



SL/SHR/8/2017

20.04.2017

The Secretary – Listing Department,
Bombay Stock Exchange Limited,
Floor 25, P. J. Towers,
Dalal Street,
Mumbai – 400 001.

Stock Code: 504961

Website: listing.bseindia.com

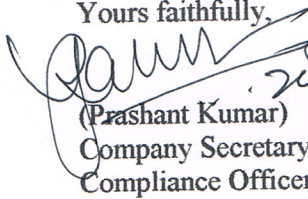
Dear Sir/Madam,

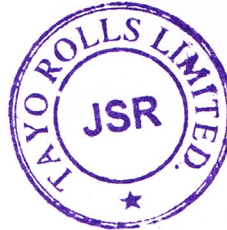
In continuation of notice dated 19.04.2017, regarding conducting a Postal Ballot to seek shareholders' approval for increase in authorised share capital and allotment of Redeemable Preference Shares to the Promoter, we attach herewith Postal Ballot notice dated 19.04.2017, for your record and reference.

This is in compliance to the Regulation 30 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

You are requested to kindly take the same on record.

Yours faithfully,


(Prashant Kumar)
Company Secretary &
Compliance Officer



TAYO ROLLS LIMITED

Regd. Office : Annex-2, General Office, Tata Steel Limited, Jamshedpur-831 001, Jharkhand, INDIA
Corporate & Works Office : Large Scale Industrial Estate, Gamharia-832 108, Jharkhand, INDIA
Office Phone : 91-657-2231355/6627101/103/140/141/142, Marketing Phone : 91-657-6627117/127, E-mail : tayoregd@tayo.co.in
Fax : 91-657-6627143/200, website : www.tayo.co.in, Corporate Identity Number : L27105JH1968PLC000818

A TATA Enterprise

New Ph No:- 0657 6508041/2227821



Tayo Rolls Limited

Regd. Off : Annex 2, General Office, Tata Steel Limited, Bistupur, Jamshedpur - 831 001

CIN:L27105JH1968PLC000818; Phone No.: 0657- 6508041/2227821

E-mail id:investors_helpdesk@tayo.co.in; Website : www.tayo.co.in

Notice on Postal Ballot

Dear Member,

Notice pursuant to Section 110 of the Companies Act, 2013

Notice is hereby given pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013, (the "Act"), read together with the Companies (Management and Administration) Amendment Rules, 2015, including any statutory modification or re-enactment thereof for the time being in force, that the resolutions appended are proposed to be passed by way of Postal Ballot/ remote e-voting. The explanatory statement pertaining to the resolutions setting out the material facts concerning each item and the reasons thereof is annexed hereto along with a Postal Ballot form (the "Form") for your consideration. The Board of Directors of the Company (the "Board") has appointed Mr. P. K. Chakrabraty, Practicing Company Secretary, as the Scrutinizer for conducting the Postal Ballot and remote e-voting process in a fair and transparent manner.

You are requested to carefully read the instructions printed on the Form, record your assent (for) or dissent (against) therein by filling necessary details and affixing your signature at the designated place in the Form and send the same in original duly completed in the attached self addressed, postage pre-paid envelope (if posted in India) so as to reach the Scrutinizer not later than the close of working hours i.e. 5:00 p.m. on Saturday, May 20, 2017.

Members desiring to opt for remote e-voting as per facilities arranged by the Company are requested to read the notes to the notice and instructions overleaf the Form. References to Postal Ballot in this notice include votes received electronically.

Upon completion of the scrutiny of the Forms, the Scrutinizer will submit his report to the Chairman/ Director of the Company. The result of the Postal Ballot would be announced by the Director or the Company Secretary of the Company on or before Monday, May 22, 2017 at the registered office of the Company. The aforesaid result along with the Scrutinizers report would be displayed at the website of the Company, NSDL and also intimated to the Stock Exchange where the shares of the Company are listed.

RESOLUTION:

1. Increase in Authorised Share Capital and alteration of the Capital Clause in the Memorandum of Association of the Company:

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

"RESOLVED that pursuant to the provisions of Section 13 (1), read with Section 55, 61, 64 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) Authorised Share Capital of the Company be and is hereby increased from the existing Rs. 3,50,00,00,000/- (Rupees three hundred fifty crore only) divided into 1,50,00,000 (one crore fifty lakh) Equity Shares of Rs. 10/- (Rupees ten only) each and 3,35,00,000 (three crore thirty five lakhs) Redeemable Preference Shares of Rs. 100/- (Rupees one hundred only) each to Rs. 4,55,00,00,000/- (Rupees four hundred fifty five crore only) divided into 1,50,00,000 (one crore fifty lakh) Equity Shares of Rs. 10/- (Rupees ten only) each and 4,40,00,000 (four crore forty lakh) Redeemable Preference Shares of Rs. 100/- (Rupees one hundred only) each, by creation of additional 1,05,00,000 (one crore five lakh) Redeemable Preference Shares of Rs. 100/- (Rupees one hundred only) each and that clause 5 of the Memorandum of Association of the Company be and is hereby altered accordingly."

