



TAYO ROLLS LIMITED

A **TATA** Enterprise



43rd Annual Report
2010 - 2011



World Environment Day



CSR Initiatives- LPG Awareness Programme for House-wives



Quality Month



National Safety Day



Tayo wins Tata Innovista - 2011 (Eastern Round)





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Annual General Meeting on 26th July, 2011 at Tata Management Development Centre (TMDC) Auditorium, XLRI Campus, C. H. Area (East), Jamshedpur 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.

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Board of Directors

(As on 25th April, 2011)

Mr. Anand Sen (Chairman)
Dr. S. K. Bhattacharyya
Mr. S. N. Menon
Mr. Dipak Banerjee
Mr. V. S. N. Murty
Mr. Osamu Nishimura
Prof. Ranjan Das
Mr. Om Narayan (Managing Director)

Management Team

(As on 25th April, 2011)

Mr. Om Narayan	— Managing Director
Mr. Abhijit Mitra	— Vice President (Marketing)
Mr. Jaydeb Burman	— Vice President (Operations)
Mr. V Satyamohan	— General Manager (Finance & Accounts)
Mr. B. K. Sinha	— General Manager (Business Development)
Mr. N. G. Murty	— General Manager (Procurement & MSD)
Mr. Amit Gupta	— General Manager (Total Quality Management)

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

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,

Despite the Indian economy significantly outperforming expectations, your company, TAYO, could not take the advantage of the situation.

During FY-11, the commissioning of the new project got significantly delayed due to several bottlenecks. Further, due to the price of purchased coke increasing far more than that of pig iron necessitated shutting down of the Blast Furnace from August, 2010. These factors combined to cause a severe cash flow problem, which the company has not overcome completely as yet.

Due to corrective actions taken during the last quarter of FY-11, the order book currently is robust and we were able to start the Blast Furnace from 15th April, 2011. We hope that the company's fortunes would now turn around subject to judicious management of cash.

Operationally, the company could improve its quality and has significantly reduced the percentage rejections compared to the earlier period. I am also glad to report that the commercial production of ingots has commenced from 1.11.2010 and that of the

forged roll unit with effect from 30.03.2011.

At this time your company requires complete support of all the shareholders, employees and the suppliers.

I would like to place on record our appreciation for the support received from TAYO Workers' Union in these challenging times.

I extend my gratitude to all the members of the Board for their invaluable contributions during the course of the year. I would also like to place on record our appreciation for the valuable contribution made by Mr. Vijay Mathur, who has relinquished his position from the Board with effect from 6th August, 2010.

I welcome Prof. Ranjan Das, appointed as Additional Director of the company with effect from 25th Jan., 2011, and hope that the company would benefit from his experience and guidance.

With best regards,

Anand Sen
Chairman

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HIGHLIGHTS

			2010-2011	2009-2010	2008-2009
OPERATIONAL					
Production	— Rolls	Tonnes	7221	6516	8333
	— Pig Iron	Tonnes	9479	22604	20030
	— Special Castings	Tonnes	—	16	128
	— Ingot*	Tonnes	2417	—	—
	— Engineering Forging*	Tonnes	—	—	—
Sales	— Rolls	Tonnes	7516	6594	7850
	— Pig Iron	Tonnes	8087	19634	17761
	— Special Castings	Tonnes	—	16	128
	— Ingot*	Tonnes	1615	—	—
	— Engineering Forging*	Tonnes	—	—	—
Capacity Utilisation	— Rolls	Percent	54	48	62
	— Pig Iron	Percent	24	57	50
	— Ingot	Percent	12	—	—
FINANCIAL					
Turnover (Gross)		Rs. lakhs	14728	14237	18930
Depreciation		Rs. lakhs	562	396	354
Profit before tax		Rs. lakhs	(3044)	(1153)	(1840)
Profit after tax		Rs. lakhs	(3044)	(1153)	(1674)
Net Worth per share		Rupees	64	76	88
Transfer to General Reserve		Rs. lakhs	—	—	—
Shareholder's Funds		Rs. lakhs	6566	7833	8986
Capital Expenditure		Rs. lakhs	2714	5085	8957
Employee's Cost		Rs. lakhs	2999	2384	2719
Dividend		Percent	—	—	—

* Ingot production commenced from 01.11.10 Forged Rolls production commenced from 30.03.11.

Directors' Report

The Directors have pleasure in presenting the Forty-third Annual Report on the operations of the Company and the financial accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS

	Rupees in Lakhs	Previous year Rupees in Lakhs
1. a) Profit before Depreciation, Tax and Exceptional items	(2482)	(757.74)
b) Deduct : Depreciation	562	395.56
c) Profit before Tax and Exceptional items	(3044)	(1153.30)
d) Add: (Deduct) Exceptional items	—	—
e) Loss before tax	(3044)	(1153.30)
f) Taxation	—	—
g) Loss after tax	(3044)	(1153.30)
h) Loss carried to Balance Sheet	(3044)	(1153.30)

DIVIDEND

- The Directors have decided not to recommend any dividend for the year ended 31st March, 2011.

OPERATION AND SALES

- During the year under review, the Company achieved a turnover of Rs. 147.27 crores against Rs.142.37 crores in the previous year. The production and sale of rolls were 7221 t and 7516 t. respectively as against the production and sale at 6,516 t. and 6,594 t. respectively in the previous year. This includes the sale of forged rolls of 14 t. against 100 t. in the previous year. Thus registering an increase of 10.82% and 13.98% in production and sales respectively.
- During the year under review, the production and sale of pig iron were 9479 t and 8087 t. respectively compared with 22,604 t. and 19,634 t in the previous year. Pig Iron market continued to be at a weaker note in the early part of financial year 2010-11. Prohibitive price of purchased coke vis-à-vis NR of Pig Iron compelled the management to temporarily suspend the operations of Pig Iron in August, 2010. However, the operations were resumed on 15th April, 2011.
- During the year under review, the Company posted a net loss of Rs. 30.44 crores against the net loss of Rs.11.53 crores in the previous year. Continued delay in commissioning and ramp up of new project coupled with the suspension of Pig Iron operations affected the profitability of the Company.

- During the year under review, the export of cast rolls was 1179 t. compared to 2,190 t. in the previous year, equivalent to Rs. 14.43 crores compared to Rs.25.69 crores in the previous year.

FINANCIAL AND WORKING CAPITAL MANAGEMENT

- The continued trial run production of forged roll project and suspension of Pig iron operations in the middle of the year due to economic unviability seriously affected the liquidity position of the Company. Higher inventory levels due to change in product mix of rolls also created a pressure on the working capital requirement. All this has resulted in higher working capital utilization. Towards the end of the year with several initiatives taken, the inventory levels have been brought down.
- During the year under review CRISIL has affirmed A+ (stable) rating for Term Loan and working capital (fund based) and P1+ for working capital non fund based. In addition CRISIL has reaffirmed P1+ for commercial paper upto Rs 20 crores and FAA for Fixed Deposit Programme.
- Tata Steel Limited, our holding company has placed an Inter Corporate Deposit of Rs. 1000 Lakhs which is payable on demand to ease out liquidity position of the Company.

TECHNOLOGY

Cast Roll

- In the year ended our focus was on stabilizing the production

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of Super Nickel Grain (SNG) roll, HiCr. Roll, with steel interlayer and development of High Speed Steel Roll (HSS). Both SNG & HiCr rolls were successfully stabilized from middle of 2nd quarter onwards. The incidence of spalling at casting stage was greatly reduced and the performance of these two rolls was highly satisfactory in the mills. Some of the good jobs done in this year are :

- Tata Steel completely switched over to Super Nickel Grain roll for their Finishing Mill Stand and we are 100% supplier of these rolls.
- Similarly HiCr. Iron rolls with Yodogawa technology met with larger amount of success in the mills.
- For the first time 1300 dia HiCr. Steel Roll was successfully spun cast and supplied to Tata Steel.
- Perennial problem of transverse crack in big Adamite Steel roll was completely eliminated through process of Hot Shake out and internal rejection has come down drastically on steel roll.
- Heat treated SG Iron rolls with lower alloy content was tried out successfully in Roughing Stands of Merchant Mills.
- In 2010-11, 8 SG Iron sleeves had rolled out from Tayo to JSPL, Universal Heavy Structural Mill manufactured through CCM route.

However, in HSS roll the problem still persists and the production is yet to be stabilized. Frequent visit of Yodogawa technical people helped in Quality and production of other grades also.

New Business

11. In new business we have been able to overcome the teething problem and stabilise the production of Melt Shop, Forging and Induction Hardening unit. A little amount of project work is still to be completed which we plan to complete in year 2011-12. Although we have some quality issues, we are sure we will be able to overcome as the root cause of the problem have been found out. The quantity of rolls which has been despatched last year has performed successfully in the mills.

GROWTH

Cast Roll

12. Development of HSS Rolls for Intermediate Stands of Hot Strip Mill has become very important as Mills are switching over from HiCr. We also plan to cast a new grade of HiCr Iron Roll with steel core for Plate Mill in Bangladesh. Besides these two, we are planning to do mist water quenching of Adamite Steel Rolls to increase the hardness and performance of Roughing Mill Stand of Hot Strip Mills. More focus will be given for development and production

of sleeve (SG and Steel) for Universal Mill Rolls. Another sector we will be looking for making back up rolls for both Cold Roll used for Hot Strip Mill. In future for this we require a capital expenditure of Rs. 400-500 lakhs for putting up a differential hardening furnace (Callus Furnace).

New Business

13. For the new business the focus will be on stabilizing the production and quality for Ingot making, Forging and Forge Roll. With greater emphasis on technical training, completion of project and increased volume, our share of business in the market will increase. Improved quality in the running grades will help us to increase the market share of Indian Market. Focus will be made on the bigger rolls market and minimize the import of these rolls. With the existing facilities and some small investment in near future, Tayo will be able to dominate the Indian Market. In Forge Rolls with the facility we have, we look forward to be the No. one Forge Roll manufacturer and a leading International player in Roll market.

Forgings and Forged Rolls

14. The commercial production of Ingots has commenced from 1.11.2010.

Forge Shop and Induction Hardening Roll Shop

15. The commercial production of Forge Shop / Induction Hardening Shop has commenced from 30.3.2011.

CONTINGENT LIABILITIES AND MAJOR LITIGATIONS

16. Consequent to the order of the Hon'ble Supreme Court vide its order dated 15th April, 2009, upholding the decision of the Hon'ble Patna High Court with a direction to BSEB to rework the rates of fuel surcharge, BSEB has adjusted Rs. 23.23 Crore against the Coal Claims of Rs. 100 crore and modified the rate of fuel surcharge for 1998-99 to 158.79 p/Kwh against the earlier notified rate of 164.83 p/Kwh for 1998-99 thus giving a benefit of 6.04 p/Kwh to consumers. However, this benefit will be passed on the consumers on receipt of Coal Claim of Rs. 100 crore by BSEB from the Coal Companies.

The Hon'ble Supreme Court has, however, given liberty to consumers to approach High Court to challenge the correctness of this adjustment as also the terms of such adjustment and also stated that the other pending issues on fuel surcharge can be taken up by the consumers before the High Court.

17. The writ petition filed by the Company challenging the applicability of the power tariff structure on the Company's Induction Furnace unit from 1.9.1999 is pending before the Hon'ble Jharkhand High Court.

BUSINESS EXCELLENCE

18. In this year the company widened the ambit of Business Excellence into Total Quality Management.
- TAYO was declared one of the winners in the India – East regional round of Tata Innovista – 2011 in the Sub category, Process Innovation in core operations. The Innovation achieved zero defect, reduction in cycle time and cost, energy saving and reduction in Carbon footprint, and above all Customer Delight. So great was the interest, that number of entries in TATA Innovista from TAYO registered a jump and stood at 43 nos.
 - Action has been taken on Tata Business Excellence assessment findings of the year and there have been Shining examples of improvements/Innovations.
 - As a part of Small Group Activity Circle, a campaign was undertaken to encourage Quality circles amongst workmen. It evoked encouraging response. Tayo workers' Union Office-bearers were co-opted into this initiative.
 - Launched Development Management, the eighth pillar of Total Productive Maintenance (TPM). With this all eight Pillars of TPM are functioning. We plan to challenge the award by the end of FY12.
 - During the year, the Company successfully completed IRQS surveillance audit for all the systems- QMS, EMS and OHSAS for continuity of their certification. Also we have initiated actions to include in the ISO scope the New Business (Forge Shop & Induction Hardening Shop). I.e. in the forthcoming certification audit which will be conducted in Jun/Jul 11, the entire range of products including the in-house forge rolls & Engg. Forgings will get covered in the ISO scope.

COMMUNITY INITIATIVES

19. Community Initiatives forms an integral part of the Company's business process activity. The Company promotes social organizations and various Educational Institutions including those associated with sports, trade skills, community welfare in the direction of developmental activities undertaken by them from time to time. The Company also supports reputed associations and institutions such as the Family Planning Association of India, ITI – Seraikela etc. towards the implementation of Projects undertaken by them in and around our Company's Plant.
20. During the year under review, the Company in association with the Centre for Family Initiatives Foundation, Tata Steel conducted an HIV/Aids Awareness programme for the residents of Tata Complex Colony, Gamahria which was followed by a NUKAD skit by their representative and oral Quiz competition for the participants.

21. A two-day free Acupressure Treatment Camp was conducted during 2010-11 which was well received by the community in and around the Plant and residents of Gamharia. Large number of local persons participated and benefitted from the programme.
22. Guest lectures were delivered for the student of Xavier Institute of Tribal Education, Tata Complex Colony, Gamharia covering subjects such as Leadership, Communication Skills, Legal aspects of Business etc. by the Executives and Officers of the Company.
23. Blood Donation Campaign was organized in Tata Complex Colony, Gamharia where residents in and around the Colony came forward and voluntarily donated blood.

SAFETY, HEALTH & ENVIRONMENT

24. The Company continues to pay lot of emphasis in the direction of Safety, Health and Environment of the employees, the Company and the community at large. With the objective of keeping employees and contractor labour consistently aware and conscious of the safety processes and regulations, Safety Campaigns were observed every alternate month. During the year under review, safety quiz, safety song, safety talk, sit-and-draw competition etc. were conducted where employees and their children participated in large numbers and the winners were recognized.
25. With the launch of Safety Excellence Journey, several observations have been logged and closed by employees which have yielded positive results in reducing the number of First-Aid cases and improving the house-keeping of Plant during the year. Use of PPEs has become a Way-of-Life and are being utilized regularly by employees and contractor labour inside the Plant. Training programmes on Safety & Fire Fighting forms an integral part of safety practices adopted by the Company.
26. The Company participated in the SHE Excellence Award competition conducted by CII (ER) 2010-11 and were short-listed for presenting their detailed presentation before the Jury this year.
27. National Safety Day was observed on 4th March where employees were addressed on safety aspects by Senior Executives and Office Bearers of Tayo Workers Union. Safety Badges were distributed on this occasion to remind employees to observe safety precautions on duty. On this occasion, employees were made aware of the theme laid down by the National Safety Council on "Establish and Maintain Preventative Safety & Health Culture".
28. World Environment Day was observed on 5th June, 2011, where Sr. Executives of the Company and Office Bearers of Tayo Workers Union deliberated on the theme "Many Species. One Planet, One Future", which was followed by tree plantation at the Works.

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29. The Company's Environmental, Occupational Health and Safety Policy ensures compliance of applicable EHS legislations throughout the year.

AFFIRMATIVE ACTION

30. The Tata Code of Conduct – 2008 issue on Affirmative Action has been adopted in its true spirit by the Company. The Company ensures implementation of the Code by conducting Awareness training programmes on the Code for the benefit of employees and vendors. The base data collected on Affirmative Action is monitored periodically and indicates an improvement trend in the direction of '4Es', i.e. Employment, Entrepreneurship, Employability and Education.

The Company has submitted its application for the first time in 2010-11 on Affirmative Action for assessment to TQMS.

DIRECTORS

31. In accordance with the provisions of Companies Act, 1956, and Articles of Association of the Company, Mr. Anand Sen, Dr. S.K. Bhattacharyya and Mr. S.N. Menon retire by rotation and being eligible offer themselves for re-appointment.

32. Prof. Ranjan Das was appointed as additional Director w.e.f. 28th January, 2011. Pursuant to Section 260 of the Companies Act, 1956, Prof. Ranjan Das holds office upto the ensuing Annual General Meeting. The Company has received a notice under Section 257 of the Companies Act, 1956 proposing Prof. Ranjan Das for the office of Director subject to retirement by rotation.

