

DIRECTORS' REPORT

To the Members

The Board of Directors has pleasure in placing the Eighteenth Annual Report of the working of the Company along with the statement of accounts and the Auditors' Report for the year ended 31st March, 2008.

1. FINANCIAL RESULTS :

(Rs. Crore)

Particulars	Current Year (Stand-Alone)	Current Year (Consolidated)	Previous Year (Stand-Alone)
a) Gross Income from sales and other operations	1185.47	1185.47	781.75
b) Profit on sale of surplus raw material	0.02	0.02	0.07
c) Profit before Interest, Depreciation and Taxes	141.10	140.07	69.30
d) Less: Interest	19.25	19.25	14.18
e) Profit before Depreciation and Taxes	121.85	120.83	55.12
f) Less: Depreciation	15.55	15.55	12.95
g) Profit Before Taxes	106.30	105.28	42.17
h) Less: Provision for taxes including deferred taxes	36.67	36.69	12.66
i) Profit after taxes	69.63	68.59	29.51
Profit After Tax (After Minority Interest)	-	69.10	-
j) Profit and loss credit balance brought forward	67.11	67.11	60.35
Balance available for appropriation	136.74	136.21	89.86
Which the Directors have appropriated to:			
i) Proposed Dividend on Equity Shares	17.70	17.70	15.17
ii) Taxes on Dividend	3.01	3.01	2.58
iii) General Reserve	25.00	25.00	5.00
Total	45.71	45.71	22.75
Balance to be carried forward	91.03	90.50	67.11

2. BUSINESS RESULTS

Driven by the strong 8.7% GDP growth of the country and fuelled by the sturdy growth of the infrastructure sector, your Company has posted a robust performance during the FY 2007-08. The growing infrastructure sector has, in turn, led to the growth of the demand for steel in domestic as well as international market. Additionally, competitiveness of the Indian manufacturing sector has been significantly enhanced. Pig iron being the basic raw material for the foundries, any change in steel consumption has a direct impact on the pig iron industry. All these together, portray a healthy future for the pig iron industry and therefore for the performance of your Company.

For the financial year ended 31st March, 2008, your Company's Profit Before Tax (PBT) was Rs.106.30 Crores (higher by 152% as compared to the figure of the FY 2006-07). Significantly higher production, coupled with enhanced despatch and movement of stock has resulted

in a higher gross income from sales at Rs.1185 Crore as compared to Rs.781 Crore for the FY 2006-07. The Company recorded a production of 521,424 tons of pig iron and despatch of pig iron at 516,043 tons during the year. Sustained levels of high performance both at the Kharagpur and the Redi plants helped the Company reach high levels of production. The third blast furnace at Redi started functioning from June 2007, and the plant with its 3 operational furnaces produced 195,632 tonnes of Hot Metal during the last fiscal. The furnaces 1 and 2 were shut down for relining one in November 2007 and another from January 2008. Production at Kharagpur during FY 2007-08 was 349,869 tonnes of Hot Metal.

TML is also working towards creating differentiators by way of offering more customized grades and is working towards enhancing value propositions with the customers for which several interventions like introduction of "Performance Solution Package", expanding the breadth and depth of technical support services, initiating vendor

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managed inventory, customer segmentation and several other CRM initiatives. These efforts have also ensured premium price for the product offerings of the Company.

A Company-wide initiative ("Project SCOPE" Strategising for Customer Oriented Processes & Excellence) has been taken up to make TML, a customer-centric organization. This project is aimed at making TML "a front-runner as always." Today's competitive environment makes it possible for a customer to move on to other players. The need of the hour is to be pro-active rather than reactive. Thus we need SCOPE because of the dynamic business environment and changing customer expectations and competitive landscape.

Forward Integration - Diversification of business activities and downstream value addition

It was reported last year that in order to mitigate the risk of being in a single product business, the Company is actively concentrating on seeking business opportunities in newer areas. The Company worked on two new business opportunities-one for castings and the other for Ductile Iron (DI) Pipes. Your Directors have immense pleasure in reporting that both the endeavours of the Company have paid off well.

Ductile Iron Pipe Business

Last year, the Company had sought to venture into a market yet untapped - DI Pipe manufacturing. A JV Agreement was signed between your Company, Kubota Corporation, Japan and Metal One, Japan and a joint venture company-Tata Metaliks Kubota Pipes Limited (TMKPL) has been incorporated on 16th October 2007, to manufacture DI Pipes. The project is all set to be implemented at Kharagpur and is likely to be operational from early 2009. A part of the hot metal production from the Kharagpur plant is likely to be used in the production facilities for the DI Pipes. The progress on this project by the Company has been as per the respective schedules. The project cost is estimated at Rs.150 Crore, out of which Rs.75 Crore is to be equity, contributed by the venture partners, wherein Tata Metaliks' share is 51% and the share of two other Japanese partners is 49%. The balance Rs.75 Crore of the project cost would be debt-funded.

The progress of the project implementation and other matters are proceeding as per their respective schedules. Most of the requisite agreements have been signed, environmental clearances are being obtained, key recruitments are made and the "bhoomi puja" of the proposed project site was conducted on 11th February 2008.

Castings business

India is the 5th largest producer of castings, in the world, after USA, Brazil, China and Japan, and the industry is expected to grow by at least 8% to 9% in the coming years, whereby India would be the 3rd largest in the world.

Your Company has also concentrated on its castings business. We

have started manufacture of castings based on outsourcing model by leveraging our current strengths of foundry grade pig iron business. Even within the castings business, the current customer portfolio has a clear Automotive and Engineering Industry bias.

Currently, castings business is contributing around Rs.4 Crore to the Company's revenues. However, it is expected that the revenue from this segment would be in the level of Rs.25 Crore to Rs.30 Crore in the FY 2008-09. The Company in the FY 2008-09 is also charting long-term plans to set-up the in-house operations in castings business.

Backward integration-Acquisition of mines

To gain control over the raw material sources, the Company has been applying for Mining Leases (ML) and Prospecting Leases (PL) Iron ore mines in Maharashtra, Karnataka, Jharkhand and Orissa. The applications are at various stages of processing.

In Jharkhand, TML has applied for Iron and Manganese ore mines. In Orissa, TML has applied for Six ML and Two PL. In Maharashtra, your Company has applied for ML and PL for Iron ore, Manganese and Limestone. In Karnataka, TML has applied for ML for iron and manganese ore. Allotment of all these mines is under active consideration and results are expected by early next year.

For coking coal, your Company has approached the West Bengal Minerals Development and Trading Corporation Limited (WBMDTCL), West Bengal for coking coal supply for its plant at Kharagpur. Your Company is also trying to source raw materials in Madhya Pradesh and has entered into a Memorandum of Understanding (MOU) with the Govt. of Madhya Pradesh.

3. TATA METALIKS LIMITED A SUBSIDIARY OF TATA STEEL

With effect from 7th February 2008, your company has become a subsidiary of Tata Steel Limited, owing to acquisition of 2.40% shares of the Company by M/s Kalimati Steel Pvt. Ltd., a subsidiary of Tata Steel Limited, from the open market. The total holding of Tata Steel Group of companies from 7th February 2008, is as follows :

Tata Steel Ltd.	:	46.66%
Kalimati Steel Pvt. Ltd.	:	3.39%
Total	:	50.05%

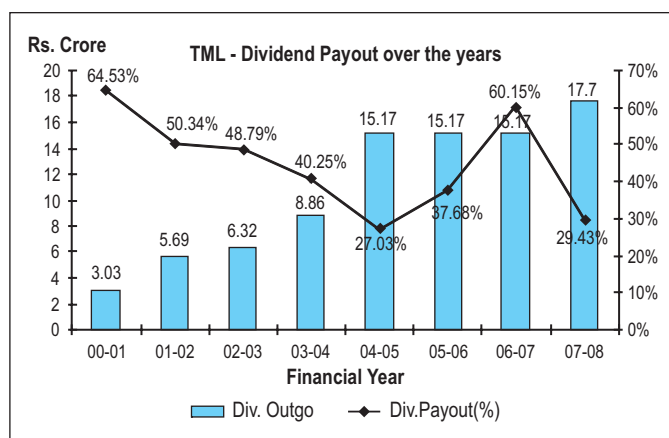
4. DIVIDEND-UNINTERRUPTED PAY OUT

Your Company's dividend policy is based on the need to balance the twin objectives of appropriately rewarding the shareholders with cash dividend and of ploughing back of profit to fund your Company's future growth. The Company has recorded consistent dividend payouts since 2000-2001 while its performance in the share markets has been stable and profitable throughout its existence. Your Company has channelised all resources and efforts through value based management towards earning better returns on its capital employed.

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The Board, for the FY 2007-08 has recommended a dividend @ 70%, subject to the approval of the shareholders at the Annual General Meeting. The dividend will be paid on 2,52,88,000 Equity Shares at Rs. 7/- per share (FY 2006-07 : on 2,52,88,000 Equity Shares at Rs. 6/- per share). The dividend pay out (after tax) works out to 29.43% (FY 2006-07 : 60.15%).

The following has been the dividend outgo (absolute terms) of your Company and dividend payout (after tax) during the last few years:



As per the Finance Act, 2008, Dividend Distribution Tax remains at 15%. This is payable by the domestic companies on the amount of dividend to be distributed and accordingly the Company has appropriated the amounts of Rs.17.70 Crore and Rs.3.01 Crore on dividend and tax thereon, respectively (inclusive of surcharge and education cess).

5. DIRECTORS' RESPONSIBILITY STATEMENT:

As required under Section 217(2AA) of the Companies Act, 1956, your Directors confirm having:

- followed in the preparation of the Annual Accounts, the applicable accounting standards with proper explanation relating to material departures, if any;
- selected such accounting policies and 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 of your Company for that period;
- taken proper and sufficient care 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; and

- prepared the annual accounts on a going concern basis.

6. CORPORATE GOVERNANCE

Tata Metaliks is one of the pioneers in the Tata Group in setting high standards of Corporate Governance.

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section titled 'Corporate Governance' has been included in this Annual Report, along with the reports on 'Management Discussion and Analysis' and 'Shareholder Information'. All board members and senior management personnel have affirmed compliance with the Code of Conduct for the FY 2007-08. A Certificate from the Statutory Auditors of the Company regarding compliance of conditions and provisions of the Corporate Governance is enclosed as Annexure 'A' to this report.

7. STATUTORY DISCLOSURES

None of the Directors are disqualified under the provisions of Section 274(1)(g) of the Companies Act, 1956. The Directors have made the requisite disclosures, as required under the provisions of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

The information given under section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, as amended, is enclosed as Annexure "B" of this Report.

Statutory and other regulatory compliances in respect of the Kharagpur and the Redi plants are made separately and disclosed to the Board periodically.

