

# **TCI DEVELOPERS LIMITED      INFORMATION MEMORANDUM**

## **TCI DEVELOPERS LIMITED**

The TCI Developers Limited was incorporated in 14<sup>th</sup> May 2008 under the Companies Act, 1956, by Transport Corporation of India Ltd. as its wholly owned subsidiary company.

<b>Regd. Office</b>	<b>Corporate Office</b>
Flat No. 306/307, 3 <sup>rd</sup> Floor 1-8-271-273 & 301, Ashok Bhoopal Chambers, SP Road, Secunderabad-50000  Tel: 040-2784 0104 Fax: 040- 2784 0163	TCI House, 69, Institutional Area, Sector 32, Gurgaon, Haryana – 122207  Tel: 0124- 238 1603-07 Fax: 0124- 238 1611
<b>Contact persons</b>	
Ms. Vanita Agarwal, Company Secretary & Compliance Officer; and Mr. A.K. Bansal, Authorised Signatory  Email: <a href="mailto:secretarial@tcidevelopers.com">secretarial@tcidevelopers.com</a> ; <a href="mailto:ak.bansal@tcil.com">ak.bansal@tcil.com</a>	

**INFORMATION MEMORANDUM FOR LISTING OF 37,29,431 EQUITY SHARES OFRS. 10/- EACH FULLY PAID UP BEING SHARES ISSUED PURSUANT TO THE SCHEME OF ARRANGEMENT BETWEEN THE COMPANY AND TRANSPORT CORPORATION OF INDIA LIMITED**

<b>General Risks</b>	<b>Absolute Responsibility of the Issuer Company</b>
Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the equity shares of TCI Developers Limited unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the shares of the Company. For taking an investment decision, investors must rely on their own examination of the Company including the risks involved. The securities have not been recommended or approved by Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of risk factors on pages 8 to 9 of this Information Memorandum.	TCI Developers Limited having made all reasonable inquiries, accepts responsibility for, and confirms that this Information Memorandum contains all information with regard to the Company which is material, that the information contained in this Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

## **LISTING**

In terms of the Scheme, the Equity shares of the Company shall be listed and admitted to trading on the Bombay Stock Exchange Ltd. (BSE) and the National Stock Exchange of India Ltd.(NSE). Such listing and admission for trading of the said shares are subject to fulfillment by the Company of listing criteria of BSE and NSE and also subject to such other terms and conditions as may be prescribed by BSE and NSE.

BSE and NSE have vide their respective letters no. DCS/AMAL/AKS/IP/1157/2010-11 dated February 09, 2011 and NSE/LIST/160638-W dated March 15, 2011 granted their in- principal approval for Listing of Equity shares of the Company upon compliance with necessary requirements.

SEBI vide its letter no. CFD/DIL/SPDK/10643/2011 dated March 31, 2011 has granted relaxation from applicability of provisions contained in Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 for the purpose of listing of Shares of the Company

The Company has submitted this Information Memorandum with BSE and NSE. The Information Memorandum would also be made available in the website of BSE ([www.bseindia.com](http://www.bseindia.com)) and NSE ([www.nseindia.com](http://www.nseindia.com)).

**REGISTRAR AND SHARE TRANSFER AGENT:**

<b>Regd. Office</b>	<b>Corporate Office</b>
M/s. Abhipra Capita Ltd., GF-58-59, World Trade Center, Barakhamba Lane, New Delhi-110001  Tel: 011-2341 4629, 2341 3893 Fax: 011-2341 4503	M/s. Abhipra Capita Ltd., Abhipra Complex, A-387, Dilkhush Industrial Area, G.T. Karnal Road, Azadpur, Delhi-110033  Tel: 011-4239 0909 Fax: 011-2721 5530
<b>Contact persons</b>	
Mr. Jeewat Rai  Email: jeewatrai@abhipra.com; info@abhipra.com	

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# **TCI DEVELOPERS LIMITED      INFORMATION MEMORANDUM**

## **I.      DEFINITIONS, ABBREVIATIONS AND INDUSTRY RELATED TERMS**

Act	The Companies Act, 1956
Articles	Articles of Association of TCI Developers Limited
Board	Board of Directors of TCI Developers Limited
BSE	Bombay Stock Exchange Limited
CDSL	Central Depository Services (India) Limited
Company	TCI Developers Limited, a Public Limited Company incorporated under the Companies Act, 1956
DCA	Department of Company Affairs
Depositories Act	The Depositories Act, 1996 as amended from time to time
Depository	A Depository registered with SEBI under the SEBI (Depositories & Participants) Regulations, 1996 as amended from time to time
Directors	Directors on the Board of TCI Developers Limited
DP	Depository Participant
Equity Shares	Fully paid-up shares of Re. 10/- each of the Company
Equity Shareholders	Equity Shareholders of the Company
Information Memorandum	This Information Memorandum
I T Act	Income Tax Act, 1961 and subsequent amendments thereto
MOA	Memorandum of Association of TCI Developers Limited
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
RBI	Reserve Bank of India
Record Date or Book Closure Date	Record Date or Book Closure Date means 21 <sup>st</sup> October 2010 announced by Transport Corporation of India Ltd as Book Closure Period.
Registrar and Share Transfer Agent / Registrars	M/s. Abhipra Capita Ltd., Abhipra Complex, A-387, Dilkhush Industrial Area, G.T. Karnal Road, Azadpur, Delhi-110033  Tel: 011-4239 0909 Fax: 011-2721 5530 Email: jeewatrai@abhipra.com; info@abhipra.com
ROC	Registrar of Companies, Andhra Pradesh, Hyderabad

# **TCI DEVELOPERS LIMITED      INFORMATION MEMORANDUM**

Scheme/Scheme of Arrangement	Scheme of Arrangement between Transport Corporation of India Ltd and TCI Developers Ltd, for Demerger of “Real Estate & Warehousing” Division” in favour of TCI Developers Limited. The aforesaid Scheme was approved by the Hon’ble High Court of Andhra Pradesh, Hyderabad on 15 <sup>th</sup> September 2010 and became effective from 1 <sup>st</sup> April 2010 i.e. the Appointed Date.
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI Guidelines	Extant Guidelines for Disclosure and Investor Protection issued by Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992 (as amended), called Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000, as amended, including instructions and clarifications issued by SEBI from time to time.
TCI	Transport Corporation of India Limited
TDL	TCI Developers Limited

In the Information Memorandum all reference to ‘Rs’ refer to Rupees, the lawful currency of India, reference to one gender also refers to another gender and the word ‘Lakh’ or ‘Lac’ means ‘one hundred thousand’ and the word ‘million’ means ‘ten lacs’ and the word ‘crore’ means ‘ten million’

## **CERTAIN CONVENTIONS; USE OF MARKET DATA**

Unless stated otherwise, the financial data in this Information Memorandum is derived from our restated financial statements. The fiscal year commences on April 1 and ends on March 31 of each year, so all references to a particular fiscal year are to the twelve month period ended March 31 of that year. In this Information Memorandum, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding.

All references to “India” contained in this Information Memorandum are to the Republic of India. All references to “Rupees” or “Rs.” are to Indian Rupees, the official currency of the Republic of India.

For additional definitions, please see the section titled “Definitions, Abbreviations and Industry Related Terms” of this Information Memorandum.

Unless stated otherwise, industry data used throughout this Information Memorandum has been obtained from the published data and industry publications. Industry publications generally state

that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this Information Memorandum is reliable, it has not been independently verified.

The information included in this Information Memorandum about various other Companies is based on their respective Annual Reports and information made available by the respective companies.

### **FORWARD-LOOKING STATEMENTS**

We have included statements in this Information Memorandum which contain words or phrases such as “will”, “aim”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are “forward looking statements”. Similarly, statements that describe our objectives, plans or goals also are forward-looking statements, actual results may differ materially from those suggested by the forward looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to:

- General economic and business conditions in India and other countries;
- Regulatory changes and our ability to respond to them;
- Our ability to successfully implement our strategy, our growth and expansion plans;
- Technological changes;
- Our exposure to market risks, general economic and political conditions in India which have an impact on our business activities or investments;
- The monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally;
- Changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry.

For further discussion of factors that could cause our actual results to differ, see the section titled “Risk Factors” of this Information Memorandum. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

We do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not materialize.

**II.      RISK FACTORS AND MANAGEMENT PERCEPTIONS THEREOF**

*An investment in equity securities involves a high degree of risk. Investors should carefully consider all of the information in this Information Memorandum, including the risks and uncertainties described below, before making an investment in our Equity Shares. Occurrence of any of the following risks as well as the other risks and uncertainties discussed in this Information Memorandum could have a material adverse effect on our business, financial condition and results of operations and could cause the trading price of our Equity Shares to decline, which could result in the loss to the investor.*

**Competition from other players:**

With increasing number of players entering the Real Estate & Warehousing Industry, more specifically in Real Estate, competition is ever increasing. Companies in similar businesses are eating in to each others businesses. This may be a matter of concern if the Company does not adapt to the changing face of the Industry.

**Interest Rate Fluctuations**

The Company only hedges a portion of its interest rate exposure from time to time. An increase in prevailing Indian or international interest rates could increase the Company's borrowing costs with respect to its existing floating-rate obligations or new loans, which could adversely affect the Company's financial condition and results of operations.

**Personnel Risk**

The Company's success to a large part depends on the abilities and continued services of its senior management, as well as other skilled personnel, including creative and programming personnel. The Company's senior management is particularly important to its business because of their experience and knowledge of the media industry. The loss or non-availability to the Company of any of its senior management could have significant adverse affect. The Company may also not be able to either retain its present personnel or attract additional qualified personnel as and when needed. To the extent the Company will be required to replace any of its senior management or other skilled personnel, there can be no assurance that the Company will be able to locate or employ similarly qualified persons on acceptable terms or at all.

**Regulatory Risk**

The Company relies on intellectual property rights and Proprietary rights which may not be adequately protected under current laws. Further in view of the kind of business in which Company is, it may be subjected to defamation suits, which may have adverse effect on its business.

The Company's business is heavily regulated with regulations in the area of broadcasting, cable, advertisement, telecommunications, intellectual property, consumer and competition (anti trust) laws and regulations. Such regulations, their interpretation and changes therein or failure to obtain required regulatory approval could adversely effect the business and business prospects of the Company and its ability to operate.

**After listing, the price of our equity shares may be volatile, or an active trading market for our equity shares may not develop.**

The prices of our equity shares may fluctuate after listing due to a wide variety of factors, including volatility in the Indian and global securities markets; our operational performance, financial results and capacity expansion; developments in India's economic liberalization and deregulation policies, particularly in the Media sector; and changes in India's laws and regulations impacting our business. There is no assurance that an active trading market for our equity shares will develop or be sustained after listing.

**Introduction**

This is only a summary. Investors should read the following summary with the Risk Factors mentioned and the more detailed information about us and our financial statements included elsewhere in this Information Memorandum

**III.      GENERAL INFORMATION**

The Company was incorporated as TCI Developers Limited on 14<sup>th</sup> May 2008 under the Companies Act, 1956 under CIN No. U70102AP2008PLC059173 and obtained the certificate of commencement of business on 20<sup>th</sup> June 2008.

**DETAILED NOTE ON SCHEME**

The present Scheme of Arrangement involves the demerger of Real Estate & Warehousing Undertaking of Transport Corporation of India Limited – TCI (the Transferor Company) into TCI Developers Limited - TDL (the Transferee Company) in accordance with Section 391 to 394A and other applicable provisions, if any, of the Companies Act, 1956 and the relevant provisions of the Companies (Court) Rules, 1959.

**RATIONALE FOR THE SCHEME OF ARRANGEMENT**

In order to achieve operational, managerial and administrative efficiencies and with a view to concentrate on the focussed business, the Board of Directors of TCI and TDL have decided to demerge Real Estate & Warehousing Undertaking of TCI together with all the assets and liabilities of such undertaking as on Appointed Date into TDL. This Scheme of Arrangement providing for the demerger of Real Estate & Warehousing Undertaking from TCI into TDL aims, *inter alia*, at the following specific objectives:

- (i) To concentrate and focus on the core business activity of each company;
- (ii) Scalability of capacities;
- (iii) Facilitate expansion, consolidation or any other arrangement depending on the opportunity in the future with similar business; to achieve economies of scale and better profitability;
- (iv) Effective and efficient administration, management and control;
- (v) Better negotiating position with foreign collaborators/JV partners.

**TRANSFER AT BOOK VALUES**

All the assets, properties and liabilities of the Demerged Undertaking have been transferred into TDL at the values appearing in the books of TCI as on 1<sup>st</sup> April 2010 i.e. the Appointed Date.

**ELIGIBILITY CRITERION**

There being no initial public offering or rights issue, the eligibility criteria in terms of Clause 2.2.1 of SEBI (DIP) Guidelines, 2000 does not become applicable. The Company has submitted its Information Memorandum, containing information about itself, making disclosure in line with the disclosure requirement for public issues, as applicable to BSE and NSE for making the said Information Memorandum available to public through their websites viz. [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).

The Company has made the said Information Memorandum available on its website viz. [www.tcidevelopers.com](http://www.tcidevelopers.com)

The Company has published an advertisement on April 5, 2011 & April 6, 2011 in the news papers in one English and one Hindi newspaper with nationwide circulation and one regional newspaper with wide circulation at the place where the registered office of the Company is situated containing its details in line with **SEBI Circular No. SEBI/CFD/SCRR/01/2009/03/09 dated September 3, 2009 and amendments thereto and the relaxation of the Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 granted by the Securities and Exchange Board of India.**

**AUTHORITY FOR LISTING:**

The Hon'ble High Court of Andhra Pradesh, Hyderabad, vide its Order dated 15<sup>th</sup> September 2010 has approved the Scheme of Arrangement between Transport Corporation of India Ltd. (TCI) and TCI Developers Ltd. (TDL) and their respective shareholders, for De-merger of "Real Estate & Warehousing" Division of TCI in favour of TDL. In accordance with the Scheme, entire "Real Estate & Warehousing" Division of TCI has transferred to and vested with the Company w.e.f. 1<sup>st</sup> April 2010 (the Appointed Date under the Scheme) pursuant to Section 391 to 394 of the Companies Act, 1956. In accordance with the said scheme, the Equity shares of the Company issued pursuant to the Scheme as well as its existing shares to be listed and admitted to trading on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). Such listing and admission for trading is not automatic and will be subject to fulfillment by the Company of listing criteria of BSE and NSE for such issues and also subject to such other terms and conditions as may be prescribed by BSE and NSE at the time of the application by the Company seeking listing.

**GENERAL DISCLAIMER FROM THE COMPANY**

The Company accepts no responsibility for statement made otherwise than in the Information Memorandum or in the advertisement published in terms of **SEBI Circular No. SEBI/CFD/SCRR/01/2009/03/09 dated September 3, 2009** or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by the Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

**DISCLAIMER - BSE**

As required, a copy of this Information Memorandum has been submitted to BSE. The BSE has vide its letter dated April 30, 2010 approved the Scheme of Arrangement under clause 24(f) of the Listing Agreement and by virtue of that approval the BSE's name in this Information Memorandum as one of the Stock Exchanges on which the Company's securities are proposed to be listed.

The BSE does not in any manner:

- Warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum; or
- Warrant that this Company's securities will be listed or will continue to be listed on the BSE; or
- Take any responsibility for the financial or other soundness of this Company; and
- It should not for any reason be deemed or construed to mean that this Information Memorandum has been cleared or approved by the BSE.

Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

**DISCLAIMER - NSE**

As required, a copy of this Information Memorandum has been submitted to NSE. NSE has vide its letter dated May 18, 2010, approved the Scheme of Arrangement under clause 24(f) of the Listing Agreement and by virtue of the said approval NSE's name in this Information memorandum as one of the stock exchanges on which this Company's securities are proposed to be listed. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that this Information Memorandum has been cleared or approved by NSE; nor does NSE in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum; nor does it warrant that the Company's securities will be listed or continue to be listed on the NSE; nor does it take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of the Company.

Every person who desires to apply for or otherwise acquire any securities of the Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against NSE whatsoever by reason of any loss which maybe suffered by such person consequent to or in connection with such subscription or acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

**FILING**

This Information Memorandum has been filed with BSE and NSE.

**LISTING**

The Company has obtained in-principal approval for Listing of Equity shares of the Company from BSE and NSE have vide their respective letters no. DCS/AMAL/AKS/IP/1157/2010-11 dated February 09, 2011 and NSE/LIST/160638-W dated March 15, 2011. The Company has nominated BSE as the Designated Stock Exchange for the aforesaid listing of the shares. The Company has taken steps for completion of necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above.

**DEMAT CREDIT**

The Company has executed Tripartite Agreements with the Registrar and the Depositories i.e. NSDL and CDSL for admitting its securities in demat form and has been allotted ISIN INE662L01016.

**AUDITORS**

M. Gandhi & Co.,  
Chartered Accountants  
48, Lavelle Road,  
CSI Building, Hitananda  
Bangalore -560001

Tel: 080-2212 7995

**SHARE TRANSFER AGENT**

M/s. Abhipra Capita Ltd.,  
Abhipra Complex,  
A-387, Dilkhush Industrial Area,  
G.T. Karnal Road,  
Azadpur, Delhi-110033

Tel: 011-4239 0909

Fax: 011-2721 5530

Email: jeewatrai@abhipra.com; info@abhipra.com

**BANKER TO THE COMPANY**

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**COMPLIANCE OFFICER**

Ms. Vanita Agarwal, Company Secretary of the Company will act as “Compliance Officer” of the Company.

**IV. CAPITAL STRUCTURE****SHARE CAPITAL PRE SCHEME OF ARRANGEMENT**

<b>Number of Shares</b>	<b>Rupees</b>
<b>Authorised Capital</b>	
5,000,000 Equity Shares of Rs.10/- each	50,000,000
<b>Total</b>	<b>50,000,000</b>
<b>Issued, Subscribed and Paid-up</b>	
100,000 Equity Shares of Rs.10/- each fully paid up	1,000,000
<b>Total</b>	<b>1,000,000</b>

**SHARE CAPITAL POST SCHEME OF ARRANGEMENT**

<b>Number of Shares</b>	<b>Rupees</b>
<b>Authorised Capital</b>	
5,000,000 Equity Shares of Rs.10/- each	50,000,000
<b>Total</b>	<b>50,000,000</b>
<b>Issued, Subscribed and Paid-up</b>	
3,729,431 Equity Shares of Rs.10/- each fully paid up	37,294,310
<b>Total</b>	<b>37,294,310</b>

**Notes to Capital Structure:****Authorised Share Capital :**

The Company was incorporated with authorized capital of Rs. 10 Lacs divided into 1 Lacs equity shares of Rs. 10/- each.

The authorized capital of the Company was then increased from Rs. 10 Lacs to Rs. 5 Crores divided into 50 Lacs equity shares of Rs. 10/- each by a special resolution passed on 3<sup>rd</sup> Day of June 2008.

**Issued , Subscribed & Paid up**

100,000 Equity Shares of Rs. 10 each for cash at par aggregating to Rs. 1,000,000 were subscribed by the signatories to the memorandum on May 12, 2008.

