

DIRECTORS' REPORT

To the Members

The Directors are pleased to present their 51st annual report and the audited financial accounts for the year ended March 31, 2014.

The Indian economy continued to be sluggish during the year with GDP dropping to lower than 5%. The expected turnaround and improvement in manufacturing, power and port sector did not materialize. Orders were few and the market witnessed predatory pricing strategies by certain competitors which also affected the order book and the capacity utilization of your Company.

Globally as well as in Indian the Auto Industry also remained depressed during the year under review impacting performance of auto application business of the subsidiaries.

The Board reviewed the overall scenario and has laid down strategies to be followed under the current adverse economic scenario to improve the performance.

1.0 Results

Figures in Rupees lakhs

	TRF Standalone		TRF Group	
	2013-14	2012-13	2013-14	2012-13
Net Sales / Income from Operations	69,622.12	64,660.64	117,453.39	111,482.43
Profit/(Loss) before taxes	(2,444.05)	(7,808.15)	(2,671.85)	(8,778.03)
Profit/(Loss) after taxes	(2,522.63)	(7,951.49)	(2,820.86)	(9,133.14)
Profit/(Loss) after minority interest and share of profit of associates	(2,522.63)	(7,951.49)	(2,886.91)	(9,169.04)
Add: Balance brought forward from the previous year	(5,682.47)	2,269.02	(7,988.81)	1,180.23
Balance	(8,205.10)	(5,682.47)	(10,875.72)	(7,988.81)
Which the Directors have apportioned as under :				
(i) Proposed dividend on Equity Shares	-	-	-	-
(ii) Tax on dividend	-	-	-	-
(iii) General Reserve	-	-	-	-
Total	-	-	-	-
Balance to be carried forward	(8,205.10)	(5,682.47)	(10,875.72)	(7,988.81)

2.0 Dividend:

In view of the loss incurred during the year, no dividend has been recommended by the Directors for the year under review.

3.0 Operations:

During the financial year 2013-14 works production declined by about 14% as compared to growth of 9% achieved in FY'12-13. Project Orders booked during the financial year 2013-14 have also not been significant. However, the Company continued to introduce new products & focused on increase in spares business. It also worked aggressively on cost reduction to reduce losses.

4.0 Performance of Subsidiary Companies

4.1 York Group:

York Group Sales continued to decline for 2nd consecutive year due to decline in demand for prime movers.

York India's Exports increased during the year and was Rs 48.53 crores as compared to Rs 19.43 crores in previous year.

Further there has been a decline on dependence on imports in York-India's operations.

In other markets, York maintained its market share, though most of the economies experienced lower GDP growth compared to the 2013 forecast. During the year York participated in exhibitions in India, Australia, China and Turkey and launched several new axles and suspensions. The company has started work in developing new markets and has identified Turkey, Russia, & Brazil markets as growth opportunities.

4.2 DLT Group:

During the FY 2013-14 DLT Group's sales (excluding Tata DLT) increased by 3.6% from 9.10 USDM in FY'12-13 to 9.43 USDM in FY'13-14.

Port Terminal Trailers exports from Sri Lanka increased by 7.5 %. Export of Road Trailers increased by 167 % during FY'13-14 as compared to a drop of 49% in FY'12-13.

However increased local competition and freight factor had an adverse impact on contributions realized in Port Trailers.

DLT Sri Lanka introduced Cement Bulk Pressure tankers and Fuel Bowsers for Domestic Market during FY 2013-14.

Major reasons like GCC's preference for local buying, Chinese developed ports (including Colombo) resorting to buying from China, continued drop in domestic demand in Sri Lanka for Road Trailers resulted in lower revenues.

DLT group has also planned to develop new products and focus on General Fabrication and Trailers Equipment Service to de-risk the negative impact of fluctuating demand for trailers and to increase capacity utilization.

