



**TRF LIMITED**

A **TATA** Enterprise

**44<sup>th</sup> Annual Report  
2006-07**



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44th Annual General Meeting will be held on Saturday, July 14, 2007 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 May 08, 2007)

**Dr. Jamshed J. Irani** (*Chairman*)

**S. J. Ghandy**

**S. K. Bhargava**

**B. D. Bodhanwala**

**R. P. Singh**

**K. P. Singh**

**Ranaveer Sinha**

**Sudhir Deoras** (*Managing Director*)

**R. C. Nandrajog** (*Executive Director*)

## Management

(As on May 08, 2007)

**Sudhir Deoras** ..... Managing Director

**R. C. Nandrajog** ..... Executive Director

**Hari Om Prakash** ..... Chief of BMHS Division

**Ashim Roy** ..... General Manager (Finance & Accounts)

**T. K. Basu** ..... General Manager (Engineering)

**P. P. Deshmukh** ..... Deputy General Manager (Works)

**L. T. K. Ambasta** ..... Deputy General Manager (Projects)

**S. Dasgupta** ..... Chief of Port & Yard Equipment Division

**S. S. Chand** ..... Deputy General Manager (Constructions)

**N. Ghosh** ..... Assistant General Manager (Mini Blast Furnaces)

**Prashant Kumar** ..... Company Secretary

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### REGISTERED OFFICE

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

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### BANKERS

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

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### AUDITORS

A. F. Ferguson & Co.

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### REGISTRARS & SHARE TRANSFER AGENTS

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

### Notice

NOTICE IS HEREBY GIVEN THAT THE FORTYFOURTH ANNUAL GENERAL MEETING OF TRF LIMITED will be held at the Auditorium of the Shavak Nanavati Technical Institute, 'N' Road, Bistupur, Jamshedpur- 831 001, on Saturday, July 14, 2007 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, 2007, the Balance Sheet as at that date and the Reports of the Directors and Auditors.
2. To declare dividend on equity shares of the Company for the year ended March 31, 2007.
3. To appoint a Director in place of Dr. Jamshed J. Irani, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. S. J. Ghandy, who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in place of Mr. Ranaveer Sinha, who retires by rotation and is eligible for re-appointment.
6. To appoint Auditors and to fix their remuneration.

### SPECIAL BUSINESS

7. To consider and, if thought fit, to pass, with or without modification, the following resolution as a **Special Resolution:**  
“RESOLVED THAT, in partial modification of the Resolution passed at the 41st Annual General Meeting, held on July 10, 2004 for appointment and terms of remuneration of Mr. Ramesh Chander Nandrajog, Executive Director of the Company and in accordance with the provisions of Sections 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modification or re-enactment thereof or any amendments thereto, the Company hereby approves, the change in the maximum amount of salary payable to Mr. Ramesh Chander Nandrajog (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment), with authority to the Board of Directors of the Company, to fix his salary within such maximum amount, increasing thereby, proportionately, all benefits related to the quantum of salary, with effect from April 01, 2007 for the remainder of the tenure of the contract as set out in the draft Agreement submitted to this meeting, and initialled by a Director for the purpose of identification, which agreement is hereby specifically sanctioned.”

8. To appoint Mr. Sudhir Deoras, who was appointed by the Board of Directors as an Additional Director of the Company with effect from January 22, 2007 and who holds office up to the date of this Annual General Meeting and eligible for appointment as Director, and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956, proposing his appointment as a Director of the Company.
9. To consider and, if thought fit, to pass, with or without modification, the following Resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 311 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, as amended up-to-date, the Company hereby approves the appointment of Mr. Sudhir Deoras as the Managing Director of the Company, for a period of three years with effect from April 01, 2007, upon the terms and conditions as set out in the draft Agreement submitted to this meeting and for identification signed by the Chairman, authorizing the Board of Directors and/or a Committee of the Board to fix his salary within the scale from time to time, increasing thereby proportionately value of the benefits relating to the salary, as set out in the agreement, with the liberty to the Board of Directors and/or a Committee of the Board to alter and vary the terms and conditions of appointment and/or agreement in such manner as may be agreed to by and between the Board of Directors and Mr. Sudhir Deoras within the applicable provisions of the Companies Act, 1956.”
10. To consider and, if thought fit, to pass, with or without modification, the following Resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 311 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, as amended up-to-date, the Company hereby approves the re-appointment of Mr. Ramesh Chander Nandrajog as the Executive Director of the Company, who has been re-appointed by the Board of Directors, for a further period of One year with effect from August 01, 2007, on the terms and conditions as set out in the draft Agreement submitted to this meeting and for identification signed by the Chairman, authorizing the Board of Directors and/or a Committee of the Board to fix his salary within the scale from time to time, increasing thereby proportionately value of the benefits relating to the salary, as set out in the agreement, with the liberty to the Board of Directors and/or a Committee of the Board to alter and vary the terms and conditions of re-appointment and/or agreement in such manner as may be agreed to by and between the Board of Directors and Mr. Ramesh Chander Nandrajog within the applicable provisions of the Companies Act, 1956,
11. To consider and, if thought fit, to pass, with or without modification, the following Resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to provisions of Section 163 and other applicable provisions if any, of the Companies Act, 1956, change in the registered address of Company’s Registrars and Share Transfer Agents, be and is hereby approved as follow”:

**TSR DARASHAW LTD**  
6-10, HAJI MOOSA PATRAWALA IND. ESTATE,  
20, DR. E. MOSES ROAD,  
MAHALAXMI,  
**MUMBAI - 400 011**

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## 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 Friday, June 22, 2007 to Friday, June 29, 2007 (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 29, 2007 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 22, 2007 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 yet encashed their dividend warrant(s) for the financial year ended March 31, 2000 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.

*May 08, 2007*

By Order of the Board of Directors

Prashant Kumar  
*Company Secretary*

## **ANNEXURE TO NOTICE**

### Explanatory Statements pursuant to Section 173(2) of the Companies Act, 1956

As required under Section 173 of the Companies Act, 1956 (hereinafter referred to as 'the Act') the following Explanatory Statement sets out all material facts relating to the special business mentioned in Item Nos.7 to 11 of the accompanying Notice dated May 08, 2007, convening the meeting.

#### **ITEM NO. 7**

At the 41<sup>st</sup> Annual General Meeting of the Company held on July 10, 2004, the members of the Company had approved the appointment and terms of remuneration of Mr. Ramesh Chander Nandrajog as Executive Director of the Company for a period of three years with effect from August 01, 2004 in the scale of Rs.50,000 - 1,20,000 (with proportionate increase in the value of the benefits related to salary). The other terms and conditions of his appointment were also specified in the Explanatory Statement annexed to the Notice of the said meeting.

Subject to the provisions of Sections 269, 309, 310 read with paragraph 1 of Part III to Schedule XIII of the Companies Act, 1956 including any statutory modification or re-enactment thereof or any amendments thereto and taking into account the present salary of the Executive Director and the good performance of the Company under his management, the Remuneration Committee has recommended and Board of Directors at its meeting held on May 08, 2007, has approved revision in the maximum salary payable to the Executive Director, with effect from April 01, 2007, subject to the approval of Shareholders. The salary payable to the Executive Director is upto a maximum of Rs.2, 00,000/- per month, with authority to the Board of Directors, to fix the salary within the said maximum amount from time to time.

The Board Committee thereof shall decide the annual increments based on merit after taking into account Company's performance. All other terms and conditions of the appointment of the Executive Director, as approved by the shareholders, shall remain unchanged.

The Board of Directors commends the resolution for acceptance by the members.

The draft Supplemental Agreement, to be entered into between the Company and Mr. Ramesh Chander Nandrajog, are available for inspection by the shareholders of the Company, at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day of the Company except Saturdays.

No other Director of the Company, except Mr. Ramesh Chander Nandrajog, is concerned or interested in Item No. 7 of the Notice.

This Explanatory Statement should be treated as an abstract under Section 302 of the Act.

#### **ITEM NO. 8**

The Board of Directors appointed Mr. Sudhir Deoras as an Additional Director of the Company with effect from January 22, 2007. In accordance with the provisions of Article 104 of the Articles of Association of the Company read with Section 260 of the Act, Mr. Sudhir Deoras will hold office only up to the date of the Annual General Meeting. A notice in writing under Section 257 of the Act along with a deposit of Rs. 500/- has been received from a member signifying his intention to propose the appointment of Mr. Sudhir Deoras as a Director of the Company at the meeting.

Till, March 31, 2007, Mr. Sudhir Deoras was Joint Managing Director of M/s Tata Sponge Iron Limited and currently he is a Non- Executive Director of M/s Tata Sponge Iron Limited. Before taking over as the Joint Managing Director of M/s Tata Sponge Iron Limited, he was Managing Director of Tata International Limited. Considering the vast experience and expertise of Mr. Sudhir Deoras, the Board of Directors considers that the appointment of Mr. Sudhir Deoras as a Director will be of immense benefit to the Company and commends his appointment.

No other Director of the Company, except Mr. Sudhir Deoras, is concerned or interested in Item No. 8 of the Notice.

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## ITEM NO. 9

Mr. Sudhir Deoras has been appointed as an additional Director of the Company by the Board of Directors at their meeting held on January 22, 2007. The Board has appointed Mr. Sudhir Deoras as Managing Director of the Company with effect from April 01, 2007, subject to the approval of the Shareholders, for a period of three years, consequent to the retirement of Mr. Santosh Kumar Gupta as Managing Director with effect from March 31, 2007.

Mr. Sudhir Deoras has wide experience of over thirty four years in various capacities. He was in charge of Tata Steel Bearing Division at Kharagpur before he took over as the Managing Director of Tata International Limited. From Tata International Limited he was moved to Tata Sponge Iron Limited as Joint Managing Director. Appointment of Mr. Sudhir Deoras as the Managing Director would help the Company to chart and achieve its future growth aspirations.

The Board of Directors of your Company, therefore, appointed Mr. Deoras as the Managing Director, subject to the approval of Shareholders.

The principal terms and conditions for appointment of Mr. Sudhir Deoras as Managing Director are as under:

### 1 REMUNERATION

#### A) SALARY

In the grade of Rs. 50,000/- to Rs.2, 40,000/- with the basic salary of Rs. 1,90,000/- per month, with effect from April 01, 2007, with the authority to the Board to fix the salary within the said maximum amount from time to time.

The annual increment, which will be effective from April 01, each year, will be decided by the Board/ Committee thereof and will be merit based and take into account Company's performance.

#### B) PERQUISITES AND ALLOWANCES:

a) In addition to the salary and commission or performance linked remuneration payable, Mr. Sudhir Deoras, shall also be entitled to the following perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance or/ and house maintenance allowance in lieu thereof, together with reimbursement of expenses and/ or allowances as may be applicable from time to time; medical reimbursement/ allowances; leave travel concession/ allowances for himself and his family\*; and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board or Committee thereof and Mr. Sudhir Deoras, subject to a maximum of 140% of the basic salary, provided that the total remuneration payable to Mr. Sudhir Deoras, as Managing Director, shall not exceed the limits stipulated under the Companies Act, 1956. Further, Mr. Deoras will be entitled to transfer all his accumulated leave in any of the Tata Group Companies.

I) Rent free residential accommodation provided by the Company

"OR"

In case no residential accommodation is provided by the Company, the Managing Director shall be entitled to house rent and house maintenance allowance aggregating to 85% of the salary.

II) i)	Allowance for helper/ education of children /personal accident insurance/ club membership fees/ other allowances	—	38.34% of salary
ii)	Medical Allowance	—	8.33% of salary
iii)	Leave travel concession/ Allowance	—	8.33% of salary
			<hr/>
			55.00% of salary
			<hr/>
	<b>(Total I+II)</b>		<b>140% of Salary</b>



- III) The Managing Director shall be entitled to a provision of motor car maintained by the Company with driver and telecommunication facilities (expanding from telephone at residence to cover broadband, internet, fax, etc. apart from the telephone at residence).
- IV) (i) The Managing Director shall be entitled to Medical expenses for major illness and hospitalisation expenses.  
(ii) Income Tax valuation of Housing Loan perquisite (Presently computed at 8.5% less interest charged).
- V) Such remuneration by way of commission, in addition to the salary and perquisites payable calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of the Company at the end of each financial year, subject to the overall ceilings stipulated in Sections 198 and 309 of the Act. The commission payable to Mr. Sudhir Deoras shall range between half and twice the amount of annual salary to be determined by the Board at the end of each Financial Year.

“OR”

Performance Linked remuneration not exceeding twice the annual salary as may be determined by the Board Committee thereof will be payable to Mr. Sudhir Deoras.

The specific amount payable to Mr. Sudhir Deoras will be based on certain performance criteria to be laid down by the Board and will be payable annually after the Annual Accounts have been approved by the Board and adopted by the Shareholders.

- b) For the purpose of calculating the above ceiling, perquisites and allowances shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost.
- c) Company's contribution to Provident Fund and Superannuation Fund will not be included for computation of perquisites to the extent these singly or put together are not taxable under the Income Tax Act. Gratuity payable as per the rules of the Company and encashment of leave as per rules of the Company shall not be included for the computation of limits for the remuneration or perquisites aforesaid.

\* Explanation: For the purpose of this clause family means the wife, dependent children and dependent parents of Mr. Sudhir Deoras.

(C) MINIMUM REMUNERATION:

Notwithstanding anything to the contrary herein contained, if in any financial year during the currency of the tenure of Mr. Sudhir Deoras, the Company has not made any profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites within the limits specified in Schedule XIII of the Companies Act, 1956 as modified from time to time.

- 2. Mr. Sudhir Deoras shall not be entitled to supplement his earnings under the Agreement with any buying or selling commission. He shall not also become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company, without the prior approval of the Central Government and this Agreement shall cease and determine upon the contravention of the provisions of this Clause.
- 3. The terms and conditions of the said appointment /Agreement may be altered and/ or varied from time to time by the Board as it may in its discretion, deem fit, within the maximum amount payable to Mr. Sudhir Deoras in accordance with Schedule XIII to the Companies Act, 1956, or any amendments made hereafter in this regard or in excess of limits specified under Schedule XIII to the Companies Act with the approval of Central Government.
- 4. Earned / Privileged leave will be allowed to Mr. Sudhir Deoras as per the rules of the Company.

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5. Mr. Sudhir Deoras as Managing Director shall not be entitled to sitting fees for attending meetings of Board of Directors of the Company or any Committee or Committees thereof.
6. Mr. Sudhir Deoras shall be entitled to reimbursement of entertainment expenses actually and properly incurred by him in the course of legitimate business of the Company.
7. The Agreement may be terminated by either party giving the other party six month's notice or the Company paying six months' salary in lieu thereof.
8. If at any time the Managing Director ceases to be a Director of the Company for any cause whatsoever, he shall cease to be the Managing Director.
9. If at any time Mr. Sudhir Deoras ceases to be in the employment of the Company for any cause whatsoever, he shall cease to be a Director of the Company.
10. If at any time the Managing Director ceases to be a Managing Director of the Company for any cause whatsoever, he shall cease to be a Director of the Company.
11. Mr. Sudhir Deoras has declared to the Company that he does not suffer from any of the disabilities detailed in Clause 1(a), 1(b) and 1(d) of part I of schedule XIII, as also those listed in Section 267 and 274(1) of the Companies Act, 1956 and his appointment is inter-alia based on the representation made in the said declaration.
12. The Managing Director shall not have the following powers :
  - (i) power to make calls on shareholders in respect of monies unpaid on shares in the Company;
  - (ii) power to issue debentures; and
  - (iii) power to invest the funds of the Company in shares, stocks and securities.

