

TAYO ROLLS LIMITED

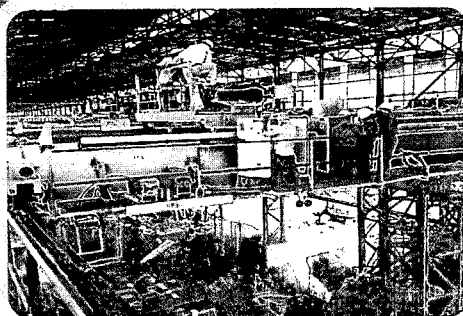
A **TATA** Enterprise

Report

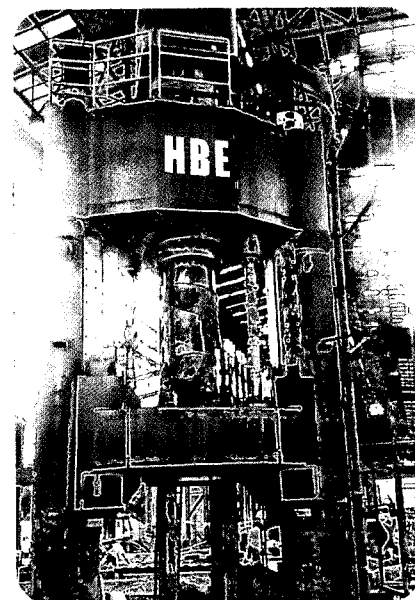
41st Annual Report
2008 - 2009



Induction Hardening
Equipment under Erection



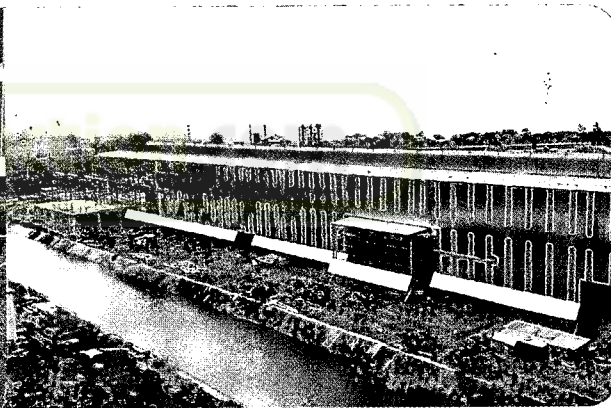
Crane Erection



2500t Press & 25t Manipulator
Erection in progress



Rain Water Harvesting



Forge & IH Shop Shed in progress



First Cast Polygonal Ingot



First Cast Round Ingot



TAYO ROLLS LIMITED

**Regd. Office : XLRI New Administrative Building, XLRI Campus,
Circuit House Area (E), Jamshedpur 831 001.**

ATTENDANCE SLIP

Shareholders attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the FORTY-FIRST ANNUAL GENERAL MEETING of the Company at Centre for Excellence, Jubilee Road, Jamshedpur 831 001, at 4.00 p.m. on Wednesday, the 2nd September, 2009.

Full name of the Shareholder
(in block capitals)

Signature

Folio No. /DP ID No.* & Client id No.*
*Applicable for members holding shares in electronic form.

Full name of Proxy
(in block capitals)

Signature

NOTE : Shareholder/Proxyholder desiring to attend the meeting should bring his copy of the Annual Report for reference at the meeting.

PROXY FORM

I/We
of in the district of being
a Member/Members of the above named Company, hereby appoint
of in the district of or failing him
..... of in the district of

as my/our Proxy to attend and vote for me/us and on my/our behalf at the FORTY-FIRST ANNUAL GENERAL MEETING of the Company, to be held on 2nd September, 2009 and at any adjournment thereof.

Signed this day of 2009.

Folio No. /DP ID No.* & Client id No.*
*Applicable for members holding shares in electronic form.

No. of Share(s)

Signature

Affix
Rupee one
Revenue
Stamp

This form is to be used @ in favour
@ against of the resolution. Unless otherwise instructed, the proxy will act as he thinks fit.

