUV AGARWAL (Alternate Director)

AUDITORS

R. S. AGARWALA & CO.

Chartered Accountants

Kolkata

REGISTERED OFFICE

1-7-293, Mahatma Gandhi Road,
Secunderabad - 500 003. (A.P.)

CORPORATE OFFICE

N. A. Sawant Marg, Colaba,
Mumbai - 400 005.

TCI INDUSTRIES LIMITED

NOTICE

Notice is hereby given that the FORTY EIGHTH Annual General Meeting of the members of the **TCI INDUSTRIES LIMITED** will be held on Thursday, the July 25th, 2013 at 10 a.m. at Surana Udyog Auditorium, The Federation of Andhra Pradesh Chambers of Commerce and Industry, 11-6-841, Red Hills, Hyderabad 500 004 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2013 and the Profit & Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. S.N. Agarwal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Ashish Agarwal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. M.K. Agarwal, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT M/s. R S Agarwala & Co., Chartered Accountants, (ICAI Registration No. 304045E), be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors.”

SPECIAL BUSINESS

6. Appointment of Mr. Utsav Agarwal as Director

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

“RESOLVED THAT Mr. Utsav Agarwal, who was appointed as an Additional Director pursuant to Section 260 of the Companies Act, 1956 and the Articles of Association of the Company, and who holds office up to the date of this Annual General

Meeting and in respect to whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

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 / HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

(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 members are requested to intimate any change in their address with PIN Code, immediately and quote Folio Number in all correspondence. They are also requested to bring their copy of Annual Report while coming to the meeting.
3. Members who hold shares in dematerialised form are requested to bring their client ID and DP ID Numbers for easy identification of attendance at the meeting.
4. The shares of the Company have been dematerialised (ISIN No. INE 920B01019) and presently traded in electronic form.
5. The Name of the Company has been changed from Transport Corporation of India Ltd. to TCI Industries Limited w.e.f. 29/01/99.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 18th July, 2013 to Thursday, 25th July, 2013 (both days inclusive)
7. The members are requested to note that the Company's Registrar and Share Transfer Agent is **Bigshare Services Private Limited, E/2 Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai 400 072**. The members are requested to lodge their shares for transfer, transmission, splitting, consolidation etc. directly to them. The members are also requested to register their e-mail Id with their depositories and or with the RTA.

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8. THOSE MEMBERS WHO HAVE NOT SURRENDERED THEIR OLD CERTIFICATES FOR EXCHANGE TO OBTAIN THEIR NEW SHARE CERTIFICATES OF FOUR COMPANIES INCLUDING THIS COMPANY ARE REQUESTED TO SURRENDER THE SAME AT THE CORPORATE OFFICE ADDRESS OF THE COMPANY AT MUMBAI.

10. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, setting out the material facts is annexed hereto.

By Order of the Board
For **TCI Industries Limited**

S.N. Agarwal
Director

9. The shares of the Company are at present listed on the Bombay Stock Exchange Limited (BSE). The Company has made payment of the listing fees to Stock Exchange in time.

Place : Gurgaon
Date : May 15, 2013

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Your Directors, therefore recommend the resolution for your approval.

Item No.6

Except Mr. Utsav Agarwal, no other Director is, in any way, concerned or interested in this Resolution.

Appointment of Mr. Utsav Agarwal as Director

In terms of Section 260 of the Companies Act, 1956 and the Articles of Association of the Company, the Board of Directors at its meeting held on May 15, 2013, appointed Mr. Utsav Agarwal as Additional Director. Mr. Utsav Agarwal holds office up to the date of this Annual General Meeting. The Company has received a notice in writing (along with deposit of Rupees five hundred) from a Member proposing the candidature of Mr. Utsav Agarwal for the office of Director of the Company under the provisions of Section 257 of the Companies Act, 1956, liable to retire by rotation in terms of the Articles of Association of the Company.

By Order of the Board
For **TCI Industries Limited**

S.N. Agarwal
Director

Place : Gurgaon
Date : May 15, 2013

TCI INDUSTRIES LIMITED

DIRECTORS' REPORT

Dear Shareholders,

Your directors take pleasure in presenting this Forty Eighth Annual Report and Audited Statement of Accounts for the year ended on March 31, 2013.

FINANCIAL RESULTS

(Rs. In '000)

Financial Results	2012 - 13	2011 - 12
Income	39248	13356
Profit (Loss) before Interest, Depreciation & Taxation	(7653)	(19283)
Less : Interest	20	91
Depreciation (Net)	543	547
Profit /(Loss) before taxes	(8216)	(19921)
Taxes	-	-
Profit /(Loss) after tax	(8216)	(19921)
Balance brought forward	(232255)	(212334)
Balance carried forward	(240471)	(232255)

During the year the Company could achieve higher cloth trading volume resulting in higher income compared to the previous year. The loss during the year is not comparable to previous year as certain expenses, which in the past were capitalized as Property Development Expenses, were reversed and charged to P & L account during the previous year.

DIVIDEND

In view of losses suffered by the Company, your Directors do not recommend any dividend for the year under review.

