



TRF LIMITED

A **TATA** Enterprise



**44th Annual Report
2006-07**

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44th Annual General Meeting will be held on Saturday, July 14, 2007 at the Auditorium of Shavak Nanavati Technical Institute, 'N' Road, Bistupur, Jamshedpur - 831 001 at 12:00 noon

Members are requested to kindly bring their copies of the Annual Report to the meeting.

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Board of Directors

(As on May 08, 2007)

Dr. Jamshed J. Irani (*Chairman*)
 S. J. Ghandy
 S. K. Bhargava
 B. D. Bodhanwala
 R. P. Singh
 K. P. Singh
 Ranaveer Sinha
 Sudhir Deoras (*Managing Director*)
 R. C. Nandrajog (*Executive Director*)

Management

(As on May 08, 2007)

Sudhir Deoras Managing Director
 R. C. Nandrajog Executive Director
 Hari Om Prakash Chief of BMHS Division
 Ashim Roy General Manager (Finance & Accounts)
 T. K. Basu General Manager (Engineering)
 P. P. Deshmukh Deputy General Manager (Works)
 L. T. K. Ambasta Deputy General Manager (Projects)
 S. Dasgupta Chief of Port & Yard Equipment Division
 S. S. Chand Deputy General Manager (Constructions)
 N. Ghosh Assistant General Manager (Mini Blast Furnaces)
 Prashant Kumar Company Secretary

REGISTERED OFFICE

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

BANKERS

Bank of India
 Canara Bank
 Central Bank of India
 State Bank of India
 Indian Bank
 Bank of Baroda

AUDITORS

A. F. Ferguson & Co.

REGISTRARS & SHARE TRANSFER AGENTS

TSR Darashaw Limited
 6-10, Haji Moosa
 Patrawala Ind. Estate
 20, Dr. E. Moses Road
 Mahalaxmi
 Mumbai - 400 011

Notice

NOTICE IS HEREBY GIVEN THAT THE FORTYFOURTH ANNUAL GENERAL MEETING OF TRF LIMITED will be held at the Auditorium of the Shavak Nanavati Technical Institute, 'N' Road, Bistupur, Jamshedpur- 831 001, on Saturday, July 14, 2007 at 12.00 noon to transact the following business :

1. To receive and adopt the audited Profit and Loss Account of the Company for the year ended March 31, 2007, the Balance Sheet as at that date and the Reports of the Directors and Auditors.
2. To declare dividend on equity shares of the Company for the year ended March 31, 2007.
3. To appoint a Director in place of Dr. Jamshed J. Irani, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. S. J. Ghandy, who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in place of Mr. Ranaveer Sinha, who retires by rotation and is eligible for re-appointment.
6. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

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

“RESOLVED THAT, in partial modification of the Resolution passed at the 41st Annual General Meeting, held on July 10, 2004 for appointment and terms of remuneration of Mr. Ramesh Chander Nandrajog, Executive Director of the Company and in accordance with the provisions of Sections 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modification or re-enactment thereof or any amendments thereto, the Company hereby approves, the change in the maximum amount of salary payable to Mr. Ramesh Chander Nandrajog (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment), with authority to the Board of Directors of the Company, to fix his salary within such maximum amount, increasing thereby, proportionately, all benefits related to the quantum of salary, with effect from April 01, 2007 for the remainder of the tenure of the contract as set out in the draft Agreement submitted to this meeting, and initialled by a Director for the purpose of identification, which agreement is hereby specifically sanctioned.”

8. To appoint Mr. Sudhir Deoras, who was appointed by the Board of Directors as an Additional Director of the Company with effect from January 22, 2007 and who holds office up to the date of this Annual General Meeting and eligible for appointment as Director, and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956, proposing his appointment as a Director of the Company.
9. To consider and, if thought fit, to pass, with or without modification, the following Resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 311 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, as amended up-to-date, the Company hereby approves the appointment of Mr. Sudhir Deoras as the Managing Director of the Company, for a period of three years with effect from April 01, 2007, upon the terms and conditions as set out in the draft Agreement submitted to this meeting and for identification signed by the Chairman, authorizing the Board of Directors and/or a Committee of the Board to fix his salary within the scale from time to time, increasing thereby proportionately value of the benefits relating to the salary, as set out in the agreement, with the liberty to the Board of Directors and/or a Committee of the Board to alter and vary the terms and conditions of appointment and/or agreement in such manner as may be agreed to by and between the Board of Directors and Mr. Sudhir Deoras within the applicable provisions of the Companies Act, 1956.”
10. To consider and, if thought fit, to pass, with or without modification, the following Resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 311 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, as amended up-to-date, the Company hereby approves the re-appointment of Mr. Ramesh Chander Nandrajog as the Executive Director of the Company, who has been re-appointed by the Board of Directors, for a further period of One year with effect from August 01, 2007, on the terms and conditions as set out in the draft Agreement submitted to this meeting and for identification signed by the Chairman, authorizing the Board of Directors and/or a Committee of the Board to fix his salary within the scale from time to time, increasing thereby proportionately value of the benefits relating to the salary, as set out in the agreement, with the liberty to the Board of Directors and/or a Committee of the Board to alter and vary the terms and conditions of re-appointment and/or agreement in such manner as may be agreed to by and between the Board of Directors and Mr. Ramesh Chander Nandrajog within the applicable provisions of the Companies Act, 1956,
11. To consider and, if thought fit, to pass, with or without modification, the following Resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to provisions of Section 163 and other applicable provisions if any, of the Companies Act, 1956, change in the registered address of Company’s Registrars and Share Transfer Agents, be and is hereby approved as follow”:

