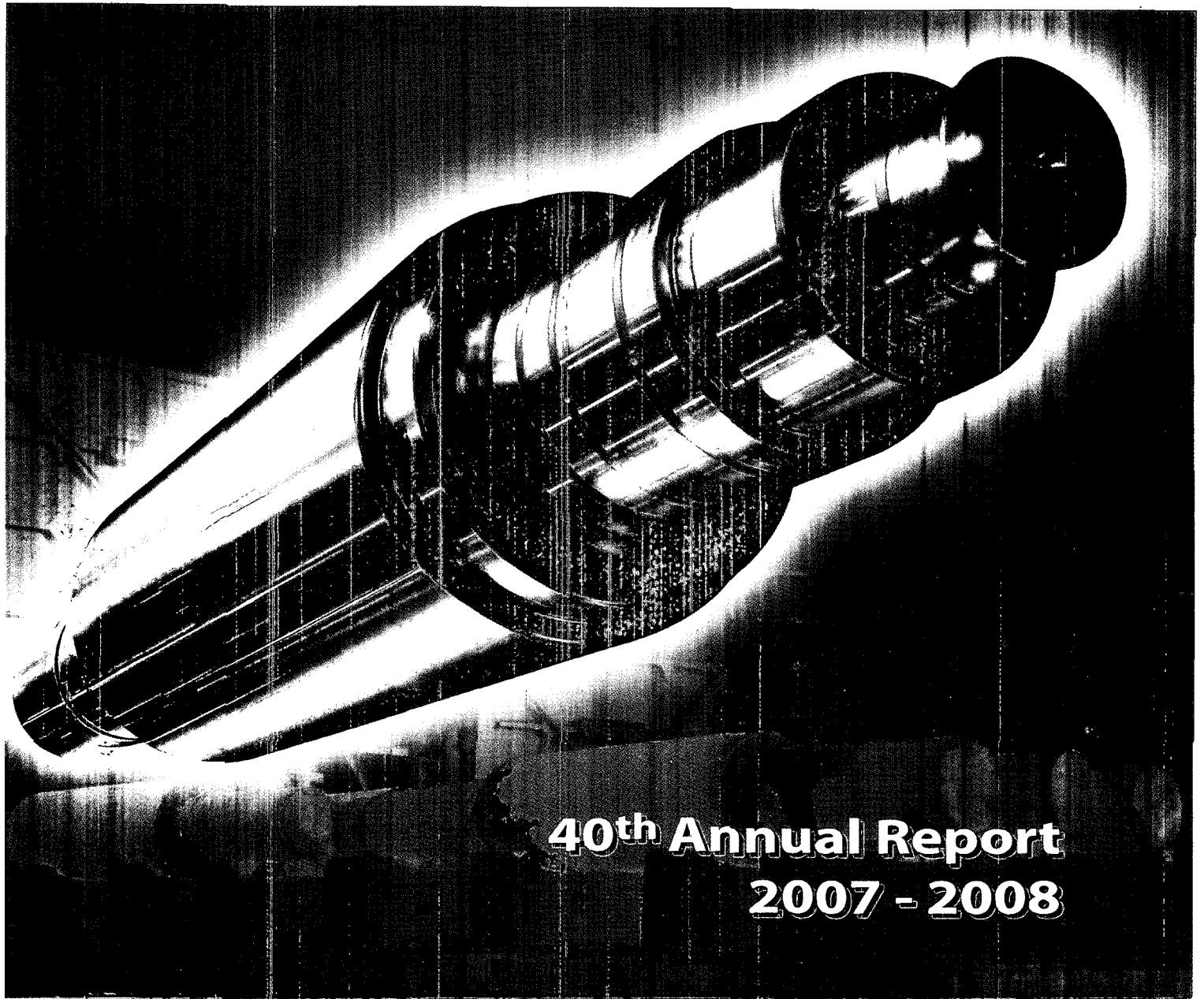


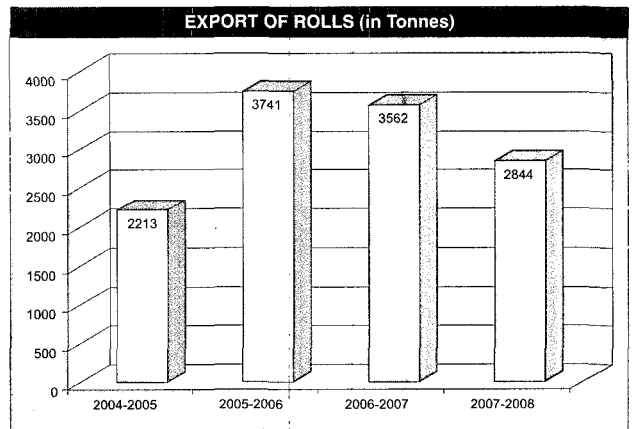
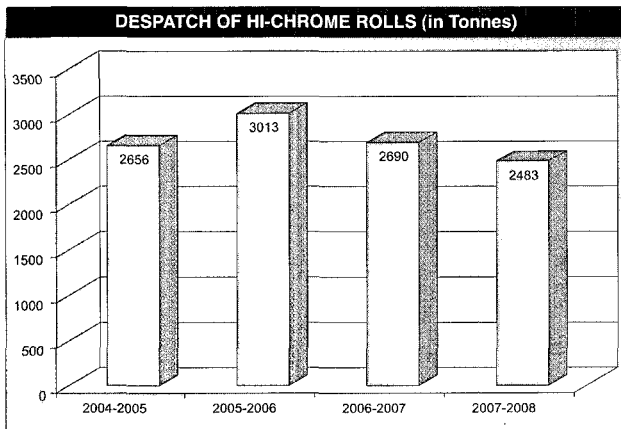
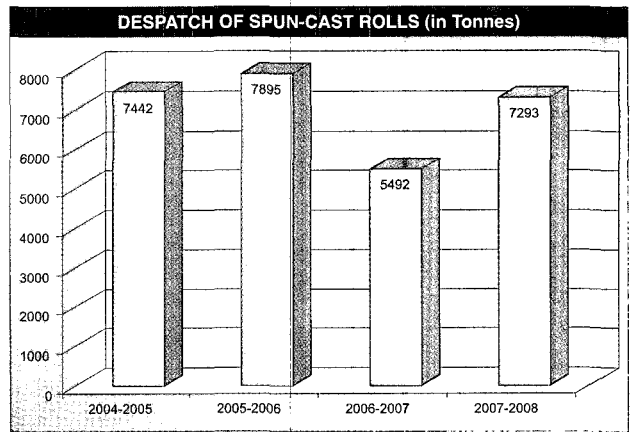
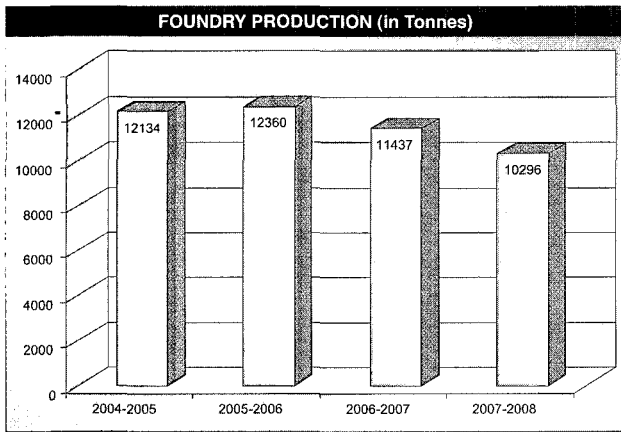
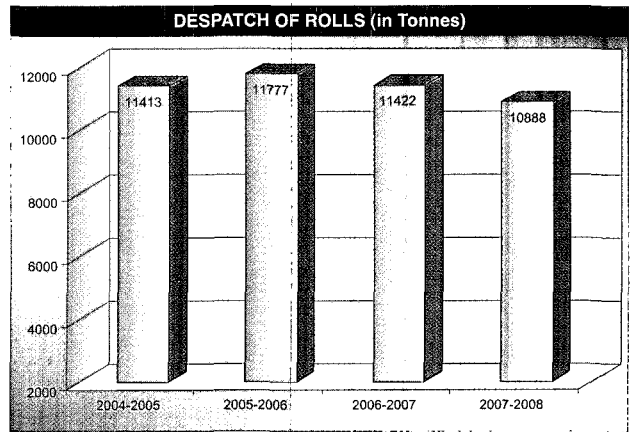
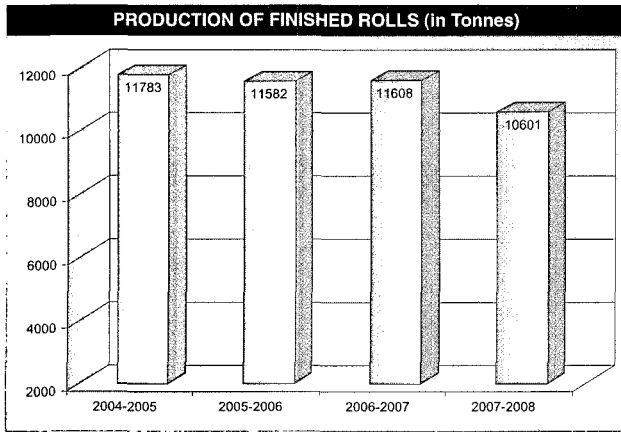
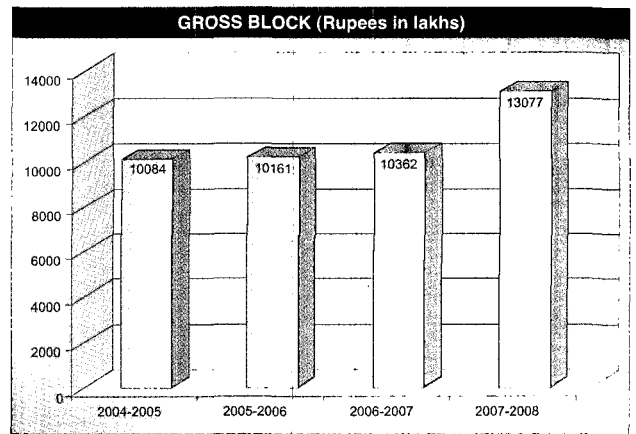
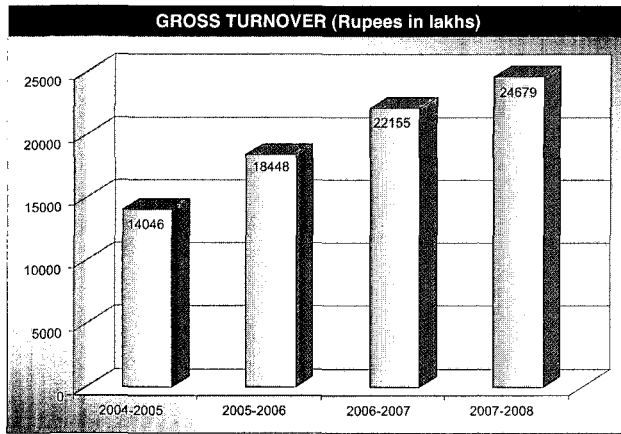


TAYO ROLLS LIMITED

A **TATA** Enterprise



40th Annual Report
2007 - 2008





NOTICE

THE FORTIETH ANNUAL GENERAL MEETING OF TAYO ROLLS LIMITED will be held at Centre for Excellence, Jubilee Road, Jamshedpur 831 001, on Friday, the 8th August, 2008, at 4.00 p.m., to transact the following business :

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2008 and the Audited Profit and Loss Account for the year ended on that date together with reports of the Board of Directors and the Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. Vijay Mathur who retires by rotation and, being eligible, offers himself for re-appointment.

Special Business

4. To appoint Mr. V.S.N. Murty as a Director of the Company in place of Mr. N.K. Misra, who retires by rotation. A notice as required under Section 257 of the Companies Act, 1956, has been received from a member, in writing, by the Company proposing Mr. V.S.N. Murty for the office of Director.
5. To appoint a Director in place of Mr. S.N. Menon who was appointed as an Additional Director of the Company on 15th October, 2007, and who holds office under Section 260 of the Companies Act, 1956, upto the date of the Annual General Meeting, but who is eligible for re-appointment and in respect of whom the Company has received a notice in writing proposing him for the office of Director.
6. To appoint a Director in place of Mr. Anand Sen who was appointed as an Additional Director of the Company on 18th January, 2008, and who holds office under Section 260 of the Companies Act, 1956, upto the date of the Annual General Meeting, but who is eligible for re-appointment and in respect of whom the Company has received a notice in writing proposing him for the office of Director.
7. To appoint a Director in place of Mr. Dipak Banerjee who was appointed as an Additional Director of the Company with effect from 2nd July, 2008, and who holds office under Section 260 of the Companies Act, 1956, upto the date of the Annual General Meeting, but who is eligible for re-appointment and in respect of whom the Company has received a notice in writing proposing him for the office of Director.

TAYO ROLLS

Fortieth annual report 2007-08

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

“Resolved that subject to the provisions of Sections 224, 225 and other applicable provisions, if any, of the Companies Act, 1956, Messrs Deloitte Haskins & Sells, Chartered Accountants, be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this meeting upto the conclusion of the next Annual General Meeting of the Company, in place of the retiring auditors Messrs S.B.Billimoria & Co., Chartered Accountants, to examine and audit the accounts of the Company for the financial year 2008-09 at such remuneration, as may be approved by the Board of Directors on the recommendation of the Audit Committee.”

NOTES :

1. The relative Explanatory Statement, pursuant to Section 173 of the Companies Act, 1956, in respect of the business under item nos. 4, 5, 6, 7 and 8 above is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 27th June, 2008, to 2nd July, 2008, both days inclusive.
4. If the dividend on shares as recommended by the Board of Directors is passed at the meeting, payment of such dividend will be made on and after 6th September, 2008, to those members whose names are on the Company's Register of Members on 2nd July, 2008. In respect of shares held in electronic form, the dividend will be payable to the beneficial owners of shares as at the end of business hours on 26th June, 2008, as per details furnished by the Depositories for this purpose.
5. Shareholders are hereby advised that while opening a depository account, they should give their bank account details. The bank mandate for shares held in physical form will not be automatically applied for shares held in electronic form.
6. Members are requested to notify promptly their change in address, if any, to TSR Darashaw Limited, 6-10, Haji Moosa Patrawala Ind. Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011, specifying the new address in block letters giving the correct PIN code number.
7. All unclaimed dividends upto the financial year ended 31st March, 1995, have been transferred to the General Revenue Account of the Central Government. Shareholders, who have not yet encashed their dividend warrant(s) for the said period are requested to forward their claims in prescribed Form No. II to The Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978 to -

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

Registered Office :
XLRI New Administrative Building,
XLRI Campus, Circuit House Area (East),
Jamshedpur 831 001.
2nd July, 2008

By Order of the Board
G. VAIDYANATHAN
Secretary & Executive Officer

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT

As required by Section 173 of the Companies Act, 1956, the explanatory statement sets out all material facts relating to the business mentioned in item nos. 4, 5, 6, 7 and 8 of the accompanying Notice dated 2nd July, 2008.

Item No. 4

In accordance with the provisions of Companies Act, 1956, and Articles of Association of the Company, Mr. N.K. Misra retires by rotation. Mr. N.K. Misra desires not to seek re-election. The Company has received a notice, in writing, from a Member proposing Mr. V.S.N. Murty for the office of Director. Accordingly, it is proposed to appoint Mr. Murty as Director, whose term of office will be determined by retirement by rotation.

Mr. V.S.N. Murty is a Graduate in Commerce and a member of the Institute of Chartered Accountants of India (ICAI). He started his career as an Accounts Officer in Tata Steel in 1976, and has exposed to Financial Accounts area and moved in between the functioning areas in Jamshedpur set up of Tata Steel.

While he was with Finance and Accounts of Tata Steel, he served in various functions of accounting in various units of the Company dealing with different products like steel, bearings, etc., situated in different parts of India. He was involved in development and implementation of systems in the steel division. He was also involved in the merger activities of a Company engaged in manufacture of cold rolled products.

He was the Chief Accounts Officer of the Bearing Unit between 1994 and 1999 and was transferred to a unit manufacturing cold rolled products in 1999, which position he held upto 2001 before being appointed as Financial Analyst (Steel) of Tata Steel. Presently he is the Chief Financial Controller (Corporate), Tata Steel, since 2004.

He is on the Board of Hooghly MetCoke & Power Company Limited, Industrial Energy Pvt. Ltd., Tata Refractories Limited and Tata Metaliks Limited.

Directors commend the business under Item No. 4 for approval.

None of the Directors is concerned or interested in the business under Item No. 4 of the notice.

Item No. 5

Mr. S.N. Menon was appointed as an Additional Director with effect from 15th October, 2007. Pursuant to Section 260 of the Companies Act, 1956, and in accordance with Article 133 of the Articles of Association of the Company, Mr. S.N. Menon holds office as an Additional Director upto the date of the Annual General Meeting. The Company has received a notice, in writing, from a Member proposing Mr. Menon for the office of Director. Accordingly, it is proposed to appoint him as Director, whose term of office will be determined by retirement by rotation.

Mr. S.N. Menon, aged 61 years, is a former IAS Officer of the 1969 West Bengal cadre. He did his M.A. in History from the University of Delhi. He was awarded the Hubert H. Humphery North-South Fellowship under the Fulbright Programme at the Humphery Institute of Public Policy, University of Minnesota, USA. He has worked in various capacities in the Government for a period of 36 years before retiring as a Secretary, Department of Commerce, Ministry of Commerce & Industry. He is the member of various professional bodies.

He is the Chairman of Nicco Park & Resorts Ltd., and the Director on the Boards of Bombay Stock Exchange Ltd. and West Bengal State Electricity Distribution Co. Ltd.

TAYO ROLLS

Fortieth annual report 2007-08

Directors commend the business under Item No. 5 for approval.

None of the Directors, except Mr. S.N. Menon, is concerned or interested in the business under Item No. 5 of the notice.

Item No. 6

Mr. Anand Sen was appointed as an Additional Director with effect from 18th January, 2008. Pursuant to Section 260 of the Companies Act, 1956, and in accordance with Article 133 of the Articles of Association of the Company, Mr. Anand Sen holds office as an Additional Director upto the date of the Annual General Meeting. The Company has received a notice, in writing, from a Member proposing Mr. Sen for the office of Director. Accordingly, it is proposed to appoint him as Director, whose term of office will be determined by retirement by rotation.