In accordance with the provisions of Section 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, as amended up-to-date, the terms of appointment of Mr. Sudhir Deoras are placed before the Members in the Annual General Meeting for their approval. Approval of the shareholders is sought by way of Special Resolution for payment of remuneration to Mr. Sudhir Deoras, as Managing Director in any of the aforesaid three years of his appointment, only in the event the Company has no profits or inadequate profits in a financial year depending upon the effective capital of the Company as laid down in Part II in Section II to Schedule XIII of the Companies Act, 1956, in terms of Notification dated January 16, 2002 issued by the Department of Company Affairs, containing amendments to Schedule XIII of the Companies Act, 1956, with respect to payment of monthly remuneration to a managerial person in the event the Company has no profits or inadequate profits in a financial year.

The draft agreement to be entered into with Mr. Sudhir Deoras is available for inspection by Members of the Company at its Registered Office between 11.00 AM to 1.00 PM on any working day, except on staurdays.

No other Director of the Company, except Mr. Sudhir Deoras, is concerned or interested in item No. 9 of the notice.

### ITEM NO. 10

Current term of three years of Mr. Ramesh Chander Nandrajog, Executive Director of the Company will be expired on July 31, 2007. The Board of Directors at their meeting held on May 08, 2007, re-appointed Mr. Nandrajog as the Executive Director of the Company for a further period of One year, subject to the approval of the Shareholders.

Mr. Nandrajog has overall experience of more than forty years and has held various positions in the Tata Steel Limited before joining your Company. During his tenure as the Executive Director from August 01, 2004, Mr. Nandrajog has provided dynamic and effective leadership to the Company's management

team and under his leadership, the Company has made great strides both in manufacturing and marketing the Company's products and projects and the Company has established itself as one of the leaders in the line in which it is engaged.

The principal terms and conditions of Mr. Ramesh Chander Nandrajog's re-appointment are as under :

1. REMUNERATION

A) SALARY

In the grade of Rs. 50,000/- to Rs. 2,00,000/- with the basic salary of Rs. 1,30,000/- per month, with effect from August 01, 2007, with the authority to the Board to fix the salary within the said maximum amount from time to time.

The annual increment, which will be effective from April 01, each year, will be decided by the Board/Committee thereof and will be merit based and take into account Company's performance.

B) PERQUISITES AND ALLOWANCES:

a) In addition to the salary and commission or performance linked remuneration payable, Mr. Ramesh Chander Nandrajog, shall also be entitled to the following perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance or/ and house maintenance allowance in lieu thereof, together with reimbursement of expenses and/ or allowances as may be applicable from time to time; medical reimbursement/ allowances; leave travel concession/ allowances for himself and his family\*; and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board or Committee thereof and Mr. Ramesh Chander Nandrajog, subject to a maximum of 140% of the basic salary, provided that the total remuneration payable to Mr. Nandrajog, as Executive Director, shall not exceed the limits stipulated under the Companies Act, 1956.

I) Rent free residential accommodation provided by the Company

“OR”

In case no residential accommodation is provided by the Company, the Executive Director shall be entitled to house rent and house maintenance allowance aggregating to 85% of the salary.

II) i)	Allowance for helper/ education of children /personal accident insurance/ club membership fees/ other allowances	—	38.34% of salary
ii)	Medical Allowance	—	8.33% of salary
iii)	Leave travel concession/ Allowance	—	8.33% of salary
			55.00% of salary

**(Total I+II)**

**140% of Salary**

III) The Executive Director shall be entitled to a provision of motor car maintained by the Company with driver and telecommunication facilities (expanding from telephone at residence to cover broadband, internet, fax, etc. apart from the telephone at residence).

IV) (i) The Executive Director shall be entitled to Medical expenses for major illness and hospitalisation expenses.

(ii) Income Tax valuation of Housing Loan perquisite (Presently computed at 8.5% less interest charged).

- V) Such remuneration by way of commission, in addition to the salary and perquisites payable calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of the Company at the end of each financial year, subject to the overall ceilings stipulated in Sections 198 and 309 of the Act. The commission payable to Mr. Ramesh Chander Nandrajog shall range between half and twice the amount of annual salary to be determined by the Board at the end of each Financial Year.

“OR”

Performance Linked remuneration not exceeding twice the annual salary as may be determined by the Board/Committee thereof will be payable to Mr. Ramesh Chander Nandrajog.

The specific amount payable to Mr. Ramesh Chander Nandrajog will be based on certain performance criteria to be laid down by the Board and will be payable annually after the Annual Accounts have been approved by the Board and adopted by the Shareholders.

- b) For the purpose of calculating the above ceiling, perquisites and allowances shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.
- c) Company's contribution to Provident Fund and Superannuation Fund will not be included for computation of perquisites to the extent these singly or put together are not taxable under the Income Tax Act. Gratuity payable as per the rules of the Company and encashment of leave as per rules of the Company shall not be included for the computation of limits for the remuneration or perquisites aforesaid.

\*Explanation: For the purpose of this clause family means the wife, dependent children and dependent parents of Mr. Ramesh Chander Nandrajog.

(C) MINIMUM REMUNERATION:

Notwithstanding anything to the contrary herein contained, if in any financial year during the currency of tenure of Mr. Ramesh Chander Nandrajog, the Company has not made any profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites within the limits specified in Schedule XIII of the Companies Act, 1956, as modified from time to time.

2. Mr. Ramesh Chander Nandrajog shall not be entitled to supplement his earnings under the Agreement with any buying or selling commission. He shall not also become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company, without the prior approval of the Central Government and this Agreement shall cease and determine upon the contravention of the provisions of this Clause.
3. The terms and conditions of the said re-appointment /Agreement may be altered and/ or varied from time to time by the Board as it may in its discretion, deem fit, within the maximum amount payable to Mr. Ramesh Chander Nandrajog in accordance with Schedule XIII to the Companies Act, 1956, or any amendments made hereafter in this regard or in excess of limits specified under Schedule XIII to the Companies Act, with the approval of Central Government.
4. Earned / Privileged leave will be allowed to Mr. Ramesh Chander Nandrajog as per the rules of the Company.
5. Mr. Ramesh Chander Nandrajog as Executive Director shall not be entitled to sitting fees for attending meetings of Board of Directors of the Company or any Committee or Committees thereof.
6. Mr. Ramesh Chander Nandrajog shall be entitled to reimbursement of entertainment expenses actually and properly incurred by him in the course of legitimate business of the Company.
7. The Agreement may be terminated by either party giving the other party six month's notice or the Company paying six months' salary in lieu thereof.

8. If at any time the Executive Director ceases to be a Director of the Company for any cause whatsoever, he shall cease to be the Executive Director.
9. If at any time Mr. Ramesh Chander Nandrajog ceases to be in the employment of the Company for any cause whatsoever, he shall cease to be a Director of the Company.
10. If at any time the Executive Director ceases to be an Executive Director of the Company for any cause whatsoever, he shall cease to be a Director of the Company.
11. Mr. Ramesh Chander Nandrajog has declared to the Company that he does not suffer from any of the disabilities detailed in Clause 1(a), 1(b) and 1(d) of part I of schedule XIII, as also those listed in Section 267 and 274(1) of the Companies Act, 1956 and his appointment is inter-alia based on the representation made in the said declaration.
12. The Executive Director shall not have the following powers :
  1. power to make calls on shareholders in respect of monies unpaid on shares in the Company;
  2. power to issue debentures; and
  3. power to invest the funds of the Company in shares, stocks and securities.

In accordance with the provisions of Section 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, as amended up-to-date, the terms of re-appointment of Mr. Ramesh Chander Nandrajog are placed before the Members in the Annual General Meeting for their approval. Approval of the shareholders is sought by way of Special Resolution for payment of remuneration to Mr. Ramesh Chander Nandrajog during the tenure of his re-appointment, only in the event the Company has no profits or inadequate profits in a financial year depending upon the effective capital of the Company as laid down in Part II in Section II to Schedule XIII of the Companies Act, 1956, in terms of Notification dated January 16, 2002 issued by the Department of Company Affairs, containing amendments to Schedule XIII of the Companies Act, 1956, with respect to payment of monthly remuneration to a managerial person in the event the Company has no profits or inadequate profits in a financial year.

The Board commends the re-appointment of Mr. Ramesh Chander Nandrajog as the Executive Director for acceptance by the Members.

The draft Agreement to be entered into with Mr. Ramesh Chander Nandrajog is available for inspection by Members of the Company at its Registered Office between 11.00 a.m. and 1.00 p.m. on any working day of the Company except Saturdays.

No other Director of the Company, except Mr. Ramesh Chander Nandrajog, is interested or concerned in Item No. 10 of the Notice.

This may also be treated as an abstract of the draft Agreement between the Company and Mr. Ramesh Chander Nandrajog, pursuant to Section 302 of the Act.

#### **ITEM NO. 11**

TSR Darashaw Ltd, the Registrars and Share Transfer Agents of the Company has informed that they have changed their Registered Office with effect from November 13, 2006. According to provisions of Section 163 of the Companies Act, 1956, any change in the place of keeping Register of Members at a place other than Registered Office of the Company, requires special resolution of the Shareholders of the Company.

Therefore the aforesaid resolution is placed before Annual General Meeting to pass as a Special Resolution.

None of the Director of your Company is interested or concerned in the resolution set out in Item No. 11 of the Notice.

*Registered Office:*

11, Station Road,  
Burma Mines,  
Jamshedpur – 831 007.  
May 08, 2007

By Order of the Board of Directors

Prashant Kumar  
*Company Secretary*

# TRF LIMITED

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## 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	Dr. Jamshed J. Irani	Mr. Sarosh Jehangir Ghandy
Date of birth	02-06-1936	21-12-1937
Date of appointment	09-06-2000	05-11-1993
Expertise in specific functional areas	Metallurgy	Foundry & Forge Technology, Manufacturing Engineering and General Management
Qualifications	Ph.D (Sheffield), M.Met.(Sheffield), M.Sc.	B.Sc (Met), F.I.E., F.I.I.F.
List of other companies in which outside Directorship held as on March 31, 2007	Tata Sons Limited Tata Motors Limited Tata Teleservices Ltd. Repro India Limited Tata Refractories Ltd. Tata Ryerson Ltd. Kansai Nerolac Paints Ltd. Electrcosteel Castings Limited Terrafirma Realty Advisors Pvt. Ltd. BOC India Limited. Tata Incorporated, New York	Tele Radiology Solutions Pvt. Ltd. Maini Material Movement Pvt. Ltd. Kirloskar Electric Company Ltd. NTTF Industries Limited Nettur Technical Training Foundation Ltd. RAPSRI Engineering Co. Ltd. Indian Infrastructure Equipment Ltd. Servion Global Solutions Ltd. Bhuruka Gases Limited
Chairman/Member of the committees of the Boards of other companies on which he is a Director as on March 31, 2007	Kansai Nerolac Paints Limited Audit Committee - Member BOC India Limited Audit Committee - Member	Bhuruka Gases Limited Audit Committee - Chairman  Kirloskar Electric Company Ltd. Audit Committee - Member  Servion Global Solutions Ltd. Audit Committee - Member
Shareholding in TRF Limited	NIL	NIL

Name of Director	Mr. Ranaveer Sinha	Mr. Sudhir Deoras	Mr. Ramesh Chander Nandrajog
Date of birth	09.07.1954	01.08.1951	21-07-1944
Date of appointment	18.03.2004	22.01.2007	10-07-2004
Expertise in specific functional areas	Engineering	Engineering	Finance
Qualifications	B.E.(Mech.), PGDMB (XLRI)	B.E.(Mech.), PGDEM (JTI)	B.Sc. Engg.(Mech. Hons), P.G.D.S., B.M., I.C.W.A.
List of other companies in which outside Directorship held as on March 31, 2007	Telco Construction Equipment Company Limited Telcon Ecoroad Resurfaces Pvt.Ltd.	Tata Sponge Iron Ltd.	NIL
Chairman/Member of the committees of the Boards of other companies on which he is a Director as on March 31, 2007	NIL	NIL	NIL
Shareholding in TRF Limited	NIL	NIL	NIL

Information relevant to the appointment of Mr. Sudhir Deoras as the Managing Director and re-appointment of Mr. Ramesh Chander Nandrajog as the Executive Director as per Notification No. G.S.R. 36-E dated January 16, 2002 issued by the Department of Company Affairs :

## I. GENERAL INFORMATION

### (1) Nature of Industry: Engineering

The Company is the most comprehensive source for Port, Yard and Bulk Material Handling Equipment and Systems. The Company is accordingly engaged in design, engineering, project/construction management, procurement, supply, fabrication, erection, testing and commissioning including civil, structural, electrical and instrumentation for bulk material handling projects. In addition, the Company carries out Engineering, Procurement, Construction (EPC) work and provides Engineering, Procurement, Construction Management services (EPCM services) for setting up small and medium Plants. Since June 2003, the Company is also offering Engineering services for Mini Blast Furnaces.

# TRF LIMITED

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- (2) Expected date of commencement of commercial production : Not applicable.
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus : Not applicable.
- (4) Financial performance during last three years :

(Rs. in lakhs)

Financial Parameters	2006-07	2005-06	2004-05
Turnover (Sales)	34720.39	21655.27	20006.26
Net Profit as per Profit and Loss Account as computed under Section 198 & 309(5) of the Companies Act, 1956	3387.46	1298.24	787.86
Net Profit after Tax as per Profit and Loss Account	2017.06	707.47	396.48
Amount of dividend paid	330.13*	220.09	165.07
Rate of dividend declared (%)	60	40	30

\*Payable after approval by the members at the forthcoming AGM.

- (5) Export performance and net foreign exchange earnings :

(Rs. in lakhs)

	2006-07	2005-06	2004-05
Foreign exchange earnings including Deemed Export equivalent Rs.	7146.58	252.67	177.20
Foreign exchange outgoings equivalent Rs.	484.53	536.85	583.84

- (6) Foreign investments or collaborations, if any :

Marconi Corporation plc., UK hold 3.34% and Litton Systems Inc., U.S.A. hold 1.98% of the equity capital of the Company.

## II. INFORMATION ABOUT THE APPOINTEES

### A) Mr. Sudhir Deoras

#### 1(a) Educational Qualification :

Technical	a) Bachelor of Engineering (Hons.) Mechanical; b) Post Graduate Diploma in Electrical & Metallurgy from SNTI (formerly JTI) Jamshedpur;
Management	General Management training from CEDEP, INSEAD, France. Attended a programme on Globalisation at the Sloan School of Management, USA. International Business Course at IMD, Lausanne, Switzerland.