COMPANY'S PROPERTY AT COLABA - MUMBAI

As informed in the last report, the SLP filed by the Company challenging the order of the Hon. Bombay High Court in writ petition, has been admitted and is pending for hearing.

FIXED DEPOSITS

During the year under review, your Company has not accepted any deposits under the provisions of Section 58A of the Companies Act, 1956 and the rules made there under.

DIRECTORS

Appointment

Mr. Sunil K. Warkerkar was appointed as Director in the last AGM and consent of the members was accorded for his appointment as Executive Director for a period of 3 years w.e.f. April 01, 2012 subject to required approvals from Central Government and such other approval as may be necessary. The required approvals in respect of his appointment have since been received.

As per the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. S. N. Agarwal, Mr. Ashish Agarwal and Mr. M. K. Agarwal retire by rotation and being eligible, offer themselves for re-appointment, which your Directors consider to be in the interests of the Company and therefore recommend it for your approval.

The Board has appointed Mr. Utsav Agarwal as Additional Director w.e.f. May 15, 2013. Pursuant to Section 260 of The Companies Act, 1956, he holds office up to the date of the ensuing Annual General Meeting. His appointment needs to be confirmed by the members in the General Meeting. The Company has already received notice u/s 257 of the Companies Act, 1956 from one of the members of the Company proposing his candidature for the position as Director. The details about Mr. Utsav Agarwal are given here under as per requirement of listing agreement with Stock Exchange.

1. Name - Mr. Utsav Agarwal
2. Date of Birth - 03/02/1985
3. Date of Appointment - 15/05/2013
4. Expertise in Specific functional area - More than 5 years of experience in the fields of market research, finance and business development etc.
5. Qualification - Graduated from Bradley University, Peoria, ILLINOIS with a major in Bachelor of Science in Industrial Engineering and a minor in 'Business Administration'.
6. Directorships held in other Companies - Bhoruka Fabcons Private Limited.
7. Committee Positions held in other Companies - NIL
8. No. of shares held - 3000

TCI INDUSTRIES LIMITED

Cessation

Your Directors inform with grief the sad demise of Mr. P. L. Poddar, the Director due to old age on April 01, 2013. His contribution to the Company is well recognized by the Board.

Mr. R.K. Aggarwal resigned from Directorship of the Company with effect from May 15, 2013. Your Directors place on record their appreciation for the valuable and devoted services rendered by him.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors based on the representations received from the operating Management confirm that, to the best of their knowledge -

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year under review;
- iii) the Directors have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors have prepared the accounts on a going concern basis.

AUDITORS

M/s. R S Agarwala & Co., Chartered Accountants, the Statutory Auditors retire at this meeting and are eligible, offer themselves for re-appointment. A certificate has been obtained from them to the effect that the appointment, if made will be in accordance with the limits specified in sub-section (1B) of Section 224 of the Companies Act, 1956. Your Board recommended their re-appointment.

AUDITOR'S REPORT

The observations made by the Auditor's in their report are appropriately dealt with in the notes forming part of the accounts for the year which are self-explanatory and hence do not require any further explanations.

SECRETARIAL COMPLIANCE REPORT

A Compliance Certificate from M/s. Chandanbala Jain & Associates, Company Secretaries u/s 383 A of the Companies Act, 1956 in respect of the financial year ended March 31, 2013 is annexed to the Directors' Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The production operations have been closed since 1982. Hence, particulars required under Section 217(1)(e) in respect of conservation of energy and technology absorption are not applicable. The Company had no foreign exchange earnings and outgo during the financial year

PARTICULARS OF EMPLOYEES

Information as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is not given, as there were no employees drawing remuneration prescribed under the said section.

ACKNOWLEDGEMENTS

Your Directors take this opportunity to place on record their appreciation of the trust and confidence reposed by you in the Company and all others, who are connected with the company in any manner.

For and on behalf of the Board
TCI Industries Limited

S.N. Agarwal D. P. Agarwal
Director Director

Place : Gurgaon
Date : May 15, 2013

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SECRETARIAL COMPLIANCE CERTIFICATE For the Financial Year ended March 31, 2013

To,
The Members,
TCI Industries Limited
1-7-293, Mahatma Gandhi Road,
Secunderabad - 500 003.