Tata International DLT, a joint venture in India, suffered due to drop in prime mover sales in India. The Company has started selling directly into the market as demand from Tata Motors dropped significantly.

4.3 Adithya Automotive Applications:

The commercial vehicle sector witnessed a continual downturn trend in FY'13-14. Sales of Medium and Heavy Commercial Vehicles (M&HCV) were lower by 26 % in FY'13-14 as compared to decline of 23% in previous year. Adithya Automotive Applications Private Limited performed against the downturn trend and recorded its' highest ever Revenue of Rs 75.88 crore (Previous Year Rs 64.73 crore) and had a profitable year.

AAA was been awarded the IMS certification for management system standards: ISO 9001:2008, ISO 14001:2004, BS OHSAS 18001:2007 during the year. It is the only application vendor of Tata Motors having ISO 14001:2004, BS OHSAS 18001:2007.

It bagged the Best supplier award from Tata Motors Ltd on the occasion of annual supplier conference meet at Macau and retained its "A" category vendor rating from Tata Motors Ltd.

4.4 Hewitt Robins International Ltd (HRIL):

Hewitt Robins posted yet another successful set of results despite a continued depressed European market. Capital investments made in prior years resulted in improved operating efficiencies and short lead time for delivery of machines, helping financial performance.

During the period HRIL embarked on a development programme in conjunction with TRF to develop the next generation of vibrating equipment for the bulk material handling industry, which will further increase operating efficiencies for HRIL as well as the end-user.

The order book for the next financial year puts the company in a strong position to increase market share in Europe and further improve on prior years performance.

4.5 Subsidiaries Annual Report

The consolidated financial statements presented by the Company include financial information of its subsidiaries prepared in compliance with applicable accounting standards. The Ministry of Corporate Affairs, Government of India vide its circular no 51/12/2007-CL-III dated 8th February, 2011 has granted general exemption under section 212(8) of the Companies Act, 1956, from attaching the balance sheet, profit & loss account and other documents of the subsidiary companies to the balance sheet of the Company, provided certain conditions are fulfilled. Accordingly, annual accounts of the subsidiary companies and the related detailed information will be made available to the holding

and subsidiary companies' investors seeking such information at any point of time. The annual accounts of the subsidiary companies will also be kept for inspection by any investor at the Registered Office(Head Office) of the Company and that of the subsidiary companies concerned.

5.0 Outlook:

There is renewed hope of improvement in the Indian economy. Government has laid down emphasis in infrastructure projects which should help your Company in terms of getting new orders.

Auto application business is also expected to do better with the opening up of some mines & expected recovery in the economy.

With various measures taken in Indian and global markets, and expected improvement in the economy worldwide, your Company expects better performance in FY 2014-15.

6.0 Exports:

During the year, the Company earned foreign exchange worth Rs. 262.81 crores through exports, including deemed exports of Rs. 241.37 crores, as against previous year's earnings of Rs. 393.14 crores through exports (including deemed exports of Rs. 393.11 crores).

7.0 Audit Report:

The Statutory Auditors Report on Annual Accounts for the financial year 2013-14 does not contain any qualification which warrants comments from the Board of Directors.

8.0 Management Discussions and Analysis:

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

9.0 Fixed Deposits:

As in the previous year, the Company has not accepted/ renewed any fixed deposits during the year.

10.0 Business Excellence:

The Company is a signatory to the Tata Brand Equity and Business Promotion (BEBP) Agreement with Tata Sons Ltd. The agreement entails complying with the Tata Group Policies, Tata Code of Conduct (TCOC), and conducting business according to the Tata Business Excellence Model (TBEM).

11.0 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 they have:

11.1 followed the applicable accounting standards and that there are no material departures in the preparation of the annual accounts;

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

11.3 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;

11.4 prepared the annual accounts on a going concern basis.