36, 29,431 Equity Shares of Rs.10/- each, at par aggregating to Rs. 3,62,94,310 were allotted on the basis of the Scheme of Arrangement approved by the Hon'ble High Court of Andhra Pradesh, Hyderabad, in the ratio as mentioned in the Scheme i.e. one equity share of Rs.10/- face value against every twenty equity share of Rs.2/- face value held by Shareholders in Transport Corporation of India Ltd

**Statement showing Shareholding Pattern (Pre Demerger)**

Cate- gorycode	Category of shareholder	Numb er of share holder  s	Total number of shares	Number of shares held in demateria  lized form	Total shareholding as % of total number of shares	
					As % of (A+B)	As % of (A+B+C)
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>					
(1)	Indian					
(a)	Individuals/ Hindu Undivided Family	6	60	Nil	0.06	0.06
(b)	Central Government/ State Government(s)	Nil	Nil	Nil	Nil	Nil
(c)	Bodies Corporate	1	99940	Nil	99.94	99.94
(d)	Financial Institutions/ Banks	Nil	Nil	Nil	Nil	Nil
(e)	Any Other (specify)	Nil	Nil	Nil	Nil	Nil
	<b>Sub-Total (A)(1)</b>	<b>7</b>	<b>100000</b>	<b>Nil</b>	<b>100.00</b>	<b>100.00</b>
(2)	Foreign					
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	Nil	Nil	Nil	Nil	Nil
(b)	Bodies Corporate	Nil	Nil	Nil	Nil	Nil
(c)	Institutions	Nil	Nil	Nil	Nil	Nil
(d)	Any Other (specify)	Nil	Nil	Nil	Nil	Nil
	<b>Sub-Total (A)(2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>7</b>	<b>100000</b>	<b>Nil</b>	<b>100.00</b>	<b>100.00</b>

Category code	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as % of total number of shares	
					As % of (A+B)	As % of (A+B+C)
<b>(B)</b>	<b>Public holding</b>					
<b>(1)</b>	<b>Institutions</b>					
(a)	Mutual Funds/ UTI	Nil	Nil	Nil	Nil	Nil
(b)	Financial Institutions/ Banks	Nil	Nil	Nil	Nil	Nil
(c)	Central Govt/ State Govt(s)	Nil	Nil	Nil	Nil	Nil
(d)	Venture Capital Funds	Nil	Nil	Nil	Nil	Nil
(e)	Insurance Co's	Nil	Nil	Nil	Nil	Nil
(f)	FII	Nil	Nil	Nil	Nil	Nil
(g)	Foreign Venture Capital Investors	Nil	Nil	Nil	Nil	Nil
(h)	Any Other (specify)	Nil	Nil	Nil	Nil	Nil
	<b>Sub-Total (B)(1)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>(2)</b>	<b>Non-institutions</b>					
(a)	Bodies Corporate	Nil	Nil	Nil	Nil	Nil
(b)	Individuals - i. Shareholders holding nominal share up to 1 lac ii. Shareholders holding share in excess of 1 lac.	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
(c)	Any Other (specify)	Nil	Nil	Nil	Nil	Nil
	<b>Sub-Total (B)(2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

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	<b>TOTAL (A)+(B)</b>	<b>7</b>	<b>100000</b>	<b>Nil</b>	<b>100.00</b>	<b>100.00</b>
<b>(C)</b>	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>	Nil	Nil	Nil	Nil	Nil
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>7</b>	<b>100000</b>	<b>Nil</b>	<b>100.00</b>	<b>100.00</b>

<sup>1</sup> For determining public shareholding for the purpose of Clause 40A. <sup>2</sup> For definitions of “Promoter” and “Promoter Group”, refer to Clause 40A. <sup>3</sup> For definitions of “Public Shareholding”, refer to Clause 40A.

**(I)(b) Statement showing Shareholding of persons belonging to the category “Promoter and Promoter Group”**

<b>Sr. No.</b>	<b>Name of the shareholder</b>	<b>Number of shares</b>	<b>Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}</b>
1	M/s Transport Corporation of India Limited	99940	99.94
2	Mr. Dharam Pal Agarwal	10	0.01
3	Mr. Vineet Agarwal	10	0.01
4	Mr. Chander Agarwal	10	0.01
5	Mr. Akhil Kumar Bansal	10	0.01
6	Mr. Sudhir Kumar Agarwal	10	0.01
7	Mr. Naresh Kumar Baranwal	10	0.01
<b>TOTAL</b>		<b>100000</b>	<b>100.00</b>

**(I)(c) Statement showing Shareholding of persons belonging to the category “Public” and holding more than 1% of the total number of shares**

<b>Sr. No.</b>	<b>Name of the shareholder</b>	<b>Number of shares</b>	<b>Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}</b>
1.	NIL		
<b>TOTAL</b>			

## SHAREHOLDING PATTERN AS ON 31-MARCH-2011 (Post Demerger)

(I) (a) STATEMENT SHOWING SHAREHOLDING PATTERN								
Name of the Company		TCI Developers Limited						
Scrip Code, Name of the scrip,		: BSE: NSE :						
Quarter Ended		: 31-March-2011						
Partly paid up shares	No. of Partly paid -up shares	As a % of total no. of partly paid up shares	As a % of total no. of shares of the Company					
Held by promoter/promoter group	-	-	-					
Held by public	-	-	-					
Total	-	-	-					
Outstanding convertible securities	No. of Outstanding securities	As a % of total no. of outstanding securities	As a % of total no. of shares of the Company assuming full conversion of the convertible securities					
Held by promoter/promoter group	-	-	-					
Held by public	-	-	-					
Total	-	-	-					
warrants	No. of warrants	As a % of total no. of warrants	As a % of total no. of shares of the Company assuming full conversion of warrants					
Held by promoter/promoter group	-	-	-					
Held by public	-	-	-					
Total	-	-	-					
Total paid up capital of the Company assuming full conversion of warrants and convertible securities	N.A.							

Category code	Category of Shareholder	Number of Share holders	Table (I)(a)		Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
			Total number of shares	Number of shares held in dematerialized form	As a percentage of (A+B) <sup>1</sup>	As a percentage of (A+B+C)	Number of shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)= (VIII)/(IV)*100
(a)	Individuals/ Hindu Undivided Family	17	796262	796161	21.35	21.35	0	0.00
(b)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	9	1797169	1697229	48.19	48.19	0	0.00
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00	0	0.00
(e)	Any Others(Specify)	0	0	0	0.00	0.00	0	0.00
(e-i)		0	0	0	0.00	0.00	0	0.00
(e-ii)		0	0	0	0.00	0.00	0	0.00
	<b>Sub Total(A)(1)</b>	<b>26</b>	<b>2593431</b>	<b>2493390</b>	<b>69.54</b>	<b>69.54</b>	<b>0</b>	<b>0.00</b>
a	Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0.00	0.00	0	0.00
b	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
c	Institutions	0	0	0	0.00	0.00	0	0.00
d	Any Others(Specify)	0	0	0	0.00	0.00	0	0.00
d-i		0	0	0	0.00	0.00	0	0.00
d-ii		0	0	0	0.00	0.00	0	0.00
	<b>Sub Total(A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>26</b>	<b>2593431</b>	<b>2493390</b>	<b>69.54</b>	<b>69.54</b>	<b>0</b>	<b>0.00</b>
<b>(B)</b>	<b>Public shareholding</b>							
<b>1</b>	<b>Institutions</b>							
(a)	Mutual Funds/ UTI	1	25	0	0.00	0.00	0	0.00
(b)	Financial Institutions / Banks	9	1168	137	0.03	0.03	0	0.00
(c)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0.00	0	0.00
(e)	Insurance Companies	0	0	0	0.00	0.00	0	0.00
(f)	Foreign Institutional Investors	13	239114	238840	6.41	6.41	0	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00	0	0.00
(h)	Any Other (specify)	0	0	0	0.00	0.00	0	0.00
	<b>Sub-Total (B)(1)</b>	<b>23</b>	<b>240307</b>	<b>238977</b>	<b>6.44</b>	<b>6.44</b>		
<b>B 2</b>	<b>Non-institutions</b>							
(a)	Bodies Corporate	504	141540	104890	3.80	3.80	0	0.00
(b)	Individuals							

I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	17898	444312	318354	11.91	11.91	0	0.00
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	4	74542	74542	2.00	2.00	0	0.00
(c)	Any Other (specify)				0.00	0.00		
(c-i)	Trusts	1	50	50	0.00	0.00	0	0.00
(c-ii)	Non Resident Indian	780	64202	16025	1.72	1.72	0	0.00
(c-iii)	Overseas Corporate Bodies	1	101548	0	2.72	2.72	0	0.00
(c-iv)	Clearing Members	73	3312	3312	0.09	0.09	0	0.00
(c-v)	Hindu Undivided Families	226	66187	66187	1.78	1.78	0	0.00
	<b>Sub-Total (B)(2)</b>	<b>19487</b>	<b>895693</b>	<b>583360</b>	<b>24.02</b>	<b>24.02</b>		
(B)	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>19510</b>	<b>1136000</b>	<b>822337</b>	<b>30.46</b>	<b>30.46</b>	<b>0</b>	<b>0.00</b>
	<b>TOTAL (A)+(B)</b>	<b>19536</b>	<b>3729431</b>	<b>3315727</b>	<b>100.00</b>	<b>100.00</b>	<b>0</b>	<b>0.00</b>
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0.00	0.00	0	0.00
1	Promoter and Promoter Group	0	0	0	0.00	0.00	0	0.00
2	Public	0	0	0	0.00	0.00	0	0.00
	<b>Sub-Total (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>19536</b>	<b>3729431</b>	<b>3315727</b>	<b>100.00</b>	<b>100.00</b>	<b>0</b>	<b>0.00</b>

**(b) Statement showing shareholding of persons belonging to the category "Promoter and Promoter Group"**

Sr. No.	Name of the shareholder	Total shares held		Shares pledged or otherwise encumbered				
		Number of shares	As a % of grand total (A) +(B) +( C )	Number	As a percentage	As a % of grand total (A)+(B) +(C) of sub-clause (I)(a )		
(I)	(II)	(III)	(IV)	(V)	(VI)= (V)/(III)*100	(VII)		
1	Bhoruka Finance Corporation of India Limited	793483	21.28	0	0.00			0.00

2	Bhoruka International (P) Limited	524525	14.06	0	0.00	0.00		
3	D. P. Agarwal	248749	6.67	0	0.00	0.00		
4	TCI India Limited	201,077	5.39	0	0.00	0.00		
5	Chander Agarwal	102,436	2.75	0	0.00	0.00		
6	Priyanka Agarwal	97,260	2.61	0	0.00	0.00		
7	Dharampal-HUF	100,989	2.71	0	0.00	0.00		
8	Urmila Agarwal	86,116	2.31	0	0.00	0.00		
9	Vineet Agarwal	91,963	2.47	0	0.00	0.00		
10	XPS Cargo Services Ltd	46,142	1.24	0	0.00	0.00		
11	Chandrima Agarwal	37,052	0.99	0	0.00	0.00		
12	Dharampal Agarwal	30,225	0.81	0	0.00	0.00		
13	TCI Exim (P) Limited	17,407	0.47	0	0.00	0.00		
14	TCI Global Logistics Limited	11,394	0.31	0	0.00	0.00		
15	Vineet Agarwal	1,038	0.03	0	0.00	0.00		
16	Master Vihaan Agarwal	333	0.01	0	0.00	0.00		
17	Nav Agrarwal	41	0.00	0	0.00	0.00		
18	Dharm Pal Agarwal	10	0.00	0	0.00	0.00		
19	Vineet Agarwal	10	0.00	0	0.00	0.00		
20	Chander Agarwal	10	0.00	0	0.00	0.00		
21	Akhil Kumar Bansal	10	0.00	0	0.00	0.00		
22	Sudhir Kumar Agarwal	10	0.00	0	0.00	0.00		
23	Naresh Kumar Baranwal	10	0.00	0	0.00	0.00		
24	Transport Corporation of India Limited	99,940	2.68	0	0.00	0.00		
25	TCI Airways (p) Ltd.	70,997	1.90	0	0.00	0.00		
26	Etralog.Com solutions Ltd.	32,204	0.86	0	0.00	0.00		
	<b>TOTAL</b>	<b>2593431</b>	<b>69.54</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>		

**(I) (C) Statement showing shareholding of persons belonging to the category "Public" and holding more than 1% of the total number of shares**

Sr. No.	Name of the shareholder	Number of shares	Shares as a percentage of total number of shares (i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a)					
1	FID Funds (Mauritius) Ltd	229,751	6.16					
2	Arcee Holding Ltd.- OCB	101,548	2.72					
3	Nirmal M. Bang	53,396	1.43					
	<b>TOTAL</b>	<b>384695</b>	<b>10.32</b>					

<b>(d) Statement Showing Details of Locked-in Shares</b>							
Sr. No.	Name of the shareholder	Number of locked-in shares	Locked-in shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (l)(a)}				
1	Bhoruka Finance Corporation of India Limited	645,886	17.32				
2	Transport Corporation of India Limited	99,940	2.68				
3	Dharm Pal Agarwal	10	0.00				
4	Vineet Agarwal	10	0.00				
5	Chander Agarwal	10	0.00				
6	Akhil Kumar Bansal	10	0.00				
7	Sudhir Kumar Agarwal	10	0.00				
8	Naresh Kumar Baranwal	10	0.00				
<b>TOTAL</b>		<b>745886</b>	<b>20.00</b>				

<b>II (a) Statement Showing Details of Depository Receipts (DRs)</b>						
S.No.	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of Outstanding DRs	Number of Shares underlying outstanding DRs	Shares underlying outstanding DRs as a % of Totala No. of Shares		
1.	NIL	-	-	-		
	<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>		

<b>II(b) Statement showing Holding of Depository Receipts (DRs), where underlying shares held by promoter/promoters group are in excess of 1% of the total number of shares</b>						
S.No.	Name of the DR Holder, type of outstanding DR (ADRs, GDRs, SDRs etc.)	No. od shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (l)(a) above}			
1.	NIL	-	-			
	<b>TOTAL</b>	<b>-</b>	<b>-</b>			

- 1) As on date of this Information Memorandum, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into equity shares of the Company.
- 2) There will be no further issue of capital by the Company whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of approval of the Scheme by the High Court till listing of the Equity Shares to be allotted as per the Scheme.
- 3) The face value of the equity shares is Re. 10/- and there shall be only one denomination for the Equity Shares of the Company, subject to applicable regulations and the Company shall comply with such disclosure and accounting norms specified by SEBI, from time to time.
- 4) The Company has 19536 members as on the date of filing of this Information

**V. OBJECTS & RATIONALE OF THE SCHEME**

The present Scheme of Arrangement involves the demerger of Real Estate & Warehousing Undertaking of Transport Corporation of India Limited (the Transferor Company) into TCI Developers Limited (the Transferee Company) in accordance with Section 391 to 394A and other applicable provisions, if any, of the Companies Act, 1956 and the relevant provisions of the Companies (Court) Rules, 1959.

**RATIONALE FOR THE SCHEME OF ARRANGEMENT**

In order to achieve operational, managerial and administrative efficiencies and with a view to concentrate on the focused business, the Board of Directors of Transferor Company and Transferee Company have decided to demerge Real Estate & Warehousing Undertaking of the Transferor Company together with all the assets and liabilities of such undertaking as on Appointed Date into the Transferee Company. This Scheme of Arrangement providing for the demerger of Real Estate & Warehousing Undertaking from TCIL into TDL aims, *inter alia*, at the following specific objectives:

- (i) To concentrate and focus on the core business activity of each company;
- (ii) Scalability of capacities;
- (iii) Facilitate expansion, consolidation or any other arrangement depending on the opportunity in the future with similar business; to achieve economies of scale and better profitability;
- (iv) Effective and efficient administration, management and control;
- (v) Better negotiating position with foreign collaborators/JV partners.

**VESTING AND TRANSFER OF REAL ESTATE & WAREHOUSING UNDERTAKING/ DEMERGED UNDERTAKING**

Pursuant to this Scheme and with effect from the Appointed Date (i.e. the opening of business hours on 1<sup>st</sup> day of April 2010 the Demerged Undertaking (including all the estate, assets, rights, claims, title, interest and authorities etc.) has, pursuant to the provisions of Section 391 to 394A of the Companies Act, 1956, without any further act, deed, matter or thing been demerged from the Transferor Company and stand transferred to and vested in and deemed to be transferred to and vested in the Transferee Company on a going concern basis in such a manner that all the properties, assets, rights, claims, title, interest, authorities and liabilities comprised in the Demerged Undertaking as on Appointed Date have become the properties, assets, rights, claims, title, interest, authorities and liabilities of the Transferee Company by virtue and in the manner provided in this Scheme.

**TCI DEVELOPERS LIMITED      INFORMATION MEMORANDUM**

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**STATEMENT OF ASSETS & LIABILITIES AS ON 31.03.10 OF TCI REAL ESTATE & WAREHOUSING DIVISION BEING TRANSFERRED**

<b>Particulars</b>	<b>Book value as on 31.03.2010 (Rs. In Lacs)</b>
<b>ASSETS</b>	
Land & Building	2104.42
Investments	1563.10
Loans & Advances	1110.91
Cash & Bank Balances	499.54
<b>Total Assets (A)</b>	<b>5277.92</b>
<b>LIABILITIES (B)</b>	<b>1.39</b>
<b>NET ASSETS (A-B)</b>	<b>5276.58</b>

**VI. SALIENT FEATURES OF THE SCHEME PERTAINING TO DEMERGER OF NEWS BUSINESS UNDERTAKING**

The present Scheme of Arrangement involves the demerger of Real Estate & Warehousing Undertaking of Transport Corporation of India Limited (the Transferor Company) into TCI Developers Limited (the Transferee Company) in accordance with Section 391 to 394A and other applicable provisions, if any, of the Companies Act, 1956 and the relevant provisions of the Companies (Court) Rules, 1959.

**RATIONALE FOR THE SCHEME OF ARRANGEMENT**

Please refer to clause v of this Information Memorandum for details.

**TRANSFER AT BOOK VALUES**

All the assets, properties and liabilities of the Demerged Undertaking have been transferred to the Transferee Company at the values appearing in the books of the Transferor Company as on Appointed Date.

**SHARE ENTITLEMENT & ISSUANCE OF SHARES**

1. Pursuant to the Scheme of Arrangement, the Transferee Company has been issued and allotted 1 (One) equity shares of Rs. 10 each, credited as fully paid up, to the shareholders of the Transferor Company for every 20 (Twenty) equity shares of Rs. 2 each fully paid up, held in the Transferor Company, whose names appeared in the Register of Members of the Transferor Company as on Record Date (i.e. October 21, 2011) which was fixed by the Board of Directors of the Transferor Company in consultation with the Board of Directors of the Transferee Company.
2. The shares issued and allotted pursuant to above para are rank *pari-passu* in all respects with the existing shares.
3. The issue of equity shares to the shareholders of the Transferor Company in the Transferee Company as provided in this Scheme is an integral part thereof and the procedure laid down under section 81(1A) and any other applicable provisions of the Companies Act, 1956 shall be deemed to have been carried and hence need not be complied with separately.
4. Equity Shares of Transferee Company have been allotted to each shareholder of Transferor Company by giving a notice, either in physical form or in dematerialized form. It is confirmed that in the event of non-receipt of the aforesaid notice or in the event of such a notice being incomplete, the shareholders of Transferor Company who hold their shares in dematerialized form have been issued the shares of Transferee Company in the dematerialized form as per the records maintained by the Depositories as on the Record Date and those who hold the shares in physical form have been issued physical share certificates. Wherever applicable, the certificates have been sent by Transferee Company to the shareholders of Transferor Company at their respective registered addresses by

registered post, as appeared in the register maintained by Transferor Company with respect to its members (or in the case of joint holders to the address of that one of the joint holders whose name stands first in such registers in respect of such joint holding).

5. The aforesaid allotment of equity shares results in fractional entitlements of 5199 equity shares, the Board of Directors of Transferee Company have consolidated all such fractional entitlements into equity shares and allot the resultant equity share(s) to M/s. Bhoruka International Pvt. Ltd. (The trustee), one of the promoters associates of Transferor Company, as the Board of Directors of the Transferor Company appointed in this behalf, to be held in trust for all such shareholders who are entitled to such fractional entitlements. The trustee shall be bound by the express understanding to cause the sale of such equity shares at such price at such time as he may deem fit and shall distribute the sale proceeds (after deduction there from the expenses incurred, if any, in connection with the sale of shares) to the fraction shareholders in the ratio of their fractional entitlement.