**1(b) Experience :**

Company	Nature of job
TRF Ltd.	Chief Executive Officer and overall in-charge with effect from April 01, 2007
Tata Sponge Iron Ltd.	Joint Managing Director from July 11, 2006 to March 31, 2007
Tata International Ltd.	In 1998, Sr. Executive Vice President and became the Managing Director and overall in-charge from April 15, 1999 to July 10, 2006
Tata Steel Ltd. (formerly The Tata Iron & Steel Co. Ltd.)	In 1973, joined as graduate trainee and worked in various operations and production departments. Was appointed as Works Manager at Tata Bearings and finally headed this profit centre. Appointed Principal Executive Officer in 1995 and responsible for TQM, Value Engineering & re-engineering.

2. Past remuneration (including contribution to PF, Superannuation fund and gratuity fund) for last 3 years :

(Rs. in lakhs)

2006-07	2005-06	2004-05
60.85	56.62	69.84

**3. Recognition and awards :**

- Member of CII National Council on Export since 1999-2000 and presently Co-Chairman of CII National Committee on Export.
- Member of Western Region Council of CII and was Chairman of its International Trade Committee.
- Member of Managing Committee of Bombay Chamber of Commerce & Industry during 2000-01 & 2001-02 and presently Chairman of the South Africa-India Business Committee.

**4. Job profile and his suitability:**

(a) **Job Profile**

Chief Executive Officer and overall in-charge of TRF Ltd.

TRF is engaged in -

- Design, engineering, procurement, supply, civil and structural works, electrical and instrumentation systems, fabrication, erection and testing of bulk material handling equipment and systems;
- Design, supply, installation and commissioning of Port & Yard equipment and services;
- Project/Construction Management on EPC basis for setting up small and medium-size plants;
- Providing EPCM services for project implementation;
- Design and engineering services for Mini Blast Furnances.

**His responsibilities include-**

- (i) Profitable operations of the Company through efficient and optimum utilisation of Company's resource viz., man, material and money.
- (ii) Entering into strategic tie-ups and alliances for advancement of the business of the Company.
- (iii) Development of new businesses.
- (iv) Employee satisfaction.
- (v) Customer satisfaction.
- (vi) Enhancing shareholder value.

**(b) Suitability**

Mr. Deoras has served the Tata Group for over 34 years with distinction.

Mr. Deoras has to his credit turn-around of the Bearings Division of Tata Steel, a loss-making unit acquired by Tata Steel from Metal Box India Ltd into a profit centre.

Mr. Deoras was appointed as Managing Director of Tata International Limited from 1999 to July 10, 2006, a billion dollar trading House.

Since July 11, 2006 till March 31 2007 he was appointed as Joint Managing Director of Tata Sponge Iron Limited, a fast growing Company in Sponge Iron Sector.

Till date, Mr. Deoras has over 8 years of experience as Managing Director of various companies, and 4 years as Head of Bearing Division of Tata Steel, a separate profit centre.

Mr. Deoras's vast experience in operations of different companies, successful record of turning around loss-making/sick companies and in view of the high esteem in which he is held in the corporate sector for his technical and commercial knowledge and business acumen, the Board considers Mr. Sudhir Deoras as the most suitable professional for shouldering the responsibilities of Managing Director of the Company.

**5. Remuneration proposed:**

Salary	In the grade of Rs. 50,000/- to Rs. 2,40,000/- with the basic salary of Rs. 1,90,000/- per month.
Perquisites & Allowances	Not exceeding 140% of the annual salary of Mr. Sudhir Deoras.
Commission	To be between half and twice the annual salary of Mr. Sudhir Deoras, as may be determined by the Board of Directors and/or a Committee of the Board within the stipulated limits under the Act.  Or
Performance Linked Remuneration	Not exceeding twice the annual salary as may be determined by the Board of Directors and/or a Committee of the Board, subject to the provisions of the Companies Act, 1956.
Minimum Remuneration only in case of absence or inadequacy of profits during any financial year	To be paid by way of salary, performance linked remuneration, perquisites & allowances, subject to the limits specified in Part II in Section II to Schedule XIII of the Companies Act, 1956.

**B) Mr. Ramesh Chander Nandrajog**

**1(a) Educational qualifications :**

Technical/ Finance	a) Bachelor of Engineering (Mechanical); b) Post Graduate Diploma in Iron & Steel technology from SNTI (formerly JTI) Jamshedpur; c) Cost Accountant
Management	Business Management from XLRI, Jamshedpur General Management training from CEDEP, INSEAD, FONTAINBLUE, France.

**1(b) Experience :**

Mr. Ramesh Chander Nandrajog, is the Executive Director of TRF Limited since August 01, 2004 till date.

Mr. Nandrajog joined Tata Steel as Graduate Trainee in the year 1966; and was adjudged "Best Graduate Trainee of 1966 Batch".

In 1968, on completion of training period, he joined WT&AP as General Foreman - then moved to P. P. Shop as Sr. Engineer.

In 1981, he joined Accounts Division as O&M Officer and was gradually promoted to the level of General Manager (Finance & Accounts) in the year 1995. In 1999, he became Vice President (Finance) of Tata Steel and has been in-charge of / associated with various functions in its Finance Division.

**2. Past remuneration (including contribution to PF, Superannuation fund and gratuity fund) for last 3 years:**

(Rs. in Lakhs)

2006-07	2005-06	2004-05 (Partial)
38.35	36.27	22.04

**3. Awards and Achievement:**

- ❖ CFO of the year 2001 – under Cost Management category
- ❖ Financial restructuring of Tata Steel in 2003
- ❖ Improvement of Credit Rating of Tata Steel to "AAA"
- ❖ National Award for Excellence in Corporate Governance for the year 2000 – Union Finance Ministry
- ❖ Golden Peacock Award for Excellence in Corporate Governance and Corporate Social Responsibility – Institute of Directors
- ❖ Certificate of Appreciation for Excellence in Cost Reduction – 2003 – ICWAI

**4. Job profile and his suitability:**

**(a) Job Profile**

Executive Director and Chief Operating Officer, reporting to the Managing Director

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## **TRF is engaged in -**

- (i) Design, engineering, procurement, supply, civil and structural works, electrical and instrumentation systems, fabrication, erection and testing of bulk material handling equipment and systems;
- (ii) Design, supply, installation and commissioning of Port & Yard equipment and services;
- (iii) Project/Construction Management on EPC basis for setting up small and medium-size plants;
- (iv) Providing EPCM services for project implementation;
- (v) Design and engineering services for Mini Blast Furnances.

## **His responsibilities include -**

- (i) Located at Jamshedpur, Profitable operations of the Divisions of the Company through efficient and optimum use of Company's resources viz, man-material and money.
- (ii) Employee satisfaction.
- (iii) Customer satisfaction.
- (iv) Growth of the various Divisions.

## **(b) Suitability**

Mr. Ramesh Chander Nandrajog is Executive Director of TRF Limited since August 01, 2004 and prior to joining TRF Limited he has served Tata Steel for more than 38 years in various capacities. He has been instrumental in obtaining Quality Certification for Accounts Division of Tata Steel. (First Indian company to do so).

In view of Mr. Nandrajog's vast experience in various operations of Tata Steel and in view of the high esteem in which he held in the corporate circle for his financial acumen and leadership qualities, the Board considers Mr. Nandrajog as the suitable professional for shouldering the responsibility of the Executive Director of the Company.

## **5. Remuneration proposed :**

Salary	In the grade of Rs.50,000/- to 2,00,000/-, with the basic salary of Rs.1,30,000/- per month, with effect from August 01, 2007.
Perquisites & Allowances	Not exceeding 140% of the annual salary of Mr. Ramesh Chander Nandrajog.
Commission	To be between half and twice the annual salary of Mr. Ramesh Chander Nandrajog, as may be determined by the Board/Committee thereof, within the stipulated limits under the Act.  Or
Performance Linked Remuneration	Not exceeding twice the annual salary as may be determined by the Board/Committee thereof, subject to the provisions of the Companies Act, 1956.

Minimum Remuneration only in case of absence or inadequacy of profits during any financial year	To be paid by way of salary, performance linked remuneration, perquisites & allowances, subject to the limits specified in Part II in Section II to Schedule XIII of the Companies Act, 1956.
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### III. OTHER INFORMATION :

#### (1) Inadequate profits :

Although the Company has been making profits for the last several years, the margins are under pressure due to intense competition resulting in significant reduction in net realisations and contributions.

Mr. Sudhir Deoras as Managing Director and Mr. Ramesh Chander Nandrajog as Executive Director of the Company has worked out strategies to meet the challenging situation, improving the order book and resultant turnover. With tight control on costs and overhead expenses, the Company expects improvement in profitability as has been reflected in the results for the financial year 2006-07.

The Company is seeking the permission of the shareholders for making payment to Mr. Sudhir Deoras, Managing Director remuneration in any of the three years of their appointment and Mr. Ramesh Chander Nandrajog for his re-appointment, as laid down in Part II in Section II to Schedule XIII of the Companies Act, 1956, only in the event the Company has no profit or inadequate profits in any such financial year.

#### (2) Steps taken or proposed to be taken for improvement :

- a) strategic tie-ups & associations.
- b) thrust on exports.
- c) improvement in productivity and optimum utilisation of resources of the Company.
- d) aggressive implementation of cost reduction and cost control measures.

#### (3) Expected increase in productivity and profits in measurable terms :

The Company, by adoption of measures as aforesaid, expects higher turnover in future years with associated higher profits and productivity. The adoption of cost reduction measures would also enable the Company to bring about increase in the profitability in future years.

# TRF LIMITED

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<b>Highlights</b>					
Rupees in lakhs					
	<b>2006-07</b>	2005-06	2004-05	2003-04	2002-03
Sales & Services (Net)	<b>347,20.39</b>	216,55.27	200,06.26	173,43.82	134,72.52
Other Income	<b>2,16.07</b>	24.01	1,62.59	1,16.63	2,59.43
Extraordinary Income	—	—	—	—	1,57.34
Employee costs	<b>25,88.45</b>	24,00.26	20,74.59	19,56.95	19,99.70
Depreciation	<b>1,31.88</b>	1,29.86	1,39.59	1,51.90	1,58.85
Interest & brokerage	<b>2,45.40</b>	4,34.69	4,11.07	2,11.97	2,63.56
Profit / (Loss) before taxes	<b>30,56.83</b>	11,57.66	6,60.34	5,29.44	(93.55)
Taxes / (Write back)	<b>10,39.77</b>	4,50.19	2,63.86	1,97.37	(51.40)
Profit / (Loss) after taxes	<b>20,17.06</b>	7,07.47	3,96.48	3,32.07	(42.15)
Dividend (%)	<b>60</b>	40	30	26	12
Works production	<b>105,55.00</b>	97,00.39	73,01.72	51,62.38	48,63.94
Progress billings	<b>262,39.00</b>	15014.33	144,45.20	136,74.20	94,07.43
	<b>As on</b> <b>31.03.2007</b>	As on 31.03.2006	As on 31.03.2005	As on 31.03.2004	As on 31.03.2003
Net fixed assets	<b>8,72.44</b>	8,53.76	8,94.44	9,03.42	10,01.37
Share Capital	<b>5,50.22</b>	5,50.22	5,50.22	5,50.22	5,50.22
Reserves and surplus	<b>50,11.75</b>	37,22.33	32,65.82 *	33,67.47	31,96.78
Net worth	<b>55,61.97</b>	42,72.55	38,16.04 *	39,17.69	37,47.00
Borrowings	<b>10,43.06</b>	41,27.13	64,05.37	43,52.42	30,18.51
Net worth per share (Rs.)	<b>1,01.09</b>	77.65	69.35	71.20	68.10
Debt : Equity ratio	<b>0.19:1</b>	0.97:1	1.68:1	1.1:1	0.81:1
Number of employees	<b>761</b>	753	788	852	941
<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 reserve as on April 1, 2004, have come down by Rs. 309.91 Lakhs, with the corresponding decrease in Misc. Expenditure to the extent not written off.</p>					

## Directors' Report

### To the Members

The Directors are pleased to present their Forty-fourth Annual Report and the audited statements of Accounts for the year ended March 31, 2007.

#### 1.0 Financial Results

Rupees in lakhs

		<i>Previous year</i>
Net Sales & Services / Income from Operations	347,20.39	216,55.27
Other Income	2,16.07	24.01
Total Income	349,36.46	216,79.28
Expenditure		
a) (Increase)/Decrease in Inventories and Contracts in Progress	4,48.29	6,04.07
b) (i) Consumption of raw materials & Components	177,98.52	120,21.71
(ii) Payment to sub-contractors	67,93.16	23,26.59
c) Staff Costs	25,88.45	24,00.26
d) Operations, administration and selling expenses	38,64.17	25,74.65
e) Total Expenditure (a to d)	314,92.59	199,27.28
Profit before interest, depreciation, exceptional/extraordinary items and tax	34,43.87	17,52.00
Interest	2,45.40	4,34.69
Profit before depreciation, exceptional/extraordinary items and tax	31,98.47	13,17.31
Depreciation	1,31.88	1,29.86
Profit/(Loss) before exceptional/extraordinary items and tax	30,66.59	11,87.45
Exceptional/Extraordinary items [gain/(loss)]		
a) Employees Separation Compensation	(9.76)	(26.79)
b) Provision for diminution in the value of Investment	Nil	(3.00)
c) Total of Exceptional / Extraordinary items (a and b)	(9.76)	(29.79)
Profit / (Loss) before Tax	30,56.83	11,57.66
Provision for Taxation for the year	11,20.00	4,35.00
Provision for Deferred Tax liability	(1,11.23)	(42.06)
Provision for Fringe Benefit Tax	31.00	57.25
Profit / (Loss) after tax available for Disposal	20,17.06	7,07.47
Add : amount brought forward from previous year	3,17.60	2,36.09
Disposable Profit	23,34.66	9,43.56
<b>Appropriations :</b>		
(a) Proposed Dividend	3,30.13	2,20.09
(b) Tax on Dividend	56.11	30.87
(c) General Reserve	15,00.00	3,75.00
Balance carried forward	4,48.42	3,17.60
	<u>23,34.66</u>	<u>9,43.56</u>

(figures for previous year have been regrouped wherever necessary)

### 2.0 Dividend

The performance of your Company during the financial year 2006-07, has been very encouraging. The Directors recommend payment of a dividend of 60 % for the year ended March 31, 2007 (previous year : 40%), 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 61% in Total Income over the previous year [Total Income for financial year 2006-07 is Rs. 34936 Lakhs (*all time high*) as against Rs.21679 Lakhs in the previous year 2005-06]. Profit before Tax for the year has registered an increase of 164% over the previous year. (Profit before Tax for the financial year 2006-07: Rs. 3057 Lakhs as against Profit before Tax of Rs. 1158 Lakhs in the previous year 2005-06). Profit after Tax for the year has registered an increase of 185% over the previous year. (Profit after Tax for Financial Year 2006-07 : Rs. 2017 Lakhs as against Profit after Tax of Rs.707 Lakhs in the previous year 2005-06).

**3.1** During the year under review, the Works achieved an all time high production of Rs.105.55 Cr. Surpassing the previous best of Rs.97.00 Cr. achieved in 2005-06.

**3.2** During the year 2006-07, your Company, in addition to other orders, secured Conveyer System and Equipment for Raw Material handling system for Tata Steel valued at Rs. 59 Crores and (ii) Order for supply, installation and commissioning of Yard Equipment for Krishanapatnam Port, from Navyug Engg. Co. Ltd, valued at Rs. 125.00 Crores. In addition your Company has also secured an order from Directorate General Border Roads for supply of 20TPH mobile Stone Crushing Units, valued at 3.35 Crores.