Mr. Anand Sen, aged 49 years, is the Vice President (TQM and Flat Products) of Tata Steel Limited. He is a Metallurgical Engineer from Indian Institute of Technology, Kharagpur and holds a Post-Graduate Diploma in Business Management from Indian Institute of Management, Kolkata. He started his career as Graduate Trainee in Tata Steel in the year 1981 and has worked in Quality Control, Marketing, Sales and General Management areas over the last 25 years. His area of skill relates to Marketing and Sales, Strategy and Market development.

During the course of his career he has also done his executive Master of Business Administration from CEDEP, INSEAD, France. He is on the Board of The Tinplate Company of India Limited, Tata Ryerson Limited and Tata Blue Scope Steel Limited.

He has papers to his credit dealing with Value Management, Branding Customer Intimacy and Marketing. He often speaks at premier Management Institutes and Training Sessions. He is the recipient of the Indian Institute of Metals Gold Medal for the year 2004.

Directors commend the business under Item No.6 for approval.

None of the Directors, except Mr. Anand Sen, is concerned or interested in the business under Item No. 6 of the notice.

Item No. 7

Mr. Dipak Banerjee was appointed as an Additional Director with effect from 2nd July, 2008. Pursuant to Section 260 of the Companies Act, 1956, and in accordance with Article 133 of the Articles of Association of the Company, Mr. Dipak Banerjee holds office as an Additional Director upto the date of the Annual General Meeting. The Company has received a notice, in writing, from a Member proposing Mr. Banerjee for the office of Director. Accordingly, it is proposed to appoint him as Director, whose term of office will be determined by retirement by rotation.

Mr. Dipak Banerjee, aged 62 years, is a B.Com (Hons) Graduate and a Chartered Accountant. He underwent his articleship training with Lovelock & Lewes (now a part of Price Waterhouse Coopers). After a year in the profession, he started his executive career with Life Insurance Corporation in 1970 and in 1975 joined Hindustan Lever Limited. His tenure in Levers included a two-year stint in Nigeria with Lever Brother Nigeria. In 1992, he was appointed Commercial Director of Unilever Plantation Group in London. From 1993-97 he was appointed Commercial Officer - Africa and Middle East Group of Unilever, London. In 1997, he become Chairman of Unilever, Uganda and Horn of Africa.

Since 2001, Mr. Banerjee is on the Board of several Public Limited Companies as an Independent Director.

Directors commend the business under Item No. 7 for approval.

None of the Directors, except Mr. Dipak Banerjee, is concerned or interested in the business under Item No. 7 of the notice.

Item No. 8

Presently the Company's Accounts are being audited by Messrs S.B. Billimoria & Co., which is a part of Messrs Deloitte Haskins & Sells in India. Accordingly, the auditors of the Company are part of one single firm viz., Messrs Deloitte Haskins & Sells. The firm has informed the Company that they do not wish to seek re-appointment as statutory auditors of the Company for the financial 2008-09 at the forthcoming Annual General Meeting.

In view of the above and based on the recommendations of the Audit Committee, the Board of Directors has at its meeting held on 25th April, 2008, proposed the appointment of Messrs Deloitte Haskins & Sells as the Statutory Auditors in place of Messrs S.B. Billimoria & Co., for the financial year 2008-09.

The Company has received a special notice from a Member of the Company, in terms of the provisions of the Companies Act, 1956, signifying his intention to propose the appointment of Messrs Deloitte Haskins & Sells as the Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting. Messrs Deloitte Haskins & Sells have expressed their willingness to act as Auditors of the Company, if appointed and have further confirmed that the said appointment would be in conformity with the provisions of Section 224(1B) of the Act.

The members' approval is being sought to the appointment of Messrs Deloitte Haskins & Sells as the Statutory Auditors and to authorize the Board of Directors, on the recommendation of the Audit Committee, to determine the remuneration payable to the Auditors.

Directors commend the business under Item No. 8 for approval.

None of the Directors is concerned or interested in the business under item No. 8 of the notice.

Registered Office :
XLRI New Administrative Building,
XLRI Campus, Circuit House Area (East),
Jamshedpur 831 001.
2nd July, 2008

By Order of the Board

G. VAIDYANATHAN
Secretary & Executive Officer

**Details of the Directors seeking appointment/re-appointment
in the forthcoming Annual General Meeting
(In pursuance of Clause 49 of the Listing Agreements)**

Name of Director	Mr. S. N. Menon	Mr. Anand Sen	Mr. Dipak Banerjee	Mr. V. S. N. Murty	Mr. Vijay Mathur
Date of Birth	20.09.1946	17.09.1959	19.02.1946	15.04.1951	01.02.1946
Date of Appointment	15.10.2007	18.01.2008	02.07.2008	08.08.2008 (Proposed)	27.07.2006
Expertise in specific functional areas	Administration and General Management	Marketing, Sales and General Management	Finance and General Management	Finance & Accounts	Finance & Taxation
Qualifications	M.A. (History), Delhi University. Hubert H. Humphery North-South Fellowship under the Fulbright Programme, University of Minnesota, USA.	B.Tech (Metallurgy) MBA (IIM, Kolkata)	B.Com. (Hons), Chartered Accountant (CA)	B.Com. Chartered Accountant (CA)	M.A. (History) Research from Harvard law School and Kennedy School of Administration
List of Companies in which outside Directorship held as on 31st March, 2008.	- Nicco Park & Resorts Ltd., Chairman - Bombay Stock Exchange Ltd. - West Bengal State Electricity Distribution Co. Ltd.	- Tata Timplate Co. of India Ltd. - Tata Ryerson Ltd. - Tata BlueScope Steel Ltd.	- Tata Metaliks Ltd. - DIC India Ltd. - TM International Logistic Ltd. - Tata Sponge Iron Ltd. - Tata Pigments Ltd. - Mjunction Services Ltd. - Timplate Co. of India Ltd. - HBP Business Advisory Services Pvt. Ltd. - International Shipping & Logistics FZE. - Shristi Infrastructure Development Corporation Ltd.	- Hooghly MetCoke & Power Co. Ltd. - International Shipping & Logistics, FZE. - Industrial Energy Pvt. Ltd. - NatSteel Iranian Private Joint Stock Co. - Tata Metaliks Ltd.	- Avery India Ltd.
Chairman/Member of the Committees of the Board of Companies on which he is a Director as on 31st March, 2008.	Bombay Stock Exchange Ltd. Remuneration Committee, Member.	Tata Ryerson Ltd., - Remuneration Committee, Member. Tata BlueScope Steel Ltd., - Audit Committee, Member. - Remuneration Committee, Member.	Tata Metaliks Ltd. - Audit Committee, Member. - Remuneration Committee, Member DIC India Ltd. - Audit Committee, Chairman. - Remuneration Committee, Chairman. TM International Logistics Ltd. - Audit Committee, Chairman. Tata Sponge Iron Ltd. - Audit Committee, Member - Shareholders' Grievance Committee, Member. Mjunction Services Ltd. - Audit Committee, Member. Timplate Co. of India Ltd. - Remuneration Committee, Member. Shristi Infrastructure Development Corporation Ltd. - Audit Committee, Member	Hooghly MetCoke & Power Co. Ltd. - Audit Committee, Member. Industrial Energy Pvt. Ltd. - Audit Committee, Member.	Avery India Ltd. - Audit Committee, Chairman. - Remuneration Committee, Member
Shareholding in the Company as on 31.03.2008	Nil	Nil	Nil	Nil	Nil
Category	Non-Executive Independent Director	Non-Executive Promoter Director	Non-Executive Independent Director	Non-Executive Promoter Director	Non-Executive Independent Director

Registered Office :
XLRI New Administrative Building,
XLRI Campus, Circuit House Area (East),
Jamshedpur 831 001.
2nd July, 2008

By Order of the Board

G. VAIDYANATHAN
Secretary & Executive Officer



TAYO ROLLS LIMITED

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

ATTENDANCE SLIP

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

I hereby record my presence at the FORTIETH ANNUAL GENERAL MEETING of the Company at Centre for Excellence, Jubilee Road, Jamshedpur 831 001, at 4.00 p.m. on Friday, the 8th August, 2008.

.....
Full name of the Shareholder
(in block capitals)

.....
Signature

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

.....
Full name of Proxy
(in block capitals)

.....
Signature

Note : Shareholder/Proxy holder desiring to attend the meeting should bring his copy of the Annual Report for reference at the meeting.

PROXY FORM

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

as my/our Proxy to attend and vote for me/us and on my/our behalf at the FORTIETH ANNUAL GENERAL MEETING of the Company, to be held on 8th day of August, 2008 and at any adjournment thereof.

Signed this day of 2008.

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

No. of Share(s)

Signature

Affix
One Rupee
Revenue
Stamp

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

@ Strike out whichever is not desired.

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

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

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Annual General Meeting on Friday, 8th August, 2008 at Centre for Excellence, Jubilee Road, Jamshedpur at 4.00 p.m. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to bring their copies to the meeting.

Board of Directors

(As on 25th April, 2008)

Mr. ANAND SEN (*Chairman*)

Mr. VARUN KUMAR JHA

Mr. N. K. MISRA

Dr. S. K. BHATTACHARYYA

Mr. VIJAY MATHUR

Mr. S. N. MENON

Mr. D. SENGUPTA

Mr. P. C. SRIVASTAVA (*Managing Director*)

Management Team

(As on 25th April, 2008)

Mr. P. C. SRIVASTAVA - *Managing Director*

Mr. P. HARIHARAN - *Vice President (Finance)*

Mr. ABHIJIT MITRA - *General Manager (Operations)*

Mr. N. G. MURTY - *Addl. G.M. (Marketing)*

Mr. Y. V. S. C. CHOWDARY - *Dy. General Manager (Projects)*

Mr. S. K. MUKHERJEE - *Chief (Marketing)*

Mr. RAVINDRA NATH - *Chief (Mini Blast Furnace)*

Mr. G. VAIDYANATHAN - *Company Secretary & Executive Officer*

REGISTERED OFFICE

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

BANKERS

Bank of India
IDBI Bank Ltd.
State Bank of India

AUDITORS

Messrs. S. B. Billimoria & Co.
Chartered Accountants

SHARE REGISTRARS

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

Investors Dedicated E-mail :

investors@tayo.co.in

Chairman's Statement

Dear Shareholders,

Warm greetings to all of you. I have assumed Chairmanship of the Company with effect from 19th January, 2008 in place of Mr. A.N. Singh, who has been the Chairman of the Company for nine years. Mr. Singh has made valuable contributions to the growth and well being of the Company. On behalf of Board and on my own behalf, I would like to place on record our appreciation for the valuable guidance and leadership provided by Mr. Singh.

The world economy has displayed continued buoyancy and turned in an overall growth rate of 4.9%. However, there has been a high level of volatility with USA slowing down and oil prices seeing an unprecedented high.

The Indian economy, with an estimated growth of about 8.5-9%, continues to be a high growth economy. In line with the overall growth, the steel industry in India has grown by 11.3%. Currently there are inflationary pressures and forecasts are that FY 2008-09 may not be as robust as FY 2007-08.

Your company being a roll manufacturing company has its fortunes tied to that of the steel industry. The global steel industry has grown at 6.6% and the Indian steel industry has grown at 11.3%. This growth has fueled the demand for rolls, though not in the same proportion due to the continuous improvement in roll life cycle.

Your company recognizes this demand growth and has therefore taken steps to increase its cast roll making capacity from 13500 Tpa to 15000 Tpa by FY 2010-11. Your Company also recognizes the increasing developments in the forged rolls consumption worldwide. You would recall that your company has been importing unfinished forged hardened blanks to finish and supply forged rolls to cold rolling mills. Difficulties in sourcing blanks led the company to examine the possibility of manufacture of forged rolls.

In view of the growing demand for Forged Rolls your

company is setting up its own integrated facilities for manufacture of forged rolls. This would result in a unique distinction to your Company to become the only company to have totally integrated facilities to manufacture cast rolls and forged rolls at a single location. This would also provide an opportunity to your company to diversify into engineering forgings to cater to Oil & Gas, Windmills and other Engg. Sectors and thus minimize the vulnerability of your company to the cyclicality of steel industry.

Your Company had tied up with Sheffield Forgemasters International Limited, U.K., a global leader in forging industry for the transfer of technology for forged rolls, forging quality ingots and engineering forgings.

The work on this project is going on full swing. The commercial production would commence in the last quarter of financial year 2008-09 as planned.

During FY 2007-08 the operations of your Company located at Adityapur Industrial belt, Jharkhand were constrained by a severe power crisis. As you are aware, power is a key input for the manufacture of rolls and your Company is dependent on external suppliers of power. Due to lack of adequate power availability, production was seriously affected and therefore the sales results also. Taking a view of this situation, your Company is arranging to obtain power from another supplier additionally. We hope that very shortly in addition to Jharkhand State Electricity Board, your Company will also be able to purchase power from Jamshedpur Utilities & Services Company Limited (a subsidiary of Tata Steel). This should also take care of our future power needs after expansion.

The price of all raw materials such as steel scrap, nickel and coke increased dramatically. This had further adverse impact on the margins. However, your company could still generate a PBT of Rs. 9.83 crores under such adverse circumstances.

TAYO ROLLS

Fortieth annual report 2007-08

During FY 2008-09 your Company is focused on executing the integrated forged rolls project in time and within cost. With demand continuing to grow, I am confident that the performance of your company will improve further during FY 2008-09.

Product development and operational improvement would continue to be key challenges for your Company during FY 09 and beyond. The collaboration with Sheffield Forgemasters and renewed engagement with other roll makers of repute would accelerate product mix enrichment.

Your Company recognizes its responsibilities towards society and has undertaken several initiatives under the guidance of TCCI (Tata Council of Community Initiatives). Your Company believes in Inclusive Growth and has adopted Code of Conduct for Affirmative Action.

Employee well being has always been a priority for your Company. The focus on human resources development is only going to increase in future. With enhancement in capacity and the new project under execution manpower of the right type is a major challenge. Your company is addressing these issues in right earnest.

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

With Regards,

Anand Sen
Chairman

HIGHLIGHTS

			2007-2008	2006-2007	2005-2006
OPERATIONAL					
Production	- Rolls	Tonnes	10601	11608	11582
	- Pig Iron	Tonnes	30736	29815	20895
Sales	- Rolls	Tonnes	10888	11422	11777
	- Pig Iron	Tonnes	28600	27834	16652
Capacity Utilisation	- Rolls	Percent	79	86	86
	- Pig Iron	Percent	77	76	42
FINANCIAL					
Turnover (Gross)		Rs.lakhs	24679	22155	18448
Depreciation		Rs.lakhs	422	493	517
Profit before tax		Rs.lakhs	983	1533	756
Profit after tax		Rs.lakhs	635	1063	615
Net Worth per share		Rupees	86	76	68
Transfer to General Reserve		Rs.lakhs	450	450	350
Shareholders' Funds		Rs.lakhs	4729	4165	3745
Plough back		Rs.lakhs	801	1283	882
Capital Expenditure		Rs.lakhs	2098	278	188
Employees' Cost		Rs.lakhs	2408	2194	1903
Dividend		Percent	40	42.50	40

TAYO ROLLS

Fortieth annual report 2007-08

Directors' Report

The Directors have pleasure in presenting the Fortieth Annual Report on the operations of the Company and the financial accounts for the year ended 31st March, 2008.

FINANCIAL RESULTS

	Rupees Lakhs	Previous year Rupees Lakhs
2. a) Profit before Depreciation, Tax and Exceptional items	1557.94	2012.67
b) Deduct : Depreciation	421.56	492.90
c) Profit before Tax and Exceptional items	1136.38	1519.77
d) Add : (Deduct) Exceptional items	(152.94)	12.73
e) Profit before Tax	983.44	1532.50
f) Tax :		
i) Current Income-tax (Net)	269.94	470.90
ii) Deferred tax	52.22	(30.43)
	322.16	440.47
iii) Fringe benefit tax	26.21	29.48
	348.37	469.95
g) Profit after tax	635.07	1062.55
h) Add : Balance brought forward from the previous year	615.16	274.73
i) Balance	1250.23	1337.28
which the Directors have appropriated as under, to		
i) General Reserve	450.00	450.00
ii) Proposed Dividend	218.91	232.59
iii) Additional Income Tax on Dividend	37.21	39.53
TOTAL	706.12	722.12
Leaving a Balance of to be carried forward	544.11	615.16

DIVIDEND

3. The Directors are pleased to recommend a dividend of 40% (Rs. 4/- per share) for the year ended 31st March, 2008. The dividend, if approved at the Annual General Meeting to be held on 8th August, 2008, would be paid to those members whose name stand in the Register of Members as on 2nd July, 2008 and to the beneficial owners of shares as at the end of business hours on 26th June, 2008, as per details furnished by the Depositories for the purpose. The dividend outgo (ex-taxes) would be Rs. 2.19 crores.

OPERATION AND SALES

4. During the year under review, the Company achieved a turnover (gross) of Rs. 246.79 crores, which is the highest ever achieved by the Company. The turnover of Rs. 246.79 crores compares with Rs. 221.55 crores of the previous year, registering an increase of 11%. The profit before tax has been Rs. 9.83 crores as against Rs.15.33 crores in the previous year. The profit after tax was at Rs. 6.35 crores as compared to Rs.10.63 crores in the previous year. Poor availability of power from Jharkhand State Electricity Board (JSEB) has significantly affected the operations of the Company.

5. During the year under review, the production and sale of rolls were 10,601 t. and 10,888 t. respectively compared with 11,608 t. and 11,423 t. in the previous year. The sale of forged rolls was 1,169 t. compared to 957 t. in the previous year. Break-down in generating units of the JSEB has been the main reason for poor availability of power. This situation continues to affect the entire industrial belt of Jharkhand. The Company as well as several industrial units and associations have been continuously making representation to the Board as well as the State Government impressing upon the gravity of the problem. In addition, the Company has taken steps for obtaining power from parallel sources to tide over the problem.

6. The export of cast rolls was 2844 t. compared to 3562 t. in the previous year. In value terms, the export sale during the year was at Rs. 28.37 crores compared to Rs. 30.68 crores in the previous year.

7. During the year under review, the sale of special castings has been at 163 t. against 697 t. in the previous year. As a long term strategic decision, the Company has decided to exit gradually from this business.