12.0 Affirmative Action & Corporate Sustainability Initiatives

TRF's corporate social responsibility and affirmative action function is inspired by the ethos of the Tata Group founder, Jamsetji Nusserwanji Tata. The Company values its corporate social responsibility (CSR) process as key business process and is guided by Tata Group CSR policy guidelines. TRF's CSR programme covers those communities residing in the immediate vicinity of its manufacturing plant and its residential township of TRF Nagar.

The CSR function encompasses several programmes which cover the following areas:

- Education and literacy
- Employability training
- Health
- Employment and livelihood opportunities
- Support to activities organized by sports and professional bodies
- Environment protection and climate change.

These programmes are conducted by the TRF Ladies Association under the guidance of the Company. The Company also supports Valley View School in TRF Nagar, which provides quality education.

In addition to the above, the Company encourages volunteering by its employees under a scheme called, 'Main Hoon Na' and 'Tata Engage'. Employees participate on voluntary basis in welfare activities such as education, environment, safety awareness and women empowerment. Employees of TRF, in response to an appeal from Tata Relief Committee contributed financially towards the relief and rehabilitation activities in Uttarakhand.

13.0 Environment:

Although, the operations of the Company at Jamshedpur, and at its project sites, are basically non-polluting in nature, adequate precautions are taken to comply with all regulatory requirements in this regard at all locations. In addition to ensuring compliance with the legal norms, the 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.

14.0 Corporate Governance:

Pursuant to Clause 49 of the Listing Agreement executed with the Stock Exchanges, a Management Discussion and Analysis, Corporate Governance Report, Managing Director's declaration regarding compliance to code of conduct and Auditors' Certificate regarding compliance to conditions of Corporate Governance are made a part of the Annual Report.

15.0 Dematerialization 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. (NSDL) and Central Depository Services (India) Ltd. (CDSL). All the applications received for Dematerialization have been acted upon and 93.48 % of Company's Share Capital stood in dematerialized form as on March 31, 2014.

16.0 Industrial Relations:

The Directors would like to place on record their sincere appreciation of the Workers' Union and the employees for their continued co-operation in maintaining harmonious industrial relations, production and productivity and in the implementation of various initiatives to reduce internal costs and improvements in operational efficiencies.

17.0 Directors:

17.1 The Nomination and Remuneration Committee has reviewed the appointment of Mr Subodh Kr Bhargava, Mr B. D. Bodhanwala, Mr Ranaveer Sinha, Mr RV. Raghavan and Mr Dipankar Chatterji, existing independent directors and have found that they fulfill the conditions specified under the Companies Act, 2013. The Company has received a notice along with requisite deposit from a member proposing their appointment. The aforementioned directors are proposed to be appointed/ re-appointed as independent directors in accordance with the provisions of section 149 of the Companies Act, 2013 at the ensuing Annual General Meeting.

17.2 Mr. R. P. Singh has expressed his intention to step down from the Board with effect from July 31, 2014. The Directors would like to place on record their sincere appreciation of the contributions made by Mr R. P. Singh during his tenure on the Board since 2001.

17.3 Mr. Prasad R. Menon who was appointed as an additional director by the Board with effect from August 2, 2013 hold office upto the date of the ensuing Annual General Meeting. The Company has received a notice along with requisite deposit from a member proposing his appointment as a director at the ensuing Annual General Meeting. He shall be liable to retire by rotation.

TRF LIMITED

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18.0 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, would be made available to the shareholders on request.

19.0 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.

20.0 Auditors:

The existing Auditors, M/s Deloitte Haskins & Sells (DHS), Kolkata, Chartered Accountants, retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Your Company has received a certificate from the Auditors to the effect that they are eligible for re-appointment under the applicable provisions of the Companies Act, 2013. Members are requested to appoint Auditors for a period of one year i.e for the financial year 2014-15 at the Annual General Meeting and to authorize the Board of Directors to fix their remuneration as mutually agreed upon between the Board and the Auditors.

21.0 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 all the employees of your Company.