DIRECTORS' SHAREHOLDING

33. The shareholding of Managing Director and Non-executive Directors in the Company is NIL.

RESPONSIBILITY STATEMENT

34. Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors, based on the representations received from the Operating Management, confirm that -

- (a) in the preparation of annual accounts, the applicable accounting standards have been followed and that there are no material departures; .
- (b) they have, in the selection of the accounting policies, consulted the statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2010-11 and of the profit of the Company for that period;

(c) they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) they have prepared the annual accounts on a going concern basis.

LISTING AGREEMENT

35. Pursuant to Clause 49 of the listing agreement with Stock Exchanges, a note on Management Discussion and Analysis and Corporate Governance are made part of this Annual Report.

PARTICULARS OF EMPLOYEES

36. The details of employees who were in receipt of remuneration of Rs.24,00,000 and above during the financial year under review or Rs.2,00,000 and above per month, pursuant to the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, are furnished on page 45.

ENERGY, TECHNOLOGY & FOREIGN EXCHANGE

37. In terms of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the particulars in respect of (a) Conservation of Energy (b) Technology Absorption and (c) Foreign Exchange Earnings and Outgo are furnished on pages 43, 44 and 45.

AUDITORS

38. Messrs. Deloitte Haskins & Sells (ICAI Registration No.302009E), Auditors, retire and being eligible, offer themselves for re-appointment. They have furnished a certificate to the Company that their re-appointment, if made, will be in accordance with Sub-section (1B) of Section 224 of the Companies Act, 1956.

On behalf of the
Board of Directors

Jamshedpur
25th April, 2011.

Anand Sen
Chairman

MANAGEMENT DISCUSSION & ANALYSIS

Business Review and Outlook

The world steel output in 2010, is at just over 1.4 billion tonnes. This equates to a rise of over 190 million tonnes as compared with 2009. China, Japan and the US have contributed over 50% of the growth. Steel production in Germany and South Korea has also shown significant expansion.

As per the World Steel Association forecasts the apparent steel use will increase by 5.9% to 1359 mmt in 2011, following 13.2% growth in 2010. In 2012, it is forecast that world steel demand will grow further by 6.0% to reach a new record of 1441 mmt. This forecast suggests that by 2012, steel use in the developed world will still be at 14% below the 2007 level whereas in the emerging and developing economies, it will be 38% above. In 2012, the emerging and developing economies will account for 72% of world steel demand in contrast to 61% in 2007.

India is the fifth largest crude steel producer of the world and is expected to become 2nd by the 2015-16 on account of growing steel demand. Its rich resource base of iron ore, skilled manpower and vast experience of steelmaking and the huge capacity expansion planned and being executed in the steel sector are other major reasons.

Accordingly, India's crude steel production for the financial year 2009-10 was 65.84 million mt and for the period from April 2010 to January 2011 was 57.72 million mt. Production of finished steel in the country during the April-January period of the current financial year recorded an increase of 8.4 percent year on year, whereas domestic consumption of finished steel rose by 10.9 percent year on year.

This growth was driven by both capacity expansion (from 47.99 million tonne in 2004-05 to 72.96 million tonne in 2009-10) and improved capacity utilization. Further the domestic crude steel production is likely to increase at an average annual rate of at least 8-10 percent over the next decade, on account of the rising trend of domestic steel demand.

The roll industry is largely dependent on steel industry. The down trend had compelled the steel plants to have better inventory control management, the result of which was the deferment of confirmed orders. The roll industry had to suffer due to the poor off-take by the steel manufacturer. This lifted to some extent during FY11.

The Company is no exception to the situation and had to close the FY'11 with an increase in sales of 23% as compared to previous year. The inventories at the customers end are now reaching the re-ordering level. Accordingly, the deliveries are expected to pick-up and order position to improve in the current year.

The Company in its pursuit to maintain its market leadership has commenced the supply of High-end Rolls. During the year, the Company had supplied Super Ni-Grain Rolls to few of its customers, the performance of which has exceeded the expectation. Repeat orders have been received for SNG Rolls.

The other high end rolls like High Speed and Semi-High Speed Steel Rolls are on the anvil for its introduction at the customer's plant. This gives the Company an edge over its competitors in the domestic market.

Due to the delay in commissioning of our Forge roll manufacturing unit, sale of Forged Rolls were low. With the encouraging result from the initial trial, the sale of Forge roll is expected to be 1600 Ts in 2011 -12, 50% of our rated capacity.

Pig Iron Marketing & Operations

During the year 2010-11, the MBF was in operation till July 10. However, on account of poor market condition and high coke prices, and stoppage of supply of Nut coke from Tata Steel, price of Pig Iron reached much below the cost of production.

In view of the above, it was decided to temporarily suspend operations starting first week of August'10.

The furnace was restarted during the second week with 90% High Ash Coke along with 10% nut coke to make furnace operation economically viable. However, after running the furnace for 3 - 4 days the coke combination was found unsuitable for furnace operation. Hence, furnace was again banked. The operations remained suspended for the remaining part of the financial year.

Action taken

The success of any blast furnace operation is largely dependent on the ability to reduce coke rate. Several actions were taken in this regard, such as, installation of Moisture eliminator system ; complete flushing, dry

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cleaning and refilling of Stoves' pebbles, repair of its damaged cage. These actions are expected to result in maximization of blast temperature to up-to 850 °C (750 °C already achieved) which will in turn reduce the coke rate.

The shut down period was also utilized in other maintenance work including the Pig Casting Machine which will reduce the skull generation.

Present status

There has now been some increase in the realization of pig iron. This along with resumption of supply of Nut coke from Tata Steel has made the operations economically viable. The furnace was lighted up on 15th of April 2011.

Opportunities and Threat

The Company has a good opportunity ahead to cater to the cast roll requirement of TATA STEEL - Europe which is substantial. The Company is closely working with TSE to become their preferred supplier. The manufacture of High end Rolls like HSS, Semi-HSS and Super Ni-Grain Rolls are also expected to give an opportunity to the Company to cater to the high end market both within and outside the country.

The completion and commissioning of the integrated forging facilities for Forged Roll and Engineering Forgings gives enough opportunity to the Company to cater to the requirement of Forged Roll segment. The excess forging capacity to be used for Engineering Forgings would also be an opportunity to explore newer market which may isolate the Company from the volatility of the steel industry.

Indications are there that the demand for steel is growing in the domestic front and the steel manufacturer is increasing their capacity utilization. The Company expects to have a better order position and off-take of Cast Rolls in FY'11.

The cheaper imports (both in cast and forged rolls) and low-end roll manufacturers continues to be a great challenge for the Company, which has to be countered by creating value to the customers. Added to this, competitors have embarked on expansion of their facilities which will result in excess supply situation in the domestic market.

The increasing trend in the input prices is a challenge,

which would be countered through effective supply-chain management and cost reduction programme in every area of operations.

The major challenge the Company has in FY'11 is to have the acceptance of the Forged Rolls and Engineering Forgings by the customers at the fastest possible time both in terms of quality and price.

Segmentwise/Production Performance

The segment wise performance has been given in the Directors' Report in Page 5 and 6. The segment wise result is given in Page No. 37 & 38.

Risks and Concerns

The Company on regular basis reviews its Risk Management Policy and takes proactive steps to safeguard and minimise any adversity related to the Market, Technology, People, Environment/Regulatory, Financial, Information Technology and Opportunity Risks. Wherever necessary, the Company takes adequate insurance coverage of its assets for safeguarding from unforeseen risks.

Internal Control System and Adequacy

The Company has adequate internal control system and well laid-down policies and procedures for all its operations and financial functions. The procedures are aligned to provide assurance for maintaining proper accounting controls, monitoring efficient & proper usage of all its assets and reliability of financial & operational reports. The internal control system is ably supported by the Internal Audit Department which carries out extensive audit of various functions throughout the Company. The Internal Audit Department functions independently and submits its findings to the Managing Director for corrective actions, if any. The Company's Board has an Audit Committee which comprises four members with majority being Independent Directors. The Audit Committee reviews significant findings of the internal audit.

The Audit Committee's review function includes the financial reporting process, the system of internal control, the audit process and the Company's process for monitoring compliances with law and regulations and the Company's code of conduct. The Audit Committee also reviews with the Statutory Auditors the financial reports and ascertains their observation on issues of concern.

The Committee monitors the implementation of internal audit recommendations.

HUMAN RESOURCES DEVELOPMENT

Human Resource has been always valued as one of the most important asset and, therefore, the Company has laid emphasis on people focus all the time. This is visible through the active involvement and engagement of employees in various innovative initiatives which keeps them current with the desired business requirements. The Education & Training Pillar under TPM specifically designs training modules based on organizational objectives as well as individual developmental needs to upgrade the gaps in skills and knowledge of employees year after year. The Training & Development inputs are derived from the Training Need Identification Process, feedback of PMS, Skill & Knowledge Gap Analysis and feedback on effectiveness of training.

The active involvement and engagement of employees has enabled the Company to win the TATA Innovista Award-2011 in the Eastern Regional Round on the theme "Reduction in Cycle Time of Steel Rolls". The Tayo Team had also participated this year in the 22nd CII Regional Works Skills competition conducted by CII (ER) at Kolkata in the Electrical & Maintenance Category.

Improvement initiatives are encouraged at all levels and this has gone a long way in delivering positive results in the functioning of Quality Circles, Performance Target Teams, 2'S', Kaizen, Suggestion Mela etc. In-house training modules provides ample opportunity for sharing technology & knowledge amongst employees as well as for conducting training programmes on TPM, QC, TBEM, Tata Code of Conduct, QMS, Safety, Fire Fighting etc. in line with the Company's requirements.

The Joint Consultation Council of Management (JCCM) meeting between Management and Union as well as the Human Resource Review Meetings enables close

interaction and clarity of concepts amongst cross-functional teams. With the support and co-operation of Tayo Workers Union, the industrial relations climate was consistently cordial and conducive to Company's progress during the year.

The workforce of the Company stands at 668 as on 31st March, 2011.

Financial Performance with respect to Operational Performance

Revenue : The total revenue (gross) was Rs. 147 crores against Rs. 142 crores in the previous year. The revenue from roll segment (gross) was Rs. 111 crores as compared to Rs. 91 crores in the previous year. The revenue from pig iron segment was Rs. 23 crores as compared to Rs. 46 crores in the previous year.

Ingot production commenced from 01.01.10. Forged Roll production commenced from 30.03.11. The revenue from Ingot was Rs. 7 crores in the current year.

The net loss was Rs. 30.44 crores against a net loss of Rs. 11.53 crores in the previous year.

Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.

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Forty-Third annual report 2010-11

CERTIFICATION BY CHIEF EXECUTIVE OFFICER (CEO)/ CHIEF FINANCIAL OFFICER (CFO)

The Board of Directors,
TAYO ROLLS LIMITED,
Jamshedpur.

We, Om Narayan, Managing Director and V.Satyamohan, General Manager (Finance & Accounts) of TAYO ROLLS LIMITED, both certify to the Board that we have reviewed the Financial Statement and the Cash Flow Statement of the Company for the year ended 31st March, 2011.

To the best of our knowledge, we certify that :

1. The statements do not contain materially untrue and misleading statements; that the statements present a true and fair view of the Company's affairs; that they are made in accordance with the accounting standards and applicable laws and regulations.
2. There are no fraudulent or illegal transactions.
3. For the purposes of financial reporting, we accept the responsibility for establishing and maintaining internal controls which are monitored by the Company's internal audit team and have evaluated based on feedbacks received from the internal audit team, the effectiveness of the internal controls and have reported to the Auditors and Audit Committee, the deficiencies, if any, in the internal controls.
4. We have indicated to the Auditors and Audit Committee significant changes in the internal controls; accounting policies. There are no instances of fraud, of which we are aware during the period.

25th April, 2011

Om Narayan
Managing Director

V. Satyamohan
General Manager (Finance & Accounts)

Certificate on Corporate Governance

TO THE MEMBERS OF TAYO ROLLS LIMITED

1. We have examined the compliance of conditions of Corporate Governance by Tayo Rolls Limited, for the year ended as on 31st March, 2011, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange.
2. The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanation given to us, we certify that the company has complied with the condition of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. We state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Deloitte Haskins & Sells
Chartered Accountants
(Registration No. 302009E)

Abhijit Bandyopadhyay
Partner
Membership No.: 054785

Kolkata
25th April, 2011

Auditors' Report

To The Members of Tayo Rolls Limited

1. We have audited the attached Balance Sheet of **TAYO ROLLS LIMITED** ("the Company") as at March 31, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
 - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of those books;
 - (c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956;
 - (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
 - (ii) in the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date and
 - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors as on March 31, 2011, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2011 from being appointed as a Director in terms of Section 274 (1)(g) of the Companies Act, 1956;

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No. 302009E)

Kolkata
25th April, 2011

Abhijit Bandyopadhyay
Partner
(Membership No. 054785)

Annexure to the Auditors' Report

(Referred to in paragraph 3 of our report of even date)

- (i) Having regard to the nature of the Company's business/activities/results, clauses 4 (viii), (xii), (xiii), (xiv), (xv), (xviii), (xix) and (xx) of CARO are not applicable.
- (ii) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In respect of its inventory:
 - (a) As explained to us, inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion, and according to the information and explanations given to us, the procedures for physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion, and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) According to the information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- (v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (vi) In respect of contracts or arrangements entered in the register maintained in pursuance of Section 301 of the Companies Act 1956, to the best of our knowledge and belief, and according to the information and explanations given to us,
 - (a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the register, maintained under the said section have been so entered.
 - (b) Where each of such transaction is in excess of Rs. 5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time except in respect of certain purchases for which comparable quotations are not available and in respect of which we are unable to comment.
- (vii) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- (viii) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (ix) In our opinion and according to the information and explanations given to us in respect of statutory dues:
 - (a) the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education

and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities during the year.

- (b) there were no undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears, as at March 31, 2011 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on March 31, 2011 on account of disputes are given below:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (Rs. in lakhs)
Income Tax Act	Income Tax	Commissioner-Appeals	2005-2006 to 2006-2007	58.47
Central Sales Tax Act	Central Sales Tax	Deputy Commissioner of Commercial Taxes-Appeals	2004-2005	15.44
		Tribunal	2005-2006	12.96
		Joint Commissioner of Commercial Taxes-Appeals	2006-2007	23
Jharkhand Sales Tax Act	Jharkhand Sales Tax	Deputy Commissioner of Commercial Taxes-Appeals	2004-2005	33.26
		Tribunal	2005-2006	1.46
		Joint Commissioner of Commercial Taxes-Appeals	2006-2007	148.35
Central Excise and Service Tax Act	Excise Duty	Commissioner-Appeals	2003-2004 to 2007-2008	25.92
		Assistant Commissioner-Appeals	2007-2008 to 2008-2009	5.90

- (x) The accumulated losses of the company at the end of the financial year are less than fifty per cent of its net worth. The Company has incurred cash losses in the financial year. In the immediately preceding financial year the Company had not incurred cash losses.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company did not have any outstanding debentures or dues to the financial institutions during the year.
- (xii) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained, other than temporary deployment pending application.
- (xiii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that amounts aggregating to Rs. 8802 lakhs raised on short-term basis have been used during the year for financing long term investments in fixed assets acquisition by the Company.
- (xiv) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No. 302009E)

Kolkata
25th April, 2011

Abhijit Bandyopadhyay
Partner
Membership No. 054785)

TAYO ROLLS

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Balance Sheet as at 31st March, 2011

	SCHEDULE	31.03.2011	31.03.2010
		<i>Rupees in lakhs</i>	
SOURCES OF FUNDS			
1	SHAREHOLDERS' FUNDS		
a)	Share Capital	A 1,026.13	1,026.13
b)	Reserves & Surplus	B 5,540.05	6,806.68
			<u>7,832.81</u>
		6,566.18	
2	LOAN FUNDS		
a)	Secured Loans	C 14,183.94	11,746.93
b)	Unsecured Loans	D 2,486.25	242.01
			<u>11,988.94</u>
		16,670.19	
	TOTAL FUNDS EMPLOYED	23,236.37	<u>19,821.75</u>
APPLICATION OF FUNDS			
3	FIXED ASSETS		
a)	Gross Block	E 28,004.21	11,482.43
b)	Less: Depreciation	8,785.63	8,226.56
c)	Net Block	19,218.58	<u>3,255.87</u>
d)	Capital work in progress	2,239.59	15,773.68
			<u>19,029.55</u>
		21,458.17	
4	INVESTMENTS	F	32.14
5	CURRENT ASSETS, LOANS AND ADVANCES		
a)	Inventories	G 3,775.15	4,034.74
b)	Sundry Debtors	H 3,009.63	2,689.79
c)	Cash and Bank Balances	I 364.47	331.74
d)	Loans and Advances	J 1,140.53	866.02
		8,289.78	<u>7,922.29</u>
6	LESS: CURRENT LIABILITIES AND PROVISIONS		
a)	Current Liabilities	K 6,594.96	5,724.53
b)	Provisions	L 1,726.44	1,437.70
		8,321.40	<u>7,162.23</u>
7	NET CURRENT ASSETS /(LIABILITY)		(31.62)
8	PROFIT & LOSS ACCOUNT		1,777.68
	TOTAL ASSETS	23,236.37	<u>19,821.75</u>