**APPLICATION FOR LISTING OF SECURITIES BY TRANSFEE COMPANY**

The Transferee Company has independently applied to the Stock Exchange(s) at which the securities of Transferor Company are listed, being the National Stock Exchange and Bombay Stock Exchange, for listing the Equity Shares of the Transferee Company, in compliance with the Circular no. SEBI /CFD/SCRR/01/2009/03/09 dated September 3, 2009 issued by SEBI under Section 11 of SEBI Act, 1992, without either Transferee Company making an initial public offer since the requisite minimum of 25% of the paid-up share capital of Transferee Company comprises of shares allotted to the shareholders of the Transferor Company. Accordingly, the Transferee Company has taken steps for listing simultaneously on all such Stock Exchange(s) within a reasonable period of the receipt of the final order of the High Court sanctioning this Scheme. The Transferee Company has obtained in principle approval from BSE and NSE vide their respective letters no. DCS/AMAL/AKS/IP/1157/2010-11 dated February 09, 2011 and NSE/LIST/160638-W dated March 15, 2011. SEBI vide its letter no. CFD/DIL/SP/DK/10643/2011 dated March 31, 2011 has granted relaxation from applicability of provisions contained in Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 for the purpose of listing of Shares of the Company

**TCI DEVELOPERS LIMITED      INFORMATION MEMORANDUM**

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**STATEMENT OF ASSETS & LIABILITIES AS ON 31.03.10 OF TCI REAL ESTATE & WAREHOUSING DIVISION BEING TRANSFERRED**

<b>Particulars</b>	<b>Book value as on 31.03.2010 (Rs. In Lacs)</b>
<b>ASSETS</b>	
Land & Building	2104.42
Investments	1563.10
Loans & Advances	1110.91
Cash & Bank Balances	499.54
<b>Total Assets (A)</b>	<b>5277.92</b>
<b>LIABILITIES (B)</b>	<b>1.39</b>
<b>NET ASSETS (A-B)</b>	<b>5276.58</b>

**VII. STATEMENT OF POSSIBLE TAX BENEFIT**

Based on our understanding of Current laws applicable, the following tax benefits shall be available to the Company and the shareholders/prospective shareholders under the current Direct Tax Laws.

**A. Under the Income Tax Act, 1961 (“the Act”)****I. Benefits available to the company**

1. As per section 10(33) of the Act, any income arising from a transfer of a capital asset, being a unit of the Unit Scheme, 1964 referred to in Schedule I to the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 (58 of 2002) is not liable to tax where transfer of such asset takes place on or after the 1st Day of April, 2002.

2. As per section 10(34) of the Act, any income by way of dividends referred to in section 115-O (i.e. dividends declared, distributed or paid on or after 1st April, 2003 by domestic companies) received on the shares of any company is exempt from tax.

3. As per section 10(35) of the Act, the following income will be exempt in the hands of the Company:

.a. Income received in respect of the units of a Mutual Fund specified under clause (23D) of section 10; or

.b. Income received in respect of units from the Administrator of the specified undertaking; or

.c. Income received in respect of units from the specified company:

However, this exemption does not apply to any income arising from transfer of units of the Administrator of the specified undertaking or of the specified Company or of a mutual fund, as the case may be.

For this purpose (i) “Administrator” means the Administrator as referred to in section 2(a) of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 and (ii) “Specified Company” means a Company as referred to in section 2(h) of the said Act.

4. As per section 10(38) of the Act, Long term capital gains arising to the company from the transfer of long term capital asset being an equity share in a company or a unit of an equity oriented fund where such transaction is chargeable to securities transaction tax will be exempt in the hands of the Company.

For this purpose, “Equity Oriented Fund” means a fund –

.(i) where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty five percent of the total proceeds of such funds; and

.(ii) which has been set up under a scheme of a Mutual Fund specified under section 10(23D) of the Act.

As per section 115JB, while calculating “book profits” the Company will not be able to reduce the long term capital gains to which the provisions of section 10(38) of the Act apply and will be required to pay Minimum Alternate Tax @ 10% (plus applicable surcharge and education cess) of the book profits.

.The company is entitled to claim additional depreciation @ 20% (10% if the assets are used for less than 182 days) in accordance with provisions of section 32(1)(iia) for the purchase of new plant and machinery acquired and installed after 31st March, 2005.

.In accordance with and subject to the provisions of Section 35, the Company would be entitled to deduction in respect of expenditure laid out or expended on scientific research related to the business.

.In accordance with provisions of Section 35DD of the Act, expenditure incurred for the purpose of amalgamation or demerger of an undertaking, the company shall be allowed a deduction of an amount equal to one fifth of such expenses for each of the five consecutive previous years beginning with the previous year in which the amalgamation or demerger takes place.

8. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a “long term specified asset” within a period of 6 months after the date of such transfer. However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

A “long term specified asset” means any bond, redeemable after three years and issued on or after the 1st day of April 2006:

.(i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or

(ii) by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956, and notified by the Central Government in the Official Gazette for the purposes of this section.

9. As per Section 74 Short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' short-term as well as long-term capital gains. Long-term capital loss suffered during the year is allowed to be set-off against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long-term capital gains.

10. As per section 111A of the Act, short term capital gains arising to the Company from the sale of equity share or a unit of an equity oriented fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 10% (plus applicable surcharge and education cess).

11. As per section 112 of the Act, taxable long-term capital gains, if any, on sale of listed securities or units or zero coupon bonds will be charged to tax at the concessional rate of 20% (plus applicable surcharge and education cess) after considering indexation benefits in accordance with and subject to the provisions of section 48 of the Act or at 10% (plus applicable surcharge and education cess) without indexation benefits, at the option of the Company. Under section 48 of the Act, the long term capital gains arising out of sale of capital assets excluding bonds and debentures (except Capital Indexed Bonds issued by the Government) will be computed after indexing the cost of acquisition/ improvement.

12. Under section 115JAA(1A) of the Act, credit is allowed in respect of any Minimum Alternate Tax ("MAT") paid under section 115JB of the Act for any assessment year commencing on or after April 1st, 2006. Tax credit eligible to be carried forward will be the difference between MAT paid and the tax computed as per the normal provisions of the Act for that assessment year. Such MAT credit is allowed to be carried forward for set off purposes for up to 7 years succeeding the year in which the MAT credit is allowed.

## **II. Benefits available to Resident Shareholders**

1. As per section 10(34) of the Act, any income by way of dividends referred to in section 115-O (i.e. dividends declared, distributed or paid on or after 1 April 2003 by the domestic companies) received on the shares of the Company is exempt from tax.

2. As per section 10(38) of the Act, long term capital gains arising from the

transfer of a long term capital asset being an equity share of the Company, where such transaction is chargeable to securities transaction tax, will be exempt in the hands of the shareholder.

3. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a “long term specified asset” within a period of 6 months after the date of such transfer. However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

A “long term specified asset” means any bond, redeemable after three years and issued on or after the 1st day of April 2006:

.(i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or

.(ii) by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956, and notified by the Central Government in the Official Gazette for the purposes of this section.

4. As per section 54F of the Act, long term capital gains (in cases not covered under section 10(38)) arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family (HUF) will be exempt from capital gains tax if the net consideration is utilised, within a period of one year before, or two years after the date of transfer, in the purchase of a residential house, or for construction of a residential house within three years. Such benefit will not be available:

.(a) if the individual or Hindu Undivided Family- -owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or -purchases another residential house within a period of one year after the date of transfer of the shares; or -constructs another residential house within a period of three years after the date of transfer of the shares; and

.(b) the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head “Income from house property”.

If only a part of the net consideration is so invested, so much of the capital gain as bears to the whole of the capital gain, the same proportion as the cost of the

new residential house bears to the net consideration, will be exempt.

If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, will be deemed to be income chargeable under the head “Capital Gains” of the year in which the residential house is transferred.

.As per Section 74 Short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years’ short-term as well as long-term capital gains. Long-term capital loss suffered during the year is allowed to be set-off against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years’ long-term capital gains.

.As per section 88E of the Act, the securities transaction tax paid by the shareholder in respect of taxable securities transactions entered into in the course of the business will be eligible for deduction from the amount of income tax on the income chargeable under the head “Profits and Gains of Business or Profession” arising from taxable securities transaction, subject to certain limit specified in the section.

.As per section 111A of the Act, short term capital gains arising from the sale of equity shares of the Company transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 10% (plus applicable surcharge and education cess).

9. As per section 112 of the Act, taxable long-term capital gains, if any, on sale of listed securities or units or zero coupon bonds will be charged to tax at the rate of 20% (plus applicable surcharge and education cess) after considering indexation benefits or at 10% (plus applicable surcharge and education cess) without indexation benefits, whichever is less. Under section 48 of the Act, the long term capital gains arising out of sale of capital assets excluding bonds and debentures (except Capital Indexed Bonds issued by the Government) will be computed after indexing the cost of acquisition/improvement.

### **III. Benefits available to Non-Resident Indians/Non-Resident Shareholders (Other than FIIs and Venture Capital Companies / Funds)**

1. As per section 10(34) of the Act, any income by way of dividends referred to in section 115-O (i.e. dividends declared, distributed or paid on or after 1 April 2003 by the Company) received on the shares of the Company is exempt from tax.

2. As per section 10(38) of the Act, long term capital gains arising from the transfer of long term capital asset being an equity share of the Company, where such transaction is chargeable to securities transaction tax, will be exempt in the hands of the shareholder.
3. As per first proviso to section 48 of the Act, in case of a non resident shareholder, the capital gain/loss arising from transfer of shares of the Company, acquired in convertible foreign exchange, is to be computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively incurred in connection with such transfer, into the same foreign currency which was initially utilized in the purchase of shares. Cost Indexation benefit will not be available in such a case. As per section 112 of the Act, taxable long-term capital gains, if any, on sale of shares of the company will be charged to tax at the rate of 20% (plus applicable surcharge and education cess).
4. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a “long term specified asset” within a period of 6 months after the date of such transfer. However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

A “long term specified asset” means any bond, redeemable after three years and issued on or after the 1st day of April 2006:

(i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or

(ii) by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956, and notified by the Central Government in the Official Gazette for the purposes of this section.

5. As per section 54F of the Act, long term capital gains (in cases not covered under section 10(38)) arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family (HUF) will be exempt from capital gains tax if the net consideration is utilised, within a period of one year before, or two years after the date of transfer, in the purchase of a residential house, or for construction of a residential house

within three years. Such benefit will not be available:

.(a) if the individual or Hindu Undivided Family -owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or -purchases another residential house within a period of one year after the date of transfer of the shares; or -constructs another residential house within a period of three years after the date of transfer of the shares; and

.(b) the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head “Income from house property”.

If only a part of the net consideration is so invested, so much of the capital gain as bears to the whole of the capital gain, the same proportion as the cost of the new residential house bears to the net consideration, will be exempt.

If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, will be deemed to be income chargeable under the head “Capital Gains” of the year in which the residential house is transferred.

6      As per Section 74 Short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years’ short-term as well as long-term capital gains. Long-term capital loss suffered during the year is allowed to be setoff against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years’ long-term capital gains.

7.      As per section 88E of the Act, the securities transaction tax paid by the shareholder in respect of taxable securities transactions entered into in the course of the business will be eligible for deduction from the amount of income tax on the income chargeable under the head “Profits & Gains of Business or Profession” arising from taxable securities transaction subject to certain limit specified in the section.

8.      As per section 111A of the Act, short term capital gains arising from the sale of equity shares of the Company transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 10% (plus applicable surcharge and education cess).

9.      As per section 115E of the Act, in the case of a shareholder being a non-resident Indian, and subscribing to the shares of the Company in convertible foreign exchange, in accordance with and subject to the prescribed conditions,

long term capital gains arising on transfer of the shares of the Company (in cases not covered under section 10(38) of the Act) will be subject to tax at the rate of 10% (plus applicable surcharge and education cess), without any indexation benefit.

10. As per section 115F of the Act and subject to the conditions specified therein, in the case of a shareholder being a non-resident Indian, gains arising on transfer of a long term capital asset being shares of the Company will not be chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period of six months in any specified asset or savings certificates referred to in section 10(4B) of the Act. If part of such net consideration is invested within the prescribed period of six months in any specified asset or savings certificates referred to in section 10(4B) of the Act then such gains would not be chargeable to tax on a proportionate basis. Further, if the specified asset or savings certificates in which the investment has been made is transferred within a period of three years from the date of investment, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such specified asset or savings certificates are transferred.

11. As per section 115G of the Act, Non-Resident Indians are not obliged to file a return of income under section 139(1) of the Act, if their only source of income is income from specified investments or long term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVIIB of the Act.

12. As per section 115H of the Act, where Non-Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for that year under section 139 of the Act to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.

13. As per section 115I of the Act, a Non-Resident Indian may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing a declaration along with his return of income for that assessment year under section 139 of the Act, that the provisions of Chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the Act.

### **Provisions of the Act vis-à-vis provisions of the Tax Treaty**

In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if

any, between India and the country in which the non-resident has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident.

#### **IV. Benefits available to Foreign Institutional Investors ('FIIs')**

1. As per section 10(34) of the Act, any income by way of dividends referred to in section 115-O (i.e. dividends declared, distributed or paid on or after 1 April 2003 by the Company) received on the shares of the Company is exempt from tax.

.As per section 10(38) of the Act, long term capital gains arising from the transfer of long term capital asset being an equity share of the Company, where such transaction is chargeable to securities transaction tax, will be exempt to tax in the hands of the FIIs.

3. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a "long term specified asset" within a period of 6 months after the date of such transfer. However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

A "long term specified asset" means any bond, redeemable after three years and issued on or after the 1st day of April 2006:

.(i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or

.(ii) by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956, and notified by the Central Government in the Official Gazette for the purposes of this section.

4. As per Section 74 Short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' short-term as well as long-term capital gains. Long-term capital loss suffered during the year is allowed to be set-off against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long-term

capital gains.

5. The tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the FII has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the FII.

6. As per section 111A of the Act, short term capital gains arising from the sale of equity shares of the Company transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 10% (plus applicable surcharge and education cess).

7. As per section 115AD of the Act, FIIs will be taxed on the capital gains that are not exempt under the provision of section 10(38) of the Act, at the

following rates:

<b>Nature of income</b>	<b>Rate of tax (%)</b>
Long term capital gains	10
Short term capital gains (other	

than referred to in section 111A) 30

The above tax rates have to be increased by the applicable surcharge and education cess.

In case of long term capital gains, (in cases not covered under section 10(38) of the Act), the tax is levied on the capital gains computed without considering the cost indexation and without considering foreign exchange fluctuation.

## **VI. Benefits available to Mutual Funds**

As per section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made thereunder, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorised by the Reserve Bank of India will be exempt from income tax, subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf.

## **VII. Benefits available to Venture Capital Companies / Funds**

As per section 10(23FB) of the Act, all Venture Capital Companies / Funds registered with the Securities and Exchange Board of India, subject to the conditions specified, are eligible for exemption from income tax on their entire income, including income from sale of shares of the Company. However,

income received by a person out of investment made in a venture capital company or in a venture capital fund shall be chargeable to tax in the hands of such person.

**B. Benefits available under the Wealth Tax Act, 1957**

Asset as defined under section 2(ea) of the Wealth tax Act, 1957 does not include shares in companies and hence, shares of the Company are not liable to wealth tax.

**NOTES:**

- .(i) All the above benefits are as per the current tax laws.
- .(ii) In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investments in the shares of the company.

**VIII. COMPANY HISTORY & MANAGEMENT**

Background of the Company	The Company was promoted in year 2008 by Transport corporation of India Ltd. as its wholly owned subsidiary company. The company owns and operates Real estate and Warehousing business activities. Real Estate & warehousing division of the Transferor Company Transport Corporation of India Ltd. has been demerged and vested in the Company by order dated 15 <sup>th</sup> September 2010 of High Court of Andhra Pradesh, Hyderabad.
Date of Incorporation	14/05/2008
Registered Office address	Flat no.306 & 307, 1-8-271 to 273, 3 <sup>rd</sup> Floor, Ashoka Bhopal Chambers, S.P. Road, Secunderabad, Andhra Pradesh -500003
Main Business activity	Real Estate and Warehousing
Scheme of Arrangement	Transport Corporation of India Limited has Demerged its “Real Estate and Warehousing division” into TCI Developers Limited by a Scheme of arrangement duly approved by the Hon’ble High Court Hyderabad, Andhra Pradesh by its order dated 15 <sup>th</sup> September 2010 The Company has taken over all the specified and allocated assets, both movable & immovable and liabilities from erstwhile “Real Estate & Warehousing Division” of Transport Corporation of India Limited (TCIL) and the above have been vested with the Company with effect from 1 <sup>st</sup> April 2010 i.e. the Appointed Date in pursuance of the Scheme of Arrangement.

Capital Structure of the Company is as follows:

Type of Capital	Pre Scheme of Arrangement		Post Scheme of Arrangement
	FY 2010-11 (in Rs.)	FY 2009-10(in Rs.)	(as on Allotment date 23 <sup>rd</sup> Oct. 2010) (in Rs.)
Authorised Capital (50,00,000 Equity Shares of Rs. 10/- each)	50,000,000	50,000,000*	50,000,000
Issues, Subscribed & Paid up Capital (1,00,000 Equity Shares of Rs. 10/- each)	10,00,000	10,00,000	37,294,310

## **TCI DEVELOPERS LIMITED      INFORMATION MEMORANDUM**

\*Increased from Rs. 10 Lacs to Rs. 5 Cr. Vide EGM Resolution dated 3<sup>rd</sup> June 2008

Promoters of the Company and their holdings are as follows:

S.N.	Name of the Promoter	Address	No. of equity shares of Rs. 10/- each
1	<b>M/S Transport Corporation of India Ltd.</b>	<b>Flat No. 306-307, 1-8-271 to 273, 3<sup>rd</sup> Floor, Ashoka Bhoopal Chambers, S. P. Road, Secunderabad-500003</b>	99940
2	<b>Mr.Dharmpal Agarwal S/o Late Sh. Prabhu Dayal Agarwal</b>	19, Olof Palme Marg, Vasant Vihar, New Delhi-110057.	10
3	<b>Mr.Vineet Agarwal S/o Mr. Dharmpal Agarwal</b>	19, Olof Palme Marg, Vasant Vihar, New Delhi-110057.	10
4	<b>Mr.Chander Agarwal S/o Mr. Dharmpal Agarwal</b>	19, Olof Palme Marg, Vasant Vihar, New Delhi-110057	10

**IX. OVERVIEW OF ORGANIZATION STRUCTURE & SENIOR  
MANAGEMENT PERSONNEL**

Sl.No	Name	Designation	Address	Directorship held in Companies including TCI Developers Ltd	
				Public	Private
1	Mr. O. Swaminatha Reddy	Chairman	Plot No. 813, Road No. 41, Jubilee Hills, Hyderabad- 500033 (A.P.)	9	5
2	Mr. D.P. Agarwal	Director	19, Olof Palme Marg, Vasant Vihar, New Delhi 110057	5	3
3	Mr. Vineet Agarwal	Director	19, Olof Palme Marg, Vasant Vihar, New Delhi 110057	4	3
4	Mr. Chander Agarwal	Director	19, Olof Palme Marg, Vasant Vihar, New Delhi 110057	15	3
5	Mr. Janat Ghanshyam Bhai Shah	Director	419, Iim Campus, Bannerghatta Road, Iimb Post, Mico Layout, Bangalore, 560076, Karnataka	1	1
6	Mr. Amitava Ghosh	Director	79 Pryag Appts B-1,, Vasundhra Enclave, Delhi, 110096,	1	0
7	Mr. Ashok Behari Lall	Director	2-B , Ramkishore Road, Civil Lines, New Delhi, 110054	1	0

**X. BRIEF PROFILE OF THE PROMOTERS AND PROMOTING COMPANY**

Name of the Promoters and Promoting Company	Address of the Promoters and Promoting Company	Business Activity	Details of Listings, if any	The Company's Board of Directors
(1) Transport Corporation of India Ltd.	Q No. 306/307, 3 <sup>rd</sup> Floor, 1-8-271-273 & 301, Ashok Bhoopal Chambers, SP Road, Secunderabad-50000	Transport Corporation of India Ltd.-TCIL is India's leading integrated supply chain and logistics solutions provider and a pioneer in the sphere of cargo transportation in India. Leveraging on its extensive infrastructure, strong foundation and skilled manpower, TCI offers seamless multimodal transportation solutions.	Listed at NSE & BSE	List attached
(2) Mr. Dharam Pal Agarwal	19, OLOF Palme Marg, Vasant Vihar, New Delhi-110057	Mr. D. P. Agarwal is the Vice Chairman & Managing Director of Group TCI. Mr. Agarwal has been associated with the transport industry for more than 45 years. He has been contributing in transforming the unorganized logistics sector into an organized one. Mr. Agarwal holds the directorships of Boruka Power Corporation and Jai Bharat Maruti Ltd. Mr. Agarwal is also associated with various Chambers of Commerce including CII, FICCI & PHDCCI. He also takes active participation in many social and philanthropic activities with the common good	N.A.	N.A.
(3) Mr. Vineet Agarwal	19, OLOF Palme Marg, Vasant Vihar, New Delhi-110057	Mr. Vineet Agarwal is the Executive Director of Transport Corporation of India Ltd. (TCI). He joined the TCI in January 1996 and has held various finance and management roles within the Company. In addition to these responsibilities, Mr. Agarwal is the Director with the Transcorp International and Chairman in Transystem Logistics International. He has led the Company into high growth segments like Third Party Logistics and Express Distribution services.	N.A.	N.A.
(4) Mr. Chander Agarwal	19, OLOF Palme Marg, Vasant Vihar, New Delhi-110057	Mr. Chander Agarwal is the Executive Director of Transport Corporation of India Ltd. (TCI). Mr. Agarwal has held various finance and management roles in other group companies like TCI Seaways, TCI XPS etc. His hands-on experience with Tranfreight USA, has given him unmatched knowledge of the Supply Chain Management. Currently he is spearheading Group TCI's International expansion.	N.A.	N.A.