8. BROWNFIELD PROJECTS - REDI PLANT

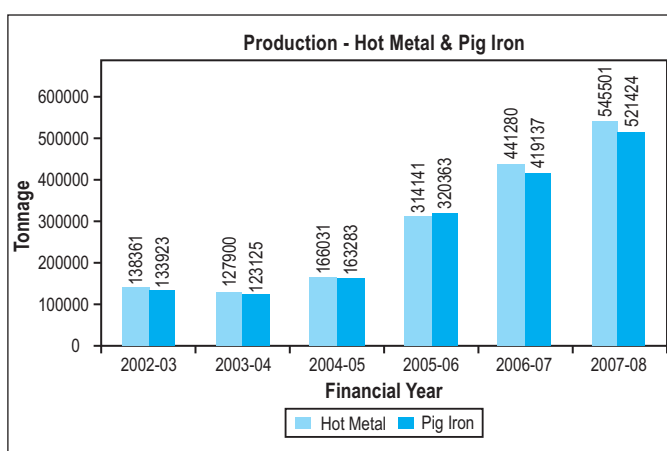
During FY 2005-06, the Company had acquired the assets of the pig iron plant at Redi, Maharashtra, of Usha Ispat Limited, under the SARFAESI Act, 2002, from the IDBI. Since its acquisition, the Redi plant has come a long way - the plant produced reasonable results, embracing the Tata culture. We have been successful in making the Redi acquisition a part of the TML family in the real sense i.e. technologically savvy and the work culture. Under the supervision of TML management, the third blast furnace at Redi became operational on 13th June 2007. With three operational blast furnaces, and one furnace operating only during the fourth quarter, the Redi unit produced 178,140 tonnes of Pig Iron during the FY 2007-08. However, since January 2008, one blast furnace at the Redi plant has been operating.

Raw material and its sourcing remain a cause of concern for the Redi plant. Without linkages and long term contracts for the resources the Redi plant is operating at zero margins and in the rising prices scenario, there is always a time lag, which comes into play as far as increase of end-use products prices are concerned, thereby eating into the margins. We have been evaluating options for altering the raw material mix by reducing coke and replacing the same with carbon alloys etc.

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9. PRODUCTION PERFORMANCE

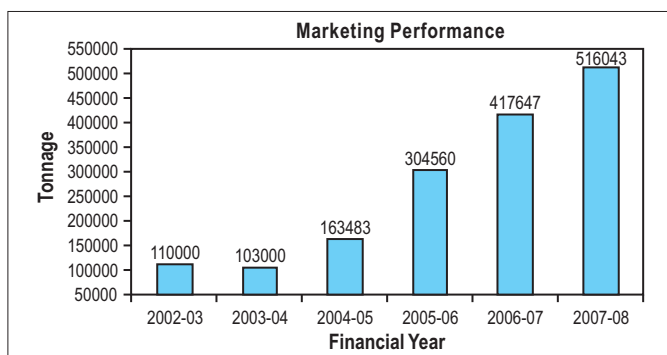
During the year ended 31st March, 2008, the Kharagpur and Redi plants produced 349,869 and 195,632 tonnes of hot metal respectively. During the FY 2007-08, the production of Pig Iron at the Kharagpur and Redi plants was 343,284 tonnes and 178,140 tonnes respectively. The production of hot metal and pig iron for the last few years is shown in the figure below :



As for the plant performance, Kharagpur Unit is ^100% in compliance with the Annual Business Plan (ABP) on all major operational parameters.

10. MARKETING PERFORMANCE

During the FY 2007-08, the Company sold 516,043 tonnes of pig iron as compared to 417,647 tonnes in 2006-07. The sales figures for the past six years have been represented graphically below :



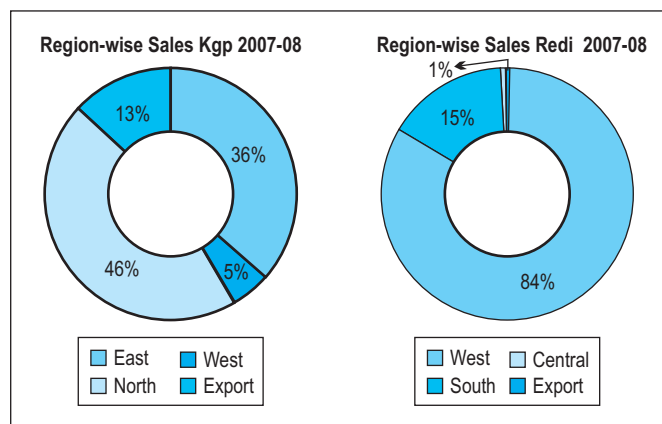
The Company was able to partly mitigate the effects of rising cost of raw materials and the average net realisation (NR) enhanced to a great extent. The rising raw material prices had also affected the smaller players, who had to scale down production, if not close down

altogether. This void created in the market place was captured advantageously by your Company. The Company had acted promptly on the findings of an independent Customers' Satisfaction Survey (CSS) conducted during FY 2006-07, the results of which have started showing during FY 2007-08.

Performance : domestic market

The overall market share enjoyed by the Company during FY 2007-08 was 14% during H1 and 15% during H2. Generally, the Redi plant of the Company catered to the market in the West and South significantly. This helped the Company establish itself in the Western Indian market. 84% of the pig iron sold from Redi was for the West, while South India accounted for 15%. With a sale of 178,482 MT of pig iron, the Redi unit achieved a turnover of Rs.421.58 Crore.

The Kharagpur plant sold 337,561 MT of pig iron in the domestic and export market, out of which almost 36% and 46% respectively were for the East and the North Indian markets and 13% was for the export market. The figure below shows the region wise sales made by the two plants. The turnover for the Kharagpur plant was Rs.763.89 Crore.



The domestic prices were mostly stable during the first half of the FY 2007-08. The same witnessed a significant surge during the later part of the year. In view of the significant price increase of raw materials, your Company had experienced a very significant cost-push effect during H2. Your Company was therefore constrained to increase the price of our Pig Iron in order to mitigate a portion of the additional cost being incurred.

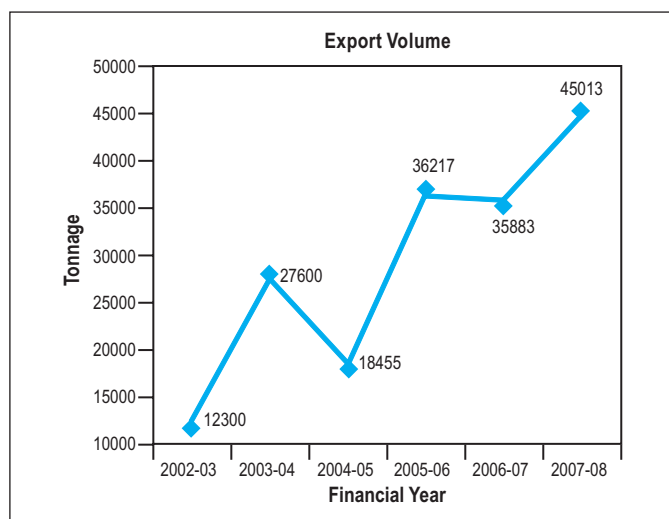
However, due to oversupply situations prevailing in the markets, there was pressure on the prices-the Company tried to fend this off using differentiators such as the Performance Solutions' Package, expand the breadth and depth of technical service, management of key accounts through customized services and several other initiatives.

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Performance : Export market

Export has been a strategic decision for your Company in order to regulate supply in the national market and protect the price levels. The price of Pig Iron in the international market has gone up by almost 7% in the third quarter in comparison to the second quarter. However your Company has not been able to improve its realisation because of the high ocean freight and appreciation of Rupee against Dollar.

Your Company is currently exporting primarily from KGP and the export volume is approximately 13% of the total sales. We continue exporting to the freight-friendly South East Asian markets and the niche markets in the Middle East. We have also enhanced our export presence in 13 countries (Bahrain, Bangladesh, China, Indonesia, Malaysia, Nepal, Philippines, Spain, South Korea, Taiwan, Thailand, U.A.E. and Vietnam) as compared to 11 during the FY 2006-07. The following figure shows the export performance of the Company, during the past few years :



11. CAPITAL INVESTMENTS

During the last year, your Company constructed a housing complex at Kharagpur at a cost of Rs.2.88 Crore for the benefit of the employees. The construction was completed during the third quarter of the FY 2007-08.

In order to insulate ourselves from the increase in the coke price, the Company has installed a coke oven plant at Redi on BOO basis. Further, to reduce logistics cost, your Company is also exploring the possibility of constructing a jetty at Redi, on BOO basis.

12. FINANCE

With specific action plans, the performance during the FY 2007-08 has been the best ever in the history of the Company. There is scope for

improvement in your Company's performance and actions are being initiated to enhance the same. The Company's gross turnover of Rs.1185 Crore was 51.64% higher than last year's turnover of Rs.781 Crore. The Profit Before Tax (PBT) was 152% higher, compared to the performance for the financial year 2006-07.

The other details of financial performance of the Company have been highlighted below :

(i) Fund Management

The Working Capital limits had to be enhanced during the FY 2007-08, owing to a significant hike in the coke/coal prices, which in turn have created an *impasse* for the operations of the Company. Further, raw material logistics cost has enhanced by 22%. Moreover, the requirement of stocking additional raw material at the Redi plant for the monsoon season required the Company to provide additional funds for Working Capital. Your Company has prepaid high-cost debt of Rs.25 Crore, out of internal accruals. Your Company has also made regular repayments and the present debt equity ratio of the Company stands at 0.42 : 1. The debt position of the Company stood at Rs.81 Crore in FY 2007-08.

(ii) Treasury Operations

During the FY 2007-08, the forex markets remained volatile with the rupee appreciating significantly against the dollar. During the year the Company's treasury operations continued to remain focussed on proactively managing temporarily available surplus cash and forex exposure within a well-defined risk management framework. However, there was no overdraft as at the close of the year.

As a part of the defined treasury policy, your Company has been using the hedging mechanism through forward contracts for insulating itself against forex risks. Liquid funds are invested in fixed deposit at competitive rates which leads to lowering of interest costs on borrowing after setting off interest income. Currently, short term surplus is being parked at the interest rate ranging from 8% to 8.25%. The Company has also been exploring the possibilities of availing the "Channel Financing" facility for selected customers, which is likely to be introduced during FY 2008-09.