ACCOUNTING POLICIES AND NOTES

Pages 30 to 40

As per our report of even date attached

For and on behalf of the Board

For DELOITTE HASKINS & SELLS

Chartered Accountants

Abhijit Bandyopadhyay
Partner

Harpreet Kaur Bhamra
Secretary

Anand Sen
Om Narayan

Chairman
Managing Director

Kolkata, 25th April, 2011



Profit and Loss Account for the year ended 31st March, 2011

INCOME	SCHEDULE	2010-2011	2009-2010
		<i>Rupees in lakhs</i>	
1 Sale of Products		14,166.77	13,690.33
Less: Excise Duty		1,351.13	980.54
Net Sales		12,815.64	12,709.79
2 Export Benefits (DEPB Licenses)		76.36	131.87
3 Other Income	1	484.73	415.74
Total Income		13,376.73	13,257.40
EXPENDITURE			
4 Manufacturing and other expenses	2	14,907.19	13,567.73
5 Interest (Net)	3	951.68	447.41
6 Depreciation		562.17	395.56
Total Expenditure		16,421.04	14,410.70
LOSS BEFORE TAXES		(3,044.31)	(1,153.30)
7 Taxation		—	—
LOSS AFTER TAXES		(3,044.31)	(1,153.30)
LOSS CARRIED TO BALANCE SHEET		(3,044.31)	(1,153.30)
Basic and Diluted Loss Per Share (The nominal value per Equity Share is Rs 10/-)		Rs (29.67)	Rs (11.24)

ACCOUNTING POLICIES AND NOTES

Pages 30 to 40

As per our report of even date attached
For DELOITTE HASKINS & SELLS
Chartered Accountants

For and on behalf of the Board

Abhijit Bandyopadhyay
Partner
Kolkata, 25th April, 2011

Harpreet Kaur Bhamra
Secretary

Anand Sen
Om Narayan

Chairman
Managing Director

TAYO ROLLS

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Cash Flow Statement for the year ended 31st March, 2011

	Year Ended 31.03.2011	Year Ended 31.03.2010
	<i>Rupees in lakhs</i>	
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/ (Loss) before tax	(3,044.31)	(1,153.30)
Adjustment for		
i) Depreciation	562.17	395.56
ii) (Profit)/Loss on Exchange Fluctuation	(18.12)	32.86
iii) (Profit)/Loss on sale of Obsolescence of assets	2.70	5.22
iv) Write Back of Liabilities	(54.54)	(19.83)
v) Amortisation of Employee Separation Compensation	8.51	152.58
vi) Provision for warranty	195.59	310.88
vii) Dividend Income	(35.50)	(19.49)
viii) Provision relating to Employee Benefits	473.42	215.06
ix) Interest Expense	951.68	447.41
x) Inventory written off	353.68	356.03
xi) Provision for Doubtful Debts	194.35	40.03
xii) Provision for wealth tax	0.17	0.42
	<u>2,634.11</u>	<u>1,916.73</u>
Operating Profit / (Loss) before Working Capital changes	(410.20)	763.43
Adjustments for		
i) Trade and Other receivables	(767.34)	244.73
ii) Inventories	(94.09)	354.44
iii) Trade payable and other liabilities	235.69	483.33
	<u>(625.74)</u>	<u>1,082.50</u>
Cash Generated from Operation	(1,035.94)	1,845.93
Direct taxes paid	(1.35)	(12.65)
Net cash from Operating Activities	(1,037.29)	1,833.28
B. CASH FLOW FROM INVESTING ACTIVITIES		
i) Purchase of Fixed Assets including CWIP	(2,714.39)	(5,084.55)
ii) Sale of fixed assets	23.35	1.35
iii) Purchase of Investments	—	(601.49)
iv) Sale of Investments	—	985.61
v) Dividend received	35.50	19.49
vi) Interest received	10.59	10.59
Net Cash from Investing Activities	(2,644.95)	(4,669.00)
C. CASH FLOW FROM FINANCING ACTIVITIES		
i) Proceeds from Borrowings (Short Term) Net	4,531.62	653.08
ii) Proceeds from Borrowing (Long Term)	149.63	2,767.94
iii) Repayment of Borrowing (Long Term)	—	(87.50)
iv) Interest Paid	(964.28)	(454.68)
v) Dividend paid	(2.00)	(3.06)
Net Cash used in Financing Activities	3,714.97	2,875.78
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	32.73	40.06
OPENING CASH AND CASH EQUIVALENTS	331.74	291.68
CLOSING CASH AND CASH EQUIVALENTS	364.47	331.74

- Note: 1. Cash and Cash Equivalents includes balance in statutory restricted accounts Rs. 16.88 lakhs (as at 31.03.2010 - Rs. 18.88 lakhs)
 2. Figures in brackets represent outflows.
 3. Previous year figures have been regrouped, where necessary.

As per our report of even date attached

For and on behalf of the Board

For DELOITTE HASKINS & SELLS
Chartered Accountants

Abhijit Bandyopadhyay
Partner
Kolkata, 25th April, 2011

Harpreet Kaur Bhamra
Secretary

Anand Sen
Om Narayan

Chairman
Managing Director



Schedules forming part of the Profit and Loss Account for the year ended 31st March, 2011

SCHEDULE 1

Rupess in lakhs

	2010-2011	2009-2010
OTHER INCOME		
1. Dividend Income		
a) Long term investments	35.50	18.00
b) Current investments	—	1.49
	<u>35.50</u>	<u>19.49</u>
2. Other Income		
a) Sale of miscellaneous goods	280.14	294.08
b) Sundry income	114.55	82.34
c) Write back of liabilities no longer required	54.54	19.83
	<u>449.23</u>	<u>396.25</u>
	<u>484.73</u>	<u>415.74</u>

SCHEDULE 2

Rupess in lakhs

	2010-2011	2009-2010
MANUFACTURING AND OTHER EXPENSES		
1 Raw materials consumed	7,712.66	7,000.59
2 Purchases of semi-finished products	—	185.46
3 Payment to and provisions for employees'		
a) Wages, Salaries and Bonus	1,800.27	1,448.34
b) Company's contribution to Provident Fund, Super Annuation Fund and Pension Fund	334.26	221.57
c) Employee Separation Compensation - VRS	8.51	152.58
d) Company's contribution to Gratuity Fund	228.23	96.06
e) Staff Welfare expenses	636.51	618.28
	<u>3,007.78</u>	<u>2,536.83</u>
4 Operation and other expenses		
a) Consumption of stores and spares	1,612.25	1,084.68
b) Power and Fuel	3,212.28	2,106.82
c) Repairs to Machinery	174.11	66.14
d) Repairs to Building	26.04	19.58
e) Rent	21.48	19.17
f) Rates and Taxes	36.79	31.75
g) Insurance	3.03	8.40
h) Freight and Handling Charges	146.70	174.08
i) Product warranty charges	195.59	310.88
j) Other Expenses	879.13	771.62
k) Accretion /(Depletion) of Excise Duty on Finished Goods	25.26	25.46
	<u>6,332.66</u>	<u>4,618.58</u>
5 PROVISION FOR DOUBTFUL DEBTS	194.35	40.03
6 Excise duty	1.17	(8.29)
7 Expenditure transferred to capital and other accounts	(2,441.54)	(1,539.01)
8 (Accretion to)/Depletion of Finished and semi-finished goods	100.11	733.54
	<u>14,907.19</u>	<u>13,567.73</u>

TAYO ROLLS

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Schedules forming part of the Profit and Loss Account for the year ended 31st March, 2011

SCHEDULE 3

Rupess in lakhs

	2010-2011	2009-2010
INTEREST		
Interest expense		
a) On fixed loans	915.37	737.63
b) On other account	721.25	384.75
	1,636.62	1,122.38
Less:		
i) Interest received on bank deposits and other account	(10.59)	(10.59)
ii) Interest capitalized during the year	(674.35)	(664.38)
	(684.94)	(674.97)
Net interest expense	951.68	447.41

SCHEDULE 4

1. LICENSED AND INSTALLED CAPACITY AND PRODUCTION			
	Licensed Capacity	Installed Capacity	Production
	Tonnes	Tonnes	Tonnes
		(Annual)	
Class of Products			
a) Rolls			
(i) Steel, Steel Base and Cast Iron Rolls	N.A.	11,500	7,213
			(6,442)
(ii) Forged Rolls (Note II below)	N.A.	2,000	8
			(74)
		13,500	7,221
		(13,500)	(6,516)
(iii) Rolls Castings for sale (Note III)			556
			(147)
b) Pig Iron (Note IV below)	N.A.	40,000	9,479
		(40,000)	(22,604)
c) Special Castings	N.A.		—
			(16)
d) Ingots (Note II below)	N.A.	20,000	2,417
		(—)	(—)
e) Engineering Forgings	N.A.	3,000	—
		(—)	(—)
Notes :			
I) Installed capacity is as certified by the Management and being a technical matter relied upon by the Auditors.			
II) Ingot Production commenced from 1.11.10. Forged Rolls production commenced from 30.03.11.			
III) Within the available foundry capacity, the Company also produces Rolls in 'as Cast' heat-treated condition for sale.			
IV) Production includes Pig Iron for internal consumption 1867 tons.			
V) N.A. : Not applicable in terms of Government of India's Notification No. S.O.477(E) dt 25th July, 1991.			

Schedule forming part of the Profit and Loss Account for the year ended 31st March, 2011

SCHEDULE 4 (Contd..)

2. TURNOVER, CLOSING AND OPENING STOCKS OF GOODS PRODUCED

Class of Products	Turnover @		Closing Stocks		Opening Stocks	
	Tonnes	Rupees	Tonnes	Rupees	Tonnes	Rupees
a) Rolls						
(i) Steel, Steel Base and Cast Iron Rolls	7,502 (6,494)	10,550.64 (8,659.79)	119 (568)	140.00 (674.20)	568 (675)	674.20 (781.12)
(ii) Forged Rolls	14 (100)	92.14 (356.13)	9 (15)	24.24 (44.28)	15 (41)	44.28 (135.46)
(iii) Roll Castings (for sale) (Note III, item 1 above)	556 (147)	465.18 (95.23)	— (—)	— (—)	— (—)	— (—)
b) Pig Iron						
(i) Pig Iron	8,087 (19,634)	2,007.00 (4,111.63)	49 (524)	2.80 (52.16)	524 (600)	52.16 (109.24)
(ii) Others - Pig Iron Skull etc.		315.98 (446.32)		30.94 (59.28)		59.28 (174.45)
c) Special Castings	— (16)	— (21.23)	— (—)	— (—)	— (—)	— (—)
d) Ingots	1,615 (—)	735.89 (—)	294 (—)	97.14 (—)		— (—)
e) Engineering Forgings	— (—)	— (—)	13 (—)	11.67 (—)		— (—)
TOTAL		14,166.83 (13,690.33)		306.79 (829.92)		829.92 (1,200.27)

Notes:

- @ includes excise duty recovered from customers
- * after adjustment for stocks written off and transfer to Semi-finished Stock
- ** Sale of Cast Roll includes 55 Tons written off in previous year.
- *** Includes 200 tons of Pig Iron Dust.
- # Sale of Ingots is net of internal consumption of 508 Tons
- (vi) Figures in brackets are in respect of the previous year.

3. CONSUMPTION OF RAW MATERIALS

	2010-11		2009-10	
	Quantity Tonnes	Rs. in lakhs	Quantity Tonnes	Rs. in lakhs
a) Scrap (net of own generated scrap)	11,029	2,250.97	6,177	1,174.40
b) Ferro Moly	52	574.55	43	360.32
c) Other Ferro Alloys	718	1,056.29	613	661.97
d) Nickel	105	1,212.53	94	750.67
e) Fluxes	535	173.40	548	109.05
f) Coke	9,644	1,761.92	24,478	2,648.27
g) Others		648.21		1,295.91
		7,677.87		7,000.59

Note : Consumption figure shown above are after adjusting excess and shortage ascertained on physical count.

TAYO ROLLS

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Schedule forming part of the Profit and Loss Account for the year ended 31st March, 2011

SCHEDULE 4 (Contd..)

4. CONSUMPTION OF IMPORTED AND INDIGENOUS MATERIALS

Value of consumption of imported and indigenously obtained raw materials, components, stores and spare parts and the percentage of each to the total consumption :

a) Raw Materials :

Imported
Indigenous

b) Components, Stores and Spare Parts :

Imported
Indigenous

Note: Stores and Spare Parts consumption includes amortization of moulds Rs. 75.16 lakhs (2009-10 : Rs. 69.23 lakhs)

2010-11		2009-10	
%	Rs. in lakhs	%	Rs. in lakhs
0.03	2.45	0.03	1.86
99.97	<u>7,675.42</u>	99.97	<u>6,998.73</u>
	<u>7,677.87</u>		<u>7,000.59</u>
17.68	184.44	10.14	109.79
82.32	<u>858.94</u>	89.86	<u>974.89</u>
	<u>1,043.38</u>		<u>1,084.68</u>
Quantity Tonnes	Rs. in lakhs	Quantity Tonnes	Rs. in lakhs
—	—	60	185.46
—	—	—	—
—	—	—	—
	<u>—</u>		<u>185.46</u>

5. PURCHASES OF SEMI-FINISHED PRODUCTS

Forged Hardened Rough Turned Rolls
Semi finished Cast Rolls
Purchase of ring balls

6. C.I.F. VALUE OF IMPORTS

- Raw Materials
- Components, Stores & Spare Parts
- Semi-Finished Products
- Capital Goods

7. EXPENDITURE IN FOREIGN CURRENCY

- Technical Know How Fees
- Consultancy Charges
- Foreign Travel
- Interest
- Others

8. EARNINGS IN FOREIGN EXCHANGE

FOB value of Exports
(Including value of exports through export house/agents)

2010-11 Rs. in Lakhs	2009-10 Rs. in Lakhs
—	—
214.34	117.76
—	167.21
—	46.65
300.40	—
45.76	—
17.04	29.88
—	—
1.28	2.60
1,443.30	2,568.51

Schedules forming part of the Balance Sheet as at 31st March, 2011

SCHEDULE A

Rupees in lakhs

	31.03.2011	31.03.2010
SHARE CAPITAL		
1. Authorized		
15,000,000 Equity Shares of Rs. 10 each	<u>1,500.00</u>	<u>1,500.00</u>
2. Issued, Subscribed and Paid Up		
a) *10,260,935 Equity Shares of Rs.10 each fully paid up (As at 31.03.2010: *10,260,935 Shares)	1,026.09	1,026.09
*of the above 55,87,372 (as at 31.03.2010 : 55,87,372) shares of Rs. 10 each are held by Tata Steel Ltd., the holding company		
b) Forfeited Shares - amount originally paid up	<u>0.04</u>	<u>0.04</u>
	1,026.13	1,026.13
	<u>1,026.13</u>	<u>1,026.13</u>

SCHEDULE B

Rupees in lakhs

	31.03.2011	31.03.2010
RESERVES AND SURPLUS		
1. Securities Premium Account		
Balance as per last account	5,540.05	5,540.05
2. General Reserve		
Balance as per the last account	1,266.63	3,549.44
Less : Debit Balance in Profit & Loss Account	<u>(1,266.63)</u>	<u>(2,282.91)</u>
	—	<u>1,266.63</u>
	<u>5,540.05</u>	<u>6,806.68</u>

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Schedules forming part of the Balance Sheet as at 31st March, 2011

SCHEDULE C

Rupees in lakhs

	31.03.2011		31.03.2010
SECURED LOANS			
1. Term Loans		7,899.99	7,899.99
a) IDBI Bank Ltd. (Refer note 1)			
2. Cash Credit Account			
a) Bank of India	3,847.57		832.39
b) IDBI Bank Ltd.	2,436.38		12.68
c) IDBI Bank Ltd. (Export Packing Credit) (Refer note 2)	—		301.87
		6,283.95	1,146.94
3. Short Term Loan			
a) Bank of India	—		500.00
b) IDBI Bank Ltd. (Refer note 2)	—		2,200.00
		—	2,700.00
		14,183.94	11,746.93

Notes :

- Term loans from IDBI Bank Ltd. are secured by first charge on the fixed assets of the Company.
- Cash credit account with Bank of India and IDBI Bank Ltd. are secured by hypothecation of all tangible movable assets of the Company including finished and semi-finished stocks, raw materials, stores and book debts ranking paripassu. In addition they are secured by way of second charge on the immovable properties of the Company ranking paripassu.