On behalf of the Board of Directors

Subodh Bhargava
Chairman

Kolkata, May 2, 2014

Annexure to the Directors' Report 2013-14

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

Disclosures	Form B
<p>A. Conservation of Energy</p> <p>a) Energy Conservation measures taken</p> <ul style="list-style-type: none"> • Provision of Natural light by adding transparent sheet on the roof of idler assembly <p>b) Additional Investments and Proposals, if any:</p> <ul style="list-style-type: none"> • Replacement of old MV light with low wattage high efficient metal Halide light fitting in shop floor • Provision of Drag Cable Chain by removing cable festooning arrangement in EOT cranes • Up gradation of feed drives system of Horizontal Boring machine (HB-2 & HB-5) <p>c) Impact of the above measures on consumption of Energy:</p> <p>Reduction of consumption of energy.</p> <p>d) Total Energy Consumption and Energy Consumption per unit of production as prescribed in Form - A:</p> <ul style="list-style-type: none"> • Not given as your Company is not under the list of Specified industries. <p>B. Technology Absorption:</p> <p>Refer "Form B" given in the next column.</p> <p>C. Foreign Exchange Earnings and Outgo:</p> <p>Earnings- Rs.26,281.09 lakhs</p> <p>Outgo - Rs. 610.08 lakhs</p> <p>Information on foreign exchange outgo is contained in Note 28.10 of Additional Information to Financial Statements. Company is exploring opportunities for export through its subsidiary HRIL and also through other partners. Other information related to exports are stated in Directors' Report and Management Discussion & Analysis Report.</p>	<p style="text-align: center;">Research & Development</p> <p>1. Specific areas in which R&D carried out by your Company:</p> <ul style="list-style-type: none"> - Ring Granulator (2000 TPH) - Optimisation of Pulley - Wagon Tippler Hydraulic Optimization - Reduction in structural steel consumption by using Hollow Sections - Use of TEKLA software in case of Civil Design and Drawings - 50 t Ship Unloader with 2000 tph free digging Capacity with 18 m track gauge for NLC – Engineering Completed. Erection in progress. - 41 m Boom 3300 / 3300 tph Stacker cum Reclaimer with 8.2 m track gauge for NTPC, Nabinagar. – Engineering in progress. <p>2. Benefits derived as a result of the above R&D</p> <ul style="list-style-type: none"> - Enhancing product range - Meeting need of customized product. - Addressing new markets. <p>3. Future Plan of Action</p> <p>To Develop & introduce:-</p> <ul style="list-style-type: none"> - Travelling Plough Feeder(150 TPH) - Ring Granulator(2450 TPH) - Plough Feeder(2475 TPH) - Impactor for Coal (650 TPH (-) 3 mm Prod. Size) - Impactor for Lime stone (600 TPH (-) 3 mm Prod. Size) - Rotary Breaker 14' X 28' - Double Roll Crusher (750 TPH) - "C" Type Wagon Tippler - Stacker cum Reclaimer of 4000/ 4000 TPH capacity- in phases as per requirement of customer. - Ship unloader of 2200 TPH Free digging capacity- as per requirement of customer. - Single boom scraper reclaimer of 600 TPH capacity- as per requirement of customer <p>4. Expenditure on R & D including Expenditure incurred on items developed and supplied to customers</p> <p>a) Capital : Rs. 18.49 lakhs</p> <p>b) Recurring/Revenue : Rs.4,690.45 lakhs</p> <p>c) Total : Rs.4,708.94 lakhs</p> <p>d) Total R&D expenditure as a percentage of total turnover : 6.76 %</p> <p>5. Technology absorption, adaptation and innovation :</p> <ul style="list-style-type: none"> - Development of high capacity Stacker/Reclaimer - Development of capability to undertake Vibration Analysis for Vib. Equipment. - Use of soft-wares like Tekla, solid edge & solid works for modeling & Hyper works for Analysis purpose.