Date : May 15, 2013
CIN : L74999AP1965PLC001551
Authorised Capital : Rs. 16,00,00,000/-
Paid up Capital : Rs. 89,67,910/-

We have examined the registers, records, books and papers of TCI Industries Limited, (the company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the company for the purpose of issuing a Secretarial Compliance Certificate under Section 383A of the Companies Act, 1956 (The Act), read with the Companies (Compliance Certificate) Rules, 2001 (The Rules), for the financial year ended on March 31, 2013. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in **Annexure 'A'** to this Certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The company has filed the forms and returns as stated in **Annexure 'B'** to this Certificate, with the Registrar of Companies and Central Government including E-form 25A, which was filed with the Central Government for obtaining approval for Appointment and payment of Remuneration to Executive Director. Apart from above, there is no other form or return required to be filed with The Regional Director, Central Government, Company Law Board or any other authorities as applicable under the Act and the rules made thereunder.
3. The company being a public limited company has the minimum prescribed paid-up capital.
4. The Board of Directors duly met 5 (Five) times on May 30, 2012, July 30, 2012, October 28, 2012, January 13, 2013 and March 30, 2013, in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. No circular resolutions were passed.
5. The company closed its Register of Members from July 19, 2012 to July 26, 2012 (both days inclusive) during the financial year under review in compliance with the provisions of the Act.
6. The Annual General Meeting for the financial year ended on March 31, 2012, was held on July 26, 2012, for approval of accounts, after giving due notice to the members of the company and the Resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extraordinary General Meeting was held during the said financial year.
8. As per information and explanation given to us, the company has not advanced any loans to its directors and / or persons or firms or companies referred to in Section 295 of the Companies Act, 1956 except for a Housing Loan granted to the Executive Director under the Housing Loan Scheme formulated by the company and duly approved by the Board of Directors, which is exempted from the provisions of the said Section.
9. As per information and explanation given to us, the company has not entered into any contracts, which attract provisions of Section 297 of the Companies Act, 1956 in respect of contracts specified in that Section.
10. As per information and explanation given to us, the company has made necessary entries in the register maintained under Section 301 of the Companies Act, 1956.
11. As there were no instances falling within the purview of Section 314 of the Act, the company has not obtained any approvals from the Board of Directors, members or Central Government.
12. The company has not issued any duplicate certificates during the said financial year.
13. i) The company had delivered all the certificates on lodgement thereof for transfer / transmission of securities in accordance with the provisions of the Act. There was no allotment of securities during the financial year.
ii) The company has not declared any dividend for the year hence there is no deposit of any amount in separate Bank.
iii) The company was not required to post any dividend warrant to any member of the company as no dividend was declared during the financial year.
iv) The company was not required to transfer the amounts in unpaid dividend account, application money due for refund, matured debentures and the interest accrued thereon, which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund as the Company has no arrears of dividends nor issued any debentures & has not accepted any deposit.

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- v) The company has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the company is duly constituted. There was an appointment of Additional Director during the year which was in accordance with the provisions of the Act. There was no appointment of alternate Director or Directors to fill casual vacancies during the financial year.
15. The company in its Annual General Meeting held on July 26, 2012 has appointed an Executive Director with effect from April 01, 2012 in accordance with the provisions of the Act. The company has not appointed any Managing Director / Manager during the financial year.
16. The company has not appointed any sole selling agents during the financial year.
17. The company has filed and obtained all necessary approvals of the Central Government for appointment and payment of remuneration to Executive Director prescribed under the various provisions of the Act during the financial year. Apart from above, the company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director and / or such authorities, prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the Rules made thereunder.
19. The company has not issued any shares or debentures or other securities during the financial year.
20. The company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions, necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares during the year.
23. As per information and explanation given to us, the company has not invited / accepted any deposits, including any unsecured loans, falling within the purview of Section 58A during the financial year.
24. The amount borrowed by the company from directors, members, financial institutions, banks and others is within the borrowing limits of the company and that necessary resolution as per section 293(1)(d) of the Act have been passed by the Company in the past.
25. The company has neither granted any loans or given guarantees nor made any investments during the year under scrutiny.
26. The company has not altered the provisions of the Memorandum with respect to the situation of the company's Registered Office from one State to another during the year under scrutiny.
27. The company has not altered the provisions of the Memorandum with respect to the objects of the company during the year under scrutiny.
28. The company has not altered the provisions of the Memorandum with respect to the name of the company during the year under scrutiny.
29. The company has not altered the provisions of the Memorandum with respect to the Share Capital of the company during the year under scrutiny.
30. The company has not altered the Articles of Association, during the year under scrutiny.
31. As per information and explanation given to us, there was no prosecution initiated against or show cause notices received by the company and no fines or penalties or any other punishment was imposed on the company or its Directors during the financial year for offences under the Act.
32. The company has not received any money as security from its employees during the financial year.
33. As per information & explanation given to us, the company has deposited both employees' and employer's contribution to the Provident Fund with prescribed authorities pursuant to Section 418 of the Act.

Place : Mumbai
Date : May 15, 2013

Encls.:
Annexure 'A'
Annexure 'B'

For **Chandanbala Jain & Associates**
Practicing Company Secretaries

Chandanbala O. Mehta
Proprietor
CP No. 6400 (FCS6122)

TCI INDUSTRIES LIMITED

ANNEXURE 'A'

Registers as maintained by the company during the year ended March 31, 2013.

Sr. No.	Name of the Register	Maintained
1.	Register of Members	U/S 150 of the Act
2.	Register of Contracts	U/S 301 of the Act
3.	Register of Directors	U/S 303 of the Act
4.	Register of Directors' shareholdings	U/S 307 of the Act
5.	Register & Returns	U/S 163 of the Act
6.	Register of Shares Transfer	
7.	Board Minutes Books & AGM/EGM Minutes Books	

ANNEXURE 'B'

E-Forms and returns as filed by the company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on March 31, 2013.