2. Alteration of Articles of Association of the Company:

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

"RESOLVED that pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or any re-enactment thereof) and the Article 6 of the Articles of Association of the Company be altered and substituted by the following clause:

Article -6

"The share capital of the Company is Rs. 4,55,00,00,000/- (Rupees four hundred fifty five crore only) divided into 1,50,00,000 (one crore fifty lakh) Equity Shares of Rs. 10/- (Rupees ten only) each and 4,40,00,000 (four crore forty lakh) Redeemable Preference Shares of Rs. 100/- (Rupees one hundred only) each, by creation of additional 1,05,00,000 (one crore five lakh) Redeemable Preference Shares of Rs. 100/- (Rupees one hundred only) each".

3. Allotment of non-cumulative Redeemable Preference Shares on preferential basis to Tata Steel Limited, the Promoter:

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

“RESOLVED that subject to the provisions of Section 42, 43, 55, 62(1)(c) read with other applicable provisions, if any, of the Companies Act, 2013, (including any amendment thereto or re-enactment(s) thereof), for the time being in force (the “Companies Act”), the rule and regulations/ guidelines, if any, issued/ prescribed by the Government of India, the Securities and Exchange Board of India (“SEBI”) and the Reserve Bank of India, the Foreign Exchange Management Act, 2000, including any amendment, modification, variation or re-enactment thereof, and in accordance with the relevant provisions of the Memorandum and Articles of Association of the Company, consent be and is hereby accorded to the Company to offer and allot not exceeding more than 1,25,00,000 (one crore twenty five lakhs) Redeemable Preference Shares of Rs. 100/- (Rupees one hundred only) each to the extent of Rs. 1,25,00,00,000/- (Rupees one twenty five crores only) on preferential basis to Tata Steel Limited, the promoter of the Company in one or more tranches, with the liberty to the Board or Committee thereof to issue and allot the said shares as and when required.

RESOLVED further that aforesaid Redeemable Preference Shares will be non-cumulative, non-convertible, non-participative and junior to all un-subordinated creditors and redeemable in three equal installments starting from the end of 8th year from the date of issue.

RESOLVED further that these shares will be issued at a dividend rate not exceeding 9% per annum payable annually and in case of dissolution of the Company, the holder of these shares will have a priority in repayment over the equity shareholder.

RESOLVED further that other terms and conditions will be decided by the Board of Directors of the Company or a Committee thereof (hereinafter referred to as the “Board” which term shall include a duly authorised Committee thereof for the time being exercising the powers conferred by the Board), as the Board in its absolute discretion may deem fit and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, including to sign all deeds, documents, share certificates, and writings etc. and to pay any fees and expenses relating thereto.”

Jamshedpur
April 19, 2017

By the order of the Board of Directors

Prashant Kumar
Company Secretary & Compliance Officer

NOTES:

1. Explanatory statements pursuant to Section 102 of the Act, setting out the material facts and reasons for the proposed resolutions at Item Nos. 1 to 3 above, are appended herein below along with the Postal Ballot Form for your consideration.
2. The Notice is being sent to all the members whose names appear in the Register of Members/List of Beneficial Owners as received from National Securities Depository Limited (“NSDL”)/ Central Depository Services (India) Limited (“CDSL”) as on Friday, April 7, 2017.
3. In compliance with the provisions of Sections 108, 110 and other applicable provisions of the Act, read with the Companies (Management and Administration) Amendment Rules, 2015 and the SEBI (LODR) Regulations, 2015, the Company is also offering remote e-voting facility as an option to all the members of the Company. The Company has entered into an agreement with NSDL for facilitating remote e-voting to enable the members to cast their votes electronically instead of dispatching Form. Remote e-voting is optional.
4. As per Section 110, read with Rule 22 of the Companies (Management and Administration) Rules, 2014, Notice of Postal Ballot may be served on the members through electronic means. Members who have registered their e-mail IDs with depositories or with the Company are being sent this Notice of Postal Ballot by e-mail and the members who have not registered their e-mail IDs will receive Notice of Postal Ballot along with Form through physical post/ courier. Members who have received Postal Ballot Notice by e-mail and who wish to vote through physical Form may indicate their option to receive the physical Form from the Company. By clicking on the box provided in the e-mail or alternatively download the Form from the link www.evoting.nsdl.com
5. During FY’12, FY’14 and FY’15, your Company had issued Non-cumulative Redeemable Preference Shares to its promoters (Tata Steel Limited & Yodogawa Steel Works Limited). Your Company has not been able to pay dividend on these shares for the financial years FY’13, FY’14, FY’15 and FY’16. Therefore, according to the provision of Section 47 read with other relevant provisions of the Companies Act, 2013 and rules made thereunder, the preference shareholders shall have a right to vote on all the resolutions placed before the meeting, in the same proportion as the paid up capital in respect of equity shares bears to the paid up capital in respect of preference shares. Therefore, one preference share vote is equivalent to 10 equity shares vote. Accordingly, the Preference Shareholders are entitled to vote on all the resolutions as mentioned above.

