



TRF LIMITED

A **TATA** Enterprise

**43rd Annual Report
2005-06**



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43rd Annual General Meeting will be held on Friday, July 14, 2006 at the Auditorium of Shavak Nanavati Technical Institute, 'N' Road, Bistupur, Jamshedpur - 831 001 at 12:00 noon

Members are requested to kindly bring their copies of the Annual Report to the meeting.

Board of Directors

(As on April 18, 2006)

Dr. Jamshed J. Irani (*Chairman*)
S. J. Ghandy
R. Sankaran (*upto 16.07.2005*)
S. K. Bhargava
B. D. Bodhanwala
R. P. Singh
K. P. Singh
Ranaveer Sinha
Jayant Kumar
Santosh K. Gupta (*Managing Director*)
R. C. Nandrajog (*Executive Director*)

Management

(As on April 18, 2006)

Santosh K. Gupta Managing Director
R. C. Nandrajog Executive Director
A. K. Chakraborti Executive Vice President (Engg., IT & HR)
Hari Om Prakash Sr. General Manager (BMHS)
Ashim Roy General Manager (Finance & Accounts)
T. K. Basu General Manager (Engineering)
(*w.e.f. 22.08.2005*)
P. P. Deshmukh Deputy General Manager (Works)
L. T. K. Ambasta Deputy General Manager (Projects)
N. Ghosh Assistant General Manager (Mini Blast Furnaces)
S. S. Chand Assistant General Manager (Contracts)
S. Dasgupta Sr. Divisional Manager - Incharge, Port & Yard Equipment Div.
Vishwanath G. Malagi Company Secretary

REGISTERED OFFICE

11, Station Road, Burma Mines,
Jamshedpur - 831 007

BANKERS

Bank of India
Canara Bank
Central Bank of India
State Bank of India
Indian Bank

AUDITORS

A. F. Ferguson & Co.

REGISTRARS & SHARE TRANSFER AGENTS

TSR Darashaw Limited
(Formerly Tata Share Registry Ltd.)
Army & Navy Building,
148, Mahatma Gandhi Road,
Mumbai - 400 001

Notice

NOTICE IS HEREBY GIVEN THAT THE FORTY-THIRD ANNUAL GENERAL MEETING OF TRF LIMITED will be held at the Auditorium of Shavak Nanavati Technical Institute, 'N' Road, Bistupur, Jamshedpur – 831 001, on Friday, July 14, 2006 at 12.00 noon to transact the following business :

1. To receive and adopt the audited Profit and Loss Account of the Company for the year ended March 31, 2006, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend on equity shares of the Company for the year ended March 31, 2006.
3. To appoint a Director in place of Mr. S. K. Bhargava, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. B. D. Bodhanwala, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Mr. R. P. Singh, who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint Auditors and to fix their remuneration.

NOTES:

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM DULY COMPLETED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- b) The Register of Members and share transfer books of the Company will be closed from June 23, 2006 to June 30, 2006 (both days inclusive) for the purpose of ascertaining entitlement of dividend.
- c) The dividend on shares, as recommended by the Directors, and if declared at the meeting, will be payable to those members whose names appear on the Register of Members of the Company as on June 30, 2006 or their mandatees, subject however, to the provisions of Section 206A of the Companies Act, 1956.

In respect of shares held in electronic form, the dividend will be payable to the beneficial owners as on June 23, 2006 as per details received from the Depositories.

- d) As per the provisions of the Companies Act, 1956, facility for making nomination is now available to the shareholders in respect of the shares held by them. Nomination forms can be obtained from the Registered Office or the Registrars & Share Transfer Agents of the Company.
- e) Pursuant to Section 205C of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the unpaid dividend account of the Company is required to be transferred to the Investor Education and Protection Fund set up by the Government of India and no claims shall be tenable either by the Company or the said Fund after the transfer of the said amount.

Members, who have not as yet encashed their dividend warrant(s) for the financial year ended March 31, 1999 and onwards, are requested to make their claims to the Registrars & Share Transfer Agents of the Company without any delay.

- f) Members desirous of any additional information as regards the Accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready at the meeting.
- g) Members are requested to bring the admission slips along with their copies of the Annual Report to the meeting.

Registered Office:

11, Station Road,
Burma Mines,
Jamshedpur – 831 007.

April 18, 2006

By Order of the Board of Directors

Vishwanath G. Malagi
Company Secretary

TRF LIMITED

Fortythird annual report 2005-06

Details of directors seeking appointment/re-appointment in the forthcoming Annual General Meeting

(Pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges)

Name of Director	Mr. Subodh Kumar Bhargava	Mr. Behram Darab Bodhanwala	Mr. Ram Prit Singh
Date of birth	30.03.1942	02.11.1947	25.07.1944
Date of appointment	30.10.2000	30.10.2000	24.08.2001
Expertise in specific functional areas	Engineering	Civil Construction, Project & Material Handling	Engineering, Procurement, Contracting, Construction
Qualifications	B.E. (Mech.)	B.Com (Hons.)	B.Sc. Engg. (Mech.)
List of companies in which outside Directorship held as on March 31, 2006	Wartsila India Ltd. Videsh Sanchar Nigam Ltd. Samtel Color Ltd. Rane Engine Valves Ltd. Samcor Glass Ltd. Carborundum Universal Ltd. GlaxoSmithKline Consumer Healthcare Ltd. Batliboi Ltd. SRF Ltd. DCM Engineering Ltd.	NONE	TCE Consulting Engineers Ltd. Stewarts & Lloyds Ltd.
Chairman/Member of the committees of the Boards of companies on which he is a Director as on March 31, 2006	Videsh Sanchar Nigam Ltd.: Chairman – Audit Committee Rane Engine Valves Ltd.: Chairman – Audit Committee Samtel Color Ltd.: Chairman – Audit Committee Wartsila India Ltd.: Member – Audit & Investors’ Grievances Committee Carborundum Universal Ltd.: Member – Audit Committee DCM Engineering Ltd.: Member – Audit Committee	NONE	TCE Consulting Engineers Ltd. : Member – Audit Committee
Shareholding in TRF Limited	NIL	NIL	NIL

Highlights					
Rupees in lakhs					
	2005-06	2004-05	2003-04	2002-03	2001-02
Sales & Services (Net)	216,55.27	200,06.26	173,43.82	134,72.52	123,42.30
Other Income	24.01	1,62.59	1,16.63	2,59.43	1,14.23
Extraordinary Income	—	—	—	1,57.34	8,84.05
Employee costs	24,00.26	20,74.59	19,56.95	19,99.70	20,30.65
Depreciation	1,29.86	1,39.59	1,51.90	1,58.85	1,46.49
Interest & brokerage	4,34.69	4,11.07	2,11.97	2,63.56	1,10.78
Profit / (Loss) before taxes	11,57.66	6,60.34	5,29.44	(93.55)	12,53.48
Taxes / (Write back)	4,50.19	2,63.86	1,97.37	(51.40)	3,20.00
Profit / (Loss) after taxes	7,07.47	3,96.48	3,32.07	(42.15)	9,33.48
Dividend (%)	40	30	26	12	26
Works production	97,00.39	73,01.72	51,62.38	48,63.94	52,78.56
Progress billings	15014.33	144,45.20	136,74.20	94,07.43	95,35.94
	As on 31.03.2006	As on 31.03.2005	As on 31.03.2004	As on 31.03.2003	As on 31.03.2002
Net fixed assets	8,53.76	8,94.44	9,03.42	10,01.37	11,23.67
Share capital	5,50.22	5,50.22	5,50.22	5,50.22	5,50.22
Reserves and surplus	37,22.33	32,65.82 *	33,67.47	31,96.78	33,13.42
Net worth	42,72.55	38,16.04 *	39,17.69	37,47.00	38,63.64
Borrowings	41,27.13	64,05.37	43,52.42	30,18.51	18,69.65
Net worth per share (Rs.)	77.65	69.35	71.20	68.10	70.22
Debt : Equity ratio	0.97:1	1.68:1	1.1:1	0.81:1	0.48:1
Number of employees	753	788	852	941	1001
<p>* Consequent to the confirmation by the Hon'ble High Court of Judicature at Ranchi of the Financial Restructuring Scheme approved by the shareholders at the Extra-ordinary General Meeting held on December 29, 2003, the impact of restructuring have been given effect to from April 1, 2004. As a result, reserves and surplus, excluding revaluation reserves as on April 1, 2004, have come down by Rs. 309.91 lakhs, with corresponding decrease in Misc. Expenditure to the extent not written off.</p>					

TRF LIMITED

Fortythird annual report 2005-06

Directors' Report

To the Members

The Directors are pleased to present their Forty-third Annual Report and the audited statements of Accounts for the year ended March 31, 2006.

1.0 Financial Results

Rupees in lakhs

		<i>Previous year</i>
Net Sales & Services / Income from Operations	216,55.27	200,06.26
Other Income	24.01	1,62.59
Total Income	216,79.28	201,68.85
Expenditure		
a) (Increase)/Decrease in Inventories and Contracts in Progress	6,04.07	(56.11)
b) (i) Consumption of raw materials & Components	120,21.71	113,12.50
(ii) Payment to sub-contractors	23,26.59	34,17.24
c) Staff Costs	24,00.26	20,74.59
d) Operations, administration and selling expenses	25,74.65	21,76.02
e) Total Expenditure (a to d)	199,27.28	189,24.24
Profit before interest, depreciation, exceptional/extraordinary items and tax	17,52.00	12,44.61
Interest	4,34.69	4,11.07
Profit before depreciation, exceptional/extraordinary items and tax	13,17.31	8,33.54
Depreciation	1,29.86	1,39.59
Profit/(Loss) before exceptional/extraordinary items and tax	11,87.45	6,93.95
Exceptional/Extraordinary items [gain/(loss)]		
a) Employees Separation Compensation	(26.79)	(33.61)
b) Provision for diminution in the value of Investment	(3.00)	—
c) Total of Exceptional / Extraordinary items (a and b)	(29.79)	(33.61)
Profit / (Loss) before Tax	11,57.66	6,60.34
Provision for Taxation for the year	4,35.00	2,53.00
Provision for Deferred Tax liability	(42.06)	10.86
Provision for Fringe Benefit Tax	57.25	—
Profit / (Loss) after tax available for Disposal	7,07.47	3,96.48
Add : amount brought forward from previous year	2,36.09	1,77.83
Disposable Profit	9,43.56	5,74.31
Appropriations :		
(a) Proposed Dividend	2,20.09	1,65.07
(b) Tax on Dividend	30.87	23.15
(c) General Reserve	3,75.00	1,50.00
Balance carried forward	3,17.60	2,36.09
	9,43.56	5,74.31

(figures for previous year have been regrouped wherever necessary)

2.0 Dividend

The performance of your Company during the financial year 2005-06, has been very encouraging. The Directors recommend payment of a dividend of 40% for the year ended March 31, 2006 (previous year : 30%), if approved by the shareholders at the ensuing Annual General Meeting.

3.0 Operations

During the year under review, your Company has posted an increase of 7.5 % in Total Income over previous year [Total Income for financial year 2005-06 is Rs.21679 lakhs (*all time high*) as against Rs.20169 lakhs in the previous year]. Profit before Tax for the year has registered an increase of 75.3 % over the previous year. (Profit before Tax for the financial year 2005-06 : Rs. 1157.66 lakhs as against Profit before Tax of Rs. 660.34 lakhs in the previous year). Profit after Tax for the year has registered an increase of 78.4% over the previous year (Profit after Tax for Financial Year 2005-06 : Rs. 707.47 lakhs as against Profit after Tax of Rs.396.48 lakhs in the previous year).

3.1 During the year under review, the Works achieved an all time high production of Rs.97 crores surpassing the previous best of Rs.73 crores achieved in 2004-05.

3.2 During the year 2005-06, your Company, in addition to other orders, secured two large orders viz. (i) order for Coking Coal & Coke Handling System from M/s. Hooghly Met Coke & Power Co. Ltd., Haldia, valued at Rs.81 crores and (ii) order for coal handling from M/s. Bhilai Electric Supply Co., valued at Rs.152.60 crores.

3.3 Your Company, during the Financial Year 2005-06 has completed amongst others:

- a) Engineering, manufacture, supply and erection of Stock House Material Handling System for 'G' Blast Furnace at Tata Steel.
- b) Commissioning of Raw Material feed system for Kilns No. 3 and 4 of Bhushan Steel Ltd.
- c) Commissioning of Barrel Reclaimer at Tata Steel (engineering, manufacture, supply and erection of which was completed in previous year).

4.0 Exports

During the year, your Company earned foreign exchange worth Rs.252.67 lakhs through exports including deemed exports, as against previous year's earnings through exports including deemed exports of Rs.177.20 lakhs.

5.0 Management Discussion & Analysis

Management Discussion and Analysis Report is set out as separate Annexure to this report.

6.0 The Auditors, in their report to the Members, have commented that in view of uncertainties in matters under arbitration involving technical issues, they were unable to assess the final outcome and were, therefore unable to express an opinion on the recoverability of debts of Rs.571 lakhs. The arbitration, as has been reported in the Notes to the Accounts in earlier years, had been requested by your Company, not only for payment of the outstanding debts of Rs.571 lakhs but also for settlement of Company's other claims. As your Company has a very strong case, it continues to consider the aforesaid debts of Rs.571 lakhs as good.

7.0 Fixed Deposits

As in the previous year, your Company has not accepted/ renewed any fixed deposits during the year. All deposits have matured and have been repaid when claimed by the depositors together with interest accrued upto the date of maturity. All unclaimed deposits along with interest accrued upto the date of maturity have been deposited with the Investors Education and Protection Fund as and when these became due.

8.0 Business Excellence & Quality

8.1 As reported in previous years, your Company has signed the Tata Brand Equity and Business Promotion (BE-BP) Agreement with TATA SONS LTD. and has adopted the Tata Code of Conduct. Your Company's journey towards excellence through continuous improvements in all its areas of business activities is continuing with the application of the Tata Business Excellence Model (TBEM) in the management of your Company. In recognition of its efforts, your Company received 'Serious Adoption of TBEM' Award for 2005 in the month of November, 2005.

8.2 Recertification of ISO 9001-2000 Version is being obtained by various Divisions of your Company as and when due.

Certification of BMHS Division for ISO 9001-2000 Version is in progress.

9.0 Directors' Responsibility Statement

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

9.1 in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;

9.2 they have, in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit / loss of your Company for the relevant period;

9.3 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 your Company and for preventing and detecting fraud and other irregularities;

9.4 they have prepared the annual accounts on a going concern basis.

10.0 Social Responsibility & Community initiatives

10.1 Your Company, in fulfillment of its social obligations, has continued to extend organisational and financial support to various charitable and philanthropic bodies which are active in and around Jamshedpur, Kolkata and Mumbai.

10.2 The employees and their family members, as you are aware, have been donating blood voluntarily and regularly. In response to a call from Blood Bank, Jamshedpur, in the year 2005-06, two special campaigns were held - First one in the month of October wherein 153 bottles of blood were donated on a single day and the Second Campaign on 24th February, 2006 where 127 bottles were donated on that day.

10.3 Your Company and its employees actively participated in the pulse-polio immunization drive conducted by the Government of India in its efforts to eradicate polio.