TSR DARASHAW LTD
6-10, HAJI MOOSA PATRAWALA IND. ESTATE,
20, DR. E. MOSES ROAD,
MAHALAXMI,
MUMBAI - 400 011

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NOTES:

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM DULY COMPLETED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- b) The Register of Members and share transfer books of the Company will be closed from Friday, June 22, 2007 to Friday, June 29, 2007 (both days inclusive) for the purpose of ascertaining entitlement of dividend.
- c) The dividend on shares, as recommended by the Directors, and if declared at the meeting, will be payable to those members whose names appear on the Register of Members of the Company as on June 29, 2007 or their mandatees, subject however, to the provisions of Section 206A of the Companies Act, 1956.

In respect of shares held in electronic form, the dividend will be payable to the beneficial owners as on June 22, 2007 as per details received from the Depositories.

- d) As per the provisions of the Companies Act, 1956, facility for making nomination is now available to the shareholders in respect of the shares held by them. Nomination forms can be obtained from the Registered Office or the Registrars & Share Transfer Agents of the Company.
- e) Pursuant to Section 205C of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the unpaid dividend account of the Company is required to be transferred to the Investor Education and Protection Fund set up by the Government of India and no claims shall be tenable either by the Company or the said Fund after the transfer of the said amount.

Members who have not yet encashed their dividend warrant(s) for the financial year ended March 31, 2000 and onwards, are requested to make their claims to the Registrars & Share Transfer Agents of the Company without any delay.

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

Registered Office:

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

May 08, 2007

By Order of the Board of Directors

Prashant Kumar
Company Secretary

ANNEXURE TO NOTICE

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

As required under Section 173 of the Companies Act, 1956 (hereinafter referred to as 'the Act') the following Explanatory Statement sets out all material facts relating to the special business mentioned in Item Nos.7 to 11 of the accompanying Notice dated May 08, 2007, convening the meeting.

ITEM NO. 7

At the 41st Annual General Meeting of the Company held on July 10, 2004, the members of the Company had approved the appointment and terms of remuneration of Mr. Ramesh Chander Nandrajog as Executive Director of the Company for a period of three years with effect from August 01, 2004 in the scale of Rs.50,000 - 1,20,000 (with proportionate increase in the value of the benefits related to salary). The other terms and conditions of his appointment were also specified in the Explanatory Statement annexed to the Notice of the said meeting.

Subject to the provisions of Sections 269, 309, 310 read with paragraph 1 of Part III to Schedule XIII of the Companies Act, 1956 including any statutory modification or re-enactment thereof or any amendments thereto and taking into account the present salary of the Executive Director and the good performance of the Company under his management, the Remuneration Committee has recommended and Board of Directors at its meeting held on May 08, 2007, has approved revision in the maximum salary payable to the Executive Director, with effect from April 01, 2007, subject to the approval of Shareholders. The salary payable to the Executive Director is upto a maximum of Rs.2, 00,000/- per month, with authority to the Board of Directors, to fix the salary within the said maximum amount from time to time.

The Board Committee thereof shall decide the annual increments based on merit after taking into account Company's performance. All other terms and conditions of the appointment of the Executive Director, as approved by the shareholders, shall remain unchanged.

The Board of Directors commends the resolution for acceptance by the members.

The draft Supplemental Agreement, to be entered into between the Company and Mr. Ramesh Chander Nandrajog, are available for inspection by the shareholders of the Company, at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day of the Company except Saturdays.

No other Director of the Company, except Mr. Ramesh Chander Nandrajog, is concerned or interested in Item No. 7 of the Notice.

This Explanatory Statement should be treated as an abstract under Section 302 of the Act.