8. During the year under review the turnover (gross) from MBF operations was Rs.65.32 crores as against Rs. 53.29 crores in the previous year, recording an increase of 22.5%. The production of pig iron during the year was 30,376 t. compared to 29,815 t. in the previous year. The sale of pig iron was 28,600 t. compared to 27,834 t. in the previous year. The Company has established itself as supplier of quality pig iron in the Eastern Region.

FINANCIAL AND WORKING CAPITAL MANAGEMENT

9. Working Capital needs increased appreciably due to the high-cost and inflationary conditions that prevailed during the year under review. Not only prices of Coke and steel scrap rose to unprecedented levels but also their availability in the domestic market has become poor, creating serious demand/supply mismatch. This has created a challenging environment for managing the working capital. Optimised inventory levels were maintained by developing multiple and alternative sources for various inputs for Roll and Pig Iron operations. The need for building-up inventory had to be assessed carefully in the above vulnerable situation of escalating prices and poor availability.

10. The financial market witnessed a great amount of volatility as a follow-up of global crisis and tight monetary

policies of RBI. The PLR rates were raised upwards by the leading Bankers at regular intervals. Within the overall banking limits, borrowings were made through Short Term Loan/MIBOR Loan/Forex Buyers' Credit at competitive rates to minimize the overall cost of borrowings.

11. The Term Loans availed in earlier years from SBI and IDBI for financing MBF and Cast Roll expansion are being repaid on time and a balance of Rs. 263 lakhs is remaining to be repaid as on 31st March, 2008.

12. Fresh loans have been contracted with Industrial Development Bank of India Limited to the tune of Rs.54 crores for financing the Forged Roll project. The loans are in the form of Rupee Loans and Forex Loans to be repaid over a period of 7 years with 2/3 years moratorium. The loans have been sanctioned at very competitive available rates. The Company has availed upto 31st March, 2008, Rs. 11.50 crores for meeting the capital expenditure of the project.

13. CRISIL, has reaffirmed their ratings of P1+ (the degree of safety for timely payment of interest and principal on the instrument is very strong) for Commercial Paper and FAA/Stable (the degree of safety for timely payment of interest and principal is strong) for Fixed Deposit Programme.

TECHNOLOGY AND GROWTH

14. The Company continued to maintain its market leadership in the domestic market of the cast roll segment. To further strengthen its position, the Company during the year under review, signed a Memorandum of Understanding (MOU) with Yodogawa Steel Works Limited, Japan, for transfer of technology to upgrade/manufacture Hi-speed Rolls, Semi-Hi speed Rolls and Nickel Super Grain Rolls. Under the MOU, the Company and Yodogawa Steel Works Limited would also work closely in marketing the above products in select countries.

15. The phased programme of expansion of the roll making capacity (cast roll) from 13,500 t to 15,000 t by 2010-11 is under implementation. On an ongoing basis the Company is refurbishing/retrofitting the machine tools to maintain the health of the plant and improve productivity. The Centrifugal Casting Machine is being revamped to accommodate the casting of larger size of spun cast rolls and to meet the future demand. All these initiatives including the technology upgradation would strengthen the Company's competitive position in the domestic and global markets.

16. The demand for Forged Rolls is increasing globally. The Company has been importing hardened forged blanks for finishing into Forged Rolls. In view of the increasing demand of Forged Rolls, the availability of hardened blanks has become difficult. To meet the growing demand for Forged Rolls and to be self-reliant on blanks, the Board has approved the setting up of integrated facilities for the manufacture of Forged Rolls and Engineering Forgings. The total outlay for the project is estimated at Rs.142.50 crores to be financed through equity, term loan and internal accruals.

17. The Forged Roll project envisages upgradation of the existing Arc Furnace and addition of Ladle Furnace, Vacuum Degassing unit and other related facilities in the existing melt shop to manufacture Forging Quality Ingots, including Round Ingots. The Project also envisages setting up of a modern Forge Shop with 2500 tons open die forging press along with other auxiliaries to manufacture Forged blanks and Engineering forgings. A state-of-the-art Induction Hardening Shop with other facilities like cryogenic treatment, heat treatment, etc. would also be set up with a capacity to manufacture 3000 tons of forged rolls. The excess capacity available in Forge Shop would be utilized to manufacture Engineering Forgings for Oil & Gas, Cement, Sugar, Wind Mill and other sectors.

18. The technology would be provided by M/s. Sheffield Forgemasters International Limited (SFIL), U.K., a Forged Roll and high-end Engineering Forgings manufacturer of international repute. The project is under implementation. The commercial production of Engineering Forgings and Forged Rolls is expected to commence in March quarter 2009.

19. The Board at its meeting held on 15th October, 2007, had approved the issuance of further shares of Rs. 10/- each, at such premium as may be determined by the Board of Directors, on 'Rights' basis to existing shareholders, as on the record date to be fixed at a later date, for an amount not exceeding Rs. 46 crores in the aggregate. The swap ratio of the Rights Shares would be determined at a later date by the Board in consultation with Lead Managers. The Draft Letter of Offer has been filed with Securities and Exchange Board of India (SEBI) on 24th March, 2008.

CONTINGENT LIABILITIES AND MAJOR LITIGATIONS

20. The special leave petitions filed, before the Hon'ble Supreme Court, by the Company as well as the Bihar State Electricity Board (BSEB) challenging the orders of the Hon'ble Patna High Court dated 26.6.2000 on the

fuel surcharge rates for the years 1996-97 onwards, were heard on 26.4.2006 and 27.4.2006 and the orders are still awaited. The Company has made payment of the fuel surcharge for the relevant period in accordance with the orders of the Hon'ble Jharkhand High Court.

21. The Company's writ petition filed before the Hon'ble Jharkhand High Court 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.

22. The writ petition filed by the Company challenging the order of the State of Bihar, withdrawing the exemption granted to the Company as regards applicability of the ESI Act, 1948 retrospectively from 1.10.1996 was heard on 20th February, 2008. The said writ petition was allowed and the order of the appropriate Government withdrawing the exemption has been quashed. The matter has been remitted to the concerned Appropriate Government for fresh consideration of the application after giving proper opportunity of representation/hearing to the Company as well as to the Employees' Union.

BUSINESS EXCELLENCE

23. The Company in its quest to improve performance of various activities continues to participate in the Tata Business Excellence Model (TBEM) and J.R.D. QV Award Process. In this journey the company crossed 500 marks for the first time and received the "Active promotion" Award based on the assessment conducted by the TBEM. During the year under review the company has also embarked on the journey of TPM implementation. Active work on the Jishu Hozen, Planned Maintenance, Education & training pillars are in progress. Eight Manager Model Machines were identified for implementation of Jishu Hozen. In the current year, Horizontal deployment is being planned.

24. The surveillance Audits on ISO 9001: 2000, ISO 14001 : 2004 (Environmental Management System) and OHSAS 18001 : 1999 (Occupational Health and Safety Management System) were conducted successfully and the Company is on the path of integrating the 3 systems. The Company is also preparing for adoption of the 2007 version of OHSAS 18001 standard.

COMMUNITY INITIATIVES

25. The Company continues to be actively associated for the welfare and development of communities in and around the Plant. Social organizations and various institutions

including those associated with Education, Sports and Community Development are supported by the Company in the direction of welfare activities undertaken by them from time to time. Community Development initiatives undertaken by reputed associations and institutions such as the Family Planning Association of India (FPAI) have been supported by the Company towards the development and betterment of projects undertaken by them. The Tata Council for Community Initiatives (TCCI) provides guidance to the Company in monitoring the CSR Index towards sustainable community initiatives.

SAFETY, HEALTH AND ENVIRONMENT

26. The Company lays more emphasis in the direction of Safety, Health and Environment with an aim to scale new heights on these fronts year after year. During the year, Safety Campaigns were observed for six months with a view to keep employees constantly conscious and aware of the safety norms and regulations. The target of Zero Accident was achieved successfully. The Environmental, Occupational, Health and Safety Policy of the Company ensures compliance of applicable EHS legislations throughout the year. World Environment Day was observed on 5th June, 2007, when Senior Executives and Union Officials deliberated on the theme "Melting Ice – A Hot Topic?", which was followed by tree plantation at the Works.

AFFIRMATIVE ACTION

27. The Company is being guided by the Code of Conduct adopted for the Affirmative Action. The Company is actively following the code for implementing the Affirmative Action.

DIRECTORS

28. In accordance with the provisions of Companies Act, 1956, and Articles of Association of the Company, Mr. Vijay Mathur retires by rotation and being eligible offer himself for re-appointment.

29. In accordance with the provisions of Companies Act, 1956, and Articles of Association of the Company, Mr. N. K. Misra retires by rotation at the ensuing Annual General Meeting. Mr. Misra desires not to seek re-election. The Company has received a notice under Section 257 of the Companies Act, 1956, from a member proposing Mr. V. S. N. Murty for the office of Director, subject to retirement by rotation. The Board of Directors place on record their appreciation for the valuable contribution and guidance extended by Mr. N. K. Misra during his tenure on the Board.

30. Mr. S. N. Menon was appointed as Additional Director with effect from 15th October, 2007. Pursuant to Section 260 of the Companies Act, 1956, Mr. Menon holds office upto the ensuing Annual General Meeting. The Company has received a notice under Section 257 of the Companies Act, 1956 from a member, proposing Mr. S. N. Menon for the office of Director, subject to retirement by rotation.

31. Mr. Anand Sen was appointed as Additional Director with effect from 18th January, 2008. Pursuant to Section 260 of the Companies Act, 1956, Mr. Sen holds office upto the ensuing Annual General Meeting. The Company has received a notice under Section 257 of the Companies Act, 1956 from a member, proposing Mr. Anand Sen for the office of Director, subject to retirement by rotation.

32. Mr. D. Sen Gupta was appointed as Additional Director with effect from 18th January, 2008. Pursuant to Section 260 of the Companies Act, 1956, Mr. Gupta holds office upto the ensuing Annual General Meeting. The Company has received a notice under Section 257 of the Companies Act, 1956 from a member, proposing Mr. D. Sen Gupta for the office of Director, subject to retirement by rotation.

33. Mr. A. N. Singh, who was the Chairman, for over 9 years had stepped down from the Directorship of the Company with effect from 19th January, 2008 due to his pre-occupation. Mr. Anand Sen, has been elected as the Chairman with effect from 19th January, 2008. The Board placed on record the valuable contribution and the able leadership extended by Mr. A. N. Singh during his tenure on the Board.

34. Mr. U. K. Chaturvedi resigned from the Directorship of the Company with effect from 18th January, 2008. The Board placed on record the valuable contribution and guidance extended by Mr. Chaturvedi during his term on the Board.

DIRECTORS' SHAREHOLDING

35. The shareholding of Non-executive Directors in the Company is Nil. Mr. P. C. Srivastava, Managing Director, holds 450 equity shares of Rs.10/- each in the Company.

RESPONSIBILITY STATEMENT

36. 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;

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- (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 2007-08 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

37. 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

38. 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 47.

ENERGY, TECHNOLOGY & FOREIGN EXCHANGE

39. 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 46 and 47.

AUDITORS

40. Messrs. S. B. Billimoria & Co., retiring Auditors, have informed the Company that they do not wish to seek re-appointment. The Company has received a notice from one of the members proposing the appointment of Messrs Deloitte Haskins & Sells, as the Statutory Auditors of the Company. Messrs Deloitte Haskins & Sells have furnished a certificate to the Company that their appointment, if made, will be in accordance with sub-section (1B) of Section 224 of the Companies Act, 1956.

For and on behalf of the
Board of Directors

Jamshedpur
25th April, 2008

Anand Sen
Chairman

Addendum to the Directors' Report dated 25th April, 2008.

Mr. D. Sen Gupta who was appointed as an Additional Director effective 18th January, 2008, resigned from the Directorship of the Company with effect from 2nd July, 2008. The Board placed on record the valuable contribution made by him during his short tenure on the Board. Accordingly, the member who proposed the appointment of Mr. D. Sen Gupta has withdrawn the said proposal.

Mr. Dipak Banerjee has been appointed as Additional Director with effect from 2nd July, 2008. Pursuant to Section 260 of the Companies Act, 1956, Mr. Banerjee holds office upto the ensuing Annual General Meeting. The Company has received a notice under Section 257 of the Companies Act, 1956 from a member, proposing Mr. Dipak Banerjee for the office of Director, subject to retirement by rotation.

For and on behalf of the
Board of Directors

Jamshedpur
2nd July, 2008

Anand Sen
Chairman

Management Discussion and Analysis

BUSINESS REVIEW AND OUTLOOK

The world Crude Steel Production continued to be buoyant with strong demand in Steel products both in Flat and Long Steel market segments. The Global Crude Steel production in 2007 was reported to be on the rise at 1.344 billion Tons recording a growth of 7.5% over 2006. The Global Steel Demand is expected to rise by 6% in 2008. China continued to remain dominant in Steel Sector, producing 489 million Tons in 2007 (with a share of 36% of world steel's output) recording a y-o-y growth of 15.70%. As per forecast for 2008, the demand of steel in China is expected to grow by 60 Million tons, i.e. by 12%, and correspondingly the Crude Steel production is likely to grow by 10% to 540 Million tons. In India the demand for Steel is currently growing at 12.5% with supply lagging at 5%. Hence, the demand – supply mismatch in the sector is likely to continue for some time.

The National Steel Policy, 2005 envisages India to have a modern and efficient steel industry of world standards, catering to diversified steel demand. The Policy envisages a compounded annual growth of 7.3 % per annum in the steel sector. To achieve this, it aims to increase the production from 38 MTPA in 2004-05 to over 110 MTPA by 2020, through a multi-pronged strategy.

The growth momentum in steel industry obviously offers strong market potential for Roll manufacturer. However, the infrastructural issues on land, mining and other factors are inhibiting the momentum and it is likely, the setting of green-field projects in the country would get phased out. Rolls being used in the finishing, the demand will be in place when the mills are ready to roll out their products. However, noticeable progress has been made by many secondary steel producers and they are expected to be on stream as scheduled. Tata Steel and SAIL plants are already on schedule in their expansion of existing capacities. Demand for long product Rolls continues to grow at a fast pace due to significant infrastructure growth in the country. The company, being already in the expansion plan (from 13500 t. to 15000 t.) is gearing up to put up additional facilities in its Machine Shop and Foundry in tune with the above growth in the steel sector.

Forged Rolls demand in the country is met mostly through import channels. The company has been supplying Forged Rolls to quality conscious steel producers by finish machining the hardened blanks imported from global sources. The Company has been able to tie-up the blank requirements

and meet the customers' orders during the year. This situation is expected to continue till the Company completes its new Forged Roll Project and commence its operations. The proposed Integrated Forging and Forged Roll project is expected to commence commercial production by March qtr, 2009. In the near future, the Company will be self-reliant on Forged Blanks, the quality of which would be comparable to those of leading manufacturers in the world. The Company would also be able to derive significant cost benefits, by virtue of its proposed integrated manufacturing set up from Ingots to Forged Rolls.

The main area of concern to Roll manufacturers is the continuous rising cost of inputs. With successive increase in steel prices, scrap prices have gone up considerably. The availability of critical items of alloy additions like Fe.Chrome, Fe Venadium, Si. Mg. Alloy, Fe.Silicon is becoming scarce globally thus creating major impact on the prices in domestic market. Of late, however, Nickel & Moly prices are on a steady note. In this back ground, Roll manufacturers are putting their best efforts in instituting price variation clause for covering the key inputs.

During the year under review the turnover (gross) of Cast and Forged Rolls increased by 13%. The overall production volume was affected by poor availability of power in the Adityapur Industrial belt of Jharkhand State. The production of liquid metal through Arc Furnace requires a certain minimum load of power, which itself could not be supplied on a consistent basis by JSEB. Despite the set back in volume and the hikes in input cost, the Company posted reasonable profits through its operational efficiency, product mix and cost reduction initiatives. Thrust on developmental activities to produce newer grades and variants in the existing grade of Rolls for enhancing value to customer continues. The Customised Rolls for the rolling mills of key customers like Enhanced Carbide (TEK) rolls and MITE rolls developed in house are giving beneficial results to the customers.

The Company continues to be recognised as a quality producer of Rolls in the global market. Rolls are supplied to leading quality steel majors like Arcelor-Mittal, Thyssen, CELSA, Shang shing Steel, Tonghua, North American Stainless, Budurus Edelstahl, UGS besides Corus which is now in the Tata Group. As part of Group's initiative, the Corus team visited the plant during the year to identify specific requirement of both Cast Rolls and Forged Rolls.

Pig Iron Operations

This segment witnessed a great volatility especially in the last quarter with prices of pig iron and inputs escalating to unprecedented levels. Foundry industry has been unable to absorb the price increases of pig iron, which was mainly driven by steep increase in the coke and iron ore prices. The prices of Low Ash Metallurgical (LAM) coke which hovered around \$ 240 / t. in June'07 quarter moved to about \$ 550 /t. by the close of year. The availability was also a matter of concern throughout the year due to the global phenomenon in China & Australia.

The Company, besides catering to in-house liquid metal requirement for Roll making, sold pig iron amounting to Rs. 65.66 crores as against Rs. 53.52 crores in the previous year representing an increase of 23%. Through careful planning in the procurement of coke (low ash coke and high ash coke) and various improvement initiatives in operations, the Company was able to control costs and increase productivity.

OPPORTUNITIES AND THREAT

The buoyancy in the Steel sector gives ample opportunity to the Company to cater to the increased demand for rolls. With Tata Group spreading its foot mark across the world, there is a good opportunity for the Company to increase its global presence. The demand for Hi-speed steel rolls is on the increase because of the modernization and improvements taking place in the various mills. To meet the growing demand, the Company has taken steps to strengthen its technology of Hi-speed Steel Rolls. In addition, the Company would also acquire technology for Semi Hi-speed and Nickel Super Grain Rolls.

On the Forged Roll front, non-availability of hardened forged steel blanks globally has been a threat for the company. However, with the implementation of integrated forgings and forged rolls project the threat will soon be converted into a major opportunity in forged roll segment.

With market for Engineering Forging and Forged Rolls growing at CAGR of 8%, timely completion of the envisaged project for the manufacture of Forging Quality Ingots, Engineering Forgings and Forged Rolls would give scope to the Company to increase its overall performance in the years to come. The commencement of the manufacture of Forging Quality Ingots would give great opportunity for value addition to the captive liquid metal available from the MBF.

The low-end manufacturers of rolls in domestic market and cheaper imports from China and CIS countries continue to be a challenge to the Company. This coupled with

continuous increase in prices of major inputs also pose a challenge to the Company. The focus on product-mix and the cost control measures would enable the Company to meet these challenges and maintain its leadership in the industry.