@ Strike out whichever is not desired.

NOTES : (i) The proxy must be returned so as to reach the Registered Office of the Company at XLRI New Administrative Building, XLRI Campus, Circuit House Area (E), Jamshedpur 831 001, not less than FORTY-EIGHT HOURS before the time of holding the aforesaid meeting.

(ii) Those members who have multiple folios with different jointholders may use copies of this Attendance Slip/Proxy.



TAYO ROLLS

Forty-First annual report 2008-09

NOTICE

THE FORTY-FIRST ANNUAL GENERAL MEETING OF TAYO ROLLS LIMITED will be held at Centre for Excellence, Jubilee Road, Jamshedpur 831 001, on Wednesday, September 02, 2009, at 4.00 p.m., to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 and the Audited Profit and Loss Account for the year ended on that date together with reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Dr. S. K. Bhattacharyya who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. S. N. Menon who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

Special Business

5. To appoint a Director in place of Mr. Osamu Nishimura who was appointed as an Additional Director of the Company with effect from 24th January, 2009, and who holds office under Section 260 of the Companies Act, 1956, upto the date of the Annual General Meeting, but who is eligible for re-appointment and in respect of whom the Company has received a notice in writing proposing him for the office of Director.

TAYO ROLLS

Forty-First annual report 2008-09

NOTES:

1. The relative Explanatory Statement, pursuant to Section 173 of the Companies Act, 1956, in respect of the business under item no. 5 above is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. The Register of Members and Share Transfer Books of the Company will remain closed from August 27, 2009 to September 2, 2009, both days inclusive.
4. Shareholders are hereby advised that while opening a depository account, they should give their bank account details. The bank mandate for shares held in physical form will not automatically be applied for shares held in electronic form.
5. Members are requested to notify promptly their change in address, if any, to TSR Darashaw Limited, 6-10, Haji Moosa Patrawala Ind. Estate, 20, Dr.E.Moses Road, Mahalaxmi, Mumbai 400 011, specifying the new address in block letters giving the correct PIN code number.
6. All unclaimed dividends upto the financial year ended 31st March, 1995, have been transferred to the General Revenue Account of the Central Government. Shareholders, who have not yet encashed their dividend warrant(s) for the said period are requested to forward their claims in prescribed Form No.II to The Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978 to -

Office of the Registrar of Companies,
Bihar & Jharkhand,
Dak Bungalow Road,
Mourya Lok, 'A' Block (4th Floor),
Patna 800 001.

By Order of the Board

G. VAIDYANATHAN
Secretary & Executive Officer

Registered Office:

XLRI New Administrative Building
XLRI Campus, Circuit House Area (East)
Jamshedpur 831 001.
6th May, 2009.



ANNEXURE TO NOTICE

EXPLANATORY STATEMENT

As required by Section 173 of the Companies Act, 1956, the explanatory statement sets out all material facts relating to the business mentioned in item no. 5 of the accompanying Notice dated 6th May, 2009.

Item No. 5

Mr. Osamu Nishimura was born in 1949 in Kyoto, Japan. In 1973, he graduated from Kyoto University, Kyoto, Japan in Metallurgical Engineering, the Department of Technology. He started his career in engaging himself in roll manufacturing in Osaka Plant of Yodogawa Steel Works Ltd., where he worked for 23 years (1973-1995). In 1995, he joined Ichikawa Plant of Yodogawa, manufacturing Steel flat products. In 2003, he became the General Manager of Ichikawa Plant.

The Directors commends the resolution at Item No. 5 for approval of the members.

None of the Directors, except Mr. Osamu Nishimura, is concerned or interested in the business under Item No. 5 of the notice.

By Order of the Board

G. VAIDYANATHAN
Secretary & Executive Officer

Registered Office:

XLRI New Administrative Building
XLRI Campus, Circuit House Area (East)
Jamshedpur 831 001.
6th May, 2009.