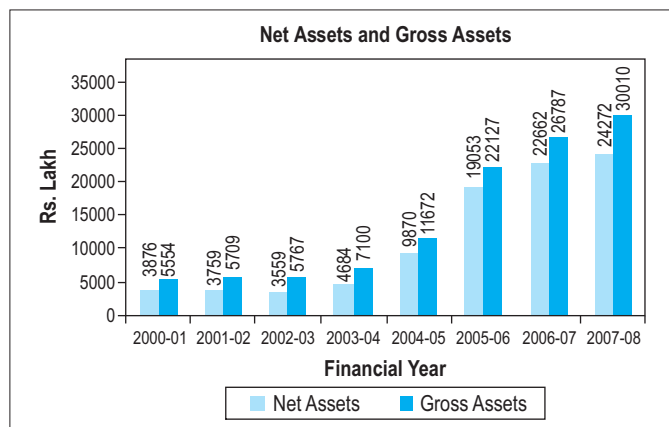
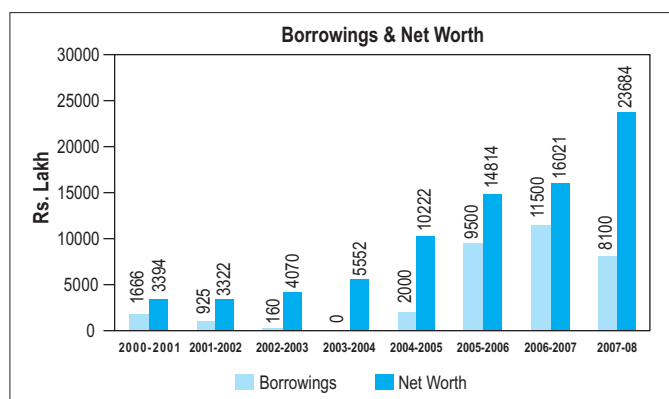
The sources of risks due to forex fluctuation, for the Company are mainly three, namely :

- Transaction Exposure - This risk is arising due to the fluctuations in the exchange rates when the trading transactions take place in the normal course of international trade like importation of raw materials, primarily coal and coke.
- Translation Exposure - The monetary assets and liabilities

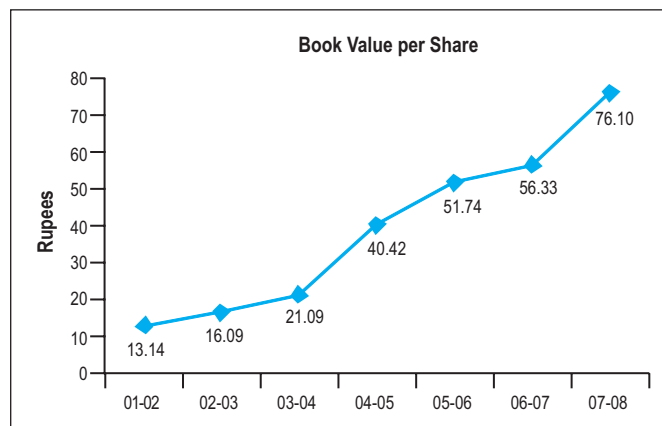
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related to foreign currency transactions remaining unsettled at the year-end are translated at FY year closing import bill rates. The fluctuation has an impact on the performance, or on the value of current assets and liabilities of the Company.

- **Economic Exposure** - The movement of FOREX rates can impact the pricing of the goods produced meant for export. The movement does not have a direct impact but influences the price of goods sold which affects the financial performance of the Company.



The net worth of the Company has gone up during the FY 2007-08. Net Worth has increased following enhanced reserves and surplus base. Both gross assets and net assets of the Company have also grown. For the FY 2007-08, the Book Value per Share of the Company has gone up to Rs.76.10 from Rs.56.33 per share of FY 2006-07. However, the impact of deferred taxation has not been considered while computing the Book Value per Share.



The Company has adopted IFRS and the audit for the year 2006-07 is on.

(iii) Economic Value Added (EVA)

The FY 2007-08 has been yet another year of positive EVA for the Company. This year, the Company has achieved an EVA of Rs. 59.75 Crore, up from the EVA figure of Rs. 19.24 Crore by 211%. This enhancement has been mainly on account of higher production, higher sales and the resultant higher NOPAT for the Company.

13. FIXED DEPOSITS

During the year under review, your Company has not accepted any deposit under Section 58A of the Companies Act, 1956, read with Companies (Acceptance of Deposits) Rules, 1975.

14. INVESTOR SERVICES

The investor service facility of the Company is devoted to the betterment of the services being provided to the dedicated investors in the Company. This facility strives continuously to improve its high quality services through constant upgradation of its infrastructure and systems.

The Company has launched a special investor service drive by creating web-enabled service for the investors, wherein the investors can log-in, post their complaints, and view their complaint status. Through the electronic messaging facility, the investors can directly lodge their complaints to the Compliance Officer of the Company on subhasis.dey@tatametaliks.co.in. Official news releases are also displayed on the Company's website as well as on the Company intranet. It is also published in one/ two newspapers (one is in English and other one in the vernacular language of the State) that enjoy wide circulation in the State where the registered office of the Company is situated.

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15. AVAILABILITY OF INFORMATION ON ELECTRONIC DATA INFORMATION FILING AND RETRIEVAL SYSTEM (EDIFAR)

Pursuant to Clause 51 of the Listing Agreement with the Stock Exchanges, the Company has been filing its quarterly shareholding pattern and audited financial statements at the end of each quarter, Annual Report along with the Balance Sheet, Profit and Loss Account and Corporate Governance Report on the EDIFAR system maintained by SEBI in the manner and format and ahead of the deadline specified by SEBI.

Under a new filing system rolled out by SEBI [Cause 52 of listing agreements - Corporate Filing and Dissemination System (CFDS)], the corporate disclosures shall be submitted on a newly launched portal www.corpfiling.co.in or on such other portal as may be specified by the Stock Exchanges from time to time to take care of exigencies, if any. However, this system will be rolled out in phases and to start with, this system will be made applicable only to 100 companies across India. Currently this system is not applicable to Tata Metaliks Limited.

16. HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS

Your Company's recent foray in multi-business model context poses unique challenges for the Human Resources' function. Over the years, the Company has fashioned Human Resource Management Systems and processes that aim at creating a responsive, customer-centric and market-focussed culture that enhances organisational capability and vitality. These systems and processes, operating in an enabling and empowering work environment, support winning performances. As always, the emphasis has been on defining performance parameters more accurately and monitoring the same through continuous performance monitoring systems. In addition, there was renewed emphasis on training and enhanced communication, leading to continuous upgradation of both knowledge and skill sets, of the employees.

The Company's ability to align employees with its shared vision and over-reaching purpose continues to facilitate the attraction and retention of quality talent in a buoyant market. The collaborative spirit of partnership and fellowship all across the organisation has resulted in significant enhancement in quality and productivity, whilst enhancing the quality of life of its employees.

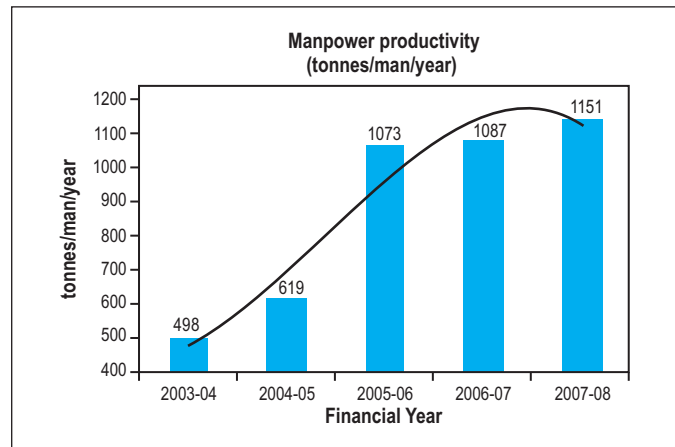
Training:

Empowering employees with growth opportunities through constant training and skill enhancement was the thrust of the human resource activities for the year. Learned IIT faculty were brought into TML classrooms at the Kharagpur Plant to impart valuable training to the workers and other employees at TML, Kharagpur. This was in addition to the continuing initiative of tapping from the knowledge resources of

Tata Steel on a regular basis. ISO systems, TPM practices, TBEM basics were installed at Redi unit. TML provided 10 external assessors for the TBEM assessment to TQMS thus providing opportunity to the assessors to learn the best business practices followed by the companies being assessed.

Man-days of specialized training provided during the year were 1059 as against 987 last year. During the current year, the training investment per man-day of training was Rs. 1765 as against Rs.866 last year. Value addition per employee remained steady and employee cost per tonne of hot metal continued to dip giving us that critical leeway for making adjustments in compensation. The company has in place well-established Performance Management Systems and the Talent Review mechanisms for providing due recognition to the performance of the employees and rewarding them suitably.

Employee productivity at the Kharagpur Unit continued its upward trend since last year though the Furnace availability loss due to relining shutdown dampened the overall production. The enhanced manpower productivity for the FY 2007-08 went to 1151 t/m/y, up from 1087 t/m/y for the FY 2006-07.



In the Redi plant, among some of the novel areas of practice, an employee satisfaction survey was conducted and also an inter-departmental MOU system was implemented. Besides, SCOPE was also introduced at the plant. Employee training was also equally emphasized and the following trainings were imparted to the employees:

Category	Total No	2006-07	2007-08
Sr. Associate	70	2976	3200
Associate	137	1184	1400
Workers	254	1026	1270

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Learning & improvements were regularly measured. After providing training, examinations are conducted and unsatisfactory performers are put on retraining.

Job rotation was also undertaken to demonstrate maturity on organisational talent capabilities to take up new roles and challenges. Similar efforts have been launched to improve the qualification and skill mix of Redi employees. As against separation of 22 employees, 37 new employees joined at Kharagpur. The Company had 728 people on rolls as on 31.03.2008 - 424 at the Redi unit and 304 at Kharagpur, Head Office and branch offices taken together. Industrial Relations have continued to be congenial and conducive to uninterrupted production at both the production units and there were no man-days lost due to any kind of unrest.

Among the efforts undertaken at the Redi plant, the following are noteworthy:

- 1) Weekly Knowledge Sharing and Knowledge "Manthan"
- 2) Formation of 24 Cross-Functional Teams
- 3) Business Excellence Awareness and practices
- 4) Teams formed to prepare their own departmental process and bringing improvements.
- 5) Jishu Hozen - Team formed to attend daily programmes at plant.
- 6) Root Cause Analyses conducted and corrective actions implemented.
- 7) 26 BELP Leaders identified for bringing in Business Excellence.
- 8) Celebration of "Safety Week"
- 9) Regular publication of "Jagruti" - quarterly magazine to showcase the happenings at Redi plant. The magazine also conducted Essay competition for family members of employees. Besides communicating the TATA culture and creating awareness about your Company's vision and values, the magazine also published views put forth by employees and good performances were always appreciated.
- 10) Company-wide initiatives such as TBEM/TPM/Jishu Hozen programs were organized to create "Engaged Employees".

The Redi plant systems achieved prestigious ISO 9001:2000 and ISO 14001:2004 certifications and the NABL Certification for ISO : 17025. Thus as a collective amalgam of all these activities, your Company continues to attract the best of talents in the job market.

17. CORPORATE SOCIAL RESPONSIBILITY

The philosophy and practice of sustainability and business ethics has been a matter of abiding interest and faith to your Company. Your Company has always seen its interests as inseparable from that of the community as it draws sustenance and inspiration from the values of the Tata Group.

Your Company, because of its proximity to rural area is actively involved in upliftment of the population by focusing on education, environment and healthcare. They have successfully undertaken

projects that have proved to be sustainable in the longer run; both at Kharagpur and Redi. Some such projects were health checkups, gynaecological check-up camps and nutritional surveys for people in the community in general, medical camps for contract labours, self employment generation programmes etc. TML has also focused its resources on education by investing in laboratories in the schools located nearby.

The formation of "Sadbhavana Trust" will give further impetus to the various community development schemes that the Organization plans to undertake in various villages in and around both its plants at Kharagpur and Redi.

Over the years, TML has emerged as a progressive corporate citizen, aligned with the Triple Bottom-line approach, through a compliance with the following:

- The Global Reporting Initiative (GRI), which evaluates corporate performance in a holistic manner.
- The UN Global Compact which comprises ten forward-looking principles related to labour, human rights, environment and anti-corruption etc.
- The Tata Index for Sustainable Human Development, which quantifies our efforts towards community initiatives on an annual basis.

A few examples that make us feel that our approach is properly aligned is exemplified by the following :

- projects undertaken in the rural areas for empowerment of women,
- fuel conservation,
- waste management and
- disaster management.

A project at Kharagpur, meant to provide regular employment (through pot-making training) to women has been one more of such success stories. We continue our journey towards excellence; however for us it is more inclusive than exclusive.