10.4 Being Socially responsible, your Company contributed Rs.0.50 lakhs for Mumbai Flood Relief Work.

10.5 During the year, your Company provided infrastructural and financial assistance to local social organisations in Jamshedpur for social welfare activities in areas of Education, particularly of disabled / handicapped / underprivileged children; Health Support Services including conducting several free Health Camps and an Eye camp, wherein 107 patients were successfully operated upon for cataract removal.

10.6 During the year, your Company continued its support to "Valley View School" (affiliated with CBSE and located in the Company's Housing Colony) in its efforts to provide quality education to over twelve hundred children residing in and around the communities surrounding your Company's colony.

11.0 Environment

11.1 Your Company has signed UN Global Compact initiative spearheaded by Mr. Kofi Annan, UN Secretary General. This initiative helps businesses to build a vision and the capacity to become more competitive and sensitive. Important aspect of this initiative is to align the concern of the business with larger issues on social and ethical responsibilities for sustainable growth.

11.2 Although, the operations of your Company at Jamshedpur and at its construction sites are basically non-polluting in nature, adequate precautions are taken to comply with all regulatory requirements in this regard at all locations and construction sites. In addition to ensuring compliance with the legal norms, your Company continues its efforts towards urban beautification and tree plantation. As required by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the relevant particulars are given in the annexure to this report.

12.0 Corporate Governance

12.1 As you are aware, your Company has consistently endeavoured to adopt good corporate governance over the years. During the year the corporate governance practices were further aligned in line with the requirements of corporate governance as prescribed by Securities and Exchange Board of India (SEBI). Pursuant to the Clause 49 of the Listing Agreement, a report on Corporate Governance and Auditors' Certificate in this regard has been annexed to this report.

12.2 Adoption of Whistle Blower Policy

At its meeting held on March 23, 2005, your Company had adopted the Model Whistle Blower policy, framed by the Group General Counsel, in compliance to the non-mandatory requirements under revised Clause 49 of the Listing Agreement.

To further streamline the process, Group General Counsel suggested modifications to the Model Whistle Blower Policy, in the month of December, 2005. The changes covered under the revised policy are:

- (i) Financial & Accounting matters to be addressed to the Chairman of the Audit Committee.
- (ii) Issues pertaining to employees below the level of Vice Presidents to be referred to the Ethics Counsellor.
- (iii) Issues pertaining to Vice Presidents and above to be addressed to the Chairman of the Audit Committee.
- (iv) Whistle blowers can approach the Chairman of the Audit Committee in case of any victimization.

The Board considered and approved the adoption of the revised Model Whistle Blower Policy, which has duly been adopted by your Company.

13.0 Dematerialisation of Securities

As the members are aware, your Company has made arrangements to dematerialize its securities and has been offering securities in dematerialized form pursuant to the Depositories

Act, 1996 through National Securities Depository Ltd. and Central Depository Services (India) Ltd. All the applications received for Dematerialization have been acted upon and 44.09% of Company's Share capital stood in dematerialized form as on 31st March, 2006.

14.0 Industrial Relations

The Directors would like to place on record their sincere appreciation to the leadership of Tata-Robins-Fraser Labour Union and the employees for their continued cooperation in maintaining harmonious industrial relations, production and productivity and in the implementation of various initiatives to reduce internal costs and improvements in operational efficiencies.

15.0 Directors

15.1 Mr. S. K. Bhargava, Director, retires by rotation at the next Annual General Meeting in accordance with provisions of the Companies Act, 1956 and is eligible for re-appointment.

15.2 Mr. B. D. Bodhanwala, Director, retires by rotation at the next Annual General Meeting in accordance with the provisions of the Companies Act, 1956 and is eligible for re-appointment.

15.3 Mr. R. P. Singh, Director, retires by rotation at the next Annual General Meeting in accordance with the provisions of the Companies Act, 1956 and is eligible for re-appointment.

16.0 Particulars of Employees

A statement giving information about employees of your Company pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, is given in the Annexure to this Report.

17.0 Additional Information

Additional information required to be disclosed in terms of Notification No. GSR 1029 dated December 31, 1988 issued by the Department of Company Affairs is given in the Annexure to this Report. This has been incorporated to allow payment of remuneration to the Managing Director and Executive Director in any of the three financial years for which they have been re-appointed / appointed, in terms of Part II in

Section II to Schedule XIII of the Companies Act, 1956, only in the event your Company has no profits or inadequate profits.

18.0 Auditors

The Auditors, Messrs. A. F. Ferguson & Co., retire at the next Annual General Meeting and being eligible, offer themselves for re-appointment. Your Company has received a certificate from the Auditors to the effect that their appointment, if made, would be within the limits as prescribed under Section 224(1B) of the Companies Act, 1956. The Members are requested to appoint Auditors for the current year at the Annual General Meeting and to authorize the Board of Directors to fix their

remuneration to be mutually agreed upon between the Board and the Auditors.

19.0 Acknowledgement

Directors place on record their deep appreciation for the continued support received during the year from the shareholders, customers, suppliers and associates, banks, financial institutions, collaborators, the workers' union, other authorities and the employees of your Company.

On behalf of the Board of Directors

Kolkata,
April 18, 2006

Dr Jamshed J. Irani
Chairman

Annexure to the Directors' Report 2005-06

(Additional Information given in terms of Notification No. GSR 1029 of 31.12.1988 issued by the Department of Company Affairs)

Disclosures

Form B

A. Conservation of Energy

- a) **Energy conservation measures taken :**
 - Maximum demand control
 - Power factor improvement
 - Shop floor illumination improvement through natural light
- b) **Additional investments and proposals, if any :**
 - Energy efficient fibrothal heating system in PIT Type furnace
 - Energy saver motor soft starter for testing and trail run of the equipment
- c) **Impact of the above measures on consumption of energy :**
 - 2% reduction in power consumption
 - No annual minimum guarantee charges
- d) **Total energy consumption and energy consumption per unit of production as prescribed in Form - A :**
 - Not given as your Company is not under the list of Specified industries

B. Technology absorption :

Refer Form "B" given in the next column

C. Foreign exchange earnings and outgo :

Earnings – Rs. 252.67 lakhs including deemed exports

Outgo – Rs. 536.85 lakhs

Information on foreign exchange outgo is contained in Schedule 19 of Notes to Accounts

Research & Development

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

Product Development :

Design completed for

 - High speed screens for fines with unbalanced motors
 - Load Haul Dumpers
 - SDLs with CRD
 - Idler testing rig to test idlers as per South African standards
 - Light duty idlers
 - Development of special purpose shipyard Level Luffing crane
2. **Benefits derived as a result of the above R&D :**
 - Availability of designs for a wider range of products
 - Introduction of products to meet customized requirements
3. **Future Plan of Action :**

To introduce :

 - SDLs with CRD for field trials
 - High speed Blow Bar Impactors
 - Load Haul Dumper with 1.75cu.mtr. Bucket
4. **Expenditure on R & D including expenditure incurred on items developed and supplied to customers :**

a) Capital	:	Nil
b) Recurring/Revenue	:	Rs. 405.53 lakhs
c) Total	:	Rs. 405.53 lakhs
d) Total R&D expenditure as a percentage of total turnover	:	1.87%
5. **Technology absorption, adaptation and innovation :**
 - Adoption of technology for Barrel Reclaimers
 - Development, design & manufacture of special purpose Level Luffing ship yard cranes

Statement pursuant to Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975

Sl. No.	Name	Age (Years)	Designation/ Nature of duties	Remuneration		Qualification	Experi- ence (Years)	Date of commence- ment of employment	Last Employment
				Gross Rs.	Net Rs.				
1.	Gupta, Santosh K.	59	Managing Director	50,43,543	31,25,594	B.E.(Hons.) Mech.	38	01.04.1999	Managing Director, Tata Technodyne Limited
2.	Nandrajog, R. C.	61	Executive Director	30,26,579	18,84,991	B.Sc. Engg. (Mech. Hons) P.G.D.B.M., I.C.W.A.	40	01.08.2004	Vice President (Finance) Tata Steel Ltd.

- Notes :
1. Gross remuneration comprises salary, allowances, monetary value of perquisites, commission paid to the Wholetime Director(s) and the Company's contribution to provident, superannuation and gratuity funds.
 2. Net remuneration is after tax and is exclusive of Company's contribution to the provident, superannuation and gratuity funds and monetary value of non-cash perquisites.
 3. The nature of employment in both the cases is contractual.
 4. None of the employees mentioned above is a relative of any Director of the Company.

On behalf of the Board of Directors

Kolkata,
April 18, 2006

Dr. Jamshed J. Irani
Chairman

MANAGEMENT DISCUSSION & ANALYSIS REPORT

1. Industry structure and developments

Improvement in economy leading to high demand for steel and power has spurred investments in these sectors. Your Company has been successful in obtaining orders of over Rs.350 crore during the year from these Sectors.

The upward trend of investments is expected to continue which should translate into increased business opportunities for your Company.

In the field of Bulk Material Handling, the Company continues to face intense competition inspite of improved investment climate as the number of players in the business continues to be large.

Your company is addressing the issue of wide fluctuations in the price of Steel by working out a strategy to obtain as much as possible free issue of steel from the customers, even at the cost of adverse impact, especially, on turnover of the Company. The Management feels that this strategy, to the extent it can be implemented, will stand the Company in good

stead in the foreseeable future by proportionately insulating the Company's performance, due to such large and sudden changes.

With the deployment of various other strategies, your Company has been able to post significantly improved results for the year 2005-06.

The Company has chosen SAP as the E.R.P. package, the implementation of which is in progress. With the Company going live on SAP, the effectiveness of the Company's key business processes should improve further, helping the Company to retain its competitiveness.

2. Opportunities and Threats

With the buoyancy in Steel and Power Sectors, your Company is foreseeing good opportunities for its business in 2006-07 and beyond. With the improvements made in the effectiveness of its key business processes and operating efficiencies, your Company has retained its competitiveness. The Company management, besides consolidating its

position to further improve the working of your Company in 2006-07, has also undertaken steps to meet the high demand for its Products and Services in future.

Your Company does not perceive major threats except for those attributable to intense competition and rising costs of inputs without commensurate increase in the nett realizations.

3. Financial performance with respect to operational performance

Total Income of your Company during the year is Rs.216.79 crores, an increase of 7.5% over previous year (previous year Total Income : Rs.201.69 crores). Profit before Tax for the year is Rs.11,57.66 lakhs as against previous year's Profit Before Tax of Rs.6,60.34 lakhs. Profit after Tax for the year is Rs.7,07.47 lakhs as against Profit after Tax of Rs.3,96.48 lakhs for the previous year. Improved performance has been made possible by continuous efforts of your Company's Management, on improving competitiveness through reduction in internal costs and improvements in operating efficiencies.

4. Segment-wise Performance

Both the segments of your Company under which details have been reported, have done well during the year under review. The Projects and Services segment has posted a revenue of Rs.152,51.47 lakhs as against Rs. 150,82.67 lakhs achieved in the previous year and the Products and Services segment has posted an all time high revenue of Rs.98,28.67 lakhs, including inter segmental revenue of Rs.34,24.87 lakhs as against a revenue of Rs.72,83.03 lakhs including inter segmental revenue of Rs.23,59.44 lakhs in the previous year.

5. Segmental Results

The Projects and Services segment posted segmental profits of Rs.2,55.68 lakhs (previous year Rs.3,85.70 lakhs) while the Products and Services segment have recorded a profit of Rs.15,10.35 lakhs (previous year

Rs.7,32.80 lakhs). The Profit, for the Company, after deducting Interest and other Unallocable expenditure/income from the segmental results, has been Rs.11,57.66 lakhs (previous year Rs.6,60.34 lakhs).

6. Outlook

Your Company in its quest for new opportunities to expand its business has signed an agreement with Messrs. Kocks Krane, Germany, for supplying Shipyard Cranes and Container Cranes.

7. Risks and Concerns

Apart from the normal risks inherent in contracting and tender driven businesses in which your Company predominantly operates, the other areas of concern have been the increase in the cost of inputs, especially Cement, Petroleum based items and electrical equipment.

In compliance of the requirements of the revised Clause 49 of the Listing Agreement, your Company has laid down procedures for identification of the Risks and effective steps are being taken to improve the existing Risk Management System.

8. Internal Control System

Your Company has put in place internal control systems commensurate with the scale and nature of its operations.

9. Developments in Human Resources/ Industrial Relations front

As in previous years, efforts towards manpower rationalization have continued during the year. Industrial relations in your Company continue to be healthy and cordial, thanks largely to an attitude of partnership with the recognised union.

On behalf of the Board of Directors

*Kolkata,
April 18, 2006*

*Dr Jamshed J. Irani
Chairman*

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2005-06

1. A brief statement on Company's philosophy on Code of Governance

In line with the Tata Group Philosophy, the Company has been following good corporate governance practices over the years.

In view of the revision of Clause 49 of the Listing Agreement, the Board of Directors of the Company, specifically met on December 26, 2005, to review the Composition of the Board, independence of the Non-Executive Directors and status of compliance of various clauses of the revised Clause 49 and noted that the Company was in full compliance with the requirements.

2. Board of Directors

The strength of the Board as on March 31, 2006 was 10, comprising of :

Promoter Directors, Non-Executive	:	2
Non-Independent, Non-Executive Directors	:	2
Independent, Non-Executive Directors	:	4
Executive Directors	:	2

There is no Nominee or Institutional Director on the Board of the Company.

The Company has a non-executive Chairman and the number of Independent Directors is more than one-third of the total number of Directors. The number of non-executive Directors is more than 50% of the total number of Directors.

No Director on the Board was a Member of more than 10 committees and Chairman of more than 5 committees, across all the companies in which he was a Director. All the Directors have made the necessary disclosures regarding committee positions.

Names of the Directors on the Board, their category, attendance at Board meetings during the year and at the last Annual General Meeting, as also the number of directorships and committee memberships held by them in other companies are given below:

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Name	Category	No. of Board meetings attended during 2005-06	Whether attended the AGM held on July 16, 2005	No. of directorships in other companies as on March 31, 2006		No. of committee positions held as on March 31, 2006	
				As Chairman	As Director	As Chairman	As Member
Dr. Jamshed J. Irani, Chairman	Independent Non-Executive Director	8	Yes	3	9	Nil	3
Mr. S. J. Ghandy	Independent Non-Executive Director	7	Yes	Nil	6	2	1
Mr. R. Sankaran (upto 16-07-2005)	Independent Non-Executive Director	2	Yes	Nil	2	2	2
Mr. S. K. Bhargava*	Independent Non-Executive Director	4	No	2	10	3	5
Mr. B. D. Bodhanwala*	Independent Non-Executive Director	8	Yes	Nil	Nil	1	1
Mr. R. P. Singh*	Promoter Non-Independent Non-Executive Director	5	No	Nil	2	Nil	1
Mr. K. P. Singh	Non-Independent Non-Executive Director	6	Yes	Nil	1	Nil	Nil
Mr. Ranaveer Sinha	Non-Independent Non-Executive Director	7	Yes	Nil	1	Nil	Nil
Mr. Jayant Kumar	Promoter Non-Independent Non-Executive Director	3	Yes	Nil	1	Nil	Nil
Mr. Santosh K. Gupta, Managing Director	Executive Director	8	Yes	Nil	1	Nil	1
Mr. R.C. Nandrajog, Executive Director	Executive Director	8	Yes	Nil	Nil	Nil	Nil

* Retire by rotation at the 43rd Annual General Meeting in accordance with the provisions of the Companies Act, 1956 and are eligible for re-appointment (refer para 15 of Directors' Report).