ITEM NO. 8

The Board of Directors appointed Mr. Sudhir Deoras as an Additional Director of the Company with effect from January 22, 2007. In accordance with the provisions of Article 104 of the Articles of Association of the Company read with Section 260 of the Act, Mr. Sudhir Deoras will hold office only up to the date of the Annual General Meeting. A notice in writing under Section 257 of the Act along with a deposit of Rs. 500/- has been received from a member signifying his intention to propose the appointment of Mr. Sudhir Deoras as a Director of the Company at the meeting.

Till, March 31, 2007, Mr. Sudhir Deoras was Joint Managing Director of M/s Tata Sponge Iron Limited and currently he is a Non- Executive Director of M/s Tata Sponge Iron Limited. Before taking over as the Joint Managing Director of M/s Tata Sponge Iron Limited, he was Managing Director of Tata International Limited. Considering the vast experience and expertise of Mr. Sudhir Deoras, the Board of Directors considers that the appointment of Mr. Sudhir Deoras as a Director will be of immense benefit to the Company and commends his appointment.

No other Director of the Company, except Mr. Sudhir Deoras, is concerned or interested in Item No. 8 of the Notice.

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ITEM NO. 9

Mr. Sudhir Deoras has been appointed as an additional Director of the Company by the Board of Directors at their meeting held on January 22, 2007. The Board has appointed Mr. Sudhir Deoras as Managing Director of the Company with effect from April 01, 2007, subject to the approval of the Shareholders, for a period of three years, consequent to the retirement of Mr. Santosh Kumar Gupta as Managing Director with effect from March 31, 2007.

Mr. Sudhir Deoras has wide experience of over thirty four years in various capacities. He was in charge of Tata Steel Bearing Division at Kharagpur before he took over as the Managing Director of Tata International Limited. From Tata International Limited he was moved to Tata Sponge Iron Limited as Joint Managing Director. Appointment of Mr. Sudhir Deoras as the Managing Director would help the Company to chart and achieve its future growth aspirations.

The Board of Directors of your Company, therefore, appointed Mr. Deoras as the Managing Director, subject to the approval of Shareholders.

The principal terms and conditions for appointment of Mr. Sudhir Deoras as Managing Director are as under:

1 REMUNERATION

A) SALARY

In the grade of Rs. 50,000/- to Rs.2, 40,000/- with the basic salary of Rs. 1,90,000/- per month, with effect from April 01, 2007, with the authority to the Board to fix the salary within the said maximum amount from time to time.

The annual increment, which will be effective from April 01, each year, will be decided by the Board/ Committee thereof and will be merit based and take into account Company's performance.

B) PERQUISITES AND ALLOWANCES:

a) In addition to the salary and commission or performance linked remuneration payable, Mr. Sudhir Deoras, shall also be entitled to the following perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance or/ and house maintenance allowance in lieu thereof, together with reimbursement of expenses and/ or allowances as may be applicable from time to time; medical reimbursement/ allowances; leave travel concession/ allowances for himself and his family*; and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board or Committee thereof and Mr. Sudhir Deoras, subject to a maximum of 140% of the basic salary, provided that the total remuneration payable to Mr. Sudhir Deoras, as Managing Director, shall not exceed the limits stipulated under the Companies Act, 1956. Further, Mr. Deoras will be entitled to transfer all his accumulated leave in any of the Tata Group Companies.

I) Rent free residential accommodation provided by the Company

"OR"

In case no residential accommodation is provided by the Company, the Managing Director shall be entitled to house rent and house maintenance allowance aggregating to 85% of the salary.

II) i)	Allowance for helper/ education of children /personal accident insurance/ club membership fees/ other allowances	— 38.34% of salary
ii)	Medical Allowance	— 8.33% of salary
iii)	Leave travel concession/ Allowance	— 8.33% of salary
		<hr/> 55.00% of salary
	(Total I+II)	<hr/> 140% of Salary

- III) The Managing Director shall be entitled to a provision of motor car maintained by the Company with driver and telecommunication facilities (expanding from telephone at residence to cover broadband, internet, fax, etc. apart from the telephone at residence).
- IV) (i) The Managing Director shall be entitled to Medical expenses for major illness and hospitalisation expenses.
(ii) Income Tax valuation of Housing Loan perquisite (Presently computed at 8.5% less interest charged).
- V) Such remuneration by way of commission, in addition to the salary and perquisites payable calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of the Company at the end of each financial year, subject to the overall ceilings stipulated in Sections 198 and 309 of the Act. The commission payable to Mr. Sudhir Deoras shall range between half and twice the amount of annual salary to be determined by the Board at the end of each Financial Year.

“OR”

Performance Linked remuneration not exceeding twice the annual salary as may be determined by the Board Committee thereof will be payable to Mr. Sudhir Deoras.