SCHEDULE D

Rupees in lakhs

	31.03.2011	31.03.2010
UNSECURED LOANS		
1. Fixed Deposits	305.98	156.35
2. Buyer's Credit – Foreign Currency	163.32	85.66
a) IDBI Bank Ltd		
3. Short Term Loan *	2,016.95	—
	2,486.25	242.01

Note :
*Includes inter corporate deposit of Rs. 1000 lakhs from Tata Steel Ltd., the holding company
Amounts repayable within the next one year Rs. 2196.96 lakhs (31.03.2010 Rs. 36.63 lakhs).

Schedule forming part of the Balance Sheet as at 31st March, 2011

SCHEDULE E

Rupees in lakhs

1	GROSS BLOCK (AT COST)				DEPRECIATION		NET BLOCK	
	As at 01.04.2010	Additions	Deductions	As at 31.03.2011	Deductions	For the year	Total upto 31.03.2011	As at 31.03.2011
	2	3	4	5	6	7	8	9
FIXED ASSETS								
Tangible Assets								
1. Leasehold Land (Note 4, page 32)	5.25 (5.25)	— (—)	— (—)	5.25 (5.25)	— (—)	0.06 (0.06)	0.14 (0.08)	5.11 (5.17)
2. Buildings	464.87 (464.87)	— (—)	— (—)	464.87 (464.87)	— (—)	7.47 (7.47)	157.69 (150.22)	307.18 (314.65)
3. Plant & Machinery	10,283.37 (9,805.14)	15,612.21 (505.11)	0.56 (26.88)	25,895.02 (10,283.37)	0.26 (1.60)	525.59 (375.72)	7,996.88 (7,471.59)	17,898.14 (2,811.78)
4. Furniture, Fixtures & Office Equipments	109.60 (124.41)	5.30 (1.42)	1.80 (16.23)	113.10 (109.60)	1.48 (2.00)	4.63 (4.94)	63.41 (59.10)	49.69 (50.50)
5. Vehicles	95.71 (62.90)	7.38 (48.69)	26.79 (15.88)	76.30 (95.71)	24.31 (2.96)	7.04 (6.30)	29.69 (25.13)	46.61 (70.58)
	10,958.80 (10,462.57)	15,624.89 (555.22)	29.15 (58.99)	26,554.54 (10,958.80)	26.05 (6.56)	544.79 (394.49)	8,247.81 (7,706.12)	18,306.73 (3,252.68)
Intangible Assets								
6. Technical Know-how Fees	518.29 (518.29)	926.04 (—)	— (—)	1,444.33 (518.29)	— (—)	15.23 (—)	533.52 (518.29)	910.81 (—)
7. Software	5.34 (5.34)	— (—)	— (—)	5.34 (5.34)	— (—)	2.15 (1.07)	4.30 (2.15)	1.04 (3.19)
	523.63 (523.63)	926.04 (—)	— (—)	1,449.67 (523.63)	— (—)	17.38 (1.07)	537.82 (520.44)	911.85 (3.19)
Total	11,482.43 (10,986.20)	16,550.93 (555.22)	29.15 (58.99)	28,004.21 (11,482.43)	26.05 (6.56)	562.17 (395.56)	8,785.63 (8,226.56)	19,218.58 (3,255.87)
8. Capital Work in Progress (Buildings, Plant & Machinery etc under erection) (Including advances for capital expenditure Rs. 144.40 lakhs : As at 31.03.2010 Rs. 91.53 lakhs)								2,239.59 (15,773.68)
								21,458.17 (19,029.55)

Note : Figures in brackets are in respect of the previous year.

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Schedule forming part of the Balance Sheet as at 31st March, 2011

SCHEDULE F

Rupees in lakhs

INVESTMENTS	No. of Shares/ Units fully paid up	31.03.2011	31.03.2010
1. LONG TERM INVESTMENTS			
At Cost less provision for diminution in value			
a) Trade Investments : Quoted			
i) Tata Construction & Projects Ltd. (Equity Shares of Rs 10 each) (net of provision Rs 3.88 lakhs)	32,326	—	—
ii) The Indian Steel Rolling Mills Ltd. (Equity Shares of Rs 10 each) (net of provision Rs 6.64 lakhs)	88,065	—	—
iii) HDFC Bank Ltd.(Equity Shares of Rs 10 each)	500	0.05	0.05
iv) Tata Construction & Projects Ltd. (10% Secured Non-Convertible Debentures of Rs 100 each)-(net of provision Rs 3.00 lakhs)	3,000	—	—
		0.05	0.05
b) Trade Investments : Unquoted			
i) Tata International Ltd. (Equity Shares of Rs 1000 each)	2,000	12.00	12.00
ii) Jamipol Ltd. (Equity Shares of Rs 10 each)	200,000	20.00	20.00
iii) Adityapur Toll Bridge Co. Ltd. (Equity Shares of Rs 10 each) (net of provision Rs 0.50 lakhs)	5,000	—	—
iv) Nicco Jubilee Park Limited (Equity shares of Rs.10 each) (net of provision Rs 3.00 lakhs)	30,000	—	—
		32.00	32.00
c) Other Investments : Unquoted			
Government Securities-Lodged as security deposit with parties		0.09	0.09
		0.09	0.09
TOTAL INVESTMENTS		32.14	32.14
Note :			
Aggregate amount of Quoted Investments		0.05	0.05
Aggregate amount of unquoted Investments		32.09	32.09
		32.14	32.14
Market Value of Quoted Investments Rs.11.71 lakhs, (31.03.2010 - Rs. 9.66 lakhs)			

Schedules forming part of the Balance Sheet as at 31st March, 2011

SCHEDULE G

Rupees in lakhs

	31.03.2011	31.03.2010
INVENTORIES		
a) Finished Goods (at lower of cost and realizable value)	306.79	829.92
b) Semi-finished Goods (at lower of cost and realizable value)	1,321.82	898.81
c) Excise duty on finished goods not assessed to duty	24.36	49.63
d) Raw Materials (at lower of cost and realizable value)	690.99	937.18
e) *Stores & Spares (at cost less write off for obsolescence)	1,431.19	1,319.20
	<u>3,775.15</u>	<u>4,034.74</u>
*Stores and spare parts includes the unamortized value of purchased moulds issued to production, Rs 920.20 lakhs (as at 31.03.2010 : Rs 843.58 lakhs)		

SCHEDULE H

Rupees in lakhs

	31.03.2011	31.03.2010
SUNDRY DEBTORS		
a) Over six months old	647.80	269.37
b) Others	2,596.21	2,460.45
	<u>3,244.01</u>	<u>2,729.82</u>
Less: Provision for doubtful debts	234.38	40.03
	<u>3,009.63</u>	<u>2,689.79</u>
Sundry debts, unsecured and considered good	3,009.63	2,689.79
Sundry debts, considered doubtful	234.38	40.03
	<u>3,244.01</u>	<u>2,729.82</u>

SCHEDULE I

Rupees in lakhs

	31.03.2011	31.03.2010
CASH AND BANK BALANCES		
a) Cash in hand includes Cheques in hand of Rs. Nil (31.03.2010 Rs. 133.87 lakhs)	0.51	134.66
b) Balance with scheduled banks		
i) On Current Account	357.38	191.58
ii) On Deposit Account	6.58	5.50
	<u>363.96</u>	<u>197.08</u>
	<u>364.47</u>	<u>331.74</u>

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Schedules forming part of the Balance Sheet as at 31st March, 2011

SCHEDULE J :

Rupees in lakhs

LOANS AND ADVANCES	31.03.2011	31.03.2010
a) Advances recoverable in cash or in kind or for value to be received	655.92	383.36
b) Deposits with public bodies and others	267.11	266.51
c) Advance Payment of taxes including tax deducted at source		
i) Income Tax [Net of Provision of Rs. 703.89 lakhs (31.03.2010 : Rs. 703.89 lakhs)]	217.33	215.98
ii) Fringe Benefit Tax [Net of Provision of Rs. 33.15 lakhs (31.03.2010 : Rs. 33.15 lakhs)]	0.17	0.17
	217.50	216.15
	1,140.53	866.02
Loans and Advances, secured and considered good	2.31	3.35
Loans and Advances, unsecured and considered good	1,138.22	862.67
	1,140.53	866.02

SCHEDULE K :

Rupees in lakhs

CURRENT LIABILITIES	31.03.2011	31.03.2010
a) Sundry Creditors :		
i) Due to units registered under MSMED Act, 2006	51.97	18.02
ii) Others [including on capital account Rs. 1278.77 lakhs (as at 31.03.2010 : Rs. 982.09 lakhs)]	5,200.92	4,503.06
iii) For Accrued Wages & Salaries	419.11	329.26
	5,672.00	4,850.34
b) Advance received from customers	714.11	573.28
c) Employee separation compensation	157.22	214.56
d) Interest accrued but not due on loans	1.31	3.32
e) Other liabilities	30.91	58.65
f) Liability towards Investor Education and Protection fund under Section 205C of the Companies Act, 1956 not due		
i) Unpaid dividend	0.17	0.17
ii) Unclaimed dividend	16.72	18.72
iii) Unclaimed matured fixed deposits	2.52	5.49
	19.41	24.38
	6,594.96	5,724.53

Schedules forming part of the Balance Sheet as at 31st March, 2011

SCHEDULE L

Rupees in lakhs

PROVISIONS	31.03.2011	31.03.2010
a) Employee benefits		
i) Post retirement medical benefits	439.67	372.87
ii) Long term leave liabilities	443.10	409.08
iii) Pension to retiral directors	145.73	149.64
iv) Post retiral medical benefits to ex-directors	9.80	9.72
v) Retiral gratuity for employees	228.23	96.06
	1,266.53	<u>1,037.37</u>
b) Warranty	336.83	<u>277.25</u>
c) Provision for taxation :		
i) Income Tax [Net of advance of Rs. 500.38 lakhs (31.03.2010 : Rs. 500.38 lakhs)]	118.53	118.53
ii) Fringe Benefit Tax [Net of advance of Rs. 76.35 lakhs (31.03.2010 : Rs. 76.35 lakhs)]	4.55	4.55
	123.08	<u>123.08</u>
	1,726.44	<u>1,437.70</u>

Accounting Policies and Notes on the Balance Sheet and Profit & Loss Accounts

A SIGNIFICANT ACCOUNTING POLICIES

1) Basis for Accounting

The financial statements are prepared under historical cost convention on accrual basis and are in compliance with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 and the relevant provisions thereof.

The accounts presentation under Indian Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities as at the balance sheet date.

2) Inventories

Finished and semi-finished products produced by the Company are carried at lower of cost and net realizable value.

Raw materials purchased by the Company are carried at lower of cost and net realizable value. Raw material in transit is carried at cost by the Company.

Stores & Spare Parts are carried at cost. Necessary provision is made and charged to revenue in case of identified obsolete and non-moving items.

Cost comprises purchase price, freight and handling, non refundable taxes and duties and other directly attributable cost.

Value of inventories are generally ascertained on the "weighted average" basis.

3) Depreciation

Fixed assets are depreciated on a straight line basis applying the rates specified in Schedule XIV to the Companies Act, 1956 or based on estimated useful life whichever is higher. In respect of assets installed up to 31.3.1987, depreciation is provided at the rates in force time to time on straight line method. Intangible assets are amortised over a period of five years. Premium paid on leasehold land and land development expenses are amortised over the period of lease.

4) Revenue Recognition

i) Sale of Goods

Revenue from the sale of goods is recognised in the profit and loss account when the significant risks and rewards of ownership have been transferred to the buyer. Revenue includes consideration received or receivable, excise duty but net of discounts and other sales related taxes.

ii) Export Incentive under DEPB Scheme

Export incentive under the Duty Entitlement Pass Book (DEPB) Scheme is recognized at the time of shipment.

iii) Dividend and Interest income

Dividend income is recognised when the company's right to receive dividend is established. Interest income is recognised on accrual basis based on interest rates implicit in the transactions.

5) Fixed Assets

All fixed assets are valued at cost less depreciation/amortisation. The cost of an asset includes the purchase cost of materials, including import duties and non refundable taxes, and any directly attributable costs of bringing an asset to the location and condition of its intended use. Interest on borrowings used to finance the construction of fixed assets are capitalised as part of the cost of the asset until such time that the asset is ready for its intended use. Pre-operation expenses including trial run expenses (net of revenue) are capitalized.

In case of Blast Furnace relining and Arc Furnace (bottom) relining the expenditure is capitalized and depreciated over the period to the planned relining date.

6) Foreign Exchange Transactions

Foreign Currency transactions and forward exchange contracts are recorded on initial recognition in the reporting currency i.e. Indian rupees, using the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities in currencies other than the reporting currency and foreign exchange contracts remaining unsettled are remeasured at the rates of exchange prevailing at the balance sheet date. Exchange difference arising on the settlement of monetary items, and on the remeasurement of monetary items, are included in profit and loss for the year. In case of forward exchange contracts, the difference between the contract rate and the spot rate on the date of transaction is charged to the profit and loss account over the period of the contract.

7) Investment

Long term investments are carried at cost less provision for permanent diminution, if any in value of such investments. Current investments are carried at lower of cost and fair value.

8) Employees Benefits

i) Short Term benefits

Short term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

ii) Post Employment benefit

Defined Contribution Plans

Defined contribution plans are those plans where the Company pays fixed contributions to a separate entity. Contributions are paid in return for services rendered by the employees during the year. The contributions are expensed as they are incurred in line with the treatment of wages and salaries.

Defined Benefit Plans

Defined benefit plans are arrangements that provide guaranteed benefits to employees, either by way of contractual obligations or through a collective agreement. This guarantee of benefits represents a future commitment of the Company and, as such, a liability is recognised. The present value of these defined benefit obligations are ascertained by independent actuarial valuation as per the requirement of Accounting Standards 15 - Employee Benefits. The liability recognised in the balance sheet is the present value of the defined benefit obligations on the balance sheet date less the fair value of the plan assets (for funded plans), together with adjustments for unrecognised past service costs. All actuarial gains and losses are recognised in Profit and Loss Account in full in the year in which they occur.

Miscellaneous Expenditure

The increase in the net present value of the future liability for pension payable to the employees who have opted for retirement under the Voluntary Retirement Scheme of the company is charged to the profit and loss account.

9) Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction of qualifying assets are capitalised as part of the cost of such assets till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the profit and loss account in the period in which they are incurred.

10) Earnings Per Share

The Company reports basic and diluted earnings per share in accordance with Accounting Standard (AS) 20- Earnings Per Share. Basic earnings per equity share have been computed by dividing net profit after tax attributable to equity share holders by the weighted average numbers of equity shares outstanding during the year. Diluted earnings during the year adjusted for the effects of all dilutive potential equity shares per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

11) Taxes on Income

Current Taxes

Provision for Current tax is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred Taxes

Deferred tax assets and liabilities are recognised by computing the tax effect on timing differences which arise during the year and reverse in the subsequent periods. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

12) Research and Development

Research and Development costs (other than cost of fixed assets acquired) are charged as an expense in the year in which they are incurred.

13) Impairment

Wherever events or changes in circumstances indicate that the carrying value of fixed assets may be impaired, the company subjects such assets to a test of recoverability, based on discounted cash flows expected from use or disposal of such assets. If the assets are impaired, the company recognises an impairment loss as the difference between the carrying value and value in use.

14) Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

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B. NOTES ON THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

	As at 31.03.2011	As at 31.03.2010
	<i>Rupees in lakhs</i>	
1. Contingent liabilities in respect of -		
a) Income Tax Appeals :		
i) by the Company :	53.80	95.56
ii) by the Department :	55.95	188.66
b) Sales Tax	234.46	476.86
c) Excise	31.82	4.91
d) Other Matters	48.02	48.02
e) Bills discounted with Bankers	190.10	340.88

2. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 310.55 lakhs (as at 31.3.2010: Rs. 1,418.17 lakhs) against which advances paid Rs. 114.97 lakhs (as at 31.3.2010 : Rs. 91.53 lakhs).

3. Guarantees given by Bank

- i) Under Export Promotion Capital Goods Scheme for concessional duty on import of machinery furnished to the Customs authorities — Rs. 177 lakhs (as at 31.3.2010 : Rs. 177 lakhs)
- ii) On other account — Rs. 474.46 lakhs (as at 31.3.2010 : Rs. 302.75 lakhs)

The above guarantees are secured by supplemental deed of hypothecation of the assets stated in Schedule C and also counter guarantees given by the Company.

4. Leasehold land (Item 1 of Schedule E) includes Rs 1,75,000 (as at 31.3.2010: Rs 175,000) for which documents are yet to be executed. The Company has applied to the Bihar Government for exemption of its lands (other than leasehold land referred to hereinbefore for which documents are pending execution) from the Urban Land (Ceiling and Regulation) Act, 1976. The decision of the Government is still awaited.