The Board met eight times during the year 2005-06 and the gap between any two meetings did not exceed four months. The dates on which the Board meetings were held are as follows:

(i) April 28, 2005 (ii) June 10, 2005 (iii) July 16, 2005 (iv) August 25, 2005 (v) October 15, 2005 (vi) December 26, 2005 (vii) January 13, 2006 and (viii) February 18, 2006.

The Board on a quarterly basis, reviews status of compliance of all laws applicable to the Company. Information as required in terms of Annexure IA to Clause 49 of the Listing Agreement were furnished to the Board, at the various meetings.

The Tata Code of Conduct, as adopted by the Company, are applicable to the Executive Directors and all employees of the Company who affirm compliance to the Code on an annual basis. The Board at its meeting held on December 26, 2005, has adopted a 'Code of Conduct for Non Executive Directors'. These codes have been posted on the Website of the Company.

The Company did not have any pecuniary relationship with any non-executive Director during the year 2005-06.

3. Audit Committee

The Company has complied with the requirements of Clause 49II (A) of the Listing Agreement with regard to composition of the Committee. The composition of the Audit Committee and the details of the meetings of the Committee attended by the Directors are given below :

Name of Member	Position	Category	No. of meetings attended during the year 2005-06
Mr. R. Sankaran (Chartered Accountant)	Chairman (upto 16.07.2005)	Independent Non-Executive Director	2
Mr. S.J. Ghandy	Chairman (from 14.10.2005)	Independent Non-Executive Director	4
Mr. S. K. Bhargava	Member	Independent Non-Executive Director	2
Mr. B. D. Bodhanwala	Member	Independent Non-Executive Director	4

Mr. R. Sankaran, Chairman of the Committee, was present at the last Annual General Meeting held on July 16, 2005.

Audit Committee meetings were attended by the heads of Finance & Accounts and Internal Audit. Other senior managers of the Company attended the meetings as and when invited by the Committee. Representatives of the Statutory Auditors were invited to the meetings as and when felt necessary. The Company Secretary acts as the Secretary to the Committee.

The Committee met four times during the year 2005-06 on the following dates:

(i) April 27, 2005 (ii) July 15, 2005 (iii) October 14, 2005 and (iv) January 11, 2006.

The Audit Committee of the Board has been functioning since 1997. The broad terms of reference of the Audit Committee are to review reports of the Internal Audit Department of the Company; discuss the same with the Internal Auditors periodically; to meet Statutory Auditors to discuss their findings, suggestions and other related matters; and to review weaknesses in internal controls reported by Internal and Statutory Auditors. In terms of a resolution passed by the Board at its meeting held on October 30, 2000, the Audit Committee has been granted the powers prescribed under Clause 49II (C) of the Listing Agreement and the scope of activities of the Audit Committee has been enlarged to include the areas prescribed by Clause 49II (D) of the Listing Agreement. The Audit Committee also, mandatorily reviews the information prescribed under Clause 49II (E) of the Listing Agreement.

4. Remuneration Committee

The Remuneration Committee of the Board has been in operation since 1995. The broad terms of reference of the Committee are to recommend to the Board the salary (including annual increments), perquisites and commission/performance linked remuneration to be paid to the managing/whole-time directors of the Company and to finalise the perquisites package within the overall ceiling fixed by the Board.

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The composition of the Committee and the details of the meetings attended by the members thereof during the year 2005-06 are as follows:

Name of Member	Category	No. of meetings attended
Mr. R. Sankaran, Chairman (upto July 16, 2005)	Independent Non-Executive Director	1
Mr. B. D. Bodhanwala, Chairman (from July 16, 2005)	Independent Non-Executive Director	1
Dr. Jamshed J. Irani	Independent Non-Executive Director	1
Mr. S. K. Bhargava	Independent Non-Executive Director	—
Mr. R P Singh (from July 16, 2005)	Promoter, Non-Independent Non-Executive Director	N.A.

During the year 2005-06, the Committee met once on April 28, 2005.

Remuneration policy

Non-executive Directors are remunerated by way of sitting fees. Total sitting fees paid to the non-executive Directors for attending meetings of the Board and committees thereof during the year 2005-06 amounted to Rs. 5.53 lakh. A provision has also been made in the Accounts for the financial year 2005-06 to the extent of Rs. 10.70 lakh only for payment of Commission from the net profits to the Directors other than the Managing Director and Executive Director, as per resolution adopted by the shareholders at the Annual General Meeting held on July 10, 2004. The distribution of commission amongst non-executive Directors will be decided by the Board. The Company has not granted any stock options to the Non-executive Directors, as yet.

Details of remuneration paid to non-executive Directors in the year 2005-06 towards sitting fees for Board/Committee meetings attended during the year and Commission for the year 2004-05 are as follows:

Name of Director	Sitting Fees for 2005-06 Rs.	Commission for 2004-05 Rs.	Total Rs.
Dr. Jamshed J. Irani	69,000	1,33,000	2,02,000
Mr. S. J. Ghandy	1,04,000	67,000	1,71,000
Mr. R. Sankaran*	37,000	1,42,000	1,79,000
Mr. S. K. Bhargava	48,000	58,000	1,06,000
Mr. B. D. Bodhanwala	1,06,000	1,17,000	2,23,000
Mr. R. P. Singh.	61,000	58,000	1,19,000
Mr. K. P. Singh	48,000	33,000	81,000
Mr. Ranaveer Sinha	56,000	42,000	98,000
Mr. Jayant Kumar	24,000	17,000	41,000
Mr. S. N. Malhotra **	—	33,000	33,000
	5,53,000	7,00,000	12,53,000

* Mr. R. Sankaran was a Director of the Company only upto July 16, 2005

** Mr. S. N. Malhotra was a Director of the Company upto December 24, 2004

None of the Directors of the Company have held any equity shares in the Company during the year 2005-06. The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and commission/performance linked remuneration (variable component) to the Managing Director and Executive Director. Salary is paid within the range approved by the members. Annual increments effective April 01 each year, as recommended by the Remuneration Committee, are approved by the Board. The ceiling on perquisites and allowances as a percentage of salary is fixed by the Board and within the prescribed ceiling, the perquisites package is recommended

by the Remuneration Committee and approved by the Board. Commission/Performance Linked Remuneration payable to the Managing Director and Executive Director are determined by the Board at the end of the financial year based on the recommendations of the Remuneration Committee, subject, however, to the overall ceilings on remuneration stipulated in Sections 198 and 309 or in Section II of Part II of Schedule XIII of the Companies Act, 1956. Specific amount payable to each such Director is based on the performance criteria laid down by the Board.

Details of remuneration paid to the Managing Director and Executive Director for the year 2005-06 are as under:

Name	Salary Rs. lakhs	Perquisites & Allowances Rs. lakhs	Commission * Rs. lakhs	Stock Options
Mr. Santosh K. Gupta, Managing Director	14.70	19.23	19.00	NIL
Mr. R. C. Nandrajog, Executive Director	12.00	9.27	15.00	NIL

* payable for the year 2005-06 after adoption of the Annual Accounts by the shareholders.

Period of contract of : Three years, from April 01, 2004 to March 31, 2007.

Managing Director : The contract may be terminated by either party giving the other party six months' notice or the Company paying six months' salary in lieu thereof.

Period of contract of : Three years, from August 01, 2004 to July 31, 2007.

Executive Director : The contract may be terminated by either party giving the other party six months' notice or the Company paying six months' salary in lieu thereof.

5. Shareholders' Committee

The terms of reference of Shareholders' Grievance and Share Transfer Committee are to specifically look into the redressal of Investors' complaints like transfer of shares, non-receipt of balance sheet and non-receipt of declared dividend, etc. The Committee met once during the year 2005-06 on March 23, 2006.

The composition of the Shareholders' Grievance and Share Transfer Committee and details of the meeting attended by the Directors are given below:

Name of Member	Category	No. of meeting attended during the year 2005-06
Mr. B. D. Bodhanwala (Chairman)	Independent Non-Executive Director	1
Mr. R. P. Singh	Promoter, Non-Independent Non-Executive Director	1
Mr. Santosh K. Gupta	Executive Director	1

Name, designation & address of Compliance Officer : Mr. Vishwanath G. Malagi
Company Secretary
TRF Limited,
11, Station Road, Burma Mines,
Jamshedpur-831 007.

Tel. No. : (0657) 2271-037

Fax : (0657) 2271-075

E-mail : investors@jsr.trfltd.com

No. of complaints received from the investors during the year 2005-06 : 39

No. not solved to the satisfaction of the investors as on 31.03.2006 : Nil

No. of pending complaints as on 31.03.2006 : Nil

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6. Other Committees

In addition to the above Committees on Corporate Governance, the Board has constituted additional committees under the nomenclature :

A. Governance Council

The Committee is responsible for formation and evaluation of the Board. The composition of the Committee, was revised by the Board in its meeting held on April 28, 2005, which is presently as under :

Sl. No.	Name of Director	Position
1.	Dr. Jamshed J. Irani	Chairman
2.	Mr. S. J. Ghandy	Member
3.	Mr. S. K. Bhargava	Member

The Governance Council did not meet during the year 2005-06.

B. Executive Committee

The Committee among its other functions periodically reviews the organization structure of the Company and considers filling up of key positions in the organisation, gives strategic direction to the Company and considers the future growth plan of the Company. The composition of the Committee is as follows :

Sl. No.	Name of Director	Position
1.	Mr. S. J. Ghandy	Chairman
2.	Mr. R. P. Singh	Member
3.	Mr. Santosh K. Gupta	Member

During the year 2005-06, the Committee met twice on May 02, 2005 and May 27, 2005.

C. Ethics and Compliance Committee

The Committee oversees the implementation and compliance of the various Tata Codes of Conduct. The composition of the Committee is as follows :

Sl. No.	Name of Director	Position
1.	Mr. B. D. Bodhanwala	Member
2.	Mr. Santosh K. Gupta	Member

The Committee did not meet during the year 2005-06.

7. General body meetings

Location and time where last three Annual General Meetings were held :

Year	Date	Time	Venue
2005	16.07.2005	12.00 noon	Auditorium of Shavak Nanavati Technical Institute, N-Road, Bistupur, Jamshedpur-831001
2004	10.07.2004	12.00 noon	Auditorium of TMDC, XLRI Campus, Circuit House Area (East), Jamshedpur – 831001
2003	12.07.2003	12.00 noon	Auditorium of Shavak Nanavati Technical Institute, N-Road, Bistupur, Jamshedpur-831001

The Special Resolutions passed in the previous three Annual General Meetings are as under:

AGM Date	Special Resolutions passed
16.07.2005	i) Revision in terms of remuneration of Mr. Santosh Kumar Gupta, Managing Director and ii) Delisting of the equity shares of the Company from Calcutta Stock Exchange and Magadh Stock Exchange
10.07.2004	i) Re-appointment of Mr. Santosh Kumar Gupta as Managing Director ii) Appointment of Mr. Ramesh Chander Nandrajog as Executive Director and iii) Payment of Commission to Non-executive Directors
12.07.2003	No Special Resolution was passed.

No special resolutions were put to vote through postal ballot in the previous three Annual General Meetings and no such special resolution is proposed for this year also.

8. Disclosures

- i) The Company had no transaction of material nature with its promoters, directors or the management, their subsidiaries or relatives, etc. that may have had potential conflict of interest with the Company at large. The Register of Contracts is placed at each meeting of the Board of Directors as per the requirements of the Companies Act, 1956.
- ii) There are also no instances of non-compliance by the Company or strictures imposed by the Stock Exchanges, SEBI or any other regulatory authority on any matter related to capital markets, during the last three years.
- iii) The Board at its meeting held on December 26, 2005, has adopted the Risk Management framework and the same is subject to periodic review by the Company Management.
- iv) The Company has complied with the applicable Accounting Standards.
- v) Management Discussion and Analysis Report forms a part of the Director's Report.
- vi) The relevant disclosures on the remuneration of directors have been included under "Remuneration Policy" in this report.
- vii) The Company has not raised any proceeds from public issue, rights issue, preferential issue, etc. during the year.
- viii) The Details of adoption / non-adoption of the non-mandatory requirements as specified in Annexure ID of Clause 49 are as under:
 - a) **The Board**
The Company does not maintain any office for its non-executive Chairman. The Board at its meeting held on March 19, 2001 adopted the Tata Group Guidelines for Composition of the Board of Directors, whereby w.e.f. March 19, 2006, the Non-executive Directors can have a maximum tenure of three terms of three years each.
 - b) **Remuneration Committee**
The Board has a Remuneration Committee whose terms of reference, composition and other relevant particulars have been mentioned in this report.
 - c) **Shareholders rights**
The Company does not send any communication to shareholders covering financial performance or summary of the significant events on half-yearly basis. Instead, the Company publishes the quarterly financial results in major newspapers and posts the same on the website of the Company. Further, significant events are informed to the Stock Exchanges from time to time and then the same is posted on the website of the Company.
 - d) **Audit qualifications**
Observations of the Auditors in their report to the members have been appropriately addressed in the Directors' Report and notes to the accounts.
 - e) **Training of Board Members**
The members of the Board, being business leaders in their respective area of functioning, are aware of their responsibilities as directors and the best ways to discharge them.
 - f) **Mechanism for evaluating non-executive Board Members**
The Board has at its meeting held on January 13, 2006, considered the need for performance evaluation of non-executive directors. The matter is presently under consideration by the Board members.
 - g) **Whistle Blower Policy**
At its meeting held on March 23, 2005, the Board had adopted the Model Whistle Blower Policy, framed by the Tata Group General Counsel.
To further streamline the process, Tata Group General Counsel suggested modifications to the Model Whistle Blower Policy, in the month of December 2005. The Board at its meeting held on December 26, 2005, considered and approved the adoption of the revised Model Whistle Blower Policy.

9. CEO/CFO Certification

The Managing Director and General Manager (Finance & Accounts), who heads the finance function, have submitted the required Certificate to the Board, at its meeting held on April 18, 2006, wherein the Audited Accounts of the Company for the year, 2005-06, were considered.

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10. Means of communication

Quarterly Results -

Which newspapers normally published in - Hindustan Times / Business Standard (in English) & PrabhatKhabar/Uditvani or Chamakta Aiyana (in Hindi)

Any website, where displayed - www.trfltd.com

Presentations are made to institutional investors upon their specific request(s). Any significant event is first informed to the Stock Exchanges and then posted on the website of the Company.

11. General Shareholder Information

- i) **AGM : Date, time and venue** : July 14, 2006 at 12.00 noon
at the Auditorium of SNTI
N-Road, Bistupur, Jamshedpur – 831 001
- ii) As required under Clause 49IV(G), particulars of Directors seeking reappointment are annexed to the Notice of the Annual General Meeting to be held on July 14, 2006.
- iii) **Financial calendar** : Year ending March 31, 2006
AGM July 14, 2006
Dividend Payment Immediately after AGM
- iv) **Date of book closure** : June 23, 2006 to June 30, 2006 (both days inclusive)
- v) **Dividend Payment date** : The dividend warrants will be posted on or after July 14, 2006.
- vi) **Listing on Stock Exchanges** : The Company's shares are listed on
1) Bombay Stock Exchange Ltd. (BSE)
2) The Calcutta Stock Exchange Association Ltd.
3) Magadh Stock Exchange Association

The Company has paid the annual listing fees to all the Stock Exchanges, for the financial year 2005-06.