18. GLOBAL REPORTING INDEX (GRI) INITIATIVES

Tata Metaliks has been reporting for the last four years, on its corporate social responsibility practices focusing on how it plans to address the needs of all the stakeholders. The Company has also embarked upon a new initiative to further reinforce its commitment to "improving the quality of life of communities we serve", by adopting the GRI Framework for Corporate Sustainability Reporting. TML's Corporate Sustainability Report is acclaimed as the benchmark for other companies in the Tata Group. The Company has been following the recently introduced G3 guideline this year in its Corporate Sustainability Report and its assurance processes. M/s PriceWaterhouse Coopers has been conducting the assurance process for the Company's Corporate Sustainability Initiatives and reports thereon during the past few years.

DIRECTORS' REPORT (Contd.)

19. AFFIRMATIVE ACTIONS

The Company has in place a Code of Conduct on Affirmative Actions and has been following the same in its business practices. The proactive actions of the Company are also being reported to the Board on a quarterly basis. The percentage of SC/ST employees at Kharagpur is miniscule. The location of the Redi plant is surrounded by OBC. Hence, the total percentage of OBC, SC and ST employees would be over 35.85% at Redi.

20. CLEAN DEVELOPMENT MECHANISM (CDM)

Clean Development Mechanism (CDM) is a new scheme available under the Kyoto Protocol, which is formulated by the United Nation Framework Convention of Climate Change (UNFCCC), the nodal body of the worldwide climatic change mitigation activities.

TML being a conscious corporate citizen, has initiated all necessary actions towards abatement of GHG emissions through the implementation of such energy efficiency improvement schemes and hence give priority to the approval of HBS implementation project in light of its associated environmental benefits and additional financial incentive available under the CDM - Kyoto Protocol. On June 4, 2007, TML has received the Host Country Approval from the Ministry of Environment & Forests, Government of India. M/s Ernst & Young is also helping the Company to fulfill and comply with the various requirements in the project.

21. TATA BUSINESS EXCELLENCE MODEL (TBEM)

TML has won the prestigious JRD QV award for the year 2006-07. In a glitzy award evening on 29th July 2007, Mr. Ratan Tata handed over the award to Mr. Harsh K Jha, Managing Director, and Mr. S Shyam, CQH, who accepted the award on behalf of the entire TML family. The Company has also been adorned with the Highest Delta Award, for having earned a 50+ points' enhancement in the score band of 500-600 in one year.

22. DIRECTORS

On 12th October 2007, Mr. M V Rao has been appointed as a Director of the Company in his capacity as the Managing Director (and hence a nominee) of the West Bengal Industrial Development Corporation Limited. He has replaced Mr. Debashish Som, the erstwhile Managing Director of WBIDC.

Dr T. Mukherjee, erstwhile Chairman stepped down as the Chairman of the Board and a Director on the Board of Directors of your Company, with effect from 11th January 2008, owing to his pre-occupations and greater involvement with the operations of Corus Steel. Thereafter, Mr. Mr. H M Nerurkar, Chief Operating Officer (Tata Steel), has been appointed the Chairman of the Board.

Mr. VSN Murty, CFC - Tata Steel, has been appointed Additional Director by the Board of Directors with effect from 28th March, 2008. Mr. Murty has more than 30 years of experience.

Mr. Ashok Kumar, Mr Ajoy Roy and Mr. M V Rao, are liable to retire by rotation in accordance with Section 256 of the Companies act 1956 and

Article 110 of the Articles of Association of the Company and being eligible, offer themselves for re-appointment.

23. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information on conservation of energy, technology absorption and foreign exchange earnings and outgo as per Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is appended as Annexure "B" of this Report.

24. EMPLOYEES

The statement of particulars of employees as required under section 217(2A) of the Companies Act 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, is appended herewith as Annexure "C".

25. AUDITORS

The Auditors, M/s Deloitte, Haskins & Sells, Chartered Accountants, retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

26. CONSOLIDATED FINANCIAL STATEMENTS

In accordance with Accounting Standard 21 - Consolidated Financial Statements, Accounts of Tata Metaliks Kubota Pipes Limited (TMKPL) form a part of this Report & Accounts. This consolidated financial statement has been prepared on the basis of audited financial statements received from subsidiary company, as approved by their Board.

Since the commercial production of TMKPL has not yet commenced, the revenue of TMKPL has not contributed to TML's revenue. TMKPL has an issued share capital of Rs.15 Crore, out of which your Company has contributed 51% share i.e. Rs.7.65 Crore. Accumulated expense charged to the revenue account of TMKPL is Rs.1.02 Crore, 51% of which is absorbed by TML.

27. A NOTE OF APPRECIATION

The Directors wish to place on record their appreciation for their continued support and co-operation by Financial Institutions, Banks, Government authorities and other stakeholders. Your Directors also acknowledge the support extended by the Company's Trade Unions and all the employees for their dedicated service.

The Directors also thank the Government of India and the Governments of various countries, the concerned State Governments and other Government Departments and Governmental Agencies for their co-operation. The Directors appreciate and value the contributions made by every member of the TML family. Propelled by your Company's strong vision and powered by internal vitality, your Directors look forward to the future with confidence.

On Behalf of the Board of Directors

Kolkata
26th April, 2008

Mr. H M Nerurkar
Chairman



ANNEXURE 'B' TO THE DIRECTORS' REPORT

**To the Members of
Tata Metaliks Limited,**

We have examined the compliance of conditions of Corporate Governance by Tata Metaliks Limited, for the year ended on 31st March, 2008, 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 of the conditions of the certificate of 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, 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 abovementioned Listing Agreement.

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

For **Deloitte Haskins & Sells**
Chartered Accountants

A.S. Varma
Partner
Membership No. 15458

Place : Kolkata
Date : 26th April, 2008

ANNEXURE 'A' TO THE DIRECTORS' REPORT

PATICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988

A) CONSERVATION OF ENERGY

The Plant incorporates the latest technology for the conservation of energy. Particulars with respect to conservation of Energy are given in Form-A enclosed.

B) TECHNOLOGY ABSORPTION

Particulars with respect to Technology Absorption are given in Form-B enclosed.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

	2007-08 Rs. Lakhs	2006-07 Rs. Lakhs
EARNINGS		
Export of pig iron through export house, sale proceeds having been/to be realized in Rupees	7,789	5,445
OUTGO		
CIF Value of Imports	37,711	24,813
Travelling abroad	13	15
Consultancy fees on Capital Account	NIL	NIL
Others	19	8

ANNEXURE 'B' TO THE DIRECTORS' REPORT (Contd.)

FORM - A

Form for disclosure of particulars with respect to conservation of energy

	2007-08	2006-07
A) POWER AND FUEL CONSUMPTION		
1) Electricity		
a) Purchased		
Units (Lakh KWH)	72.09	10.87
Total amount (Rs. in Lacs)	461.34	111.97
Cost/Units (Lakh KWH)	6.40	10.30
b) Own Generation		
(i) Through diesel generation		
Units (Lakh KWH)	23.306	10.243
Units per ltr of High Speed Diesel (KWH)	3.19	2.13
Cost/Unit (Rs/KWH)	8.91	12.34
(ii) Thorough steam turbine / generator		
Units (Lakh KWH)	815.48	811.21
Units per ltr of Petroleum Oil (KWH)	63.26	99.09
Cost/Unit (Rs/KWH)	0.42	0.29
2) Coal	NIL	NIL
3) Furnace Oil	NIL	NIL
4) Light Diesel Oil		
Quantity (K.ltrs)	NIL	NIL
Total amount (Rs.Lakhs)	NIL	NIL
Average rate (Rs./K.ltrs.)	NIL	NIL
5) High Speed Diesel Oil		
Quantity (K.ltrs)	1,346.132	768.265
Total amount (Rs.Lakhs)	376.76	201.01
Average rate (Rs./K.ltrs.)	27,988	26,164
B) CONSUMPTION PER UNIT OF PRODUCTION PER TONNE OF PIG IRON		
Electricity (KWH)	174.69	198.58
Coal	—	—
Others :		
Light Diesel/Furnace Oil (Litres)	—	—
High Speed Diesel Oil (Litres)	2.58	2.03
Notes :		
PH Consumption of HSD (KL)	730.040	481.564
PH Consumption of LDO(KL)	1,289.186	818.642
Cost of HSD (Rs.)	20,767,919	12,639,299
Cost of LDO (Rs.)	34,074,932	23,123,443
Pig Iron Production (Mt.)	521,424	419,137

ANNEXURE 'B' TO THE DIRECTORS' REPORT (Contd.)

FORM B

Form for disclosure of particulars with respect to Technology Absorption: 2007-08

RESEARCH AND DEVELOPMENT (R & D)

- | | |
|--|-----|
| 1. Specific areas which R & D carried out by the Company | NIL |
| 2. Benefits derived as a result of the above R & D | NIL |
| 3. Future plan of action | NIL |
| 4. Expenditure on R & D | NIL |
| a) Capital | |
| b) Recurring | |
| c) Total | |

Total R & D expenditure as a percentage of total number. NIL

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- | | |
|---|-----|
| 1. Efforts, in brief, made towards absorption, adaptation and innovation | NIL |
| 2. Benefits derived as a result of the above efforts, e.g. product, improvement, cost reduction, product developments, import substitution etc. | NIL |
| 3. In case of imported technology (imported during last 5 years reckoned from the beginning of the financial year) Following information may be furnished | NIL |
| a) Technology imported | |
| b) Year of import | |
| c) Has technology been fully absorbed, areas where this has not taken place? | |
| d) If not fully absorbed, areas where this has not taken place reasons therefore and future plans of action. | |

ANNEXURE 'C' TO THE DIRECTORS' REPORT

STATEMENT PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956 AND THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975

Name & Qualification	Age in Years	Designation	Date of Employment	Gross Remuneration (Rs in Lacs)	Experience (No of Years)	Last Employments
Mr Harsh K Jha B.Sc (Engg.) (Mech.) PGDBM, XLRI	58	Managing Director	01.09.2000	74.48	33	Executive-in Charge Bearings Division, Kharagpur The Tata Iron & Steel Co. Ltd.

Notes:

- Gross remuneration comprises salary, allowance, monetary value of perquisites, performance-linked remuneration and the company's contribution to the Provident, Gratuity and Superannuation Funds.
- The nature of employment is contractual.
- The employee mentioned above is not a relative of any director of the Company.

On behalf of the Board of Directors

Kolkata
26th April, 2008

Mr. H. M. Nerurkar
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

I) INDUSTRY STRUCTURE AND DEVELOPMENTS

i) Business Review

(a) Global Economy

In 2007, the global economy enjoyed one of its strongest periods of growth, with economic growth in real terms accelerating greatly. This was primarily due to the continuation of strong growth in developing and emerging economies.

Based on this buoyant growth, the global pig iron market has also looked up during the past year. However, the global pig iron market has been affected by over-supply, with the effect being visible on the price-commanding capabilities of the players, following the basic tenets of market economics.