**3.3** Your Company, during the Financial Year 2006-07 completed several major orders amongst them being :-

a) Engineering, Manufacture, Supply and Erection of waste recycling plant at Tata Steel, Jamshedpur.

b) Design, Manufacture and Commission of Raw Material handling systems 1& 2 for Bhushan Steel Ltd.

c) Engineering, manufacturing, supply, erection, testing and commissioning of boom Level Luffing Cranes for Indian Navy.

### 4.0 Exports

During the year, your Company earned foreign exchange worth Rs.7146.58 lakhs through exports, including deemed exports, as against previous year's earnings through exports (including deemed exports) of Rs. 252.67 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. Your Company has secured 467 points in TBEM, which shows its dedication towards serious adoption and implementation of TBEM in your Company.

**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 organizational and financial support to various charitable and philanthropic bodies, which are active in and around Jamshedpur, Kolkata, Puri and Mumbai.

**10.2** The employees and their family members, have been donating blood voluntarily and regularly. In response to a call from Blood Bank, Jamshedpur, in the year 2006-07, one special campaign was held in the month of August wherein 132 units of blood were donated on a single 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** During the year, your Company provided infrastructural and financial assistance to local social organizations 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 130 patients were successfully operated upon for cataract removal, with IOL implant. (Previous Year 107).

**10.5** 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 thirteen hundred children residing in and around the communities surrounding your Company's colony.

## **11.0 Environment**

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 endeavored to adopt good corporate governance over the years. During the year the corporate governance practices were further aligned 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 Affirmative Action**

In view of the Policy of Government of India and Tata Group guidelines, TRF has adopted the CII Code for Affirmative Action with regard to the Scheduled Castes and Scheduled Tribe at its Board Meeting held on December 26, 2006.

It has gone further and adopted the Tata Code as under :-

- TRF Limited believes in social equity.
- The Company adheres to the principles of equal opportunities, irrespective of caste, whether in recruitment or career advancement within the organization.
- The Company is also committed to directly conducting or supporting initiatives to ensure an equal footing for socially and economically disadvantaged sections in the country at large, and specifically the Scheduled Cast and Scheduled Tribe communities.
- Towards the ultimate goal of enhancing their employability and entrepreneurship abilities, TRF Limited is committed to creating and promoting access to quality education and technical skills and

competencies for members of the SC/ST communities. Further, to speedily enable these communities overcome the social discrimination that has prevented them from realizing their potential as productive members of society, TRF Limited will assist members from these communities for employment opportunities and as business associates, provided everything else (merit for employment; cost and quality for business associates) is equal.

### **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 51.79% of Company's Share Capital stood in dematerialized form as on March 31, 2007.

### **14.0 Industrial Relations**

The Directors would like to place on record their sincere appreciation to the 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. Jayant Kumar, Director, relinquished the Directorship of your Company with effect from July 14, 2006.

Directors were pleased to record their appreciation of very valuable guidance and support given by Mr. Jayant Kumar during his tenure as a Director of your Company from December 24, 2004.

**15.2** Mr. Santosh K. Gupta, Managing Director, retired from the office with effect from April 01, 2007, on health ground.

Directors were pleased to record their appreciation of very valuable guidance and support given by Mr. Gupta, during his tenure as Managing Director of your Company from April 01, 1999 till March 31, 2007.

- 15.3** Dr. Jamshed J. Irani, 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.
- 15.4** Mr. Sarosh J. Ghandy, 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.
- 15.5** Mr. Ranaveer Sinha, 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.
- 15.6** Mr. Sudhir Deoras, Additional Director, whose terms in office will come to an end at the next Annual General Meeting in accordance with the provisions of the Companies Act 1956, and eligible for appointment as Director, is appointed as Director. Further approval of members are sought to confirm his appointment as Managing Director for a period of 3 years with effect from April 01, 2007.
- 15.8** Mr. Ramesh Chander Nandrajog, Executive Director, whose terms in office will expire on July 31, 2007, is eligible for re-appointment as Executive Director, is being re-appointed as Executive Director for a period of one year with effect from August 01, 2007.

#### **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 in any of the three financial years for which they have been appointed or to the Executive Director during his tenure from August 01, 2007 to July 31, 2008, 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 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,  
May 08, 2007*

*Dr Jamshed J. Irani  
Chairman*

**Annexure to the Directors' Report 2006-07**

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

**Disclosures**

**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. 7146.58 lakhs including deemed exports

Outgo – Rs. 484.53 lakhs

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

**Form B**

**Research & Development**

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

Product Development :

Design completed for

- Reversible Impactor, size – 1218 X 18
- Roller disc Screen, size – 1498 wide X 2850 LG
- Deep Trough Idlers (Five Roll Idlers)

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

- Availability of designs/drawings for a wider range of products
- Introduction of products to meet customized requirements

**3. Future Plan of Action :**

To introduce :

- 20TPH Mobile Crusher unit for aggregates
- Design of Rota Side Wagon Tippler for 30 Tips/hour
- High capacity (2250 TPH) Plough Feeders

**4. Expenditure on R & D including expenditure incurred on items developed and supplied to customers :**

- a) Capital : Nil
- b) Recurring/Revenue : Rs. 277.16 lakhs
- c) Total : Rs. 277.16 lakhs
- d) Total R&D expenditure as a percentage of total turnover : 0.65%

**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.	Santosh K. Gupta	60	Managing Director	58,15,343	34,89,658	B.E.(Hons.) Mech.	39	01.04.1999	Managing Director, Tata Technodyne Limited
2.	R. C. Nandrajog	63	Executive Director	38,34,680	23,53,364	B.Sc. Engg. (Mech. Hons) P.G.D.B.M., I.C.W.A.	41	01.08.2004	Vice President (Finance) Tata Steel Ltd.

- Notes : 1. Gross remuneration comprises salary, allowances, monetary value of perquisites, commission paid to the Wholtime 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,  
May 08, 2007

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.447.00 Crore during the year.

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.

As mentioned last year, your Company has been partially successful in convincing the clients to agree for free issue of steel required for project work site. This has helped the Company in partially de-risking the adverse impact due to violent price fluctuation of Steel.

With the deployment of various other strategies, your Company has been able to post significantly improved results for the year 2006-07.

The Company has chosen SAP as the E.R.P. package and has already implemented two modules, namely HR and Payroll. Other modules are in the advance stage of implementation.

### 2. Opportunities and Threats

With the buoyancy in Steel and Power Sectors, your Company is foreseeing good opportunities for its business in 2007-08 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 2007-08, 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.349.36 crore, an increase of 61% over previous year (previous year Total Income : Rs.216.79 crore). Profit before Tax for the year is Rs.3057 Lakhs as against previous year's Profit Before Tax of Rs.1158 Lakhs. Profit after Tax for the year is Rs.2017.06 Lakhs as against Profit after Tax of Rs. 707.47 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 Project and Services segment has posted an all time high revenue of Rs.28316.40 Lakhs as against Rs. 15251.47 Lakhs achieved in the Previous Year and the Product and Services segment has also posted an all time high revenue of Rs.10537.54 Lakhs, including inter segmental revenue of Rs.4133.55 Lakhs as against a revenue of Rs.9828.67 Lakhs including inter segmental revenue of Rs.3424.87 Lakhs in the Previous Year.

### 5. Segmental Results

The Projects and Services segment posted segmental profits of Rs.1451.08 Lakhs (P.Y. Rs.255.68 Lakhs) while the Products and

Services segment have recorded a profit of Rs.1958.45 Lakhs (P.Y. Rs.1510.35 Lakhs). The Profit, of the Company, after deducting Interest and other unallocable expenditure/ income from the segmental results, has been Rs.3056.83 Lakhs (P.Y. Rs.1157.66 Lakhs).

## 6. Outlook

Your Company in its quest for new opportunities to expand its business and looking forward to enter into agreements with various indigenous as well as foreign parties for technical tie-ups.

## 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 that 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 recognized union.

On behalf of the Board of Directors

*Kolkata,  
May 08, 2007*

*Dr Jamshed J. Irani  
Chairman*

## **REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2006-07**

### **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, 2007 was 10, comprising of :

Promoter, Non-Executive Director	:	1
Non-Independent, Non-Executive Directors	:	3
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.

Name 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 public companies are given below :



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Name	Category	No. of Board meetings attended during 2006-07	Whether attended the AGM held on July 14, 2006	No. of directorships in other companies as on March 31, 2007		No. of committee positions held as on March 31, 2007#	
				As Chairman	As Director	As Chairman	As Member
Dr. Jamshed J. Irani, Chairman*	Independent Non-Executive Director	6	Yes	3	8	Nil	2
Mr. S. J. Ghandy*	Independent Non-Executive Director	3	No	Nil	7	1	3
Mr. S. K. Bhargava	Independent Non-Executive Director	3	No	2	10	3	6
Mr. B. D. Bodhanwala	Independent Non-Executive Director	6	Yes	Nil	Nil	Nil	Nil
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	4	Yes	Nil	1	Nil	Nil
Mr. Ranaveer Sinha*	Non-Independent Non-Executive Director	5	Yes	Nil	1	Nil	Nil
Mr. Jayant Kumar (upto 14.7.2006)	Promoter Non-Independent Non-Executive Director	Nil	No	Nil	Nil	Nil	Nil
Mr. Sudhir Deoras** (w.e.f 22.01.2007)	Non-Independent Non-Executive Director	1	N.A.	Nil	1	Nil	Nil
Mr. Santosh K. Gupta, Managing Director***	Executive Director	6	Yes	Nil	1	Nil	1
Mr. R. C. Nandrajog, Executive Director	Executive Director	6	Yes	Nil	Nil	Nil	Nil

\* Retire by rotation at the 44<sup>th</sup> 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).

\*\* Mr. Sudhir Deoras was appointed as an additional director with effect from January 22, 2007, and has taken the charge as Managing Director with effect from April 1, 2007.

\*\*\* Mr. Santosh K. Gupta has retired as Managing Director with effect from April 1, 2007.

# Represents Chairmanships/ Memberships of Audit Committee and Shareholders'/ Investors Grievance Committee.

The Board met six times during the year 2006-07 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 18, 2006 (ii) July 14, 2006 (iii) October 17, 2006 (iv) December 26, 2006 (v) January 22, 2007 and (vi) March 02, 2007.

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 its 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 2006-07.

### 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 2006-07
Mr. S. J. Ghandy	Chairman	Independent Non-Executive Director	3
Mr. S. K. Bhargava	Member	Independent Non-Executive Director	2
Mr. B. D. Bodhanwala	Member	Independent Non-Executive Director	4
Dr. Jamshed J. Irani*		Independent Non-Executive Director	1

\* Dr. Jamshed J Irani, Chairman of the Board has attended the Audit Committee Meeting on July 14, 2006 to complete the quorum.

Mr. S. J. Ghandy, Chairman of the Committee, was not present at the last Annual General Meeting held on July 14, 2006.

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 2006-07 on the following dates :

(i) April 17, 2006 (ii) July 14, 2006 (iii) October 17, 2006 and (iv) January 22, 2007.

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 2006-07 are as follows:

Name of Member	Category	No. of meetings attended
Mr. B. D. Bodhanwala, Chairman	Independent Non-Executive Director	3
Dr. Jamshed J. Irani	Independent Non-Executive Director	3
Mr. S. K. Bhargava	Independent Non-Executive Director	1
Mr. R P Singh	Non-Independent Non-Executive Director	2

During the year 2006-07, the Committee met three times on April 18, 2006, July 14, 2006 & March 02, 2007.

### Remuneration policy

Non-Executive Directors are paid remuneration by way of sitting fees and commission at the rate 1% of net profits (computed in accordance with Sec 309 (5) of the Companies Act, 1956) as per shareholders' approval obtained at the Annual General Meeting held on July 10, 2004. Total sitting fees paid to the Non-Executive Directors for attending meetings of the Board and committees thereof during the year 2006-07 amounted to Rs 4,09,000/- Only. A provision has also been made in the Accounts for the financial year 2006-07 to the extent of Rs.20.00 lakhs 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 2006-07 towards sitting fees for Board/Committee meetings attended during the year and Commission for the year 2005-06 are as follows:

Name of Director	Sitting Fees for 2006-07 Rs.	Commission for 2005-06 Rs.	Total Rs.
Dr. Jamshed J. Irani	71,000	2,05,000	2,76,000
Mr. S. J. Ghandy	48,000	2,00,000	2,48,000
Mr. S. K. Bhargava	45,000	1,00,000	1,45,000
Mr. B. D. Bodhanwala	1,05,000	1,70,000	2,75,000
Mr. R. P. Singh.	60,000	1,00,000	1,60,000
Mr. K. P. Singh	32,000	75,000	1,07,000
Mr. Ranaveer Sinha	40,000	1,00,000	1,40,000
Mr. R. Sankaran*	—	84,000	84,000
Mr. Jayant Kumar**	—	36,000	36,000
Mr. Sudhir Deoras***	8,000	—	8,000
	409,000	10,70,000	14,79,000

None of the Directors of the Company have held any equity shares in the Company during the year 2006-07.

\* Mr. R Shankaran was a director of the Company only upto July 16, 2005.

\*\* Mr. Jayant Kumar was a director of the Company only upto July 14, 2006.

\*\*\* Mr. Sudhir Deoras was appointed as an additional director of the Company with effect from January 22, 2007.

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, and 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 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 2006-07 are as under :

Name	Salary Rs. lakhs	Perquisites & Allowances Rs. lakhs	Commission * Rs. lakhs	Stock Options
Mr. Santosh K. Gupta, Managing Director	21.53	17.63	33.00	NIL
Mr. R. C. Nandrajog, Executive Director	16.76	6.58	25.00	NIL

\* payable for the year 2006-07 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 2006-07 on March 28, 2007.

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 2006-07
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. Prashant Kumar  
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

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No. of complaints received from the investors during the year 2006-07	:	9
No. not solved to the satisfaction of the investors as on 31.03.2007	:	Nil
No. of pending complaints as on 31.03.2007	:	Nil

### 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 2006-07. At the Board Meeting held on May 08, 2007, it was agreed upon to dissolve the Governance Council.

#### 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 organization, 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

The Executive Committee did not meet during the year 2006-07, but it has been reconstituted at the meeting of the Board of Directors held on May 08, 2007.

#### C. Ethics and Compliance Committee

The Committee oversees the implementation and compliance of the various Tata Code 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 2006-07. At the Board Meeting held on May 08, 2007, it was agreed upon to dissolve the Ethics and Compliance Committee.

#### D. Finance Committee

The Committee, consisting of Jamshedpur based Directors, oversees the matters of finance. The composition of the Committee is as follows:

Sl. No.	Name of Director	Position
1.	Mr. R. P. Singh	Chairman
2.	Mr. B. D. Bodhanwala	Member
3.	Mr. R. C. Nandrajog	Member

The Committee met once during the year 2006-07 on November 16, 2006. At the Board Meeting held on December 26, 2006, it was agreed upon to dissolve the Finance Committee.

## 7. General body meetings

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

Year	Date	Time	Venue
2006	14.07.2006	12.00 noon	Auditorium of Shavak Nanavati Technical Institute, N-Road, Bistupur, Jamshedpur-831001
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

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

AGM Date	Special Resolutions passed
14.07.2006	No Special Resolution was 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.