The shareholders of the Company had at its Annual General Meeting, held on July 16, 2005, passed a Special Resolution for delisting of the Equity shares of the Company, from the Calcutta and Magadh Stock Exchanges. Applications for delisting are pending with both the Stock Exchanges.

- vii) **Stock Code** : BSE Stock Code : 505854

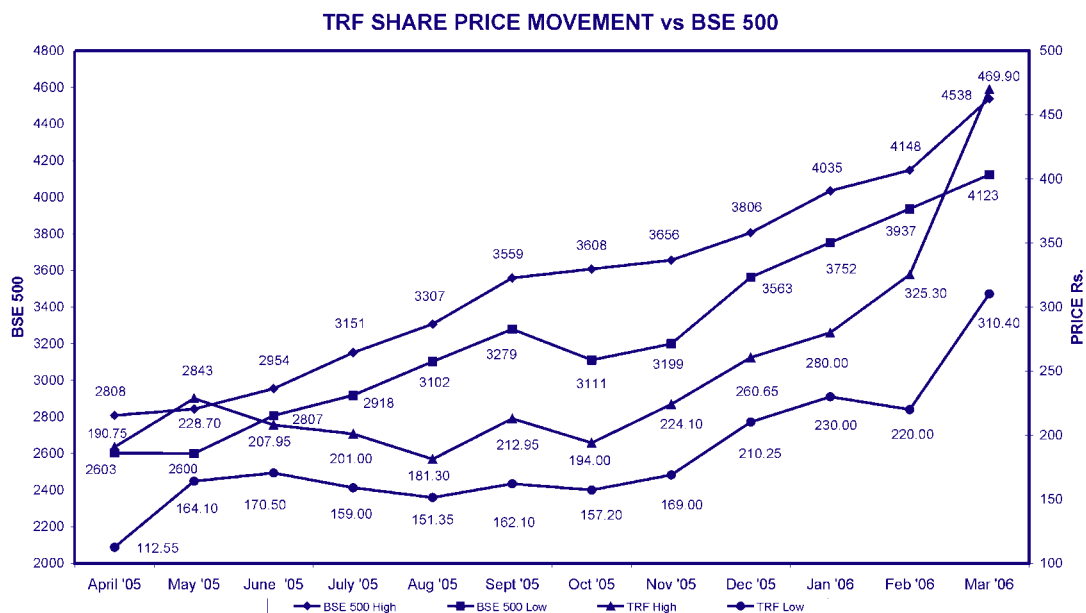
viii) Market price data :

The following table gives the details of the market price movements (days closing) on the Bombay Stock Exchange Ltd., Mumbai of the Company's fully paid-up equity shares of Rs. 10 each, during the year 2005-06:

		TRF		BSE 500	
		High (Rs.)	Low (Rs.)	High	Low
April	2005	190.75	112.55	2808	2603
May	2005	228.70	164.10	2843	2600
June	2005	207.95	170.50	2954	2807
July	2005	201.00	159.00	3151	2918
August	2005	181.30	151.35	3307	3102
September	2005	212.95	162.10	3559	3279
October	2005	194.00	157.20	3608	3111
November	2005	224.10	169.00	3656	3199
December	2005	260.65	210.25	3806	3563
January	2006	280.00	230.00	4035	3752
February	2006	325.30	220.00	4148	3937
March	2006	469.90	310.40	4538	4123

ix) **Performance of Company's Share price :**

The performance of the Company's share prices in comparison to broad-based indices BSE 500 during the year 2005-06, is as under :



x) **Registrars & Share Transfer Agents :**

TSR DARASHAW LTD.
(Formerly Tata Share Registry Ltd.)
Army & Navy Building,
148, Mahatma Gandhi Road,
Fort, Mumbai - 400 001.

Contact person : Mr. C. N. Amin
Tel. No. : (022) 6656-8484
Fax No. : (022) 6656-8494/8496
E-mail : csg-unit@tsrdarashaw.com
Website : www.tsrdarashaw.com

xi) **Share transfer system :**

a) **Physical Form :**

Share transfers in physical form can be lodged either at the Registered Office of the Company or with TSR Darashaw Ltd. at the above-mentioned address or any of their branch offices, addresses of which are available on their web-site.

Transfers are normally processed within 15 days from the date of receipt, provided the documents are complete in all respects. Certain executives (including the Managing Director) are severally empowered to approve transfers.

b) **Demat Form :**

The Company has made arrangements to dematerialise its shares through National Securities Depository Ltd. and Central Depository Services (India) Ltd. and Company's ISIN No. is **INE391D01019**.

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xii) a) **Distribution of shareholdings as on 31.03.2006 :**

Shareholding of nominal value of	Shareholders		Share Amount		
	Rs.	Number	% to total	Rs.	% to total
UPTO – 5000		10864	95.42	10527860	19.13
5001 – 10000		296	2.60	2314250	4.20
10001 – 20000		112	0.98	1675540	3.05
20001 – 30000		37	0.32	949470	1.73
30001 – 40000		14	0.12	513380	0.93
40001 – 50000		13	0.12	623040	1.13
50001 – 100000		14	0.12	1160140	2.11
100001 and above		36	0.32	37258380	67.72
TOTAL		11386	100.00	55022060	100.00

b) **Shareholding pattern as on 31.03.2006 :**

Sl.No.	Category	No. of Shares	%
I.	Promoters/Associate companies, etc.	2651944	48.20
II.	Financial Institutions	1969	0.04
III.	Foreign Financial Institutions	229883	4.18
IV.	Other Bodies Corporate / Trusts	592436	10.76
V.	Directors & Relatives	Nil	Nil
VI.	General Public	2025974	36.82
	TOTAL	5502206	100.00

c) **Shareholders holding more than 1% of the equity capital as on 31.03.2006 :**

Sl.No.	Name of shareholders	No. of shares held	%
1.	Tata Steel Ltd.	1913314	34.77
2.	The Associated Cement Cos. Ltd.	360000	6.54
3.	Marconi Corporation plc., UK	183750	3.34
4.	Prudential ICICI AMC Ltd. A/c PMS	166815	3.03
5.	Litton Systems Inc., USA	108750	1.98
6.	UBS Securities Asia Ltd. A/c Swiss Finance Corpn. (Mauritius) Ltd.	100000	1.82
7.	Kalimati Investment Co. Ltd.	85150	1.55
8.	Goldman Sachs Investments Mauritius I Ltd.	64675	1.18
9.	Vijay Kishanlal Kedia	57684	1.04
10.	Rosy Blue Securities Private Limited	55160	1.00

xiii) **Dematerialisation of shares and liquidity :**

44.09 % of the share capital of the Company had been dematerialised till March 31, 2006. The Company's shares are frequently traded on Bombay Stock Exchange Ltd.

xiv) The Company has no outstanding GDR/ADR/Warrants or any convertible instruments.

xv) **Plant location** : 11, Station Road, Burma Mines,
Jamshedpur – 831 007 (Jharkhand).

xvi) **Address for correspondence** : **TRF LIMITED**
A TATA Enterprise
11, Station Road, Burma Mines,
Jamshedpur – 831 007.
Tel : (0657) 2271286 to 2271293
Fax : (0657) 2271075
E-mail : investors@jsr.trfltd.com
Web-site : www.trfltd.com

12. A Certificate from the Auditors of the Company, M/s. A. F. Ferguson & Co., Chartered Accountants, regarding due Compliance of conditions stipulated in Clause 49 of the Listing Agreement is annexed hereto.

On behalf of the Board of Directors

*Kolkata,
April 18, 2006*

Dr Jamshed J. Irani
Chairman

CERTIFICATE

**To the Members of
TRF LIMITED**

We have examined the compliance of conditions of Corporate Governance by TRF Limited, for the year ended on 31st March, 2006, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For A. F. FERGUSON & CO.
Chartered Accountants

Place : Kolkata
Date : April 18, 2006

A. C. GUPTA
Partner
Membership No. 8538

To
The Members
TRF LIMITED

**DECLARATION OF COMPLIANCE TO THE CODE OF CONDUCT
BY DIRECTORS AND SENIOR MANAGEMENT PERSONNEL**

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Whole time Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors. Both these Codes are hosted on the Company's web site.

I confirm that the Company has in respect of the financial year ended March 31, 2006, received from the senior management team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the employees in the Vice President and General Manager, cadre as on March 31, 2006.

Place : Kolkata
Date : April 18, 2006

Santosh K. Gupta
Managing Director

TRF LIMITED

Fortythird annual report 2005-06

Funds Flow Statement					
Rupees in lakhs					
	2005-06	2004-05	2003-04	2002-03	2001-02
SOURCES					
1. Cash generated from Operations :					
— Profit / (Loss) before taxes	1158	660	529	(94)	1253
— Less : Taxation (net)	(450)	(264)	(197)	51	(320)
— Add : Depreciation (net)	(38)	132	106	(14)	103
Total	<u>670</u>	<u>528</u>	<u>438</u>	<u>(57)</u>	<u>1036</u>
2. Increase in Loan Funds					
— Bank Borrowings	—	2053	1334	1154	1864
3. Decrease in Working Capital	1867	—	—	—	—
4. Decrease in Miscellaneous Expenditure	27	34	187	15	81
		(Note 1)			
5. Decrease in Investment	3	—	23	—	127
Total	<u>2567</u>	<u>2615</u>	<u>1982</u>	<u>1112</u>	<u>3108</u>
UTILISATION					
1. Capital Expenditure (net)	(4)	123	8	(136)	13
2. Increase in Investments	—	—	—	4	—
3. Dividend including tax on dividend, if applicable	251	188	161	74	143
4. Decrease in Loan Funds					
— Bank Borrowings	2278	—	—	—	—
— Others	—	—	—	5	203
5. Increase in Working Capital	—	2315	1736	1114	2940
6. Deferred Tax (net) for the year	42	(11)	77	51	(190)
Total	<u>2567</u>	<u>2615</u>	<u>1982</u>	<u>1112</u>	<u>3108</u>

Note :

- Consequent to the confirmation by the Hon'ble High Court of Judicature at Ranchi of the Financial Restructuring Scheme approved by the shareholders at the Extra-ordinary General Meeting held on December 29, 2003, the impact of restructuring have been given effect to from April 1, 2004. As a result, Misc. Expenditure (to the extent not written off or adjusted) as on April 1, 2004, have come down by Rs.483 lakhs.

Summarised Balance Sheet as at March 31, 2006

Rupees in lakhs

As at

31.3.2005

WHAT THE COMPANY OWNED

1. Fixed Assets

Gross Block

34,26.77

35,05.21

Less : Depreciation

25,73.01

26,10.77

Net Block

8,53.76

8,94.44

2. Capital Work-in-progress

74.11

—

3. Investments

40.73

43.73

4. Net Current Assets

75,14.92

93,82.34

5. Deferred tax Assets

36.15

30.94

6. Misc. Expenditure

39.21

66.01

7. Total Assets (Net)

85,58.88

104,17.46

WHAT THE COMPANY OWED

8. Borrowings

41,27.13

64,05.37

9. Deferred tax Liability

1,59.20

1,96.05

THE COMPANY'S NET WORTH

10. Shareholders' Equity

42,72.55

38,16.04

(i.e., the excess of what the Company owned over what the Company owed)

Represented by

Share Capital : Rs. 5,50.22 lakhs (Previous year : Rs. 5,50.22 lakhs)

Reserves : Rs. 37,22.33 lakhs (Previous year : Rs. 32,65.82 lakhs)

11. Total Capital Employed

85,58.88

104,17.46

Summarised Profit and Loss Account for the year 2005-06

Rupees in lakhs

Previous year

1. Income

Net Sales & Services

21,655.27

200,06.26

Other Income

24.01

1,62.59

Total Income

21,679.28

201,68.85

2. Profit/(Loss) before Interest, Depreciation, Exceptional/ Extraordinary Items and Taxes

17,52.00

12,44.61

Less : Depreciation

1,29.86

1,39.59

Interest

4,34.69

4,11.07

3. Profit/(Loss) before Exceptional/Extraordinary Items and Taxes

11,87.45

6,93.95

4. Exceptional/Extraordinary Items [Gain/(Loss)]

(29.79)

(33.61)

5. Profit/(Loss) before Taxes

11,57.66

6,60.34

6. Provision for Taxes / (Write back)

4,50.19

2,63.86

7. Profit/(Loss) after Taxes

7,07.47

3,96.48

8. Balance in Profit and Loss Account brought forward

2,36.09

1,77.83

9. Amount available for appropriation

9,43.56

5,74.31

10. Appropriations

Proposed Dividend

2,20.09

1,65.07

Tax on proposed dividend

30.87

23.15

General Reserve

3,75.00

1,50.00

Balance carried to Balance Sheet

3,17.60

2,36.09

9,43.56

5,74.31

Auditors' Report

TO THE MEMBERS OF TRF LIMITED

We have audited the attached Balance Sheet of TRF Limited, as at March 31, 2006 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the 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.

Further to our comments in the Annexure referred to above, we report that :

- (a) 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;
- (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (c) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) in our opinion, the Balance Sheet, Profit and loss Account and Cash Flow Statement dealt with by this report, comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- (e) on the basis of our review of the written representations received from the directors, as on March 31, 2006 and taken on record by the Board of Directors, we report that, none of the directors is disqualified as on March 31, 2006 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

(f) (i) as stated in note (v) of Schedule 20 for recognizing profit on contracts, stage of completion is determined as a proportion that contract costs incurred for the work performed bear to the estimated total costs. Further, as stated in that note, expected loss on contracts is recognized when it is probable that the total contract costs will exceed the total contract revenue. For this purpose, total contract costs incurred, and cost to completion of contracts which is arrived at by the management based on current technical data, forecast and estimate of net expenditure to be incurred in future including for contingencies etc., which being technical matters have been relied on by us. Revision in projected profit/loss arising from change in estimate, etc. are reflected during the course of work in each accounting period. The effect of these revisions has not been disclosed separately in the accounts, as the amounts thereof cannot be accurately determined.

(ii) Sundry debtors include an amount of about Rs. 5.71 crores which is under arbitration along with other claims on the customer. In view of the uncertainties of matters under arbitration involving technical issues we are unable to assess the final outcome and therefore unable to express an opinion on the recoverability of the same (referred to in note (ix) of schedule 20).

(g) Subject to our comments in paragraph (f) above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2006;
- (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For A. F. FERGUSON & CO.,
Chartered Accountants

Place : Kolkata
Date : April 18, 2006

A. C. Gupta
Partner
Membership No. 8538

ANNEXURE TO THE AUDITORS' REPORT

Referred to in our report of even date on the accounts for the year ended March 31, 2006 of TRF Limited.

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets, except in case of furniture and fixtures (a) where details of items purchased before April 1, 1969 are not available and (b) location is available only in respect of most of the purchases after April 1, 1976.
- (b) The Company has a system of verification of fixed assets over a period of three years and in accordance therewith Plant & Machinery and Motor Vehicles have been verified by the management during the year. In our opinion the frequency of verification is reasonable. No material discrepancies have been noticed on verification.
- (c) During the year, the Company has not disposed off a substantial part of its fixed assets.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) (a) According to the information and explanations given to us, no loans secured or unsecured, to companies, firms, and other parties covered in the register maintained under Section 301 of the Companies Act, 1956, have been given by the company during the year.
- (b) According to the information and explanations given to us, the following are the particulars of loan (Inter Corporate Deposits) taken by the Company from a company listed in the register maintained under Section 301 of the Companies Act, 1956.