SEGMENTWISE/PRODUCTION PERFORMANCE

The segment wise performance has been given in the Directors' Report in Page 6 and 7. The segment wise result is given in Page No. 43.

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

The Company has all along valued human resource as one of its prime assets. This is visible through the innovative

initiatives and involvement of employees in various forums. The Company has bagged the Certificate of Appreciation Award by the Confederation of Indian Industry (Eastern Region) at the HRD Award Contest for 2006-07 for implementing best practices in the field of Human Resources and Industrial Relations. The Company was also presented the Certificate of Appreciation Award in the Supervisory Skills Competition conducted by CII (ER) in December, 2007. The training need identification process enables the Company to meet the individual development as well as the organizational objectives in line with the Company's growth plans. Improvement initiatives are encouraged at all levels and this has gone a long way in delivering positive results in the functioning of Quality Circles, Continuous Improvement Projects etc. Innovative ideas and suggestions are encouraged from employees through the forum of Hum Bhi .Com and Thinker's Pot. In-house training modules and knowledge portal provides opportunity for sharing of technology and knowledge amongst the employees. The joint bodies enables interaction amongst cross-functional teams and promotes awareness and improvement on plant performance, cost control, safety health & environment, welfare etc. With the support and co-operation of Tayo Workers Union, the industrial relations climate has been cordial and harmonious. The work-force of the Company as on 31st March, 2008, stands at 634.

Financial Performance with respect to Operational Performance

Revenue : The total revenue (gross) increased from Rs.222 crores to Rs.247 crores, an overall increase of about 11%. The revenue from roll segment (gross) was Rs. 173 crores as compared to Rs. 153 crores in the previous year, an increase of 13%. The revenue from pig iron segment was Rs. 66 crores as compared to Rs. 54 crores in the previous year, an increase of 22%.

The profit before tax was at Rs. 9.83 crores against Rs. 15.33 crores in the previous year. The profit after tax was Rs. 6.35 crores against Rs. 10.63 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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Certification by Chief Executive Officer (CEO)/ Chief Financial Officer (CFO)

The Board of Directors,
TAYO ROLLS LIMITED,
Jamshedpur

We, P. C. Srivastava, Managing Director (CEO) and P. Hariharan, Vice President (Finance) 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, 2008.

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.

Jamshedpur
April 25th, 2008

P. C. Srivastava
Managing Director

P. Hariharan
Vice President (Finance)

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, 2008, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.
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 further 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 S. B. BILLIMORIA & CO.
Chartered Accountants

Jamshedpur
April 25th, 2008

K. RAJASEKHAR
Partner
Membership no. 23341

Auditors' Report

TO THE MEMBERS OF TAYO ROLLS LIMITED

1. We have audited the attached balance sheet of **Tayo Rolls Limited** as at 31st March, 2008, the profit and loss Account for the year ended on that date and the cash flow statement 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 results 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. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraph 4 and 5 of the said Order, to the extent applicable.
4. Further to our comment in the annexure referred to in paragraph 3 above, we report that:
 - (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (ii) 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;
 - (iii) 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;
 - (iv) 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 sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) 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:
 - (a) in the case of the balance sheet, of the state of affairs of the Company as at 31st March, 2008;
 - (b) in the case of the profit and loss account, of the profit for the year ended on that date;
 - (c) in the case of cash flow statement, of the cash flows for the year ended on that date.
5. On the basis of written representation received from the directors as on 31st March, 2008 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2008 from being appointed as a director in terms of clause (g) of sub-section(1) of section 274 of the Companies Act, 1956.

For S. B. BILLIMORIA & CO.
Chartered Accountants

K. RAJASEKHAR
Partner

Jamshedpur
April 25th, 2008

Membership no. 23341

ANNEXURE TO THE AUDITORS' REPORT

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

The nature of company's business/activities during the year ended 31st March, 2008 was such that of paragraphs 4(viii), (xii), (xiii), (xiv), (xv), (xviii), and (xix) of the Companies (Auditor's Report) Order 2003 are not applicable.

- (i) In respect of its fixed assets :
- (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) As explained to us, some of the fixed assets was physically verified during the year by the management in accordance with a 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.
- (ii) In respect of its inventories:
- (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 of physical verification of other classes of inventories followed by the management are reasonable and generally 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 inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the size of the operations of the company.
- (iii) (a) The company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. As the company has not granted any loans, secured or unsecured, to parties listed in the Register maintained under Section 301 of the Companies Act, 1956, paragraphs 4(iii)(b), (c) and (d) of the Order are not applicable.
- (b) The company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. As the company has not taken any loans, secured or unsecured, from parties listed in the Register maintained under Section 301 of the Companies Act, 1956, paragraphs 4(iii)(f) and (g) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services and we have not observed any continuing failure to correct major weaknesses in the internal control system.
- (v) 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 need to be entered into the register maintained under the said section have been so entered.
 - (b) In our opinion, having regard to the explanation that some of the items purchased are of special nature and suitable alternate sources do not exist for obtaining comparable quotations, the transactions exceeding the value of Rs. five lakhs in respect of any party during the year have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the company has complied with the directives issued by the Reserve Bank of India and the provisions of sections 58A, 58AA and 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.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and the nature of its business.
- (viii) In respect of statutory dues :
- (a) According to the information and explanations

given to us, the company has been generally regular in depositing with the appropriate authorities, undisputed statutory dues including provident fund, investor education and protection fund, income tax, sales-tax, wealth tax, service tax, custom duty, excise duty, cess and any other material statutory dues applicable to it. We are informed that the company has sought exemption from the provisions of the Employees State Insurance Act, 1948.

- (b) According to the information and explanations given to us, except for excise duty of Rs. 133,392, no undisputed amounts payable in respect of provident fund, investor education and protection fund, income tax, sales-tax, wealth tax, service tax, custom duty and cess were in arrears as at 31st March, 2008 for a period of more than six months from the date they became payable, except as stated below;
- (c) According to the information and explanations given to us, as at 31st March, 2008, details of dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess which had not been deposited on account of any dispute are given below :

Nature of dues	Amount (Rs. Lakhs)	Period to which the amount relates	Forum where dispute is pending
Excise duty	1.48	1997-98	Asst. Commissioner
	53.04	2005-06	Jt Commissioner
	19.01	2006-07	Jt. Commissioner
	65.89	2006-07	Commissioner
	58.23	2007-08	Commissioner
	1.72	2003-04	Commissioner
	2.76	2004-05	Commissioner
	2.34	2005-06	Commissioner
Service Tax	3.16	2000-01	Jt. Commissioner
	3.16	2001-02	Jt. Commissioner
	1.73	2002-03	Jt. Commissioner
	1.94	2003-04	Jt. Commissioner
	1.37	2004-05	Jt. Commissioner
Customs	1.26	1993-94	Commissioner
	0.44	1993-94	Dy. Commissioner
	0.60	1994-95	Appellate Tribunal
	0.07	1994-95	
	2.21	1994-95	
Sales Tax	26.83	2001-02	Jt Commissioner
	5.80	2002-03	Jt. Commissioner

- (ix) The company does not have accumulated losses as at 31st March, 2008 and has not incurred cash losses during the financial year covered by our audit or the immediately preceding financial year.
- (x) 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.
- (xi) To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, term loans availed by the company were prima facie applied by the company during the year for the purposes for which the loans were obtained other than temporary deployment pending application.
- (xii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, in our opinion, funds raised on short term basis have not been used for long term investment.
- (xiii) The company has not raised any money by public issue.
- (xiv) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or reported.

For S.B. Billimoria & Co.
Chartered Accountants

K. RAJASEKHAR
Partner

Jamshedpur
April 25th, 2008

Membership No. : 23341

TAYO ROLLS

Fortieth annual report 2007-08

Balance Sheet as at 31st March, 2008

	Schedule	Rs. Lakhs	Rs. Lakhs	As at 31.3.2007 Rs. Lakhs
SOURCE OF FUNDS				
1. SHAREHOLDERS' FUNDS				
(a) Share Capital	A	547.32		547.32
(b) Reserves and Surplus	B	<u>4,182.15</u>		<u>3,617.68</u>
			4,729.47	<u>4,165.00</u>
2. LOAN FUNDS				
(a) Secured Loans	C	2,025.16		2,309.34
(b) Unsecured Loans	D	<u>1,583.60</u>		<u>530.51</u>
			3,608.76	<u>2,839.85</u>
3. Deferred Tax Liability (Net)			191.12	<u>22.61</u>
			<u>8,529.35</u>	<u>7,027.46</u>
APPLICATION OF FUNDS				
4. Fixed Assets				
(a) Gross Block	E	13,077.48		10,362.06
(b) Less: Depreciation	E	<u>7,597.70</u>		<u>7,246.12</u>
(c) Net Block			5,479.78	<u>3,115.94</u>
5. INVESTMENTS	F		32.14	666.99
6. CURRENT ASSETS, LOANS AND ADVANCES				
(a) Inventories	G	4,805.86		3,837.41
(b) Sundry Debtors	H	3,571.40		4,434.73
(c) Cash & Bank Balances	I	<u>592.50</u>		<u>599.02</u>
		8,969.76		<u>8,871.16</u>
(d) Loans and Advances	J	<u>736.38</u>		<u>697.45</u>
		9,706.14		<u>9,568.61</u>
7. Less: Current Liabilities and Provisions				
(a) Current Liabilities	K	5,623.58		5,469.49
(b) Provisions	L	<u>1,352.23</u>		<u>1,107.75</u>
		6,975.81		<u>6,577.24</u>
8. Net Current Assets			2,730.33	<u>2,991.37</u>
9. Miscellaneous Expenditure (to the extent not written off or adjusted)	M		287.10	<u>253.16</u>
			<u>8,529.35</u>	<u>7,027.46</u>

Accounting Policies and Notes - pages 32 to 43

As per our report of even date attached

For and on behalf of the Board

For S. B. BILLIMORIA & CO.
Chartered Accountants

K. RAJASEKHAR
Partner

Jamshedpur, 25th April, 2008

G. VAIDYANATHAN
Secretary
Jamshedpur, 25th April, 2008

ANAND SEN
P. C. SRIVASTAVA

Chairman
Managing Director



Profit and Loss Account for the year ended 31st March, 2008

	Schedule	Rs. Lakhs	Rs. Lakhs	Previous year Rs. Lakhs
INCOME				
1. SALE OF PRODUCTS			24,083.44	21,339.29
Less : Excise Duty			3,030.01	2,587.63
			21,053.43	18,751.66
2. EXPORT BENEFITS (DEPB LICENCES)			108.69	91.80
			21,162.12	18,843.46
3. OTHER INCOME	1		486.64	723.72
			21,648.76	19,567.18
EXPENDITURE				
4. MANUFACTURING AND OTHER EXPENSES	2		19,682.55	17,257.26
5. INTEREST (NET)	3		408.27	297.27
6. DEPRECIATION			421.56	492.88
			20,512.38	18,047.41
PROFIT BEFORE TAXES AND EXCEPTIONAL ITEMS			1,136.38	1,519.77
7. ADD/(LESS) / EXCEPTIONAL ITEMS (NET)	4		(152.94)	12.73
PROFIT BEFORE TAX			983.44	1,532.50
8. PROVISION FOR TAXATION				
(a) Current		367.76		470.90
Less : reversal of provision of previous year		(97.82)		
(b) Deferred		52.22		(30.43)
(c) Fringe Benefit Tax			322.16	440.47
			26.21	29.48
PROFIT AFTER TAXES			635.07	1,062.55
9. BALANCE BROUGHT FORWARD FROM LAST YEAR			615.16	274.73
AMOUNT AVAILABLE FOR APPROPRIATION			1,250.23	1,337.28
10. APPROPRIATIONS :				
(a) PROPOSED DIVIDEND		218.91		232.59
(b) TAX ON DIVIDEND		37.21		39.53
(c) TRANSFER TO GENERAL RESERVE			256.12	272.12
			450.00	450.00
			706.12	722.12
BALANCE CARRIED TO BALANCE SHEET			544.11	615.16
Basic and Diluted Earnings Per Share			Rs. 11.60	Rs. 19.41

Accounting Policies and Notes - pages 32 to 43

As per our report of even date attached

For and on behalf of the Board

For S. B. BILLIMORIA & CO.
Chartered Accountants

K. RAJASEKHAR
Partner

G. VAIDYANATHAN
Secretary
Jamshedpur, 25th April, 2008

ANAND SEN
P. C. SRIVASTAVA

Chairman
Managing Director

Jamshedpur, 25th April, 2008

Cash Flow Statement for the year ended 31st March, 2008

	Year ended 31.03.2008 Rs. Lakhs	Year ended 31.03.2007 Rs. Lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	983.44	1,532.50
Adjustments for :		
i) Depreciation	421.56	492.88
ii) Loss of Obsolete Assets written off	2.13	—
iii) (Profit) / Loss on Exchange Fluctuation	(0.32)	(0.27)
iv) Write Back of Liability	(83.85)	(8.60)
v) (Profit)/Loss on sale or disposal of assets	—	1.95
vi) (Profit)/Loss on sale of Investment	—	(142.78)
vii) Diminution in value of Investment	—	—
viii) Dividend income	(39.74)	(44.60)
ix) Interest expense	408.27	297.27
x) Amortisation of Employees Separation Compensation and Retiral benefits to Ex-Directors	152.94	130.05
	860.99	725.90
Operating Profit before Working Capital changes	1,844.43	2,258.40
Adjustments for :		
i) Trade and other receivables	822.94	(579.33)
ii) Inventories	(968.45)	(590.98)
iii) Trade payable and other liabilities	217.81	1,223.52
	72.30	53.21
Cash Generated from Operations	1,916.73	2,311.61
Income Tax Paid	(355.93)	(445.06)
Cash Flow before exceptional Items	1,560.80	1,866.55
Payment under Employees Separation Scheme and payment of Retiral benefit to Ex-Directors	(222.52)	(149.62)
Net Cash from Operating Activities	1,338.28	1,716.93
B. CASH FLOW FROM INVESTING ACTIVITIES		
i) Purchase of Fixed Assets	(2,098.18)	(277.77)
ii) Sale of Fixed Assets	—	1.52
iii) Purchase of Investment	—	(335.73)
iv) Sale of Investment	634.85	—
v) Interest Received	25.53	—
vi) Dividend received	39.74	21.03
Net Cash used in Investing Activities	(1,398.06)	(590.95)
C. CASH FLOW FROM FINANCING ACTIVITIES		
i) Expenditure incurred in connection with proposed Issue of Shares on Right Basis	(41.24)	—
ii) Proceeds from Borrowings	10,150.27	4,211.94
iii) Repayment of Borrowings	(9,380.06)	(4,639.77)
iv) Interest paid	(446.05)	(283.06)
v) Dividend paid	(229.66)	(247.72)
Net Cash used in Financing Activities	53.26	(958.61)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(6.52)	167.37
CASH AND CASH EQUIVALENTS AS AT 1ST APRIL, 2007	599.02	431.65
*CASH AND CASH EQUIVALENTS AS AT 31ST MARCH, 2008	592.50	599.02

Note : 1. Figures in brackets represent outflows.

2. *Includes restricted balances Rs. 21.90 (31.03.2007 : Rs. 18.97 lakhs)

As per our report of even date attached

For S. B. BILLIMORIA & CO.
Chartered Accountants

K. RAJASEKHAR
Partner

Jamshedpur, 25th April, 2008

G. VAIDYANATHAN
Secretary

Jamshedpur, 25th April, 2008

For and on behalf of the Board

ANAND SEN
P. C. SRIVASTAVA

Chairman
Managing Director

Schedules forming part of the Profit and Loss Account

SCHEDULE 1 :

	Rs. Lakhs	Rs. Lakhs	Previous year Rs. Lakhs
OTHER INCOME			
1. Dividend Income			
(a) Long Term Trade Investments	17.03		21.03
(b) Current Investments	22.71		23.57
		39.74	44.60
2. Other Income			
(a) Commission	—		470.76
(b) Sale of Miscellaneous Goods	291.87		192.93
(e) Sundry Income	71.18		6.83
		363.05	670.52
3. Write back of liabilities no longer required		83.85	8.60
		486.64	723.72

SCHEDULE 2 :

	Rs. Lakhs	Rs. Lakhs	Previous year Rs. Lakhs
MANUFACTURING AND OTHER EXPENSES			
1. Raw materials consumed		10,410.07	9,156.75
2. Purchases of Semi-finished Products		2,580.76	1,867.31
3. Payments to and Provisions for employees			
(a) Wages, Salaries and Bonus	1,607.12		1,586.71
(b) Company's Contribution to Provident & other Funds	192.56		181.19
(c) Company's Contribution to Gratuity Fund	209.68		81.41
(d) Staff Welfare Expenses	398.26		344.98
		2,407.62	2,194.29
4. Operation and Other Expenses :			
(a) Consumption of Stores and Spare Parts	1,196.13		1,287.96
(b) Power and Fuel	2,064.48		1,906.25
(c) Repairs to Machinery	97.43		92.43
(d) Repairs to Buildings	10.32		10.65
(e) Rent	14.62		13.24
(f) Rates and Taxes	16.82		18.21
(g) Insurance Charges	9.92		16.14
(h) Freight and Handling Charges	173.34		171.39
(i) Roll Machining Charges	9.82		25.11
(j) Product Warranty Charges	198.47		284.66
(k) Other Expenses	792.72		860.63
		4,584.07	4,686.67
5. Excise Duty (gross)		81.73	117.84
(on account of increase/decrease of finished stock Rs. 102.71 lakhs: as on 31.03.2007 Rs. 68.46 lakhs)			
6. Deduct : Expenditure transferred to Capital and other Accounts		(122.24)	(83.44)
		19,942.01	17,939.42
7. (Accretion to)/Depletion of stock of finished and semi-finished products deducted/added		(259.46)	(682.16)
		19,682.55	17,257.26

Schedules forming part of the Profit and Loss Account**SCHEDULE 3 :**

	Rs. Lakhs	Rs. Lakhs	Previous year Rs. Lakhs
INTEREST			
a) Interest on Fixed Loans	44.90		73.91
b) Interest on Other Account	396.20		<u>239.51</u>
		441.10	<u>313.42</u>
Less : (i) Interest received on Bank Deposits and other Account (TDS for the year Rs. 0.03 lakhs, Previous Year Rs. 0.09 lakhs)	25.53		16.15
(ii) Interest Capitalised during the year	7.30	32.83	
		408.27	<u>297.27</u>
(Interest on other account includes Rs. 22.01 lakhs relating to previous year)			