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 financials results in major newspapers and posts the same on the website of the Company. Further,

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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 May 08, 2007, wherein the Audited Accounts of the Company for the year, 2006-07, were considered.

### 10. **Means of communication**

Quarterly Results -

Which newspapers normally published in - Business Standard (in English) & Prabhat Khabar / Uditvani or Chamakta Aiyana (in Hindi)

Any website, where displayed - [www.trfltd.com](http://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, 2007 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 appointment/reappointment are annexed to the Notice of the Annual General Meeting to be held on July 14, 2007.
- iii) **Financial calendar** : Year ending March 31, 2007  
AGM July 14, 2007  
Dividend Payment Immediately after AGM
- iv) **Date of book closure** : June 22, 2007 to June 29, 2007 (both days inclusive)
- v) **Dividend Payment date** : The dividend warrants will be posted on or after July 14, 2007.
- 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 Ltd.

The Company has paid the annual listing fees to all the Stock Exchanges, for the financial year 2006-07.

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 still pending with both the Stock Exchanges.

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

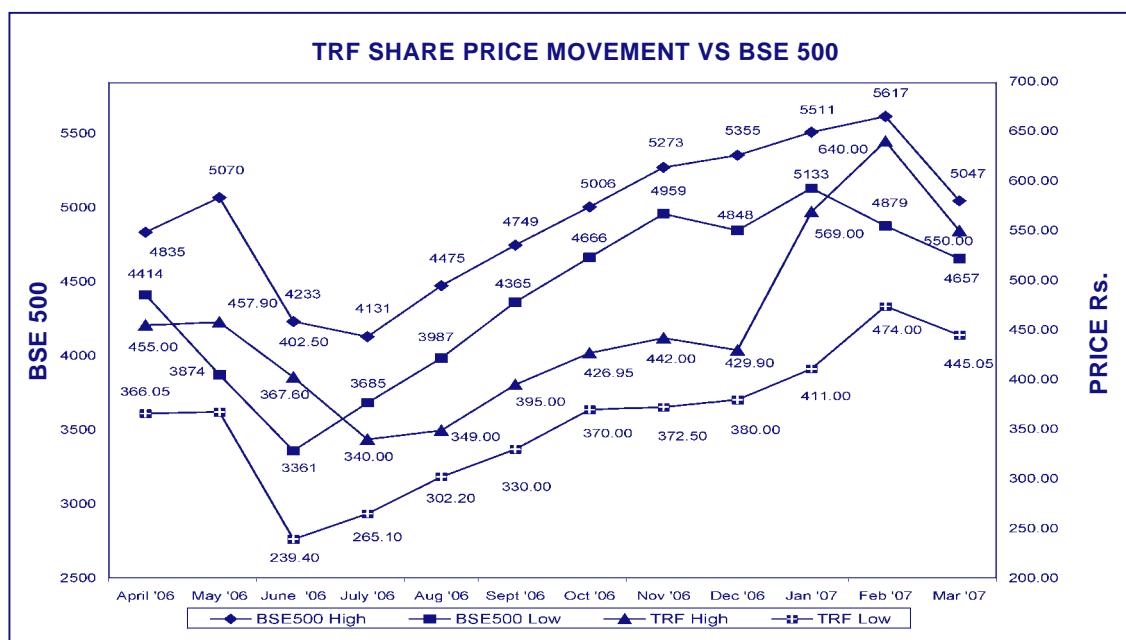
viii) **Market price data :**

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 2006-07 :

		TRF		BSE 500	
		High (Rs.)	Low (Rs.)	High	Low
April	2006	455.00	366.05	4835	4414
May	2006	457.90	367.60	5070	3874
June	2006	402.50	239.40	4233	3361
July	2006	340.00	265.10	4131	3685
August	2006	349.00	302.20	4475	3987
September	2006	395.00	330.00	4749	4365
October	2006	426.95	370.00	5006	4666
November	2006	442.00	372.50	5273	4959
December	2006	429.90	380.00	5355	4848
January	2007	569.00	411.00	5511	5133
February	2007	640.00	474.00	5617	4879
March	2007	550.00	445.05	5047	4657

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 2006-07, is as under :



x)

**Registrars & Share Transfer Agents :**

TSR DARASHAW LTD.  
6-10, Haji Moosa Patrawala Ind Estate,  
20, Dr. E. Moses Road,  
Mahalaxmi,  
Mumbai - 400 011

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



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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, which are available on their website.

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**.

xii) a) **Distribution of shareholdings as on 31.03.2007 :**

Shareholding of nominal value of	Shareholders		Share Amount	
	Rs.	Number	% to total	Rs.
UPTO – 5000	10375	95.84	97,35,840	17.69
5001 – 10000	275	2.38	19,74,740	3.59
10001 – 20000	104	0.96	15,27,100	2.78
20001 – 30000	24	0.22	6,24,430	1.14
30001 – 40000	13	0.12	4,69,780	0.85
40001 – 50000	11	0.10	5,33,990	0.97
50001 – 100000	14	0.13	10,29,760	1.87
100001 and above	27	0.25	3,91,26,420	71.11
<b>TOTAL</b>	<b>10825</b>	<b>100.00</b>	<b>5,50,22,060</b>	<b>100.00</b>

b) **Shareholding pattern as on 31.03.2007 :**

Sl.No.	Category	No. of Shares	%
I.	Promoters/Associate companies, etc.	2291944	41.66
II.	Financial Institutions	646891	11.76
III.	Foreign Financial Institutions	282800	5.14
IV.	Other Bodies Corporate / Trusts	531748	9.66
V.	Directors & Relatives	Nil	Nil
VI.	General Public	1748823	31.78
	<b>TOTAL</b>	<b>5502206</b>	<b>100.00</b>



c) **Shareholders holding more than 1% of the Equity Share capital as on 31.03.2007:**

Sl.No.	Name of shareholders	No. of shares held	%
1.	Tata Steel Ltd.	1913314	34.77
2.	Prudential ICICI Trust Ltd. Emerging Star Fund	286676	5.21
3.	Franklin India Smaller Companies Fund	250118	4.55
4.	Marconi Corporation plc. , UK	183750	3.34
5.	Madhu Vadera Jayakumar	132000	2.40
6.	UBS Securities Asia Ltd. A/c Swiss Finance Corpn. (Mauritius) Ltd.	125000	2.27
7.	Morgan Stanley And Co. International Ltd A/c Morgan Stanley Dean Witter Mauritius Co. Ltd.	115000	2.09
8.	Litton Systems Inc., USA	108750	1.98
9.	Prudential ICICI AMC Ltd. A/c PMS	102786	1.87
10.	Kalimati Investment Co. Ltd.	85150	1.55
11.	Birla Sun Life Trustee Company Pvt. Ltd. A/c Birla Midcap Fund	82413	1.50
12.	Vijay Kishanlal Kedia	81560	1.48
13.	Mindset Technologies Pvt. Ltd	67435	1.23
14.	Rosy Blue Securities Private Limited	61269	1.11

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

51.79% of the share capital of the Company had been dematerialised till March 31, 2007. 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,  
 May 08, 2007

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 31<sup>st</sup> March, 2007, 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 : Hyderabad  
Date : May 09, 2007

**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, 2007, 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, 2007.

Place : Kolkata  
Date : May 08, 2007

**Sudhir Deoras**  
*Managing Director*

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<b>Funds Flow Statement</b>					
Rupees in lakhs					
	2006-07	2005-06	2004-05	2003-04	2002-03
<b>SOURCES</b>					
1. Cash generated from Operations :					
— Profit / (Loss) before taxes	3057	1158	660	529	(94)
— Less : Taxation (net)	(1040)	(450)	(264)	(197)	51
— Add : Depreciation (net)	82	(38)	132	106	(14)
Total	<u>2099</u>	<u>670</u>	<u>528</u>	<u>438</u>	<u>(57)</u>
2. Increase in Loan Funds					
— Bank Borrowings	—	—	2053	1334	1154
3. Decrease in Working Capital	2596	1867	—	—	—
4. Decrease in Miscellaneous Expenditure	10	27	34 (Note 1)	187	15
5. Decrease in Investment	—	3	—	23	—
Total	<u>4705</u>	<u>2567</u>	<u>2615</u>	<u>1982</u>	<u>1112</u>
<b>UTILISATION</b>					
1. Capital Expenditure (net)	200	(4)	123	8	(136)
2. Increase in Investments	337	—	—	—	4
3. Dividend including tax on dividend, if applicable	386	251	188	161	74
4. Decrease in Loan Funds					
— Bank Borrowings	2584	2278	—	—	—
— Others	500	—	—	—	5
5. Increase in Working Capital	—	—	2315	1736	1114
6. Deferred Tax (net) for the year	357	42	(11)	77	51
7. Adjusted in General Reserves	341 (Note 2)	—	—	—	—
Total	<u>4705</u>	<u>2567</u>	<u>2615</u>	<u>1982</u>	<u>1112</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.
- In accordance with the transitional provision in the revised Accounting Standard - 15 "Accounting for Retirement Benefits" Rs. 341 Lakhs has been debited to General Reserves as on April 1, 2006, Refer Note xii(a) on schedule 20.

### Summarised Balance Sheet as at March 31, 2007

Rupees in lakhs

As at

31.3.2006

#### WHAT THE COMPANY OWNED

##### 1. Fixed Assets

Gross Block

Less : Depreciation

Net Block

##### 2. Capital Work-in-progress

##### 3. Investments

##### 4. Net Current Assets

##### 5. Deferred tax Assets

##### 6. Misc. Expenditure

##### 7. Total Assets (Net)

#### WHAT THE COMPANY OWED

##### 8. Borrowings

##### 9. Deferred tax Liability

#### THE COMPANY'S NET WORTH

##### 10. Shareholders' Equity

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

##### Represented by

Share Capital : Rs. 550.22 lakhs (Previous year : Rs. 5,50.22 lakhs)

Reserves : Rs. 5011.75 lakhs (Previous year : Rs. 37,22.33 lakhs)

##### 11. Total Capital Employed

	35,27.60	34,26.77
	26,55.16	25,73.01
	8,72.44	8,53.76
	1,73.06	74.11
	3,78.23	40.73
	49,18.79	75,14.92
	2,33.06	—
	29.45	39.21
	66,05.03	85,22.73
	10,43.06	41,27.13
	—	1,23.05
	55,61.97	42,72.55
	66,05.03	85,22.73

### Summarised Profit and Loss Account for the year 2006-07

Rupees in lakhs

Previous year

#### 1. Income

Net Sales & Services

Other Income

Total Income

#### 2. Profit/(Loss) before Interest, Depreciation, Exceptional/

Extraordinary Items and Taxes

Less : Depreciation

Interest

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

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

#### 5. Profit/(Loss) before Taxes

#### 6. Provision for Taxes / (Write back)

#### 7. Profit/(Loss) after Taxes

#### 8. Balance in Profit and Loss Account brought forward

#### 9. Amount available for appropriation

#### 10. Appropriations

Proposed Dividend

Tax on proposed dividend

General Reserve

Balance carried to Balance Sheet

	347,20.39	216,55.27
	216.07	24.01
	349,36.46	216,79.28
	34,43.87	17,52.00
	1,31.88	1,29.86
	2,45.40	4,34.69
	30,66.59	11,87.45
	(9.76)	(29.79)
	30,56.83	11,57.66
	10,39.77	4,50.19
	20,17.06	7,07.47
	3,17.60	2,36.09
	23,34.66	9,43.56
	3,30.13	2,20.09
	56.11	30.87
	15,00.00	3,75.00
	4,48.42	3,17.60
	23,34.66	9,43.56

## Auditors' Report

### TO THE MEMBERS OF TRF LIMITED

We have audited the attached Balance Sheet of TRF Limited, as at March 31, 2007 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) Order, 2003 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 the written representations received from the directors, as on March 31, 2007 and taken on record by the Board of Directors, we report that, none of the directors is disqualified as on March 31, 2007 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, 2007;
  - (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 : Hyderabad  
Date : May 09, 2007

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, 2007 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 Furnitures & Fixtures, Office Equipments and Laboratory Equipments 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) In respect of loans taken by the Company from companies, firms or other parties covered in register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us :
  - (a) The Company has taken inter-corporate loan of Rs. 500 lakhs from one party in the previous year which was outstanding as on March 31, 2006 and the same was repaid during the financial year.
  - (b) In our opinion, the rate of interest and other terms and conditions are prima facie not prejudicial to the interest of the Company.
  - (c) The payment of principal amounts and interest have been regular during the year and there is no overdue amount in respect of the above inter-corporate loan.
  - (d) The Company has not given any loan to any party covered in the register maintained under Section 301 of the Companies Act, 1956.
- (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 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.

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- (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, 1956, 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, 2007 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	1991-1992 and 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	1996-1997 and 1999-2000	Sales Tax Appellate Tribunal, Andhra Pradesh, Hyderabad
		Local Sales Tax on sale in transit	45.75	1996-1997 and 1997-1998	Dy. Commissioner (Appeal) Sales Tax, Ernakulam
		Ex-parte assessment passed by Asst. Commissioner, Durg for the year 98-99 & 2002-03 without giving proper opportunity and illegal demand raised.	13.38	1998-1999 and 2002-2003	Dy. Commissioner Commercial Taxes, Durg, Chhatisgarh



Sl. No.	Name of the statute	Nature of the dues	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
			296.63		

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, 2007 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 : *Hyderabad*  
Date : *May 09, 2007*

# TRF LIMITED

Fortyfourth annual report 2006-07

## Balance Sheet as at March 31, 2007

March 31, 2006  
Rupees in lakhs

	Schedule	Rupees in lakhs	Rupees in lakhs	Rupees in lakhs	March 31, 2006 Rupees in lakhs
<b>FUNDS EMPLOYED</b>					
SHARE CAPITAL	1		550.22		550.22
RESERVES AND SURPLUS	2		<u>5,011.75</u>		<u>3,722.33</u>
TOTAL SHAREHOLDERS' FUNDS				5,561.97	4,272.55
SECURED LOANS	3		1,043.06		3,627.13
UNSECURED LOANS	4		—		<u>500.00</u>
TOTAL LOANS				1,043.06	4,127.13
DEFERRED TAX LIABILITY (NET) [Refer note xvi on Schedule 20]					<u>123.05</u>
<b>TOTAL</b>				<u>6,605.03</u>	<u>8,522.73</u>
<b>APPLICATION OF FUNDS</b>					
<b>FIXED ASSETS</b>					
Gross Block	5		3,527.60		3,426.77
Less : Depreciation			<u>2,655.16</u>		<u>2,573.01</u>
Net Block				872.44	853.76
Capital work-in-progress				173.06	74.11
INVESTMENTS	6			378.23	40.73
DEFERRED TAX ASSETS (NET) (Refer note xvi on Schedule 20)				233.06	—
<b>CURRENT ASSETS</b> (including loans and advances)					
Inventories and contracts in progress	7		1,571.36		2,028.33
Debtors	8		17,151.13		14,436.66
Cash and bank balances	9		1,989.73		277.29
Loans and advances	10		<u>6,485.18</u>		<u>2,058.84</u>
				27,197.40	18,801.12
Less:					
<b>CURRENT LIABILITIES AND PROVISIONS</b>					
Current liabilities	11	20,520.46			10,528.47
Provisions	12	<u>1,758.15</u>			<u>757.73</u>
			<u>22,278.61</u>		<u>11,286.20</u>
NET CURRENT ASSETS				4,918.79	7,514.92
<b>MISCELLANEOUS EXPENDITURE</b> (to the extent not written off or adjusted)					
Employee Separation Compensation				<u>29.45</u>	<u>39.21</u>
<b>TOTAL ASSETS (Net)</b>				<u>6,605.03</u>	<u>8,522.73</u>
<b>NOTES</b>	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  
09th May, 2007

