

TAYO ROLLS LIMITED
A **TATA** Enterprise



47th ANNUAL REPORT 2014 -15





Management Team

(As on 21.04.2015)

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.)
Dr. Sukumar Ray	-	General Manager (Technology)
Mr. N. P. Singh	-	General Manager (M & S)
Mr. Y. V. S. C. Choudhary	-	General Manager (Forge Business)
Mr. Suresh Padmanabhan	-	Dy. Chief Financial Officer
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 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

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Annual General Meeting is on Thursday, August 20, 2015 at the Auditorium of Centre for Excellence, Jubilee Road, Bistupur, Jamshedpur 831 001 at 11.30 a.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,

During the financial year 2014-15, the demand for rolls was not encouraging due to the below expected level of performance of Steel Industry as well as overall Indian economy. Cheap imports, and cost cutting measures adopted by the Steel Companies have put pressure on the Roll manufacturers. Lower off-take of products due to subdued demand coupled with internal quality issues and fragile cash position were major contributing factors for the adverse performance of the Company.

Despite the adverse business condition and losses during past several years, your Company has undertaken several capital expenditure and special repair schemes, with the help of Promoters. Your Company has successfully revamped and relined the Mini Blast Furnace which will significantly contribute to improve the quality as well as production of Pig Iron. Another commendable achievement is successful revamping of the Centrifugal Casting Machine and the Forging Press to improve quality of Cast and Forge Rolls to meet stringent quality specification of our customers. The complete automation of Forging Press has resulted in increased production of forged rolls and engineering forgings. In order to reduce production cost, Company has commissioned the Producer Gas Plant and implemented Rebox Oxyfuel® system in re-heating furnace. Use of MBF Gas in Ladle preheaters has also resulted in reduced fuel consumption.

Focus on the stabilization of Enhanced Carbide Roll, improvement in SG Core strength of Bi-metallic Rolls, Semi-HSS and HSS Rolls to fulfill the high end application in the Mill, Plate Mill Rolls with SG core and modified shell to improve Plate Mill Roll performance etc., are some of the initiatives taken during the year for the improved performance of the cast rolls.

I am grateful to our Promoter(s) for again extending their unstinted support by way of participating in the preferential allotment of shares to accelerate the improvement initiatives undertaken by your company. I take this opportunity to convey the gratitude and heartfelt thanks of entire "Tayo Family" to our Promoter(s) for their timely guidance and support in trying times. Your Management is putting all out efforts for implementing the strategies for turnaround.

I, on behalf of the Board would like to place on record the appreciation for the valuable contributions made by Mr. Osamu Nishimura, during his tenure as Promoter Director of the Company till February, 2015. I welcome Mr. Yoshikazu Miyasaka, as the new Promoter Director of the Company. I am sure that the long experience, commitment, and sound technical knowledge of Mr. Miyasaka will definitely help the company to achieve the targeted future growth for turnaround of the Company. I also welcome Mrs. Ramya Hariharan, as Independent Director on the Board. Mrs. Ramya Hariharan is a Company Secretary and Corporate Lawyer by profession. She specializes in mergers and acquisitions, general corporate advisory, projects banking and finance etc. Her appointment will assist ensuring highest degree of corporate governance compliance.

I would like to take this opportunity to express my sincere gratitude to our shareholders, customers, suppliers and other stakeholders, for their continued support and confidence in the Company and the Management. I would also like to thank all our employees, Tayo Workers Union and my colleagues on the Board 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 trying times.

Anand Sen
Chairman
(DIN-00237914)