Global Pig Iron Market - An Overview

The global crude steel output and pig iron output for 2004-2010 (projected) are given below :

Global Steel & Pig Iron Scenario

(Million tonnes)

Particulars	2004	2005	2006	2008	2010 (projection)
Crude Steel production	1069	1147	1250.2	1350	1490
(Chinese Crude Steel production)	(280.5)	(355.8)	422.7	(425)	(550)
Pig Iron production	724	785	872	950	1080
(Chinese output)	(257)	(337)	(404)	(435)	(515)

[Source : IISI, www.steelonthenet.com, World Coal Institute, JPC]

The global steel industry, for which pig iron is a basic raw material, continues to grow at an impressive rate. The demonstrated CAGR is almost 7% during 2004 to 2007 [Source : CISA, other industry sources, BHP Billiton]. The Chinese industry accounted for most part of the growth in the world iron and steel industry. Prompted by the growth in the global steel industry, the world pig iron production has also picked up considerably from a sluggish 0.4% p.a. till 2000 to 6.5% p.a. during 2000 to 2005. [Source : CISA, other industry sources, BHP Billiton].

The rising cost of the raw materials, especially coke and iron ore remained the most worrying factors for the operations of the Pig Iron industry. Chinese Inflation and US sub-prime crisis are other worrying factors. Coupled with this are the rising fuel prices. Consumer sentiments are at an all time low. IMF, World Bank and other similar bodies are predicting that global growth is to decelerate amid rising financial risks. In the recently released World Economic Outlook report, the IMF has lowered its 2008 global economic growth forecast to 4.8% from 5.2%, it projected just a few months back [Source : Steel Insights, October 2007]. The greatest threat to the world economy at this moment is the financial market unrest, stemming from the high-risk US sub-prime mortgage sector. This crisis has had a trickle-down effect on all the other sectors of the world and local economies.

(b) Indian Economy

The Indian economy witnessed robust growth in FY 2007-08. India's

GDP grew by about 8.7%. The Economic Survey 2007-08 released by the Ministry of Finance, Government of India is confident of achieving an average growth rate of 9% during the Eleventh Plan Period (2007-12). During 2007-08, the size of Indian economy at the market exchange rate crossed USD 1 trillion. Per capita income nominal exchange rate was estimated at USD 1,021.

The average growth rate of 8.7% during the Tenth Plan period (2002-07), was the highest as compared to any other plan period. Manufacturing, construction and communication were the leading sectors in the acceleration of growth during the Tenth Plan period with transport and communication services being the fastest averaging 15.3% per annum. There was a sharp acceleration in the growth of manufacturing from 3.3% during the Ninth Five Year Plan to 8.6% during the Tenth Five Year Plan. The average growth of manufacturing for the 5 years ending 2007-08 is expected to be about 9.1%. Private corporate sector investment, in particular, showed remarkable improvement - from 5.4% of GDP in 2001-02 to 14.5% in FY2006-07 - on account of capital expenditure boom, a trend which the Survey sees as continuing.

Inflation as measured by the Wholesale Price Index, rose from 4.4% in 2005-06 to 5.4% in 2006-07 and almost returned to the 2005-06 rates for the full year 2007-08. Fuel and power have witnessed an increase in prices in recent months. An increase in the prices of coal and crude oil

MANAGEMENT DISCUSSION AND ANALYSIS

has been the major constituent of inflation. This price hike in coal has in turn cast an effect in the pig iron manufacturing industry, whereby the input prices have been affected.

(c) Business Review in context of Indian Economy

In the last 5 years in the Economic and Corporate History of India, the GDP has gained more than 1.5 times in a short span of just 5 years. Pitted against a robust world pig iron industry backdrop, the Indian pig iron industry is also poised to perform satisfactorily. The growth of this industry is attributable to the growth of other industries and with GDP expected to grow at 7.5% - 8%, the end-use segment like automobiles, pipes, engineering and construction will continue to drive the demand for this.

Domestic Pig Iron Production during 2007 - 08 ('000 tonnes)

Indian Pig Iron Production	2006 - 07	2007 - 08
Main Producers	820	910
Other Producers	4133	4350
Total	4953	5260
Imports	3	10
Exports	707	560
Availability	4249	4710
Apparent Consumption	4336	4650

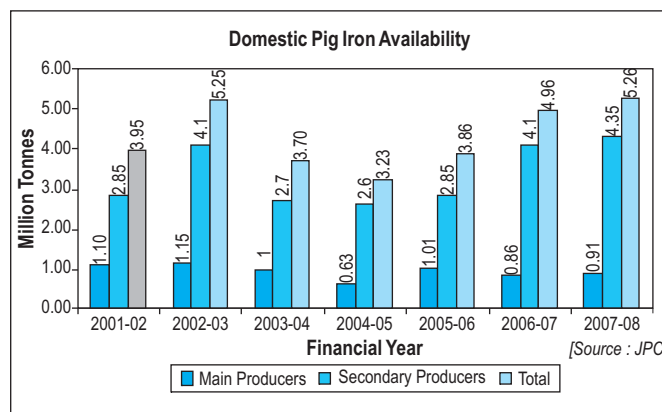
[Source : JPC]

The domestic pig iron production, both Basic and Foundry Grade, stood at 5.26 Mn tonnes in 2007-08. Presently, there is an oversupply in the pig iron industry locally, especially in the eastern region, where a lot of transitory players have started producing pig iron on course of setting up their steel plants. This would get moderated and we would see a balance in the demand-supply going forward.

For India, the 11th Plan period has projected a demand of pig iron in the range of 5.2 to 5.5 MT. However, supply is projected to be greater than the demand, thus creating a downward pressure on the realisations that the Company is likely to command in the marketplace.

However, there is an opportunity as well as a requirement for the pig iron manufacturer to offer customised foundry grades of pig iron to meet the specific end-use requirements of its customers. TML, with 5 operational MBF's, has the flexibility to produce different grades of pig iron. This has enabled the Company to create effective differentiators and a niche market for itself.

Tata Metaliks Limited - the largest foundry grade pig iron manufacturer, has concluded yet another successful year. The financial performance backed by a satisfactory production and marketing performance, has resulted in the best ever year for the Company.



During the FY07-08, the Company

- produced 521,424 tonnes of Pig Iron, an increase of 24.5% over the last year figures of 419,138 tonnes of Pig Iron production
- despatched 516,043 tonnes, a 24% increase over the last year's despatch of 417,648 tonnes of Pig Iron despatch.

The enhancement in production is mainly attributable to the better capacity utilisation. The Company aims to reach even higher targets during the coming years.

II. OPPORTUNITIES AND THREATS

Opportunities

In the past, the Company has been facing serious concerns over raw materials - both supply and price-wise. The raw material prices have witnessed a steep northward movement during the recent past and as a result the profitability of the Company has taken a hit. To mitigate the risk of raw material price hike and subsequent difficulty in bottomline, the Company has sought to adapt to the avenue of value-addition and in the past one year, the Company has ventured into many new areas of activities, which were being contemplated for quite some time now.

During the last fiscal, the Company has forayed into the area of DI Pipe manufacturing. It has entered into a joint venture with M/s Kubota Corporation of Japan and M/s Metal One of Japan and set up the JV company - Tata Metaliks Kubota Pipes Limited. The Company would start manufacturing from the fourth quarter of the 08-09 fiscal. The DI Pipe industry is growing at a CAGR of almost 15% to 18%. This growth rate would enable the Company to leverage the opportunity that exists in the market.

The Company is also actively eyeing to enter the castings business area. For last one & half years, our offerings have helped improve the value chain of the casting process in many ways:

- Supply of Customized grades of Pig Iron to reduce inoculation costs & time.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

- Performance solution package: Pig Iron, coke, Lime & related foundry materials.
- Technical services to improve operational excellence.

The CAGR of the Iron castings industry from 2004 till date has been almost 27% and this has all the more fuelled the Company's desire to enter into this industry. Within a period of 1.5 years, TML migrated from low end ballast weight casting to high end casting like crank case casting through the virtual casting model and thus we have cast confidence in the market. In the foreseeable future, we would be examining the option of entering into steel business, mineral and mining business etc.

As the old adage goes, behind every threat there is an opportunity. The raw material crunch that the Company faces has propelled it to go for backward integration and seek mining leases in the various states of the country. With the rapid growth of the steel capacities in the country the future portends a scarcity of raw materials like iron ore and coal, leading to a hardening of input prices. To insulate ourselves from this we have embarked on an acquisition plan for iron and coal blocks. This strategy will deliver a host of advantages :

- Reduction in input costs leading to a leaner bottom line
- Insulation from cyclical fluctuations in the demand for steel
- Independence from external inputs, assuring raw material security.

TML has made applications to various states for iron ore, coking coal and manganese ore mines and such applications are in various stages of consideration with the respective state governments.

Threats

The sources of possible threats for the company are the basic inputs into the production process which, by their very nature are non-renewable. The sources of water at the two production sites of the Company are also causes for some concern for the Company, since the production process of Pig Iron requires a lot of water too.

Another possible source of threat for the Company is the reduction of Hot Metal available to it for sale (in the form of Pig Iron) due to transfer of Hot Metal for the manufacturing process of the newly set-up DI Pipe project. This might reduce a part of the Hot Metal available to the Company for sale in the market, unless the enhanced production is able to meet the aforesaid shortfall.

III. SEGMENTWISE OR PRODUCT-WISE PERFORMANCE

Domestic Market

The domestic sales of the Company saw a significant take-off as compared to the last year. We despatched 516,043 tonnes as compared to 417,647 tonnes of Pig Iron during 2006-07. All through the year, TML continued to dominate in the Eastern and Northern Indian markets. The price level of pig iron in the last 3 months has gone up by

approx. 22.5%. We expect the price to hold and improve further in the H1 of 08-09 on account of the following:

1. Significant price increase of HMS price globally means that basic grade pig iron availability will be low and price will be high. It will push up the price of Foundry Grade PI as well;
2. Weakening of Rupees w.r.t. US\$ has reversed the trend of the last 8-10 months. The cost of imported coal/coke has been impacted by the exchange rate, vis-à-vis availability due to declaring *force majeure* by the so-called long term suppliers;
3. Non-availability of coal in the world market has pushed many manufacturers in the Eastern and Western part of the country to curtail production significantly, which had resulted in low supply of Pig iron in the market.

Export Market

The exports' despatch of the Company for the FY 2007-08 was higher as compared to the FY 2006-07. However, due to the rupee appreciation and higher ocean freight, the export realisation had suffered. Export continued to remain a strategic option to regulate supply in the national market. We are, currently, exporting only from Kharagpur and our export volume is 13% approx. and our export footprint has enhanced from 11 countries during 2006-07 to 13 countries in 2007-08.

