



40th
Annual Report
2013-14

TAYO ROLLS LIMITED

A **TATA** Enterprise



Board of Directors

(As on 24.04.2014)



Dr. S. K. Bhattacharyya



Mr. Anand Sen (Chairman)



Mr. Dipak K. Banerjee



Mr. Osamu Nishimura



Prof. Ranjan Das



Mr. V. S. N. Murty



Mr. Sudev C. Das



Mr. K. Shankar Marar
(Managing Director)

Management Team

(As on 24.04.2014)

Mr. K. Shankar Marar	-	Managing Director
Mr. Abhijit Mitra	-	Vice President (Marketing)
Mr. B. K. Singh	-	Vice President (Operations)
Mr. P. D. Mundhra	-	Vice President (Engg.)
Mr. Suresh Padmanabhan	-	Dy. Chief Financial Officer
Dr. Sukumar Ray	-	Dy. General Manager (Q & SS)
Mr. Prashant Kumar	-	Company Secretary & Compliance Officer

REGISTERED OFFICE

Annex-2, General Office
Tata Steel Limited, Bistupur
Jamshedpur - 831 001,
Jharkhand, India

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

SECRETARIAL AUDITORS

M/s P. K. Singh & Associates
Company Secretaries

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, August 29, 2014 at the Auditorium of Centre for Excellence, Jubilee Road, Bistupur, 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 once again reach you through this Annual Report. As we get into the new fiscal, let me share with you some of the challenges faced by the Company during the year gone by.

The demand for rolls during the last fiscal was not encouraging due to the sluggish steel industry. It is needless to say that it had affected the performance of your Company. Continued delay in commissioning and ramp up of new project coupled with Fragile liquidity position and lower off take of products were the other contributing factors for the low operation and profitability of the Company. Only respite is the marginal increase in the sale of forged rolls as compared to previous year.

During the year, your company focused primarily on the stabilization of various products like HiCr Iron Rolls, SG sleeves, Adamite Edger Rolls, SNG Rolls etc. Several cost reduction initiatives have been started and measures have also been taken for improvement of quality. With the efforts that are being taken, the management team is sure to turnaround the Company during current fiscal year.

During the financial year 2013-14, the authorised share capital of your Company has been increased to Rs. 200 crores (Rupees two hundred crores only) from Rs. 100 crores (Rupees one hundred crores only), which was subsequently increased to Rs. 350 crores (Rupees three hundred fifty crores only) on 12.05.2014. During the year, your Company has allotted 87,00,000 (Eightyseven Lakhs only) non-cumulative redeemable preference shares of Rs.100/- (Rupees one hundred only) each on preferential basis to Tata Steel Limited, the Promoter of the Company.

Your Company had raised funds through preferential allotment to the Promoter(s) to accelerate the improvement initiatives taken. I take this opportunity to convey the gratitude and heartfelt thanks of entire "Tayo Family" to our Promoters for their timely guidance and support. Your Management is putting their best efforts to implement the strategies necessary to turnaround the Company and I am sure that they will succeed in their endeavours.

I, on behalf of the Board of Directors, would like to place on record the appreciation for the valuable contributions made by Mr. Hridayeshwar Jha during his tenure as Managing Director of the Company till August 10th, 2013. I welcome Mr. K. Shankar Marar as the Managing Director of the Company with effect from August 11th, 2013, and I am sure that the dedication, commitment and strategic acumen of Mr. Marar will definitely help the company to achieve the targeted future growth.

I would thank all the stakeholders who have reposed confidence in the Company. I would also like to thank all our Promoters, Board of Directors, employees and Tayo Workers Union for their valuable guidance, contribution and support. I would also like to thank our Bankers, Customers and Suppliers for giving unstinted support to the Company during these challenging times.

With best regards,

Anand Sen
Chairman

HIGHLIGHTS

			2013-14	2012-13	2011-12
OPERATIONAL					
Production	— Rolls	Tonnes	7750	8088	7258
	— Pig Iron*	Tonnes	20382	25645	17248
	— Ingot	Tonnes	4608	5283	1933
	— Engineering Forging	Tonnes	837	1248	64
Sales	— Rolls	Tonnes	7624	8127	7202
	— Pig Iron*	Tonnes	17115	23836	14604
	— Ingot	Tonnes	634	1371	1280
	— Engineering Forging	Tonnes	827	1259	66
Capacity Utilisation	— Rolls	Percent	57	60	54
	— Pig Iron*	Percent	51	64	43
	— Ingot	Percent	23	24	10
FINANCIAL					
Turnover (Gross)		Rs. lakhs	16755	19644	15233
Depreciation		Rs. lakhs	2256	1916	1811
Profit before tax		Rs. lakhs	(7504)	(3374)	(5312)
Profit after tax		Rs. lakhs	(7504)	(3374)	(5312)
Net Worth per share		Rupees	55.55	44.39	77
Transfer to General Reserve		Rs. lakhs	—	—	—
Shareholder's Funds		Rs. lakhs	5700	4555	7929
Capital Expenditure		Rs. lakhs	783	1135	561
Employee's Cost		Rs. lakhs	3443	3291	2998
Dividend		Percent	—	—	—

* Pig Iron operation was resumed on April 15, 2011

NOTICE

THE FORTY-SIXTH ANNUAL GENERAL MEETING OF TAYO ROLLS LIMITED will be held at the Auditorium of Centre for Excellence, Jubilee Road, Bistupur, Jamshedpur- 831 001 on Friday, August 29, 2014 at 3.00 p.m. to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on March 31, 2014 and the Audited Statement of Profit and Loss 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 Mr. Anand Sen (DIN- 00237914), who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

4. To appoint Mr. K. Shankar Marar as Director pursuant to Section 160 of the Companies Act, 2013 :

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

To appoint a Director in place of Mr. K. Shankar Marar (DIN- 06656658), who was appointed as an additional director of the Company by the Board with effect from August 11, 2013 under section 260 of the Companies Act, 1956, 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 pursuant to Section 160 of the Companies Act, 2013 (the Act) (Corresponding to Section 257 of the Companies Act, 1956).