TAYO ROLLS

Forty-First annual report 2008-09

**Details of Directors seeking appointment/re-appointment
in the forthcoming Annual General Meeting.**

(In pursuance of Clause 49 of the Listing Agreements)

Name of Director	Dr. S. K. Bhattacharyya	Mr. S. N. Menon	Mr. Osamu Nishimura
Date of Birth	25.12.1945	20.09.1946	05.01.1949
Date of Appointment	31.12.2005	15.10.2007	24.01.2009
Expertise in specific functional areas	Production, HR and General Management	Administration and General Management.	Roll Engineering and General Management
Qualification	BE (Metallurgy), Doctorate of Science	M.A. (History), Delhi University. Hubert H. Humphery North-South Fellowship under the Fulbright Programme, University of Minnesota, USA.	Metallurgical Engineering Graduate, Kyoto University, Kyoto, Japan
List of Companies in which outside Directorship held as on 31 st March, 2009.	<ul style="list-style-type: none"> - National Fertiliser Ltd. - Hindustan Organic Chemicals Ltd. - Beekay Steel Industries Ltd. 	<ul style="list-style-type: none"> - Nicco Park & Resort Ltd., - Chairman. - Bombay Stock Exchange Ltd. - West Bengal State Electricity Distribution Co. Ltd. - McLeod Russel India Ltd. - Voltas Ltd. - Bengal Peerless Housing Development Co. Ltd., - Chairman. 	Nil
Chairman/Member of Committees of Board of Companies on which he is a Director as on 31 st March, 2009.	National Fertiliser Ltd. <ul style="list-style-type: none"> - Audit Committee, Member. Beekay Steel Industries Ltd. <ul style="list-style-type: none"> - Audit Committee, Member - Shareholder's Grievance Committee, Member - Remuneration Committee, Member 	Bombay Stock Exchange Ltd. <ul style="list-style-type: none"> - HR & Remuneration Committee, Member. McLeod Russel India Ltd. <ul style="list-style-type: none"> - Audit Committee, Member. 	Nil
Shareholding in the Company as on 31 st March, 2009.	Nil	Nil	Nil
Category	Non-Executive Independent Director.	Non-Executive Independent Director.	Non-Executive Promoter Director.

Registered Office:

XLRI New Administrative Building,
XLRI Campus, Circuit House Area (East),
Jamshedpur 831 001.
6th May, 2009.

By Order of the Board

G. VAIDYANATHAN
Secretary & Executive Officer



TAYO ROLLS

Forty-First annual report 2008-09

CONTENTS

Chairman's Statement	3
Highlights	4
Director's Report	5
Management Discussion and Analysis	10
Certification by CEO & CFO	14
Certificate on Corporate Governance	14
Auditors' Report	15
Annexure to the Auditors' Report	16
Balance Sheet	18
Profit and Loss Account	19
Cash Flow Statement	20
Schedules forming part of the Profit and Loss Account	21
Schedules forming part of the Balance Sheet	25
Significant Accounting Policies	32
Notes on the Balance Sheet and Profit & Loss Account	33
Statement giving information pursuant to Part IV of Schedule VI to the Companies Act, 1956	43
Financial Statistics	44
Annexure to Directors' Report	45
Report of the Directors on Corporate Governance	47
Shareholders' Information	53

Annual General Meeting on Wednesday, 2nd September, 2009 at Centre for Excellence, Jubilee Road, Jamshedpur at 4.00 p.m. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General meeting. Shareholders are requested to kindly bring their copies to the meeting.

TAYO ROLLS

Forty-First annual report 2008-09

Board of Directors

(As on 6th May, 2009)

Mr. Anand Sen (Chairman)

Dr. S. K. Bhattachrayya

Mr. Vijay Mathur

Mr. S. N. Menon

Mr. Dipak Banerjee

Mr. V. S. N. Murty

Mr. Osamu Nishimura

Mr. P. C. Srivastava (Managing Director)

Management Team

(As on 6th May, 2009)

Mr. P. C. Srivastava – Managing Director

Mr. P. Hariharan – Chief Financial Officer

Mr. Abhijit Mitra – Vice President (Operations)