The specific amount payable to Mr. Sudhir Deoras will be based on certain performance criteria to be laid down by the Board and will be payable annually after the Annual Accounts have been approved by the Board and adopted by the Shareholders.

- b) For the purpose of calculating the above ceiling, perquisites and allowances shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost.
- c) Company's contribution to Provident Fund and Superannuation Fund will not be included for computation of perquisites to the extent these singly or put together are not taxable under the Income Tax Act. Gratuity payable as per the rules of the Company and encashment of leave as per rules of the Company shall not be included for the computation of limits for the remuneration or perquisites aforesaid.

* Explanation: For the purpose of this clause family means the wife, dependent children and dependent parents of Mr. Sudhir Deoras.

(C) MINIMUM REMUNERATION:

Notwithstanding anything to the contrary herein contained, if in any financial year during the currency of the tenure of Mr. Sudhir Deoras, the Company has not made any profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites within the limits specified in Schedule XIII of the Companies Act, 1956 as modified from time to time.

2. Mr. Sudhir Deoras shall not be entitled to supplement his earnings under the Agreement with any buying or selling commission. He shall not also become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company, without the prior approval of the Central Government and this Agreement shall cease and determine upon the contravention of the provisions of this Clause.
3. The terms and conditions of the said appointment /Agreement may be altered and/ or varied from time to time by the Board as it may in its discretion, deem fit, within the maximum amount payable to Mr. Sudhir Deoras in accordance with Schedule XIII to the Companies Act, 1956, or any amendments made hereafter in this regard or in excess of limits specified under Schedule XIII to the Companies Act with the approval of Central Government.
4. Earned / Privileged leave will be allowed to Mr. Sudhir Deoras as per the rules of the Company.

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5. Mr. Sudhir Deoras as Managing Director shall not be entitled to sitting fees for attending meetings of Board of Directors of the Company or any Committee or Committees thereof.
6. Mr. Sudhir Deoras shall be entitled to reimbursement of entertainment expenses actually and properly incurred by him in the course of legitimate business of the Company.
7. The Agreement may be terminated by either party giving the other party six month's notice or the Company paying six months' salary in lieu thereof.
8. If at any time the Managing Director ceases to be a Director of the Company for any cause whatsoever, he shall cease to be the Managing Director.
9. If at any time Mr. Sudhir Deoras ceases to be in the employment of the Company for any cause whatsoever, he shall cease to be a Director of the Company.
10. If at any time the Managing Director ceases to be a Managing Director of the Company for any cause whatsoever, he shall cease to be a Director of the Company.
11. Mr. Sudhir Deoras has declared to the Company that he does not suffer from any of the disabilities detailed in Clause 1(a), 1(b) and 1(d) of part I of schedule XIII, as also those listed in Section 267 and 274(1) of the Companies Act, 1956 and his appointment is inter-alia based on the representation made in the said declaration.
12. The Managing Director shall not have the following powers :
 - (i) power to make calls on shareholders in respect of monies unpaid on shares in the Company;
 - (ii) power to issue debentures; and
 - (iii) power to invest the funds of the Company in shares, stocks and securities.

In accordance with the provisions of Section 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, as amended up-to-date, the terms of appointment of Mr. Sudhir Deoras are placed before the Members in the Annual General Meeting for their approval. Approval of the shareholders is sought by way of Special Resolution for payment of remuneration to Mr. Sudhir Deoras, as Managing Director in any of the aforesaid three years of his appointment, only in the event the Company has no profits or inadequate profits in a financial year depending upon the effective capital of the Company as laid down in Part II in Section II to Schedule XIII of the Companies Act, 1956, in terms of Notification dated January 16, 2002 issued by the Department of Company Affairs, containing amendments to Schedule XIII of the Companies Act, 1956, with respect to payment of monthly remuneration to a managerial person in the event the Company has no profits or inadequate profits in a financial year.

The draft agreement to be entered into with Mr. Sudhir Deoras is available for inspection by Members of the Company at its Registered Office between 11.00 AM to 1.00 PM on any working day, except on Saturdays.

No other Director of the Company, except Mr. Sudhir Deoras, is concerned or interested in item No. 9 of the notice.

ITEM NO. 10

Current term of three years of Mr. Ramesh Chander Nandrajog, Executive Director of the Company will be expired on July 31, 2007. The Board of Directors at their meeting held on May 08, 2007, re-appointed Mr. Nandrajog as the Executive Director of the Company for a further period of One year, subject to the approval of the Shareholders.

Mr. Nandrajog has overall experience of more than forty years and has held various positions in the Tata Steel Limited before joining your Company. During his tenure as the Executive Director from August 01, 2004, Mr. Nandrajog has provided dynamic and effective leadership to the Company's management