Sr. No.	E- Form No.	Section/ Rule	Description	Details of filing	Whether filed within prescribed time yes/no	If delayed, additional fees paid yes/no
1.	32	303(2)	Particulars of Appointment / Change in Designation / Cessation of Directors	Date: 21.04.2012 SRN: B37354024	Yes	N. A.
2.	25A	198, 269, 309	Application to Central Government for obtaining approval for Appointment and payment of Remuneration to Executive Director	Date: 23.06.2012 SRN: B41821968	Yes	N. A.
3.	23	192	Registration of Resolutions	Date: 31.08.2012 SRN: B56553555	No	Yes
4.	66	383A	Compliance Certificate for F.Y. 2011-2012	Date: 31.08.2012 SRN: P88689237	No	Yes
5.	20B	159	Annual Return 2011-2012	Date: 14.09.2012 SRN: P88906615	Yes	N. A.
6.	23AC (XBRL) & 23ACA (XBRL)	220	Balance Sheet and Profit & Loss A/c 2011-2012	Date: 24.01.2013 SRN: Q06139836	Yes	N. A.

For **Chandanbala Jain & Associates**
Practicing Company Secretaries

Chandanbala O. Mehta
Proprietor
CP No. 6400 (FCS 6122)

Place : Mumbai
Date : May 15, 2013

TCI INDUSTRIES LIMITED

INDEPENDENT AUDITORS' REPORT

To the Members of
TCI Industries Ltd.

Report on the Financial Statements

We have audited the accompanying financial statements of TCI Industries Ltd ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

Without qualifying our opinion reference is invited to note no. 15(iv) regarding preparation of accounts on a going concern basis.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 and
 - e. on the basis of written representations received from the directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **R. S. Agarwala & Co.**
Chartered Accountants
Firm Regn. No.: 304045E

R. S. Agarwala
Partner
Membership No. 5534

Camp : Gurgaon
Date : 15th May, 2013

TCI INDUSTRIES LIMITED

Annexure to Independent Auditor's Report

Referred to in paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of our report of even date.

1. The Company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets. The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed.
2. During the year, the Company has not disposed off a substantial part of fixed assets.
3. Physical verification was conducted by the management in respect of inventories at reasonable intervals. The Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification. The procedures followed by the management for such physical verification are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.
4. The Company has during the year granted interest free unsecured housing loan to its Executive director covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year is Rs. 35 Lacs and the year end balance to Rs. 13 Lacs. The Company has not taken any other unsecured loans during the year from parties covered in the register maintained under section 301 of the Act. The year end balances of loans taken during earlier years amount to Rs. 25 lacs. The terms and conditions of loans taken are not prima facie prejudicial to the interest of the company. There are no stipulations as to the dates for repayment of principal and interest.
5. There is an adequate internal control system commensurate with the size and nature of the Company's business for the purchase of inventories, fixed assets and for sale of goods. During the course of our audit, no major weakness has been noticed in the internal control system, nor we have been informed of any such instance.
6.
 - a) To the best of our knowledge and belief and according to the information and explanations given to us, the particulars of contracts or arrangements that need to be entered into the register in pursuance of Section 301 of Act, have been so entered.
 - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered into the register in pursuance of Section 301 of Act have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
7. The Company has not accepted any deposits from the public.
8. The Company had no formal internal audit system during the year. However it has adequate internal control procedures commensurate with its size and nature of its business.
9.
 - a) According to the books and records produced to us and based on management representations, undisputed statutory dues in respect of Provident Fund, Employees' State Insurance dues, Investor Education and Protection Fund, Income Tax, Wealth Tax, Service Tax and other material statutory dues have generally been regularly deposited by the Company during the year with the appropriate authorities.
 - b) According to the information and explanations given to us and the records of the company examined by us, the particulars of Income Tax dues, which have not been deposited on account of a dispute amounting to Rs.116 lacs, for which appeals are pending before the Income Tax Appellate Tribunal.
10. The Company's accumulated losses at the year end exceed its net worth. It has incurred cash losses in the financial year and in the immediately preceding financial year.
11. The Company has not given any guarantee for loans taken by others.
12. According to the information and explanations given to us, no material fraud on or by the Company was noticed or reported during the year.
13. Other matters specified in para 4 of the Companies (Auditors' report) Order, 2003 (as amended) are, in our opinion, not applicable to the Company.