5. To appoint Dr. Subir Kumar Bhattacharyya (DIN- 00026534) as an Independent Director :

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

"RESOLVED that pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 (the Act) and the rules framed thereunder with Schedule IV to the Act, as amended from time to time, Dr. Subir Kumar Bhattacharyya (DIN- 00026534), a non-executive director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as independent director of the company, with effect from August 29, 2014 upto August 28, 2019.

RESOLVED further that Dr. Subir Kumar Bhattacharyya, being an Independent Director shall not be liable to retire by rotation."

6. To appoint Mr. Dipak Kumar Banerjee (DIN- 00028123) as an Independent Director :

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

"RESOLVED that pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 (the Act) and the rules framed thereunder with Schedule IV to the Act, as amended from time to time, Mr. Dipak Kumar Banerjee (DIN- 00028123), a non-executive director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as independent director of the company, with effect from August 29, 2014 upto August 28, 2019.

RESOLVED further that Mr. Dipak Kumar Banerjee, being an Independent Director shall not be liable to retire by rotation."

7. To appoint Prof. Ranjan Das (DIN- 01738493) as an Independent Director

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

"RESOLVED that pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 (the Act) and the rules framed thereunder with Schedule IV to the Act, as amended from time to time, Prof. Ranjan Das (DIN- 01738493), a non-executive director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as independent director of the company, with effect from August 29, 2014 upto August 28, 2019.

RESOLVED further that Prof. Ranjan Das, being an Independent Director shall not be liable to retire by rotation."

8. To appoint Mr. Sudev Chandra Das (DIN- 01072628) as an Independent Director :

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

“RESOLVED that pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 (the Act) and the rules framed thereunder with Schedule IV to the Act, as amended from time to time, Mr. Sudev Chandra Das (DIN- 01072628), a non-executive director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as independent director of the company, with effect from August 29, 2014 upto August 28, 2019.

RESOLVED further that Mr. Sudev Chandra Das, being an Independent Director shall not be liable to retire by rotation.”

- 9 To ratify Cost Auditors’ remuneration

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

“RESOLVED that pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) and the Rules made there under, as amended from time to time, the Company hereby ratifies the remuneration of Rs.1.00 lakh (Rupees one lakh only) plus out-of-pocket expenses payable to M/s. Shome & Banerjee, Cost Accountants (Firm Registration No. 000001), who are appointed as Cost Auditors of the Company to conduct Cost Audits relating to all business of the Company for the year ending 31st March, 2015.”

10. To fix borrowing limits of the Board of Directors under section 180(1)(c) of the Companies Act, 2013 :

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

“RESOLVED that in supersession of all earlier resolutions, consent of the Company be and is hereby accorded in terms of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (the Act), to the Board of Directors of the Company (hereinafter referred to as “the Board” which shall be deemed to include any Committee thereof) for borrowing from time to time any sum or sums of monies which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board shall not at any time exceed the limit of Rs. 150.00 crores (Rupees one hundred fifty crores only).

RESOLVED further that the Board be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writing as may be required.”

11. To authorise Board of Directors to create charge, mortgages and hypothecations on the assets of the Company under section 180(1)(a) of the Companies Act, 2013 :

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

“RESOLVED that pursuant to Section 180(1)(a) and other applicable provisions, if any of the Companies Act, 2013 (the Act), consent of the Company be and is hereby given to the Board of Directors of the Company (hereinafter referred to as “the Board” which shall be deemed to include any Committee thereof) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the management and concern of the Company in certain events in favour of Banks / Financial Institution, other investing agencies and trustees for the holders of debentures / bonds / other instruments to secure rupee / foreign currency loans and/or the issue of debentures whether partly / fully convertible or non- convertible and / or securities linked to Equity Shares and / or rupee / foreign currency convertible bonds and / or bonds with share warrants attached (hereinafter collectively referred to as “Loans”) provided that the total amount of loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the said Loans, shall not, at any time exceed the limit of Rs. 150.00 crores (Rupees one hundred fifty crores only).

RESOLVED further that the Board be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writing as may be required.”

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. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. PROVIDED THAT A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON. 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 July 18, 2014 to Thursday July 24, 2014 (both days inclusive).
- III) Facility for making nomination is 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 205A of the Companies Act, 1956, all unclaimed / unpaid dividends upto the financial year ended 31st March, 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 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,
Mourya Lok, 'A' Block (4th Floor),
Dak Bungalow Road,
Patna -800 001.

Consequent upon amendment to Section 205A of the Companies Act, 1956 and introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of dividend for the subsequent years remaining unpaid or unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company shall be transferred to the Investor Education and Protection Fund (IEPF) set up by the Government of India and no payments shall be made in respect of any such claims by the IEPF.

Accordingly, the Company has transferred to the IEPF all unclaimed/unpaid dividends in respect of the financial years 1995-96 to 2005-06. Members who have not yet encashed their dividend warrant(s) for the financial years ended 31st March, 2007 onwards, are requested to make their claims to the Company accordingly, without any delay. It may be noted that the unclaimed dividend for the financial year 2006-07 is due for transfer to IEPF on August 16, 2014.

- VII) 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.

- VIII) 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.