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AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF TCI DEVELOPERS LIMITED FOR THE PERIOD OF NINE MONTHS ENDED 31<sup>ST</sup> DECEMBER 2010

To the Board of Directors of TCI Developers Limited

We have examined the attached Balance Sheet of TCI Developers Limited as at 31<sup>st</sup> December, 2010 and also the Profit and Loss Account, the Cash Flow Statement for the period of nine months ended on that date and the accompanying notes and schedules thereto (hereinafter referred to as Financial Statements).

1. These Financial Statements are the responsibility of the Company's Management and have been prepared by the Management and also have been approved by the Board of Directors of the Company on 18<sup>th</sup> March 2011. Our responsibility is to express an opinion on these Financial Statements based on our audit.
2. We have conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of audit, we enclose in the Annexure hereto a statement on the matters specified in paragraph 4 & 5 of the said Order.
4. Further to our comments in the Annexure, referred to in paragraph 3 above, we report that:
  - i. 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.
  - ii. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.

iii. In our opinion, the Profit and Loss Account, the Balance Sheet and the Cash Flow Statement, comply with the accounting standards referred to in section 211 (3C) of the Companies Act, 1956.

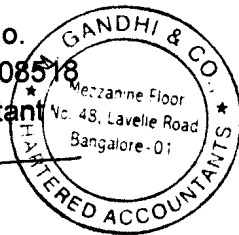
iv. On the basis of written representations received from the directors as on 31st December 2010 and taken on record by the Board of Directors none of the directors is disqualified as on 31st December, 2010 from being appointed as a director under section 274(1) (g) of the Companies Act, 1956.

v. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes and accounting policies thereon give the information required by the Companies Act, 1956 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 Balance Sheet of the state of affairs of the Company as at 31st December 2010;
- b) In the case of Profit and Loss Account, of the profit of the Company for the said period ended on that date and
- c) In the case of Cash Flow Statement, of the cash flows for the said period ended on that date.

5. This report is for inclusion in the Information Memorandum of the Company in connection with the proposed listing of Equity Shares under Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For M. Gandhi & Co.  
Firm Regn. No. 0008518  
Chartered Accountant



*M Gandhi*  
M. Gandhi  
(Proprietor)

Membership No. 022958

*Bangalore*

*19th March 2011*

**Annexure to Auditors' Report referred to in paragraph 3 of our report of even date:**

1. The Company has maintained records showing full particulars including quantitative details and situation of fixed assets. We are informed that a test physical verification of these assets was carried out by the management during the period and no material discrepancies were noticed.
2. During the period, the Company has not disposed off a substantial part of its fixed assets.
3. (a) The Company has during the period under audit granted unsecured interest free loan to wholly owned subsidiary. Interest bearing loan has been given to one company, which has been partially repaid during the period. The above companies are covered in the register maintained under Section 301 of the Act. The maximum amount involved during the 9 months period aggregate to Rs. 1,651 lacs and the balances at the end of period amounted to Rs. 1,395 lacs. There are no stipulations as to the dates for repayment of principal and interest. However, interest where applicable is being charged thereon.  
  
(b) In our opinion, the rate of interest and other terms and conditions of above loans are not prima facie prejudicial to the interest of the Company  
  
(c) As informed the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
4. There is an adequate internal control system commensurate with the size and nature of the Company's business for fixed assets and for the sale of services. 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.
5. (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 the 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 the Act, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

6. The Company, during the period, has not accepted any deposits from the public.
7. The company has internal audit system system commensurate with the size and nature of Company's business.
8. (a) According to the information and explanation given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, custom duty and other material statutory dues as applicable with the appropriate authorities.  
  
(b) The Company has no dues of income tax / sales tax / wealth-tax/ service tax/ customs duty / excise duty / cess, which have not been deposited on account of any dispute.
9. The Company has no accumulated losses as at December 31, 2010 and has not incurred any cash losses in the period ended on that date or in the immediately preceding financial year.
10. According to the records of the Company examined by us and the information and explanations given to us, the Company has not borrowed any funds from any financial institution or bank or raised any funds against debentures.
11. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
12. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.
13. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments. The investments in shares, securities, debentures etc. are held by the Company in its own name.
14. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions

15. The Company did not have any term loans outstanding during the period.

16. The Company has not made any preferential allotment of shares during the period to parties and companies covered in the register maintained under section 301 of the Act except as per the Scheme of Arrangement, referred in the Note 1 of the Notes on Accounts.
17. The Company has not raised any money by public issues during the year.
18. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

For M. Gandhi & Co.

Firm Regn. No. 0008518

Chartered Accountant

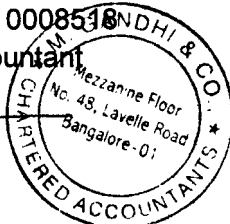


M. Gandhi  
(Proprietor)

Membership No. 022958

Bangalore

19th March 2011



**TCI DEVELOPERS LIMITED**

Flat No. 306 & 307, 1-8-271 To 273, 3rd Floor, Ashoka Bhoopal Chambers, S. P. Road, Secunderabad -500003  
**Balance Sheet as at 31st December 2010**

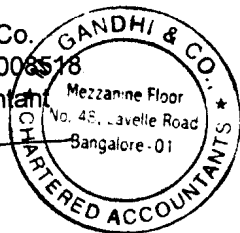
Schedule	31-December-2010		31-March-2010
	Rupees	Rupees	Rupees
<b>SOURCES OF FUNDS</b>			
<b>Shareholders Fund</b>			
Capital	1	37,294,310	1,000,000
Reserves and Surplus	2	491,169,456	(484,371)
<b>Deferred Tax Liability</b>	3	5,334,200	-
<b>Total Funds Employed</b>		<b>533,797,966</b>	<b>515,629</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	4	155,319,324	
Less: Depreciation		522,590	
Net Block		154,796,734	
Capital Work-in-Progress		73,686,061	
		228,482,795	-
<b>Investments</b>	5	158,773,594	-
<b>Current Assets, Loans &amp; Advances</b>			
Sundry Debtors	6	3,902,799	-
Cash and Bank Balances	7	467,466	517,082
Loans and Advances	8	142,814,102	3,547
		147,184,367	520,629
Less: Current Liabilities and Provisions	9	642,790	5,000
<b>Net Current Assets</b>		146,541,577	515,629
<b>Total Assets (Net)</b>		<b>533,797,966</b>	<b>515,629</b>

Notes on Accounts: 11  
 Schedules 1 to 9 and 11 referred above form integral part of the Balance Sheet

As per our report of even date

For and on behalf of the Board of Directors

For M. Gandhi & Co.  
 Firm Regn. No. 0006518  
 Chartered Accountants



M. Gandhi  
 Proprietor

Membership No. 022958  
 Camp: Bangalore  
 Date: 19th March 2011

Director

Director

Count: 48  
 C Varun Agalwal

**TCI DEVELOPERS LIMITED**

Flat No. 306 & 307, 1-8-271 To 273, 3rd Floor, Ashoka Bhoopal Chambers, S. P. Road, Secunderabad - 500003

**Profit and Loss Account for the period from 1st April 2010 to 31st December 2010**

	Schedule	01-04-2010 to	01-04-2009 to
		31-12-2010	31-03-2010
		Rupees	Rupees
<b>INCOME</b>			
Rent Income(Tax deducted at source Rs.433,644 previous year Rs. nil)		3,931,497	-
Interest (Tax deducted at source Rs. 285,357 previous year Rs. nil)		2,853,566	-
Share of profit in Partnership Firms (refer note 3 in Schedule 11)		3,464,009	-
		-	-
		<b>10,249,072</b>	<b>-</b>
<b>EXPENDITURE</b>			
Salary & Wages		999,033	-
Administrative Expenses	10	1,030,107	25,766
Depreciation		522,590	
		<b>2,551,730</b>	<b>25,766</b>
Profit (Loss) before Tax		7,697,342	(25,766)
Provision for Tax- Current		1,073,000	-
Deferred		(187,800)	-
Profit (Loss) after Tax		6,812,142	(25,766)
Balance brought forward from previous year		(484,371)	(458,605)
Balance Carried to Balance Sheet		<b>6,327,771</b>	<b>(484,371)</b>
Earnings per share		1.83	(0.26)

Notes on Accounts:

11

Schedules 10 and 11 referred above form integral part of the Profit and Loss Account

As per our report of even date

For and on behalf of the Board of Directors

For M. Gandhi & Co.

Firm Regn. No. 0008518

Chartered Accountants

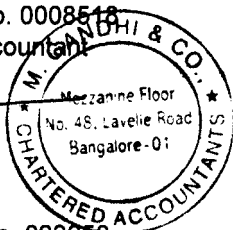
*M. Gandhi*

M. Gandhi  
Proprietor

Membership No. 022958

Camp: Bangalore

Date: 19th March 2011



Director

Director

*Counter*

[ Vanita Agarwal ]

## SCHEDULES TO THE ACCOUNTS

31st December 2010  
Rupees

31st March 2010  
Rupees

## (1) SHARE CAPITAL

Authorised :

5,000,000 Equity Shares of Rs.10 each

50,000,000

50,000,000

50,000,00050,000,000

Issued, Subscribed and Paid up:

Equity Shares of Rs.10 each fully paid up :

100,000 Shares paid in cash

1,000,000

1,000,000

3,629,431 Shares allotted to the shareholders of Transport Corporation of India Ltd. without payment being received in cash.

36,294,310

-

37,294,3101,000,000

Note:

As per the Scheme of Arrangement, 3,629,431 equity shares allotted to the shareholders of Transport Corporation of India Limited on 23rd October 2010. The Company has been legally advised that on approval of the Scheme of Arrangement by the High Court, the said shares are deemed to have been allotted effective from 1st April 2010.

## (2) RESERVES &amp; SURPLUS

Transfer on  
1st April 2010  
(a)

Additions

Deductions  
(b)

Capital Reserve

490,363,685

-

5,522,000

484,841,685

-

Profit and Loss Account

6,327,771

(484,371)

491,169,456(484,371)

(a) Transferred from Transport Corporation of India Ltd. as per the Scheme of Arrangement (Refer note 1 on Schedule 11).

(b) Transferred to Deferred Tax Liability, being the liability assessed as on 1st April 2010.

## (3) DEFERRED TAX LIABILITY

At 1st April  
2010 (a)

Current Year

Deferred Tax ( Asset ) Liability

Difference between book and tax depreciation

5,522,000

(187,800)

5,334,200

-

5,334,20050-

(a) Transferred from Capital Reserve

## (4) Fixed Assets

Description of Assets	AT COST				DEPRECIATION			NET BLOCK	
	Transfers on 01.04.2010 (a)	Additions during the period/ year	Deduction during the period/ year	Balances	For the period/ year	Adjustment on deductions	Total	31st December 2010	31st March 2010
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Land	119,957,549	-	-	119,957,549	-	-	-	119,957,549	-
Buildings (b)	33,344,263	-	-	33,344,263	407,634	-	407,634	32,936,629	-
Motor Cars	962,631	-	-	962,631	68,587	-	68,587	894,044	-
Computers	67,406	-	-	67,406	8,195	-	8,195	59,211	-
Furniture & Fittings	252,712	-	-	252,712	11,998	-	11,998	240,714	-
Electrical Equipments	656,276	-	-	656,276	23,380	-	23,380	632,896	-
Telephone equipments	42,201	-	-	42,201	1,503	-	1,503	40,698	-
Office Equipments	36,286	-	-	36,286	1,293	-	1,293	34,993	-
Capital Work-in-Progress: Building under construction	55,123,221	18,562,840	-	73,686,061	-	-	-	73,686,061	-
<b>TOTAL</b>	<b>210,442,545</b>	<b>18,562,840</b>	<b>-</b>	<b>229,005,385</b>	<b>522,590</b>	<b>-</b>	<b>522,590</b>	<b>228,482,795</b>	<b>-</b>
Previous Year	-	-	-	-	-	-	-	-	51

## NOTES:

(a) Transferred from Transport Corporation of India Ltd. as per the scheme of Arrangement

(b) Buildings include those on leasehold land

**SCHEDULES TO THE ACCOUNTS**
**31st December 2010**  
**Rupees**
**31st March 2010**  
**Rupees**
**(5) INVESTMENTS**

Long Term Investments (Trade):

Unquoted:

Fully Paid Equity Shares of Subsidiary Companies:

100,000 TCI Infrastructure Ltd. of Rs. 10 each (a)	1,000,000	-
2,621,000 TCI Properties (West) Ltd. of Rs. 10 each (a)	26,210,000	-

Capital in Partnership Firms (a)

Balance as on 01-04-2010 (a)	128,099,585	
Profit transferred during the period	<u>3,464,009</u>	131,563,594

(refer note 3 on Schedule 11)

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	<u>158,773,594</u>	-
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(a): The above investments have been transferred from Transport Corporation of India Ltd. as per the Scheme of Arrangement.

**(6) SUNDRY DEBTORS (Unsecured considered good)**

Outstanding for up to six months	3,902,799	-
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	<u>3,902,799</u>	-
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**(7) CASH AND BANK BALANCES**

Cash in Hand	46,180	-
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With Scheduled Banks in Current Account	421,286	517,082
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	<u>467,466</u>	<u>517,082</u>
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**(8) LOANS AND ADVANCES**

Loans and Advances to a Subsidiary	111,045,000	-
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Loans to Others	28,413,345	-
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Advances recoverable in Cash or in kind or for value to be received	2,633,209	-
---------------------------------------------------------------------	-----------	---

Tax Deducted at Source	722,548	3,547
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	<u>142,814,102</u>	<u>3,547</u>
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Due from Officers of the Company	Nil	Nil
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Maximum Due During the Year	Nil	Nil
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Loans and Advances due from Associate Company:	Amount outstanding Rupees	Maximum balance during the year Rupees
------------------------------------------------	---------------------------	----------------------------------------

Transport Corporation of India Ltd.	30,981,635	50,501,143
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**(9) CURRENT LIABILITIES AND PROVISIONS**

Sundry Creditors	53,964	5,000
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Other Liabilities	405,826	-
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Provisions for Taxation (net of payments)	183,000	52
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	<u>642,790</u>	<u>5,000</u>
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**SCHEDULES TO THE ACCOUNTS****31st December 2010**  
**Rupees****31st March 2010**  
**Rupees****(10) OTHER ADMINISTRATIVE EXPENSES**

Rates and Taxes		
Telephone Expenses	119,000	-
Printing and Stationery	7,211	-
Travelling Expenses	12,002	-
Legal Expenses	104,302	-
Postage and Telegram	301,639	-
Advertisement Expenses	254,725	-
Bank Charges	6,702	-
Entertainment Expenses	20	30
Car Maintenance Expenses	14,851	-
Miscellaneous Expenses	131,423	-
Remuneration to Auditors	68,232	20,736
Audit fees	10,000	5,000
		53
	<u>1,030,107</u>	<u>25,766</u>

## TCI DEVELOPERS LIMITED

Flat No. 306 & 307, 1-8-271 To 273,3rd Floor, Ashoka Bhoopal Chambers, S. P. Road,  
Secunderabad – 500003

### Schedule -11 Notes on Accounts

To the Balance Sheet as on 31<sup>st</sup> December 2010 and Profit and Loss Account for the period from 1<sup>st</sup> April 2010 to 31<sup>st</sup> December 2010

1. The Hon'ble Andhra Pradesh High Court, vide its order dated 15<sup>th</sup> September, 2010 approved the Scheme of Arrangement ( the Scheme) between the Company and Transport Corporation of India Ltd. effective from 1<sup>st</sup> April 2010. In terms of the Scheme:
  - i. The Real Estate and Warehousing division of Transport Corporation of India Ltd. together with all the properties and assets, investments, licenses, tenancy rights, trade marks, leases and all rights, powers, interests etc. as described in the Scheme stand transferred to the Company effective from 1<sup>st</sup> April 2010 at their respective book values, then prevailing.
  - ii. All debts, liabilities including contingent liabilities, duties and obligations, present or futures, relating to the said division whether secured or unsecured, whether provided or not, related to the period up to 31st March 2010, have been treated as liabilities, duties and obligations of the Company.
  - iii. All profits or losses, income and expenses accruing or arising or incurred relating to the said division effective from 1<sup>st</sup> April 2010 have been credited/ charged in the accounts of the Company.
  - iv. Capital Reserve of Rs.490,363,685 has been allocated and taken over by the Company as on 1<sup>st</sup> April 2010.
  - v. The title deeds for lands, buildings, licenses, agreements, bank accounts, other contracts and arrangements etc. are being transferred in the name of the Company.
  - vi. All permanent employees engaged in/ or relating to the said division stand transferred to the Company. The accumulated funds i.e. Provident Fund, Gratuity, Superannuation etc. will be transferred to the Company's funds as and when the legal formalities for the creation/ transfer of such funds are completed.
  - vii. Transport Corporation of India is deemed to have been carrying all business and activities relating to the said division and stand possessed of the properties so transferred to the Company effective from 1<sup>st</sup> April 2010 for and on account of and in trust for the Company. Accordingly all vouchers, documents etc. in respect of the said division for the transition period are in the name of Transport Corporation of India Ltd.
  - viii. In consideration of the transfer of the existing business of the said division in favour of the Company; each share holder of Transport Corporation of India Ltd. is entitled to receive from the Company 1 Equity Share of Rs. 10/- each credited as fully paid up for every 20 fully paid up equity shares of Rs. 2/- each held in Transport Corporation of India Ltd. Accordingly 3,629,431 shares of the Company have been allotted to the members of Transport Corporation of India Ltd. on 23<sup>rd</sup> October 2010. The Company has been advised that on the approval of the Scheme by the High Court, such shares are deemed to have been allotted effective from 1<sup>st</sup> April 2010.
2. Significant Accounting Policies:
  - (a) All revenues and expenditures are generally accounted on accrual basis as they are earned or incurred. The accounts are prepared on historical cost basis, as a going concern and are consistent with generally accepted accounting principles.
  - (b) Depreciation is provided on straight-line method at rates specified in schedule XIV to the Companies Act. Depreciation on additions/ deductions is calculated pro-rata from / to the month of addition / deduction. Individual assets whose actual cost does not exceed Rs. 5,000 are fully depreciated in the year of purchase.
  - (c) Fixed Assets are stated at cost
  - (d) Investments are stated at cost.

- (e) The Company assesses at each Balance Sheet date whether there is any indication that any asset may be impaired and such indication exists, the carrying value of such asset is reduced to its recoverable amount and a provision is made for such impairment loss in the profit and loss account.
- (f) Provision for tax is made for both current and deferred taxes. Provision for current income tax is made on the current tax rates based on assessable income. The company provides for deferred tax based on the tax effect of timing differences resulting from the recognition of items in the accounts and in estimating its current tax provision. The effect on deferred taxes of a change in tax rate is recognized in the year in which the change is effected.

3. Investments made consists of Investments in Capital of following Partnership Firms:

Sl.	Name of Partnership Firm		TCI Infrastructure Ltd.	TCI Developers Ltd. (*)	TCI Properties (Pune) Ltd.	Total
1	TCI Properties (Delhi)	Capital (Rs.)	2,574.00	48,785,004	2,574	48,790,152
		% of Share	0.0053	99.9894	0.0053	100.00
2	TCI Properties (Guj)	Capital (Rs.)	1,095.00	15,608,877	1,095	15,611,067
		% of Share	0.0070	99.9860	0.0070	100.00
3	TCI Properties (NCR)	Capital (Rs.)	1,020.00	22,418,250	1,020	22,420,290
		% of Share	0.0045	99.9909	0.0045	100.00
4	TCI Properties (South)	Capital (Rs.)	1,074.00	18,547,733	1,074	18,549,881
		% of Share	0.0058	99.9884	0.0058	100.00
5	TCI Warehousing (MH)	Capital (Rs.)	1,000.00	26,203,730	1,000	26,205,730
		% of Share	0.0038	99.9924	0.0038	100.00
	Total		6,763	131,563,593	6,763	131,577,119

Pursuant to the Scheme referred in para 1 above, , shareholding of and balances of Transport Corporation of India Ltd in these partnership firms have been transferred to TCI Developers Ltd. w.e.f. the appointed date i.e. 1<sup>st</sup> April 2010.