For **R. S. Agarwala & Co.**
Chartered Accountants
Firm Regn. No.: 304045E

R. S. Agarwala
Partner
Membership No.5534

Camp : Gurgaon
Date : 15th May, 2013

TCI INDUSTRIES LIMITED

BALANCE SHEET

as at 31st March 2013

	Note No.	31st March 2013 Rupees	31st March 2012 Rupees
Equity & Liabilities			
Shareholders' Funds			
Share Capital	1	9,067,360	9,067,360
Reserves & Surplus	2	(149,325,600)	(141,109,611)
Non-Current Liabilities			
Other Long Term Liabilities	3	203,995,150	181,105,000
Current Liabilities			
Short-Term Borrowings	4	2,585,000	7,377,179
Trade Payables		11,172,538	10,481,629
Other Current Liabilities	5	2,392,778	1,136,589
Short Term Provisions	6	625,102	399,638
Total		<u>80,512,328</u>	<u>68,457,784</u>
Assets			
Non-Current Assets			
Fixed Assets:	7		
Tangible		38,450,332	38,940,371
Intangible		-	246
Capital work in Progress		23,658,359	21,028,296
Long Term Loans and Advances	8	82,130	63,690
Current Assets			
Trade Receivables	9	10,864,240	6,802,702
Cash & Bank Balances	10	140,541	711,083
Short Term Loans and Advances	11	7,316,726	911,397
Total		<u>80,512,328</u>	<u>68,457,784</u>

The notes form an integral part of these financial statements 1-15

In terms of our Report of even date

For R. S. Agarwala & Co.

Chartered Accountants

Firm Regn. No.: 304045E

R. S. Agarwala

Partner

Membership No. 5534

Camp : Gurgaon

Date : 15th May, 2013

For & On Behalf of the Board of Directors

S. N. Agarwal
Director

D.P. Agarwal
Director

Place : Gurgaon

Date : 15th May, 2013

TCI INDUSTRIES LIMITED

STATEMENT OF PROFIT AND LOSS

for the year ended 31st March 2013

	Note No.	31st March 2013 Rupees	31st March 2012 Rupees
Revenue			
Revenue from Operations			
Sale of Products		38,456,175	12,525,242
Other Income	12	791,749	830,398
Total Revenue		<u>39,247,924</u>	<u>13,355,640</u>
Expenses			
Purchase of Stock in Trade		35,608,493	11,597,210
Employee Benefits Expense	13	2,271,992	2,113,890
Finance Cost		20,213	91,333
Depreciation & Amortisation	7	543,201	546,616
Other Expenses	14	9,020,014	7,317,556
Total Expenses		<u>47,463,913</u>	<u>21,666,605</u>
Profit (Loss) before Exceptional items & Tax		(8,215,989)	(8,310,965)
Exceptional Items		-	11,609,710
Loss before Tax		(8,215,989)	(19,920,675)
Tax Expenses		-	-
Loss for the year		<u>(8,215,989)</u>	<u>(19,920,675)</u>
Earning per share			
Basic		-9.16	-22.21
Diluted		-9.16	-22.21

The notes form an integral part of these financial statements 1 - 15

In terms of our Report of even date
For R. S. Agarwala & Co.
Chartered Accountants
Firm Regn. No.: 304045E

For & On Behalf of the Board of Directors

S. N. Agarwal
Director

R. S. Agarwala
Partner
Membership No. 5534
Camp : Gurgaon
Date : 15th May, 2013

Place : Gurgaon
Date : 15th May, 2013

D.P. Agarwal
Director

TCI INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

	31st March 2013 Rupees	31st March 2012 Rupees
1) Share Capital		
Authorised:		
15000000 Equity shares of Rs.10 each	150,000,000	150,000,000
100000 Preference Shares of Rs.100 each	<u>10,000,000</u>	<u>10,000,000</u>
	<u>160,000,000</u>	<u>160,000,000</u>
Issued Subscribed and Fully paid up:		
896791 Equity shares of Rs.10 each fully paid up	8,967,910	8,967,910
Amount paid on shares forfeited	<u>99,450</u>	<u>99,450</u>
	<u>9,067,360</u>	<u>9,067,360</u>

Reconciliation of the number of shares outstanding

	31st March 2013		31st March 2012	
	No.of shares	Rupees	No.of shares	Rupees
Equity shares				
Shares outstanding at the beginning of the year	896791	9,067,360	896791	9,067,360
Shares outstanding at the end of the year	896791	9,067,360	896791	9,067,360

Details of shareholders holding more than 5% shares :

Name of the shareholders	31st March 2013		31st March 2012	
	No.of shares	% Holding	No.of shares	% Holding
Bhoruka Aluminum Ltd	51250	5.71	51250	5.71
Mahendra Kumar Agarwal	46002	5.13	66002	7.36

2) Reserves & Surplus:

Revaluation Reserve	25,896,118	25,896,118
Securities Premium Reserve	61,809,410	61,809,410
Others Reserve	<u>3,440,509</u>	<u>3,440,509</u>
	91,146,037	91,146,037
Debit balance as per Statement of Profit and Loss		
Balance as per last Balance Sheet	(232,255,648)	(212,334,973)
Loss during the year	<u>(8,215,989)</u>	<u>(19,920,675)</u>
	<u>(240,471,637)</u>	<u>(232,255,648)</u>
Total	<u>(149,325,600)</u>	<u>(141,109,611)</u>