Name of Party	Relationship with Company	Amount Rupees in lakhs	Year end balance Rupees in lakhs
Tata Projects Limited	Company in which directors are interested	1,000	500

- (c) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from the company listed in the register maintained under Section 301 are not prima facie, prejudicial to the interest of the Company.
- (d) The said loan is not due for repayment as at the year end. The company is regular in the payment of interest.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanation that some of the items purchased are of special nature and comparable alternative quotations are not available, there are adequate internal control system commensurate with size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been so entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, having regard to the explanation that some of the items purchased/sales made or contract executed are of special nature

TRF LIMITED

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and comparable quotations are not available/similar sales have not been made to other parties, the transactions made in pursuance of contracts or arrangements entered into register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable, having regard to prevailing market prices at the relevant time.

- (vi) The Company has not accepted deposits from the public to which the provisions of section 58A, 58AA or any other relevant provisions of the Companies Act and the rules framed there under apply.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We are informed that the Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956.

- (ix) (a) According to the records of the Company, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it. We are informed that the Employees State Insurance Act, 1948 is applicable to certain locations only and in respect of such locations, where contributions have been deducted/accrued in the books of accounts by the Company, these have been regularly deposited during the year with appropriate authorities. We are also informed that in respect of certain locations application for exemptions from operation of Employees State Insurance Act, 1948 has been made.

According to the information and explanations given to us and the records examined by us, no undisputed amounts payable in respect of income tax, service tax, wealth tax, sales tax, customs duty, excise duty and cess were outstanding as at March 31, 2006 for a period of more than six months from the date they became payable.

- (b) According to the records of the Company, sales tax and excise duty dues which have not been deposited on account of any dispute are given below :

Sl. No.	Name of the statute	Nature of the dues	Amount Rupees in lakhs	Period to which the amount relates	Forum where matter is pending
1	Sales Tax	Works Contract Tax on supply portion of the job subject to tax	5.24	1991-92 & 1998-1999	Sales Tax Appellate Tribunal, Orissa, Cuttack
		Change in the method of assessment from bills raised to collection, thereby claiming double deduction	7.58	1996-97 & 1999-2000	Sales Tax Appellate Tribunal, Andhra Pradesh, Hyderabad
		Local Sales Tax on sale in transit	45.75	1996-97 & 1997-98	Dy. Commissioner (Appeal) Sales Tax, Ernakulam
		Demand raised without giving deduction of tax paid steel purchased within Orissa	8.14	2003-04	Asst. Commissioner Commercial Taxes (Appeal) Rourkela
		Non-production of declaration form C and IX and also computing tax without considering valid form C & E1.	91.33	2000-01	Joint Commissioner Commercial Taxes (Appeal) Jamshedpur

Sl. No.	Name of the statute	Nature of the dues	Amount Rupees in lakhs	Period to which the amount relates	Forum where matter is pending
2	Central Excise	Differential duty on despatch of imported components	81.10	1991-1998	Central Excise, Customs & Service Tax Appellate Tribunal
		Availment of modvat credit	28.38	1992-1993	Asst. Commissioner Central Excise, Custom & Service Tax
		Dutiability of fabrication work carried out at project sites	102.26	1988-1989	Central Excise, Customs & Service Tax Appellate Tribunal
		Dutiability on system design & engineering service	9.97	1992-1993	Commissioner (Appeals), Central Excise, Jamshedpur
		Utilisation of balance and special Excise Duty without permission	2.63	1990-1991	Asst. Commissioner Central Excise, Jamshedpur
		Goods cleared to 100% EOU	0.34	1992-1993	Asst. Commissioner Central Excise, Jamshedpur
		Dutiability on components imported against collaboration agreement	100.00	1999-2000	Central Excise, Customs & Service Tax Appellate Tribunal
			482.72		

According to the information and explanations given to us there are no dues of income-tax, wealth tax, service tax, customs duty and cess which have not been deposited by the Company on account of any dispute.

- (x) The Company does not have any accumulated losses as at March 31, 2006 and has not incurred cash losses during the financial year and the immediately preceding financial year.
- (xi) According to information and explanations given to us, the Company has not defaulted in repayment of dues to the financial institution or banks. There are no debentures.
- (xii) The Company during the year has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and any other securities.
- (xiii) The provisions of any special statute as specified under paragraph (xiii) of the Order are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanation given to us, the company is not a dealer or trader in shares, securities, debentures and other investments.
- (xv) According to the information and explanations given to us, in our opinion, the Company has not given any guarantee for loans taken by others from bank or financial institutions the terms and conditions whereof are prejudicial to the interest of the Company.
- (xvi) According to the information and explanations given to us, the Company has not taken any term loan during the year.
- (xvii) According to the information and explanation given to us and on an overall examination of the balance sheet of the Company, funds raised on short term basis have not been used for long term investments.
- (xviii) The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) As there are no debentures outstanding at the year end, paragraph (xix) of the Order is not applicable.
- (xx) The Company has not raised any money during the year from the public.
- (xxi) 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 has been noticed or reported during the year.

For A. F. FERGUSON & CO.,
Chartered Accountants

A. C. Gupta
Partner

Membership No. 8538

Place : *Kolkata*
Date : *April 18, 2006*

TRF LIMITED

Fortythird annual report 2005-06

Balance Sheet as at March 31, 2006

	Schedule	Rupees in lakhs	Rupees in lakhs	Rupees in lakhs	2005 Rupees in lakhs
FUNDS EMPLOYED					
SHARE CAPITAL	1		550.22		550.22
RESERVES AND SURPLUS	2		<u>3,722.33</u>		<u>3,265.82</u>
TOTAL SHAREHOLDERS' FUNDS				4,272.55	3,816.04
SECURED LOANS	3		3,627.13		6,405.37
UNSECURED LOANS	4		<u>500.00</u>		<u>0.00</u>
TOTAL LOANS				4,127.13	6,405.37
DEFERRED TAX LIABILITY [Refer note xiii on Schedule 20]				<u>159.20</u>	<u>196.05</u>
TOTAL FUNDS EMPLOYED				<u>8,558.88</u>	<u>10,417.46</u>
APPLICATION OF FUNDS					
FIXED ASSETS					
Gross Block	5		3,426.77		3,505.20
Less : Depreciation			<u>2,573.01</u>		<u>2,610.77</u>
Net Block				853.76	894.43
Capital work-in-progress				74.11	—
INVESTMENTS	6			40.73	43.73
DEFERRED TAX ASSETS (Refer note xiii on Schedule 20)				36.15	30.94
CURRENT ASSETS (including loans and advances)					
Inventories and contracts in progress	7		2,028.33		2,705.43
Debtors	8		14,436.66		12,543.77
Cash and bank balances	9		277.29		672.97
Interest accrued on investments			0.09		0.09
Loans and advances	10		<u>2,204.57</u>		<u>2,216.17</u>
			18,946.94		18,138.43
Less:					
CURRENT LIABILITIES AND PROVISIONS					
Current liabilities	11	10,528.47			8,103.85
Provisions	12	<u>903.55</u>			<u>652.23</u>
			11,432.02		8,756.08
NET CURRENT ASSETS				7,514.92	9,382.35
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)					
Employee Separation Compensation				<u>39.21</u>	<u>66.01</u>
TOTAL ASSETS (Net)				<u>8,558.88</u>	<u>10,417.46</u>
NOTES	20				

The annexed Schedules and Notes referred to above form an integral part of the Accounts.

Per our report attached,
For A. F. FERGUSON & CO.,
Chartered Accountants

A. C. GUPTA
Partner
18th April, 2006

VISHWANATH G. MALAGI
Company Secretary

For and on behalf of the Board

Dr. JAMSHED. J. IRANI
Chairman

SANTOSH K. GUPTA
Managing Director
Kolkata, 18th April, 2006

Profit and Loss Account for the year ended March 31, 2006

		Rupees in lakhs	Rupees in lakhs	Rupees in lakhs	2005 Rupees in lakhs
INCOME					
Sales & Services		22,539.25			20,697.69
Less - Excise Duty		<u>883.98</u>			<u>691.43</u>
Net Sales & Services	13		21,655.27		20,006.26
Other income	14		<u>24.01</u>		<u>162.59</u>
				21,679.28	20,168.85
EXPENDITURE					
Raw materials and components		12,021.71			11,312.50
Payments to sub-contractors		2,326.59			3,417.24
Employee costs	15	2,400.26			2,074.59
Operation, administration and selling expenses	16	<u>2,574.65</u>			<u>2,176.02</u>
		19,323.21			18,980.35
(Increase) / Decrease in inventories and contracts in progress	17	<u>604.07</u>			<u>(56.11)</u>
			19,927.28		18,924.24
Depreciation			129.86		139.59
Interest	18		<u>434.69</u>		<u>411.07</u>
TOTAL EXPENDITURE				<u>20,491.83</u>	<u>19,474.90</u>
PROFIT BEFORE TAXATION, EXCEPTIONAL AND EXTRA-ORDINARY ITEMS				1,187.45	693.95
Exceptional and Extraordinary items [Refer note (xiv) on Schedule 20]				<u>(29.79)</u>	<u>(33.61)</u>
PROFIT BEFORE TAXATION				1,157.66	660.34
Provision for Taxation					
Current Tax				435.00	253.00
Deferred Tax				(42.06)	10.86
Fringe Benefit Tax				<u>57.25</u>	<u>—</u>
PROFIT AFTER TAXATION				707.47	396.48
Balance in Profit and Loss Account brought forward				<u>236.09</u>	<u>177.83</u>
AMOUNT AVAILABLE FOR APPROPRIATION				<u>943.56</u>	<u>574.31</u>
APPROPRIATIONS					
Proposed dividend - refer Directors' Report, Page 9				220.09	165.07
Tax on dividend				<u>30.87</u>	<u>23.15</u>
				250.96	188.22
Transfer to General Reserve				375.00	150.00
Balance carried to Balance Sheet				<u>317.60</u>	<u>236.09</u>
				<u>943.56</u>	<u>574.31</u>
STATEMENT FORMING PART OF THE PROFIT AND LOSS ACCOUNT	19				
Earning per share in Rs. Basic/Diluted (Note xii to schedule 20)				12.86	7.21
NOTES	20				

The annexed Schedules and Notes referred to above form an integral part of the Accounts.

Per our report attached,
For A. F. FERGUSON & CO.,
Chartered Accountants

A. C. GUPTA
Partner
18th April, 2006

VISHWANATH G. MALAGI
Company Secretary

For and on behalf of the Board

Dr. JAMSHED. J. IRANI
Chairman

SANTOSH K. GUPTA
Managing Director
Kolkata, 18th April, 2006

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2006

	Year Ended March 31, 2006 Rupees in lakhs	Year Ended March 31, 2005 Rupees in lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit Before Tax and after exceptional and extraordinary Items	1,157.66	660.34
Adjustments for :		
Depreciation	129.86	139.59
(Profit)/Loss on Sale of Assets/discarded assets written off	0.08	2.71
Provision for diminution in value of Investment	3.00	—
Interest income	(2.52)	(48.73)
Income from Investments	(9.85)	(7.24)
Interest expenses	437.21	412.54
ESS Compensation amortised	26.79	33.61
	<u>584.57</u>	<u>532.48</u>
Operating Profit before working capital changes	1,742.23	1,192.82
Adjustments for :		
Trade and other receivables	(1,982.33)	(1,635.85)
Inventories	677.10	(177.18)
Trade payables and Other Liabilities	2,770.33	(384.13)
	<u>1,465.10</u>	<u>(2,197.16)</u>
Cash Generated from Operations	3,207.33	(1,004.34)
ESS Compensation paid	(99.11)	(123.28)
Interest received	—	47.26
Direct Taxes paid (net)	(457.76)	(273.83)
Net Cash used in Operating Activities	2,650.46	(1,354.19)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(163.60)	(141.95)
Sale of Fixed Assets	0.22	8.63
Income from Investments	12.36	8.69
Net Cash from Investing Activities	(151.02)	(124.63)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Short term Borrowings from banks (net)	(2,278.24)	2,052.95
Credit of Unclaimed matured deposits to the Investor	(0.09)	(0.15)
Education & Protection Fund		
Interest paid	(432.19)	(418.27)
Dividend paid	(161.45)	(142.55)
Income Tax paid on Dividend	(23.15)	(18.33)
Net Cash from Financing Activities	(2,895.12)	1,473.65
Net increase/(decrease) in Cash and Cash equivalents (A+B+C)	(395.68)	(5.17)
Cash and Cash equivalents as at 1st April 2005	672.97	678.14
Cash and Cash equivalents as at 31st March 2006	277.29	672.97

Notes :

1. Figure in brackets indicate outflows.
2. Purchase of fixed assets include payments for items in capital work in progress.
3. Cash and Cash equivalents represent Cash and Bank balances.
4. Previous period figures have been regrouped/restated wherever necessary.

For and on behalf of the Board

Per our report attached,
For A. F. FERGUSON & CO.,
Chartered Accountants

Dr. JAMSHED. J. IRANI
Chairman

A. C. GUPTA
Partner
18th April, 2006

VISHWANATH G. MALAGI
Company Secretary

SANTOSH K. GUPTA
Managing Director
Kolkata, 18th April, 2006

Schedules forming part of the Balance Sheet

	Rupees in lakhs	2005 Rupees in lakhs
1. SHARE CAPITAL		
Authorised :		
1,50,00,000 equity shares of Rs. 10 each	1500.00	1500.00
Issued and Subscribed :		
55,02,206 equity shares of Rs. 10 each fully paid	550.22	550.22
(i) Of the above shares		
(a) 50,000 shares of Rs. 10 each were issued as fully paid, for consideration other than cash (conversion of loan into equity by ICICI).		
(b) 1,62,500 shares of Rs. 10 each were issued by way of fully paid up bonus shares by capitalisation of General Reserve.		
(c) 6,90,000 equity shares were allotted to holders of 13.5% convertible bonds, on conversion of part of the bonds into fully paid shares.		
(d) 11,11,672 equity shares were allotted to holders of 12.5% convertible debentures, on conversion of part of the debentures into fully paid shares.		
(e) 8,20,333 equity shares of Rs. 10 each allotted as fully paid up for consideration other than cash pursuant to the scheme of amalgamation with erstwhile Tata Material Handling Systems Limited (TMHS) and Tata Technodyne Limited (TTDL).		
(ii) Issued and subscribed capital exclude 635 equity shares of Rs. 10 each reserved for allotment to shareholders who were not able to subscribe to the Rights issue during the earlier years for genuine reasons or where title is temporarily in dispute.		
2. RESERVES AND SURPLUS		
Securities Premium Account		
Balance as per last account	—	309.91
Less - Adjustment of Miscellaneous Expenditure (to the extent not written off or adjusted), relating to Employee Separation Compensation, net of Deferred Tax of Rs. 173.38 lakhs in terms of Arrangement (Refer note xi on Schedule 20)	—	309.91
Amalgamation Reserve	61.81	61.81
General Reserve		
Balance as on March 31, 2005	2967.92	2817.92
Transfer from Profit and Loss Account	375.00	150.00
	3342.92	2967.92
Profit and Loss Account	317.60	236.09
	3722.33	3265.82
3. LOANS - Secured		
From Banks		
Cash Credit Account & Short Term Loans		
(a) Bank of India	1207.52	2005.37
(b) Canara Bank	1392.44	1500.00
(c) Central Bank of India	25.51	500.00
(d) State Bank of India	1.66	2400.00
(e) Indian Bank	1000.00	—
	3627.13	6405.37

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Schedules forming part of the Balance Sheet

Notes on Schedule 3

Cash Credit and foreign currency loan from Banks are secured by hypothecation, ranking pari passu, on all tangible movable assets including in particular stocks of raw materials other than those purchased under Bill Discounting (Components) Scheme of Small Industries Development Bank of India (SIDBI), finished goods, work-in-progress, consumables, spares and other movable assets and book debts, outstandings and all other receivables. Facilities from Canara Bank and Central Bank of India are also secured, by hypothecation ranking pari passu, on fixed assets, present and future, except on an asset hypothecated to SIDBI as first charge.