5. Disclosure under AS-29 of ICAI

In accordance with the Accounting Policy and AS-29, provision has been made for estimated warranty liability in respect of rolls sold to customers. Details are as follows :

	2010-11 (Rs. in lakhs)	2009-10 (Rs. in lakhs)
1. Provision as at 1st April, 2010	277.25	224.94
2. Provision made during the year	195.18	310.88
3. Deduct : Claims settled during the year	(135.60)	(258.57)
4. Provision as at 31st March, 2011	336.83	277.25

6. Sundry Creditors includes dues in respect of Micro, Small and Medium Enterprises Development Act 2006.

	As at 31.03.2011 (Rs. in lakhs)	As at 31.03.2010 (Rs. in lakhs)
a) Principal Amount	51.97	18.02
b) Interest due and Payable *	2.05	—
c) Interest Accrued and Due	—	—
d) Interest paid under the Act during the year	—	—

* Interest is reckoned as due from the date of receipt of bill by the Company from the Vendor who has sent intimation of registration under the Act.

B. NOTES ON THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT (Contd.)

7. Consumption of Stores & Spare Parts (Item 4 (a) of Schedule 2) is inclusive of Rs 262.29 lakhs (2009-10 : Rs 169.40 lakhs) for repairs and maintenance.
8. Revenue expenditure on Research & Development : Rs 6.73 lakhs (2009-2010 : Rs 12.90 lakhs)
9. Other expenses (Item 4 (J) of Schedule 2) include –

	2010-11 (Rs. in lakhs)	2009-10 (Rs. in lakhs)
a) Auditors' Remuneration *		
(i) For Audit Fees	8.82	8.81
(ii) For Tax Audit	1.66	1.10
(iii) For Company Law matters	0.10	0.11
(iv) For other services	0.83	1.02
(v) Travelling and out of pocket expenses	0.10	0.10
* inclusive of service tax, where applicable		
b) Sitting fees to Directors	2.08	4.79
c) Donations	0.50	0.49
d) Loss on sale / retirement of assets	2.70	5.22

10. Deferred Tax :

	31.03.11 (Rs. in lakhs)	31.03.10 (Rs. in lakhs)
Deferred Tax Liability (Net) consists of		
a) Book/Tax depreciation difference	(1,100.50)	(322.90)
b) Provision for LTC & others	21.50	(24.74)
c) Employee Benefits	123.36	121.32
d) Amortization of Deferred Expenditure	(39.10)	(31.06)
e) Carry forward of business loss (restricted to the extent of deferred tax liability)	994.74	257.38
	<u> —</u>	<u> —</u>

11. Earnings (Loss) Per Share (EPS) :

	2010-11 (Rs. in lakhs)	2009-10 (Rs. in lakhs)
(Loss) After Tax	(3,044.31)	(1,153.30)
Weighted average number of ordinary shares for Basic/Diluted EPS	10,260,935	10,260,935
Nominal value of Shares	Rs. 10	Rs. 10
Basic and diluted EPS	Rs. (29.67)	Rs. (11.24)

12. Managerial Remuneration

	2010-11 (Rs. in lakhs)	2009-10 (Rs. in lakhs)
Managerial Remuneration for Managing Director,		
(i) Salary(including Company's contribution to Provident Fund and Superannuation Fund),	48.10	29.04
(ii) Perquisites & benefits	6.13	3.85
	<u>54.23</u>	<u>32.89</u>
Note: 1) In the absence of profits under Section 309(5) of the Companies Act, 1956 the above has been treated as Minimum Remuneration in accordance with the terms and conditions of appointment as provided for in Schedule XIII (as amended) to the Companies Act, 1956. The remuneration is within the limits approved by the Central Government vide Letter No. SRN A85114692/1/2010-CL-VII dated 26th November, 2010 in respect of Mr. Om Narayan.		
2) The above figure do not include certain retirement benefits for the Managing Director as separate figures are not available.		

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B. NOTES ON THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT (Contd..)

13. Disclosure relating to Accounting Standard AS 15 (Revised)

	2010-11 (Rs. in Lakhs)	2009-10 (Rs. in Lakhs)
1. The company has recognized, in the profit and loss account for the current year, the following expenses under the defined contribution plans.		
Benefit (Contribution to)		
Provident Fund	240.23	152.14
Superannuation Fund	77.86	51.44
TAYO employees Pension Scheme	16.17	17.99
Total	334.26	221.57
2. The company operates post retirement defined benefit plans as follows:		
a. Funded		
i) Post Retirement Gratuity		
b. Unfunded:		
i) Post Retirement Medical benefits		
ii) Pensions to Directors		
2.(a)(i) Details of the Post Retirement Gratuity plan are as follows :		
Description		
1. Reconciliation of opening and closing balances of obligation		
a. Obligation as at the beginning of the year	879.43	954.22
b. Current Service Cost	42.89	45.58
c. Interest Cost	61.79	68.28
d. Obligation of new companies	—	—
e. Acquisitions	55.21	—
f. Actuarial (gain)/loss	194.65	12.82
g. Exchange rate variation	—	—
h. Benefits paid	(260.88)	(201.47)
i. Obligation as at the end of the year	973.09	879.43
The defined benefit obligation as at 31.03.2011 is wholly funded by Company		
2. Change in Plan Assets (Reconciliation of opening & closing balances)	2010-11 (Rs Lakhs)	2009-10 (Rs Lakhs)
a. Fair Value of plan assets as at beginning of the year	783.36	674.86
b. Acquisition Adjustment	55.21	—
c. Expected return on plan assets	60.11	58.88
d. Actuarial gain/(loss)	11.01	(28.27)
e. Contributions	96.06	279.36
f. Benefits paid	(260.88)	(201.47)
g. Fair Value of plan assets as at the end of the year	744.87	783.36
3. Reconciliation of fair value of assets and obligations		
a. Fair value of plan assets as at the end of the year	744.87	783.36
b. Present value of obligation as at the end of the year	973.09	879.43
c. Amount recognized in the balance sheet	(228.22)	(96.07)

B. NOTES ON THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT (Contd..)
13. Disclosure relating to Accounting Standard AS 15 (Revised) (Contd..)

4. Expense recognized in the period	2010-11 (Rs. in Lakhs)	2009-10 (Rs. in Lakhs)
a. Current service cost	42.90	45.58
b. Interest cost	61.79	68.28
c. Expected return on plan assets	(60.10)	(58.88)
d. Actuarial (gain)/loss	183.63	41.09
e. Exchange rate variation	—	—
f. Expense recognized during the year	228.22	96.07
The expense is disclosed in the line item – Company's contribution to Gratuity Fund		
5. Investment Details	% Invested	% Invested
a. GOI Securities	0.35	4.93
b. Public Sector unit Bonds	43.76	43.85
c. State / Central Government Guaranteed Securities	2.90	4.03
d. Special Deposit Schemes	48.26	45.79
e. Others (including bank balances)	4.73	1.40
	<u>100.00</u>	<u>100.00</u>
6. Assumptions		
a. Discount rate (per annum)	8.25% p.a.	8.25% p.a.
b. Estimated rate of return on plan assets (per annum)	8.25% p.a.	8.25% p.a.
c. Rate of escalation in salary (per annum)	4.00% p.a.	3.60% p.a.

2(b) Details of unfunded post retirement defined benefit obligations are as follows :

Description	2010-11		2009-10	
	Post Retirement Medical benefits	Pensions to Directors	Post Retirement Medical benefits	Pensions to Directors
1. Reconciliation of opening and closing balances of obligation				
a. Obligation as at the beginning of the year	382.59	149.64	338.05	164.52
b. Current/Employer Service Cost	16.74	—	20.54	—
c. Interest Cost	30.94	11.59	26.70	12.43
d. Obligation of new companies	—	—	—	—
e. Actuarial (gain)/loss	34.28	2.85	5.94	(8.96)
f. Past service cost	—	—	—	—
g. Exchange rate variation	—	—	—	—
h. Benefits paid	(15.08)	(18.35)	(8.64)	(18.35)
i. Obligation as at the end of the year	449.47	145.73	382.59	149.64
2. Expense recognized in the period				
a. Current /Employer service cost	16.74	—	20.54	—
b. Interest cost	30.94	11.59	26.70	12.43
c. Past service cost	—	—	—	—
d. Exchange rate variation	—	—	—	—
e. Actuarial (gain)/loss	34.28	2.85	5.94	(8.96)
f. Expense recognized in the period	81.96	14.44	53.18	3.47
The expenses in relation to (a) Medical - Rs 81.96 lakhs (2009-10 Rs 53.18 lakhs and (b) Pension to Directors Rs 14.44 lakhs (2009-10 Rs 3.47 lakhs) is included in item 3 - Payment to and provisions for employees in Schedule 2 of the Profit and Loss Account.				

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B. NOTES ON THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT (Contd..)

13. Disclosure relating to Accounting Standard AS 15 (Revised) (Contd..)

2(b) Details of unfunded post retirement defined benefit obligations are as follows (Contd..)

Description	2010-11		2009-10		
	Post Retirement Medical benefits	Pensions to Directors	Post Retirement Medical benefits	Pensions to Directors	
Rupees in lakhs					
3. Assumptions					
a. Discount rate (per annum) as at the beginning of the year	8.25% p.a.	8.25% p.a.	8.00% p.a.	8.00% p.a.	
b. Discount rate (per annum) as at the end of the year	8.25% p.a.	8.25% p.a.	8.25% p.a.	8.25% p.a.	
c. Medical costs inflation rate	5%		5%		
d. Average medical cost (Rs/person) at the beginning of the year	Rs. 3639/-		Rs. 3521/-		
e. Average medical cost (Rs/person) at the end of the year	Rs. 3455/-		Rs. 3639/-		
f. Effect of a 1% change in health care cost, on					
	Increase (6% p.a.)	Decrease (4% p.a.)	Increase (6% p.a.)	Decrease (4% p.a.)	
– aggregate current service and interest cost	8.61	8.93	8.63	6.96	
– closing balance of obligation	72.48	58.43	67.79	54.09	
2(c) The estimate of future salary increases take into account inflation, seniority, promotion and other relevant factors.					
2(d) Other disclosures :					
Benefit	2010-11	2009-10	2008-09	2007-08	2006-07
		Retiring Gratuity			
Defined benefit obligation	(973.09)	(879.43)	(954.22)	(836.74)	(830.21)
Plan assets	744.87	783.36	674.86	742.72	864.44
Surplus/(deficit)	(228.22)	(96.07)	(279.36)	(94.02)	34.23
Experience adjustment on plan liabilities - loss/(gain)	(170.99)	(25.61)	(170.66)	(77.03)	(89.09)
Experience adjustment on plan assets - gain/(loss)	11.01	(28.27)	(38.68)	(78.65)	(14.71)
		Medical			
Defined benefit obligation	(449.47)	(382.59)	(338.05)	(282.20)	(268.11)
Plan assets	—	—	—	—	—
Surplus/(deficit)	—	—	—	—	—
Experience adjustment on plan liabilities - loss/(gain)	(34.28)	(21.01)	(17.60)	44.04	9.91
Experience adjustment on plan assets	—	—	—	—	—
		Pension to Retired Directors			
Defined benefit obligation	(145.73)	(149.64)	(164.52)	(150.19)	(164.19)
Plan assets	—	—	—	—	—
Surplus/(deficit)	—	—	—	—	—
Experience adjustment on plan liabilities - loss/(gain)	(2.85)	6.65	21.40	1.43	—
Experience adjustment on plan assets	—	—	—	—	—

B. NOTES ON THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT (Contd..)

14. Derivative Instruments

The company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The use of foreign currency forward contracts is governed by the company's strategy approved by the Board of Directors. The Company does not use forward contracts for speculative purposes. The following are the outstanding forward exchange contracts entered into by the Company as on March 31, 2011.

No of Contracts	EURO Equivalent				INR
	In lakhs				
1. Amount receivable from IDBI Bank Ltd. (on Forward Contract)	—				—
	(1.39)				(96.28)
a) Company has not entered into derivative contracts other than Forward Contract.					
b) The period end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:					
	Amount in Foreign Currency				Amount in INR
	Euro	GBP	USD	SEK	
	In lakhs				
Amount receivable from Export of goods	2.65	0.32	3.61	—	347.85
	(8.29)	(1.52)	(7.20)	(—)	(437.53)
Amount payable for :					
Import of goods	0.02	—	0.06	1.98	18.66
	(0.02)	(—)	(—)	(—)	(1.48)
Consultancy Charges	—	—	5.36	—	239.25
	(—)	(—)	(—)	(—)	(—)
Technical Know-how	—	0.18	—	—	12.96
	(—)	(—)	(—)	(—)	(—)

Figures in brackets are for the previous year.

The above disclosures have been made consequent to the announcement by The Institute of Chartered Accountants of India on 2nd December, 2005, which is applicable to the financial periods ending on or after 31st March, 2006.

15 Segment Reporting

(a) PRIMARY SEGMENT-BUSINESS	Rupees in lakhs						Total
	Roll	Pig Iron	Ingot	Engg. Forgings	Other Operations	Unallo-cable Cost	
REVENUE							
External Sales (Net of excise duty)	10,496	2,681	600		125		13,902
	(8,781)	(4,982)	(—)		(143)		(13,906)
Inter segment Revenue	—	(526)	—	—	—	—	(526)
	(—)	(-669)	(—)	(—)	(—)	(—)	(-669)
Total Revenue	10,496	2,155	600	—	125	—	13,376
	(8,781)	(4,313)	(—)	(—)	(143)	(—)	(13,237)
RESULTS							
Segment result	(1117)	(457)	(559)	—	90	(85)	(2,128)
	(-665)	(28)	(—)	(—)	(83)	(-171)	(-725)
(+)Profit/(-)Loss from operation	(1117)	(457)	(559)	—	90	(85)	(2,128)
	(-665)	(28)	(—)	(—)	(83)	(-171)	(-725)
Income from Investment							36
							(19)
Interest Expenses (Net)						(952)	(952)
						(-447)	(-447)
(+)Profit/(-)Loss before Tax & Extra-ordinary/Exceptional item							(3,044)
							(-1,153)
Income from Forward Cover Contract							—
							(—)
(+)Profit/(-)Loss before Tax							(3,044)
							(-1,153)
Tax							—
							(—)
(+)Profit/(-)Loss after Tax							(3,044)
							(-1153)

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B. NOTES ON THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT (Contd..)

15 Segment Reporting (Contd..)

OTHER INFORMATION							
Segment Assets	13,884	1,175	4,851	5,960	—	3,910	29,780
	(8,008)	(1,468)	(—)	(—)	(304)	(17,204)	(26,984)
Total Assets	13,884	1,175	4,851	5,960	—	3,910	29,780
	(8,008)	(1,468)	(—)	(—)	(304)	(17,204)	(26,984)
Segment Liabilities	4,338	635	1,519	—	—	1,830	8,322
	(3,596)	(1,765)	(—)	(—)	(67)	(1,734)	(7,162)
Total Liabilities	4,338	635	1,519	—	—	1,830	8,322
	(3,596)	(1,765)	(—)	(—)	(67)	(1,734)	(7,162)
Capital Expenditure	82	—	508	—	—	1,650	2,240
	(87)	(—)	(—)	(—)	(78)	(16,105)	(16,270)
Depreciation	279	83	174	6	—	20	562
	(283)	(82)	(—)	(—)	(—)	(31)	(396)

Figures in brackets are for previous year.

(b) SECONDARY SEGMENT - GEOGRAPHY

	<i>Rupees in lakhs</i>	
	2010-11	2009-10
Revenue by Geographical market		
India	11,898	10,668
Outside India	1,443	2,569
	13,341	13,237
Capital expenditure incurred		
India	2,240	16,270
Outside India	—	—
	2,240	16,270
	As at	As at
	31.03.2011	31.03.2010
Carrying amount of Segment Assets	<i>Rupees in lakhs</i>	
India	29,780	26,984
Outside India	—	—
	29,780	26,984

Notes:

- (i) Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis. The expenses, which are not directly relatable to the business segments, are shown as unallocated cost. Assets and Liabilities that cannot be allocated between segments are shown as unallocated assets and Liabilities respectively.
- (ii) Transaction between segments are primarily for materials which are transferred at market determined price and common costs are apportioned on a reasonable basis.