4. Related party transactions

- a.
- i. Associates:
- Transport Corporation of India Ltd. (till 31<sup>st</sup> March 2010, Holding Company)
  - TCI Properties – (GUJ) - Partnership Firm
  - TCI Properties – (Delhi) - Partnership Firm
  - TCI Warehousing – (MH) - Partnership Firm
  - TCI Properties – (South)- Partnership Firm
  - TCI Properties – (NCR) - Partnership Firm
- ii. Subsidiaries:
- TCI Infrastructure Ltd.
  - TCI Properties (West) Ltd.

b. Transactions with Related parties:

Nature of Transaction	Nature of Relation	Amount (Rupees)	
		April to Dec. 2010	2009-10
<b>Transaction During the period:</b>			
<b>Income:</b>			
Rent Received	Associates	3,931,497	
Share in Profit Received	Associates	3,464,009	55
Interest Received	Associates	2,853,566	-

**Finance & Investments**

Loan Given	Associates	54,068,796	-
Refund of Loan Given	Associates	25,655,451	-
Investment transferred towards Capital	Associates	3,464,009	-
Investments Made	Subsidiary	110,000	-
<b>Balances as at the end of period</b>			
		31 <sup>st</sup> December 2010	31 <sup>st</sup> March 2010
<b>Assets:</b>			
Investments Made	Associates	131,563,594	-
	Subsidiaries	27,210,000	-
Trade Receivables	Associates	6,471,008	-
Loan & Advances Given	Associates	28,413,345	-
	Subsidiary	111,045,000	-

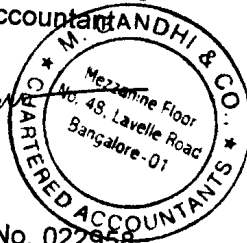
5. In the opinion of Board of Directors and to the best of their knowledge and belief, the value on realization of current assets, loans and advances in the ordinary course of business, would not be less than the amount at which the same are stated in the Balance Sheet.
6. Preliminary expenses being intangible asset, written off fully as per Accounting Standard.
7. The Company was a fully owned subsidiary company of Transport Corporation of India Ltd. till 31<sup>st</sup> March 2010.
8. Information pursuant to Part II of Schedule VI to the Companies Act, 1956 has been given to the extent applicable.
9. Contingent Liabilities – Nil.
10. These accounts have been prepared for the period from 1<sup>st</sup> April 2010 to 31<sup>st</sup> December 2010 and corresponding figures for the previous year are comparable to such extent.
11. Previous year's figures have been regrouped and rearranged, wherever found necessary.

As per our report of even date attached

For and on behalf of the Board of Directors

For M. Gandhi & Co.  
Firm Regn. No. 0008518

Chartered Accountant



M. Gandhi  
(Proprietor)  
Membership No. 022958

Camp: Bangalore  
Date: 19th March 2011

*[Signature]*  
Director

*[Signature]*  
Director

*[Signature]*  
[Varita Agalwal]<sup>56</sup>

**TCI DEVELOPERS LIMITED**

Flat No. 306 & 307, 1-8-271 To 273, 3rd Floor, Ashoka Bhoopal Chambers, S. P. Road, Secunderabad - 500003  
**CASH FLOW STATEMENT FOR THE PERIOD OF NINE MONTHS ENDED 31ST DECEMBER 2010**

PARTICULARS	Amount (Rupees)	
	1-4-2010 TO 31-12-2010	1-4-2009 TO 31-03-2010
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit (Loss) before Tax and Exceptional Items	7,697,342	(25,766)
<b>Adjustments for Non-Operating Activities:</b>		
Depreciation	522,590	-
Share of Loss (Profit) in partnership Firms	(3,464,009)	-
Interest Received	(2,853,566)	-
Operating Profit before Working Capital Changes	(5,794,985)	-
<b>Adjustments for Working Capital Changes:</b>		
Trade and Other Receivables	1,902,357	(25,766)
Trade Payable	(6,536,008)	-
<b>Cash Generation From Operation</b>	454,790	-
Direct Taxes Paid (Net)	(4,178,861)	(25,766)
<b>Net Cash from Operating Activities</b>	(1,609,001)	-
	<b>(5,787,862)</b>	<b>(25,766)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase/ Acquisition of Fixed Assets	(229,005,385)	-
Acquisition of Investments	(158,773,594)	-
Interest Received	2,853,566	-
Share of Profit in Partnership Firms Received	3,464,009	-
Loans and Advances in the nature of Loans	(139,458,345)	-
<b>Net Cash from Investing Activities</b>	<b>(520,919,749)</b>	-
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issuance of Share Capital	36,294,310	-
Capital Reserve as per Scheme of Arrangement	490,363,685	-
<b>Net Cash from Financing Activities</b>	<b>526,657,995</b>	-
<b>Net Increase (Decrease) in Cash and Cash Equivalent (A+B+C)</b>	<b>(49,616)</b>	<b>(25,766)</b>
<b>Cash and Cash Equivalent (Opening)</b>	<b>517,082</b>	<b>542,848</b>
<b>Cash and Cash Equivalent (Closing)</b>	<b>467,466</b>	<b>517,082</b>

As per our report of even date

For and on behalf of the Board of Directors

For M. Gandhi & Co.

Firm Regn. No. 0008578

Chartered Accountants

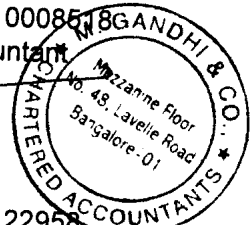
M. Gandhi

Proprietor

Membership No. 22958

Camp: Bangalore

Date: 19th March 2011



*[Signature]*

Director

*[Signature]*

Director

*[Signature]* 57

[Varita Agarwal]

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**A U D I T O R S' R E P O R T O N C O N S O L I D A T E D F I N A N C I A L S T A T E M E N T S  
T O T H E B O A R D O F D I R E C T O R S O F T C I D E V E L O P E R S L I M I T E D**

We have audited the attached Consolidated Balance Sheet of TCI Developers Limited (the Parent Company) and its subsidiary companies (collectively called 'the TDL Group') as at 31<sup>st</sup> December, 2010 and the Consolidated Profit and Loss Account for the period of 9 months ended on that date. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

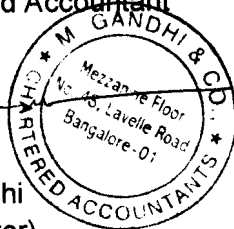
1. We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those standards require that we plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
2. The Financial Statements of the subsidiary companies have been audited by other auditors, whose reports have been furnished to us and our opinion is based solely on the reports so furnished.
3. We report that the Consolidated Financial Statements have been prepared by the Company's management in accordance with the requirements of the Accounting Standards (AS) 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India.

Based on our audit and on consideration of reports of other auditors<sup>58</sup> on separate financial information of the components, and to the best of our information and according

to the explanations given to us, we are of the opinion that the attached Consolidated Financial Statements, read together with paragraph 2 above, give a true and fair view in conformity with the accounting principle generally accepted in India:

- (a) In the case of Consolidated Balance Sheet of the state of affairs of the TDL Group as at 31<sup>st</sup> December 2010 and
- (b) In the case of Consolidated Profit & Loss Account, of the profit of the TDL Group for the said period ended on that date.

For M. Gandhi & Co.  
Firm Regn. No. 0008518  
Chartered Accountant



M. Gandhi  
(Proprietor)  
Membership No. 022958

*Bangalore*

*19th March 2011*

**TCI DEVELOPERS LIMITED**

Flat No. 306 & 307, 1-8-271 To 273,3rd Floor, Ashoka Bhoopal Chambers, S. P. Road,  
Secunderabad -500003

**Consolidated Balance Sheet as at 31st December 2010**

	Schedule	Amount Rupees
<b>SOURCES OF FUNDS</b>		
<b>Shareholders Fund</b>		
Capital	1	37,294,310
Reserves and Surplus	2	491,051,564
<b>Deferred Tax Liability</b>	3	5,334,200
<b>Minority Interest</b>		17,293,708
<b>Total Funds Employed</b>		<b>550,973,782</b>
<b>APPLICATION OF FUNDS</b>		
<b>Goodwill on Consolidation (Net)</b>		158,256
<b>Fixed Assets</b>	4	
Gross Block		436,161,719
Less: Depreciation		2,574,347
Net Block		433,587,372
Capital Work-in-Progress		73,766,061
		507,353,433
<b>Investments</b>	5	450,000
<b>Current Assets, Loans &amp; Advances</b>		
Sundry Debtors	6	9,770,349
Cash and Bank Balances	7	2,947,303
Loans and Advances	8	32,455,473
		45,173,125
Less: Current Liabilities and Provisions	9	2,226,726
<b>Net Current Assets</b>		42,946,399
Miscellaneous Expenditure (To the extent not written off or adjusted)		
Preliminary Expenses		65,694
<b>Total Assets (Net)</b>		<b>550,973,782</b>

Notes on Accounts:

11

Schedules 1 to 9 and 11 referred above form integral part of the Balance Sheet

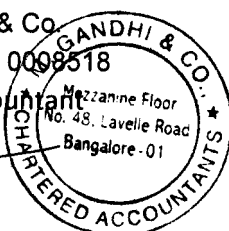
As per our Report of even date

For and on behalf of the Board of Directors

For M. Gandhi & Co.

Firm Regn. No. 0098518

Chartered Accountant



M. Gandhi  
Proprietor

Membership No. 022958

Camp: Bangalore

Date: 19th March 2011

*[Signature]*  
Director

*[Signature]*  
Director

*[Signature]*  
[Vandana Agarwal]

**TCI DEVELOPERS LIMITED**

Flat No. 306 & 307, 1-8-271 To 273, 3rd Floor, Ashoka Bhoopal Chambers, S. P. Road, Secunderabad -500003

**Consolidated Profit and Loss Account for the period from 1st April 2010 to 31st December 2010**

	Schedule	Amount Rupees
<b>INCOME</b>		
Rent Income (Tax deducted at source Rs. 1,075,344)		10,348,497
Interest (Tax deducted at source Rs. 285,357)		2,883,930
Dividend Income		20,000
		<b>13,252,427</b>
<b>EXPENDITURE</b>		
Salary & Wages		999,033
Administrative Expenses	10	1,271,904
Interest Paid		12,448
Depreciation		2,051,606
		<b>4,334,991</b>
Profit (Loss) before Tax		8,917,436
Provision for Tax	Current Deferred	2,479,427
		<b>(187,800)</b>
<b>Profit (Loss) after Tax</b>		<b>6,625,809</b>
Minority Interest		68,441
Balance brought forward from previous year		<b>(484,371)</b>
Balance Carried to Balance Sheet		<b>6,209,879</b>
Earnings per share		1.76

Notes on Accounts:

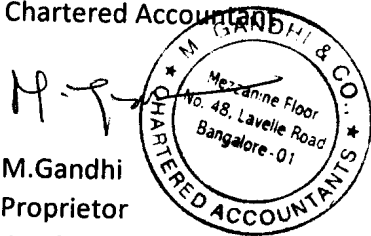
11

Schedules 10 and 11 referred above form integral part of the Profit and Loss Account

As per our report of even date

For and on behalf of the Board of Directors

For M. Gandhi & Co.  
Firm Regn. No. 0008518  
Chartered Accountants



M. Gandhi  
Proprietor

Membership No. 022958

Camp: Bangalore

Date: 19th March 2011

Director

Director

[Vanita Agaswal]

SCHEDULES TO THE CONSOLIDATED ACCOUNTS

				31-December-2010
				Amount Rupees
<b>SCHEDULES TO THE ACCOUNTS</b>				
<b>(1) SHARE CAPITAL</b>				
Authorised :				
5,000,000 Equity Shares of Rs.10 each				50,000,000
Issued, Subscribed and Paid up:				
Equity Shares of Rs.10 each fully paid up :				
100,000 Shares paid in cash				1,000,000
3,629,431 Shares allotted to the shareholders of Transport Corporation of India Ltd. without payment being received in cash.				36,294,310
				37,294,310
Note:				
As per the Scheme of Arrangement, 3,629,431 equity shares allotted to the shareholders of Transport Corporation of India Limited on 23rd October 2010. The Company has been legally advised that on approval of the Scheme of Arrangement by the High Court, the said shares are deemed to have been allotted effective from 1st April 2010.				
<b>(2) RESERVES &amp; SURPLUS</b>				
	Transfer on 1st April 2010 (a)	Additions	Deductions (b)	
Capital Reserve	490,363,685	-	5,522,000	484,841,685
Profit and Loss Account				6,209,879
				491,051,564
(a) Transferred from Transport Corporation of India Ltd. as per the Scheme of Arrangement (Refer note 3 on Schedule 11).				
(b) Transferred to Deferred Tax Liability, being the liability assessed as on 1st April 2010.				
<b>(3) DEFERRED TAX LIABILITY</b>				
	At 1st April 2010 (a)	Current Year		
Deferred Tax ( Asset ) Liability				
Difference between book and tax depreciation	5,522,000	(187,800)		5,334,200.00
(a) Transferred from Capital Reserve				5,334,200.00
				62

Description of Assets	AT COST				DEPRECIATION				NET BLOCK
	As on 01-04-2010	Additions during the period/ year	Deduction during the period/ year	Balances	Upto 31.03.2010	For the period year	Adjustment on deductions	Total	31st Decem 2010
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
(4) Fixed Assets									
Land	379,890,324	-	-	379,890,324	-	-	-	-	379,890,324
Buildings (a)	54,253,883	-	-	54,253,883	522,741	1,936,650	-	2,459,391	51,794,492
Motor Cars	962,631	-	-	962,631	-	68,587	-	68,587	894,044
Computers	67,406	-	-	67,406	-	8,195	-	8,195	59,211
Furniture & Fittings	252,712	-	-	252,712	-	11,998	-	11,998	240,714
Electrical Equipments	656,276	-	-	656,276	-	23,380	-	23,380	632,896
Telephone equipments	42,201	-	-	42,201	-	1,503	-	1,503	40,698
Office Equipments	36,286	-	-	36,286	-	1,293	-	1,293	34,993
Capital Work-in-Progress:									
-Building under construction	55,203,221	18,562,840	-	73,766,061	-	-	-	-	73,766,061
TOTAL	491,364,940	18,562,840	-	509,927,780	522,741	2,051,606	-	2,574,347	507,353,433
(a) Buildings include those on leasehold land									

**SCHEDULES TO THE CONSOLIDATED ACCOUNTS**

			31-December-2010
			Amount Rupees
<b>(5) INVESTMENTS</b>			
Long Term Investments (Trade):			
Unquoted:			
Fully Paid Equity Shares of Joint Stock Companies:			
25,000	Etralog.com Solutions Ltd. of Rs 10 each		250,000
20,000	Bhoruka International (P) Ltd. of Rs. 10 each		200,000
			450,000
<b>(6) SUNDRY DEBTORS (Unsecured considered good)</b>			
Outstanding for up to six months			-
			9,770,349
			9,770,349
<b>(7) CASH AND BANK BALANCES</b>			
Cash in Hand			46,180
Cash and Cheques in Transit			-
With Scheduled Banks in Current Account			-
	In Current Account		1,411,123
	In Deposit Account		1,490,000
			2,947,303
<b>(8) LOANS AND ADVANCES</b>			
Loans to Others			28,413,345
Advances recoverable in Cash or in kind or for value to be received			2,663,573
Tax Deducted at Source			1,378,555
			-
			32,455,473
Due from Officers of the Company			Nil
Maximum Due During the Year			Nil
Loans and Advances due from Associate Company:			
	Amount outstanding Rupees	Maximum balance during the year Rupees	
Transport Corporation of India Ltd.	30,981,554	50,501,143	
<b>(9) CURRENT LIABILITIES AND PROVISIONS</b>			
Sundry Creditors			78,782
Overdrawn bank balances			124,595
Other Liabilities			1,027,843
Provisions for Taxation (net of payments)			995,506
			64 2,226,726

# SCHEDULES TO THE CONSOLIDATED ACCOUNTS

	31-December-2010	
	Amount Rupees	
<b>(10) OTHER ADMINISTRATIVE EXPENSES</b>		
Rates and Taxes		119,000
Telephone Expenses		7,211
Printing and Stationery		12,002
Travelling Expenses		104,302
Legal Expenses		321,639
Postage and Telegram		254,725
Advertisement Expenses		6,702
Bank Charges		1,805
Entertainment Expenses		14,851
Car Maintenance Expenses		131,423
Expenses Relating to Prev Year		150,000
Miscellaneous Expenses		95,882
Remuneration to Auditors		
Audit fees		36,106
Preliminary Expense Written Off	65	16,256
		<b>1,271,904</b>

## TCI DEVELOPERS LIMITED

Flat No. 306 & 307, 1-8-271 To 273,3rd Floor, Ashoka Bhoopal Chambers, S. P. Road,  
Secunderabad – 500003

### Schedule -11 Notes on Consolidated Accounts

To the Balance Sheet as on 31<sup>st</sup> December 2010 and Profit and Loss Account for the period from 1<sup>st</sup> April 2010 to 31<sup>st</sup> December 2010

1. The Consolidated Financial Statements include results of all the subsidiaries TCI Developers Limited.

Name of the Company	% Shareholding	Consolidated as
TCI Infrastructure Ltd.	100%	Subsidiary
TCI Properties (West) Ltd.	60%	Subsidiary
TCI Properties (Guj)	99.993%	Associate Partnership Firm
TCI Properties (South)	99.994%	Associate Partnership Firm
TCI Properties (Delhi)	99.947%	Associate Partnership Firm
TCI Properties (NCR)	99.995%	Associate Partnership Firm
TCI Warehousing (MH)	99.996%	Associate Partnership Firm

- a. The Consolidated Financial Statements have been prepared on the following principles:
- In respect of Subsidiary Companies, the financial statements have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and unrealised profits/losses on intra-group transactions as per Accounting Standard – AS 21 “Consolidated Financial Statements”
  - The excess of cost to the Company of its investment in subsidiary companies is recognized in the financial statements as Goodwill, which is tested for impairment on every Balance Sheet date. The excess of Company’s share of equity and reserves of the subsidiary companies over the cost of acquisition is treated as Capital Reserve.

2. This being the first Consolidated Financial Statements of TCI Developers Limited, there are no corresponding figures for the previous year and Consolidated Cash Flow Statement.

3. The Hon’ble Andhra Pradesh High Court, vide its order dated 15<sup>th</sup> September, 2010 approved the Scheme of Arrangement ( the Scheme) between the Company and Transport Corporation of India Ltd. effective from 1<sup>st</sup> April 2010. In terms of the Scheme:

- The Real Estate and Warehousing division of Transport Corporation of India Ltd. together with all the properties and assets, investments, licenses, tenancy rights, trade marks, leases and all rights, powers, interests etc. as described in the Scheme stand transferred to the Company effective from 1<sup>st</sup> April 2010 at their respective book values, then prevailing.
- All debts, liabilities including contingent liabilities, duties and obligations, present or futures, relating to the said division whether secured or unsecured, whether provided or not, related to the period up to 31st March 2010, have been treated as liabilities, duties and obligations of the Company.