PRASHANT KUMAR  
Company Secretary

For and on behalf of the Board

Dr. JAMSHED J. IRANI  
Chairman

SUDHIR DEORAS  
Managing Director  
Kolkata, 08th May, 2007

### Profit and Loss Account for the year ended March 31, 2007

Year ended  
31.032006  
Rupees in lakhs

INCOME	Schedule	Rupees in lakhs	Rupees in lakhs	Rupees in lakhs	Rupees in lakhs
Sales & Services (Gross)		35,610.49			22,539.25
Less - Excise Duty		<u>890.10</u>			<u>883.98</u>
Net Sales & Services	13		34,720.39		21,655.27
Other income	14		<u>216.07</u>		<u>24.01</u>
				34,936.46	21,679.28
<b>EXPENDITURE</b>					
Raw materials and components		17,798.52			12,021.71
Payments to sub-contractors		6,793.16			2,326.59
Employee costs	15	2,588.45			2,400.26
Operation, administration and selling expenses	16	<u>3,864.17</u>			<u>2,574.65</u>
		31,044.30			19,323.21
(Increase) / Decrease in inventories and contracts in progress	17	<u>448.29</u>			<u>604.07</u>
			31,492.59		19,927.28
Depreciation			131.88		129.86
Interest	18		<u>245.40</u>		<u>434.69</u>
<b>TOTAL EXPENDITURE</b>				<u>31,869.87</u>	<u>20,491.83</u>
<b>PROFIT BEFORE TAXATION, EXCEPTIONAL AND EXTRA-ORDINARY ITEMS</b>				3,066.59	1,187.45
Exceptional and Extraordinary items [Refer note (xiv) on Schedule 20]				<u>9.76</u>	<u>29.79</u>
<b>PROFIT BEFORE TAXATION</b>				<u>3,056.83</u>	<u>1,157.66</u>
Provision for Taxation					
Current Tax				1,120.00	435.00
Deferred Tax				(111.23)	(42.06)
Fringe Benefit Tax				<u>31.00</u>	<u>57.25</u>
<b>PROFIT AFTER TAXATION</b>				<u>2,017.06</u>	<u>707.47</u>
Balance in Profit and Loss Account brought forward				<u>317.60</u>	<u>236.09</u>
<b>AMOUNT AVAILABLE FOR APPROPRIATION</b>				<u>2,334.66</u>	<u>943.56</u>
<b>APPROPRIATIONS</b>					
Proposed dividend - refer Directors' Report, Page 24				330.13	220.09
Tax on dividend				<u>56.11</u>	<u>30.87</u>
				386.24	250.96
Transfer to General Reserve				1,500.00	375.00
Balance carried to Balance Sheet				<u>448.42</u>	<u>317.60</u>
				<u>2,334.66</u>	<u>943.56</u>

**STATEMENT FORMING PART OF  
THE PROFIT AND LOSS ACCOUNT**

**Earning per share in Rs. Basic/Diluted (Note xv to schedule 20)**

19

36.66

12.86

**NOTES**

20

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

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  
09th May, 2007

PRASHANT KUMAR  
Company Secretary

SUDHIR DEORAS  
Managing Director  
Kolkata, 08th May, 2007

# TRF LIMITED

Fortyfourth annual report 2006-07

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2007

Year Ended  
31.03.2006

	Rupees in lakhs	Rupees in lakhs	Rupees in lakhs	Rupees in lakhs
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>				
<b>Net Profit Before Tax and after exceptional and extraordinary Items</b>		<b>3,056.83</b>		<b>1,157.66</b>
Adjustments for :				
Depreciation	131.88		129.86	
(Profit)/Loss on Sale of Assets/discarded assets written off	(8.64)		0.08	
Provision for diminution in value of Investment	—		3.00	
Interest income	(12.92)		(2.52)	
Income from Investments	(19.36)		(9.85)	
Interest expenses	258.32		437.21	
ESS Compensation amortised	9.76		26.79	
		<u>359.04</u>		<u>584.57</u>
<b>Operating Profit before working capital changes</b>		<b>3,415.87</b>		<b>1,742.23</b>
Adjustments for :				
Trade and other receivables	(7,140.81)		(1,982.33)	
Inventories	456.97		677.10	
Trade payables and Other Liabilities	10,264.67		2,770.33	
		<u>3,580.83</u>		<u>1,465.10</u>
<b>Cash Generated from Operations</b>		<b>6,996.70</b>		<b>3,207.33</b>
ESS Compensation paid	(151.20)		(99.11)	
Direct Taxes paid (net)	(989.54)	<u>(1,140.74)</u>	<u>(457.76)</u>	<u>(556.87)</u>
<b>Net Cash used in Operating Activities</b>		<b>5,855.96</b>		<b>2,650.46</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>				
Purchase of Fixed Assets (refer note 2)	(264.95)		(163.60)	
Sale of Fixed Assets	24.08		0.22	
Purchase of Investments	(337.50)		—	
Income from Investments	19.36		12.36	
Income from Interest received	12.92		—	
<b>Net Cash from Investing Activities</b>		<b>(546.09)</b>		<b>(151.02)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>				
Short term Borrowings from banks (net)	(3,084.07)		(2,278.24)	
Credit of Unclaimed matured deposits to the Investor	—		(0.09)	
Interest paid	(258.32)		(432.19)	
Dividend paid	(224.17)		(161.45)	
Income Tax paid on Dividend	(30.87)		(23.15)	
<b>Net Cash from Financing Activities</b>		<b>(3,597.43)</b>		<b>(2,895.12)</b>
<b>Net increase/(decrease) in Cash and Cash equivalents (A+B+C)</b>		<b>1,712.44</b>		<b>(395.68)</b>
Cash and Cash equivalents as at 1st April 2006		277.29		672.97
Cash and Cash equivalents as at 31st March 2007		1,989.73		277.29

### 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  
09th May, 2007

PRASHANT KUMAR  
Company Secretary

SUDHIR DEORAS  
Managing Director  
Kolkata, 08th May, 2007

### Schedules forming part of the Balance Sheet

March 31, 2006  
Rupees in lakhs

#### 1. SHARE CAPITAL

##### Authorised :

1,50,00,000 equity shares of Rs. 10 each

1,500.00

1,500.00

##### 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.

Rupees in lakhs

March 31, 2006  
Rupees in lakhs

#### 2. RESERVES AND SURPLUS

Amalgamation Reserve

61.81

61.81

General Reserve

Balance as on March 31, 2006

3,342.92

2,967.92

Less : Opening balance adjustment arising out of

AS-15 (revised 2005) (Refer note xii (a) on Schedule 20)

341.40

0.00

3,001.52

2,967.92

Transfer from Profit and Loss Account

1,500.00

375.00

4,501.52

3,342.92

Profit and Loss Account

448.42

317.60

5,011.75

3,722.33

#### 3. LOANS - Secured

From Banks

Cash Credit Account & Short Term Loans

(a) Bank of India

45.97

1,207.52

(b) Canara Bank

—

1,392.44

(c) Central Bank of India

2.70

25.51

(d) State Bank of India

192.55

1.66

(e) Indian Bank

106.65

1,000.00

(f) Bank of Baroda

695.19

—

1,043.06

3,627.13

# TRF LIMITED

Fortyfourth annual report 2006-07

## 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.

March 31, 2006  
Rupees in lakhs

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 31.03.2006	Additions	Deductions	Cost as at 31.03.2007	Depreciation as at 31.03.2006	Depreciation for the year	Deductions	Depreciation as at 31.03.2007	Net Block as at 31.03.2007	Net Block as at 31.03.2006
<b>INTANGIBLE ASSETS</b>										
TECHNICAL KNOW-HOW	330.74	25.79	—	356.53	316.07	8.06	—	324.13	32.40	14.67
<b>TANGIBLE ASSETS</b>										
BUILDINGS AND ROADS	525.09	3.33	—	528.42	235.95	11.48	—	247.43	280.99	289.14
PLANT AND MACHINERY	1,960.89	103.89	14.13	2,050.65	1,659.27	75.35	14.05	1,720.57	330.08	301.62
FURNITURE AND FIXTURES	194.87	4.41	3.61	195.67	131.15	10.82	3.16	138.81	56.86	63.72
OFFICE EQUIPMENT	82.43	10.26	3.16	89.53	48.51	5.32	2.97	50.86	38.67	33.92
MOTOR VEHICLES	215.14	17.81	44.02	188.93	100.05	17.21	29.39	87.87	101.06	115.09
ELECTRICAL INSTALLATION	103.45	0.23	0.03	103.65	71.00	3.22	0.03	74.19	29.46	32.45
LABORATORY EQUIPMENT	14.16	0.28	0.22	14.22	11.01	0.42	0.13	11.30	2.92	3.15
	3,096.03	140.21	65.17	3,171.07	2,256.94	123.82	49.73	2,331.03	840.04	839.09
GRAND TOTAL	3,426.77	166.00	65.17	3,527.60	2,573.01	131.88	49.73	2,655.16	872.44	853.76
	3,505.20	89.49	167.92	3,426.77	2,610.77	129.86	167.62	2,573.01	853.76	894.43

Previous year's figures in italics

### Schedules forming part of the Balance Sheet

March 31, 2006

Rupees in lakhs

#### 6. INVESTMENTS

##### LONG TERM INVESTMENTS

(At cost less provision for diminution in value)

##### Trade Investments

Unquoted

1. 11,250 (Previous year 7500) equity shares of Rs. 100 each fully paid in Tata Projects Limited

233.75

8.75

The Company subscribed and was allotted 3,750 8% partly convertible debentures of Rs. 9,000 each in Tata Projects Limited of Rs. 6,000 per debenture was converted into an equity share of Rs. 100 each during the year.

2. 3,750 8% debentures (non convertible portion) of Rs. 3,000 each fully paid in Tata Projects Limited

112.50

—

##### Other Investments

Quoted

3. 45,000 equity shares of Rs. 10 each fully paid in Housing Development Finance Corporation Limited

5.91

5.91

4. 500 equity shares of Rs. 10 each fully paid in HDFC Bank Ltd.

0.05

0.05

Unquoted

5. 1,37,500 equity shares of Rs. 10 each fully paid in Rujvalika Investments Limited

22.50

22.50

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

—

378.23

40.73

Notes :-

- (a) Aggregate amount of quoted investments :

Market value as at 31.03.2007 : Rs. 688.90 lakhs

(as at 31.03.2006 : Rs. 614.95 lakhs)

5.96

5.96

- (b) Aggregate amount of unquoted investments

372.27

34.77

378.23

40.73

#### 7. INVENTORIES AND CONTRACTS IN PROGRESS

Contracts in progress

805.69

954.72

Inventories

Stores and spare parts

48.34

40.05

Loose tools

18.23

15.18

Raw materials

350.16

370.18

Work-in-progress

255.78

414.37

Finished products

79.71

189.31

Excise duty on finished products not assessed to duty

13.45

44.52

93.16

233.83

1,571.36

2,028.33

**Schedules forming part of the Balance Sheet**

March 31, 2006  
Rupees in lakhs

	Rupees in lakhs	Rupees in lakhs	March 31, 2006 Rupees in lakhs
<b>8. DEBTORS</b>			
<b>Unsecured</b>			
Over six months old			
Considered good		7,547.58	6,629.23
Considered doubtful		174.60	24.60
Less than six months old			
Considered good		9,603.55	7,807.43
		17,325.73	14,461.26
Provision for doubtful debts		(174.60)	(24.60)
		17,151.13	14,436.66
Note : For unadjusted advances received from customers refer Schedule 11			
<b>9. CASH AND BANK BALANCES</b>			
Cash on hand		13.61	12.20
With Scheduled banks on current accounts		204.10	140.87
Cheques in hand		1,772.02	124.22
		1,989.73	277.29
<b>10. LOANS AND ADVANCES</b>			
<b>Unsecured</b>			
Advances recoverable in cash or in kind or for value to be received			
Considered good		6,430.07	1,852.56
Considered doubtful		51.23	0.18
		6,481.30	1,852.74
Provision for doubtful items		(51.23)	(0.18)
		6,430.07	1,852.56
Excise Deposits		55.11	206.28
		6,485.18	2,058.84
<b>11. CURRENT LIABILITIES</b>			
Acceptances *		270.30	365.99
Sundry Creditors			
a) Small Scale Industries		4.21	385.35
b) Others		10,573.28	6,216.12
Employee Separation Compensation **		228.90	380.10
Investor Education & Protection Fund ***			
a) Unclaimed dividends	10.65		14.73
b) Unclaimed interest on fixed deposits etc.	0.06		0.11
		10.71	14.84
Interest accrued but not due on loans		—	3.47
		11,087.40	7,365.87
Advances received from customers		7,189.94	2,993.16
Dues to customers for contracts in progress		2,243.12	169.44
		9,433.06	3,162.60
		20,520.46	10,528.47
* Bills discounted by SSI with Small Industries Development Bank of India.			
** Includes payable within one year under the various schemes, Rs.69.56 lakhs (previous year Rs.82.33 lakhs).			
*** There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.			
<b>12. PROVISIONS</b>			
Warranty expenses		64.00	64.00
Provisions for retirement benefits			
(i) Leave salaries		668.96	160.37
(ii) Pension for whole-time directors		247.31	97.34
(iii) Others benefits		45.12	—
Taxation, less payments (Net)		341.52	184.06
Fringe benefit tax		5.00	1.00
Proposed Dividend		330.13	220.09
Tax on Dividend		56.11	30.87
		1,758.15	757.73