B. NOTES ON THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT (Contd..)
16. Related Party Disclosures
Rupees in lakhs

Nature of Transactions	RELATED PARTY *			Total
	Holding Company	Fellow Subsidiaries	Key Managerial Personnel	
Purchase of Goods				
Tata Steel Limited	1,352.46			1,352.46
	(2,976.66)			(2,976.66)
ISWP		1.37		1.37
		(—)		(—)
Tata Refractories Limited		223.44		223.44
		(100.72)		(100.72)
Tata Metaliks Koboto Pipes Ltd		196.38		196.38
		(—)		(—)
	1,352.46	421.19		1,773.65
	(2,976.66)	(100.72)		(3,077.38)
Sale of Goods				
Tata Steel Limited	2,294.19			2,294.19
	(1,926.35)			(1,926.35)
ISWP		769.21		769.21
		(160.37)		(160.37)
Tata Steel-Corus		261.65		261.65
		(386.16)		(386.16)
	2,294.19	1,030.86		3,325.05
	(1,926.35)	(546.53)		(2,472.88)
Receiving of Services				
Tata Steel Limited	298.79		3.71	302.50
	(307.22)		(—)	(307.22)
TMILL		—		—
		(131.71)		(131.71)
TKM		38.48		38.48
		(53.56)		(53.56)
JUSCO		807.04		807.04
		(698.56)		(698.56)
	298.79	845.52	3.71	1,148.02
	(307.22)	(883.83)	(—)	(1,191.05)
Purchase of Fixed Assets				
Tata Steel Limited	—			—
	(99.81)			(99.81)
	—			—
	(99.81)			(99.81)
Dividend and Fraction Bonus amount paid to Shareholders				
Tata Steel Limited	—			—
	(—)			(—)
	—			—
	(—)			(—)
Interest Expense				
Tata Steel Limited	15.60			15.60
	(—)			(—)
	15.60			15.60
	(—)			(—)
Interest Income				
JUSCO		4.20		4.20
		(4.20)		(4.20)
		4.20		4.20
		(4.20)		(4.20)
Management Contracts including deputation of employees				
ISWP		24.78		24.78
		(34.56)		(34.56)
		24.78		24.78
		(34.56)		(34.56)
Short Term Loan				
Tata Steel Limited	1,000.00			1,000.00
	(—)			(—)
	1,000.00			1,000.00
	(—)			(—)
Unsecured Advances / Deposits accepted				
Tata Steel Limited	—			—
	(—)			(—)
	—			—
	(—)			(—)

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B. NOTES ON THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT (Contd..)

16. Related Party Disclosures (Contd..)

Rupees in lakhs

Nature of transactions	Holding Company	Fellow Subsidiaries	Key Managerial Personnel	Total
Outstanding Receivables				
Tata Steel Limited	1,136.03 (483.98)			1,136.03 (483.98)
ISWP		119.78 (49.27)		119.78 (49.27)
Tata Steel-Corus		95.48 (175.75)		95.48 (175.75)
TMILL		— (1.11)		— (1.11)
JUSCO		74.20 (74.20)		74.20 (74.20)
Tata Steel Processing & Distribution Ltd		0.67 (0.67)		0.67 (0.67)
	1,136.03 (483.98)	290.13 (301.00)		1,426.16 (784.98)
Deposits Given				
JUSCO		— (70.00)		— (70.00)
		— (70.00)		— (70.00)
Outstanding Payables				
Tata Steel Limited	1,885.02 (522.80)			1,885.02 (522.80)
ISWP		1.37 (—)		1.37 (—)
TKM		14.81 (15.78)		14.81 (15.78)
Tata Refractories Limited		48.99 (48.77)		48.99 (48.77)
Tata Limited,UK		1.44 (1.48)		1.44 (1.48)
Tata Metaliks Koboto Pipes Ltd		1.78 (—)		1.78 (—)
JUSCO		121.86 (64.56)		121.86 (64.56)
	1,885.02 (522.80)	190.25 (130.59)		2,075.27 (653.39)
Mr. P C Srivastava (Managing Director)			— (32.89)	— (32.89)
Mr Om Narayan (Managing Director)			54.23 (—)	54.23 (—)

i) Figure in bracket are for the previous year.

17. Previous year's figures have been regrouped, where necessary.

Signature to Schedules 1 to 4 and A to L,
Accounting Policies and Notes on Pages 30 to 40

For and on behalf of the Board

Kolkata, 25th April, 2011

Harpreet Kaur Bhamra
Secretary

Anand Sen
Om Narayan

Chairman
Managing Director



STATEMENT GIVING INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

1	Registration No.	L27105JH1968PLC000818	
2	State Code	03	
3	Balance Sheet Date	31.03.2011	
4	Capital raised during the year (Amount in Rs lakhs)	NIL	
5	Position of Mobilisation and deployment of Funds (Amount in Rupees lakhs)		
	TOTAL LIABILITIES	23,236.37	TOTAL ASSETS
			23,236.37
	SOURCES OF FUNDS		APPLICATION OF FUNDS
	Paid up Capital	1,026.13	Net Fixed Assets
	Reserve and Surplus	5,540.05	Investments
	Secured Loans	14,183.94	Net Current Assets
	Unsecured Loans	2,486.25	Miscellaneous Exp. Not written off
	Deferred Tax Liability (Net)	—	Accumulated losses
		23,236.37	1,777.68
			23,236.37
6	Performance of Company (Amount in Rupees lakhs)		
	i) Turnover	13,376.73	
	ii) Total Expenditure	16,421.04	
	iii) Profit before Tax	(3,044.31)	
	iv) Profit after Tax	(3,044.31)	
	v) Earning per Share	(29.67)	
	vi) Dividend Rate	Nil	
7	Generic names of principal Products/Services of Company		
	a) ITC Code	84553000	
	Product Description	Rolls for Rolling Mills	
	b) ITC Code	84742000	
	Product Description	Parts of Crushing or Grinding machines	
	c) ITC Code	72011000	
	Product Description	Pig Iron	

For and on behalf of the Board

Kolkata, 25th April, 2011

Harpreet Kaur Bhamra
Secretary

Anand Sen
Om Narayan

Chairman
Managing Director

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FINANCIAL STATISTICS

Sl. No.	REVENUE ACCOUNTS					Dividend percent	CAPITAL ACCOUNTS					Share (Rupees)	Share (PAT)
	Year	Sale of products & Other Income	Depre- ciation	Profit before Tax	Tax		Share Capital	Res- erves	Borrow- ings	Gross Block	Net Block	Shares of Rs. 100/- each	
	(Rupees in Lakhs)						(Rupees in Lakhs)					(Rupees)	
1	1969-70	58.33	16.08	(-)14.16	—	—	249.32	—	370.62	647.62	606.50	—	—
2	1970-71	314.66	47.50	17.71	—	—	249.66	—	413.00	667.74	599.95	99.87	7.08
3	1971-72	336.55	52.19	39.09	—	6%	249.78	44.70	422.11	681.09	563.34	117.79	15.64
4	1972-73	330.93	52.40	9.42	—	6%	249.88	39.12	373.12	687.67	516.96	115.60	3.77
5	1973-74	338.52	53.13	2.83	—	—	249.92	26.95	341.57	700.75	475.83	110.75	1.13
6	1974-75	502.03	53.53	36.19	—	10% tax Free	249.93	38.15	291.15	724.19	448.84	125.23	14.48
7	1975-76	481.43	55.28	23.61	—	5% tax Free	249.94	49.25	264.41	733.53	403.30	119.68	9.44
8	1976-77	555.96	54.44	53.04	—	5% tax Free	249.95	89.79	210.66	743.38	358.47	135.90	21.22
9	1977-78	601.89	54.62	62.99	—	6% tax Free	249.98	137.80	148.51	781.42	311.59	155.15	25.20
10	1978-79	733.35	57.94	115.61	51.00	12%	249.98	172.41	139.37	786.05	289.39	169.00	25.85
11	1979-80	830.35	54.40	103.36	63.00	12%	249.98	182.78	116.52	802.81	251.81	173.15	16.15
12	1980-81	865.36	32.07	97.43	55.00	12%	249.98	195.22	85.05	814.08	231.62	178.13	16.98
13	1981-82	1117.36	42.07	126.19	28.00	15%	249.98	255.92	89.73	976.28	353.12	202.41	39.29
14	1982-83	1586.76	47.05	84.52	25.00	15%	249.98	277.95	92.64	1088.45	419.43	211.23	23.82
15	1983-84	1579.14	68.36	65.69	38.00	10%	249.98	280.65	73.86	1142.24	404.89	212.31	11.09
16	1984-85	1894.43	60.19	89.40	48.80	15%	249.98	283.76	57.47	1184.04	390.61	213.55	16.25
17	1985-86	2308.38	41.51	306.25	147.00	20%	249.98	425.02	183.42	1266.03	463.42	270.07	63.72
18	1986-87	2661.89	48.88	95.57	22.00	20%	249.98	448.61	228.37	1390.37	539.84	279.51	29.44
19	1987-88	2978.52	64.66	104.28	31.00	15%	249.98	484.40	775.56	1428.89	523.31	293.83	29.32
20	1988-89	3396.64	83.89	16.60	2.65	15%	249.98	477.54	901.35	1921.42	949.06	291.08	5.58
21	1989-90	4100.40	106.17	81.66	13.25	18%	249.98	500.97	1003.86	2025.62	947.32	30.05	2.74
22	1990-91	4351.72	113.65	235.70	36.00	25%	249.98	638.18	968.96	2167.76	994.07	35.54	7.99
23	1991-92	4891.95	137.93	247.72	106.00	25%	249.98	717.42	2220.74	3339.54	2035.72	38.71	5.67
24	1992-93	5113.27	231.41	407.93	150.00	25%	547.32	1154.45	2086.59	4429.44	2899.37	31.10	4.71
25	1993-94	6776.30	370.70	344.55	93.00	25%	547.32	1269.18	2230.08	5040.38	3142.06	33.19	4.59
26	1994-95	6224.20	423.10	403.28	130.00	25%	547.32	1371.97	2010.63	5256.62	2937.35	35.07	4.99
27	1995-96	6781.96	428.59	405.51	120.00	27.5%	547.32	1438.40	1970.25	5403.74	2656.00	36.28	5.22
28	1996-97	7331.59	418.30	537.22	231.00	27.5%	547.32	1579.26	1767.07	5702.49	2543.24	38.86	5.60
29	1997-98	7350.62	438.06	708.80	280.00	30%	547.32	1827.47	1671.63	6041.52	2525.61	43.39	7.84
30	1998-99	7603.76	466.81	692.91	158.00	32.5%	547.32	2164.94	2328.91	7801.11	3951.50	49.56	9.77
31	1999-2000	8907.66	553.28	736.56	269.00	32.5%	547.32	2435.07	1534.30	7724.29	3501.55	54.49	8.54
32	2000-2001	9433.94	543.51	567.82	205.00	32.5%	547.32	2601.88	1609.33	7740.88	3060.30	57.54	6.63
33	2001-2002	9577.14	518.26	211.40	78.05	22%	547.32	2185.88	965.58	7855.73	2712.34	49.94	2.44
34	2002-2003	10010.83	466.60	627.38	220.00	27%	547.32	2426.73	706.58	7994.84	2398.28	54.34	7.45
35	2003-2004	10430.65	424.14	595.78	173.16	27%	547.32	2682.65	783.45	8062.74	2068.64	59.02	7.72
36	2004-2005	14045.73	418.73	842.40	233.75	40%	547.32	2832.94	3036.31	10084.14	3768.12	61.76	11.12
37	2005-2006	18447.56	516.61	756.46	141.90	40%	547.32	3197.88	3267.07	10160.93	3381.99	68.43	11.23
38	2006-2007	22154.81	492.88	1532.50	469.95	42.5%	547.32	3617.68	2839.85	10362.06	3115.94	76.10	19.41
39	2007-2008	24678.77	421.56	983.44	348.37	40%	547.32	4182.15	3608.76	13077.48	5479.78	86.43	11.60
40	2008-2009	18929.72	354.13	(-)1839.52	(-)165.9	(-)	1026.13	7959.98	8655.41	22075.61	14192.18	87.57	(-)23.68
41	2009-2010	14236.63	395.56	(-)1153.30	(-)	(-)	1026.13	6806.68	11988.94	27256.11	19029.55	76.3	(-)11.24
42	2010-2011	14727.86	562.17	(-)3044.00	(-)	(-)	1026.13	5540.05	16670.19	30243.82	21458.17	96.4	(-)29.67

ANNEXURE TO DIRECTORS' REPORT

ANNEXURE TO DIRECTORS' REPORT-INFORMATION UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF DIRECTORS' REPORT.

CONSERVATION OF ENERGY

a) Energy conservation measures undertaken

- Since last year 5 nos. of Heat treatment furnaces are Gas fired which helped in overall reduction of energy consumption.
- MBF gas ladle preheater is working since three years.
- Installation of one medium frequency Induction furnace.
- Improvement of power factor of JSEB line.
- Improvement of power factor of JUSCO line.

b) Additional investments/proposals, if any

- Revamping of Mould drying oven to improve efficiency.
- Conversion of oil fired ladle preheater to Gas fired

(A) Power and Fuel consumption

1. ELECTRICITY

	Current year 2010-2011	Previous year 2009-2010
a) Purchased		
Total for Electric Arc Furnace:		
Units (KWH)	68,26,700	34,02,000
Total amount (Rs. in lakhs)	307.20	153.09
Rate per Unit (Rs./KWH)	5.39	4.50

*Purchased total for Induction Furnances Units	83,51,578	69,99,012
Total amount (Rs. in lakhs)	375.82	314.95
Rate/Unit	5.39	4.50

b) Own generation		
i) Through Diesel Generator		
Unit (KWH)		
Unit per Ltr. of diesel oil-KWH/Ltr.		
Cost/Unit		
ii) Through Steam Turbine/Generator		
Units		
Unit per Ltr. of Fuel oil/gas Cost/Unit		

2. Coal (Specify quality and where used)

Quantity (Tonnes)	} Used in MBF for Pig Iron production
Total Cost	
Average rate	

3. Furnace Oil

Quantity (K.Ltrs.)	} Not used for Electric Arc Furnace and Induction Furnance.
Total amount	
Average rate	

4. Others/Internal generation

LPG Consumption	} NIL
Quantity	
Total Cost	
Rate/Unit	

5. Consumption per unit of production

Products	Standards (if any) (ABP 11-12)	Current year 2010-2011	Previous year 2009-2010
Roll Metal through Electric Arc Furnace Electricity (KWH/T)	710	857	970
Roll Metal through Induction Furnance Electricity (KWH/T)	650	744	684

Furnace Oil } Not used for Electric Arc
Coal } Furnace/ or for
Others } Production of Steel.

TECHNOLOGY ABSORPTION (2010-11)

(A) Research and Development (R & D)

1. Specific areas in which R & D carried out by the Company :

- Different types (Type-1 & Type-5) of Super Nickel Grain rolls established in the mill.
- Casting of Hi-Cr (iron) rolls cast with steel inter layer based on Yodogawa inputs.
- The process of Hot shake out of 'Adamite ' rolls have been implemented to eliminate transverse crack as well as to improve productivity.
- Special SG rolls (Heat treated at high temperature) in place of ADM roll for Roughing stand for Mukund & Remi – Metal has been established. Repeat order received.
- SG sleeve developed for JSPL Mill. Sleeve has been dispatched & result awaited.
- Celsa SG (Roll Size 600 X 560 & 520 X 560) roll casting done in one CCM chill and parting done during machining to make two rolls to improve productivity.
- TCIL cast back-up roll developed (Roll Size 1347 X 1403) with modified shell chemistry as a substitute of imported forge roll.
- Ultrasonic testing of Rough turned spun cast roll started to eliminate the defect at the interface before finishing stage.
- Monitoring of Cr % and carbide % in bottom neck sample of Hi-Cr roll started to judge the core material toughness.
- To improve the core material toughness and strength of Hi-Cr roll Mg treatment started with mixture of Si- Mg & Ni- Mg (15:5 kg /T) in place earlier only 20 kg/T .
- Standardisation of Sand sieve size for end core making for spun cast roll.
- Baffle guard system introduced in the Heat-Treatment Furnace to avoid localized over heating to control hardness variation on Hi-Cr rolls.