- iii. All profits or losses, income and expenses accruing or arising or incurred relating to the said division effective from 1<sup>st</sup> April 2010 have been credited/ charged in the accounts of the Company.
- iv. Capital Reserve of Rs.490,363,685 has been allocated and taken over by the Company as on 1<sup>st</sup> April 2010.
- v. The title deeds for lands, buildings, licenses, agreements, bank accounts, other contracts and arrangements etc. are being transferred in the name of the Company.
- vi. All permanent employees engaged in/ or relating to the said division stand transferred to the Company. The accumulated funds i.e. Provident Fund, Gratuity, Superannuation etc. will be transferred to the Company's funds as and when the legal formalities for the creation/ transfer of such funds are completed.
- vii. Transport Corporation of India is deemed to have been carrying all business and activities relating to the said division and stand possessed of the properties so transferred to the Company effective from 1<sup>st</sup> April 2010 for and on account of and in trust for the Company. Accordingly all vouchers, documents etc. in respect of the said division for the transition period are in the name of Transport Corporation of India Ltd.
- viii. In consideration of the transfer of the existing business of the said division in favour of the Company; each share holder of Transport Corporation of India Ltd. is entitled to receive from the Company 1 equity share of Rs. 10/- each credited as fully paid up for every 20 fully paid up equity shares of Rs. 2/- each held in Transport Corporation of India Ltd. Accordingly 3,629,431 shares of the Company have been allotted to the members of Transport Corporation of India Ltd. on 23<sup>rd</sup> October 2010. The Company has been advised that on the approval of the Scheme by the High Court, such shares are deemed to have been allotted effective from 1<sup>st</sup> April 2010.

4. Significant Accounting Policies:

- (a) All revenues and expenditures are generally accounted on accrual basis as they are earned or incurred. The accounts are prepared on historical cost basis, as a going concern and are consistent with generally accepted accounting principles.
- (b) Depreciation is provided on straight-line method at rates specified in schedule XIV to the Companies Act. Depreciation on additions/ deductions is calculated pro-rata from / to the month of addition / deduction. Individual assets whose actual cost does not exceed Rs. 5,000 are fully depreciated in the year of purchase.
- (c) Fixed Assets are stated at cost
- (d) Investments are stated at cost.
- (e) The Company assesses at each Balance Sheet date whether there is any indication that any asset may be impaired and such indication exists, the carrying value of such asset is reduced to its recoverable amount and a provision is made for such impairment loss in the profit and loss account.
- (f) Provision for tax is made for both current and deferred taxes. Provision for current income tax is made on the current tax rates based on assessable income. The company provides for deferred tax based on the tax effect of timing differences resulting from the recognition of items in the accounts and in estimating its current tax provision. The effect on deferred taxes of a change in tax rate is recognized in the year in which the change is effected.

5. Significant Accounting Policies followed by Subsidiaries to the extent different and unique from Parent Company:

TCI Infrastructure Ltd.:

- (a) Preliminary expenses incurred by the Company shall be written off in the year of commencement of operation by the Company.
- (b) The Company has been allotted 9 Acres of Land at Mihan (Nagpur Rural District) on 99 years' lease by M/s Maharashtra Airport Development Company Limited for establishing Warehousing facilities, Transport hub for air cargo and domestic cargo in the Mihan SEZ. The amount spent for the same shall be amortized after the commencement of the operation over the period of lease.

Depreciation is provided using the written down value method as per the useful lives of assets estimated by the management, or at the rates prescribed under Income Tax Act, 1961, whichever is higher.

6. Related party transactions

a. Associates:

- Transport Corporation of India Ltd.
- Etralog.com Solutions Ltd.
- Bhoruka International (P) Ltd.

b. Transactions with Related parties:

Nature of Transaction	Nature of Relation	April 2010 to December 2010
<b>Transaction During the period:</b>		
<b>Income:</b>		
Rent Received	Associates	10,348,497
Interest Received	Associates	2,853,566
Dividend Received	Associates	20,000
<b>Finance &amp; Investment</b>		
Loan Given	Associates	54,068,796
Refund of Loan Given	Associates	25,655,451
<b>Balances as at the end of period</b>		31 <sup>st</sup> December 2010
<b>Assets:</b>		
Investments Made	Associates	450,000
Trade Receivables	Associates	12,338,558
Loan & Advances Given	Associates	28,413,345

7. In the opinion of Board of Directors and to the best of their knowledge and belief, the value on realization of current assets, loans and advances in the ordinary course of business, would not be less than the amount at which the same are stated in the Balance Sheet.
8. Preliminary expenses being intangible asset, written off fully as per Accounting Standard.
9. The Company was a fully owned subsidiary company of Transport Corporation of India Ltd. till 31<sup>st</sup> March 2010.
10. Information pursuant to Part II of Schedule VI to the Companies Act, 1956 has been given to the extent applicable.
11. Contingent Liabilities – Rs. 921.25 lacs being balance as on 31<sup>st</sup> December 2010 of secured loan by Transport Corporation of India Ltd., against mortgage of leasehold land of the Company.
- 12.

As per our report of even date attached

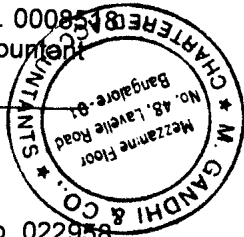
For and on behalf of the Board of Directors

For M. Gandhi & Co.

Firm Regn. No. 0008598

Chartered Accountants

M. Gandhi  
(Proprietor)  
Membership No. 022958



*[Handwritten Signature]*

Director

*[Handwritten Signature]*

Director

Camp: Bangalore

Date: 19th March 2011

*[Handwritten Signature]*  
[Vandana Agarwal]

M.GANDHI & CO

Chartered Accountants

#48, Lavelle Road  
CSI Building  
Hitananda  
Bangalore-560 001  
Phone -2212 7995

The Members of TCI Developers Ltd.

1. We have audited the attached balance sheet of TCI Developers Ltd. as at 31<sup>st</sup> March 2010, the Profit & Loss account for the year ended as on 31<sup>st</sup> March 2010 annexed thereto. These financial statements are the responsibility of the Management. Our responsibility is to express an opinion on these financial statements based on our audit.

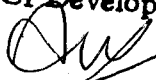
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order 2004 (together the "order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and on the basis of such checks as we considered appropriate, and according to the information and explanations given to us, since the business operation is not started the matters specified in paragraphs 4 and 5 of the said order are not applicable to the Company.

4. Further to our comments in the Annexure referred to in paragraph 4 above, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) 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;
- (iii) The balance sheet, profit and loss account dealt with by this report are in agreement with the books of account;

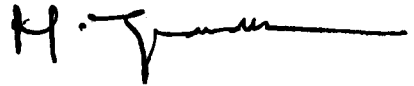
For TCI Developers Limited



Authorized Signatory

- (iv) In our opinion, the balance sheet, profit and loss account dealt with by the report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- (v) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes thereon, give the information required by the Companies Act, 1956, 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 31<sup>st</sup> March 2010;
  - b) In the case of the profit and loss account, on the Loss for the ended 31<sup>st</sup> March 2010

For M.GANDHI & CO.  
Chartered Accountants




(M.Gandhi)  
Proprietor

Membership Number:22958

Bangalore

28/04/2010

For TCI Developers Limited



Authorised Signatory

**TCI DEVELOPERS LIMITED**

Flat No. 306 & 307, 1-8-271 To 273,3rd Floor, Ashoka Bhoopal Chambers, S. P. Road, Secunderabad -500003  
Balance Sheet as at 31st March 2010

	31-March-2010		31-March-2009
	Rupees	Rupees	Rupees
<b>SOURCES OF FUNDS</b>			
<b>Shareholders Fund</b>			
<u>Authorised Capital:</u> 50,00,000 Equity Shares of Rs. 10/- each		50,000,000	50,000,000
<u>Issued, Subscribed and Paid-up</u> 1,00,000 Equity Shares of Rs. 10/- each (All the shares are held by the holding company Transport Corporation of India Ltd. and its nominees)		1,000,000	1,000,000
<b>Total Funds</b>		<b>1,000,000</b>	<b>1,000,000</b>
<b>APPLICATION OF FUNDS</b>			
<b><u>Current Assets, Loans &amp; Advances</u></b>			
Balances with Scheduled Banks In Current Account	517,082		542,848
Tax Deducted at Source	3,547		3,547
	520,629		546,395
Less:-Current liabilities Audit Fees	5,000		5000
<b>Net Current Assets</b>		515,629	541,395
<b><u>Miscellaneous Expenditure to the extent not written off or adjusted</u></b> Profit and Loss Account		484,371	458,605
<b>Total Application</b>		<b>1,000,000</b>	<b>1,000,000</b>


Notes on Accounts:

Schedule-3

As per our report of even date

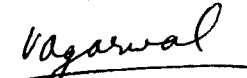
For and on behalf of the Board of Directors

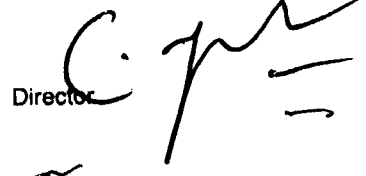
For M. Gandhi & Co.  
Chartered Accountants



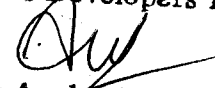
M. Gandhi  
Proprietor  
Membership No. 22958  
Bangalore

Date: 28/04/2010

  
Director

  
Director

For TCI Developers Limited

  
Authorised Signatory

**TCI DEVELOPERS LIMITED**  
 Flat No. 306 & 307, 1-8-271 To 273,3rd Floor, Ashoka Bhoopal Chambers, S. P. Road,  
 Secunderabad -500003

**Profit and Loss Account for the Year Ending 31st march 2010**

	Schedule	2009-10 Rupees	2008-09 Rupees
<b>INCOME</b>			
Interest (Tax deducted at source Rs. Nil previous year Rs. 3547)		-	17,216
		-	17,216
<b>EXPENDITURE</b>			
Preliminary Expenses	1	-	446,650
Other Expenses	2	20,766	24,171
Auditors Remuneration-Audit Fee		5,000	5,000
		25,766	475,821
Profit (Loss) before Tax		(25,766)	(458,605)
Provision for Tax		-	-
Profit (Loss) after Tax		(25,766)	(458,605)
Balance brought forward from previous year		(458,605)	-
Balance Carried to Balance Sheet		(484,371)	(458,605)

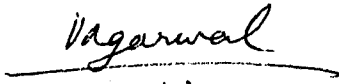
Notes on Accounts:

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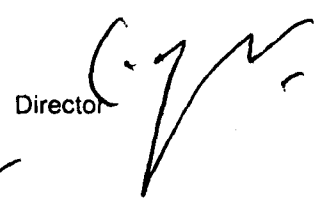
As per our report of even date

For and on behalf of the Board of Directors

For M. Gandhi & Co.  
Chartered Accountants



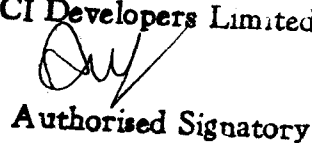
Director



Director

M. Gandhi  
Proprietor  
Membership No. 22958  
Bangalore  
Date: 29/04/2010

For TCI Developers Limited

  
Authorised Signatory

**TCI DEVELOPERS LIMITED**

Flat No. 306 & 307, 1-8-271 To 273,3rd Floor, Ashoka Bhoopal Chambers, S. P. Road,  
Secunderabad -500003

Schedule Annexed to Profit and Loss Account for the Year ended 31st March 2010

	<b>Current Year</b>	<b>Previous Year</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>Schedule 1</b>		
<b>Preliminary expenses</b>		
Professional Fees	-	15,450
Registration Fees-ROC	-	431,200
	-	<b>446,650</b>
<b>Schedule-2</b>		
<b>Other expenses</b>		
Legal Fees	-	5,000
Professional Fees	13,236	14,982
Filing Fees	7,500	1,800
Bank Charges	30	2,389
	<b>20,766</b>	<b>24,171</b>

*Vagarwal*

*C. P. N.*

22/04/2010

For TCI Developers Limited

*[Signature]*

Authorised Signatory

**TCI DEVELOPERS LIMITED**

Flat No. 306 & 307, 1-8-271 To 273,3rd Floor, Ashoka Bhoopal Chambers, S. P. Road,  
Secunderabad – 500003

Schedule -3 Notes on Accounts

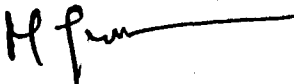
To the Balance Sheet as on 31<sup>st</sup> March 2010 and Profit and Loss Account for the Year ended  
31<sup>st</sup> March 2010

1. Significant Accounting Policies:
  - (a) All revenues and expenditures are generally accounted on accrual basis as they are earned or incurred. The accounts are prepared on historical cost basis, as a going concern and are consistent with generally accepted accounting principles.
2. In the opinion of Board of Directors and to the best of their knowledge and belief, the value on realization of current assets, loans and advances in the ordinary course of business, would not be less than the amount at which the same are stated in the Balance Sheet.
3. Preliminary expenses being intangible asset, written off fully as per Accounting Standard.
4. The Company is a fully owned subsidiary company of Transport Corporation of India Ltd.
5. Information pursuant to Part II of Schedule VI to the Companies Act, 1956 is not applicable.
6. Information pursuant to Part IV of Schedule VI to the Companies Act, 1956 is given in Annexure hereto.
7. During the year there was no business operation.
8. The figures of Profit and Loss Account for the previous year are for the period 14<sup>th</sup> May 2008 (date of incorporation) to 31<sup>st</sup> March 2009 and hence are not comparable.
9. Contingent Liabilities – Nil.
10. Previous year's figures have been regrouped and rearranged, wherever found necessary.

As per our report of even date attached

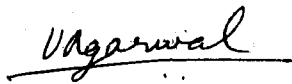
For and on behalf of the Board of Directors

For M. Gandhi & Co.  
Chartered Accountants

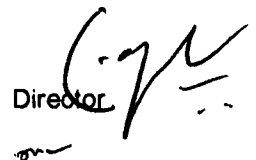


M. Gandhi  
(Proprietor) Membership No. 22958

Bangalore  
Date: 28/04/2010



Director



Director

For TCI Developers Limited



Authorised Signatory

**TCI DEVELOPERS LIMITED**

Flat No. 306 & 307, 1-8-271 To 273,3rd Floor, Ashoka Bhoopal Chambers, S. P. Road,  
Secunderabad -500003

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****I. Registration Details**

Registration No.:	59173	State Code	01
Balance Sheet Date:	3/31/2010		

**II. Capital raised during the year (Amount in Rs. Thousands)**

Public Issue:	Nil	Right Issue	Nil
Bonus Issue:	Nil	Private Placement	Nil

**III. Position of Mobilisation & Deployment of Funds (Amount in Rs. Thousands)**

Total Liabilities:	1,000	Total Assets	1,000
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**Sources of Funds**

Paid up Capital:	1,000	Reserves & Surplus	Nil
Secured Loans:	Nil	Unsecured Loans	Nil

**Application of Funds**

Net Fixed Assets:	Nil	Investments	Nil
Net Current Assets:	516	Misc. Expenditure	Nil
Accumulated Losses:	484		

**IV. Performance of Company(Amount in Rs. Thousands)**

Turnover:	0	Total Expenditure	26
Profit/(Loss) before tax:	(26)	Profit/(Loss) after Tax	(26)
Earning Per Share in Rs.	0	Dividend Rate	N.A.

**V. Generic Name of Three Principal Products/Services of the Company (as per monetary terms)**

Item Code No. (ITC Code)	Item Code No. (ITC Code)
Product Description	Product Description

Item Code No.  
(ITC Code)  
Product Description

For and on behalf of the Board of Directors

*Vagrawal*

Director

Director

*C. J. V.*

28/04/2010

**For TCI Developers Limited**

*Signature*

Authorised Signatory

**TCI DEVELOPERS LIMITED**

Flat No. 306 & 307, 1-8-271 To 273,3rd Floor, Ashoka Bhoopal Chambers, S. P. Road,  
Secunderabad - 500003

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010**

Amount (Rupees)

<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>	
Net Profit (Loss) before Tax and Exceptional Items	(25,766)
<b>Adjustments for Non-Operating Activities:</b>	-
	<u>0</u>
Operating Profit before Working Capital Changes	(25,766)
<b>Adjustments for Working Capital Changes:</b>	
Direct Taxes Paid (Net)	<u>0</u>
<b>Net Cash from Operating Activities</b>	<u>(25,766)</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>	0
<b>Net Cash from Investing Activities</b>	<u>0</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>	
<b>Net Cash from Financing Activities</b>	<u>0</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalent (A+B+C)</b>	(25,766)
<b>Cash and Cash Equivalent as on 31-March-2009</b>	<u>542,848</u>
<b>Cash and Cash Equivalent as on 31-March-2010</b>	<u>517,082</u>

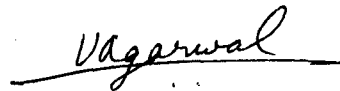
As per our report of even date

For and on behalf of the Board of Directors

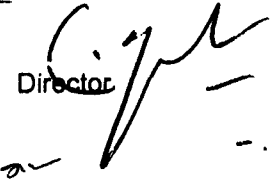
For M. Gandhi & Co.  
Chartered Accountants



M. Gandhi  
Proprietor  
Membership No. 22958  
Bangalore  
Date: 28/04/2010



Director



Director

For TCI Developers Limited

  
Authorised Signatory

**XII. DETAILS & FINANCIAL HIGHLIGHTS OF COMPANIES UNDER SAME MANAGEMENT**

For capital structure, financial and other information of group companies, please refer the website of TCI i.e. [www.tcil.com](http://www.tcil.com)

**Details & Financial Highlights Of Transport Corporation of India Ltd.**

**Performance**

Year	2009-10 (Rs Million)	2008-09 (Rs Million)	% change
Revenue	14506.63	12,979.50	11.77%
EBIDTA	1139.55	989.96	15.11%
PBT(after exceptional items)*	647.05*	449.45*	43.96%
PAT	429.81	283.19	51.78%
Cash profit	706.61	543.20	30.08%
EPS	5.93	3.91	51.67%
RONW (%)	13.93	10.43	-
ROCE (%)	14.76	14.07	-

**Margins**

The EBIDTA margin increased by 24 basis points to 7.83% while the net profit margin increased by 78 basis points, despite under exceptional item a sum of Rs. 29 million was made on account of full and final settlement of derivative transactions. Going ahead, the operating margins are expected to strengthen on the back of an increasing share of higher-margin businesses like XPS, SCS and Seaways. Revenues increased 11.77% and EBIDTA increased 15.11% following operating and other costs optimization priorities, which resulted in a declining trend of operating costs, in a challenging year Return on net worth and capital employed has also improved significantly over last year.

**Revenue analysis**

The Company's revenue outperformed India's GDP growth and increased 11.77% to Rs.14506.60 million in 2009-10 from Rs.12,979.50 million in 2008-09, following enhanced marketing in India and abroad across existing and new clients as well as the robust growth of Supply Chain Solutions (SCS) and Express (XPS) divisions.

**Cost analysis****Total Cost**

Total cost (excluding depreciation, interest and tax) increased 11.22% from Rs. 12054.26 million in 2008-09 to Rs. 13406.63 million in 2009-10 owing to increased freight, clearing and forwarding charges, stores and spares parts consumed among others but in line with business growth. This increase was however lower than the revenue increase for the year under review.

**Interest**

On account of an improvement in general economy and series of measures taken by RBI to ease out the liquidity position resulting in a sharp decline in interest rates following Interest outflow decreased by 18.71%. As a result, interest cover increased from 4.11% in 2008-09 to 5.83% in 2009-10, interest cost as a proportion of revenues decreased from 1.85% in 2008-09 to 1.34% in 2009-10 and also average debt cost decreased significantly from 10.44% in 2008-09 to 7.75% in 2009-10. The Company substituted high cost working capital limits with short-term instruments, like short term/working capital demand loan and non-convertible debentures with low coupon rates of around 5-6%, the benefits of which has been reflected in 2009-10.

**Capex**

The Company has incurred a capital expenditure of Rs. 663 million during the year. This was mainly spent on purchase of land, construction of warehouse and hub centers, acquisition of trucks & axles and IT up gradation.

**Investments**

The Company's investments increased 92.34% from Rs.185 million in 2008-09 to Rs.357 million in 2009-10, owing to investments in joint ventures, subsidiaries – domestic & overseas and partnership firms.

**Return**

TCI share v/s BSE sensx: TCI's share price as on 1st April, 2009 was Rs. 34.25/ share and shot up to Rs. 101.90/share on 31st March, 2010, giving a return of 298%. Whereas BSE Sensx was at 9900 on 1<sup>st</sup> April, 2009 and increased to 17527 on 31st March, 2010, giving a return @ 77%.

### XIII. MANAGEMENT DISCUSSION AND ANALYSIS

#### Industry Overview

Healthy economic growth in India is increasingly supported by robust industrial growth. One of the relatively lesser known but significant sectors that supports almost all industrial activities - the logistics sector - is also witnessing this growth as a follow through. The annual logistics cost in India is estimated to be 14% of the GDP, which translates into USD 140 billion assuming the GDP of India to be slightly over USD 1 trillion.