Our value proposition to our customers continues to be to supply more and more customized grades based on their specific end-use requirements. The Company has lived upto its "customer-centric" reputation. The Company has created value for its customers with the following initiatives :

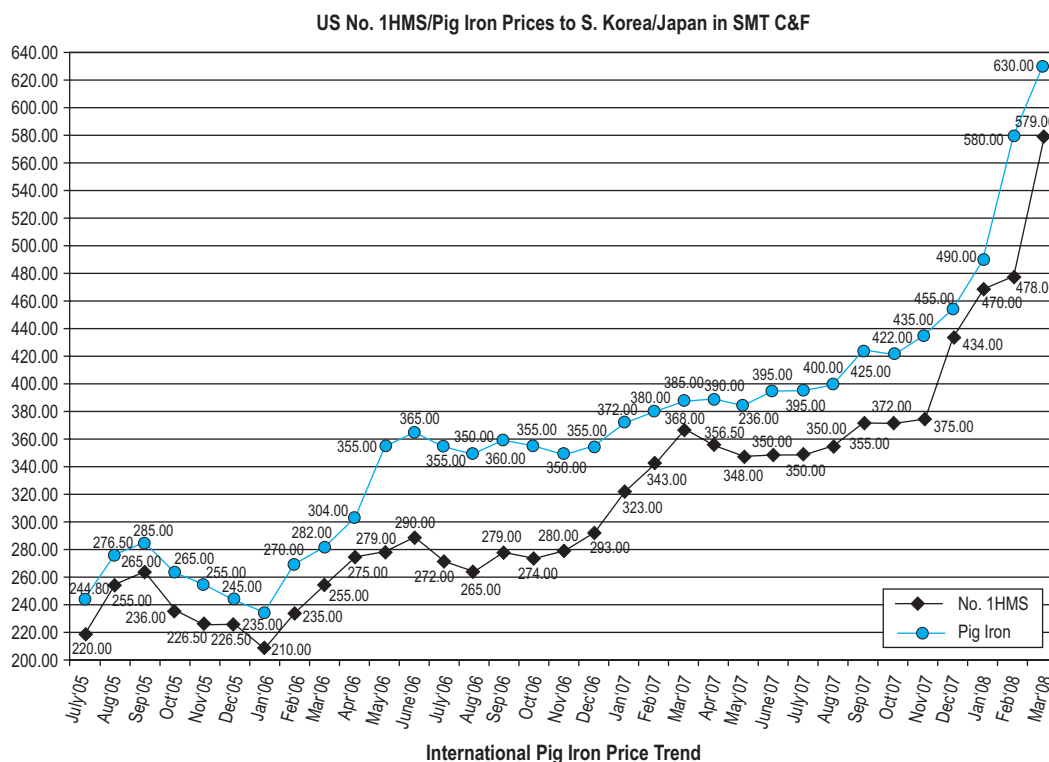
- Producing and supplying many more customized grades based on specific end-use requirements;
- Providing technical support and related services to foundries to improve their productivity, ensuring improved customer relations; and
- Becoming a "One-stop shop" for the foundry owners by providing them solutions like selection of materials and equipments, revamping/ capital updates for foundries, incremental design or upgradation of equipment and selection of material suppliers through in-house database and research facilities.

TML's "Technical Services Desk" at Howrah in Eastern part of the country, offers entire bouquet of services, handles quality related issues on pig iron and last but not the least, assimilates 'unarticulated' needs at source. All the above initiatives have led to enhanced customer satisfaction and helped the Company to reinforce its leadership in the pig iron market. During the last fiscal, the Company has initiated a customer-centricity approach "SCOPE" (Strategising for Customer Oriented Processes & Excellence)

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

IV. OUTLOOK

The Company has been progressing steadily in its growth path. The Redi plant of the Company has performed well and production system has stabilised. However, sourcing of raw material remains an area of concern for the Company and the Redi plant in particular. During the last fiscal, the third blast furnace at Redi was blown in. The combined production of the three blast furnaces at the Redi plant has enabled the company to achieve the 1000+ Crores topline. With the additional diversified product basket (with castings and DI Pipes), the Company would achieve even higher degrees of growth in the years to come.



In the international markets, pig iron prices have been going up. However, the price of the Heavy Melting Scrap, a close substitute product of pig iron, has also followed the footsteps of the pig iron prices. This has created some concern for the company.

The outlook for the operations of the Company is bright. During the last year, the following have been and will remain the areas of thrust for the Company :

- i) DI Pipe projects - To move up the value chain, TML has ventured into DI Pipe manufacturing. TML has gone for a Joint Venture with Kubota Corp., Japan to produce Ductile Iron Pipes.
- ii) Castings - The Company has seen bright future in the castings business and thus has been pursuing this with intent interest. The virtual castings model has been the central idea behind operating

this business model. It is expected that during the current financial, this business is likely to generate revenue of around Rs.30 Crore.

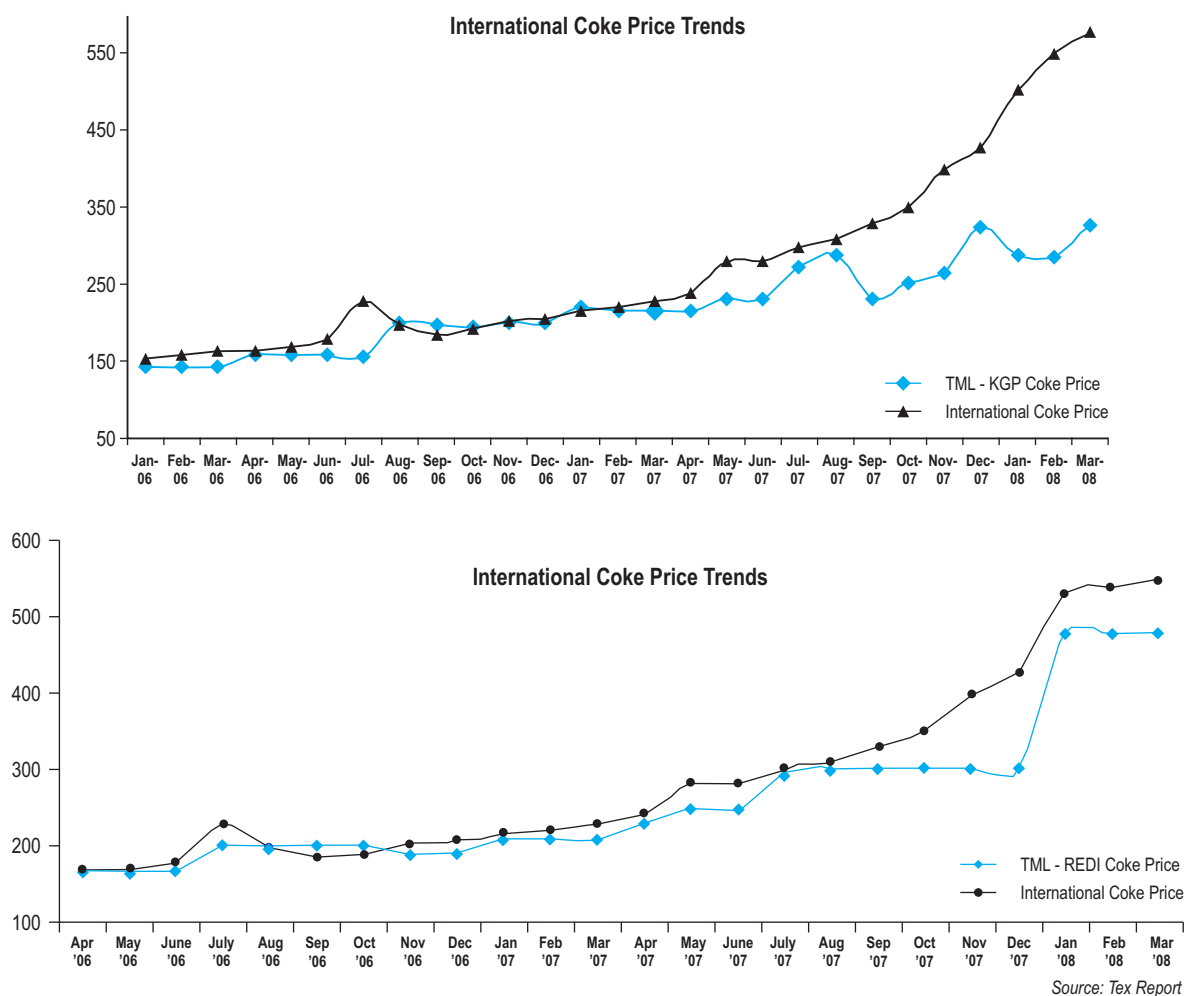
- iii) Control over raw material sources In order to secure control over a major source of anxiety for the company i.e. sustained supply of raw materials, the Company has been actively eyeing to acquire mining and prospecting leases. The applications are at various stages of processing and it is most likely that some iron ore, coal, bauxite and limestone mines would be allotted to the Company very shortly. With the allotment of these mines, the mining would be another core operation of the Company.

The combined effect of all these operations would take the Company to even greater heights in the years to come.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

V. RISKS AND CONCERNS

Coke



International coke price trends (shown in the figure above) reflect that the price has risen gradually during the last fiscal. This has been causing anxiety for the pig iron industry. The rising price of coking coal has also adversely affected the pig iron industry, a reason why Tata Metaliks has been evaluating options about altering raw material mix by reducing coke and replacing the same with other raw materials of a lower cost.

Expected Indian Coke consumption & coking coal demand projections (conservatively based on additional 50 million tonnes of steel)

(Million Tonnes)

Year	2004/05	2006/07	2011/12e
Coke consumption	21	25	60
Coking Coal Required	28	35	84
Indian Coal	8	8	9
Net Import	21	27	75

[Source : Steel Insights, November 2007]

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Coke Demand by all Segments (Million Tonnes)

Year	2004/05	2006/07
Integrated Steel Plant	12.60	13.70
Secondary Steel Sector	4.66	7.54
Foundries	3.00	3.00
Others	2.00	2.00
Total	22.26	26.24

[Source : Steel Insights, November 2007]

Imports of coke into India (Million Tonnes)

Year	Coking Coal	Coke Imports
2003-04	14.500	3.200
2004-05	16.925	2.841
2005-06	16.891	3.819
2006-07e	19.000	5.000

[Source : Steel Insights, November 2007]

The demand for Coke by the secondary steel sector in India is likely to be around 7.54 million tonnes. So the obvious question is where India will get its coking coal or coke. For coking coal we are already too dependent on Australia, which itself is facing enormous amount of congestion at the ports. A similar situation prevails for coke. Indian imports of coke from China are unlikely to witness any major increase in the current financial year, as against 5 million ton registered in the last fiscal. China, world's largest producer and consumer of coke, does not have much to spare for exports. At present they are producing around 300million tonnes but exporting only 14 million tonnes. There the ratio of steel makers with captive coke plants and those dependent on merchant coke makers is around 35 : 65.

Another major worrying factor for the Indian steel makers is the astronomically rising coking coal and coke price in the global market. The coking coal prices may shoot up further and as an obvious consequence, coke price is also likely to touch record highs. Currently, coke prices are hovering around \$570 - \$600 PMT, whereas they were around \$240 PMT during April 2007. In addition, consumers are required to pay freight, insurance and other costs.

Iron Ore

Iron ore supply is becoming a critical issue for the industry due to increase in the number of pig iron producers in the East as well as major expansion project being undertaken by the promoter company of Tata Metaliks. The Company's bottom-line is getting tapered due to purchase of iron ore at arm's length price from the promoter for the

Kharagpur unit and at market driven price from Karnataka, Goa for the Redi unit. As a result, margin is a critical issue for the Company.

For the time being, the Company is sourcing most of its iron ore requirements for its Kharagpur plant from TATA Steel at arms' length pricing policy. After acquiring the Redi plant in early 2006, the Company has had to start concentrating on the iron ore prices for sourcing the same for its Redi plant.

It is noted that the spot price for iron ore from open markets is much higher than long-term contracts which companies like NMDC enter into with the Indian companies. However, if the Company's efforts to obtain suitable iron ore mines, especially near Redi plant at Maharashtra, materialises, it would significantly impact the procurement cost and add to the bottom-line of the Company to a great extent. Moreover, the approach for holding own captive mines, would also assure a steady supply of quality ores at a competitive price. Against this backdrop and as a part of backward integration, the Company is striving hard to own captive mines in west-southern region for the Redi plant and in the eastern region for the Kharagpur plant.