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- High Temperature Thermocouple introduced in the Heat Treatment Furnace to run the furnace by the actual roll body temperature.
- Heat Treatment furnace audit to reduce hardness variation on Hi-Cr rolls was done by CRDT expert by TSE. Based on their suggestions implementation is under process.
- Failure analysis of Ingot and forge roll started with inclusion rating and other parameters.
- Highly alloyed HSS roll cast and after casting mould was covered with ceramic blanket to facilitate slower cooling in the pit to prevent edge spalling in as cast condition.
- Bigger Steel roll (Adamite) & Hi-Cr(Steel) for heavy structural and Roughing Stand of HSM.
- Dye Penetrant test on the collar face of rough ground HSS roll started to see if there are any shrinkage / cavities are present or not. It can help removing those areas before heat Treatment.
- Heat Treatment operation modified in such a way that fce. will be controlled by air temp. but monitoring of roll body temp. by fixing thermo couple.
- Quality of fire Clay standardise with the help of TRL.
- Before start of machining on spun cast roll barrel facing is done to see if there is any uniform shell and if there are any interface defects at the interface.
- Mist quenching during spinning trial done in spun cast roll to get uniform microstructure through out the shell.
- Mould Drying cycle time increased by 2 hours to get minimum moisture in the moulds.
- Sand qualitative testing (Sieve, GCS, DCS, Permeability and moisture) started.
- A new grade of Enhanced Carbide with special micro alloying developed specially for CSP Mill (Bhushan)

2. Benefits derived as a result of the above R & D :

- Tata Steel India, Tata Steel Europe JSW have shifted from SS/ TS to SNG grade in rear finishing stand to improve wear resistance and minimum crack & bruises level.
- Hi-Cr iron rolls with steel inter layer for initial finishing stand has given better wear resistance and minimized the edge spalling.
- Hot shake out has resulted in reducing cases of transverse crack in the roll as well as to improve productivity.
- New SG roll developed for roughing stand and customer is now satisfied. It has replaced ADM roll which was causing problem in mill operation.
- Hi-Cr core metal strength and toughness improved by replacing earlier used SiMg for Mg treatment with mixture of SiMg & NiMg.
- SG sleeve developed for JSPL Mill. It has given more scope in long product market.

To improve the core material toughness and strength of Hi-Cr roll Mg treatment started with mixture of Si -Mg & Ni- Mg (15:5 kg /T) in place earlier only 20 kg/T

3. Future Plan of action :

- Casting of Semi High Speed Steel / HSS & Super Ni-grain(other Types) rolls for HSM.
- A special Hi Cr steel roll with steel core to be developed for 2 Hi mill (Rahim Steel, Bangla Desh).
- Mist Quenching device to be incorporated during ADM roll quenching to get hardness above 50 shc (Development of Superton Roll).
- Stabilisation of CSP Mill roll.
- SNG roll to be developed for plate Mill to improve performance.
- Hi-Cr Sleeves to be developed for long product Mill.
- To develop SG roll with higher tensile strength (More than 600 N /mm²).
- To develop IC grain roll with modified chemistry to become cost effective at the same quality level.
- To use rotating roller during quenching of roll . A special rotating roller to be developed having high temp. grease for lubrication.

Nipple to be placed in air / fuel pressure pipe line in heat treatment to check air / fuel ratio for effective combustion.

4. Expenditure on R & D

	Current Year 2010-2011 (Rs. in lakhs)	Previous Year 2009-2010 (Rs. in lakhs)
a) Capital	–	–
b) Recurring	6.73	12.90
c) Total	6.73	12.90
d) Total R & D expenditure as a percentage of total turnover	0.05%	0.10%

(B) Technology Absorption, Adaptation and Innovation

1. Efforts in brief made towards technology absorption, adaptation and innovation.

- Hi-Cr (Iron) rolls casting with steel inter layer to improve further roll performance.
- Different types of Super Ni-Grain / HSS rolls casting as per Yodogawa technology
- SG Sleeves for long product mill.

Monitoring of Cr % and carbide % in bottom neck sample of Hi-Cr roll started to judge the core material toughness.

To improve the core material toughness and strength of Hi-Cr roll Mg treatment started with mixture of Si Mg & Ni Mg (15:5 kg /T) in place earlier only 20 kg/T.

Celsa SG (Roll Size 600 X 560 & 520 X 560) roll casting done in one CCM chill and parting done during machining to make two rolls to improve productivity.

The process of Hot shake out of 'Adamite ' rolls have been implemented to eliminate transverse crack as well as to improve productivity

- For Mukund and Remi Metal special SG rolls for roughing stand developed with modified chemistry and high temperature heat treatment.
- Bottom Neck sample Started disc sample taking from barrel end for microstructural analysis & measurement of shell core strength.

2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.

- New grades of rolls developed to fulfill the stringent mill requirement.
- Bhilai SG rolls made more cost effective without affecting the quality.
- Mittal Steel Tamirtau (MST) ICDP rolls developed with modifying shell chemistry to compete with Chinese supplier with respect to cost.
- TCIL cast back-up roll developed as a substitute of imported forge roll.

3. In case of imported technology (Imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished

- a) Technology imported :
- Transfer of Technology for upgradation of Hi-Speed Steel Rolls and manufacture of semi-Hi-Speed Rolls and Super Nickle Grain Rolls from M/s Yodogawa Steel Works Limited, Japan.

- Transfer of Tecnology for the manufacture of Forging Quality Ingots including round ingots, Engineering Forgings and Forged Rolls.

- b) Year of import
- 2008-2009
 - 2007-2008
- c) Has technology been fully absorbed ?
- The transfer of Technology for upgradation of HSS Rolls and Semi-HSS Rolls is under progress.
 - The transfer of Technology for manufacture of Forging Quality Ingots, Engineering Forgings and Forged Rolls is under progress.
- d) If not fully absorbed, areas where this has not taken place, reasons there for and future plans of action.
- i) HSS-Rolls have been cast and heat treatment of the same is under progress.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

	Current year 2010-2011 (Rs. in lakhs)	Previous year 2009-2010 (Rs. in lakhs)
i) Foreign Exchange Earnings	1443.30	2568.51
ii) Foreign Exchange Outgo	578.82	364.10

INFORMATION AS PER SECTION 217(2A)(b)(ii) OF THE COMPANIES ACT, 1956 (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31st MARCH, 2011.

Sl. No.	Name	Designation and Nature of duties	Remuneration Received		Qualification	Age	Experi-ence in Years	Date of commencement of employment	Particulars of last employment : Employer, last post and period for which post held
			Gross Rs.	Net Rs.					
1.	Narayan, Om	Managing Director	54,23,129/-	48,09,899/-	Mechanical Engineer, M.B.A	60	39	01.04.2010	The Tata Iron & Steel Co. Ltd., Jamshedpur; Vice President (Shared Services), 4 years

Notes :

1. Gross remuneration comprises salary, allowances, monetary value of perquisites, commission to the Managing Director and, the Company's contribution to Provident and Superannuation Funds but excludes contribution to Gratuity Fund on the basis of actuarial valuation as separate figures are not available.
2. Net remuneration is after tax and is exclusive of Company's contribution to Provident and Superannuation Funds, and monetary value of non-cash perquisites.
3. The nature of employment is contractual.

On behalf of the Board of Directors

Jamshedpur, 25th April, 2011

Anand Sen
Chairman

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REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

The Company has been practicing good Corporate Governance over the years upholding the Tata traditions and values. The Company has not only put in place the system for compliance of regulatory requirements but also the system for customer satisfaction and meeting the expectation of its stakeholders, employees and the society. The core values of company are honesty and integrity, credibility, commitment, agility, team spirit and excellence.

BOARD OF DIRECTORS

The Board comprises with members having varied skills, experience and knowledge. The maximum number of members the Board can have, in accordance with the Articles of Association of the Company, is 12. The Board has one Executive and 7 Non-Executive Directors. Mr. Om Narayan is the Managing Director of the Company. The Chairman is a non-executive Director. Total strength of the Board as at 31.03.2011 is 8.

None of the Director on the Board is a member in more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49), across all the Public companies in which he is a Director. Necessary disclosures regarding Committee positions have been made by the Directors.

The Non - Executive Directors (NED's) are paid sitting fees as per the Companies Act, 1956. Apart from sitting fees the NED's are also paid commission not exceeding 1% per annum of the net profit of the company computed in accordance with Section 309(5) of the Companies Act, 1956. The payment of commission to NED's has been approved by the shareholders at the Annual General Meeting held on 16th July, 2007, for a period of 5 years w.e.f 1st April, 2007. No Commission has been paid to the NED's for the year 2009-10 and is not proposed for the year 2010-11.

BOARD MEETINGS

The Board of Directors met 5 times during 2010-2011 on 27.04.2010, 21.07.2010, 14.09.2010, 28.10.2010 and 27.01.2011. All the Board Meetings held during the year under review have been well attended.

The Board meetings during the year 2010-2011 have been held within the time gap as stipulated in Clause 49 of the Listing Agreement.

The details of attendance of individual Directors in the Board Meeting, at last Annual General Meeting and their Directorship and Committee Membership in other public companies are given below:

Name of Director	Category	Meetings attended	Last AGM attended	Other Public Companies			
				Directorship		Committees	
				Member	Chairman	Member	Chairman
Mr. Anand Sen Chairman. DIN-00237914	Promoter, Not Independent, Non-executive	5	Yes	3	-	4	-
Mr. Om Narayan DIN-01005028	Not Independent, Executive	5	Yes	-	-	-	-
Dr. S. K. Bhattacharyya DIN-00026534	Independent, Non-Executive	3	Yes	2	-	2	1
Mr. Vijay Mathur* DIN-00003652	Independent, Non-Executive	-	No	-	-	-	-
Mr. S. N. Menon DIN-01475746	Independent, Non-Executive	4	Yes	5	2	10	2
Mr. Dipak Banerjee DIN-00028123	Independent, Non-Executive	4	Yes	9	-	7	4
Mr. V. S. N. Murty DIN-00092348	Promoter, Not Independent, Non-executive	5	Yes	2	-	2	-
Mr. Osamu Nishimura DIN-02503767	Promoter, Not Independent, Non-executive	3	Yes	-	-	-	-
Mr. Masahiro Nakahira** DIN-02704616	Promoter, Not Independent, Non-executive	-	No	-	-	-	-
Prof. Ranjan Das*** DIN-01738493	Independent, Non-executive	-	No	1	-	-	-

* ceased to be a Director w.e.f. 27th July, 2010.

** ceased to be an Alternate Director to Mr. Osamu Nishimura w.e.f. 21st July, 2010.

*** appointed as an Additional Director w.e.f. 27th January, 2011.

The Compliance to all applicable Laws is periodically reviewed by the Audit committee. The Audit committee reports to the Board on the same. The Managing Director submits a compliance certificate on quarterly basis at the meetings of the Board.

The Company has laid down "Code of Conduct for NED's" and "Tata Code of Conduct" for its Non-executive Directors and employees including the Managing Director respectively. Both the Codes have been posted on www.tayorolls.com. The Managing Director's declaration to the affirmation of the Code of Conducts is on page no. 51

BOARD COMMITTEES

The Board has constituted Committee of Directors to monitor the activities and to deal with matters within the terms of reference of the Committees there of :

(a) Audit Committee

A qualified and Independent Audit Committee was constituted in the year 1997.

The members of the Audit Committee are non-executive directors, with majority of them being independent. The Chairman of the Committee is an independent director. The members bring with them vast experience in the field of operations, technical and finance. The Chief Financial Officer, Internal Auditor and Statutory Auditor attend the Audit Committee meetings. Company Secretary is the Secretary of the Committee. Other senior executives attend the Audit Committee as and when called for. The terms of reference of the Audit Committee include reviewing of the Internal Auditors' report, internal control system and procedures and ensuring compliance of statutory requirements, appointment of Statutory Auditors and fixation of their fees and all other powers as specified in Clause 49 of the Listing Agreement.

The Audit Committee reviews the financial statements with the statutory auditors and the management with reference to the accounting policies and practices, before commending the same to the Board for its approval. Along with financial reviews the Audit Committee also reviews the statement of related party transactions, Internal Control weakness report issued by Internal Auditor and Statutory Auditors and also the Management Discussion & Analysis.

The Audit Committee met four times during the year 2010-11 on 27.04.2010, 21.07.2010, 27.10.2010 and 27.01.2011.

Composition of Audit Committee and details of the meeting attended :

Name	Category	No. of meetings attended during 2010-11
Dr. S. K. Bhattacharyya Chairman	Independent, Non-Executive	3
Mr. Vijay Mathur*	Independent, Non-Executive	0
Mr. S. N. Menon	Independent, Non-Executive	3
Mr. Dipak Banerjee**	Independent, Non-Executive	4
Mr. V. S. N. Murty	Promoter, Not Independent, Non-Executive	4

* ceased to be a member of the Audit Committee w.e.f. 27th July, 2010.

** appointed as a member of the Audit Committee w.e.f. 27th October, 2010.

Mr. Dipak Banerjee also attended the Audit Committee Meeting held on 27th April, 2010 and 21st July, 2010.

Mr. Om Narayan, Managing Director, also attended the Audit Committee Meeting held on 27th January, 2011.

Dr. S. K. Bhattacharyya, the Chairman of the Audit Committee was present at the last Annual General Meeting held on 14th September, 2010.

The Company does not have any Subsidiary Company.

The Company has laid down Risk Management Policy.

(b) Remuneration Committee

The Remuneration Committee was constituted in the year 1994.

The Remuneration Committee comprises non-executive directors, majority of them being Independent Directors. The Chairman of the Remuneration Committee is an Independent Director. The terms of reference of the Remuneration Committee are to recommend to the Board, salary (including annual increments), perquisites and allowances, incentive remuneration, if any, and commission, to be paid to the Company's Managing/Whole-time Directors (MD/WTD's), to finalise the perquisites and allowances package within the overall ceiling fixed by the Board, to recommend to the Board retirement benefits to be paid to the MD and WTD's under the Retirement Benefit Guidelines adopted by the Board.

The Remuneration Committee is consisting of the following Directors:

Name	Category
Mr. S. N. Menon*	Independent, Non-Executive
Mr. Vijay Mathur**	Independent, Non-Executive
Mr. Anand Sen	Promoter, Not Independent Non-Executive
Dr. S. K. Bhattacharyya	Independent, Non-Executive
Mr. Dipak Banerjee***	Independent, Non-Executive

* appointed as chairman of the committee w.e.f. 23rd March, 2011

** ceased to be a member of the committee w.e.f. 27th July, 2010

*** appointed as a member of the committee w.e.f. 23rd March, 2011.

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Remuneration Policy

The Remuneration Committee while deciding the Remuneration package of the Managing/whole-time Directors takes into consideration the industry standards, broad frame work of group policy, merit, Company's performance and the terms of appointment approved by the shareholders at the general meeting. The Remuneration package consists of Salary, Perquisites & Allowances (fixed components) and Incentive Remuneration, if any, and Commission (variable components). The salary of the Managing/Whole-time Directors is fixed within the maximum salary as approved by the shareholders. Annual increments effective 1st April each year, as recommended by the Remuneration Committee, are approved by the Board.

The Incentive Remuneration or the Commission are decided based on the net profits, performance, production, industrial relations, etc., of the Company for each relevant year.

The Non-Executive Directors (NEDs) are paid Commission at a rate not exceeding 1% per annum of the net profits of the Company computed in accordance with Section 309 (5) of the Companies Act, 1956. The commission payable to each NEDs is placed before the Board. The commission is calculated broadly on the basis of the Board Meetings and various Committee Meetings attended and chaired by the NEDs. The criteria for payment of commission to the NEDs is given in the Company website www.tayorolls.com.

The NEDs are also paid sitting fees of Rs. 8,000/- per meeting (Board, Audit and Remuneration Committees) and Rs.5,000/- per meeting for all other Committees of the Board attended by them.

Details of remuneration 2010-11 :

Non-Executive Directors

Name	Sitting fees
Mr. Anand Sen	24,000.00
Dr. S. K. Bhattacharyya	48,000.00
Mr. Vijay Mathur	—
Mr. S. N. Menon	56,000.00
Mr. Dipak Banerjee	40,000.00
Mr. V. S. N. Murty	40,000.00
Mr. Osamu Nishimura	—
Mr. Mashiro Nakahira	—
Prof. Ranjan Das	—
Total	2,08,000.00

Managing/Whole-time Directors

Name	Salary Rs. In lakhs	Perquisites & Allowances Rs. In lakhs
Mr. Om Narayan, Managing Director	48.10	6.13

Period of Contract : 3 years (up to 31.3.2013) w.e.f. 1.4.2010.
Mr. Om Narayan : The contract may be terminated by either party giving the other party three months' notice in writing of such termination or by the Company giving three months' salary in lieu of such notice.

Severance fees : Nil

c) Shareholders/Investors Grievance Committee

The shareholders/Investors Grievance Committee was constituted in the year 2001.

The Shareholders/Investors Grievance Committee comprises of non-executive Directors and primarily looks into shareholders redressal and investor complaints. One meeting of the Committee was held on October 28, 2010.

Composition of shareholders/Investors Grievance Committee and details of the meeting attended :

Name	Category	No. of meetings attended during 2010-11
Mr. Anand Sen Chairman	Promoter, Not independent, Non-Executive	1
Mr. Vijay Mathur*	Independent Non-Executive	—
Mr. V. S. N. Murty	Promoter, Not independent, Non-Executive	1
Prof. Ranjan Das**	Independent Non-Executive	—

* ceased to be a member of the committee w.e.f. 27th July, 2010.