#### Big Hurdles

In spite of the growth, Logistics is still a budding and fragmented industry in India. It is estimated that while outsourced logistics accounts for 54% of total logistics spending in India, organized players have only 10% of the pie. In road transportation, which accounts for the biggest portion (36%) of logistics spending, 74% of operators are small-time players owning a single vehicle. In outsourced warehousing, 92% of players are from the unorganized sector. A lack of adequate infrastructure and complex taxation and regulations are big problems. Movement of cargo on roads has several loopholes. National highways form only 2% of India's road network, but they handle more than 40% of road freight traffic. This inevitably leads to traffic jams. To add to this the Indian taxation system is quite complex. In order to avoid multiple taxation, companies typically have warehousing operations in every state. The result is a large number of small warehouses across the country which are lacking in the latest warehousing processes and technologies.

*Source: Can India's Logistics Industry Deliver a Better Model for Transporting Goods?  
Published:  
September 10, 2009 in India Knowledge@Wharton school on line journals*

#### Opportunities ahead

Despite the limitations, industry players visualise a strong potential in the sector. Several initiatives and projects are underway to boost development of roads while the complex Central Sales Tax is expected to be phased out in coming years to welcome GST. The emergence of India as a manufacturing hub, growth of the organized retail industry, increased domestic consumption, and the global best practices of multinationals are all expected to boost the logistics industry. The following initiatives will also trigger the growth of the industry:

**Impact of 3PLs** Third party logistics (3PL) providers form a major chunk of the country's logistics sector and play an important role in spurring the growth of the sector. They offer tailor-made and innovative services for specific product categories as per customer requirements. Since timely delivery of goods is vital in the logistics business, service providers make use of highly modernised technologies. Consolidation of the fragmented services is another area in which 3PL providers have excelled, thereby adding value to customer solutions. 3PL providers have been able to tackle challenges and overcome the same by catering to customer demands, by delivering right products at the right time to the right place at the right cost.

## GST

The introduction of Goods and Services Tax (GST) is a significant step towards the betterment of the industry. Since GST is expected to standardize rates across the nation, considerable consolidation is expected in the warehousing segment as companies would be able to manage bigger warehouses at few strategic locations.

**Multimodal Logistics Park** The country's escalating global business has attributed to the requirement of establishing logistics parks infrastructure. In view of this, the Indian exporting fraternity is looking forward to joining hands with logistics service providers for seamless and cost effective transportation of their cargo through multimodal logistics parks. The advantages of Multimodal Logistics Parks are:

- MLPs will bring all services under one roof
- Unwanted steps and costs in the process can be eliminated
- These will trigger efficiency. Good connectivity, mechanized truck

and rake handling mechanized inventory handling quick change between transport modes and single window documentation make MLP's highly efficient as compared to traditional modes of cargo Warehousing The modern warehouses are moving beyond traditional stocking and loading to other value added services like packaging, labeling, bundling and cross - docking. This business is growing at a fast pace and since warehousing accounts for about 20% Indian logistics industry, the growth will have a positive impact.

**IT penetration** IT is a major growth driver of this sector. Currently, IT solutions are being used for all supply chain management functions. Most of the ports use Electronic Data Interchange (EDI) facility for electronic transmission of data. This has led to reduced emphasis on manpower, thereby further optimising operational costs. Innovative logistics solutions have enabled conventional forwarders to use newer and improved methods of transportation for their services resulting in customer retention as well as customer acquisition.

**XIV. OUTSTANDING LITIGATIONS, DEFAULTS AND MATERIAL DEVELOPMENTS**

- 1 There are no litigations pending against the Company.
- 2 There are no litigations pending against the group company, company under the same management, promoters, promoting companies & companies promoted by the promoters of the Company.

**XV. ARTICLES OF ASSOCIATION**

**INCORPORATED UNDER THE COMPANIES ACT, 1956**

**(1 OF 1956)**

**COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**OF**

**TCI DEVELOPERS LIMITED**

**PRELIMINARY**

1. No regulations contained in Table `A' in the first schedule to the Companies Act, 1956 or in the schedule to any previous Companies Act, shall apply to this company but the regulations of the management of the company and for the observance of the members thereof and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference the repeal or alterations of or addition to, its regulations by Special Resolution, as prescribed by the said Companies Act, 1956, be such as are contained in these Articles.

**INTERPRETATION**

2. In the interpretation of these articles, unless repugnant to the subject or context:

“The Company” or “this Company” means **TCI DEVELOPERS LIMITED**

“The Act” means “The Companies Act, 1956” or any statutory modifications or re-enactment thereof for the time being in force.

“In Writing” and “Written” include printing, lithography, typing and other modes of representing or reproducing words in visible form.

“Member” means the duly registered holder, from time to time, of the shares of the company and includes the subscribers of the company.

“Office” means the registered office for the time being of the company.

“Persons” include corporations as well as individuals.

“The Registrar” means the Registrar of the companies, Andhra Pradesh.

“Secretary” includes a temporary Assistant Secretary and person or the persons appointed by the Board to perform any of the duties of the Secretary.

“Seal” means the common seal for the time being of the company.

Words importing the singular number include, whether the context admits or requires, the plural number or vice-versa.

Save as aforesaid any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning

### **CAPITAL AND INCREASE AND REDUCTION IN CAPITAL**

3. The Authorised Share Capital of the company shall be such amount and be divided into such numbers as may, from time to time, be provided in Clause V of the Memorandum of Association payable in the manner as may be determined by the Directors from time to time with power to increase, reduce, subdivide, consolidate, re-organise, or to repay the same or to divide the same into several classes and to attach thereto respectively such preferential, qualified or special rights, privileges and conditions as may be determined by or in accordance with the Companies Act, 1956 for the time being in force and the regulations of the company and to vary, modify or abrogate the regulations of the company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the company.

The minimum paid up capital of the company is Rs. 5,00,000(Rupees Five Lakhs Only) or such higher capital as may be prescribed.

4. Subject to the provisions of section 80 of the Act, any Preference shares may be issued on the terms that they are or at the option of the Company liable to be redeemed on such terms and in such manner as the Company, before the issue of the shares, may by Special Resolution determine.
5. (a) The Directors shall in making the allotment duly observe the provisions of the Act.  
(b) The amount payable on application on each share shall not be less than 5% the nominal of the shares.  
(c) Nothing herein contained shall prevent the Directors from issuing fully paid up shares either on payment of the entire nominal value in cash or in satisfaction of any outstanding debt or obligations of the Company.
6. The Company may from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
7. Subject to the provisions of the sections 78, 80, 100 to 105 inclusive of the Act, the Company may in General Meeting, from time to time by Special Resolution, reduce its capital and any capital redemption reserve account or any securities premium account in any manner for the time being authorised by Law, and in particular the capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate any power the Company would have if it were omitted.
8. Subject to the provisions of Section 94 of the Act the Company in general meeting may from time to time subdivide or consolidate its shares. Subject as aforesaid the Company in general meeting may cancel its shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of shares so cancelled.
9. The Company in general meeting may convert any fully paid up shares into stock and that at any time reconvert any fully paid up shares of any denomination. The provisions of Clauses 37, 38 and 39 of the Table A to the Schedule I of the Act shall apply when shares are converted into stock as aforesaid.

## SHARES AND SHARE CERTIFICATES

10. The Shares in the Capital shall be numbered progressively according to the several denominations and except in the manner herein before mentioned no share shall be subdivided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.
11. The Board shall observe the restrictions as to allotment of shares to the public contained in Section 69 and 70 of the Act, and shall cause to be made the returns as to allotment provided for in section 75 of the Act.
12. (a) Where it is proposed to increase the subscribed capital of the Company by an allotment of further shares then such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the company, in proportion, as nearly as the circumstances admit, to the capital paid up on those shares at the date. Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than thirty days from the date of the offer within which the offer if not accepted, will be deemed to have been declined. After expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose off them in such manner as they may think most beneficial to the Company.
  - (b) Notwithstanding anything contained in the preceding clause the Company may
    - i) by a special resolution or
    - ii) by an ordinary resolution and with the consent of the Central Government issue further shares to any person or persons and such person or persons may or may not include the persons who at the date of the offer, are the holders of the equity shares of the Company.
  - (c) Notwithstanding anything contained in clause (a) above but subject however to Section 81(3) of the Act, the Company may increase its subscribed capital on exercise of an option attached to debentures issued or loans raised by the Company to convert such debentures or loans into shares, or to subscribe for shares in the Company.
13. Subject to the provisions of these Articles and of the Act, the shares shall be under, the control of the Board, who may allot or otherwise dispose of the same to such persons on such terms and conditions and at such times as the Board thinks fit and with full power to allot shares of any class of the Company either, subject to the provisions of the Section 78 and 79 of the Act, at a premium or at par or at a discount provided that option or right to call of share shall not be given to any person except with the sanction of the Company in general meeting. The Board shall cause to be made the returns as to allotment provided for in Section 75 of the Act.
14. In addition to and without derogating powers for that purpose conferred on the board under Article 12 and 13, the Company in general meeting may, subject to the provisions of Section 81 of the Act determine that any shares (Whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (Whether member or not) the option to call for or be allotted shares of any class of the Company either, subject to the Compliance with the provisions of Section 78 and 79 of the Act, at a premium or at a discount, such option being exercisable at such times for such consideration as may be directed by such

General Meeting or may make any other provision whatsoever for issue, allotment or disposal of shares.

15. Any application signed by or behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose name is on the Register of Members shall, for the purpose of these Articles, be a member.
16. The money, if any, which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the inscription of the name of the allottee in Register of Members as the name of the holder of such shares become a debt due to and recoverable by Company from the allottee thereof and shall be paid by ordinary.
17. Every member of his heirs, executors or administrators, shall pay to the Company the portion of the capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts, at such time or times, and in such manner as the Board shall from time to time in accordance with these Articles, require or fix for the payment thereof.
18. None of the funds of the Company shall be applied in the purchase of any shares of the Company, and it shall not give any financial assistance for or in connection with the purchase or subscription of any shares in the Company or in its holding Company save as provided by Section 77 of the Act.
19. The Company is hereby permitted to purchase its own shares or other specified securities in accordance with the provision of Sections 77A, 77AA and 77B of the Act and such other Regulations or Guidelines framed by the Central Government or Securities & Exchange Board of India, in this regard.

#### UNDERWRITING AND BROKERAGE

20. Subject to provisions of Section 76 of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring or agreeing to procure subscription (Whether absolutely or conditionally) for any shares or debentures in the Company but so that the commission shall not exceed in the case of shares five percent of the price at which the shares are issued and in the case of debentures two and a half percent of the price at which the debentures are issued. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.
21. The Company may pay a reasonable sum for brokerage.

#### CALLS

22. The Board may, from time to time subject to the terms on which any shares may have been issued and subject to the conditions of allotment and a resolution passed at a meeting of the Board (and not by circular resolution) make such calls as it thinks fit upon the Members in respect of all moneys unpaid on the shares held by them respectively, and each Member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board. A call may be made payable by installments.

23. Thirty Days notice in writing of any call shall be given by the Company specifying the time and place of payment and the person or persons to whom such call is made.
24. A call shall be deemed to have been made at the time when resolution authorizing such call was passed at a meeting of the Board.
25. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
26. The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call, and may extend such times as to all or any of the Member who, the Board may deem fairly entitled to such extension but no Member shall be entitled to such extension save as a matter of grace and favour.
27. If any Member fails to pay any call due from him on the day appointed for payment thereof or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the date of actual payment at such rate as shall from time to time be fixed by the Board not exceeding 9 percent per annum, but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Member.
28. Any sum, which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium shall for the purposes of these Articles be deemed to be a call duly made and of which due notice has been given and payable and in case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
29. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member to the Company in respect of his shares, either by way of principal or interest, or any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from there after proceeding to enforce a forfeiture of such shares as hereinafter provided.
30.
  - a) The Board may, if it think fit, agree to and receive from any Member willing to advance the same all or any part of the amounts of his shares beyond the sums actually called up, and upon, the money so paid in advance or upon so much thereof, from time to time, and at any time there after as exceeds the amount of the call then made upon and in due respect of the shares on account of which such advances are made, the Board may pay or allow interest at such rate not exceeding with the sanction of the company in General Meeting as the member paying the advance and the Board agree upon provided that the money paid in advance of the calls shall not cover the right to dividend or to participate in profits. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the members three months notice in writing.
  - b) No member paying any such sum in advance shall be entitled to the voting rights in respect of the money so paid by him until the same would but for such payment, become presently payable.

**LIEN**

31. The Company shall have the first and the paramount lien upon every share not fully paid up registered in the name of each member (Whether solely or jointly with others) and upon the proceeds of sale thereof for moneys called or payable at a fixed time in respect of such share whether the time for payment actually have arrived or not no equitable interest in any share shall be created except upon the footing and condition that the Article 21 hereof is to have full effect. Such lien extends to all dividends from time to time declared in respect of such share, unless otherwise agreed, the register of transfer of share shall operate as a waiver of the Companies lien if any in such share.
32. For the purpose of enforcing such lien the Board may sell the share subject thereto in such manner as it shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorise one of its members to execute a transfer thereof on behalf of and in the name of such Members. No sale shall be made until such period as aforesaid shall have arrived, and until notice in writing of the intention to sell shall have been served on such member or his representatives and default shall have been made by him or them in payment, fulfillment or discharge of such debts, liabilities or engagements for fourteen days after such notice. One of its members to execute a transfer thereof on behalf of and in the name of such Members. No sale shall be made until such period as aforesaid shall have arrived, and until notice in writing of the intention to sell shall have been served on such member or his representatives and default shall have been made by him or them in payment, fulfillment or discharge of such debts, liabilities or engagements fourteen days after such notice.
33. The net proceeds of such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exist as is presently payable and the residue, if any, shall subject to a like lien for sums not entitled to the shares immediately prior to the same.

**FORFEITURE OF SHARES**

34. If any Member fails to pay call or installment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid the Board may at any time thereafter, during such time as the call or installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
35. The notice shall name a day (not being less than fourteen days from the date of the notice) and a places or places on and at which such call or installment and such interest thereon at such rate not exceeding 9 percent per annum as the Board shall determine from the date on which such call or installment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that in the event of the non payment at or before the time and at the place appointed shares in respect of which the call was made or installment is payable will be liable to be forfeited.
36. If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter before payment of all calls or installments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board to the effect. Such forfeiture shall include all

- dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.
37. When any share shall have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.
  38. Any share so forfeited shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed off either to the original holder thereof or to any other person, upon such terms and in such manner as the Board shall think fit.
  39. Any member whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate not exceeding 9 percent per annum as the Board may determine and the Board may enforce the payment thereof, if it thinks fit.
  40. The forfeiture of a share shall involve extinction, at the time of the forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.
  41. A declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.
  42. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Board may appoint some person to execute an instrument of transfer of the shares sold and cause the purchasers name to be entered in the Register of Members in respect of the shares sold and the purchaser shall not be bound to see the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register in the respect of such shares the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
  43. Upon any sale, allotment or other disposal under the provisions of the proceeding Articles, the certificates originally issued in respect of relative shares shall stand cancelled and become null and void and of no effect and the Board shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.
  44. The Board may at any time before any share so forfeited have been sold, re-allotted or otherwise disposed off null the forfeiture thereof upon such conditions as it thinks fit.

**TRANSFER AND TRANSMISSION OF SHARES**

45. The instrument of transfer of any share shall be executed by or on behalf of both the transferor and the transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register of Members in respect thereof.
46. Where in the case of partly paid shares an application for registration is made by the transferor the Company shall give notice of the application to the transferee in accordance with the provisions of Section 110 of the Act.
47. Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transferor and his right to transfer the shares, and every registered instrument of transfer shall remain in the custody of the Company until destroyed by the order of the Board.
48. Before the registration of a transfer, the certificate of the share to be transferred to, if no such certificate is in existence, a letter of allotment of such share must be delivered to the Company along with, save as provided in Section 108 of the Act, a properly stamped and executed instrument of transfer.
49. On the death of a member, the survivor or survivors where the member was a joint holder, and his legal representative where he was a sole holder, shall be of the only persons recognized by the Company as having any title to his interest in the shares but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.
50.
  - a) Any person becoming entitled to a share in consequence of the death or insolvency of a member may upon such evidence being produced as may from time to time be required by Board of Directors and subject as hereinafter provided, elect either:
    - i) to be registered himself as holder of the shares: or
    - ii) to make such transfer of the shares as the deceased or insolvent member could have made.
  - b) The Board of Directors shall in either case have the same right to decline or suspend registration as they would have had, if the deceased or insolvent member had transferred the shares before his death or insolvency.
51. The Instrument of Transfer shall after registration remain in the custody of the Company. The Board of Directors may cause to be destroyed all transfer deeds lying with the Company for a period of 6 years or more.
52. The Board of Directors after giving not less than 7 days prior notice by advertisement in some newspapers circulating in the district in which the Registered Office of the Company is situated, close the Register of Members or the Register of Debenture holders for any period or periods not exceeding in the aggregate 45 days in each year but not exceeding 30 days at any one time.

**52A. Dematerialisation of Securities<sup>1</sup>**

- (1) For the purpose of this Article:-

**'Beneficial Owner'** means a person or persons whose name is recorded as such with a depository or as defined in clause (a) of Sub-Section (1) of Section 2 of the Depositories Act, 1996 from time to time.

**'Bye laws'** mean bye-laws made by a Depository under Section 26 of the Depositories Act, 1996.

**'Depositories Act'** means the Depository Act, 1996, and any statutory modification 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.

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

**'SEBI'** means the Securities & Exchange Board of India;

**'Securities'** means such security as may be specified by S E BI from time to time.

**Dematerialisation / Rematerialisation of Securities**

- (2) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise/rematerialize its securities and to offer securities in a dematerialised form pursuant to the Depositories Act.

**Options for Investors**

- (3) 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 the 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. If a person opts to hold his security with a depository, the Company shall intimate such

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<sup>1</sup> Clause 52A was inserted vide EGM Resolution dated 3<sup>rd</sup> June 2008.

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.

#### Securities in Depositories to be in Fungible Form

(4) All securities held by a depository shall be dematerialised and shall be in fungible form. No certificate shall be issued for the securities held by the Depositories. Nothing contained in Sections 153, 153A 153B, 187B, 187C and 372A of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

#### Rights of Depositories and Beneficial Owner

(5) (a) Notwithstanding anything to the contrary contained in the Act or 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.

(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 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.

#### Depository to Furnish Information

(6) Every depository shall furnish to the Company information about the transfer of securities in the name of the beneficial owners at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.

#### Service of Documents

(7) Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records 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

(8) Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

**Allotment of Securities**

- (9) Notwithstanding anything contained in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

**Distinctive Numbers of Securities**

- (10) Nothing contained in Section 83 of the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.

**Register and Index of Beneficial Owners**

- (11) The Register and Index of beneficial owners maintained by depository under the Depositories Act, shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles.

**52B. Nomination of Securities<sup>2</sup>**

- (1) Every Shareholder, Debenture holder or Depositor of the Company may at any time nominate, in the prescribed manner under Section 109A of the Act, a person to whom his Shares, Debentures or Deposits of the Company shall vest in the event of his death.
- (2) Where the Shares, Debentures or Deposits of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner under Section 109A of the Act, a person to whom all the rights in the Shares, Debentures or Deposits of the Company shall vest in the event of death of all the joint holders.
- (3) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such Shares, Debentures or Deposits of the Company, where a nomination made in the prescribed manner under Section 109A of the Act, purports to confer on any person the right to vest the Shares, Debentures or Deposits of the Company, the nominee shall, on the death of the Shareholder, Debenture holder or Depositor 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, Debentures or Deposits of the Company or, as the case may be, all the joint holders, in relation to such Shares, Debentures or Deposits of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner prescribed under Section 109A of the Act.
- (4) Where the nominee is a minor, it shall be lawful for the holder of the Shares, Debentures or Deposits, to make the nomination to appoint, in the manner prescribed under Section 109A of the Act, any person to become

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<sup>2</sup> Clause 52B was inserted vide EGM Resolution dated 3<sup>rd</sup> June 2008.

entitled to Shares, Debentures or Deposits of the Company in the event of his death during the minority.