Sourcing of water remains an area of anxiety for the Company, both at Redi and Kharagpur. Acquisition of land at Kharagpur is also a problem area.

I) RISK MANAGEMENT

Risk Management is a structured and disciplined approach to manage enterprise risk. The Company recognizes Risk Management as a forward looking, integrated and process oriented approach for managing all key business risks. In translating the Company's vision and mission into specific strategies, objectives and priorities, each business unit of the Company addresses opportunities and the attendant risks through an institutionalised approach that is aligned with the Company's objectives.

The Company's Risk Management process is based on the framework of the Tata Business Excellence Model (TBEM). The Risk Management process commences with the preparation of the Long Term and Annual Business Plans and managing the performance of the business in conformity to the above Plan. The Company reviews, monitors and manages risk under the following broad categories:

● Strategic Risks

The Pig Iron Industry today faces several strategic issues which include, *inter alia*, over-supply, rising raw material costs, raw material linkages and security, slender profit margins, execution of profitable growth options, technology and new product development, raising finance from global financial markets as and when required, protecting the environment and serving the community while creating value for its shareholders etc. The Company undertakes its growth projects based on the strategic plan(s) approved by the Board.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Business and Operational Risk

The Pig Iron industry is highly fragmented, unorganized and cyclical in nature. The Company has undertaken several initiatives to insulate itself from volatility in Pig Iron prices by continuously enriching its product mix and moving up the value chain and entering into long term contracts. The Company is also trying to insulate itself from the volatile raw material prices by entering into forward contracts.

The management of the Company headed by the Managing Director is responsible for managing the day-to-day affairs of the Company. All capital investment proposals are evaluated and reviewed by the senior management. The proposals are evaluated by the Board headed by the Chairman and the Managing Director. Major capital projects are also subject to post completion review for effectiveness of these investments. The Company periodically submits the status report of all major projects before the Board of Directors.

Implementation of a robust communication process across the organisation is a key element of the Risk Management process. There are various communication forums in the Company which provide a platform to the entire cross section of employees to raise and discuss various operational issues relating to the performance of the Company.

Locational Risk

During 2005-06, the Company had taken initiative to mitigate risks arising from concentration of operations at a single location in Kharagpur, West Bengal. The Company had expanded its operations, by acquiring a Pig Iron plant at Redi, Maharashtra. Further, the Company is also looking to execute green-field projects in other states with possible mineral deposits in the foreseeable future.

Financial Risk & Contingent Liabilities

Foreign Exchange and Interest Rate exposures are some of the major areas of risk for the Company. Based on an informed view and assessment of these risks, it has developed a Risk Management Policy. The Company hedged some of its transactions during the last financial year. The forex management policy of the Company is reported to the Board of Directors at regular intervals.

Details of contingent liabilities are given in Schedule L of the Notes on Balance Sheet and Profit and Loss Account.

Statutory Compliance

On obtaining confirmation from the various units of the Company of having complied with all the statutory requirements, a declaration regarding compliance with the provisions of the various statutes is made by the Managing Director at each Board Meeting. The Chief Financial Officer & Company Secretary ensures compliance with SEBI regulations and provisions of the Listing Agreement. The Tata Guidelines on Insider Trading are also complied with.

On a broader perspective, the risk parameters of the Company remain the same as indicated during the earlier years.

- ✓ **Inherent Risk** : The original risk attached to any factor without considering any existing mitigation measure or strategy instituted by the Company.
- ✓ **Residual Risk** : The resultant risk after considering the effectiveness of any existing strategy/measure/control instituted by the Company; i.e. Inherent Risk Rating minus Effectiveness of Control.
- ✓ **Target Risk** : These are the intended risk level of residual risk areas after instituting strategic action(s).

The risks are assessed and prioritised according their importance and the score awarded to each individual risk parameter. Risks related to same issue are grouped together and are classified as follows:

- High Risk (Score > 11)
 - Medium (Score 7 -11)
 - Low risk (Score < 7)
- } Based on Tata Group Guidelines

The inherent risks are reduced to residual risks after taking into account the adequacy (or otherwise) of the mitigation controls already in existence. Thereafter the Company treats the risks in the following manner:

- (a) High Risks - Mitigate/ manage through strategic initiatives at corporate level;
- (b) Medium - Mitigate / manage through strategic initiatives at corporate level or operational plan at functional level depending on relative importance;
- (c) Low - monitor or maintain through functional level plan.

An effective combination of the policies and procedures, as outlined above, adequately addresses the various risks associated with your Company's businesses. The senior management of the Company periodically reviews the risk management framework and policies of the Company to maintain its contemporariness so as to effectively address the emerging challenges in a dynamic business environment.

II) INTERNAL CONTROLS & SYSTEMS AND THEIR ADEQUACY

The Company has in place adequate internal control systems and procedures commensurate with the size and nature of its business. The system is designed in a manner to stay focused on the following objectives:

- Review of the identification and management of Risks.
- Economical acquisition of resources, efficient usage and adequately installed safeguards.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

- Efficient and effective performance of all operational and related activities;
- Significant financial, managerial and operating information is relevant, accurate, reliable and is provided timely.
- Ensuring that employees' actions are in accordance with the Company's policies, procedures, Tata Code of Conduct and applicable laws and regulations;
- Protection and enhancement of Shareholders' and other Stakeholders' wealth and welfare;
- Recognition and addressing significant legislative and regulatory provisions impacting the organisation;
- Opportunities identified during audits, for improving management control, business targets and profitability, process efficiency and the organisation's image, are communicated to the appropriate level of management.

Over the years, the System Assurance function has adopted on-going risk monitoring and frequent enterprise-wide risk assessments to embrace organizational risk management. The ongoing migration to a more risk based approach of internal audit has spawned a natural evolution with respect to the roles and responsibilities of the function and the scope of its activities.

The System Assurance function has been given the responsibility for conducting an annual ERM assessment on the basis of an expectation matrix from the senior management team. It has a robust process to update that assessment through continuous auditing of ongoing analysis of key business processes, revisiting organizational risk matrix and reviewing status of strategic initiatives. The Audit Committee is also periodically apprised of the risk management framework and initiatives taken by the Company to mitigate material risks. The function also follows up on the implementation of corrective actions and improvements in business processes after review by the Audit Committee and Senior Management.

Through this approach, the Company strives to identify opportunities that enhance its values while managing and mitigating risks that can adversely impact its future performance. The Company also attempts to extend its risk management focus to program, transaction and contract related risks. In the coming year, the scope will be extended to reviewing of realignment of mySAP system with Risk Management.

During the year 2007-08, for the efficient handling of materials, System Assurance and the respective Process Owners have been delegated joint responsibility for stock measurement and its reconciliation. The Company has also adopted an ISO Procedure with respect to production and Redi plant has received an ISO Certification- Certificate 17025/14001.

VI. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Company performed satisfactorily and completed yet another year of strong performance. Total Income for the year was Rs.1185.47 Crore, which represents an increase of 51.64% over the previous year. The excellent performance of the Kharagpur plant helped the Company cross the robust Rs.1000 Crore top-line. The PBT and the PAT were Rs.106.30 Crore and Rs.69.63 Crore - 152% and 136% higher than the previous year, respectively. The buoyancy in profits is attributable to the improvement in the performance of the blast furnaces, the higher NR commanded in the markets owing to the niche product offerings. The export performance was also satisfactory. The other reasons were cost controls, effective working capital and treasury management. Efforts are on to improve the performance of the Redi plant of the Company. Resultantly, the Earning per Share of the Company was Rs.27.53, an improvement of 136% over the previous year. The Company ended the year with a comfortable Debt: Equity ratio of 0.42 as compared to the previous year figure of 1.28.

VII. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

People are central to the Company's performance and growth and the organization consistently values the contribution and involvement of employees. The Company has a comprehensive HR strategy aligned to the business strategy and all people processes are designed to achieve the strategy. The Company values human resource as one of its most important assets. The human resource systems promote co-operation and innovation within the employees and flexibility to keep current with the business needs.

The Company is consistently focusing on building capability in employees at all levels. The Company has robust talent management and succession planning processes in place and has been tracking consistently the talent pipeline and leadership bandwidth at the highest level in the organization in order to equip the organization to handle both consolidation and growth.

VIII. ENVIRONMENT MANAGEMENT

Community Development and Environment Management (Corporate Social Responsibility)

Sustainability and Corporate Social Responsibility is integrated in all the activities that TML undertakes. The Company actively seeks opportunities to engage with all the major external stakeholders like communities around its factories, Government agencies, corporate bodies and NGOs.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Following were the main activities in the reporting year:

- **Environment**

To improve upon the operational efficiency, Best Practices were shared by Tata Steel with TML.

Clean Development Mechanism (CDM), was applied to our initiative of reducing use of natural fuel through hot blast stove.

Efforts in water conservation and rain water harvesting were initiated.

Blast Furnace gas utilization for power generation at Redi was successfully implemented.

- **Employees**

An External Ethics Counsellor (EEC) was appointed at Redi to address the ethical issues. At the same time, employee well-being activities were carried out at Redi. This included, improved transportation facilities, canteen etc.

- **Community upliftment in Kharagpur and Redi**

The community upliftment activities were stepped up at both Kharagpur and Redi. The activities focused upon education and health. Several health camps were undertaken. Most notably TML community volunteers stood by the village people at the time of natural calamity. Few classrooms at a school at Gokulpur were renovated by TML project team, the laboratories were also replenished. Similarly at Redi also, health check-up for contract labours, gynaecological check-up for women was organized.

- **Customers**

Innovation is stressed upon at TML. We aim to find new business practices that solve issues confronting customers. Technological innovation, like websites, tracking devices installed on trucks etc are being used to give better service to customers thereby addressing and solving daily issues confronting customers.

- **Sustainable business**

As part of downward integration, we have floated a Joint Venture Company called Tata Metaliks Kubota Pipes Limited by entering into a

tie up with Kubota Corp. of Japan. This company will begin producing Ductile Iron Pipes by early 2009.

The formation of "Sadbhavana Trust" will give an impetus to the various community development schemes that the Organization plans to undertake in various villages in and around both of its plants at Kharagpur and Redi.

A few examples that make us feel good about being on the right track are various projects undertaken in the rural areas for empowerment of women, in the area of fuel conservation, waste management and disaster management. The project meant to provide regular employment to women has been one more successful story.