** appointed as a member of the committee w.e.f. 23rd March, 2011.

During the year under review the Company received 271 correspondence from its shareholders relating to non-receipt of dividend, non-receipt of shares sent for transfer, enquiry for dematerialization, split/transmission, change in address etc. No correspondence were pending as on 31.03.2011. As on 31.3.2011, 3 number of transfers were pending, the same has been processed and dispatched by second week of April, 2011.

d) Share Transfer Committee :

Constituted in the year 1969.

Share Transfer Committee has been constituted for approving transfer, sub-division of shares and issue of fresh share certificates with the following members, with the authority to act individually :

1. Mr. Anand Sen
2. Mr. Om Narayan

3. Mr. V. S. N Murty
4. Mr. G. Vaidyanathan, Co. Secretary E.O.
5. Ms. Harpreet Kaur Bhamra, Secretarial Officer.**

* ceased to be a member of the committee w.e.f. 15th May, 2010.

** appointed as a member of the committee w.e.f. April 21st, 2011.

e) Ethics & Compliance Committee :

Constituted in the year 2002.

Ethics and Compliance Committee has been constituted in terms of the Amended regulations of SEBI (Prohibition of Insider Trading) Regulations, 1992. The Board had adopted a “Code of Conduct” for Prevention of Insider Trading and “Code of Corporate Disclosure Practices” for its Directors, Officers and Employees.

The terms of reference of the Committee are to oversee the implementation of regulation of the code, take on record the status report prepared by the Compliance Officer detailing the dealings in Securities by the specified persons and decide on penal action in respect of violation of the regulation/ code by the specified person.

Mr.Om Narayan, Managing Director and Mr.Dipak Banerjee, Independent Non-Executive Director were members of the Committee, which was re-constituted inducting Prof.Ranjan Das as member effective 23.3.2011. Presently, Mr.Om Narayan and Prof.Ranjan Das are the members of the Committee.

Mr.V.Satyamohan, General Manager (F & A), has been appointed as the Compliance Officer for implementation of Regulation (Prohibition of Insider Trading) and overseeing the compliance with the Regulations and Code across the Company.

The Managing Director and the Secretarial Officer have been appointed as the Public Spokesperson pursuant to the code as required under the regulation, who would be responsible to ensure timely and adequate disclosure of price sensitive information to the investors.

f) Governance Council :

Constituted in the year 2003

Governance Council of the Board is responsible for the formation and evaluation of the Board of Directors of the Company. The Council is constituted with the following Directors :

- Mr. Anand Sen
Dr. S. K. Bhattacharyya

g) Committee of the Board :

Constituted in the year 2003

The terms of reference of the Committee of the Board (COB) are to approve capital expenditure schemes and to recommend to the Board, capital budget and other major capital schemes, to consider new business, diversification and future strategy.

The Committee is constituted with the following Directors :

- Dr. S. K. Bhattacharyya, Chairman
Mr. V. S. N. Murty

Other than the above Committees, the Board also constitutes Committee for specific purpose as and when required.

Name, Designation & address of Compliance Officer

Ms.Harpreet Kaur Bhamra,
Secretarial Officer,
Tayo Rolls Limited,
XLRI New Administrative Building,
C.H. Area (East),
Jamshedpur – 831 001.
Tel.No.0657-2225643/2231384
Fax No.0657-2226435
e-mail : tayoregd@satyam.net.in
investors_helpdesk@tayo.co.in

GENERAL BODY MEETING DETAILS

	2008	2009	2010
Date	08.08.2008	02.09.2009	14.09.2010
Time	4.00 p.m.	4.00 p.m.	4.00 p.m.
Venue	Centre for Excellence, JubileeRoad Jamshedpur	Centre for Excellence, JubileeRoad Jamshedpur	Centre for Excellence, JubileeRoad Jamshedpur

Special Resolution passed in the last three Years at the Annual General Meetings:

Year	Brief Particulars	AGM/ EGM	Date
2010	(i) Re-appointment and terms of remuneration of Mr.P.C.Srivastava as Managing Director of the Company for a further period of 2 (two) months w.e.f. 1 st February, 2010	EGM	24.04.2010

TAYO ROLLS

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(ii) Appointment and terms of remuneration of Mr. Om Narayan as Managing Director of the Company for a period of 3 (three) years w.e.f. 1st April, 2010.

2008 Raising of funds by way of Rights Issue EGM 02.09.2008 not exceeding Rs.60,34,00,000 including premium, if any. (u/s 81 of the Companies Act, 1956)

No special resolution was passed through Postal Ballot in the last year and no Postal Ballot is proposed for this year either.

As required under the Clause 49 (G) (i) of the Amended Clause 49 of the Listing Agreement, particulars of Directors seeking appointment / reappointment are given in the Annexure to the Notice.

Disclosures

Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives etc., that may

have potential conflict with the interests of company at large :

There are no materially significant related party transactions which have potential conflict with the interest of the company at large. The related party transactions are given in the notes on the Balance-sheet and Profit & Loss Account at Page No. 39 &40.

Details on non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years : Nil

Whistle Blower Policy: This is to affirm that no person has been denied access to the Audit Committee.

The Company has complied with all the mandatory requirements. The adoption of the non-mandatory requirements is given on page no. 50.

The Quarterly results for the periods ended 31.3.2010, 30.6.2010, 30.9.2010 and 31.12.2010 were normally published in Business Standard, Avenue Mail, Prabhat Khabar, Uditvani and also been posted in www.tata.com and Company's Web site www.tayorolls.com

Details of Compliance/ Adoption of the Non-Mandatory requirements under the revised Clause 49 of the Listing Agreement.

Sl. No.	Particulars	Status
1.	Non-executive Chairman may be entitled to maintain a Chairman's office at the company's expenses and also allowed reimbursement of expenses incurred for performance of his duties	Not Adopted
2.	<p>Remuneration Committee</p> <p>i) The above Committee has been constituted for recommending the remuneration of MD/WTD, retiral benefits of MD/ WTDs.</p> <p>ii) The Chairman of the Committee is an Independent Director</p> <p>iii) All the Members of the Committee have been present at the Meetings held so far.</p> <p>iv) The Chairman of the Committee was present at the last Annual General Meeting of the Members.</p>	Adopted
3.	<p>Independent Directors</p> <p>Non-Executive Directors may have a tenure not exceeding in the aggregate, a period of 9 years on the Board of the Company.</p>	Adopted
4.	<p>Shareholder rights</p> <p>The half yearly declaration of financial performance including summary of the significant events in the last 6 months should be sent to each household of shareholders.</p>	Not Adopted

5.	Audit qualifications The company may move towards a regime of unqualified financial statements	Not Adopted
6.	Training of Board Members Board Members may be trained in the business model of the company as well as on the risk profile of the business parameters of the company, their responsibilities as Director and the best ways of discharging them.	Not Adopted
7.	Evaluation of Non-Executive Board Members Mechanism for evaluating performance of Non-Executive Directors by peer group consisting of entire Board excluding the Director being evaluated.	Not Adopted
8.	Whistle Blower Policy The company may establish a mechanism for employees to report to the Management concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy.	Adopted

The general shareholders' information is given in the Shareholders' Information section as an annexure to this report.

DECLARATION

I, Om Narayan, Managing Director of TAYO ROLLS LIMITED, on the basis of confirmation received from the Board Members and Senior Management, hereby declare that all the Board Members and Sr. Management personnel, have affirmed compliance with the Code of Conduct of Non-Executive Directors and the Tata Code of Conduct respectively.

Kolkata, April 25th, 2011

Om Narayan
Managing Director

TAYO ROLLS

Forty-Third annual report 2010-11

SHAREHOLDERS' INFORMATION

1. Regd. Office Address

Tayo Rolls Limited,
XLRI New Administrative Building,
XLRI Campus, C.H.Area (East),
Jamshedpur - 831 001.
Phone : (0657) 2225643, 2231384,
Fax : (0657) 2226435,
e-mail : tayoregd@satyam.net.in
tayoregd@tayo.co.in

Plant Location

TAYO Works, Gamharia,
Dist. Seraikella-Kharsawan, Jharkhand
Phone : (0657) 6627200-04
Fax : (0657) 6627205

2. Registrars & Transfer Agents

TSR Darashaw Ltd,
(formerly Tata Share Registry Ltd)
6-10 Haji Moosa Patrawala Ind. Estate,
20, Dr. E. Moses Road, Mahalaxmi,
Mumbai - 400 001.
Phone : (022) 66568484
Fax : (022) 66568494/66568496
E-mail : csg-unit@tsrdarashaw.com
Web : www.tsrdarashaw.com

Branch Offices of TSR Darashaw Ltd:

TSR Darashaw Ltd. Bungalow No.1, "E" Road, Northern Town, Bistupur, Jamshedpur-831 001. Phone: 0657-2426616 Fax : 0657-2426937 E-mail: tsrljrs@tsrdarashaw.com	TSR Darashaw Ltd. Tata Centre, 1 st Floor, 43, Jawaharlal Nehru Road, Kolkata 700 071. Phone: 033-22883087 Fax : 033-22883062 E-mail : tsrlcal@tsrdarashaw.com
TSR Darashaw Ltd. 503, Barton Centre (5 th Floor), 84, M. G. Road, Bangalore-560001. Phone: 080-25320321 Fax : 080-25580019 E-mail: tsrlbang@tsrdarashaw.com	TSR Darashaw Ltd. 2/42, Sant Vihar, Ansari Road, Daryaganj, New Delhi 110 002. Phone: 011-23271805 Fax : 011-23271802 E-mail : tsrlidel@tsrdarashaw.com
Agent : Shah Consultancy Services Limited, Sumatinath Complex, 2 nd Dhal Pritam Nagar, Ellis Bridge, Ahmedabad 380 006 Telefax : 079-26576038 E-mail : Shahconsultancy@hotmail.com	

3. Investors Relation Assistance

Ms. Harpreet Kaur Bhamra, Secretarial Officer, Tayo Rolls Limited, XLRI New Administrative Building, XLRI Campus, C. H. Area (East), Jamshedpur – 831 001. Phone : (0657) 2231384 Fax : (0657) 2226435 e-mail: tayoregd@satyam.net.in investors_helpdesk@tayo.co.in harpreet@tayo.co.in	Mr. Deepak Tambe, Senior Associate, TSR Darashaw Ltd., 6-10 Haji Moosa Patrawala Ind. Estate, 20, Dr. E.Moses Road, Mumbai – 400 001. Phone : (022) 66568484 Fax : (022) 66568404/6568496 E-mail : dtambe@tsrdarashaw.com Web : www.tsrdarashaw.com
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4. Listing

The Company shares are listed at:
The Stock Exchange (BSE), Mumbai, Stock Code : BSE-4961 (Physical) – 504961 (Demat Form).
The Company has paid annual listing fees to the above Stock Exchange for the Financial Year 2010-11.

5. Financial Year – 1.04.2010 to 31.03.2011.

6. Annual General Meeting

Date : 26th July, 2011
Venue : Tata Management Development Centre,
Jamshedpur - 831 001.
Time : 3.00 p.m.

7. Book Closure Dates

19.07.2011 to 26.07.2011 (both days inclusive).

8. Dividend Payment Date

The Directors have not recommended any dividend for the year 2010-11.

9. Financial Calendar

Annual General Meeting – 26th July 2011.

Reviewed Financial Results

1st Quarter, 2011-12 – 2nd week of July, 2011.
2nd Quarter, 2011-12 – 2nd week of October, 2011.
3rd Quarter, 2011-12 – 2nd week of January, 2012.

Audited Financial Results

4th Quarter, 2011-12 – 3rd week of April, 2012.

10. Share Transfer System

The Board has authorised a few Directors and the Company Secretary severally to approve the share transfers.

The shares for transfer, complete in all respects, are processed and despatched within 20 days from the date of receipt of transfer request.

11. Dematerialisation of Shares and Liquidity

The Depositories have allotted **ISIN No. : INE 895C01011** to the Company script. The Company Shares are actively traded in the Stock Exchange where they are listed. As at 31.3.2011, 57.92% shares stand dematerialised. The Equity Shares of the Company are actively traded at Bombay Stock Exchange.

12. Unclaimed Dividend

Pursuant to Sec. 205C of the Companies Act, 1956, the dividend remaining unclaimed for a period of 7 years from the date of transfer of the same into 'Unpaid Dividend Account', needs to be transferred to "Investors Education & Protection Fund" established by the Central Government. The details of dividend remaining unclaimed for various

years along with due date of Transfer to the Fund are given below:-

Sl. No.	Financial Year	Date of Transfer to unpaid Dividend Account.	Dividend %	Dividend Amount	Unclaimed Dividend Amount as on 31.3.2011	Due Date for Transfer	Unclaimed Dividend Over the Total Payout %
				(Rs.)	(Rs.)		
1	2003-04	03.09.2004	27.00	1,47,76,560	2,18,689.20	02.09.2011	1.47
2	2004-05	23.08.2005	40.00	2,18,91,200	3,97,976.00	22.08.2012	1.81
3	2005-06	24.08.2006	40.00	2,18,91,200	4,52,124.00	23.08.2013	2.06
4	2006-07	14.08.2007	42.50	2,32,59,400	5,45,300.50	13.08.2014	2.34
5	2007-08	14.09.2008	40.00	2,18,91,200	4,94,184.00	13.09.2015	2.25

The unclaimed dividend relating to the year 2002-2003 has been transferred to Investors Education & Protection Fund on 20.9.10. Shareholders who have not encashed the dividend for the above periods may write to the, Company or, Registrar & Share Transfer Agent, claiming the same.

13. Top five share holders as on 31.03.2011

Sl. No.	Top Five share holders	No. of Shares held	%
1.	Tata Steel Ltd	55,87,372	54.45
2.	Yodogawa Steel Works Ltd.	15,36,704	14.98
3.	Sojitz Corporation	3,07,341	3.00
4.	Asha Chokhany	79,739	0.78
5.	Hasmukh Parekh	72,200	0.70

14. Shareholding pattern of the Company as on 31.03.2011

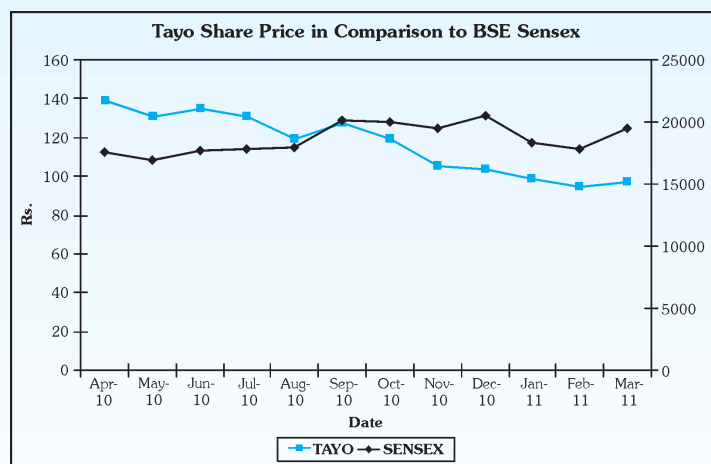
Category	Shares held	% to Capital
Indian Public	24,20,753	23.59
Bodies Corporate	2,82,263	2.75
Promoters	75,12,417	73.22
FilIs,NRIs	43,752	0.43
Mutual Funds, Banks, Fls	1,750	0.01
Total	1,02,60,935	100

15. Distribution of Shareholding as on 31.03.2011

No. of Equity Shares held	No. of Holders	Holdings	% to Holders	Amount (Rs.)	% to Capital
1 to 5000	8336	11,55,326	92.74	1,15,53,260	11.26
5001-10000	352	2,68,414	3.92	26,84,140	2.62
10001-20000	159	2,35,676	1.77	23,56,760	2.30
20001-30000	50	1,24,604	0.56	12,46,040	1.21
30001-40000	19	68,385	0.21	6,83,850	0.67
40001-50000	11	50,966	0.12	5,09,660	0.50
50001-100000	35	2,52,276	0.39	25,22,760	2.46
100001 and above	27	81,05,288	0.30	8,10,52,880	78.99
Total	8,989	1,02,60,935	100	10,26,09,350	100

16. STOCK MARKET DATA (BSE)

Months	High (Rs.)	Close (Rs.)	Volume Traded (No. of Shares)
Apr'10	154.90	137.60	1,78,648
May'10	158.10	130.00	97,373
June'10	136.45	133.50	48,722
July'10	143.00	129.30	64,331
Aug'10	140.85	118.45	83,710
Sep'10	145.20	126.50	2,30,227
Oct'10	132.70	118.40	70,743
Nov'10	129.00	104.50	52,603
Dec'10	112.65	102.95	27,456
Jan'11	119.70	98.00	85,193
Feb'11	101.95	93.65	51,188
Mar'11	104.00	96.40	77,483



TAYO ROLLS LIMITED
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Jamshedpur - 831 001