	Rupees in lakhs	2005 Rupees in lakhs
4. LOANS - Unsecured		
Short Term -		
Inter Corporate Deposits from Tata Projects Limited	500.00	—
	500.00	—

5. FIXED ASSETS

Rupees in lakhs

Particulars	Cost as at 31.03.2005	Additions	Deductions	Cost as at 31.03.2006	Depreciation as at 31.03.2005	Depreciation for the year	Deductions	Depreciation as at 31.03.2006	Net Block as at 31.03.2006	Net Block as at 31.03.2005
INTANGIBLE ASSETS										
TECHNICAL KNOW-HOW	320.60	10.14	—	330.74	312.30	3.77	—	316.07	14.67	8.30
TANGIBLE ASSETS										
BUILDINGS AND ROADS	522.01	3.08	—	525.09	224.50	11.45	—	235.95	289.14	297.51
PLANT AND MACHINERY	2056.70	71.54	167.35	1960.89	1744.01	82.52	167.26	1659.27	301.62	312.69
FURNITURE AND FIXTURES	192.48	2.83	0.44	194.87	124.46	6.92	0.23	131.15	63.72	68.02
OFFICE EQUIPMENT	81.12	1.44	0.13	82.43	45.31	3.33	0.13	48.51	33.92	35.81
MOTOR VEHICLES	215.14	—	—	215.14	81.79	18.26	—	100.05	115.09	133.35
ELECTRICAL INSTALLATION	102.99	0.46	—	103.45	67.92	3.08	—	71.00	32.45	35.07
LABORATORY EQUIPMENT	14.16	—	—	14.16	10.48	0.53	—	11.01	3.15	3.68
	3184.60	79.35	167.92	3096.03	2298.47	126.09	167.62	2256.94	839.09	886.13
GRAND TOTAL	3505.20	89.49	167.92	3426.77	2610.77	129.86	167.62	2573.01	853.76	894.43
	<i>3379.91</i>	<i>144.62</i>	<i>19.33</i>	<i>3505.20</i>	<i>2479.17</i>	<i>139.59</i>	<i>7.99</i>	<i>2610.77</i>	<i>894.43</i>	<i>900.75</i>

Previous year's figures in italics

Schedules forming part of the Balance Sheet

	Rupees in lakhs	Rupees in lakhs	2005 Rupees in lakhs
6. INVESTMENTS			
LONG TERM INVESTMENTS			
(At cost less provision for diminution in value)			
Trade Investments			
Unquoted			
1. 7,500 equity shares of Rs. 100 each fully paid in Tata Projects Limited		8.75	8.75
Other Investments			
Quoted			
2. 45,000 equity shares of Rs. 10 each fully paid in Housing Development Finance Corporation Limited		5.91	5.91
3. 500 equity shares of Rs. 10 each fully paid in HDFC Bank Ltd.		0.05	0.05
Unquoted			
4. 1,37,500 equity shares of Rs. 10 each fully paid in Rujivalika Investments Limited		22.50	22.50
5. 5 shares of Rs. 50 each fully paid in Twin Star Jupiter Co-operative Housing Society Limited (Book value Rs. 250/-)		—	—
6. 13% West Bengal Loan 2007		3.52	3.52
7. 30,000 equity shares of Rs. 10 each in Nicco Jubilee Park Ltd.	3.00		
Less : Provision for diminution in value	3.00	—	3.00
	3.00	40.73	43.73
Notes :-			
(a) Aggregate amount of quoted investments :			
Market value as at 31.03.2006 : Rs. 614.95 lakhs			
(as at 31.03.2005 : Rs. 329.69 lakhs)		5.96	5.96
(b) Aggregate amount of unquoted investments		34.77	37.77
		40.73	43.73
7. INVENTORIES AND CONTRACTS IN PROGRESS			
Contracts in progress		954.72	1,123.49
Inventories			
Stores and spare parts		40.05	42.74
Loose tools		15.18	14.17
Raw materials		370.18	441.53
Work-in-progress		414.37	786.94
Finished products	189.31		245.72
Excise duty on finished products not assessed to duty	44.52		50.84
	189.31	233.83	296.56
		2,028.33	2,705.43

Schedules forming part of the Balance Sheet

	Rupees in lakhs	Rupees in lakhs	2005 Rupees in lakhs
8. DEBTORS			
Unsecured			
Over six months old			
Considered good		6,629.23	6,244.70
Considered doubtful		24.60	24.60
Less than six months old			
Considered good		7,807.43	6,299.07
		14,461.26	12,568.37
Provision for doubtful debts		(24.60)	(24.60)
		<u>14,436.66</u>	<u>12,543.77</u>
Note : For unadjusted advances received from customers refer Schedule 11			
9. CASH AND BANK BALANCES			
Cash on hand		12.20	15.14
With Scheduled banks on current accounts		140.87	278.25
Cheques in hand		124.22	34.58
Short term deposits with banks		—	345.00
		<u>277.29</u>	<u>672.97</u>
10. LOANS AND ADVANCES			
Unsecured			
Advances recoverable in cash or in kind or for value to be received			
Considered good *		1,852.47	1,903.99
Considered doubtful		0.18	0.18
		1,852.65	1,904.17
Provision for doubtful items		(0.18)	(0.18)
		1,852.47	1,903.99
Taxation payments, less provisions		145.82	101.87
Excise Deposits		206.28	210.31
		<u>2,204.57</u>	<u>2,216.17</u>
* Refer note xx on Schedule 20			
11. CURRENT LIABILITIES			
Acceptances *		365.99	343.49
Sundry Creditors			
a) Small Scale Industries		385.35	256.41
b) Others		6,216.12	5,126.46
Employee Separation Compensation **		380.10	479.21
Investor Education & Protection Fund ***			
a) Unclaimed dividends	14.73		11.11
b) Unclaimed matured deposits	—		0.09
c) Unclaimed matured debentures	—		0.20
d) Unclaimed interest on fixed deposits etc.	0.11		0.20
		14.84	11.60
Interest accrued but not due on loans		3.47	—
		7,365.87	6,217.17
Advances received from customers		2,993.16	1,410.23
Dues to customers for contracts in progress		169.44	476.45
		<u>3,162.60</u>	<u>1,886.68</u>
		<u>10,528.47</u>	<u>8,103.85</u>
* Bills discounted by SSI with Small Industries Development Bank of India.			
** Includes payable within one year under the various schemes, Rs.82.33 lakhs (previous year Rs.96.99 lakhs).			
*** There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.			
12. PROVISIONS			
Warranty expenses		64.00	50.00
Provisions for retirement benefits			
(i) Leave salaries		160.37	161.57
(ii) Pension for whole-time directors		97.34	—
Taxation, less payments		329.88	252.44
Fringe benefit tax (Net)		1.00	—
Proposed Dividend		220.09	165.07
Income tax on Dividend		30.87	23.15
		<u>903.55</u>	<u>652.23</u>

Schedules forming part of the Profit and Loss Account

13. CAPACITIES, STOCKS, PRODUCTION AND TURNOVER

Rupees in lakhs
(Previous year's figures in italics)

Sl. No.	Quantitative Denomination	Capacity		Opening Stock	Production	Turnover		Closing Stock			
		Licensed	Installed	Units	Units	Units	Units	Units	Units		
1.	Idler Rollers	Units	80,000	48,000	1,144	31.85	44,919	45,859	1,433.10	203	4.65
	Components for Idler Rollers		<i>80,000</i>	<i>48,000</i>	<i>764</i>	<i>19.44</i>	<i>45,900</i>	<i>45,520</i>	<i>1,132.70</i>	<i>1,144</i>	<i>31.85</i>
			—	—	—	9.19	—	—	696.73	—	6.17
			—	—	—	<i>11.45</i>	—	—	<i>647.24</i>	—	<i>9.19</i>
2.	Vibrating Screens, etc.	Units	400	240	4	34.69	66	70	1,200.77	(0)	—
	Components for Vibrating Screens, etc.		<i>400</i>	<i>240</i>	<i>5</i>	<i>7.90</i>	<i>91</i>	<i>92</i>	<i>772.69</i>	<i>4</i>	<i>34.69</i>
			—	—	—	8.95	—	—	672.20	—	3.08
			—	—	—	<i>16.00</i>	—	—	<i>673.20</i>	—	<i>8.95</i>
3.	Sectional and Mine Conveyors	Units	40	40	—	6.44	(0)	—	733.71	—	5.87
			<i>40</i>	<i>40</i>	—	<i>3.43</i>	<i>(0)</i>	—	<i>686.73</i>	—	<i>6.44</i>
4.	Industrial Chains	Feet	85,000	—	—	—	—	—	—	—	—
			<i>85,000</i>	—	—	—	—	—	—	—	—
5.	Wire Screen Cloth	Pieces	9,600	2,400	—	—	67	67	10.35	—	—
			<i>9,600</i>	<i>2,400</i>	—	—	<i>30</i>	<i>30</i>	<i>4.22</i>	—	—
6.	Winders	Units	8	4	—	—	—	—	—	—	—
			<i>8</i>	<i>4</i>	—	—	—	—	—	—	—
7.	Tipplers	Units	8	8	—	—	1	1	377.14	—	54.48
	Components for Tipplers		<i>8</i>	<i>8</i>	—	—	<i>2</i>	<i>2</i>	<i>181.02</i>	—	—
			—	—	—	0.23	—	—	143.02	—	0.86
			—	—	—	<i>0.00</i>	—	—	<i>117.00</i>	—	<i>0.23</i>
8.	Crushers	Units	26	26	1	15.27	16	16	452.41	—	—
	Components for Crushers		<i>26</i>	<i>26</i>	<i>1</i>	<i>15.27</i>	<i>15</i>	<i>15</i>	<i>392.03</i>	<i>1</i>	<i>15.27</i>
			—	—	—	6.27	—	—	339.07	—	3.15
			—	—	—	<i>2.00</i>	—	—	<i>167.91</i>	—	<i>6.27</i>
9.	Ore, Coal Preparation Equipment	Units	3	3	—	—	—	—	—	—	—
			<i>3</i>	<i>3</i>	—	—	—	—	—	—	—
10.	(a) Material handling equipment including stackers, reclaimers, shiploaders/unloaders, general conveyors, ore/coal handling plants and wagon loaders	Tonnes	6,600	6,600	—	—	14,023	14,023	13,030.76	—	—
	(b) Ore dressing plant and coal preparation plant including coal washeries		<i>6,600</i>	<i>6,600</i>	—	—	<i>13,807</i>	<i>13,807</i>	<i>13,787.92</i>	—	—
11.	Stamping Charging Pushing Machines	Units	4	1	—	—	—	—	—	—	—
			<i>4</i>	<i>1</i>	—	—	—	—	—	—	—
12.	Charging Gas Cleaning Cars	Units	4	1	—	—	—	—	—	—	—
			<i>4</i>	<i>1</i>	—	—	—	—	—	—	—
13.	Crawler Mounted Side Dump Loaders and under carriages for Underground Mining	Units	50	10	6	127.62	20	20	542.58	6	107.87
			<i>50</i>	<i>10</i>	<i>5</i>	<i>103.23</i>	<i>5</i>	<i>4</i>	<i>106.00</i>	<i>6</i>	<i>127.62</i>
14.	Wheel Mounted Front Dump Loaders and under carriages for Underground Mining	Units	50	10	—	—	—	—	—	—	—
			<i>50</i>	<i>10</i>	—	—	—	—	—	—	—
15.	Coal Cutters (Shearer-cum-loaders)	Units	25	—	—	—	—	—	—	—	—
			<i>25</i>	—	—	—	—	—	—	—	—
16.	Components other than those above		—	—	—	5.21	—	—	1,193.39	—	3.18
			—	—	—	<i>5.47</i>	—	—	<i>886.18</i>	—	<i>5.21</i>
17.	Jobbing/Machining charges		—	—	—	—	—	—	—	—	—
18.	Engineering, Procurement, Construction and Management jobs		—	—	—	—	—	—	167.68	—	—
			—	—	—	—	—	—	<i>199.59</i>	—	—
19.	Maintenance service contract, Agency commission etc.		—	—	—	—	—	—	662.35	—	—
			—	—	—	—	—	—	<i>251.84</i>	—	—
20.	Excise duty on finished goods not assessed to duty		—	—	—	50.84	—	—	—	—	44.52
			—	—	—	<i>35.03</i>	—	—	—	—	<i>50.84</i>
			—	—	—	<u>296.56</u>	—	—	<u>21,655.27</u>	—	<u>233.83</u>
			—	—	—	<u>219.23</u>	—	—	<u>20,006.26</u>	—	<u>296.56</u>

NOTES :

- (a) Installed capacity is as certified by the Managing Director and accepted by the auditors, this being a technical matter.
- (b) Quantitative information in respect of item 3 above has not been furnished, as these constitute components, etc. which it is not practicable to aggregate.
- (c) The permission to manufacture twentyfive coal cutters is within the overall licensed capacity of the Company.
- (d) The weight shown under item 10 above is the finished weight of fabrication work done by the Company for material handling equipment, etc., This is certified by the Managing Director and relied on by the auditors, being a technical matter.
- (e) Opening and closing stocks of components include internally manufactured components for sale as well as for assembly of equipment to be manufactured by the Company.
- (f) Quantity/ value of stocks shown above is after adjustment of shortages/ excesses found on physical count, write-off of unserviceable items etc.,
- (g) Quantitative information in respect of components has not been furnished as these are of dissimilar nature and the aggregation of the quantities will not be meaningful.
- (h) (i) Production figures shown above are net of returns.
(ii) Production figures for item 1 to 9 above include items for use on contracts.
Accordingly turnover shown under items 1 to 9 above includes quantity and value at internal works transfer rates of Company manufactured products transferred during the year to contracts. The aggregate value of such transfers is adjusted from the turnover value shown in item 10.
(iii) The manufacture and supply of some of the components and equipments is spread over more than one year. The Company simultaneously manufactures components parts and equipment for more than one order including for use by Contracts division. The manufactured components and equipment are transferred to Contracts division or invoiced on delivery to customers and the value is reflected in the turnover of the year in which they are so transferred or delivered. However, production of the equipment is reflected in the year in which it is considered fully or substantially complete on the basis of technical estimates by the management.
(iv) Production figures for item 10(a) and 10(b) include production at project sites.

