

TAYO ROLLS LIMITED

A **TATA** Enterprise



45th Annual Report

2012 - 2013



Board of Directors

(As on 25.04.2013)



Mr. Anand Sen (Chairman)



Mr. Dipak K. Banerjee



Dr. S. K. Bhattacharyya



Mr. Osamu Nishimura



Prof. Ranjan Das



Mr. V. S. N. Murty



Mr. Sudev C. Das



Mr. Hridayeshwar Jha
(Managing Director)

Management Team

(As on 25.04.2013)

Mr. Hridayeshwar Jha	-	Managing Director
Mr. Abhijit Mitra	-	Vice President (Marketing)
Mr. R. R. Mishra	-	Vice President (HR & IR)
Mr. B. K. Singh	-	Vice President (Operations)
Mr. P. D. Mundhra	-	Vice President (Engg.)
Mr. S. K. Bandhopadhyaya	-	Sr. General Manager (Operations)
Mr. N. G. Murty	-	General Manager (P & Engg.)
Mr. Amit K. Gupta	-	General Manager (TQM)
Mr. Prashant Kumar	-	Company Secretary & C.O.

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
HDFC Bank Ltd
Axis Bank Ltd

STATUTORY AUDITORS

M/s Deloitte Haskins & Sells
Chartered Accountants

COST AUDITORS

M/s Shome & Banerjee
Cost Accountants

REGISTRAR & TRANSFER AGENTS

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

INVESTORS DEDICATED E-MAIL

tayoregd@tayo.co.in

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Annual General Meeting is on Friday, June 14, 2013 at Tata Management Development Centre (TMDC) Auditorium, XLRI Campus, C. H. Area (East), Jamshedpur 831 001 at 3.00 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.

Chairman's Statement

Dear Shareholders,

It gives me pleasure to reach you once again through this Annual Report. The steel industry continued to be sluggish in last fiscal resulting in low demand for rolls which had affected the performance of your Company. I am sure that the measures being taken to improve the quality will not only reduce rejection but will also result in increased production at reduced cost. This coupled with the 'working together' culture will further improve the performance of the Company.

I am happy to inform you that the actions taken by the Management for implementation of additional facilities in forge roll project and up gradation of existing cast roll facilities have started showing results. The production and dispatches of cast & forged rolls are higher than the PY-12. There is a considerable increase in the production of Ingots from 1933 tons in FY-12 to 5283 tons in FY-13 and Engineering Forgings from 64 tons in FY-12 to 1248 tons in FY-13.

Another commendable achievement of your Company during last fiscal year is the continuous good performance of Mini Blast Furnace with 25645 tons of production as against 17248 tons in FY 12 contributing significantly to the bottom-line. This good trend of increase in all segments of production is very commendable and we are sure that your Company will definitely achieve its Targets in next fiscal year and will maintain its pre-eminent position in its business.

I on behalf of the Board would like to place on record the appreciation for the valuable contributions made by Mr. Om Narayan during his tenure as Managing Director of the Company since April, 2010. I welcome Mr. Hridayeshwar Jha as the Managing Director of the Company with effect from April 01, 2013, and hope that the Company would benefit immensely with the vast experience of Mr. Jha.

On behalf of the Board, I would also like to place on record the appreciation for the valuable guidance and contributions made by Mr. S. N. Menon during his tenure as director. I welcome Mr. Sudev C. Das who is appointed as an additional director on the Board and hope that the Company will get benefited from his long years of experience.

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

Entire 'TAYO Family' joins me to convey our gratitude and heartfelt thanks to our promoters Tata Steel Ltd. and Yodogawa Steel Works, Limited, Japan, for their continued support and guidance which will give us the strength to face all future challenges with fortitude.