SCHEDULE 4 :

	Rs. Lakhs	Rs. Lakhs	Previous year Rs. Lakhs
EXCEPTIONAL ITEMS			
INCOME			
Profit on sale of Long Term Investments		—	142.78
EXPENDITURE			
a) Amortisation of Employee Separation Compensation		(152.94)	<u>(130.05)</u>
Net Income / (Expenditure)		(152.94)	<u>12.73</u>

SCHEDULE 5 :

1. LICENSED AND INSTALLED CAPACITY AND PRODUCTION			
Class of Products	<u>Licensed capacity</u> Tonnes	<u>Installed capacity</u> Tonnes (Annual)	<u>Production</u> Tonnes
a) Rolls			
(i) Steel, Steel Base and Cast Iron Rolls	N.A.		9,379 (10,635)
(ii) Forged Rolls (Note ii)	N.A.		1,222 (973)
	N.A.	13,500 (13,500)	10,601 (11,608)
(iii) Roll Castings for sale (Note iii)			189 (285)
b) Pig Iron			
(i) Pig Iron (Note iv)	N.A.	40,000 (40,000)	30,736 (29,815)
c) Special Castings	N.A.		163 (697)
Notes :			
i) Installed capacity is as certified by the Managing Director and accepted by the Auditors.			
ii) Within the installed capacity of 13,500 Tonnes of finished rolls, the Company produces Forged Rolls which is machined from Forged Hardened Rough Turned Rolls.			
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.			
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

SCHEDULE 5 (Contd.) :

2. TURNOVER, CLOSING AND OPENING STOCKS OF GOODS PRODUCED

Class of Products	Turnover@		Closing Stocks		Opening Stocks	
	Tonnes	Rs. Lakhs	Tonnes	Rs. Lakhs	Tonnes	Rs. Lakhs
a) Rolls						
(i) Steel, Steel Base and Cast Iron Rolls	9,719 (10,466)	13,056.93 (12,525.25)	173 (543)	191.96** (525.67)	543 (398)	525.67 (313.45)
(ii) Forged Rolls	1,169 (956)	4,086.99 (2,599.42)	70 (17)	171.48 (38.32)	17 (—)	38.32 (—)
(iii) Roll Castings (for sale) (Note iii - Page 22)	189 (270)	143.21 (155.84)	— (—)	— (—)	— (29)	— (11.95)
b) Pig Iron						
(i) Pig Iron	28,600 (27,834)	6,132.51 (4,938.33)	901 (436)	167.10 (42.62)	436 (1,024)	42.62 (133.66)
(ii) Others - Pig Iron Skull etc.		433.06 (413.58)		232.12 (242.65)		242.65 (164.87)
c) Special Castings	163 (697)	230.74 (706.87)	— (—)	— (—)	— (—)	— (—)
Total		24,083.44 (21,339.29)		762.66 (849.26)		849.26 (623.93)

@ includes excise duty recovered from customers

** after adjustment for stocks written off and transfer to Semi-finished Stock

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

3. CONSUMPTION OF RAW MATERIALS

	2007-2008		2006-2007	
	Quantity Tonnes	Rs. Lakhs	Quantity Tonnes	Rs. Lakhs
Raw materials consumed				
(a) Scrap (net of own generated scrap)	7,067	1,196.68	7,366	1,149.02
(b) Ferro Moly	49	869.82	58	974.43
(c) Other Ferro Alloys	784	871.29	759	874.84
(d) Nickel	107	1,979.84	140	1,881.35
(e) Fluxes	520	94.61	653	95.41
(f) Coke	28,025	3,907.71	28,126	2,940.96
(g) Others		1,490.12		1,240.74
		10,410.07		9,156.75

Schedule forming part of the Profit and Loss Account

SCHEDULE 5 (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 amortisation of moulds Rs. 42.96 lakhs (2006-07 : Rs. 33.21 lakhs)

2007-2008		2006-2007	
%	Rs. Lakhs	%	Rs. Lakhs
2.2	228.94	33.06	3,018.81
97.8	10,181.13	66.94	6,137.94
	<u>10,410.07</u>		<u>9,156.75</u>
8.16	97.64	9.63	123.96
91.84	1,098.49	90.37	1,164.00
	<u>1,196.13</u>		<u>1,287.96</u>
Quantity Tonnes	Rs. Lakhs	Quantity Tonnes	Rs. Lakhs
1,259	2,580.76	1018	1,817.19
	<u>2,580.76</u>		<u>1,817.19</u>

5. PURCHASES OF SEMI-FINISHED ROLLS

Forged Hardened Rough Turned Rolls
Semi finished Cast Rolls

6. C.I.F. VALUE OF IMPORTS

(a) Raw Materials
(b) Components, stores & spare parts
(c) Semi-finished products
(d) Capital goods

7. EXPENDITURE IN FOREIGN CURRENCY

(a) Foreign Travel
(b) Interest
(c) Others

8. EARNINGS IN FOREIGN EXCHANGE

(a) F.O.B. Value of Exports
(including value of exports through export house/agents)
(b) Commission

9. REMITTANCE IN FOREIGN CURRENCIES FOR DIVIDENDS

(a) Number of non-resident shareholders
(b) Number of shares held by non-resident shareholders
(c) Amount of dividend remitted and year to which it relates :
For 2006-2007
For 2005-2006

2007-2008 Rs. Lakhs	2006-2007 Rs. Lakhs
227.17	1,173.58
121.81	223.68
2,330.87	1,605.20
—	16.49
22.87	32.65
2.75	26.34
28.48	1.20
2,836.85	3,067.53
—	470.76
<u>2,836.85</u>	<u>3,538.29</u>
2	2
660,000	660,000
26.40	—
—	26.40

Schedules forming part of the Balance Sheet

SCHEDULE A :

	Rs. Lakhs	As at 31.3.2007 Rs. Lakhs
SHARE CAPITAL		
Authorised :		
15,000,000 Equity Shares of Rs.10 each (As at 31.03.2007 : 10,000,000 of Rs. 10 each)	1,500.00	1,000.00
Issued, Subscribed and Paid-up :		
5,472,800 Equity Shares of Rs.10 each fully paid-up	547.28	547.28
Add : Forfeited Shares :		
Amount originally paid-up	0.04	0.04
	547.32	547.32

SCHEDULE B :

	Rs. Lakhs	Rs. Lakhs	As at 31.3.2007 Rs. Lakhs
RESERVES AND SURPLUS			
(a) Securities Premium Account :			
Balance as per last account		88.60	88.60
(b) General Reserve :			
Balance as per last account	2,913.92		2,834.55
Less : Adjustments relating to Opening Liability in respect of Employees Benefit in accordance with transitional provision of Accounting Standards 15 Revised (Net of deferred tax Rs. 188.03 lakhs)	—		370.63
Add : Adjustments relating to Opening Liability in respect of Employees Benefits (revised 2005) as per guidance note given by ICAI (Net of Deffered Tax Rs. 116.28 Lakhs)	225.83		—
Less : Adjustments relating to Opening Liability in respect of Employees Benefits (revised 2005) as per guidance note given by ICAI	-40.31		
Add : Transfer from Profit & Loss Account	450.00		450.00
		3,549.44	2,913.92
		3,638.04	3,002.52
(c) Profit & Loss Account		544.11	615.16
		4,182.15	3,617.68

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Schedules forming part of the Balance Sheet

SCHEDULE C :

SECURED LOANS	Rs. Lakhs	As at 31.3.2007 Rs. Lakhs
a) Term Loan		
i) IDBI Bank Ltd. - Loan Sanctioned in 2004-05	262.50	437.50
ii) IDBI Bank Ltd. - Loan Sanctioned in Current year for Forged Roll Projects	1,150.00	—
iii) State Bank of India	<u>—</u>	<u>200.00</u>
	<u>1,412.50</u>	<u>637.50</u>
b) Cash Credit Account		
i) Bank of India	112.66	1,071.84
c) Short Term Loan		
i) Bank of India	500.00	<u>600.00</u>
	<u>2,025.16</u>	<u>2,309.34</u>

Security :

- Term Loans from State Bank of India and IDBI Bank Ltd. are secured by a first charge on the fixed assets of the Company, ranking pari passu.
- Cash Credit account with Bank of India and IDBI Bank Ltd are secured by hypothecation of tangible movable assets of the company including finished and semi-finished stocks, raw materials, stores and book-debts ranking pari passu. In addition they are secured by way of second charge on the immovable properties of the Company, ranking pari passu.
- Instalment of Term Loan due for repayment within the next year : Rs. 175 lakhs (as at 31.03.2007 - Rs. 375 lakhs).

SCHEDULE D :

UNSECURED LOANS	Rs. Lakhs	Rs. Lakhs	As at 31.3.2007 Rs. Lakhs
a) Short Term Loan :			
i) IDBI Bank Ltd.	1,500.00		—
ii) IDBI Bank Ltd. (foreign currency loan)	<u>—</u>		<u>406.79</u>
		1,500.00	406.79
b) Fixed Deposits		83.60	<u>123.72</u>
		<u>1,583.60</u>	<u>530.51</u>
Amount repayable within the next one year Rs. 1517.49 lakhs (as at 31.3.2007 : Rs. 481.72 lakhs)			

Schedule forming part of the Balance Sheet

SCHEDULE E :

Fixed Assets	Gross Block (At Cost)				Depreciation			Net Block
	As at 31.3.2007	Additions	Deductions	As at 31.3.2008	Deductions	For the Year	Upto 31.3.2008	As at 31.3.2008
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
1. Leasehold Land (Note 4, Page 40)	5.25 (5.25)	— (—)	— (—)	5.25 (5.25)	— (—)	— (—)	— (—)	5.25 (5.25)
2. Buildings	465.11 (465.11)	— (—)	— (—)	465.11 (465.11)	— (—)	7.47 (7.47)	135.42 (127.95)	329.69 (337.16)
3. Plant & Machinery	9,048.37 (8,922.29)	111.45 (144.23)	60.68 (18.15)	9,099.14 (9,048.37)	0.56 (—)	405.10 (474.52)	6,847.57 (6,502.59)	2,251.57 (2,545.78)
4. Technical Know-how Fees	518.29 (518.29)	— (—)	— (—)	518.29 (518.29)	— (—)	— (2.30)	518.29 (518.29)	— (—)
5. Furniture, Fixtures & Office Equipment	92.97 (91.05)	2.52 (3.37)	5.75 (1.45)	89.74 (92.97)	1.57 (—)	3.49 (3.61)	64.44 (65.14)	25.30 (27.83)
6. Vehicles	62.01 (71.59)	7.55 (—)	5.66 (9.58)	63.90 (62.01)	— (—)	5.49 (4.98)	31.97 (32.15)	31.93 (29.86)
7. Intangible	— (—)	5.34 (—)	— (—)	5.34 (—)	— (—)	0.01 (—)	0.01 (—)	5.33 (—)
	10,192.00 (10,073.58)	126.86 (147.60)	72.09 (29.18)	10,246.77 (10,192.00)	2.13 (—)	421.56 (492.88)	7,597.70 (7,246.12)	2,649.07 (2,945.88)
8. Buildings, Plant & Machinery etc. under erection (including advances for capital expenditure Rs. 955.34 lakhs : as at 31.3.2007 Rs. 45.06 lakhs)				2,830.71 (170.06)				2,830.71 (170.06)
				13,077.48 (10,362.06)				5,479.78 (3,115.94)

Note : Figures in brackets are for the previous year.

Schedule forming part of the Balance Sheet**SCHEDULE F :**

	Rs. Lakhs	As at 31.3.2007 Rs. Lakhs
INVESTMENTS		
Long Term Investments (at cost less provision for diminution in value)		
(a) Trade Investments (Quoted) :		
(i) 32,326 Equity Shares of Rs. 10 each in Tata Construction & Projects Ltd., fully paid-up (net of provision : Rs. 3.88 lakhs)	—	—
(ii) 88,065 Equity Shares of Rs 10 each in The Indian Steel Rolling Mills Ltd., fully paid-up (net of provision, Rs. 6.64 lakhs)	—	—
(iii) 500 Equity Shares of Rs. 10 each in HDFC Bank Ltd., fully paid up	0.05	0.05
(iv) 3,000 10% Secured Non Convertible Debentures of Rs 100 each in Tata Construction & Projects Ltd., fully paid-up (net of provision, Rs 3.00 lakhs)	—	—
	<u>0.05</u>	<u>0.05</u>
(b) Trade Investments (Unquoted) :		
(i) 2,000 Equity Shares of Rs 1000 each in Tata International Ltd., fully paid-up	12.00	12.00
(ii) 200,000 Equity Shares of Rs 10 each of Jamshedpur Injection Powder Limited, fully paid-up	20.00	20.00
(iii) 5,000 Equity Shares of Rs 10 each of Adityapur Toll Bridge Co. Ltd., fully paid up (Net of provision, Rs : 0.50 lakhs)	—	—
(iv) 30,000 Equity Shares of Rs 10 each in Nicco Jubilee Park Ltd, fully paid up (net of provision Rs : 3.00 lakhs)	—	—
	<u>32.00</u>	<u>32.00</u>
(c) Other Investments (Unquoted):		
Government Securities (lodged as Security deposits with parties)	0.09	0.09
Total Long Term Investment	<u>32.14</u>	<u>32.14</u>

Schedules forming part of the Balance Sheet

SCHEDULE F :

INVESTMENTS (Contd.)	Rs. Lakhs	As at 31.3.2007 Rs. Lakhs
Others		
Current Investments (at lower of cost and fair value)		
Units of Mutual Funds		
(i) HDFC Cash Management Fund Savings Plan - Face Value Rs. 10 each	—	127.86
(ii) Reliance Floating Rate Fund DDP - Face Value of Rs. 10 each	—	148.65
(iii) Kotak Flexi Debt Scheme - Face Value of Rs. 10 each	—	358.34
Total Current Investments	<u>—</u>	<u>634.85*</u>
(* 31.03.2007 : 6251104.44 units)		
Aggregate amount of Quoted Investments	0.05	0.05
Aggregate amount of Unquoted Investments	32.09	666.94
	32.14	666.99
Market value of Quoted Investments Rs. 7.04 lakhs (31.3.2007 : Rs. 4.51 lakhs)		
Note :		
During the year Company purchased and sold the following current investments		
	Units	Rs.
(i) HDFC CMS-SP-DDR	27,043.12	287,641.35
(ii) Reliance Floating Fund	51,903.85	527,824.79
(iii) Kotak Flexi Debt Scheme	145,074.62	1,455,258.07
	<u>224,021.59</u>	<u>2,270,724.21</u>

SCHEDULE G :

INVENTORIES	Rs. Lakhs	As at 31.3.2007 Rs. Lakhs
(a) Finished Stocks (at lower of cost and realisable value)	765.70	888.48
(b) Semi-finished Stocks (at lower of cost and realisable value)	1,911.30	1,563.31
(c) Excise Duty on Finished Stocks (Refer Note on item (a) Schedule K)	102.71	68.46
(d) Raw Materials (at Cost)	1,122.14	579.66
(e) Stores & Spare Parts (at Cost)	904.01	737.50
	4,805.86	3,837.41
Note : Stores and spare parts includes the unamortised value of purchased moulds issued to production, Rs. 460.70 lakhs as at 31.3.2007 : Rs 383.80 lakhs)		

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Schedules forming part of the Balance Sheet

SCHEDULE H :

	Rs. Lakhs	As at 31.3.2007 Rs. Lakhs
SUNDRY DEBTORS		
(unsecured considered good)		
(a) Over six months old	429.46	328.17
(b) Others	<u>3,141.94</u>	<u>4,106.56</u>
	<u>3,571.40</u>	<u>4,434.73</u>

SCHEDULE I :

	Rs. Lakhs	As at 31.3.2007 Rs. Lakhs
CASH AND BANK BALANCES		
(a) Cash including Cheques on hand (Rs.176.05 lakhs) (as at 31.03 2007 Rs.324.88 lakhs)	176.74	325.97
(b) With Scheduled Banks		
On Current Account	413.06	270.48
On Deposit Account	<u>2.70</u>	<u>2.57</u>
	<u>592.50</u>	<u>599.02</u>

SCHEDULE J :

	Rs. Lakhs	As at 31.3.2007 Rs. Lakhs
LOANS AND ADVANCES		
(a) Advances recoverable in cash or kind or for value to be received	384.08	343.80
(b) Deposits with Public Bodies and others	215.81	213.36
(c) Advance tax against taxes - Income Tax (Net of provision Rs 704.27 lakhs, as at 31.03.2007 : Rs. 908.27 lakhs)	136.32	140.29
(d) Advance tax against taxes - Fringe Benefit Tax (Net of provision Rs. 33.15 lakhs, as at 31.03.2007 : Rs. nil)	0.17	
	<u>736.38</u>	<u>697.45</u>
Secured, considered good	4.20	4.37
Unsecured considered good	<u>732.18</u>	<u>693.08</u>

Schedules forming part of the Balance Sheet

SCHEDULE K :

	Rs. Lakhs	As at 31.3.2007 Rs. Lakhs
CURRENT LIABILITIES		
(a) Sundry Creditors :		
i) For dues to units registered under (MSMED Act 2006)	1.32	—
ii) For dues to others (including on capital account Rs 740.30 lakhs; as at 31.03.2007: Rs 50.95 lakhs)	4,583.59	4,068.44
(b) Employees Separation Compensation	328.50	364.14
(c) Advance Payments	347.69	104.06
(d) Leave Salaries	—	622.65
(e) Interest accrued but not due on loans	2.83	15.09
(f) Other Liabilities	334.73	274.42
(g) Liability towards Investors Education and Protection Fund under section 205C of the Companies Act, 1956 not due		
i) Unpaid Dividend	0.17	0.17
ii) Unclaimed Dividend	21.73	18.80
iii) Unclaimed matured Fixed Deposits	3.02	—
iv) Unclaimed interest on Fixed Deposits	—	1.72
	<u>5,623.58</u>	<u>5,469.49</u>
Note :		
Sundry Creditors (item a(ii) above) include Excise Duty on Finished Stocks Rs. 102.71 lakhs (as at 31.03.2007 : Rs. 68.46 lakhs)		

SCHEDULE L :

	Rs. Lakhs	As at 31.3.2007 Rs. Lakhs
PROVISIONS		
i) Employee Benefits		
(a) Post Retirement Medical Benefits	271.82	278.55
(b) Long Term Leave Liabilities	342.51	60.52
(c) Pension to Retiral Directors	150.19	153.75
(d) Post Retiral Medical Benefits to Ex Directors	10.38	492.82
ii) Warranty	198.80	196.35
iii) Taxation (net of Advance Tax Rs. 500.38 lakhs : as at 31.03.2007: Rs. 475.52 lakhs)	155.36	184.12
iv) Fringe Benefit Tax (net of Advance Tax Rs. 51.43 lakhs : as at 31.03.2007: Rs. 31.56 lakhs)	4.26	1.87
v) Proposed Dividend	218.91	232.59
	<u>1,352.23</u>	<u>1,107.75</u>

SCHEDULE M :

	Rs. Lakhs	As at 31.3.2007 Rs. Lakhs
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)		
i) Compensation under Employees Separation Schemes	245.86	253.16
ii) Expenses on proposed Rights issue of shares	41.24	—
	<u>287.10</u>	<u>253.16</u>

Accounting Policies and Notes on the Financial Statements

A. SIGNIFICANT ACCOUNTING POLICIES

- 1) The financial statements are prepared under the historical cost convention on an accrual basis of accounting in accordance with the generally accepted accounting principles and the Accounting Standards specified in Section 211 (3C) of the Companies Act, 1956.
- 2) **Sale of Products and Services**
 - i) Sales comprises sale of goods and services, net of trade discounts and include exchange differences arising on sales transactions.
 - ii) Export incentive under the Duty Entitlement Pass Book (DEPB) Scheme is recognised at the time of shipment.
- 3) **Warranty for Performance of Rolls**

Estimated liability in respect of Warranty for performance of rolls is provided for based on past experience and historical data.
- 4) **Employees Benefits**
 - a) **Gratuity**

Provision for gratuity liability to employees is made on the basis of actuarial valuation.
 - b) **Leave Salaries**

Provision for Leave Encashment benefits to employees on their retirement is made on the basis of actuarial valuation.
- 5) **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.
- 6) **Fixed Assets**

All fixed assets are stated at cost less depreciation. Pre-operation expenses including trial run expenses (net of revenue) are capitalized. Interest on borrowings and financing costs during the period of construction is added to the cost of fixed assets. 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.
- 7) **Depreciation**

Depreciation is provided on straight line method at the rates specified in Schedule XIV to the Companies Act, 1956 in respect of assets installed after 31.3.1987. In respect of assets installed up to 31.3.1987, depreciation is provided at the rates in force from time to time.