HIGHLIGHTS

				2014-15	2013-14	2012-13
OPERATIONAL						
Production	-	Rolls	Tonnes	7719	7750	8088
	-	Pig Iron	Tonnes	17247	20382	25644
	-	Ingot	Tonnes	3921	4608	5283
	-	Engineering Forging	Tonnes	474	837	1248
Sales	-	Rolls	Tonnes	7805	7610	8127
	-	Pig Iron	Tonnes	12283	17115	23836
	-	Ingot	Tonnes	1077	634	1371
	-	Engineering Forging	Tonnes	472	827	1259
Capacity Utilisation	-	Rolls	Percent	57	57	60
	-	Pig Iron	Percent	43	51	64
	-	Ingot	Percent	20	23	24
FINANCIAL						
Turnover (Gross)			Rs. lakhs	15756	16755	19644
Depreciation			Rs. lakhs	1305	2256	1916
Profit Before Tax			Rs. lakhs	(6762)	(7504)	(3374)
Profit After Tax			Rs. lakhs	(6762)	(7504)	(3374)
Net Worth Per Share			Rupees	50.62	55.55	44.39
Transfer to General Reserve			Rs. lakhs	-	-	-
Shareholder's Funds			Rs. lakhs	5194	5700	4555
Capital Expenditure			Rs. lakhs	2757	783	1135
Employee's Cost			Rs. lakhs	3865	3443	3291
Dividend			Percent	-	--	--

NOTICE

THE FORTY SEVENTH ANNUAL GENERAL MEETING OF TAYO ROLLS LIMITED will be held at the Auditorium, Centre for Excellence Jubilee Road, Bistupur, Jamshedpur - 831001 on Thursday, August 20, 2015 at 11:30 a.m. to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on March 31, 2015 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. V.S.N. Murty (DIN- 00092348), who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint Statutory Auditors and to fix their remuneration.

SPECIAL BUSINESS:

4. To appoint Mrs. Ramya Hariharan (DIN-06928511) as Director:

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

"RESOLVED that Mrs. Ramya Hariharan (DIN- 06928511), who was appointed as an Additional Director of the Company with effect from October 20, 2014 under section 161 of the Companies Act, 2013, and who holds office up to the date of forthcoming Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby appointed as Director of the Company."

5. To appoint Mrs. Ramya Hariharan (DIN- 06928511) 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 made thereunder, read with Schedule IV to the Act, as amended from time to time, Mrs. Ramya Hariharan (DIN- 06928511), a Non-Executive Director of the Company, who has submitted a declaration that she meets the criteria of independence as provided in Section 149(6) of the Act, and who was appointed as Independent Director of the company with effect from October 20, 2014 be and is hereby appointed as Independent Director of the company, for a period of five years with effect from October 20, 2014 up to October 19, 2019.

RESOLVED further that, Mrs. Ramya Hariharan, being an Independent Director shall not be liable to retire by rotation."

6. To appoint Mr. Yoshikazu Miyasaka (DIN-07125432) as Director:

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

"RESOLVED that Mr. Yoshikazu Miyasaka (DIN-07125432), who was appointed as an Additional Director of the Company with effect from March 17, 2015 under section 161 of the Companies Act, 2013, and who holds office up to the date of forthcoming Annual General Meeting of the Company 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, be and is hereby appointed as Director of the Company."

7. To ratify Material Related Party transactions for FY 2014-15:

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 188 of the Companies Act, 2013 read with rules made thereunder and provisions of Listing Agreement with the Stock Exchange, approval be and is hereby given to ratify the contracts / arrangements for purchasing and selling of goods and services etc. to the Related Parties (as detailed in the Explanatory Statement to the notice) which were carried out in the ordinary course of business and which were also at arm's length basis for a sum not exceeding Rs. 24,163 lakhs for the financial year 2014-15."

8. To approve Material Related Party transactions for FY 2015-16:

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 188 of the Companies Act, 2013 read with rules made thereunder and provisions of Listing Agreement with the Stock Exchange, approval be and is hereby given for purchasing and selling of goods and services etc. to the Related Parties (as detailed in the Explanatory Statement to the notice) as per the existing contracts / arrangements which are in the ordinary course of business and also at arm's length basis for a sum not exceeding Rs. 15,225 lakhs for the financial year 2015-16."

9. To ratify Cost Auditors' remuneration:

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 148 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the rules made thereunder, 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 such business of the Company as may be ordered by the Central Government under the Act and the rules made thereunder for the year ending March 31, 2016."

10. To contribute to Charitable and Other Funds:

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 181 and other applicable provisions, if any, of the Companies Act, 2013, including any modification(s) or re-enactment thereof, consent of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as 'the Board' which shall deem to include any committees thereof) to contribute to bonafide charitable and other funds provided that the aggregate amount of contribution to such funds in a financial year shall not exceed the limits as set out in section 181 or a sum of Rs 5.00 Lakhs (Rupees five lakhs only), whichever is higher."