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Schedules forming part of the Profit and Loss Account

	Rupees in lakhs	2005 Rupees in lakhs
14. OTHER INCOME		
Interest on Income tax refund	—	24.64
Income from long term other investments		
Others	9.85	7.24
Interest on delayed payment	—	22.62
Sale of scrap, stores etc.	4.02	0.75
Rent recoveries	4.11	4.24
Provision for doubtful debts and advances written back	—	30.00
Excess provision / old credit balances written back	3.34	72.04
Miscellaneous receipts	2.69	1.06
	<u>24.01</u>	<u>162.59</u>
15. EMPLOYEE COSTS		
Salaries, wages, other benefits and provision for bonus	1,872.52	1,580.63
Company's contribution to provident fund, superannuation fund and gratuity fund	263.57	233.20
Workmen and staff welfare expenses	199.84	195.62
Leave salaries	64.33	65.14
	<u>2,400.26</u>	<u>2,074.59</u>
16. OPERATION, ADMINISTRATION AND SELLING EXPENSES		
Stores, spare parts and loose tools consumed	230.75	224.17
Repairs to buildings	162.90	125.45
Repairs to plant and machinery	69.63	69.93
Repairs to office equipment etc.	11.89	12.72
Power, fuel and water charges	144.72	181.59
Travelling, conveyance and car running expenses	271.47	269.53
Rent	77.27	73.03
Rates, taxes and licences	93.61	128.82
Excise duty (net)	195.11	164.15
Insurance	67.05	69.61
Freight and handling charges	240.44	169.24
Bank charges, etc.	109.31	61.49
Service charges (Collection and order procurement)	137.49	80.21
Professional fees	84.14	72.65
Telephone, telex etc.	65.10	72.10
Directors' fees	5.53	5.54
Bad debts written off	399.42	133.61
Provision for warranty expenses	14.00	17.00
Provision for wealth tax	1.00	1.25
Loss on sale of fixed assets (net)	0.08	2.71
Royalty	5.84	—
Other expenses	187.90	241.22
	<u>2,574.65</u>	<u>2,176.02</u>

Schedules forming part of the Profit and Loss Account

	Rupees in lakhs	2005 Rupees in lakhs
17. (INCREASE)/DECREASE IN INVENTORIES AND CONTRACTS IN PROGRESS		
Inventories and contracts in progress as at March 31, 2005		
Finished products	296.56	219.23
Work- in-progress	786.94	722.15
Contracts in progress	<u>1,123.49</u>	<u>1,209.50</u>
	2,206.99	2,150.88
Less:		
Inventories and contracts in progress as at March 31, 2006		
Finished products	233.83	296.56
Work- in-progress	414.37	786.94
Contracts in progress	<u>954.72</u>	<u>1,123.49</u>
	<u>1,602.92</u>	<u>2,206.99</u>
	<u>604.07</u>	<u>(56.11)</u>
18. INTEREST		
On loans for fixed periods	4.87	47.85
On cash credit and other facilities from banks	424.15	352.10
Others	<u>8.19</u>	<u>12.59</u>
	437.21	412.54
Less: Interest received on bank deposits, advance etc.	<u>2.52</u>	<u>1.47</u>
	<u>434.69</u>	<u>411.07</u>
19. STATEMENT FORMING PART OF THE PROFIT AND LOSS ACCOUNT		
i) Managerial remuneration to the Managing Director & Wholetime Director Rs. 89.20 lakhs (previous year : Rs. 66.22 lakhs) includes monetary value of benefits of Rs. 11.03 lakhs (previous year : Rs. 6.81 lakhs) and commission of Rs. 34.00 lakhs (previous year : Rs. 25.50 lakhs)		
ii) Commission @ 1% of net profit as per Section 309(5), restricted to Rs. 10.70 lakhs (previous year : Rs. 7.00 lakhs) to Non-Wholetime Directors as computed below.		
iii) Computation of net profit in accordance with Section 309(5) of the Companies Act, 1956.		
Profit/(Loss) before taxation as per Profit and Loss Account	1,157.66	660.34
Add : a) Directors' remuneration	99.90	73.22
b) Directors' fees	5.53	5.54
c) Employee Separation / Voluntary Retirement Compensation	26.79	33.61
d) Depreciation charged in the books	129.86	139.59
e) Provision for wealth tax	1.00	1.25
f) Profit/(Loss) on sale of assets	(0.08)	(2.71)
g) Provision for warranty expenses	14.00	17.00
h) Provision for foreseeable loss on contracts	—	26.90
i) Provision for diminution in value of investment	3.00	—
	<u>1,437.66</u>	<u>954.74</u>
Less : a) Provision for depreciation under Section 350 of the Companies Act	129.86	139.59
b) Provision for doubtful debts and advances written back	—	30.00
c) Profit/(Loss) on sale of assets as per books	(0.08)	(2.71)
d) Provision for foreseeable loss on contracts written back	9.64	—
Net Profit/(Loss) as per Section 309(5)	<u>1,298.24</u>	<u>787.86</u>

Notes :

Managerial remuneration excludes :

- (a) pension of Rs. 5.16 lakhs (previous year : Rs. 4.80 lakhs) paid to a former Whole-time Director.
- (b) provision of Rs. 97.34 lakhs (previous year : Rs. Nil) towards post retirement benefit liability of Whole-time Directors, pursuant to the resolution passed by the members at the 38th Annual General Meeting held on August 24, 2001.

Schedules forming part of the Profit and Loss Account

		Rupees in lakhs		2005 Rupees in lakhs		
19. STATEMENT FORMING PART OF THE PROFIT AND LOSS ACCOUNT (Contd.)						
iv) Auditors' remuneration (excluding service tax)						
	Audit fees		7.25		8.50	
	Tax audit fees		1.75		2.00	
	Company law matters		0.10		0.02	
	Miscellaneous certificates and reports		5.26		4.31	
	Reimbursement of out of pocket expenses		3.00		0.87	
v) Raw materials and components consumed						
		Quantitative denomination	Quantity	Rupees in lakhs	Quantity	Rupees in lakhs
1.	Steel	Tonnes	12403	3,358.67	8502	2,676.80
2.	Forgings	Tonnes	614	383.53	404	227.13
3.	Tubes	Metres	135196	555.56	155087	612.03
4.	Castings	Units	309906	285.67	452167	342.47
5.	Bearings	Units	332327	384.77	361583	323.76
6.	Miscellaneous components for idlers	Units	1727082	239.45	2037416	252.17
7.	Miscellaneous components for screens	Units	34331	433.51	27181	277.07
8.	Beltings	Metres	26948	589.31	26701	408.92
9.	Others *			5,791.24		6,192.15
				<u>12,021.71</u>		<u>11,312.50</u>

The consumption figures shown above are after adjustment of excesses and shortages found on physical count, write-off of unserviceable items etc. Further, the consumption of steel as indicated above is after adjusting credit in respect of scrap Rs. 279.24 lakhs (previous year : Rs. 183.22 lakhs).

* Others represent electrical and bought out items connected with projects. These items being dissimilar in nature it is impracticable to furnish the quantitative information in this regard.

vi) Consumption of imported and indigenous raw materials and components, stores and spare parts and the percentage of each to total consumption

		Rupees in lakhs		2005 Rupees in lakhs	
Raw materials and components					
	Imported	4.83%	581.21	7.85%	887.51
	Indigenously obtained	95.17%	11,440.50	92.15%	10,424.99
		<u>100.00%</u>	<u>12,021.71</u>	<u>100.00%</u>	<u>11,312.50</u>
Stores and spare parts					
	Imported	—	—	1.13%	2.53
	Indigenously obtained	100.00%	230.75	98.87%	221.64
		<u>100.00%</u>	<u>230.75</u>	<u>100.00%</u>	<u>224.17</u>
vii) CIF value of imports					
(a)	Raw materials and components		504.95		573.29
(b)	Stores and spare parts		3.04		1.16

Schedules forming part of the Profit and Loss Account

	Rupees in lakhs	2005 Rupees in lakhs
19. STATEMENT FORMING PART OF THE PROFIT AND LOSS ACCOUNT (Contd.)		
viii) Earnings in foreign exchange:		
F.O.B. value of exports (including deemed export of Rs. 224.21 lakhs, previous year : Rs. 177.20 lakhs)	252.67	177.20
ix) Expenditure in foreign currency (on payment basis)		
(a) Supervision fees (net of tax)	23.15	—
(b) Travel	5.71	9.39
(c) Other	—	1.46
x) Remittance in foreign currency on account of dividends for 2004-05	—	2.83
Number of non-resident shareholders	1	1
Number of shares of Rs. 10 each on which dividend of Rs. 3.26 lakhs is yet to be remitted outside India.	1,08,750	1,08,750
In addition, in respect of 17,179 (previous year : 9,016) shares held by 51 (previous year : 30) non-resident shareholders an amount of Rs. 0.52 lakhs (previous year : Rs. 0.23 lakhs) has been paid in India. The Company does not have information whether this amount has been remitted in foreign currency by the non-resident shareholders.		

20. NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2006

(i) SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF PREPARATION OF ACCOUNTS

The accounts have been prepared in compliance with applicable accounting principles in India and the Accounting Standards issued by The Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

(b) FIXED ASSETS

Intangible assets/ Tangible fixed assets are stated at cost less amortisation/ depreciation. Cost comprises of the purchase price and any attributable cost of bringing the assets to its working condition for its intended use. Interest on borrowings during the period of construction is added to the cost of fixed assets.

(c) AMORTISATION/DEPRECIATION

Technical know-how fees are amortised over a period of six years. Depreciation on all tangible fixed assets is provided on straight line basis at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

(d) INVESTMENTS

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

(e) INVENTORIES

Raw materials, work-in- progress and finished goods are valued at lower of cost and net realisable value. Stores and spare parts and loose tools are carried at cost.

Cost of inventories is ascertained on the 'weighted average' basis. Cost of work-in-progress and finished goods is determined on full absorption cost basis.

Schedules forming part of the Accounts**20. NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2006 (Contd.)****(f) REVENUE RECOGNITION (OTHER THAN CONTRACTS)**

Revenue is recognised on completion of sale of goods / rendering of services. Sales excludes excise duty and sales tax collected from customers.

(g) ACCOUNTING OF CONTRACTS

Profit on contracts is recognised on percentage completion method. The stage of completion is determined as a proportion that contract costs [including the cost of WIP in factory relating to contracts entered into on or after 01.04.2003 to be in line with revised Accounting Standard 7, (AS7)] incurred for work performed upto the reporting date bear to the estimated total costs. Profit (contract revenue less contract cost) is recognised only when stage of completion is 40% or more when the outcome of the contract can be estimated reliably. When it is probable that the total cost will exceed the total contract revenue the expected loss is recognised immediately.

Overhead expenses comprising costs other than those directly charged to the jobs are distributed over the various contracts on a pro-rata basis having regard to the activity and nature of such contracts. The overhead rates for next three years are calculated based on anticipated activity comprising of orders on hand as well as those which may be received in future and anticipated expenditure there against. These overhead rates are considered for estimating the overheads to be included in the estimated total costs to completion of contracts in progress.

(h) FOREIGN EXCHANGE TRANSACTIONS

The difference in translation and realised gains / losses on foreign exchange transactions other than those relating to fixed assets are recognised in the profit and loss account. In respect of transactions covered by forward exchange contracts, the difference between the contract rate and spot rate on the date of transaction is recognised in the profit and loss account over the period of the contract. Gains or losses on translation and realised gains or losses in respect of liabilities for acquisition of fixed assets are adjusted in the carrying cost of such fixed assets.

(i) RETIREMENT BENEFITS

Retirement benefits to the employees are provided for by means of provident fund, gratuity, superannuation and pension. The gratuity liability in respect of all the divisions, other than P&YE division is actuarially determined at the year end. The gratuity liability in respect of P&YE division is determined based on demands made by the Life Insurance Corporation of India under the group gratuity scheme.

Provision is made for leave salaries on the basis of actuarial valuation done as at the year end.

Provision is made for pension payable to a former whole-time director on the basis of actuarial valuation done as at the year end.

(j) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A provision is recognised when Company has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on best estimate of the expenditure required to settle the present obligation. Reimbursement against a provision is recognised as a separate asset based on virtual certainty.

Provision for anticipated warranty costs is made on the basis of technical and available cost estimates.

(k) TAXES ON INCOME

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

(l) MISCELLANEOUS EXPENDITURE

Compensation to employees who have opted for retirement under Early Separation / Voluntary Retirement offered under various schemes of the Company is amortised over two to ten years depending upon the maximum balance period of service of the employees under the relevant schemes. (Refer note xi)

Schedules forming part of the Accounts

20. NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2006 (Contd.)

	Rupees in lakhs	2005 Rupees in lakhs
(ii) CONTINGENT LIABILITIES		
(a) Taxation matters in dispute	11.15	72.50
(b) Sales tax matters in dispute In respect of the above sales tax matters in dispute, the Company has deposited Rs. 69.74 lakhs (previous year Rs. 91.58 lakhs) against various orders, pending disposal of the appeals. This amount is included under Schedule 10 - Loans and Advances, considered good.	227.79	181.14
(c) The excise authorities have issued demand notices/show cause notices concerning excise duty and penalty which have been refuted by the Company and are pending disposal.	375.98	713.46
(d) The excise authorities have issued demand notices/show cause notices concerning service tax which have been refuted by the Company and are pending disposal.	—	544.44
(e) Others	132.92	132.92
(iii) Estimated amount of contracts remaining to be executed on capital account and not provided for	27.96	8.04
(iv) Provision of Rs. 64.00 lakhs (previous year : Rs. 50.00 lakhs) has been made for anticipated warranty costs relating to certain products manufactured and sold by the Company upto March 31, 2006 on the basis of technical and available cost estimates, which being technical matters have been relied upon by the auditors.		
(v) As stated in note i(g) for recognizing profit on contracts, stage of completion is determined as a proportion that contract costs incurred for the work performed bear to the estimated total costs. Further, as stated in that note expected loss on contracts is recognised when it is probable that the total contract costs will exceed the total contract revenue. For this purpose total contract costs are ascertained on the basis of contract costs incurred and cost to completion of contracts in progress, which is arrived at by the management based on current technical data, forecasts and estimate of net expenditure to be incurred in future including for contingencies etc., which being technical matters have been relied on by the auditors. Revisions in projected profit/ loss arising from change in estimates etc., are reflected during the course of work in each accounting period which however cannot be disclosed separately in the financial statements as the effect cannot be accurately determined.		
(vi) Expenditure debited to the Profit and Loss Account includes Rs.5.25 lakhs (including depreciation Rs.0.09 lakhs) (previous year : Rs.4.00 lakhs, including depreciation Rs.0.14 lakhs) in respect of Research and Development activities undertaken during the year.		
(vii) No provision has been made for liquidated damages and other claims by certain customers, wherever these have been refuted by the Company and it expects to settle them without any loss. Pending settlement of these claims, the relative sundry debtors balances have been shown in the accounts as fully recoverable.		
(viii) In respect of one contract, various disputes had arisen between the Company and the customer. The matter was ultimately referred for arbitration and the arbitrators vide their Award dated June 29, 1990 held that a sum of Rs. 50 lakhs (net) plus interest is payable by the customer. The customer, however, did not accept the award and filed an appeal before the Court of Sub-Judge, Patna. The said Court has confirmed the Award of the Arbitrators. The Company had filed a caveat in the High Court with regard to any possible appeal by the customer. The customer has filed an appeal in the High Court against the order of Sub-Judge. The Company has also filed an execution petition in January, 1996 in the Court of the Sub-Judge, Patna claiming decretal amount and interest. In view of the uncertainty of recovery, the amount referred to above has not been brought into books and will be accounted for when received.		
(ix) Dispute has arisen between the Company and another customer with regard to a system supplied by the Company and the customer has imposed liquidated damage, which has been disputed by the Company and the matter has been referred for arbitration which is in progress. Pending resolution of the disputes outstanding amount of Rs. 5.71 crores due from the customer as at March 31, 2006 is considered good and realisable by the Company.		
(x) Scrap and off- cuts at the contract sites are being accounted on cash basis, since segregation and quantification of such items at the financial year end is not practicable in view of the contracts being in progress. Stock of Works division scrap and off-cuts have been brought into account as on March 31, 2006 in accordance with past practice.		