TCI INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

	31st March 2013 Rupees	31st March 2012 Rupees
Non-Current Liabilities:—		
3) Other Long term Liabilities		
Advances Received against proposed property development	203,995,150	181,105,000
	<u>203,995,150</u>	<u>181,105,000</u>
Current Liabilities:—		
4) Short Term Borrowings		
Secured		
From Banks	-	542,179
(Secured against hypothecation of Motor cars purchased thereagainst)		
Unsecured		
Loans and advances from related parties		
From Directors	2,500,000	4,500,000
Other loans and advance	-	2,250,000
Deposits	85,000	85,000
	<u>2,585,000</u>	<u>7,377,179</u>
5) Other Current Liabilities		
Payable as per Scheme of Arrangement - 2003	702,940	704,480
Others	1,689,838	432,109
	<u>2,392,778</u>	<u>1,136,589</u>
6) Short Term Provisions		
Provision for Employees Benefits	625,102	399,638
	<u>625,102</u>	<u>399,638</u>

TCI INDUSTRIES LIMITED

7) Fixed Assets	(Amount in Rupees)											
	Description of Assets		Gross Block			Depreciation			Net Carrying Value			
			As at 1st April 2012	Additions during the year	Deductions during the year	As at 31st March 2013	Upto 31st March 2012	For the year	Adjustment on deductions	Total Depreciation	As at 31st March 2013	As at 31st March 2012
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Tangible Assets												
Land	31,780,960	-	-	31,780,960	-	-	-	-	-	-	31,780,960	31,780,960
Buildings	25,050,461	-	-	25,050,461	22,265,984	-	-	-	22,300,640	-	2,749,821	2,784,477
Plant and Equipments	1,456,733	-	-	1,456,733	1,383,896	-	-	-	1,383,896	-	72,837	72,837
Furniture and Fixtures	549,495	-	-	549,495	399,568	-	-	-	412,055	-	137,439	149,927
Vehicles	4,533,382	-	-	4,533,382	1,235,829	-	-	-	1,666,500	-	2,866,882	3,297,553
Office equipments	1,053,899	53,163	-	1,107,062	371,208	-	-	-	410,839	-	696,223	682,691
Airconditioners	174,360	-	-	174,360	46,054	-	-	-	54,337	-	120,023	128,306
Computers	418,918	-	-	418,918	375,298	-	-	-	392,771	-	26,147	43,620
Total	65,018,208	53,163	-	65,071,371	26,077,837	-	-	543,201	26,621,038	-	38,450,332	38,940,371
Intangible Assets												
Computer software	5,148	-	5,148	-	4,902	-	-	-	-	4,902	-	246
Total	5,148	-	5,148	-	4,902	-	-	-	-	4,902	-	246
Capital Work In Progress												
Total	21,028,296	2,630,063 (a)	-	23,658,359	-	-	-	-	-	-	23,658,359	21,028,296
Total	86,051,652	2,683,226	5,148	88,729,730	26,082,739	5,148	4,902	543,201	26,621,038	4,902	62,108,691	59,968,913
Previous Year	90,076,550	7,677,103	11,702,001	86,051,652	25,548,819	12,696	12,696	546,616	26,082,739	12,696	59,968,913	

(a) Legal & Professional fees incurred during the year

Leasehold land, Building, Plant & Machinery were revalued on 30 th. June 1984 and the resultant increase in the value of assets by Rs. 4,87,83,529 was transferred to Capital Reserve

TCI INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

	31st March 2013 Rupees	31st March 2012 Rupees
8) Long Term Loans & Advances		
Security deposits		
Unsecured- considered good	82,130	63,690
	<u>82,130</u>	<u>63,690</u>
9) Trade Receivables		
Unsecured- considered good		
Outstanding for less than six months from the due date	10,864,240	6,802,702
	<u>10,864,240</u>	<u>6,802,702</u>
10) Cash & Bank balances:		
Cash on hand	45,858	60,527
Balance with banks	94,683	650,556
	<u>140,541</u>	<u>711,083</u>
11) Short Term Loans & Advances		
(Unsecured considered good)		
Tax Deducted At Source	116,400	50,400
Prepaid expenses	76,509	79,549
Loans and advances due by Officers	-	25,000
Housing Loan to Executive Director (a)	1,300,000	-
Deposit with Cotton Corporation of India Ltd	5,000,000	-
Other Advances	823,817	756,448
	<u>7,316,726</u>	<u>911,397</u>
 (a)		
In accordance with the scheme formulated by the company duly approved by the Board of Directors a housing loan of Rs. 35 lacs was granted during the year to the Executive Director. The housing loan is being recovered as per the applicable terms and conditions and the year end balance amounts to Rs. 13 lacs.		