Freehold land and leasehold land are not depreciated.

Software is amortized over a period of 60 months or on the basis of estimated useful life whichever is lower.
- 8) **Foreign Exchange Transactions**
 - i) Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year end rates.
 - ii) The difference in translation of monetary assets and liabilities and realized gains and losses on foreign exchange transactions are recognized in the Profit and Loss Account. In respect of transactions covered by forward exchange contracts, the difference between the contract rate and the spot rate on the date of the transaction is charged to the Profit and Loss Account over the period of contract.

Prior to 1st April, 2007 Exchange differences (including arising out of forward exchange contracts) in respect of liabilities incurred to acquire fixed assets were adjusted to the carrying amount of such fixed assets.
- 9) **Investment**

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

10) **Inventories**

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

11) **Deferred Tax**

Deferred Tax is accounted for by computing the tax effect of timing difference which arise during the year and reversed in subsequent periods.

12) **Disclosure as required under Accounting Standard AS 15 (Revised)**

Consequent to the early adoption by the company of Accounting Standard 15 (Revised) "Employee Benefits" issued by the ICAI all employee benefits have been determined in accordance with the Standard. In accordance with the transitional provisions the Leave liability as at 1st April 2007 has been recomputed and the difference with the liability existing as on 31st March 2007 has been adjusted to the General Reserve. Impact of such change in the various employee benefits adjusted to General Reserve as at 1st April 2007 (Net of Deferred Tax) is as follows :

	<u>Rs. lakhs</u>
i) Leave (Privilege Leave, Sick Leave, Additional Privilege Leave)	225.28

(A) **Defined Benefit Plans**

1. **Gratuity** - The gratuity liability is determined on the basis of actuarial valuation and it is funded with Gratuity fund managed under a self-managed Trust Fund. The difference between the actuarial valuation and the present value of funded assets at the end of the accounting period is carried in the balance sheet as long term liability.

Table 1

Total expense recognized in the Statement of Profit & Loss for the period ended as on 31st March, 2008

	Rs. Lakhs	
A. Components of Employees Expenses	31.03.2008	31.03.2007
1. Current Service cost	30.44	32.09
2. Interest cost	60.68	64.61
3. Expected return on plan assets	(64.84)	(111.01)
4. Curtailment cost/(credit)	—	—
5. Settlement cost/(credit)	—	—
6. Amortization of Past Service Cost	—	—
7. Actuarial Losses/(Gains)	183.39	95.86
8. Actual Contribution	—	(0.14)
9. Total expense recognized in the Statement of Profit & Loss	209.67	81.41

Table 2

Net Asset/Liability) recognised in the Balance Sheet as at 31st March, 2008

	Rs. Lakhs	
A. Funded status	31.03.2008	31.03.2007
1. Present value of Defined Benefit Obligation	836.72	830.20
2. Fair value of plan assets	742.70	864.44
3. Funded status (Surplus/Deficit)	(94.02)	34.24
4. Effect of balance sheet asset limit	—	—
5. Unrecognized Past Service Costs	—	—
6. Net Asset/(Liability) recognized in balance sheet	(94.02)	34.24

Table 3**Change in Obligation and Assets over the year ended 31st March, 2008**

Rs. Lakhs

A. Change in Defined Benefit Obligations	31.03.2008	31.03.2007
1. Present Value of DBO at beginning of period	830.20	849.95
2. Current Service cost	30.44	32.09
3. Interest cost	60.68	64.61
4. Curtailment cost/ (credit)	—	—
5. Settlement cost/(credit)	—	—
6. Plan amendments	—	—
7. Acquisitions	—	—
8. Actuarial (gains)/ losses	104.74	41.71
9. Benefits paid	(189.34)	(158.16)
10. Present Value of DBO at the end of period	836.72	830.20
B. Change in Assets	31.03.2008	31.03.2007
1. Fair Value of Plan Assets at the beginning of period	864.44	965.60
2. Acquisition Adjctment	—	—
3. Expected Return on Plan Assets	64.84	111.01
4. Actual Company Contribution	81.41	0.14
5. Actuarial gain /(Loss)	(78.65)	(54.15)
6. Benefits paid	(189.34)	(158.16)
7. Plan assets at the end of period	742.70	864.44

Table 4**Reconciliation of Net Asset / Liability recognised in Balance Sheet for the year ended 31st March, 2008**

Rs. Lakhs

	31.03.2008	31.03.2007
1. Net Asset / (Liability) at beginning of Period	34.24	115.65
2. Employer Expenses	209.67	81.41
3. Employer Contribution	81.41	—
4. Acquisition / Business Combinations	—	—
5. Net Asset / (Liability) at end of Period	94.02	34.24

Accounting Policy for recognizing actuarial gains and losses

Immediate recognition in the Statement of Profit and Loss

Description of the Scheme

This is a Defined Benefit scheme providing a lump sum benefit, subject to a vesting period of 5 years in case of early leaving, based on final salary and years of service. The scheme is managed under a self-managed Trust Fund.

Actuarial method

Projected Unit Credit

Actuarial Assumptions

	As at	
	31st March 2008	31st March 2007
Rate of Discount	8.00% p.a.	8.25% p.a.
Expected rate of return on assets	8.25% p.a.	8.00% p.a.
Rate of Escalation in salary	3.00% p.a.	2.50% p.a.
Mortality	LIC (1994-96) ultimate	LIC (1994-96) ultimate

Notes :

- (i) All the assumptions above have been set following discussion with the company in this regard.
- (ii) The assumption of future salary increases (which has been set in consultation with the Company), takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Principal Plan Provision

The Company follows PG Act (1972) as ammended to date.

Plan Service Definition - Number of year of services rounded to the nearest integer.

Salary Definition - Last drawn Basic Salary plus Dearness Allowance (Excluding all other allowance and Perquisites)

Benefit--Half months salary upto period of 30 years service. For each year of service over and above 30 years an additional benefit of half month's salary for each year of service above 30 years will be payable.

Normal retirement Age - 60 years

Form of Payment - Lump Sum

Benefit Payment Upon (i) Resignation/ Withdrawal- Benefit (as explained above; 5 years vesting schedule apply)

Resignation/ Withdrawal - Benefit (as explained above; 5 years vesting schedule apply)

Death/Disability - Benefit (as explained above; vesting schedule does not apply)

2. Post retirement pension to Ex directors and medical benefits to ex Director & Employees

- The Liability is determined on the basis of actuarial valuation and the liability is not funded.

Table 1

Net Asset/(Liability) recognised in the Balance Sheet

	31.03.2008	31.03.2007
1. Present value of Defined Benefit Obligation	432.37	432.30
2. Fair value of plan assets	—	—
3. Funded status (Surplus/Deficit)	(432.37)	(432.30)
4. Effect of balance sheet asset limit	—	—
5. Unrecognized Past Service Costs	—	—
6. Net Asset/(Liability) recognized in balance sheet	(432.37)	(432.30)

Accounting Policy for recognizing actuarial gains and losses

Immediate recognition in the Statement of Profit and Loss

Actuarial Method

Project Unit Credit

Description of the Scheme : Ex-Director Pension Scheme

This is a Defined Benefit scheme providing an annuity type of benefit through out the lifetime of retired Director. The Scheme is unfunded and liability is provided in the books of accounts.

	As at	
	31.03.2008	31.03.2007
Discount Rate	8.00% p.a.	8.25% p.a.
Expected rate of return on assets	N.A.	N.A.
Inflation	—	—
Mortality	LIC (1994-96) ultimate	LIC (1994-96)ultimate

Notes :

- (i) All the assumption above have been set following discussion with the company in this regard.
- (ii) The assumption of future salary increases (which has been set in consultation with the Company), takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Principal Plan Provision

Pension Plan amount is determined at the time of Retirement as per the pension formula of company. After death of the member spouse will receive 50% of the original member pension. Pension is paid from the revenue of the company.

Description of the Scheme : Ex-Director PRMB Scheme

This is a Defined Benefit scheme providing medical benefit through out the lifetime of retired Director. The Scheme is unfunded and liability is provided in the books of accounts.

	As at	
	31.03.2008	31.03.2007
Discount Rate	8.00% p.a.	8.25% p.a.
Expected rate of return on assets	N.A.	N.A.
Medical Inflation	4.00%	4.00%
Mortality	LIC (1994-96) ultimate	LIC (1994-96) ultimate

Notes :

- (i) All the assumption above have been set following discussion with the company in this regard.
- (ii) The assumption of future salary increases (which has been set in consultation with the Company), takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Principal Plan Provision

Retired members and spouses are entitled to reimbursement of medical expenses up to Rs. 30 lakhs within a period of three years. Benefit is paid out of company's revenue. Assumption is made that Rs. 1 lakhs payable once in 7 year on account of hospitalisation benefit. Also domiciliary has been taken as Rs. 10,000 per couple per year. Along with this we have assumed that total Medical benefit per year has been taken as Rs. 25,000.

Description of the Scheme : PRMB Scheme

This is a Defined Benefit scheme providing medical benefit through out the lifetime of Ex-Employee. The Scheme is unfunded and liability is provided in the books of accounts.

Actuarial Assumptions

	As at	
	31.03.2008	31.03.2007
Discount Rate	8.00% p.a.	8.25% p.a.
Expected rate of return on assets	N.A.	N.A.
Salary Escalation	3.00%	2.50%
Mortality	LIC (1994-96)ultimate	LIC (1994-96)ultimate

Notes :

- (i) All the assumption above have been set following discussion with the company in this regard.
- (ii) The assumption of future salary increases (which has been set in consultation with the Company), takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Principal Plan Provision

The salient features of the scheme are summarized below;

Normal retirement Age - 60 years

Medical Benefit - Free hospital treatment or reimbursement of medical expenses at hospital maintained by Tata Steel.

Benefit on Retirement - Medical care benefit for member and spouse.

Benefit on death or disability - Same as normal retirement age benefit.

3. Furlough Leave Encashment Scheme - The Liability is determined on the basis of actuarial valuation and the liability is not funded.

Table 1

Net Asset/(Liability) recognised in the Balance Sheet

	31.03.2008	31.03.2007
1. Present value of Defined Benefit Obligation	46.75	60.52
2. Fair value of plan assets	—	—
3. Funded status (Surplus/Deficit)	(46.75)	(60.52)
4. Effect of balance sheet asset limit	—	—
5. Unrecognized Past Service Costs	—	—
6. Net Asset/(Liability) recognized in balance sheet	(46.75)	(60.52)

The Scheme is unfunded and liability is provided in the books of accounts.

Accounting Policy for recognizing actuarial gains and losses :

Immediate recognition in the Statement of Profit and Loss

Actuarial method :

Projected Unit Credit

Actuarial Assumptions

	As at	
	31.03.2008	31.03.2007
Discount Rate	8.00% p.a.	8.25% p.a.
Expected rate of return on assets	N.A.	N.A.
Rate of Escalation in salary	3.00% p.a.	2.50% p.a.
Mortality	LIC (1994-96)ultimate	LIC (1994-96)ultimate

The actuarial gains or losses that arise on revaluation of the defined benefit plans at a subsequent date are recognised immediately.

Notes : Furlough Leave Encashment Scheme

- (i) All the assumption above have been set following discussion with the company in this regard.
- (ii) The assumption of future salary increases (which has been set in consultation with the Company), takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Principal Plan Provision

The main outline of the domestic scheme is as follows :

Leave Encashment Benefit - Cash equivalent of unutilised leave balance at the time of exist and leave encashed during the time of service within 7 years block.

Salary Definition - Basic Salary + Dearness Allowance.

Normal Retirement Age - 60 years

Annual Leave Entitlement - **Officer** (Benefit stop accruing and standing balance is treated as future benefit)

Annual Leave Entitlement - Non **Officer** (90 days leave credit on completion of seven year block during entire service period)

Leave encashment is available for current 7 years block. Leave days credited in next block can be encashed during next 7 years block period.

4. Leave Encashment Scheme - The Liability is determined on the basis of actuarial valuation and the liability is not funded

Table 1

Net Asset/(Liability) recognised in the Balance Sheet

	31.03.2008	31.03.2007
1. Present value of Defined Benefit Obligation	295.76	281.36
2. Fair value of plan assets	—	—
3. Funded status (Surplus/Deficit)	(295.76)	(281.36)
4. Effect of balance sheet asset limit	—	—
5. Unrecognized Past Service Costs	—	—
6. Net Asset/(Liability) recognized in balance sheet	(295.76)	(281.36)

The Scheme is unfunded and liability is provided in the books of accounts.

Accounting Policy for recognizing actuarial gains and losses :

Immediate recognition in the Statement of Profit and Loss

Actuarial method :

Projected Unit Credit

Actuarial Assumptions

	As at	
	31.03.2008	31.03.2007
Discount Rate	8.00% p.a.	8.25% p.a.
Expected rate of return on assets	N.A.	N.A.
Rate of Escalation in salary	3.00% p.a.	2.50% p.a.
Mortality	LIC (1994-96)ultimate	LIC (1994-96)ultimate

The actuarial gains or losses that arise on revaluation of the defined benefit plans at a subsequent date are recognised immediately.

Notes : Leave Encashment Scheme

- (i) All the assumption above have been set following discussion with the company in this regard.
- (ii) The assumption of future salary increases (which has been set in consultation with the Company), takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Principal Plan Provision

The main outline of the domestic scheme is as follows

Leave Encashment Benefit - Cash equivalent of unutilised balance at the time of exit and leave encashed during the time of service

Salary Definition - Basic Salary + Dearness allowance

Normal Retirement Age - 60 years

Maximum Allowable Leave Accumulation : **PL** officer/ Supervisor-300 days

PL : Worker-180 days

SL : officer/supervisor/worker-180 days

APL : Workers-30 days

Annual Leave Entitlement

PL : Officer/supervisor-30 days

PL : Worker-15 days

SL : Officer/Supervisor/Worker-30 days

APL : Worker-10 days

Leave Encashment Formula : (Number of days of leave balance x Salary at exit)/30

12. 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 31st March, 2008.

No. of Contracts	US Dollar Equivalent (US\$ Lakhs)	(Rs. Lakhs)
1. Amount receivable from HDFC Bank (on Forward Contract)	20.80 (9.23)	832.33 (418.60)

- (a) The 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 :

	Amt in Foreign Currency			Amt in INR
	Euro (Lakhs)	GBP (Lakhs)	USD (Lakhs)	(Rs Lakhs)
Amount receivable from Export of goods	1.33 (2.09)	4.08 (—)	11.32 (6.64)	859.22 (411.62)
Amount payable for import of goods	— (—)	— (—)	6.71 (4.03)	268.37 (179.42)

Figures in brackets are for the year ended as on 31.03.2007

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.

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

	As at 31.03.2008 Rs. lakhs	As at 31.03.2007 Rs. lakhs
1. Contingent liabilities in respect of -		
a) Income Tax Appeals :		
i) by the Company :	126.61	—
ii) by the Department :	114.74	65.75
b) Others Matters	99.58	98.43
c) Bills discounted with Bankers	882.92	761.76
2. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 6646.84 lakhs (as at 31.3.2007 : Rs. 17.23 lakhs) against which advances paid Rs : 1172.42 lakhs (as at 31.3.2007 : Rs. nil).		
3. Guarantees given by Bank -		
i) under EPCG Scheme for concessional duty on import of machinery furnished to the Customs authorities	— Rs. 177 lakhs (as at 31.3.2007 : Rs. 177 lakhs)	
ii) on other account	— Rs. 268.70 lakhs (as at 31.3.2007 : Rs. 326.36 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 175,000 (as at 31.3.2007 : 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. The Wage Agreement between the Company and the Tayo Workers Union expired on 31/12/2006 and fresh Agreements are under negotiation. Pending finalisation of these negotiations, provision on an estimated basis has been made and included in wages and salaries under Item 3(a) of Schedule 2, and no separate allocation has been made towards the Company's contribution to Provident and other Funds included therein. Any adjustment necessary, consequent on final determination of the liability pertaining to the period ended 31st March,2008 will be made in the year in which such negotiations are concluded.		
6. 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 :		

	2007-08 Rs. in lakhs	2006-07 Rs. in lakhs
1. Provision as on 1st April, 2007	196.35	145.69
2. Provision made during the year	198.45	284.66
3. Deduct : Claims settled during the year	(196.01)	(234.00)
4. Provision as on 31st March, 2008	198.79	196.35

7. Sundry Creditors includes dues in respect of Micro, Small and Medium Enterprises Development Act, 2006.	
	(Rs. lakhs)
a) Principal Amount	1.32
b) Interest due and Payable *	—
c) Interest Accrued and Due	—
d) Interest paid under the Act during the year	—

* Interest is reckoned as due from the date of receipt by the Company of intimation of registration from the supplier under the Act.