Mr. Sushil Ray – Vice President (Marketing)

Mr. N. G. Murty – General Manager (Projects)

Mr. G. Vaidyanathan – Company Secretary & Executive Officer

REGISTERED OFFICE

XLRI New Administrative Building
XLRI Campus, Circuit House Area (East)
Jamshedpur 831 001

BANKERS

Bank of India
IDBI Bank Ltd.
State Bank of India

AUDITORS

Messrs. Deloitte Haskins & Sells
Chartered Accountants

SHARE REGISTRARS

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

Investors Dedicated E-Mail:

investors_helpdesk@tayo.co.in



Chairman's Statement

Dear Shareholders,

The year 2008-09 witnessed unprecedented financial crisis resulting from meltdown in the global economy. The second half of the fiscal year has been a nightmare for the industries with many of the leading companies resorting to lay-off and closing down of some unviable operations/facilities. The consumption bottomed down affecting the demand. The financial crisis had major impact on investment flow and availability of funds.

However, the situation for the Indian industry was not as severe, although, exports from the country were badly hit. The timely introduction of market friendly fiscal measures has restrained the effect of the meltdown on the Indian industry.

Crude steel production across the world has been registering negative growth. Though it was same for India, the rate of decline was less compared to most other major steel producing countries. All the steel majors resorted to the production cuts and introduced various cost saving initiatives. Major capacity expansion and green field projects were put on hold. However, there have been initial signs of revival with some recovery in demand. Situation in India is improving slowly and steadily.

During the year 2008-09, your Company had to face multiple challenges. In the first half of the year inadequate power supply in and around the industrial area where your Company is located affected the production and dispatch. Second half began with the meltdown with market becoming unfriendly to your company. Customers cut their planned production and opted for the deferment of ordered quantities of rolls. This resulted in the lower volume of despatch affecting the performance.

The first half of the fiscal year 2008-09 witnessed a good performance in the pig iron segment. However, in the second half there was a sudden reversal of the situation leading to steep fall in the prices of the pig iron. The prices of the input raw material particularly imported LAM Coke also fell drastically. The Company, which was carrying inventory of high cost imported LAM Coke had to write off the cost to bring it to mark to market price. This eventually affected the performance of the pig iron segment as well.

The Company is taking several initiatives to manage this critical situation. Several new measures have been

introduced to cut down the cost and enhance the contribution by addressing product-mix and market-mix. In the given scenario, your Company is going ahead with enriching the product-mix of rolls by offering high quality rolls to its customers. The transfer of technology for upgrading and manufacture of Hi-speed, Semi Hi-speed Rolls and Super Nickel Grain Rolls in Technical Collaboration with Yodogawa Steel Works Limited, Japan, is under way. This would help your company in entering new high end market and be one among very few in the world to manufacture such rolls.

The Company during October/November, 2008, issued a Letter of Offer to its existing shareholders for subscribing to the Rights Issue aggregating to Rs.60.36 crores. The issue was successful with the support of the promoters. The new shares have been listed on the Stock Exchange. The proceeds from the Rights Issue are being utilized for the integrated Forgings and Forged Rolls Project. The first stage of the project, the facilities for the manufacture of Forging Quality Ingots has been commissioned and the trial production is underway. The erection of Forging Press and Induction Hardening facilities for manufacture of Forged Rolls is under progress.

With commissioning of these new facilities, your company will be fully equipped to produce high quality forged rolls and cast rolls through a totally integrated manufacturing process and technology from Sheffield Forgemasters, UK for forged rolls and Yodogawa Steel, Japan for Hi-end cast iron rolls. It would also give an opportunity to your company to diversify into engineering forgings for Oil, Gas and Energy sector, thus minimizing overdependence on cyclic steel industry.

I would like to place on record my sincere thanks to all our employees for their commitment and contribution. I would also like to thank the TAYO Workers' Union for their continued support in these challenging times. I thank all my colleagues on the Board for their valuable guidance.

With regards,

Jamshedpur
May 06, 2009

Anand Sen
Chairman