TCI INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

	31st March 2013 Rupees	31st March 2012 Rupees
12) Other Income		
Rent	791,250	584,000
Interest Received	499	-
Unspent liabilities written back	-	246,398
	<u>791,749</u>	<u>830,398</u>
13) Employees Benefits Expenses		
Salaries and Allowances	2,065,333	1,872,463
Contributions to Provident & Other Funds	122,640	128,730
Gratuity	36,000	82,314
Staff Welfare Expenses	48,019	30,383
	<u>2,271,992</u>	<u>2,113,890</u>
14) Other Expenses		
Advertisement Expenses	146,746	92,995
Audit Fees	67,416	67,416
Travelling & Conveyance	336,611	92,921
Electricity Charges	377,633	318,038
Insurance	66,240	67,136
Legal & Professional Fees	1,438,066	1,130,443
Postage expenses	49,226	39,671
Printing & stationery	61,443	55,943
Rent	65,884	61,783
Rates & Taxes	1,693,360	314,772
Repairs & Maintenance.-Buildings	343,603	1,180,049
Repairs & Maintenance.- Others	211,248	316,516
Security Expenses	2,453,530	2,314,366
Motor Car Expenses	1,145,760	748,780
Telephone Expenses	120,571	110,196
Miscellaneous Expenses	328,575	328,436
Loss on Sale of Fixed Assets	-	78,095
Service Tax	114,102	-
	<u>9,020,014</u>	<u>7,317,556</u>

NOTES TO THE FINANCIAL STATEMENTS (Contd...)

15) NOTES ON ACCOUNTS

- i. No provision has been made for depreciation on assets, which have already been depreciated to the extent of 95% of the value.
- ii. The Company trades in textiles only, hence the requirement for segment reporting is not applicable.
- iii. Earning per share – No. of Equity Shares 8,96,791. Loss for the year Rs.82.16 Lacs.
Earning per share of Rs. 10/- each Rs.(-) 9.16 (Previous Year Rs. -22.21)
- iv. The accumulated losses of the Company exceed its net worth. However these accounts have been prepared on a going concern basis as the management believes that the company will be able to meet all its liabilities on the basis of the financial support from its Promoters/Directors who have agreed to provide all the necessary financial support from time to time.

Accordingly these financial statements do not include any adjustments relating to the recoverability and classification of the carrying amount of Assets and classification of Liabilities that might have to be done should the company be unable to continue as Going Concern.

- v. With regard to the proposed property development, the Hon. Bombay High Court rejected the writ petition filed by the Company upholding the rejection by Municipal Corporation of the plans submitted by the Company on the ground of absence of “No Objection” from the Defence /Navy. The Company has preferred SLP in the Hon. Supreme Court against the said order of Bombay High Court, which has been admitted.
- vi. Municipal Corporation of Greater Mumbai has revised the property taxes w.e.f. 01st April 2010 and bills have been received during the year. The differential tax arrears of Rs 15,24,279 has been provided in these accounts.
- vii. Related Party Disclosures

I. Directors/key Management Personnel:

1. Mr. S. N. Agarwal – Director
2. Mr. D. P. Agarwal – Director
3. Mr. M. K. Agarwal – Director

II. Enterprises over which persons at (I) above exercise significant influence/relatives:

- | | |
|---|-----------------------------|
| 1. Mr. Chander Agarwal | 7. M/s. Pragya Enterprises. |
| 2. Mr. D. P. Agarwal | 8. Mr. S. N. Agarwal |
| 3. Mrs. Kanika Agarwal | 9. Mr. Siddhartha Agarwal. |
| 4. Mr. M. K. Agarwal | 10. Mrs. Umah Agarwal. |
| 5. M/s. Mahindra Investment Advisors P. Ltd | 11. Mr. Vivek Agarwal. |
| 6. Mrs. Nidhi Agarwal. | 12. Mr. Vineet Agarwal. |

III. Nature of transaction:

Advances received against proposed property development	132.27 Lacs
Advances Refunded	24.32 Lacs
Balance carried forward as on 31/03/2013	1031.69 Lacs

TCI INDUSTRIES LIMITED

viii. ADDITIONAL INFORMATION

	31st March 2013 Value(Rs.)	31st March 2012 Value (Rs.)
Sales Cloth	3,84,56,175	1,25,25,242
Purchases Cloth	3,56,08,493	1,15,97,210

ix. Figures for previous year have been regrouped / rearranged wherever necessary.

x. Contingent Liability and commitments: (to the extent not provided for)

Claim against the company not acknowledgement as debt :-

- a) Income Tax demands under dispute Rs. 116 Lacs
- b) The Hon'ble. Bombay High Court, by a judgment dated 1st March 2012, awarded a decree in favour of Cotton Corporation of India Ltd for Rs.22,78,578 which together with interest amount to Rs. 89,26,844/- as on 31st March 2013. The Company, has filed SLP before the Hon'ble Supreme Court which has been admitted and stay has been granted on the execution of impugned decree. As directed by the Hon'ble Supreme Court an amount of Rs. 50 Lac has been deposited with Cotton Corporation of India Ltd . The SLP is pending hearing.
- c) Municipal Corporation of Greater Mumbai (BEST) filed writ petition in The Hon'ble Bombay High Court in respect of electricity charges of the Ex Workers of the Company. As per the directions given by the Hon. Bombay High Court, the BEST calculated and demanded a sum of Rs. 8,55,168 comprising energy charges of Rs. 83,366/- and interest charges of Rs. 7,71,802. The company has paid the energy charges and challenged the interest demand by way of a writ petition in the Hon. Bombay High Court. The writ is pending for hearing.