8. Consumption of Stores & Spare Parts (Item 4(a) of Schedule 2) is exclusive of Rs. 143.27 lakhs (2006-07 : Rs. 189.29 lakhs) for repairs and maintenance.
9. Revenue expenditure on Research & Development : Rs. 12.82 lakhs (2006-2007 : Rs. 14.58 lakhs).
10. Other expenses (Item 4(k) of Schedule 2) include –

	<u>Rs. Lakhs</u>	Previous Year <u>Rs. Lakhs</u>
a) Auditors' Remuneration *		
i) For Audit Fees	6.91	3.93
ii) For Tax Audit	1.12	1.12
iii) For Company Law matters	0.12	0.11
iv) For other services	11.94	3.19
v) Travelling and out of pocket expenses	0.02	0.20
* inclusive of service tax, where applicable		
b) Sitting fees to Directors	3.40	3.28
c) Donations	0.73	0.25
d) Loss on sale of fixed assets	—	1.95
	31.3.08	31.3.07
11. Deferred Tax Adjustments	<u>Rs. Lakhs</u>	<u>Rs. Lakhs</u>
Deferred Tax Liability (Net) consists of		
a) Book/Tax depreciation difference	(265.97)	(299.05)
b) Provision for LTC & others	4.18	15.22
c) Employee Benefits*	94.66	175.59
d) Amortisation of Deferred Expenditure	(23.99)	85.63
	<u>(191.12)</u>	<u>(22.61)</u>

*On account of early application of Accounting Standards 15 (Revised) the Company has made an adjustment of Rs. 188.03 lakhs relating to opening liability in respect of Employee benefits in accordance with the provisions of the standard.

Adjustment of Rs. 116.28 Lakhs has been made in opening liability as on 1/4/2007 in respect of Employee Benefit (Revised 2005) as per the guidance note issued by ICAI.

	<u>2007-08</u> <u>Rs. Lakhs</u>	2006-07 <u>Rs. Lakhs</u>
12. Earnings Per Share (EPS)		
Profit After Tax	635.07	1,062.55
No. of Equity Shares	5,472,800	5,472,800
Nominal value of Shares	Rs. 10	Rs. 10
Basic and diluted EPS	Rs. 11.60	Rs. 19.41
		Previous Year
13. Managerial Remuneration	<u>Rs. Lakhs</u>	<u>Rs. Lakhs</u>
(a) Managerial Remuneration for Managing Director,		
(i) Salary (including Company's contribution to Provident Fund and Superannuation Fund)	22.09	16.35
(ii) Perquisites & benefits	2.14	1.81
(iv) Commission	18.90	17.00
	<u>43.13</u>	<u>35.16</u>

Note : The above figure do not include certain retirement benefits for the Managing Director as separate figures are not available.

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	<u>Rs. Lakhs</u>	<u>Previous Year Rs. Lakhs</u>
(b) Computation of net profit in accordance with Section 309(5) of the Companies Act, 1956		
Profit before taxes as per Profit & Loss Account	983.44	1,532.50
Add/(Deduct) : a) Managerial Remuneration	43.13	35.16
b) Directors' Sitting Fees	3.40	3.28
c) Commission to Non whole-time Directors	5.00	10.00
d) (Profit)/Loss on sale of investments	—	(142.78)
e) Provision for diminution in value of investments	—	—
f) Loss on sale of assets	—	1.95
	<u>1,034.97</u>	<u>1,440.11</u>
Commission		
a) Commission to Managing Director	18.90	17.00
b) Commission to Non whole-time Directors (1% of the net profit : Rs. 10.34 lakhs) restricted to	5.00	10.00
	<u>23.90</u>	<u>27.00</u>

14. Related Party Disclosures

PARTY & RELATION	TRANSACTIONS	AMOUNT	
		<u>2007-08 Rs. Lakhs</u>	<u>2006-07 Rs. Lakhs</u>
1. Tata Steel Ltd. (Promoter holding more than 20% of equity capital)	Sale of goods	4,133.73	3,932.99
	Purchase of goods	2,674.93	1,701.82
	Services received	270.43	259.40
	Dividend paid	84.97	79.97
	Dues to party on 31.03.08	262.76	206.93
	Dues from party on 31.03.08	388.30	593.13
	2. Key Managerial Personnel Mr. P. C. Srivastava Managing Director	Remuneration	43.13

15. Segment Report

- i) The Company has disclosed Business Segment i.e. Roll operations and Pig Iron operations being reportable segments as per AS-17.
- ii) 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 segment, as shown as unallocated cost. Assets and liabilities that cannot be allocated between the segments are shown as unallocated assets and liabilities respectively.

Segment Information for the year ended 31st March, 2008

Rs. Lakhs

	Business Segment			Unallocable Cost	Total
	Roll	Pig Iron	Other Operations		
REVENUE					
External Sales (Net of excise duty)	15,472 (14138)	6,447 (5372)	456 (762)		22,375 (20,272)
Inter Segment Revenue		-726 (-705)			-726 (-705)
Total Revenue	15,472 (14138)	5,721 (4667)	456 (762)		21,649 (19,567)
RESULTS					
Segment result	1,041 (1368)	374 (527)	89 (-123)		1,504 (1772)
Profit from operation	1,041 (1368)	374 (527)	89 (-123)		1,504 (1772)
Income from Investment					40 (45)
Interest Expenses (Net)				-408 (-297)	-408 (-297)
Profit Before Tax & Extra-ordinary/Exceptional item					1,136 (1520)
Amortisation of Employee Separation Compensation				-153 (-130)	-153 (-130)
Profit on sale of Long Term Investment				— (142)	— (142)
Profit before Tax				983 (1533)	983 (1533)
Tax				-348 (-470)	-348 (-470)
Profit after Tax				635 (1,063)	635 (1,063)
OTHER INFORMATION					
Segment Assets	9,040 (9618)	2,120 (1751)	249 (395)	4,096 (1841)	15,505 (13605)
Total Assets	9,040 (9618)	2,120 (1751)	249 (395)	4,096 (1841)	15,505 (13605)
Segment Liabilities	4,353 (4930)	1,285 (499)	23 (33)	1,314 (1115)	6,975 (6577)
Total Liabilities	4,353 (4930)	1,285 (499)	23 (33)	1,314 (1115)	6,975 (6577)
Capital Expenditure	183 (256)	11 (61)	— (1)	2,765	2,959 (318)
Depreciation	315 (387)	84 (82)	2 (6)	21 (18)	422 (493)

Figures in brackets are for the year ended 31.3.2007.

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

Signature to Schedules 1 to 5 and A to M,
Accounting Policies and Notes on Pages 32 to 43.

For and on behalf of the Board

ANAND SEN

Chairman

P. C. SRIVASTAVA

Managing Director

G. VAIDYANATHAN
Secretary
Jamshedpur, 25th April, 2008

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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		31.03.2008	
4. Capital raised during the year (Amount in Rs. lakhs)		Nil	
5. Position of Mobilisation and Deployment of Funds (Amount in Rs. lakhs)			
TOTAL LIABILITIES	8,529.35	TOTAL ASSETS	8,529.35
SOURCES OF FUNDS		APPLICATION OF FUNDS	
Paid up Capital	547.32	Net Fixed Assets	5,479.78
Reserves and Surplus	4,182.15	Investments	32.14
Secured Loans	2,025.16	Net Current Assets	2,730.33
Unsecured Loans	1,583.60	Miscellaneous Exp. not written off	287.10
Deferred Tax Liability (Net)	191.12	Accumulated losses	—
	8,529.35		8,529.35
6. Performance of Company (Amount in lakhs)			
i) Turnover	21,648.76		
ii) Total Expenditure	20,665.32		
iii) Profit before Tax	983.44		
iv) Profit after Tax	635.07		
v) Earning per Share	11.60		
vi) Dividend Rate	40%		
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

ANAND SEN
P. C. SRIVASTAVA

Chairman
Managing Director

G. VAIDYANATHAN
Secretary
Jamshedpur, 25th April, 2008

FINANCIAL STATISTICS

Sl. No.	REVENUE ACCOUNTS						Dividend percent	CAPITAL ACCOUNTS					Net worth per share (Rupees)	Earnings per share (PAT)
	Year	Sale of products & Other Income	Depreciation	Profit before Tax	Tax	Share Capital		Reserves	Borrowings	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	
												Shares of	Rs.10/each	
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	10010.84	466.60	627.38	219.83	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	

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 taken :

At present 4 nos. gas fired furnaces are working since last year, which helped in overall reduction of energy consumption.

One 40T. Heat treatment furnace converted oil to gas fired furnace.

b) Additional investments/proposals, if any :

One heat treatment furnace of capacity 30 T is planned for Installation.

Revamping of Mould dying oven to improve efficiency.

c) Impact of the measures at (a) and (b) above :

Conservation and effective utilisation of Energy.

(A) Power and Fuel Consumption :

1: Electricity

	Current year 2007-2008	Previous year 2006-2007
a) Purchased Total for Electric Arc Furnace : Units (KWH) Total amount (Rs. Lakhs) Rate per Unit (Rs./KWH)	89,77,500 387.83 4.32	95,76,400 415.62 4.34

b) Own generation

i) Through Diesel Generator Units (KWH) Unit per Ltr. of diesel oil-KWH/Ltr. Cost/Unit	} Not used for Electric Arc Furnace
ii) Through Steam Turbine/Generator Units Unit per Ltr. of Fuel oil/gas Cost/Unit	
	} There is no steam turbine/generator

2. Coal (Specify quality and where used)

Quantity (Tonnes) Total Cost Average rate	} Not used for Electric Arc Furnace

3. Furnace Oil

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

4. Others/Internal generation

LPG Consumption Quantity Total Cost Rate/Unit	} Nil

(B) Consumption per unit of production :

Products	Standards (if any)	Current year 2007-2008	Previous year 2006-2007
Roll Metal through Electric Arc Furnace Electricity (KWH/t.)	750	862	762
Furnace Oil : Coal Others		} Not used for Electric Arc Furnace for Production of Steel	

TECHNOLOGY ABSORPTION (2007-08)

(A) Research and Development (R&D) :

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

a) ICDP Rolls :

- i) Micro-Alloyed ICDP Rolls (MITE) were cast and supplied to Corus (Port Talbot) - 30 rolls, Lloyds - 11 Rolls, RSP-4 Plate Mill Rolls (through conventional route) and Corus, HSM2- 1 roll.
- ii) HiCr and low Ni - 5 rolls supplied to BSL.
- iii) Alloying with V and Nb - 12 rolls supplied to PT Gunung.

b) TEK Rolls :

Micro alloying with Ti-rolls (TEK) supplied to JSW-29 rolls, Corus, HSM2-3rolls, Essar-0 rolls.

c) HiCr Iron Rolls :

- i) Cast with Ti and supplied to Tata Steel (7 rolls) and Corus (1 roll)
- ii) Rolls with higher Cr content were supplied to Essar (10 Rolls) and Corus (HSM2) - 6 rolls.

d) HiCr Steel Rolls :

- i) Anti fire cracking grade with revised chemistry supplied to Tata Steel, Corus.
- ii) Grades for Tonghua were cast with Ti alloying.

e) Import Substitution :

2 Nos. of back-up rolls were cast and supplied to TCIL as substitute for forged rolls.

f) Process modification :

- i) SG rolls for Sidor were cast in sand lined mould instead of bare chill.
- ii) A mixture of SiMg and NiMg was used instead of only SiMg to improve the core strength for rolls supplied to JSL, MST and MSG.

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

- i) New product developed and customization of grades to suit the mills will provide a competitive edge with respect to performance enhancement.
- ii) Wider network of customers leading to market leadership.
- iii) Lower cost of alloying.

3. Future Plan of action :

- i) Development of Semi High Speed steel rolls for Roughing Stands.
- ii) Casting of Bhilai Plate Mill rolls in DG grade (finished wt. more than 40 Ts)
- iii) Improvement in Heat treatment of Hi-Cr Iron & Hi-Cr Steel by quenching on rollers.

ANNEXURE TO DIRECTORS' REPORT (Contd.)

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.

- iv) Development of Superten rolls (high Alloy AD rolls) of 50-65° Sh C with the help of Mist quenching Device.
- v) Development of Titanium bearing Hi-Cr Iron and Hi-Cr Steel Rolls.
- vi) Development of high strength SG Core of Hi-Cr (both iron and steel) & ICDP (Normal & TEK) rolls.
- vii) Development of CSP Mill rolls.
- viii) Development of Austempered Ductile Iron for Tata Steel and VSP.

4. Expenditure on R & D :

	Current year 2007-2008 (Rs.Lakhs)	Previous year 2006-2007 (Rs.Lakhs)
a) Capital	—	—
b) Recurring	12.82	14.58
c) Total	12.82	14.58
d) Total R & D expenditure as a percentage of total turnover	0.05%	0.07%

(B) Technology Absorption, Adaptation and Innovation :

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

- i) Technology of MITE was absorbed fully after getting the satisfactory performance report of trial rolls from Tata Steel. But it is yet to be commercialized.
- ii) Technology of Hi-Cr ICDP Rolls with low Ni was fully absorbed after getting the satisfactory performance report of trial rolls from RSP. But it is yet to be commercialized.
- iii) Technology of HSS (Earlier imported from ESW, Austria) has not been fully absorbed, as we are still waiting for the performance feedback.
- iv) With new initiatives & innovations we are in the process of absorbing technology of making Ti bearing TEK rolls, Ti bearing normal ICDP rolls, micro alloyed Conventional DP rolls, Ti bearing Hi-Cr Iron & Steel rolls and rolls for CSP Mill.

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

Benefits derived in-house technology absorption are in the areas

of product development, product quality improvement, leading to customer satisfaction, cost reduction and acquisition of new customers.

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 :
The process of deep ultrasonic testing of neck and barrel of Hi-Cr Steel roll with SG Core was learnt without purchase during visit to our customer, Tonghua Steel, China.
- b) Year of import :
2007 - 2008
- c) Has technology been fully absorbed ?
 - i) Method of Deep Ultrasonic Testing of Hi-Cr Iron & Hi-Cr Steel rolls has been fully absorbed.
 - ii) Technology of Boron bearing ICDP roll casting has not been fully absorbed. Trials are still under progress.
 - iii) Technology of Heat treatment of Hi-Cr Iron & Steel with Fan cooling on rotating rollers has also not fully absorbed. Trials are still under progress.
- d) If not fully absorbed, areas where this has not taken place, reasons there for and future plans of action.

First trial HSS rolls (6 rolls) have been sent to Essar Steel for early finishing stands of HSM. 2nd trial HSS rolls (2 rolls) were sent to Tata Steel. The performance feedback of scrap rolls is still awaited.

Performance feedback of two Born rolls sent to BSL, Bokaro is still awaited.

6 Rotating Rollers has already been procured for starting HT of Hi-Cr rolls to achieve uniform barrel hardness.

FOREIGN EXCHANGE EARNINGS AND OUTGO

	Current year 2007-2008 (Rs.Lakhs)	Previous year 2006-2007 (Rs.Lakhs)
i) Foreign Exchange Earnings	2836.85	3538.29
ii) Foreign Exchange Outgo	2760.35	3105.54

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, 2008.

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.	Srivastava, P.C.	Managing Director	43,13,510/-	25,98,200	B.E. (Elec.) M.B.A.	58	37	17.01.1983	Tata Iron & Steel Co. Ltd., Jamshedpur; Sr. Analyst; 6 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
Anand Sen
Chairman

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

The Company has been practising 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 of Directors comprises of 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. P. C. Srivastava is the Managing Director of the Company. The Chairman is a non-executive Director. Total strength of the Board as at 31.03.2008 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 position 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.

BOARD MEETINGS

The Board of Directors met 6 times during 2007-2008 on 20.4.2007, 16.7.2007, 8.8.2007, 15.10.2007, 18.1.2008 and 28.3.2008. All the Board Meetings held during the year under review have been well attended.

The Board meetings during the year 2007-2008 has 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 Directors	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	2	No	3	—	3	—
Mr. P. C. Srivastava DIN-00022856	Not Independent, Executive	6	Yes	—	—	—	—
Mr. Varun K. Jha DIN-00116939	Promoter, Not Independent, Non-Executive	5	Yes	—	—	—	—
Mr. D. Sen Gupta** DIN-00092761	Promoter, Not Independent, Non-Executive	2	No	2	—	1	1
Mr. N. K. Misra DIN-00026223	Promoter, Not Independent, Non-Executive	3	No	3	1	2	—
Dr. S. K. Bhattacharyya DIN-00026534	Independent, Non-Executive	6	Yes	2	—	1	—
Mr. Vijay Mathur DIN-00003652	Independent, Non-Executive	4	Yes	1	—	1	1
Mr. S. N. Menon# DIN-01475746	Independent, Non-Executive	2	No	2	1	1	—
Mr. A. N. Singh## DIN-00252655	Promoter, Not Independent, Non-Executive	5	Yes	—	1	1	—
Mr. U. K. Chaturvedi+ DIN-00022749	Promoter, Not Independent, Non-Executive	2	No	—	—	—	—
Mr. Vijay K. Mehta++ DIN-00116869	Independent, Non-Executive	2	Yes	1	—	—	—

* appointed as an Additional Director w.e.f. 18th January, 2008 and as Chairman w.e.f 19th January, 2008.

** appointed as an Additional Director w.e.f. 18th January, 2008.

appointed as an Additional Director w.e.f. 15th October, 2007.

ceased to be the Chairman and Director w.e.f. 19th January, 2008.

+ ceased to be a Director w.e.f. 18th January, 2008.

++ retired by rotation at the AGM held on 16th July, 2007.