**52C. Transmission of Securities By Nominee<sup>3</sup>**

- (1) Any person who becomes a nominee by virtue of the provisions of Section 109A of the Act may, upon the production of such evidence as may be required by the Board and Subject to as hereinafter provided, elect, either:
  - (a) to get himself registered as holder of the Shares, Debentures or Deposits of the Company, as the case may be, or
  - (b) to make such transfer of the Shares, Debentures or Deposits, as the case may be, as the deceased Shareholder, Debenture holder or Deposits, as the case may be, could have made.
- (2) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased Shareholder, Debenture holder or Depositor as the case may be had transferred the Shares, Debentures or Deposits, as the case may be, before his death.
- (3) If the person being nominee, so becoming entitled, elects to be registered as holder of the Shares, Debentures or Deposits, himself, as the case may be, he shall deliver or send to the Company a Notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased Shareholder, Debenture holder or Depositor, as the case may be.
- (4) All the limitations, restrictions and provisions of the Act relating to the right to transfer and the registration of transfer of Shares, Debentures or Deposits shall be applicable to any such notice or transfer as aforesaid as if the death of the shareholder, Debenture holder or Depositor, as the case may be, had not occurred and the notice or transfer were a transfer signed by that Shareholder, Debenture holder, or Depositor as the case may be.
- (5) A person , being a nominee, becoming entitled to a Share, Debenture or Deposit by reason of the death of the holder shall be entitled to the same dividend/interest, and other advantages to which he would be entitled if he were the registered holder of the Share, Debenture or Deposit except that he shall not, before being registered a member in respect of his Shares, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Share or Debenture, and if the notice is not complied with within 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Share or Debenture, until the requirements of the notice have been complied with.

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<sup>3</sup> Clause 52C was inserted vide EGM Resolution dated 3<sup>rd</sup> June 2008.

**TERM OF ISSUE OF DEBENTURE**

53. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.

**GENERAL MEETINGS**

54. All general meetings other than annual general meetings shall be called extra-ordinary general meetings.
55. The Board of Directors may whenever they think fit, convene an Extra ordinary General Meeting at such time and at such places as they deem fit. Subject to such directions, if any given by the Board of Directors, the Managing Director or the Secretary may convene an Extra-ordinary General Meeting.

**PROCEEDINGS AT GENERAL MEETING**

56. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
57. The Chairman, if any, of the Board of Directors shall be entitled to take the Chair at every General Meeting whether Annual or Extraordinary, if there is no such Chairman or if he is not present within fifteen minutes after the time appointed for holding such meeting or is unwilling to act as Chairman of the meeting, the directors present shall elect one of their number to be Chairman of the meeting. If no director is willing to act as Chairman then members present shall choose one of their number to be Chairman of the meeting.
58. The Chairman with the consent of the meeting may adjourn any meeting from time to time and from place to place with in the city in which the office is situated but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
59. In case of an equality of votes, the Chairman shall both either on a show of hands or at a poll, if any have a casting vote in addition to the vote or votes, if any, which he may be entitled as a Member.
60. A poll demanded on the election of Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time not being later than 48 hours from the time when demand was made, as the Chairman may direct.

**VOTES OF MEMBERS**

61.
  1. Every member holding any equity shares shall have a right to vote in respect of such shares on every resolution placed before the meeting. On a show of hands every such member present in person shall have to vote. On a poll, his voting right in respect of his equity shares shall be in proportion to his share of the paid-up-capital in respect of the equity shares.
  2. In the event of the Company issuing any preference shares the holders of such reference shares shall have the voting rights set in that behalf in Section 87 of the Act.
62. A demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than on which a poll has been demanded. The demand for a poll may be withdrawn at any time by the person who made the demand.
63. In the case of joint holders the vote of the first named of such joint holders who tender a vote whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
64. A member of unsound mind or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian and any such committee or guardian may, on a poll, vote by proxy.
65. No member shall be entitled to vote in any general meeting unless all calls or other sums presently payable by him in respect of his shares in the Company have been paid.
66. Any member entitled to attend and vote at a meeting of the Company shall be entitled to appoint any person whether a member or not as his proxy to attend and vote instead of himself, but the proxy so appointed shall not unless he be a member, have any right to speak at the meeting and shall not be entitled to vote except on a poll.
67. The instrument appointing a proxy and the power of attorney or other authority, if any under which it is signed or a notary certified copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid.
68. Every instrument appointing a proxy shall be retained by the Company and shall be in either of the forms specified in Schedule IX of the Act or a form as near thereto as circumstances will permit.
69. Subject to the provision of the Companies Act, 1956, the Chairman of a General Meeting shall be the sole and absolute judge of the validity of every vote tendered at such meeting, or at a poll demanded at such meeting and may allow or disallow any vote tendered, according as he shall be of opinion that the same is or is not valid.

**BORROWING POWERS**

70. The Company shall have power to borrow from any persons and secure the payment of any sum or sums of money for the purpose of the company and the Directors may from time to time at their discretion exercise this power and may themselves lend to the company on security or otherwise provided that the Directors shall not contravene the provisions of Section 292 of the Companies Act 1956, or any statutory modification thereof.
71. The Directors may raise or secure the repayment of any Loan taken by the Company in such manner and upon such terms and conditions in all respects as they may think fit, and in particular by the creation of any mortgage or charge on the undertaking or the whole or any part of the property, present or future, or uncalled capital of the company, or by the issue of bonds, perpetual or redeemable, debentures, debenture stock of the company charged upon all or any part of the company's property both present and future including its uncalled capital for the time being.

**DIRECTORS**

72. a) The Company shall have not less than three and not more than twelve Directors unless otherwise determined by the members at a General Meeting
- b) The first directors of the company are:

- 1. Mr. Dharampal Agarwal**
- 2. Mr. Vineet Agarwal**
- 3. Mr. Chander Agarwal**

73. Subject to the provisions of the section 260, 261, 262 and 284(6) of the Act, the directors shall have power at any time and from time to time to appoint any qualified person as director either to fill the casual vacancy or as an addition to the board, so that the total number of the directors shall not at any time exceed the maximum number fixed as above. Any director appointed to fill the casual vacancy shall hold the office up to a date up to which the director in whose place he is appointed would have held office if it had not been vacated. Any person appointed as an additional director shall hold the office up to the conclusion of the next Annual General Meeting of the company, but he shall be eligible for reappointment at such meeting.
74. The directors of the company can appoint an alternate director to act for the director (herein after called as the original director) during his absence, for a period of not less than three months, from the state in which the meeting of the Board is ordinarily held. An alternate director shall vacate office, if any, when the original director returns to the state. If the term of office of the original director is determined before he returned to the state, any provision in the Act or in the Articles for the automatic re appointment of the retiring director in default or of another appointment shall apply to the original director and to the alternate director.
75. a) If the Directors enter into any contract with the Central Government or any State Government or any Financing company or Body Corporate or Bank or Insurance

Corporation or with any credit institutions for providing any guarantee or underwriting or subscription of shares or, any other financing Company or body or Venture Capital funds in Private and / or public sector, Sponsors and / or dealers of OTCEI (hereinafter referred to as "the Financial Institution") shall have a right to appoint, remove, reappoint, substitute from time to time, its nominee as a Director (hereinafter referred to as "the Nominee Director") on the Board of Directors of the Company, so long as any moneys remain owing to them or any of them by the Company, out of any Financial Assistance granted by them or any of them to the Company by way of loan and / or by holding debentures and / or shares in the Company and / or as a result of underwriting or direct subscription and / or any liability of the Company arising out of the guarantee furnished by the Financial Institution on behalf of the Company remains outstanding.

- b) The Nominee Director so appointed shall not be required to hold any qualification shares in the Company not shall he/they be liable to retire by rotation. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s so appointed. Subject to the aforesaid, the said Nominee Director/s shall be entitled to the same rights and privileges including receiving of notices, copies of the minutes, sitting fees, etc., as any other Director of the Company is entitled.
76. No share qualification shall be necessary for any director.
77. One third of the Directors shall retire at every Annual General Meeting by rotation. If this number is not three or a multiple of three then a number of Directors nearest thereto shall retire. A retiring Director shall be eligible to seek re-election.
78. If any Director appointed by the Company in general meeting vacates office as a Director before his term of office expires in the normal course, the resulting casual vacancy may be filled up by the Board of Directors at a meeting of the Board of Directors, but any person so appointed shall retain his office so long as the vacating Director would have retained the same if no vacancy had occurred, Provided that the Board of Directors may not fill such a vacancy by appointing thereto any person who has been removed from the office of Director under Section 284 of the Companies Act. 1956.
79. The Directors shall be paid a sitting fees as may be determined from time to time by the Board of Directors for every meeting or any committee of the Board of Directors attended by them. In addition to the remuneration payable to them, the Directors including the Managing Director may be paid all traveling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company or in connection with the business of the Company.
80. Subject to the provisions of Section 314 of the Act, if any Director shall be appointed to advise the Directors as an expert or be called upon to perform extra services or make special exertions for any of the purposes of Company, the Board of Directors may pay to such Director such special remuneration as they think fit, which remuneration may be in the form of either salary, commission or a lump sum and may either be in addition to or in substitution of the remuneration specified in the last preceding article.

**MANAGING DIRECTOR**

81. Subject to provisions of Sections 198, 309, 310 of the Act and subject to such approvals as may be necessary, the Board of Directors may from time to time appoint one or more or their body to the office of Managing Director and or Manager or whole time Director(s) for such term, and on such remuneration (Whether by way of salary and / or commission or partly in one and partly in another) with or without bonus and any other and or all allowances as they may think fit and a Director so appointed shall not, while holding that office, be subject to retirement by rotation or taken into account in determining the rotation of retirement of Directors but his or her appointment shall be subject to determination IPSO FACTO if he or she ceases from any cause to be Director, or if the Company in general meeting resolves that his or her term of the office of Managing Director or Manager or whole time Director be determined.
82. Subject to the supervision, control and directions of the Board of Directors, the Managing Director / Managing Directors shall have the management of the whole of the business of the Company and of all its affairs and shall exercise all powers and perform all duties in relation to the management of the affairs, except such powers and such duties as are required by law or by these presents to be exercised or done by the Company in General Meeting or by the Board of Directors and also subject to such conditions and restrictions imposed by the Act or by these presents or by the Board of Directors.

**PROCEEDING OF THE BOARD**

83. A Director may from time to time, and a Managing Director or Commercial Director or Technical Director as the case may be upon the request of any Director, shall convene the meeting of the Board of Directors. All meetings of the Board of Directors of the Company shall, unless otherwise determined by the Board of Directors, be held at the Registered Office of the Company. The quorum for a meeting shall be two directors or one third of the total strength (any fraction contained in one third being round off as one) whichever is higher. The Board of Directors shall meet at least once in every three months and at least four meetings shall be held in every calendar year.
84. Save as otherwise expressly provided in the Act, a resolution in writing signed by all or a majority of the members of the Board of Directors or of a committee thereof for the time being entitled to receive notice of a Meeting of the Board of Directors or committee shall be as valid and effectual as if it had been passed at Meeting of the Board of Directors or Committee, duly convened and held. In the event of the signature of anyone or more of the Directors to any such resolution being affixed on different dates the said resolution shall be deemed to be passed on the date of signature of the Director signing last.
85. Subject to restrictions contained in Section 292 of the Act the Board may delegate any of its powers to the Committee of the Board consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such committee of the Board either wholly or in part either as to persons or purposes by every committee of the Board so formed shall in the exercise of the powers so delegated confirm to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of its appointment but no otherwise shall have the like force and effect as if done by the Board.

86. The Meetings and proceedings of any such committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meeting of the proceedings of the Board including the voting rights of the Chairman and keeping for minutes hereof. So far as the same are applicable hereto and are not superceded by any regulations made by the Board under the last preceding Article.
87. All acts done by any meeting of the Board or of a Committee thereof or by any person acting as a Director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
88. The Board of Directors may at any time pay to any person commission which may represent a share in the profits of the Company or in any other manner either in a lump sum or in yearly, half-yearly, quarterly installments, in consideration of his guaranteeing to debentures holders or other creditors on behalf of the Company the payment of the face value of the debenture or other liabilities. Such commission will be payable only out of the profits of the Company.
89. The Board of Directors may receive deposits for the purpose of financing the business of the Company, bearing interest at such rates as the Directors may fix which may be made payable monthly, quarterly, half-yearly or at the beginning or end of the term for which such sums are borrowed.

#### **ACCOUNTS**

90. Books of accounts shall be kept at the Registered Office of the Company or at such other place in India as the Directors may think fit.
91. The Directors shall from time to time determine whether and to what extent and at what time and places and under what condition or regulation the accounts and books of the Company or any of them shall be open to inspection of member not being Directors. No member (not being a Director) shall have any right to inspect the same except as conferred by the Companies Act, or authorized by the Board of Directors, or by any resolution of the Company in General Meeting.
92. Every account of the Company when audited and approved by a General Meeting shall be conclusive except so far as regards any error discovered therein before or at the audit of the then next account and whenever such error is discovered within that period the account shall be forthwith corrected and henceforth shall be conclusive.

#### **DIVIDENDS**

93. The Company shall declare and pay dividends only out of profits and in accordance with the provisions of Section 205 of the Companies Act, 1956 or any statutory modifications thereof:
94. The Board of Directors may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of Company.

95. The Board of Directors may deduct from any dividend payable to any member all sums of money, if any presently payable by him to the company on account of call or otherwise in relation to the shares of the Company.

#### **CAPITALISATION OF PROFITS AND RESERVES**

96. a) The company in the General Meeting may upon the recommendation of the Directors resolve:
- i) That it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the company's reserve accounts or the credit of the Profit and Loss Account, or otherwise available for distribution; and
  - ii) That such sum be accordingly set free for distribution in the manner specified in clause (b) among the members who would have been entitled thereto if distributed by way of dividend and in the same proportion.
- b) The sum aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3) either in or towards.
- i. Paying any amounts for the time being unpaid on any shares held by such members respectively:
  - ii. Paying up in full, un-issued shares of the Company to be allotted and distributed, credited as fully paid up amongst such members in the Proportion aforesaid; or
  - iii. Partly in the way specified in sub-clause (I) partly in sub-clause (ii).
- c) A share premium account and a capital redemption reserve account may, for the purpose of this article, be applied only to issue shares to be issued to a member of the company as fully paid bonus shares.
- d) The Board of Directors shall give effect to this resolution passed by the company in pursuance of this Article.

#### **THE SEAL**

97. The Directors shall provide a common seal to the Company and every instrument on which seal is affixed shall be signed by one of the Directors authorized by the Board of Directors and subject to provisions of the Companies issue of Share Certificate Rules, 1960.

#### **SECRECY**

98. Subject to the provisions of the Act the Members shall not be entitled to inspect the Company's books without permission of the Board of Directors or to require discovery of or any information respecting any details of the company's trading or any matter which may relate to the conduct of the business of the company and which in the opinion of the Director will not be expedient in the interest of the Company to communicate to the public.

**INDEMNITY**

99. Subject to the provisions of Section 219 of the Act, the Managing Director, if any of the Directors and any officer or employee of the Company shall be indemnified by the Company against the claims, liabilities and all costs, losses and expense including traveling expenses which the Managing Director, the Directors or other officer or the employee of the Company may endure or become liable or by reason of any contract entered into or act or deed done by them as such managing directors, or directors, officers or employees in any way in the discharge or their duties.

**ARBITRATION**

100. Whenever any difference or dispute arises between the company on one hand and any of the members or either their heirs executors, administrators or assignors on the other hand, or between the members interest touching the true intent or construction of the incidents or consequences of these presents or the statutes, or touching anything when, or thereafter done, executed, omitted resurfaced in pursuance of these presents or of the statutes or touching any breach or otherwise relating to the promises or to these presents or to any statute affecting the Company or to any of the officers of the Company, every such differences or disputes shall be referred to the decision of an arbitrator to be appointed by the parties to the dispute or in difference or if they cannot agree upon a single arbitrator, to the decision of two arbitrators, of whom one shall be appointed by each of the parties to the dispute or in difference. Such arbitration will be governed by the laws for the time being in force.

**WINDING UP**

101. If the company shall be wind up, the liquidator may, with the sanction of a special resolution, divide amongst the members and contributors assets of the company in accordance with the provisions of the Companies Act, 1956.

Sl. No.	Names descriptions, occupations and address of the Subscribers	Signature of Subscribers	Name, address, description and occupation of the Witness with Signature
1.	<p><b>Transport Corporation of India Ltd. having its registered office at Flat No. 306-307, 1-8-271 to 273, 3<sup>rd</sup> Floor, Ashoka Bhoopal Chambers, S. P. Road, Secunderabad-500003. Presented by its Group CFO &amp; Company Secretary Akhil Kumar Bansal s/o Shri Brij Mohan Gupta r/o A-390, Sector-19, Noida-201301 (U.P.), authorized by its resolution dated 24<sup>th</sup> January 2008 (Business)</b></p>	-sd-	<p style="text-align: center;"><b>I witness the signature of the subscribers who have signed before me</b></p> <p style="text-align: center;">-sd- Abhay Raj Singh S/o Late Shri Brij Raj Singh 971, Sector-39, Gurgaon-122207</p>
2.	<p><b>Dharmpal Agarwal S/o Late Sh. Prabhu Dayal Agarwal, r/o 19, Olof Palme Marg, Vasant Vihar, New Delhi-110057 (Business)</b></p>	-sd-	
3.	<p><b>Vineet Agarwal S/o Sh. Dharmpal Agarwal, r/o 19, Olof Palme Marg, Vasant Vihar, New Delhi-110057 (Business)</b></p>	-sd-	
4.	<p><b>Chander Agarwal S/o Sh. Dharmpal Agarwal, r/o 19, Olof Palme Marg, Vasant Vihar, New Delhi-110057 (Business)</b></p>	-sd-	
5.	<p><b>Akhil Kumar Bansal S/o Sh. Brij Mohan Gupta, r/o A-390, Sector-19, Noida-201301 (Service)</b></p>	-sd-	
6.	<p><b>Sudhir Kumar Agarwal S/o Sh. Keshav Saran Agarwal r/o T-29/2, DLF Phase-III, Gurgaon-122002 (Service)</b></p>	-sd-	
7.	<p><b>Naresh Kumar Baranwal S/o Late Sh. Ganesh Lal r/o 110, FF, Residency Greens, Greenwood City, Gurgaon-122001(Service)</b></p>	-sd-	

Place : Gurgaon

Date : 12<sup>th</sup> May 2008

**XVI. DOCUMENTS FOR INSPECTION**

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Information Memorandum) which are or may be deemed material have been entered or to be entered into by our Company.

Copies of following documents are available at our registered office of Flat no.306 & 307, 1-8-271 to 273, 3<sup>rd</sup> Floor, Ashoka Bhopal Chambers, S.P. Road, Secunderabad, Andhra Pradesh -500003, for inspection on any working day (i.e. Monday to Friday and not being a bank holiday in Secunderabad) from 2.00 p.m. to 5.00 p.m.

1. Memorandum and Articles of Association of the Company along with Certificate of Incorporation and Certificate of Commencement of Business issued by Registrar of Companies, Andhra Pradesh, Hyderabad
2. The Order of Hon'ble High Court of Hyderabad dated September 15, 2010 sanctioning the Scheme of Arrangement for demerger of Real Estate Division of Transport Corporation of India Ltd. in to the Company.
3. Letters issued by BSE and NSE dated April 30, 2010 and May 18, 2010 respectively according their no objection to the Scheme
4. Return of Allotment filed by the Company for allotment of Shares pursuant to the Scheme
4. Copy of Tripartite Agreement with National Securities Depository Ltd and Central Depository Services (India) Ltd
6. Memorandum of Understanding with the Registrar and Share Transfer Agent
7. Annual Report containing the Audited Accounts of the Company on 31st March, 2010.

**XVII. DECLARATION**

No statement made in this Information Memorandum contravenes any of the provisions of the Companies Act, 1956 and the rules made thereunder. All the legal requirements connected with the said issue as also the guidelines, instructions etc. issued by SEBI, Government and any other competent authority in this behalf have been duly complied with.

All the information contained in this document is true and correct.

**On behalf of the Board of Directors of TCI Developers Limited**

Vanita Agarwal  
Company Secretary

**Place:** Gurgaon

**Date:** 08.04.2011