ACCOUNTING POLICIES:

- i. Recognition of Income & Expenditure: Income and expenditure are recognized on. accrual basis.
- ii. Fixed assets are stated at cost and/or at revaluation.
- iii. Depreciation is provided on straight-line method at rates specified in Schedule XIV to the Companies Act, 1956. Depreciation on addition/deductions is calculated pro-rata from/to the month of addition/deduction.
- iv. Gratuity: The Company is a participant of group gratuity scheme with Life Insurance Corporation of India and the required premium under the scheme is paid.
- v. As there is no reasonable certainty that sufficient future taxable income will be available against which deferred tax assets can be realized, no deferred tax assets have been recognized in the accounts in respect of brought forward losses eligible as per Income Tax Act.

Signature to Notes 1 to 15.

In terms of our report of even date

For R. S. AGARWALA & CO.

Chartered Accountants

Firm Regn. No.: 304045E

For and on behalf of the Board

R. S. Agarwala (Partner)

Membership No. 5534

Camp : Gurgaon

Date : 15th May 2013

Place : Gurgaon

Date : 15th May 2013

S. N. Agarwal

Director

D. P. Agarwal

Director

TCI INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

PARTICULARS	31ST MARCH 2013 Rs.in Lacs	31ST MARCH 2012 Rs.in Lacs
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary item	(82.16)	(83.11)
Adjustments for :		
Depreciation	5.43	5.47
Other Income	(7.92)	(8.30)
Operating profit before Working Capital changes :	<u>(84.65)</u>	<u>(85.94)</u>
Adjustments for :		
(Increase)/Decrease in Trade and Other Receivables	(104.85)	(44.43)
Increase/Decrease in Trade Payables and other Liabilities	250.63	209.89
Exceptional Items	-	(116.10)
NET CASH FLOW FROM OPERATING ACTIVITIES	<u>61.13</u>	<u>(36.58)</u>
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Sale / (Purchase) of Assets	(26.83)	40.11
Rent received and misc.income	7.92	8.30
NET CASH FLOW FROM INVESTING ACTIVITIES	<u>(18.91)</u>	<u>48.41</u>
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Increase/Decrease of Secured Loan & Unsecured loan	(47.92)	(7.44)
NET CASH FLOW FROM FINANCING ACTIVITIES	<u>(47.92)</u>	<u>(7.44)</u>
NET INCREASE IN CASH & CASH EQUIVALENT (A+B+C)	(5.70)	4.39
CASH & CASH EQUIVALENT (OPENING BALANCE)	7.11	2.72
CASH & CASH EQUIVALENT (CLOSING BALANCE)	1.41	7.11

This is the Cash Flow Statement referred to in our report of even date.

For R. S. AGARWALA & CO.
Chartered Accountants
Firm Regn. No.: 304045E

R. S. Agarwala
Partner
Membership No. 5534

Camp : Gurgaon
Date : 15th May 2013

Place : Gurgaon
Date : 15th May 2013

For and on behalf of the Board

S. N. Agarwal D.P. Agarwal
Director Director

TCI INDUSTRIES LIMITED

Regd. Office : 1-7-293, Mahatma Gandhi Road, Secunderabad - 500 003. (A.P.)

PROXY FORM

DP ID

Client ID

Folio No.

I/We..... of in the district ofbeing a member/members of the above named Company do hereby appoint of in the district ofor failing him/her of

in the district of as my/our proxy to vote for me/us on My/our behalf at the 48th Annual General Meeting of the Company to be held at Surana Udyog Auditorium, The Federation of Andhra Pradesh Chambers of Commerce and Industry, 11-6-841, Red Hills, Hyderabad- 500 004 on Thursday the July 25th, 2013 at time given in the Notice of the meeting or at any adjournment thereof.

Signed this day of 2013 Signature



Note : This form in order to be effective should be duly stamped and signed and must be deposited at Registered Office of the Company, not less than 48 hours before the scheduled time of the meeting.

TCI INDUSTRIES LIMITED

Regd. Office : 1-7-293, Mahatma Gandhi Road, Secunderabad - 500 003. (A.P.)

ATTENDANCE SLIP
48th Annual General Meeting

DP ID.....

Client ID

Folio No.

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company. I hereby record my presence at the 48th Annual General Meeting of the Company at Surana Udyog Auditorium, The Federation of Andhra Pradesh Chambers of Commerce and Industry, 11-6-841, Red Hills, Hyderabad -500 004 Thursday the July 25th, 2013.

.....
Member's/Proxy's Name in Block Letters

.....
Member's/Proxy's Signature

Note : Please fill in this attendance slip and hand over it at the Entrance of the hall.

BOOK-POST

If undelivered please return to:

TCI INDUSTRIES LIMITED

N. A. Sawant Marg,

Colaba,

Mumbai - 400 005.