Explanatory Statements for Resolutions mentioned under Item Nos 1 to 3 pursuant to Section 102 of the Companies Act, 2013 (hereinafter referred as the “Act”)

Item Nos. 1 to 3

Tayo Rolls Limited (hereinafter referred as “Tayo”), a Subsidiary of Tata Steel Limited (hereinafter referred as “Tata Steel”) was promoted in 1968 by Tata Steel Limited and Yodogawa Steel Works Limited, Japan (hereinafter referred as “Yodogawa”), and Nissho Iwai Corporation (now Sojitz Corporation), Japan.

The Company has been making moderate profits since inception. The Company has been incurring losses since FY’09 due to multiple reasons, such as subdued growth in the infrastructure segment (especially the steel sector), over-capacity situation in the Foundry and Forging industry, onset of the Global Economic Crisis resulting in delayed commissioning and ramp-up of the Forged Roll Project, and challenges related to technology absorption for next generation rolls. The above factors have resulted in lowering of prices of rolls and other products, reduced margins, strain on Company’s working capital, low capacity utilization, interrupted production and lowering of productivity significantly.

Despite the challenging conditions, the Company had made efforts to improve the business performance by improving on productivity, asset reliability, cost and quality. Funds were also infused to meet such challenges. However, the low returns coupled with impact of high unabsorbed depreciation and interest costs, resulted in erosion of the net worth of the Company. Based on the negative net worth, the Company made a reference to the BIFR. The financial statements of the Company have also been prepared on an assumption that it is not a going concern. The assets have been stated at the lower of their historic cost and estimated net realizable value, and the liabilities have been stated at the values at which they are expected to be discharged.

The Company has introduced employees Voluntary Separation Scheme and a phase wise suspension of operations. The Company filed an application before the Government of Jharkhand seeking permission for closure of operations under the Industrial Disputes Act, 1947, which has been rejected. The Company has filed a Writ in the Jharkhand High Court against the rejection order. Further, the Ministry of Finance issued Notifications S.O. 3568 (E) & S.O. 3569 (E) dated November 25, 2016 to the effect that SICA has been repealed with effect from 1.12.2016 and all the references or inquiry pending before the BIFR and/or AAIFR shall stand abated.

Tayo endeavours to make all efforts to meet obligations of its stakeholders with the support of the Promoter. Request has been made to Tata Steel Limited for additional fund infusion to discharge the liability towards various stakeholders to the extent possible. The funds is likely to be infused by way of Redeemable Preference Shares (RPS). Therefore, the existing Authorised Share Capital is required to be increased. It is also proposed to obtain approval of the shareholders for allotment of non-cumulative Redeemable Preference Shares of Rs.100/- (Rupees one hundred each) on preferential basis to Tata Steel Limited, the Promoter, in one more tranches within the limits as set out in aforesaid resolutions.

In light of the above, the Authorised Share Capital is hereby increased from the existing Rs. 3,50,00,00,000/- (Rupees three hundred fifty crore only) divided into 1,50,00,000 (one crore fifty lakh) Equity Shares of Rs. 10/- (Rupees ten only) each and 3,35,00,000 (three crore thirty five lakhs) Redeemable Preference Shares of Rs. 100/- (Rupees one hundred only) each to Rs. 4,55,00,00,000/- (Rupees four hundred fifty five crore only) divided into 1,50,00,000 (one crore fifty lakh) Equity Shares of Rs. 10/- (Rupees ten only) each and 4,40,00,000 (four crore forty lakh) Redeemable Preference Shares of Rs. 100/- (Rupees one hundred only) each, by creation of additional 1,05,00,000 (one crore five lakh) Redeemable Preference Shares of Rs. 100/- (Rupees one hundred only).

Consequently, it is also proposed to make appropriate alterations in the Memorandum and Articles of Association of the Company to reflect the changes in the Authorised Share Capital of the Company.

The proposed allotment of Redeemable Preference Shares not exceeding 1,25,00,000 (one crore twenty five lakhs) Redeemable Preference Shares of Rs. 100/- (Rupees one hundred only) each to the extent of Rs. 1,25,00,00,000/- (Rupees one hundred twenty five crores only) on preferential basis to Tata Steel Limited, the promoter of the Company will be in one or more tranches, and will be junior to all un-subordinated creditors and redeemable in three equal installments starting from the end of 8th year from the date of issue. These shares are proposed to issue at a dividend rate not exceeding 9% per annum payable annually for the purpose of meeting the expenses related to discharging the obligations towards the stakeholders. The aforesaid shares will also be non-convertible and non-participative in nature. Since the Redeemable Preference Shares are non-convertible, equity shares will not dilute.

According to the provisions of Section 188 of the Companies Act, 2013 read with Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all entities falling under the definition of "Related Party" under Section 2(76) of the Companies Act, 2013, irrespective of the fact whether the entity is a related party to the transaction or not, shall abstain from voting on the above mentioned resolutions.

The proposed resolutions are in the interest of the Company, and your Directors commend resolutions at Item Nos. 1 to 3 for your approval. None of the Directors and the Key Managerial Personnel of the Company including their relatives are concerned or interested in aforesaid resolutions.

Jamshedpur
April 19, 2017

By the order of the Board of Directors

Prashant Kumar
Company Secretary & Compliance Officer