With best regards,

Anand Sen
Chairman

HIGHLIGHTS

			2012-13	2011-12	2010-11
OPERATIONAL					
Production	— Rolls	Tonnes	8088	7258	7221
	— Pig Iron*	Tonnes	25645	17248	9479
	— Ingot	Tonnes	5283	1933	2417
	— Engineering Forging	Tonnes	1248	64	13
Sales	— Rolls	Tonnes	8127	7202	7516
	— Pig Iron*	Tonnes	23836	14604	8087
	— Ingot	Tonnes	1371	1280	1615
	— Engineering Forging	Tonnes	1259	66	—
Capacity Utilisation	— Rolls	Percent	60	54	54
	— Pig Iron*	Percent	64	43	24
	— Ingot	Percent	24	10	12
FINANCIAL					
Turnover (Gross)		Rs. lakhs	19665	15233	14728
Depreciation		Rs. lakhs	1916	1811	562
Profit before tax		Rs. lakhs	(3374)	(5312)	(3044)
Profit after tax		Rs. lakhs	(3374)	(5312)	(3044)
Net Worth per share		Rupees	44.39	77	47
Transfer to General Reserve		Rs. lakhs	—	—	—
Shareholder's Funds		Rs. lakhs	4555	7929	4788
Capital Expenditure		Rs. lakhs	1135	561	2714
Employee's Cost		Rs. lakhs	3305	2998	2999
Dividend		Percent	—	—	—

* Pig Iron operation was resumed on April 15, 2011

NOTICE

THE FORTY-FIFTH ANNUAL GENERAL MEETING OF TAYO ROLLS LIMITED will be held at Tata Management Development Centre (TMDC) Auditorium, XLRI Campus, Circuit House Area (East), Jamshedpur 831 001 on Friday, June 14, 2013 at 3.00 p.m. to transact the following business:

ORDINARY BUSSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on March 31, 2013 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 Prof. Ranjan Das, 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. Hridayeshwar Jha, who was appointed as an additional director of the Company by the Board with effect from December 01, 2012 under Section 260 of the Companies Act, 1956, (the Act) and who holds office up to the date of forthcoming Annual General Meeting but is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director under the provisions of Section 257 of the Act.
6. To appoint a Director in place of Mr. Sudev Chandra Das, who was appointed as an additional director of the Company by the Board with effect from April 25, 2013 under Section 260 of the Companies Act, 1956, (the Act) and who holds office up to the date of forthcoming Annual General Meeting but is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director under the provisions of Section 257 of the Act.
7. To appoint a Director in place of Mr. V. S. N. Murty, who was appointed as an additional director of the Company by the Board with effect from April 25, 2013 under Section 260 of the Companies Act,

1956, (the Act) and who holds office up to the date of forthcoming Annual General Meeting but is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director under the provisions of Section 257 of the Act.

8. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 16 sub-section (1), read with sub-section (2) of Section 94 and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof) the Authorised Share Capital of the Company be and is hereby increased from the existing Rs. 100,00,00,000/- (Rupees one hundred crores only) divided into 1,50,00,000 (one crore fifty lakhs) Equity Shares of Rs. 10/- (Rupees ten only) each and 85,00,000 (eighty five lakhs) Redeemable Preference Shares of Rs. 100/- (Rupees one hundred only) each to Rs. 200,00,00,000/- (Rupees two hundred crores only) divided into 1,50,00,000 (one crore fifty lakhs) Equity Shares of Rs. 10/- (Rupees ten only) each and 185,00,000 (one crore eighty five lakhs) Redeemable Preference Shares of Rs. 100/- (Rupees one hundred only) each, by creation of additional 100,00,000 (one crore) Redeemable Preference Shares of Rs. 100/- (Rupees one hundred only) each and that clause 5 of the Memorandum of Association of the Company be and is hereby altered accordingly."

9. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:-

"RESOLVED that pursuant to the provisions of Section 31 and other applicable provisions of the Companies Act, 1956, as amended, the Article 6 of the Articles of Association of the Company be substituted by the following clause:

Article -6

The share capital of the Company is Rs. 200,00,00,000/- (Rupees two hundred crores only) divided into 1,50,00,000 (one crore fifty lakhs) Equity Shares of Rs. 10/- (Rupees ten) each and 185,00,000 (one crore eighty five lakhs) Redeemable Preference Shares of Rs. 100/- (Rupees one hundred only) each."

10. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED that subject to the provisions of Section 81(1A), 85, 86 and other applicable provisions, if any, of the Companies Act, 1956, including any amendment thereto or statutory modification(s) or re-enactment(s) thereof for the time being in force (the "Companies Act"), the regulations/guidelines, if any, issued/prescribed by the Government of India, the Securities and Exchange Board of India ("SEBI") and the Reserve Bank of India, the Foreign Exchange Management Act, 2000, the Foreign Exchange Management (Transfer or Issue of Securities by a Person Resident Outside India) Regulations, 2000, the Foreign Exchange Management (Borrowing or Lending in Rupees) Regulations, 2000, including any amendment, modification, variation or re-enactment thereof, the applicable Master Circular on External Commercial Borrowings and Trade Credits (updated as on date) and in accordance with the relevant provisions of the Memorandum and Articles of Association of the Company the consent, authority and approval of the shareholders of the Company be and is hereby accorded to create, offer, issue and allot additional 100,00,000 (one crore) Redeemable Preference Shares of Rs. 100/- (Rupees one hundred only) each to the extent of Rs. 100,00,00,000 (Rupees one hundred crores only) on preferential basis to the promoters of the Company in one or more tranches, with the liberty to the Board or Committee thereof to issue and allot the said shares as and when required and that such Redeemable Preference Shares shall be redeemable at par not later than the expiry of ten years from the date of allotment and entitle the holder for dividend at the rate to be decided by the Board or Committee thereof, subject to the provisions of the Companies Act and on such other terms and conditions as may be decided by the Board of Directors of the Company or a committee thereof (hereinafter referred to as the "Board" which term shall include a duly authorised committee thereof for the time being exercising the powers conferred by the Board) including issue price, face value, premium amount on issue as the Board in its absolute discretion may deem fit and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, including to sign all deeds, documents, share certificates and writings etc. and to pay any fees and expenses relating thereto and

with power on behalf of the Company to settle any questions or difficulties that may arise in regard to the issue, as it may, in its absolute discretion, deem fit and that all or any of the powers conferred on the Board vide this resolution may be exercised by a committee of the Board as the Board may constitute in this behalf."

NOTES:

- I) 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.
- II) The Register of Members and share transfer books of the Company will remain close from Friday, June 7, 2013 to Friday, June 14, 2013 (both days inclusive).
- III) 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 Registrar & Transfer Agents of the Company.
- IV) Shareholders holding shares in the physical form are requested to notify/send the following to TSR Darashaw Private Limited, the Registrar & Transfer Agents to facilitate better services:
 - (i) Any change in their address/mandate/ bank details and;
 - (ii) Particulars of the bank account in which they wish their dividend to be credited, in case they have not furnished it earlier.
- V) Members who still have their holdings in physical form are requested to convert them into dematerialized form (under ISIN No. INE895C01011).
- VI) 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/unclaimed dividend account of the Company is required to be transferred to the Investors' Education and Protection Fund (IEPF) set up by the Government of India and no claims shall be tenable either by

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the Company or by the said Fund, after the transfer of the said amount. Accordingly, the Company has transferred to the IEPF all unpaid/ unclaimed dividends in respect of financial years 1996-97 to 2004-05. It may be noted that the unclaimed dividend in respect of the financial year 2005-06 is due for transfer to the IEPF on September 16 , 2013.

Members, who have not yet encashed their dividend warrant(s) for the financial year ended March 31, 2006, and onwards, are requested to make their claims to the Company or the Registrar and Transfer Agents without any delay.

- VII) All unclaimed dividends upto the financial year ended March 31, 1996, 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 of The Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978 to the-

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

- VIII) SEBI vide its circular ref no. MRD/DoP/ Cir-05/ 2009 dated 20.05.2009 has clarified that for securities market transactions and off-market/ private transactions involving transfer of shares in physical form of listed companies, it shall be mandatory for the transferee(s) to furnish a copy of the PAN Card to the Company/RTA for registration of such transfer of shares irrespective of the amount of such transaction.

All intended transferee(s) are, therefore, requested to furnish a self certified copy of their PAN Card along with the relevant transfer deed for registration of transfer of shares. Please note that the shares lodged for transfer without self certified copy of PAN Card of the transferee(s) shall be returned under objection.

- IX) The Company has reviewed the formalities/ procedure for transmission of shares of deceased Shareholders in favour of survivor(s). Survivor(s) of the deceased Shareholders are advised to forward their requests with full details and supporting documents to the Registrar & Transfer Agents of the Company, for early transmission of Shares.
- X) 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.
- XI) Members are requested to bring the admission slips along with their copies of the Annual Report to the meeting.

By Order of the Board of Directors

Jamshedpur
April 25, 2013

Prashant Kumar
Company Secretary &
Compliance Officer

Registered Office:
XLRI New Administrative Building,
XLRI Campus, Circuit House Area (East)
Jamshedpur - 831 001