## 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 Units	Turnover		Closing Stock		
		Licensed	Installed	Units	Rupees		Units	Rupees	Units	Rupees	
1.	Idler Rollers	Units	80,000	48,000	203	4.65	34,028	32,442	1,228.71	1,789	27.69
	Components for Idler Rollers		<i>80,000</i>	<i>48,000</i>	<i>1,144</i>	<i>31.85</i>	<i>44,919</i>	<i>45,859</i>	<i>1,433.10</i>	<i>203</i>	<i>4.65</i>
			—	—	—	6.17	—	—	332.88	—	9.08
			—	—	—	9.19	—	—	696.73	—	6.17
2.	Vibrating Screens, etc.	Units	400	240	—	—	143	143	1,267.69	—	—
	Components for Vibrating Screens, etc.		<i>400</i>	<i>240</i>	<i>4</i>	<i>34.69</i>	<i>66</i>	<i>70</i>	<i>1,200.77</i>	—	—
			—	—	—	3.08	—	—	573.53	—	0.54
			—	—	—	8.95	—	—	672.20	—	3.08
3.	Sectional and Mine Conveyors	Units	40	40	—	5.87	—	—	721.03	—	1.74
			<i>40</i>	<i>40</i>	—	<i>6.44</i>	—	—	<i>733.71</i>	—	<i>5.87</i>
4.	Industrial Chains	Feet	85,000	—	—	—	—	—	—	—	—
			<i>85,000</i>	—	—	—	—	—	—	—	—
5.	Wire Screen Cloth	Pieces	9,600	2,400	—	—	81	81	14.46	—	—
			<i>9,600</i>	<i>2,400</i>	—	—	<i>67</i>	<i>67</i>	<i>10.35</i>	—	—
6.	Winders	Units	8	4	—	—	—	—	—	—	—
			<i>8</i>	<i>4</i>	—	—	—	—	—	—	—
7.	Tipplers	Units	8	8	—	54.48	4	4	862.26	—	—
	Components for Tipplers		<i>8</i>	<i>8</i>	—	—	<i>1</i>	<i>1</i>	<i>377.14</i>	—	<i>54.48</i>
			—	—	—	0.86	—	—	122.69	—	—
			—	—	—	0.23	—	—	143.02	—	—
8.	Crushers	Units	26	26	—	0.00	11	11	511.51	—	—
	Components for Crushers		<i>26</i>	<i>26</i>	<i>1</i>	<i>15.27</i>	<i>16</i>	<i>16</i>	<i>452.41</i>	<i>1</i>	—
			—	—	—	3.15	—	—	428.23	—	1.16
			—	—	—	6.27	—	—	339.07	—	3.15
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	—	—	19,210	19,210	23,453.82	—	—
	(b) Ore dressing plant and coal preparation plant including coal washeries		<i>6,600</i>	<i>6,600</i>	—	—	<i>14,023</i>	<i>14,023</i>	<i>13,030.76</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	107.87	29	32	673.80	2	38.00
			<i>50</i>	<i>10</i>	<i>6</i>	<i>127.62</i>	<i>20</i>	<i>20</i>	<i>542.58</i>	<i>6</i>	<i>107.87</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		—	—	—	3.18	—	—	1,184.96	—	1.50
			—	—	—	5.21	—	—	1,193.39	—	3.18
17.	Jobbing/Machining charges		—	—	—	—	—	—	—	—	—
18.	Engineering, Procurement, Construction and Management jobs		—	—	—	—	—	—	391.85	—	—
			—	—	—	—	—	—	167.68	—	—
19.	Maintenance service contract, Agency commission etc.		—	—	—	—	—	—	2,952.97	—	—
			—	—	—	—	—	—	662.35	—	—
20.	Excise duty on finished goods not assessed to duty		—	—	—	44.52	—	—	—	—	13.45
			—	—	—	<i>50.84</i>	—	—	—	—	<i>44.52</i>
			—	—	—	233.83	—	—	34,720.39	—	93.16
			—	—	—	296.56	—	—	21,655.27	—	233.83

#### NOTES :

- Installed capacity is as certified by the Managing Director and accepted by the auditors, this being a technical matter.
- Quantitative information in respect of item 3 above has not been furnished, as these constitute components, etc. which it is not practicable to aggregate.
- The permission to manufacture twentyfive coal cutters is within the overall licensed capacity of the Company.
- 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.
- 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.
- Quantity/ value of stocks shown above is after adjustment of shortages/ excesses found on physical count, write-off of unserviceable items etc.,
- 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.
- Production figures shown above are net of returns.
  - 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.
  - 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 project and services segment. The manufactured components and equipment are transferred to project and services segment 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.
  - Production figures for item 10(a) and 10(b) include production at project sites.

# TRF LIMITED

Fortyfourth annual report 2006-07

## Schedules forming part of the Profit and Loss Account

	Rupees in lakhs	March 31, 2006 Rupees in lakhs
<b>14. OTHER INCOME</b>		
Profit on sale of fixed assets	8.64	—
Interest on Sales tax refund	20.11	—
Income from long term other investments		
Others than trade	19.36	9.85
Sale of scrap, stores etc.	17.30	4.02
Rent recoveries	9.11	4.11
Realisation of old Receivables (Refer note viii on schedule 20)	56.93	—
Bad Debts Recovered	72.27	—
Miscellaneous receipts including excess provision written back	12.35	6.03
	<u>216.07</u>	<u>24.01</u>
<b>15. EMPLOYEE COSTS</b>		
Salaries, wages, other benefits and provision for bonus	1,996.01	1,872.52
Company's contribution to provident fund, superannuation fund and gratuity fund	281.31	263.57
Workmen and staff welfare expenses	224.94	199.84
Leave salaries	86.19	64.33
	<u>2,588.45</u>	<u>2,400.26</u>
<b>16. OPERATION, ADMINISTRATION AND SELLING EXPENSES</b>		
Stores, spare parts and loose tools consumed	229.74	230.75
Repairs to buildings	199.49	162.90
Repairs to plant and machinery	94.00	69.63
Repairs to office equipment etc.	16.63	11.89
Power, fuel and water charges	148.39	144.72
Travelling, conveyance and car running expenses	294.07	271.47
Rent	96.83	77.27
Rates, taxes and licences	333.95	50.58
Excise duty (net)	433.79	195.11
Service tax (net)	198.97	43.03
Insurance	42.89	67.05
Freight and handling charges	232.34	240.44
Bank charges, etc.	119.90	109.31
Service charges (Collection and order procurement)	179.71	137.49
Professional fees	94.67	84.14
Telephone, telex etc.	67.65	65.10
Directors' fees	4.09	5.53
Bad debts written off	670.27	399.42
Provision for warranty expenses	—	14.00
Provision for wealth tax	0.40	1.00
Provision for doubtful debts & advances	201.05	—
Loss on sale of fixed assets (net)	—	0.08
Royalty	—	5.84
Other expenses	205.34	187.90
	<u>3,864.17</u>	<u>2,574.65</u>

### Schedules forming part of the Profit and Loss Account

March 31, 2006  
Rupees in lakhs

**17. (INCREASE)/DECREASE IN INVENTORIES AND CONTRACTS IN PROGRESS**

Rupees in lakhs

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>
	1,602.92	2,206.99

Less:

Inventories and contracts in progress as at March 31, 2007

Finished products	93.16	233.83
Work- in-progress	255.78	414.37
Contracts in progress	<u>805.69</u>	<u>954.72</u>
	<u>1,154.63</u>	<u>1,602.92</u>
	<u>448.29</u>	<u>604.07</u>

**18. INTEREST**

On loans for fixed periods

On cash credit and other facilities from banks

Others

	4.18	4.87
	221.02	424.15
	<u>33.12</u>	<u>8.19</u>
	258.32	437.21
	<u>12.92</u>	<u>2.52</u>
	<u>245.40</u>	<u>434.69</u>

Less: Interest received on bank deposits, advance etc.

**19. STATEMENT FORMING PART OF THE PROFIT AND LOSS ACCOUNT**

i) Managerial remuneration to the Managing Director & Wholetime Director Rs. 120.50 lakhs (previous year : Rs. 89.20 lakhs) includes monetary value of benefits of Rs. 12.65 lakhs (previous year : Rs. 11.03 lakhs) and commission of Rs. 58.00 lakhs (previous year : Rs. 34.00 lakhs).\*

ii) Commission @ 1% of net profit as per Section 309(5), restricted to Rs. 20.00 lakhs (previous year : Rs. 10.70 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

Add : a) Directors' remuneration

b) Directors' fees

c) Employee Separation / Voluntary Retirement Compensation

d) Depreciation charged in the books

e) Provision for wealth tax

f) Profit/(Loss) on sale of assets

g) Provision for warranty expenses

h) Provision for Doubtful debts

i) Provision for diminution in value of investment

	3,056.83	1,157.66
	152.50	99.90
	4.09	5.53
	9.76	26.79
	131.88	129.86
	0.40	1.00
	8.64	(0.08)
	—	14.00
	201.05	—
	—	3.00
	<u>3,565.15</u>	<u>1,437.66</u>
	131.88	129.86
	8.31	—
	8.64	(0.08)
	<u>28.86</u>	<u>9.64</u>
	<u>3,387.46</u>	<u>1,298.24</u>

Less : a) Provision for depreciation under Section 350 of the Companies Act

b) Provision for doubtful debts and advances written back

c) Profit/(Loss) on sale of assets as per books

d) Provision for foreseeable loss on contracts written back

Net Profit/(Loss) as per Section 309(5)

Notes :

Managerial remuneration excludes :

(a) pension of Rs. 5.28 lakhs (previous year : Rs. 5.16 lakhs) paid to a former Whole-time Director.

(b) provision of Rs. 149.97 lakhs (previous year : Rs. 97.34) towards post retirement benefit liability of Whole-time Directors.

\* Subject to approval of members in the forthcoming AGM.

**Schedules forming part of the Profit and Loss Account**

March 31, 2006

Rupees in lakhs

**19. STATEMENT FORMING PART OF THE PROFIT AND LOSS ACCOUNT (Contd.)**

		Rupees in lakhs		March 31, 2006	
iv)	Auditors' remuneration (excluding service tax)				
	Audit fees		7.25		7.25
	Tax audit fees		1.75		1.75
	Company law matters		0.20		0.10
	Miscellaneous certificates and reports		7.05		5.26
	Reimbursement of out of pocket expenses		1.12		3.00

		Rupees in lakhs		March 31, 2006	
		Quantity	Rupees in lakhs	Quantity	Rupees in lakhs
v)	Raw materials and components consumed	Quantitative denomination			
	1. Steel	Tonnes	11699	12403	3,358.67
	2. Forgings	Tonnes	302	614	383.53
	3. Tubes	Metres	101686	135196	555.56
	4. Castings	Units	253059	309906	285.67
	5. Bearings	Units	323585	332327	384.77
	6. Miscellaneous components for idlers	Units	1516129	1727082	239.45
	7. Miscellaneous components for screens	Units	40673	34331	433.51
	8. Beltings	Metres	20179	26948	589.31
	9. Others *				
			<u>12,116.13</u>		<u>5,791.24</u>
			<u>17,798.52</u>		<u>12,021.71</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. 380.88 lakhs (previous year : Rs. 279.24 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		March 31, 2006	
Raw materials and components					
	Imported	2.67%	475.84	4.83%	581.21
	Indigenously obtained	97.33%	17,322.68	95.17%	11,440.50
		<u>100.00%</u>	<u>17,798.52</u>	<u>100.00%</u>	<u>12,021.71</u>
Stores and spare parts					
	Imported	5.57%	12.79	0.00%	0.00
	Indigenously obtained	94.43%	216.95	100.00%	230.75
		<u>100.00%</u>	<u>229.74</u>	<u>100.00%</u>	<u>230.75</u>

vii)	CIF value of imports				
(a)	Raw materials and components		439.44		504.95
(b)	Stores and spare parts		10.20		3.04

## Schedules forming part of the Profit and Loss Account

March 31, 2006

Rupees in lakhs

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. 7,002.04 lakhs, previous year : Rs. 224.21 lakhs)	7,146.58	252.67
Others (Agency Commission)	—	—
ix) Expenditure in foreign currency (on payment basis)		
(a) Travel	24.86	5.71
(b) Supervision fees (net of tax)	—	23.15
(c) Other	2.42	—
x) Remittance in foreign currency on account of dividends for 2004-05 and 2005-06	7.61	—
Number of non-resident shareholders	1	1
Number of shares	1,08,750	1,08,750
<p>In addition, in respect of 62,766 (previous year : 17,179) shares held by 124 (previous year : 51) non-resident shareholders an amount of Rs. 2.51 lakhs (previous year : Rs. 0.52 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.</p>		

### 20. NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2007

#### (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 provision 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.

##### (f) REVENUE RECOGNITION (OTHER THAN CONTRACTS)

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

**Schedules forming part of the Accounts****20. NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2007 (Contd.)****(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**

- (i) Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities relating to foreign currency transactions are translated at year end exchange rates. The differences in translation and realised exchange gains/losses are recognised in the Profit and loss Account.
- (ii) In respect of items covered by forward exchange contracts, the premium or discount arising at the inception of such a forward exchange contract is amortised as expense or income over the life of the contract. Any Profit or Loss arising on cancellation or renewal of such a forward exchange contract is recognised in the Profit and Loss account.
- (iii) Gains or losses on translation and realised gains or losses in respect of liabilities for acquisition of fixed assets from a country outside India, are recognised in the Profit and Loss account, except in respect of such transactions in foreign currencies entered into prior to April 1, 2004.

**(i) EMPLOYEE BENEFITS**

- (i) Defined Contribution Plans :  
Company's contributions towards Provident Fund and Superannuation Fund paid /payable during the year are charged to the Profit and Loss Account
- (ii) Defined Benefit Plans :  
Company's liabilities towards Gratuity (other than P & YE Division) and pension for whole-time directors are ascertained by an independent actuarial valuation as per the requirements of Accounting Standard-15 (revised 2005) on "Employee Benefits". 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.
- (iii) Company's liabilities towards post -retirement medical benefits for separated employees, farewell gifts, long service awards and Early Separation Compensation (ESS) are measured at the present value of estimated future cash flows as per the requirements of Accounting Standard-15 (revised 2005) on "Employee Benefits".
- (iv) Provision is made for value of unutilised leave due to employees at the end of the year.

**(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 in each interim period based on the best estimate of the income tax rate expected for the full financial 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.

### Schedules forming part of the Accounts

#### 20. NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2007 (Contd.)

	Rupees in lakhs	March 31, 2006 Rupees in lakhs
<b>(ii) CONTINGENT LIABILITIES</b>		
(a) Taxation matters in dispute	—	11.15
(b) Sales tax matters in dispute In respect of the above sales tax matters in dispute, the Company has deposited Rs. 70.39 lakhs (previous year Rs. 69.74 lakhs) against various orders, pending disposal of the appeals. This amount is included under Schedule 10 - Loans and Advances, considered good.	142.34	227.79
(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.  In respect of the above excise matters in dispute, the Company has deposited Rs. 10.50 lakhs (Previous year Rs. 51.30 lakhs) against various orders, pending disposal of the appeals. This amount is included under Schedule 10 - Loans and Advances, considered good.	235.18	375.98
(d) Others	23.42	23.42
(iii) Estimated amount of contracts remaining to be executed on capital account and not provided for	15.50	27.96
(iv) Provision of Rs.64.00 lakhs (Previous year : Rs. 64.00 lakhs) has been made for anticipated warranty costs relating to certain products manufactured and sold by the Company upto March 31, 2007 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. 0.14 lakhs (including depreciation Rs. 0.05 lakhs) (previous year Rs. 5.25 lakhs, including depreciation Rs. 0.09 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 customer had filed an appeal in the High Court against the order of Sub-Judge which was challenged by the Company. During the year, the appeals were dismissed by the High Court since both the appellants had withdrawn their appeals by mutual consent. An Amount of Rs. 56.93 lakhs received by the Company in full out of court settlement of the dispute, has been included in "Other Income" (Refer Schedule-14).		
(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 customer as at March 31, 2007 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 31,2007 in accordance with past practice.		