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 a "Code of Conduct for NED's" and "Tata Code of Conduct" for its employees including the Managing Director. Both the Codes have been posted on www.tayoroll.com. The Managing Director's declaration to the affirmation of the Code of Conduct is on the page no. 53.

BOARD COMMITTEES

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

(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 Vice President (Finance), Internal Auditor and a representative of Statutory Auditors 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 the 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 Management Discussion & Analysis, statement of related party transactions, Internal Control weakness report issued by Internal Auditor and Statutory Auditors.

The Audit Committee met four times during the year 2007-08 on 20.04.2007, 16.07.2007, 15.10.2007 and 18.01.2008.

Composition of Audit Committee and details of the meeting attended :

Name	Category	No. of meetings attended during 2007-08
Dr. S. K. Bhattacharyya Chairman	Independent, Non-Executive	4
Mr. N. K. Misra	Promoter, Not Independent, Non-Executive	3
Mr. Vijay K. Mehta *	Independent, Non-Executive	2
Mr. Vijay Mathur	Independent, Non-Executive	4
Mr. S. N. Menon **	Independent, Non-Executive	1

* ceased to be a member of the Audit Committee w.e.f. 16th July, 2007.

** appointed as a member of the Audit Committee w.e.f. 16th October, 2007.

Dr. S. K. Bhattacharyya, the Chairman of the Audit Committee

was present at the last Annual General Meeting held on 16.7.2007.

The Company do not have any Subsidiary Company.

The Company has laid down Risk Management Policy. Risk Management Policy is being revisited to adapt to the changing scenario.

(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.

One meeting of the Remuneration Committee was held on 20.04.2007. Mr. Vijay K. Mehta, the then Chairman of the Remuneration Committee, was present at the last Annual General Meeting held on 16th July, 2007.

Composition of Remuneration Committee and details of the meeting attended :

Name	Category	No. of meetings attended during 2007-08
Mr. Vijay Mathur *	Independent, Non-Executive Chairman	1
Mr. Anand Sen **	Promoter, Not Independent, Non-Executive	—
Dr. S. K. Bhattacharyya	Independent, Non-Executive	1
Mr. S. N. Menon ***	Independent, Non-Executive	—
Mr. A. N. Singh +	Promoter, Not Independent, Non-Executive	1
Mr. V. K. Mehta ++	Independent, Non-Executive	1

* appointed as the Chairman of the Committee w.e.f. 16th October, 2007.

** appointed as a member of the Committee w.e.f. 19th January, 2008.

*** appointed as a member of the Committee w.e.f. 16th October, 2007.

+ ceased to be the member of the Committee w.e.f. 19th January, 2008.

++ ceased to be the Chairman and member of the Committee w.e.f. 16th July, 2007.

Remuneration Policy

The Remuneration Committee while deciding the

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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 distribution of commission amongst the NEDs is placed before the Board. The commission is distributed 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 Meetings, Audit and Remuneration Committees) and Rs.5,000/- per meeting for all other Committees of the Board attended by them. The sitting fees for attending Board, Audit and Remuneration Committees meetings have been revised from Rs.5000/- per meeting to Rs.8000/- per meeting and that of other Board Committee Meetings from Rs.3000/- to Rs.5000/- effective 1.11.2007.

Details of remuneration 2007- 08 :

Non-Executive Directors

Name	Sitting fees	Commission*
Mr. A. N. Singh	36,000	85,500
Mr. Anand Sen	31,000	59,200
Mr. D. Sen Gupta	21,000	19,700
Mr. V. K. Mehta	25,000	39,500
Mr. N. K. Misra	43,000	59,200
Mr. U. K. Chaturvedi	10,000	13,200
Mr. Varun K. Jha	38,000	46,100
Dr. S. K. Bhattacharyya	64,000	98,700
Mr. Vijay Mathur	51,000	59,200
Mr. S. N. Menon	21,000	19,700
Total	3,40,000	5,00,000

* The Commission is payable during 2008-09.

Managing/Whole-time Directors

Name	Salary Rs. In lakhs	Commission* Rs. In lakhs	Perquisites & Allowances Rs. In lakhs
Mr. P. C. Srivastava, Managing Director	16.00	18.90	8.24

* The Commission is payable during 2008-09.

Period of Contract : 3 years (up to 31.01.2010) w. e. f. 1.02.2007.
The contract may be terminated by either party giving the other party six months' notice in writing of such termination or by the Company giving six 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 investors complaints. One meeting of the Committee was held on 15th October, 2007.

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

Name	Category	No. of meetings attended during 2007-08
Mr. Anand Sen * Chairman	Promoter, Not independent, Non-Executive	—
Mr. N. K. Misra	Promoter, Not independent, Non-Executive	1
Mr. Vijay Mathur **	Independent Non-Executive	—
Mr. A. N. Singh +	Promoter, Not independent, Non-Executive	1
Mr. V. K. Mehta ++	Independent Non-Executive	—

* appointed as a member and Chairman of the Committee w.e.f. 19th January, 2008.

** appointed as a member of the Committee w.e.f. 16th October, 2007.

+ ceased to be the Chairman and member of the Committee w.e.f. 19th January, 2008.

++ ceased to be a member of the Committee w.e.f. 16th July, 2007.

During the year under review the Company received 554 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. There is no pending correspondence as on 31.03.2008. There were 6 pending transfers as on 31.03.2008, which have been processed and dispatched within the second week of April, 2008.

(d) **Share Transfer Committee** : Constituted in the year 1969.

Share Transfer Committee has been constituted for approving share transfers, 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. P. C. Srivastava
3. Mr. N. K. Misra
4. Mr. A. N. Singh **
5. Mr. G. Vaidyanathan, Company Secretary & E.O.

* appointed as a member of the Committee w.e.f. 19th January, 2008.

** ceased to be the member of the Committee w.e.f. 19th January, 2008.

(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. P. C. Srivastava Managing Director and Mr. Varun K Jha, Promoter, Not independent, Non-Executive, are members of the Committee.

Consequent to the retirement of Mr. Vijay K Mehta at the Annual General Meeting held on 16.7.2007, the Committee was re-constituted inducting Mr. Varun K Jha as member effective 16.10.2007.

Mr. P. Hariharan, V.P (Finance), 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 Company Secretary & E.O 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*, Chairman

Dr. S. K. Bhattacharyya

Mr. A. N. Singh +

Mr. V. K. Mehta ++

* appointed as the Chairman and member of the Committee w.e.f. 19th January, 2008.

+ ceased to be the Chairman and member of the Committee w.e.f. 19th January, 2008.

++ ceased to be a member of the Committee w.e.f. 16th July, 2007.

(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. N. K. Misra

Mr. D. Sen Gupta **

Mr. U. K. Chaturvedi +

Mr. V. K. Mehta ++

* appointed as a member and Chairman of the Committee w.e.f. 16th October, 2007 and 19th January, 2008 respectively.

** appointed as a member of the Committee w.e.f. 19th January, 2008.

+ ceased to be the Chairman and member of the Committee w.e.f. 19th January, 2008.

++ ceased to be a member of the Committee w.e.f. 16th July, 2007.

Other than the above Committees, the Board also constitutes Committee for specific purpose as and when required. During the year 2007-08 Board constituted "Committee of Directors – Rights Issue" for approving matters relating to Rights Issue and "Committee of Directors – Debt Funds" for approving the borrowings for the new project.

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Name, Designation & address of Compliance Officer:

Mr.G.Vaidyanathan,
Company Secretary & E.O,
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 : gvnathan@tayo.co.in

GENERAL BODY MEETING DETAILS

	2005	2006	2007
Date	22.7.2005	27.7.2006	16.7.2007
Time	4.00 p.m.	4.00 p.m.	4.00 p.m.
Venue	Centre for Excellence, Jubilee Road, Jamshedpur	Centre for Excellence, Jubilee Road, Jamshedpur	Centre for Excellence, Jubilee Road, Jamshedpur

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

Year	Brief Particulars	AGM/ EGM	Date
2007	(i) Increase in the Authorised Share Capital from Rs. 10,00,00,000 divided into 1,00,00,000 Equity Shares of Rs. 10 each to Rs. 15,00,00,000 divided into 1,50,00,000 Equity Shares of Rs. 10 each (u/s 16 and 94 of The Companies Act, 1956). (ii) Alteration of the Articles of Association of the Company giving effect to the increase in the Share Capital of the Company to Rs.15,00,00,000 (u/s 31 of The Companies Act, 1956). (iii) Raising of funds by way of Rights Issue not exceeding Rs.46,00,00,000 including premium, if any (u/s 81 of The Companies Act, 1956).	EGM	23.11.2007
2007	(i) Approval to the re-appointment and terms of remuneration of Mr. Pradeep Chandra Srivastava	AGM	16.07.2007

Year	Brief Particulars	AGM/ EGM	Date
	as Managing Director with effect from 1st February, 2007. (u/s 269,309,310 and 311 of The Companies Act, 1956). (ii) Payment of remuneration to the Directors (other than the Managing Director and the Whole-time Director) for a period of five years with effect from 1.4.2007. (u/s 309 of The Companies Act, 1956).		
2006	Delisting of the Equity Share of the Company from Magadh Stock Exchange Association, Patna.	AGM	27.07.2006
2005	Redesignation of Mr. Pradeep Chandra Srivastava as Managing Director with effect from 1st August, 2004. (u/s 269,309 and 310 of The Companies Act, 1956).	AGM	22.07.2005

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. 42.

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. 53.

The Quarterly results for the periods ended 31.3.2007, 30.6.2007, 30.9.2007 and 31.12.2007 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.

In terms of Stock Exchanges' directive, effective the quarter ending 31.12.2002, the Company has been posting the Financial Results and Shareholding Pattern (under Clause 35 of the Listing Agreement) in www.sebidifar.nic.in.

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.	Remuneration Committee i) The above Committee has been constituted for recommending the remuneration of MD/WTD, retiral benefits of MD/ WTDs. ii) The Chairman of the Committee is an Independent Director iii) All the Members of the Committee have been present at the Meetings held so far. iv) The Chairman of the Committee was present at the last Annual General Meeting of the Members.	Adopted
3.	Independent Directors Non-Executive Directors may have a tenure not exceeding in the aggregate, a period of 9 years on the Board of the Company.	Adopted
4.	Shareholder rights 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.	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, P.C.Srivastava, Managing Director of TAYO ROLLS LIMITED, on the basis of confirmation received from the Board Members and Sr.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.

Date : 25th April, 2008
Place : Jamshedpur

P. C. Srivastava
Managing Director

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) 2386061, 2387790, 2387791
Fax (0657) 2386059

2. Registrars & Transfer Agents

TSR Darashaw 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 - 831001 Phone (0657) 2426616 Fax (0657) 2426937 e-mail : tsrlsr@tsrdarashaw.com	TSR Darashaw Ltd. Tata Centre, 1st 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, 5th 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, Dariyaganj, New Delhi 110 002. Phone (011) 23271805 Fax (011) 23271802 e-mail : tsrlidel@tsrdarashaw.com
Agent : Shah Consultancy Services Limited, Sumatinath Complex, 2nd Dhal Pritam Nagar, Ellisbridge, Ahmedabad - 380 006 Telefax : (079) 2657 6038 e-mail : shahconsultancy@hotmail.com	

3. Investors Relation Assistance

Mrs. Preeti Sehgal, Dy. Secretary, 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	Mr. Chandra N. Amin, Dy. Manager, TSR Darashaw Ltd., 6-10 Haji Moosa Patrawala Ind. Estate, 20, Dr. E. Moses Road, Mumbai - 400 001. Phone : (022) 66568484 Fax : (022) 66568404/66568496 E-mail : camin@tsrdarashaw.com Web : www.tsrdarashaw.com
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4. Listing

The Company shares are listed at :

Magadh Stock Exchange (MSE), Patna, Stock Code : MSE-T-006
The Stock Exchange (BSE), Mumbai, Stock Code : BSE-4961 (Physical)
- 504961 (Demat Form).

The Company has paid Annual listing fees to the above Stock Exchanges for the Financial Year 2007-08.

Pursuant to the resolution passed at the AGM held on 27.07.06, the Company has made necessary application to Magadh Stock Exchange (MSE), Patna for voluntary delisting, the confirmation is still awaited.

5. Financial year - 1.4.2007 to 31.3.2008

6. Annual General Meeting

Date : 8.08.2008
Venue : Centre for Excellence, Jubilee Road,
Jamshedpur-831 001
Time : 4.00 p.m.

7. Book Closure Dates

Friday, 27th June, 2008 to Wednesday, 2nd July, 2008 (both days inclusive).

8. Dividend Payment Date

Dividend of Rs. 4/- per equity share for the year 2007-08 aggregating Rs. 2,18,91,200/- will be paid on or after 6th September, 2008.

9. Financial Calendar

Annual General Meeting - 8th August, 2008
Audited Financial Results
1st Quarter, 2008-09 - 17.07.2008
2nd Quarter, 2008-09 - 2nd week of October, 2008
3rd Quarter, 2008-09 - 2nd week of January, 2009
4th Quarter, 2008-09 - 3rd week of April, 2009.

10. Share Transfer System

The Board has authorised severally a few Directors and the Company Secretary 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. As at 31.3.2008, 41.56% 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 Rs.	Unclaimed Dividend Amount as on 31.3.2007 Rs.	Due Date of Transfer	Unclaimed Dividend %
1	2000-01	27.08.2001	32.50	17786600	193193.00	26.08.2008	1.08
2	2001-02	17.06.2002	22.00	12040160	146790.80	16.06.2009	1.21
3	2002-03	20.08.2003	27.00	14776560	199678.50	19.08.2010	1.35
4	2003-04	03.09.2004	27.00	14776560	218689.20	02.09.2011	1.47
5	2004-05	23.08.2005	40.00	21891200	397976.00	22.08.2012	1.81
6	2005-06	24.08.2006	40.00	21891200	452124.00	23.08.2013	2.06
7	2006-07	14.08.2007	42.50	23259400	545300.50	13.08.2014	2.34

The unclaimed dividend relating to the year 1999-2000 has been transferred to "Investors Education & Protection Fund" on 11.06.2007. Shareholders who have not encashed the dividend for the above periods may write to the, Company or, Registrars & Share Transfer Agents, claiming the same.

13. Top five shareholders as on 31.03.2008

Sl. No.	Top Five shareholders	No. of shares held	%
1.	Tata Steel Ltd.	19,99,350	36.53
2.	Yodogawa Steel Works Ltd.	5,50,000	10.05
3.	Sojitz Corporation	1,10,000	2.01
4.	Asha Chokhany	78,128	1.43
5.	Delhi Iron & Steel Co. Ltd.	52,053	0.95

14. Shareholding pattern of the Company as on 31.03.2008

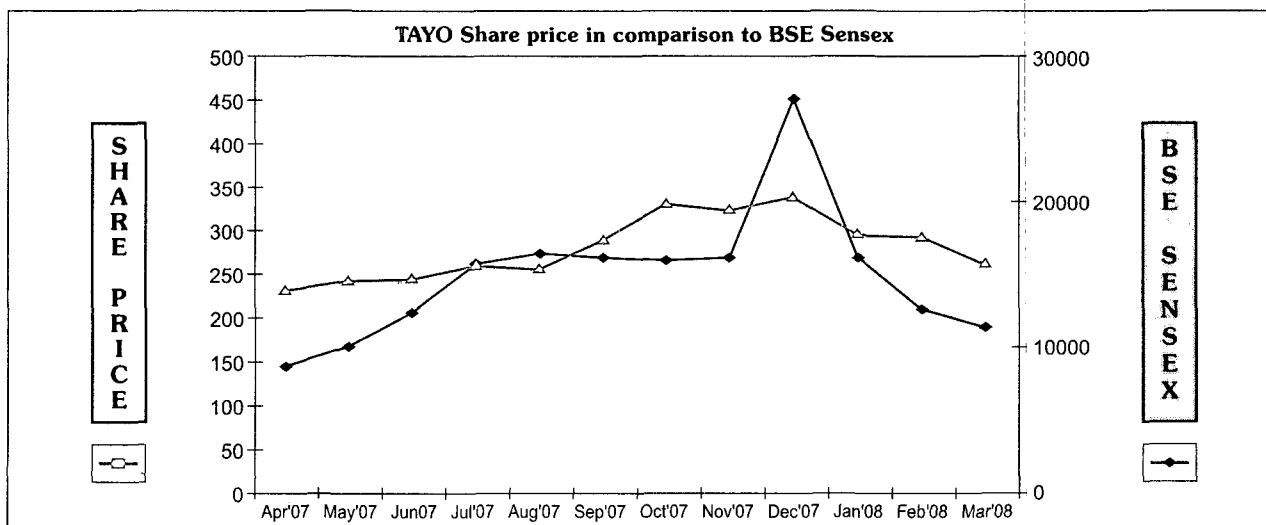
Category	Shares held	% to Capital
Indian Public	23,68,210	43.28
Bodies Corporate	3,39,327	6.20
Promoters	27,40,350	50.07
FII's, NRIs	23,363	0.43
Mutual Funds, Banks, FIs	1,550	0.02
Total	54,72,800	100.00

15. Distribution of Shareholding as on 31.03.2008

Equity Shares held (No. of shares)	No. of Holders	Holdings	% to Holders	Amount (Rs.)	% to Capital
1 to 500	8038	1137679	93.31	11376790	20.79
501-1000	296	231295	3.44	2312950	4.23
1001-2000	150	225631	1.74	2256310	4.12
2001-3000	34	87483	0.39	874830	1.60
3001-4000	19	67997	0.22	679970	1.24
4001-5000	14	65993	0.16	659930	1.21
5001-10000	34	270023	0.39	2700230	4.93
10001 and above	29	3386699	0.34	33866990	61.88
Total	8614	5472800	100	54728000	100

16. STOCK MARKET DATA (BSE)

Months	High (Rs.)	Close (Rs.)	Volume Traded (No. of Shares)
Apr'07	159.00	145.10	298,639
May '07	173.40	167.35	458,754
Jun'07	217.00	205.90	700,264
Jul'07	265.80	261.60	567,052
Aug '07	285.10	274.05	296,182
Sep'07	290.00	269.05	187,284
Oct'07	325.00	265.60	214,226
Nov'07	283.40	268.50	75,920
Dec'07	472.00	452.25	284,487
Jan'08	467.30	268.95	109,214
Feb'08	285.70	210.00	83,615
Mar'08	246.60	189.20	214,892



TAYO ROLLS LIMITED

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