Schedules forming part of the Accounts

20. NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2006 (Contd.)

- (xi) The shareholders of the Company, in the Extra-ordinary General Meeting held on December 29, 2003, have pursuant to the provisions of section 78 read with section 100 and other applicable provisions, if any, of the Companies Act, 1956, Articles 53 and 152 of the Articles of Association of the Company, and subject to confirmation by the Hon'ble High Court of Judicature at Ranchi, approved a scheme of financial restructuring of utilisation of the balance of Rs 309.91 lakhs in the Securities Premium Account as on March 31, 2003 for adjustment, together with the resultant deferred tax assets, against the balance of Miscellaneous Expenses (to the extent not written off or adjusted) as at April 1, 2003. The Hon'ble High Court of Judicature at Ranchi approved the aforesaid financial restructuring vide its order dated April 23, 2004, which was issued on May 19, 2004. The said order was filed, as required by the Companies Act, 1956, with the Registrar of Companies, Bihar & Jharkhand, on June 8, 2004. As the Accounts for the year ended March 31, 2004 were approved by the Board at its meeting held on May 03, 2004, the Court order is given effect to the financial statement for the year ended March 31, 2005. Consequent to this, Miscellaneous Expenditure (Employee Separation to the extent not written off or adjusted) stands at Rs.99.62 lakhs as on April 01, 2004.

Accordingly an amount of Rs 483.30 lakhs representing unamortised Employee Separation cost as on 31.03.2004 has been adjusted against Securities Premium Account [Rs. 309.92 lakhs (net of deferred tax of Rs.173.38 lakhs)] during the year 2004-05.

Consequent to financial restructuring, the charge for Employee Separation Compensation for the year which should have been Rs. 136.81 lakhs stands revised to Rs.26.79 lakhs and profit for the period is higher by Rs.110.02 lakhs.

(xii)	EARNINGS PER SHARE		2005
		Rupees in lakhs	Rupees in lakhs
(a)	Profit /(Loss)after tax as per the Profit and Loss Account	707.47	396.48
(b)	Weighted average number of equity shares of Rs. 10 each outstanding during the year	55,02,206	55,02,206
(c)	Earning per share - Basic and diluted (Rs.)	12.86	7.21

(xiii) DEFERRED TAX

The composition of deferred tax assets and liabilities is as follows :

(a)	Deferred Tax Assets		
	Provision for foreseeable loss	9.71	14.09
	Provision for doubtful debts & advances	8.28	9.00
	Miscellaneous Expenditure adjusted against Securities Premium Account	1.29	7.75
	Provision towards post retirement benefits of Whole-time Directors	16.83	—
	Others	0.04	0.10
		<u>36.15</u>	<u>30.94</u>
(b)	Deferred Tax Liabilities		
	Early Separation/Voluntary Retirement Compensation to employees	3.79	4.19
	Depreciation	155.41	191.86
		<u>159.20</u>	<u>196.05</u>

(xiv) Exceptional and extra-ordinary items

	Early Separation / Voluntary Retirement Compensation	(26.79)	(33.61)
	Provision for diminution in the value of investment	(3.00)	—
		<u>(29.79)</u>	<u>(33.61)</u>

- (xv) Amounts due to Small Scale Industrial (SSI), Undertakings stated in Schedule 11- Current Liabilities are to the extent such parties have been identified on the basis of the information available with the Company. This has been relied upon by the auditors. The SSIs to whom the Company owes sums which are outstanding for more than 30 days as on March 31, 2006:

Bharat Engg. & Co., Bhupendra Brother, Industrial Fero, Zenith Control, Industrial Perforation, Jayshree Electronics, Popular Enterprises, Akzo Nobel, HR Bearing, IB Hazra, Lubcon, Mascot, NCGB.

- (xvi) The exchange difference arising on foreign currency transactions has been credited / debited to Profit and Loss Account-Rs.0.67 lakhs (net loss) [previous year : Rs. 1.91 lakhs (net gain)].

- (xvii) Other expenses under Schedule 16 includes Rs. Nil (previous year : Rs.7.50 lakhs) contribution towards the cost of construction of Railway Overbridge at Tatanagar Railway Station, Jamshedpur.

Schedules forming part of the Accounts

20. NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2006 (Contd.)

(xviii) SEGMENT REPORTING :

Rupees in lakhs

BUSINESS SEGMENT	2005 - 2006				2004 - 2005			
	PRODUCTS & SERVICES	PROJECTS & SERVICES	ELIMINATION	TOTAL	PRODUCTS & SERVICES	PROJECTS & SERVICES	ELIMINATION	TOTAL
SEGMENT REVENUE								
External Sales	6403.80	15251.47		21655.27	4923.59	15082.67		20006.26
Inter-segment Revenue	3424.87		(3424.87)		2359.44		(2359.44)	
Total Revenue	9828.67	15251.47	(3424.87)	21655.27	7283.03	15082.67	(2359.44)	20006.26
SEGMENT RESULT-Profit/(Loss)	1510.35	255.68		1766.03	732.80	385.70		1118.50
Unallocated corporate expenditure (net)				160.55				52.90
Operating Profit				1605.48				1065.60
Interest Expenses (net)				434.69				411.07
Other Income				16.66				39.42
Exceptional Items				(29.79)				(33.61)
Profit Before Tax				1157.66				660.34
Income Tax				435.00				253.00
Deferred Tax				(42.06)				10.86
Fringe Benefit Tax				57.25				—
Net Profit				707.47				396.48
OTHER INFORMATION	PRODUCTS & SERVICES	PROJECTS & SERVICES	UNALLOCATED	TOTAL	PRODUCTS & SERVICES	PROJECTS & SERVICES	UNALLOCATED	TOTAL
SEGMENTAL POSITION								
Segment Assets	4102.85	15007.03		19109.88	4920.86	13082.93		18003.79
Unallocated Corporate Assets			844.87	844.87			1138.80	1138.80
Deferred Tax Assets			36.15	36.15			30.94	30.94
Total Assets	4102.85	15007.03	881.02	19990.90	4920.86	13082.93	1169.74	19173.53
Segment Liabilities	2110.40	7823.11		9933.51	1962.25	5498.39		7460.64
Unallocated Corporate Liabilities			5625.64	5625.64			7700.81	7700.81
Deferred Tax Liability			159.20	159.20			196.05	196.05
Total Liabilities	2110.40	7823.11	5784.84	15718.35	1962.25	5498.39	7896.86	15357.50
Capital Expenditure	60.64	27.95	0.90	89.49	50.61	80.50	13.51	144.62
Depreciation	71.46	54.54	3.86	129.86	72.48	62.60	4.51	139.59
Non-cash expenses other than depreciation (ESS amortised)	13.00	13.79	—	26.79	16.28	17.33	—	33.61

Notes :

- Pursuant to the 'Accounting Standard on Segment Reporting' (AS-17) issued by the Institute of Chartered Accountants of India, the Company has considered 'business segment' as primary segment for disclosure.

The Company has identified business segments mentioned below as primary segments :

- Products & Services
- Projects & Services

Since there is no significant difference in the business conditions prevailing in various states of India where the Company has its operations, geographical segment disclosures are not considered necessary.

- Unallocated corporate expenditure includes common service expenses. Unallocable income includes primarily dividend income from investments and interest on income tax refund.
- Unallocated assets includes investments.
- Inter-segment revenue are at market driven agreed price.

Schedules forming part of the Accounts

20. NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2006 (Contd.)

(xix) RELATED PARTY DISCLOSURES :

Information relating to Related Party Transactions as per Accounting Standard 18 issued by The Institute of Chartered Accountants of India, is given below :

A) Name and nature of relationship of the Related Party

2005-2006	2004-2005
(i) Associate Company - The Company, in its ordinary course of business, purchases goods / services from and sells its products / services to Tata Steel Limited (formerly The Tata Iron and Steel Company Limited) which is holding 34.77% of the voting power of the Company Tata Steel Limited	(i) Associate Company - The Company, in its ordinary course of business, purchases goods / services from and sells its products / services to The Tata Iron and Steel Company Limited which is holding 34.77% of the voting power of the Company. The Tata Iron & Steel Company Limited
(ii) Key Management Personnel Mr. Santosh K. Gupta, Managing Director Mr. Ramesh Chander Nandrajog, Executive Director	(ii) Key Management Personnel Mr. Santosh K. Gupta, Managing Director Mr. Ramesh Chander Nandrajog, Executive Director

B) Transactions during the year :

	Rupees in lakhs	2005 Rupees in lakhs
(a) With Associate Company		
(i) Sales and services (net of discounts)	3415.61	6257.63
(ii) Purchase of raw materials	1037.80	847.74
(iii) Payment towards various services obtained	142.51	144.78
(iv) Lease hold rent	0.10	0.09
(v) Inter Corporate deposit accepted	—	1000.00
(vi) Inter Corporate deposit repaid	—	1000.00
(vii) Interest on Inter Corporate deposit	—	36.53
(viii) Dividend Paid	57.40	49.75
(ix) Outstanding balances as at 31st March, as :		
a) Debtors	1768.44	2973.11
b) Creditors	395.84	262.21
c) Advances from customers	30.98	502.46
d) Corporate guarantee given to a bank on behalf of the Company	144.00	144.00

The transactions during the year and outstandings as on March 31, 2006 are subject to final reconciliation, which is in progress.

(xx) Construction Contracts Disclosure :

Information relating to Construction Contracts as per Accounting Standard 7 (Revised) issued by The Institute of Chartered Accountants of India, in respect of contracts entered into on or after 01.04.2003 and in progress as at year end, is given below :

	Rupees in lakhs	2005 Rupees in lakhs
1. Contract revenue recognised as revenue during the year	13309.23	9264.54
2. Aggregate amount of contract costs incurred and recognised profits (less recognised losses)	26746.27	14207.26
3. Advance payments received (Un-adjusted)	2253.69	913.00
4. Retention amount	2130.18	1443.71
5. Gross amount due from customers for contract work*	639.53	709.42
6. Gross amount due to customers for contract work	26.93	118.89

For the method used to determine the contract revenue recognised and the stage of completion of contract in progress refer note (i)(g) above

* Included in 'Advances recoverable in cash or in kind or for value to be received – considered good' – Schedule 10 – Loans & Advances

(xxi) Figures for the previous year have been regrouped and restated wherever necessary.

Signature to Schedules 1 to 20
For and on behalf of the Board

Dr. JAMSHED J. IRANI
Chairman

Kolkata,
18th April, 2006

VISHWANATH G. MALAGI
Company Secretary

SANTOSH K. GUPTA
Managing Director

INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956
Balance Sheet Abstract and Company's General Business Profile

I. Registration Details :

Registration No.

0	0	7	0	0
---	---	---	---	---

 State Code

0	3
---	---

Balance Sheet Date

3	1
---	---

0	3
---	---

0	6
---	---

**II. Capital Raised during the Year :
(Amount in Rs. Thousand)**

Public Issue

N	I	L
---	---	---

 Rights Issue

N	I	L
---	---	---

Bonus Issue

N	I	L
---	---	---

 Private Placement

N	I	L
---	---	---

Others

N	I	L
---	---	---

**III. Position of Mobilisation and Deployment of Funds :
(Amount in Rs. Thousand)**

Total Liabilities

8	5	5	8	8	8
---	---	---	---	---	---

 Total Assets

8	5	5	8	8	8
---	---	---	---	---	---

Sources of Funds

Paid-up Capital

	5	5	0	2	2
--	---	---	---	---	---

 Reserves & Surplus

3	7	2	2	3	3
---	---	---	---	---	---

Secured Loans

3	6	2	7	1	3
---	---	---	---	---	---

 Unsecured Loans

	5	0	0	0	0
--	---	---	---	---	---

Deferred Tax

	1	2	3	0	5
--	---	---	---	---	---

Application of Funds

Net Fixed Assets

	9	2	7	8	7
--	---	---	---	---	---

 Investments

		4	0	7	3
--	--	---	---	---	---

Net Current Assets

7	5	1	4	9	2
---	---	---	---	---	---

 Misc. Expenditure

		3	9	2	1
--	--	---	---	---	---

Accumulated Losses

			N	I	L
--	--	--	---	---	---

**IV. Performance of Company :
(Amount in Rs. Thousand)**

Turnover

2	1	6	5	5	2	7
---	---	---	---	---	---	---

 Total Expenditure

2	0	4	9	1	8	3
---	---	---	---	---	---	---

Profit/(Loss) before Tax

<input checked="" type="checkbox"/>	1	1	5	7	6	6
-------------------------------------	---	---	---	---	---	---

 Profit/Loss after Tax

<input checked="" type="checkbox"/>		7	0	7	4	7
-------------------------------------	--	---	---	---	---	---

(Please tick appropriate box + for profit, — for loss)

Earning Per Share

+	1	2	.	8	6
---	---	---	---	---	---

 Dividend Rate %

4	0
---	---

V. Generic Names of Three Principal Products/Services of Company

Item Code No. (ITC Code)

8	4	2	8	3	2	0	0
---	---	---	---	---	---	---	---

Product Description All types of material handling machinery/equipment such as stackers, reclaimers, stacker-cum-reclaimers, ship loaders/unloaders, general conveyors.
All types of material handling systems such as coal/ore handling plants, ore dressing plant, coal preparation plant, coal washeries.

Item Code No. (ITC Code)

8	4	3	1	3	9	0	1
---	---	---	---	---	---	---	---

Product Description All types of Idler Rollers

Item Code No. (ITC Code)

8	4	7	4	1	0	0	1
---	---	---	---	---	---	---	---

 &

8	4	7	4	1	0	0	9
---	---	---	---	---	---	---	---

Product Description All types of machinery/equipment for sorting, screening, separating, etc.

NOTES



TRF LIMITED

A TATA Enterprise

HEAD OFFICE AND WORKS

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Jamshedpur - 831 007, INDIA
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E-Mail : co@jsr.trfltd.com
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PORT & YARD EQUIPMENT DIVISION

(Formerly : Tata Material Handling Systems Limited)
TRF Limited
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Tel. : 91-33-22801536/22872987/22871282/22401861/22870064-65
Fax : 91-33-22874267/22879310
E-mail : cal@pye.trfltd.com

EPC/EPCM DIVISION

(Formerly : Tata Technodyne Ltd.)
TRF Limited
Tata Centre, 6th Floor
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Fax : 91-33-22885019
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TRF LIMITED

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