**Schedules forming part of the Accounts**

**20. NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2007 (Contd.)**

(xi) 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	March 31, 2006 Rupees in lakhs
Contract revenue recognised as revenue during the year	26,035.62	13,309.23
Aggregate amount of contract costs incurred and recognised profits (less recognised losses)	50,568.84	26,746.27
Advance payments received ( Un-adjusted)	6,766.93	2,253.69
Retention amount	1,075.13	2,130.18
Gross amount due from customers for contract work *	4,975.85	639.53
Gross amount due to customers for contract work	2,116.25	26.93

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

(xii) (a) Hitherto the Company was recognising the provision for the employee retirement benefits as per the Accounting Standard - 15 "Accounting for Retirement Benefits".

During the year, the Company has undertaken an early adoption of the Accounting Standard -15 (revised 2005) "Employee Benefits". In accordance with the transitional provision in the revised accounting standard, Rs. 341.40 lakhs after adjustment of deferred tax assets of Rs. 244.88 lakhs (net) has been debited to General Reserves as at April 1, 2006.

(xii) (b) 1. The company has recognized in the Profit and Loss account of the year ended on 31.03.2007 an amount of Rs. 212.12 lakhs expenses under defined contribution plans.

Benefit (Contribution to)	Rupees in lakhs
Provident Fund	105.26
Superannuation Fund	67.44
Employees Pension Scheme	39.42
	212.12

2. The company operates post retirement defined benefit plans as follows :

- a. Unfunded
  1. Post Retirement Medical benefits
  2. Pension to Directors
  3. Farewell Gifts
- b. Funded
  1. Post Retirement Gratuity

3. Unfunded Post retirement defined benefit obligations for whole time directors :

Description	Rupees in lakhs Pension
1. Reconciliation of opening and closing balances of obligation	
a. Obligation as at 1.4.06	205.63
b. Current Service Cost	42.16
c. Interest Cost	15.22
d. Actuarial (gain)/loss	(10.42)
e. Benefits paid	(5.28)
f. Obligation as at 31.03.07	247.31
2. Expense recognized in the period	
a. Current service cost	42.16
b. Interest cost	15.22
c. Actuarial (gain)/loss	(10.42)
d. Expense recognized in the period	46.96
The expense is disclosed in the line item - Payment to and Provision Employees (Co's contribution to provident & other funds)	
3. Assumptions	
a. Discount rate (per annum) on 01.04.06	7.50
b. Discount rate (per annum) on 31.03.07	8.25



**20. NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2007 (Contd.)**

## 4. Details of Gratuity Plan are as follows :

Description	Rupees in lakhs
1. Reconciliation of opening and closing balances of obligation	
a. Obligation as at 1.4.06	828.43
b. Current Service Cost	33.28
c. Interest Cost	64.99
d. Actuarial (gain)/loss	(9.15)
e. Benefits paid	(89.76)
f. Obligation as at 31.03.07	827.79
The defined benefit obligation as at 31.03.07 is wholly funded by the company	
2. Change in Plan Assets (Reconciliation of opening & closing balances)	
a. Fair Value of plan assets as at 1.4.06	809.30
b. Expected return on plan assets	31.37
c. Actuarial gain/(loss)	7.38
d. Contributions	107.00
e. Benefits paid	(89.76)
f. Fair Value of plan assets as at 31.03.07	865.29
3. Reconciliation of fair value of assets and obligations	
a. Fair value of plan assets as on 31.03.07	865.29
b. Present value of obligation as at 31.03.07	827.78
c. Amount recognised in the balance sheet	37.51
4. Expense recognized in the period	
a. Current service cost	33.28
b. Interest cost	64.99
c. Expected return on plan assets	(31.37)
d. Actuarial (gain)/loss	(16.53)
e. Expense recognized in the period	50.37
The expense is disclosed in the line item – Payments to & Provisions for Employees (Co's contribution to provident & other funds)	
	%age invested 31.03.07
5. Investment Details	
a. GOI Securities	13.91
b. Public Sector unit Bonds	25.06
c. State / Central Guaranteed Securities	10.62
d. Special Deposit Schemes	48.98
e. Private Sector Bonds	—
f. Others (including bank balances)	1.43
Total	100.00
6. Assumptions	31.03.07
a. Discount rate (per annum)	8.25%
b. Estimated rate of return on plan assets (per annum)	8.00%
c. Rate of escalation in salary (per annum)	5.00%
d. The estimate of future salary increases take into account inflation , seniority, promotion and other relavent factors.	

**Schedules forming part of the Accounts**
**20. NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2007 (Contd.)**

## (xiii) SEGMENT REPORTING :

Rupees in lakhs

BUSINESS SEGMENT	2006 - 2007				2005 - 2006			
	PRODUCTS & SERVICES	PROJECTS & SERVICES	ELIMINATION	TOTAL	PRODUCTS & SERVICES	PROJECTS & SERVICES	ELIMINATION	TOTAL
SEGMENT REVENUE								
External Sales	6403.99	28316.40		34720.39	6403.80	15251.47		21655.27
Inter-segment Revenue	4133.55		(4133.55)		3424.87		(3424.87)	
Total Revenue	10537.54	28316.40	(4133.55)	34720.39	9828.67	15251.47	(3424.87)	21655.27
SEGMENT RESULT-Profit/(Loss)	1958.45	1451.08		3409.53	1510.35	255.68		1766.03
Unallocated corporate expenditure (net)				155.34				160.55
Operating Profit				3254.19				1605.48
Interest Expenses (net)				245.40				434.69
Other Income				57.80				16.66
Exceptional Items				(9.76)				(29.79)
Profit Before Tax				3056.83				1157.66
Income Tax				1120.00				435.00
Deferred Tax				(111.23)				(42.06)
Fringe Benefit Tax				31.00				57.25
Net Profit				2017.06				707.47
OTHER INFORMATION	PRODUCTS & SERVICES	PROJECTS & SERVICES	UNALLOCATED	TOTAL	PRODUCTS & SERVICES	PROJECTS & SERVICES	UNALLOCATED	TOTAL
SEGMENTAL POSITION								
Segment Assets	4146.98	21762.15		25909.13	4102.85	15007.03		19109.88
Unallocated Corporate Assets			2741.45	2741.45			844.87	844.87
Deferred Tax Assets (Net)			233.06	233.06			—	—
Total Assets	4146.98	21762.15	2974.51	28883.64	4102.85	15007.03	844.87	19954.75
Segment Liabilities	2434.05	18222.68		20656.73	2110.40	7823.11		9933.51
Unallocated Corporate Liabilities			2278.70	2278.70			5625.64	5625.64
Deferred Tax Liability (Net)			—	—			123.05	123.05
Total Liabilities	2434.05	18222.68	2278.70	22935.43	2110.40	7823.11	5748.69	15682.20
Capital Expenditure	131.87	33.70	0.43	166.00	60.64	27.95	0.90	89.49
Depreciation	69.10	59.10	3.68	131.88	71.46	54.54	3.86	129.86
Non-cash expenses other than depreciation (ESS amortised)	4.72	5.04	—	9.76	13.00	13.79	—	26.79

## 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, 2007 (Contd.)

(xiv) 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

2006-2007	2005-2006
(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  Tata Steel Limited (formerly known as the Tata Iron & Steel Company 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.  Tata Steel Limited (formerly known as 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	Year ended 31.03.2006 Rupees in lakhs
(a) With Associate Company		
(i) Sales and services (net of discounts)	4,831.12	3,415.61
(ii) Purchase of raw materials	1,107.12	1,037.80
(iii) Payment towards various services obtained	155.84	142.51
(iv) Lease hold rent	0.10	0.10
(v) Dividend Paid	76.53	57.40
(vi) Outstanding balances as at 31st March, as :		
a) Debtors	3,512.47	1,768.44
b) Creditors	252.98	395.84
c) Advances from customers	2,226.06	30.98
d) Corporate guarantee given to a bank on behalf of the Company	144.00	144.00
The transactions during the period and outstandings as on March 31, 2007 are subject to confirmation and final reconciliation, which is in progress.		
(b) With key management personnel : Remuneration paid – Refer Note 19(i) above.		

(xv) EARNINGS PER SHARE	Rupees in lakhs	March 31, 2006 Rupees in lakhs
(a) Profit /(Loss)after tax as per the Profit and Loss Account	2,017.06	707.47
(b) Weighted average number of equity shares of Rs. 10 each outstanding during the period	55,02,206	55,02,206
(c) Earning per share - Basic and diluted (Rs.)	36.66	12.86

**Schedules forming part of the Accounts**

**20. NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2007 (Contd.)**

(xvi) DEFERRED TAX (arising out of timing differences)	Rupees in lakhs	31.03.2006 Rupees in lakhs
The composition of deferred tax assets and liabilities is as follows :		
(a) Deferred Tax Assets		
Provision for foreseeable loss	—	9.71
Provision for doubtful debts & advances	68.34	8.28
Provision towards post retirement benefits of Whole-time Directors	84.06	16.83
Others, including employee leave encashment	231.00	—
	<u>—</u>	<u>1.33</u>
	<u>383.40</u>	<u>36.15</u>
(b) Deferred Tax Liabilities		
Early Separation/Voluntary Retirement Compensation to employees	9.56	3.79
Depreciation	140.78	155.41
	<u>150.34</u>	<u>159.20</u>
Net Deferred Tax (Liability)/Asset	* 233.06	(123.05)
* Net of deferred tax reversal of Rs. 9.82 lakhs from the total adjustment of Rs. 244.88 lakhs (net) as stated in note (xii) (a)		
(xvii) Exceptional and extra-ordinary items		
Early Separation / Voluntary Retirement Compensation	9.76	26.79
Provision for diminution in the value of investment	—	3.00
	<u>9.76</u>	<u>29.79</u>
(xviii) Excise Duty (net) (including education cess and higher education cess) included under Operation, Administration and Selling expenses comprises :		
	Rupees in lakhs	31.03.2006 Rupees in lakhs
Excise Duty on Finished Goods not assessed to duty (Refer Schedule-7)	13.45	44.52
Excise Duty on construction contracts inclusive of duties	388.72	147.32
Excise Duty on warranty despatches , differential duty , interest on differential duty etc.	31.62	3.27
	<u>433.79</u>	<u>195.11</u>
(xix) (a) 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 Company does not owe to any SSI, sums which are outstanding for more than 30 days as on March 31, 2007		
(b) There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2007, as identified by the Company on the basis of information available with it, this has been relied upon by the auditors.		
(xx) The exchange difference arising on foreign currency transactions has been credited / debited to Profit and Loss Account - Rs. 1.72 Lakhs (net loss) [previous year Rs. 0.67 Lakhs (net loss)].		
(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

SUDHIR DEORAS  
Managing Director

Kolkata,  
08th May, 2007

PRASHANT KUMAR  
Company Secretary

**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.	L	7	4	2	1	0	J	H	1	9	6	2	P	L	C	0	0	0	7	0	0
Balance Sheet Date	3	1	0	3	0	7	State Code				0	3									

**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	6	6	0	5	0	3	Total Assets	6	6	0	5	0	3
<b>Sources of Funds</b>													
Paid-up Capital		5	5	0	2	2	Reserves & Surplus	5	0	1	1	7	5
Secured Loans	1	0	4	3	0	6	Unsecured Loans				N	I	L
<b>Application of Funds</b>													
Net Fixed Assets		8	7	2	4	4	Investments		3	7	8	2	3
Net Current Assets	4	9	1	8	7	9	Misc. Expenditure			2	9	4	5
Deferred Tax		2	2	3	0	6							

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

Turnover	3	4	7	2	0	3	9	Total Expenditure	3	1	8	6	9	8	7				
Profit/(Loss) before Tax	+	-	✓	3	0	5	6	8	3	Profit/Loss after Tax	+	-	✓	2	0	1	7	0	6
<i>(Please tick appropriate box + for profit, — for loss)</i>								<i>(Please tick appropriate box + for profit, — for loss)</i>											
Earning Per Share	+	3	6	.	6	6	Dividend Rate %	6	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.															

# TRF LIMITED

Fortyfourth annual report 2006-07

## NOTES



**TRF LIMITED**  
**A TATA Enterprise**

Registered Office : 11, Station Road, Burma Mines, Jamshedpur-831 007

**Attendance Slip**

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

I hereby record my presence at the FORTYFOURTH ANNUAL GENERAL MEETING of the Company in the Auditorium of SNTI, 'N' Road, Bistupur, Jamshedpur - 831 001 at 12:00 noon on Saturday, July 14, 2007.

.....  
 Full name of the Member ..... Signature  
 (in block capitals)

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

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

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



**TRF LIMITED**  
**A TATA Enterprise**

Registered Office : 11, Station Road, Burma Mines, Jamshedpur-831 007

**Proxy**

I/We .....  
 of ..... in the district of ..... being  
 a Member/Members of the above named Company, hereby appoint .....  
 of ..... in the district of ..... or failing him  
 ..... of ..... in the district of .....  
 ..... as my/our Proxy to attend and vote for me/us and on my/our behalf at the  
 FORTYFOURTH ANNUAL GENERAL MEETING of the Company, to be held on Saturday, July 14, 2007 and at any  
 adjournment thereof.

Signed this ..... day of ..... 2007.

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

Signature

Affix  
 Revenue  
 Stamp

No. of Shares .....

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

@ Strike out whichever is not desired.

NOTES :(i) The proxy must be returned so as to reach the Registered Office of the Company at 11, Station Road, Burma Mines, Jamshedpur - 831 007, not less than FORTY-EIGHT HOURS before the time for holding the aforesaid meeting.

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





# TRF LIMITED

## A TATA Enterprise

### HEAD OFFICE AND WORKS

11, Station Road,  
Burma Mines,  
Jamshedpur - 831 007, INDIA  
Tel. : 91-657-2271286 - 293 (8 lines), 2271295 - 306 (12 lines)  
Fax : 91-657-2271075  
E-Mail : co@jsr.trfltd.com  
Website : www.trfltd.com

### PORT & YARD EQUIPMENT DIVISION

(Formerly : Tata Material Handling Systems Limited)  
TRF Limited  
27, Shakespeare Sarani  
Kolkata - 700 017  
Tel. : 91-33-22895611 (7 lines) / 22870064-65  
Fax : 91-33-22870064-65/22874267/22879310  
E-mail : cal@pye.trfltd.com

### EPC/EPCM DIVISION

(Formerly : Tata Technodyne Ltd.)  
TRF Limited  
Tata Centre, 6th Floor  
43, Chowringhee Road, Kolkata - 700 071  
Tel. : 91-33-22886494/22881118  
Fax : 91-33-22885019  
E-mail : cal@epc.trfltd.com

### REGIONAL OFFICES

#### NEW DELHI

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23, Kasturba Gandhi Marg,  
New Delhi - 110 001  
Tel. : 91-11-2331-0788, 2331-4540, 6630-2612  
Fax : -91-11-6630-2447  
E-mail : nd@trfltd.com

#### MUMBAI

Magnet House  
Narottam Morarji Marg, Ballard Estate  
Mumbai - 400 038  
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Fax : 91-22-2261-4085  
E-mail : mum@trfltd.com

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Hyderabad - 500 063  
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Fax : 91-40-2329-7363  
E-mail : hyd@trfltd.com

#### NAGPUR

Muktai Building,  
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Laxmi Nagar,  
Nagpur - 440 022  
Tel. : 91-712-2236143  
Fax : 91-712-2230340  
E-mail : ngp@trfltd.com





**TRF LIMITED**

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