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 closed from Tuesday, August 4, 2015 to Saturday, August 8, 2015 (both days inclusive).
- III) As per Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, the cut off date for determining the eligibility to vote by electronic means (e-voting) or in the Annual General Meeting would be Thursday, August 13, 2015
- IV) The Share Capital of the Company is Rs. 3,500,000,000/- (Rupees three hundred fifty crores only) divided into 15,000,000 (One crore fifty lakhs) Equity Shares of Rs. 10/- (Rupees ten only) each and 33,500,000 (three crores thirty five lakhs) Redeemable Preference Shares of Rs. 100/- (Rupees one hundred only) each.

On March 23, 2012, the Company had issued 8,500,000 (eighty five lakhs) 8.50% Non-Cumulative Redeemable Preference Shares of Rs. 100/- (Rupees one hundred only) each to its promoters (Tata Steel Limited & Yodogawa Steel Works Limited). Since the company was not able to pay dividend for the financial years 2012-13 & 2013-14, as per provision of section 47 and other relevant provisions of the Companies Act, 2013, and rules made thereunder, the preference shareholders shall have a right to vote on all the resolutions placed before the Company, in the same proportion as the paid up capital in respect of equity shares bear to the paid up capital in respect of preference shares. Therefore one preference share vote is equivalent to 10 equity shares vote. Accordingly, the Preference Shareholders shall be entitled to vote on all resolutions placed before the meeting.

- V) As per the provisions of the Companies Act, 2013, 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 by the members holding shares in physical form. Members holding shares in electronic form may obtain Nomination forms from their respective Depository Participants.
- VI) Shareholders holding shares in the physical form are requested to notify/ send the following to TSR Darashaw 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.
- VII) Members who still have their holdings in physical form are requested to convert them into dematerialized form (under ISIN No. INE895C01011).
- VIII) Pursuant to Section 205A of the Companies Act, 1956, all unclaimed / unpaid dividends up to the financial year ended March 31st, 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 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 Investors 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 2006-07. Members who have not yet encashed their dividend warrant(s) for the financial years ended March 31st, 2008 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 2007-08 is due for transfer to IEPF on September 7, 2015.

- IX) 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.

- X) 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.
- XI) 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.
- XII) In accordance with Section 20 of the Companies Act, 2013 read with Rule 35 of the Companies (Incorporation) Rules, 2014, the Annual Reports are sent by electronic mode to those members whose email-ids are registered with the Depository for communication purposes. The members holding shares in physical form and who have not registered their email –ids are requested to register the same with TSR Darashaw Limited, the Registrar and Transfer Agents of the Company.
- XIII) As a matter of good Corporate Governance practice, the Company is extending Postal Ballot facility to all its members, even if they have registered their e-mail ids' for e-voting option.
- XIV) Process for members opting for remote e-voting:

For shareholders who wish to cast their votes electronically instead of dispatching Postal Ballot Form, the procedure and instructions are as follows:

- a. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- b. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting and / or Postal Ballot shall be able to exercise their right at the meeting through ballot paper.
- c. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- d. The remote e-voting period commences on Monday, August 17, 2015 at 9:00 a.m. and ends on Wednesday, August 19, 2015 at 5:00 p.m. During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Thursday, August 13, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- e. The process and manner for remote e-voting are as under:
 - (A.) In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company / Depository Participants] :
 - (i) Open email and open PDF file viz: "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password / PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password / PIN with new password of your choice with minimum 8 digits / characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" of "TAYO ROLLS LIMITED"
 - (viii) Now you are ready for remote e-voting as "Cast Vote" page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory/s who are authorized to vote, to the Scrutinizer through e-mail to pramodkumar.pcs@gmail.com with a copy marked to evoting@nsdl.co.in
 - (B.) In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants or requesting physical copy] :
 - (i) Initial password is provided as below / at the bottom of the postal ballot form for the AGM:

EVEN (Remote E-Voting Event Number)**USER ID****PASSWORD/PIN**