IX. AWARDS

The award is an opportune time to thank our clients and employees for their support. It is indeed gratifying that we are recognised amongst the best in the industry. We will continue to strive towards being the choice firm for Pig Iron supply by businesses, and attracting the best talent in the country. The Company received the following awards and recognitions during the year:-

- TBEM
- Highest Delta Award
- ISO 17025 / 14001 certification for the Redi plant

X. CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand /supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.

CORPORATE GOVERNANCE REPORT

(As required under Clause 49 of the Listing Agreement entered into with Stock Exchanges)

GOVERNANCE PHILOSOPHY

The Tata Values

"We have come to recognize that no wealth or power can be more valuable than one's dignity; no loss of profit can be more critical than loss of credibility; no skill or qualification can substitute the integrity of our character." — J. R. D. Tata

Upholding Tata Values

"We do not claim to be more unselfish, more generous or more philanthropic than other people. But we think we started on sound and straightforward business principles, considering the interest of the shareholders as our own and the health and welfare of the employees the same foundation of our profitability." — Jamshedji Tata

"The most significant contribution an organized industry can make is by identifying itself with the life and problems of the community to which it belongs, and by applying its resources, skills and talents, to the extent that it can reasonably spare, to serve and help them." — J. R. D. Tata

"The values and principles that have governed the manner in which the Tata Group of Companies and their employees have conducted themselves, have never been articulated. It was, therefore, considered worthwhile to prepare a clearly defined document that could serve as a guide to each employee on the values, ethics and business principles expected of him or her" — Ratan Tata

Based on the above guiding Governance Philosophy, the Company set itself the objective of expanding its capacities and becoming competitive in its business, while being socially responsive and responsible. As a part of its future growth strategy, the company believes in adopting the "Best Practices" vis-à-vis "Robust Processes" that are followed in various geographies, in the area of Corporate Governance. The Company and its senior management team emphasize the need for full transparency and accountability in all its business dealing, in order to protect the interests of its shareholders.

The Board considers itself as a Trustee of its shareholders and acknowledges its responsibilities towards them for creation and safeguarding shareholders' wealth. During the year under review, the Board continued its pursuit of achieving these objectives through the adoption and monitoring of Corporate Strategies, Prudent Business Plans, monitoring of the major

risks of the company's business and ensuring that the company pursues policies and procedures to the level to achieve greater satisfaction to its legal and ethical responsibilities.

A. BOARD COMPOSITION

Board of Directors:

The Board of TML has right mix of skills and experience and it works together as a team while encouraging diverse and healthy debate in the interest of the Company and its shareholders. It makes sure that the Company has clear goals relating to shareholders value and its growth. The Board reviews its policy from time to time to see whether it performs its function properly or not.

The Company has a judicious mix of Executive and Non-Executive Directors. At present, there are eleven directors on the Board, with one Executive Director. The Chairman is a Non-Executive Director and more than half of the Board consists of Independent Directors. The directors are experts in their chosen fields, with rich industrial experience, technical and leadership skills.

Mr. H M Nerurkar, COO - Tata Steel, holds the Chairmanship of the Board.

Role:

The Board of directors in TML primarily performs the following functions:

- Reviewing strategic plan for the Company;
- Overseeing the conduct of the Company's business to evaluate whether the business is being properly managed;
- Identifying principal risks and establishing a risk management framework to manage these risks;
- Succession planning, including appointing, training, fixing the compensation of senior management and officers one-level below the Board;
- Developing and implementing an investor relation programme or shareholders communications policy for the Company; and
- Reviewing the adequacy and the integrity of the Company's internal control systems and management information systems, including system for compliance with applicable laws, regulations, rules, directives and guidelines.

CORPORATE GOVERNANCE REPORT (Contd.)

COMPOSITION OF THE BOARD OF DIRECTORS AS ON 31ST MARCH, 2008

Category	Directors	No. of Directors	Percentage of total number of Directors
Promoter			
– Executive Director	—	—	—
– Non Executive Director	Mr. H M Nerurkar* / Dr. T Mukherjee Mr. Ashok Kumar & Mr. V S N Murty**	3	27.27
Executive/ Managing Director	Mr. Harsh K. Jha	1	9.09
Independent Directors	Mr. A.C. Wadhawan Mr. P.K. Jha*** Mr. Manish Gupta Mr. Dipak Banerjee Mr. Ajoy Roy Mr. A. K. Basu	6	54.55
Nominee Directors	Mr. Debasish Som /	1	9.09
– Representing Investing Institutions	Mr. M V Rao****		
Total	—	11	100

* Mr. H M Nerurkar was appointed Chairman of the Board of Directors at the meeting of the Board of Directors held on 11 January 2008, following resignation tendered by Dr. T Mukherjee, the erstwhile Chairman of the Board of Directors, at the same meeting.

** Appointment of Mr. V S N Murthy as an Additional Director was approved by the Board at its meeting held on 28 March 2008.

*** Mr. P K Jha, had joined the Board of Directors of Tata Metaliks Limited on 29 October 1999 as a non-executive director. Since 3 years after his super-annuation from Tata Steel has expired, hence he has been considered as an independent director.

**** On 12 October 2007, Mr. M V Rao has been appointed as a Director of the Company in his capacity as the Managing Director (and hence a nominee) of the West Bengal Industrial Development Corporation Limited. He has replaced Mr. Debashish Som, the erstwhile Managing Director of WBIDC.

Notes:-

1. Mr. H. M. Nerurkar is the Chairman of the Board of Directors w.e.f. 11 January 2008.
2. Mr. A. C. Wadhawan is the Chairman of the Audit Committee & Remuneration Committee.
3. Mr. Manish Gupta is the Chairman of the Shareholders' Grievance Committee.
4. Mr. Ajoy Roy is the Chairman of Share Transfer Committee
5. Mr. Harsh K. Jha is the Chairman of Investment and Borrowing Committee.
6. Mr. M. V. Rao has replaced Mr. Debasish Som (as the Nominee Director representing Financial Institution) w.e.f 12th October, 2007.

Details of Board Meetings during the financial year:

Sl. No.	Date	Board Strength	No. of Directors present
1.	APRIL 25, 2007	10	9
2.	MAY 16, 2007	10	8
3.	JULY 13, 2007	10	9
4.	OCTOBER 12, 2007	10	8
5.	DECEMBER 18, 2007	10	9
6.	JANUARY 11, 2008	10	8
7.	MARCH 28 2008	11	9

CORPORATE GOVERNANCE REPORT (Contd.)

Attendance of each director at the Board meetings and last AGM and Chairmanship and membership of committees in other public company, as on 31st March 2008 :

Sl. No.	Name of Director	Category	Attendance at Board Meetings	Attendance at the last AGM held on 13th July, 2007	No. of Directorships in other public companies		No. of Committee positions held in other public companies.	
					Chairman	Member	Chairman	Member
1.	Dr. T. Mukherjee (Chairman, resigned w.e.f. 11.1.08)	Promoter, Non-executive	5	Y	N.A.	N.A.	N.A.	N.A.
2.	Mr. H. M. Nerurkar (Chairman, w.e.f. 11.1.08)	Promoter, Non-executive	2	N.A.	3	1	-	1
3.	Mr. Harsh K Jha (Managing Director)	Executive, Non-independent	7	Y	1	-	-	-
4.	Mr. Ajoy Roy	Independent, Non-executive	6	Y	-	1	-	-
5.	Mr. Manish Gupta	Independent, Non-executive	6	Y	-	2	-	2
6.	Mr. A. C. Wadhawan	Independent, Non-executive	7	Y	1	3	3	1
7.	Mr. Dipak Banerjee	Independent, Non-executive	7	Y	-	7	2	3
8.	Mr. P. K. Jha	Independent, Non-executive	6	Y	-	2	-	-
9.	Mr. Ashok Kumar	Promoter, Non-executive	7	Y	-	-	-	-
10.	Mr. Ashok Basu	Independent, Non-executive	6	Y	-	3	-	-
11.	Mr. Debasish Som / Mr. M.V.Rao	Nominee from WBIDC, <i>deemed independent Director</i>	-	N	-	8	-	-
12.	Mr. V S N Murty	Promoter, Non-executive	1	N.A.	-	1	-	1

Memberships of other Boards

Executive Directors are excluded from serving on the Board of any other entity, unless these are Corporate or Government Bodies, whose interests are relevant to the future of iron and steel business or are key economic institutions of the nation, or whose primary objective is of benefiting the society as a whole. Independent Directors are not expected to serve on the Board of the competing companies. There is no other limitation on them save those imposed by law and good corporate governance practices.

1. Responsibilities of the Chairman and Managing Director

Chairman : Dr. T. Mukherjee, a reputed technocrat and leader has many years of experience in the technology of Iron and Steel making. Mr. H M Nerurkar has joined the Board of the Company as the Chairman on January 11, 2008, on resignation tendered by Dr. T Mukherjee, at the same meeting. Responsible for strategically laying the road map of the Company, the Chairman guides and motivates senior management to reach targets that make the Company the global leader in foundry grade pig iron industry. He sets the agenda for the Board and as a Chairman, he ratifies and monitors major decisions and directs all matters concerning the board.

Managing Director : The Managing Director is the only Whole-time Director of the Company. He is responsible for corporate strategy, long-term and short term planning in changing and running business, brand equity, external contracts and other management matters. He initiates doing the right things at the right time and in the right manner. Involved in the daily functioning of the Company, he is expected to maintain a constructive relationship with the Chairman and other directors. In addition, he leads the senior management. Thus, he lays down organizational standards. He also ensures that they are adhered to, by formulating suitable practices, procedures and policies. The Board has authorized Managing Director to sanction all expenses in relation to operational matters without any financial limit after observing the purchase procedure and to enter into all agreements for a period upto 3 years. However, contracts beyond 3 years will require the approval of the Board. Tata Metaliks Limited has nominated Mr. Harsh K. Jha as its representative on the Board of Directors of the new Joint Venture Company, Tata Metaliks Kubota Pipes Limited, formed with M/s Kubota Corporation & M/s Metal One, both from Japan. He is the Chairman on the Board of Directors of this Company.

2. Board Definition of Independent Director

As per the revised Clause 49 I(A) of the Listing Agreement, an "Independent Director" is a Non Executive Director of the company who: -

- apart from receiving director's remuneration, does not have any material pecuniary relationships or transactions with the company, its promoters, its directors, its senior management or its holding company, its subsidiaries and associates which may affect the independence of the director;
- is not related to promoters or persons occupying management positions at the board level or at one level below the board;
- has not been an executive of the company in the immediately preceding three financial years;
- is not a partner or an executive or was not a partner or an executive during the preceding three years, of any of the following:

- the statutory audit firm or the internal audit firm that is associated with the company, and
 - the legal firm(s) and Consulting firm(s) that have a material association with the Company.
- is not a material supplier, service provider or customer or lessor or lessee of the company, which may affect the independence of the director; and
 - is not a substantial shareholder of the company, i.e. owning two percent or more of the block of voting shares.

The Company has adopted the guidelines of Tata Sons in letter and spirit, while drawing up its Corporate Governance theory. As per the guidelines, a director is considered as an Independent Director, if, apart from receiving Director's Remuneration, he does not have any pecuniary relationship or transactions with the Company, its promoters, its management or its subsidiaries that may affect the independence of director's judgment. Institutional Directors on the Board of the Company shall be considered as Independent Directors.

3. Board Membership Criteria

Technical and Professional expertise, specialisation in the respective fields, experience, leadership skills are some of the attributes of the Board membership. The members of the Board are competent to provide leadership, strategic guidance, objective judgement of management and control over the company while remaining accountable to shareholders.

4. Induction of new Directors

The Governing Council, which comprises the Chairman and some Directors, can select new Directors, as and when necessary. This council recommends the induction of new Directors to the Board. The council also advises the Board on reappointment of the Directors who are due to retire by rotation at the Annual General Meeting.

5. Retirement Policy

As per the guidelines of the Company's Board, the maximum age of retirement for Executive Directors is 60 years, which is the age of superannuation of the employees of the Company, and according to TATA group guidelines, 70 years in the case of Non-Executive Directors. The continuation of Executive Directors as members of the Board upon superannuation or retirement is determined / decided by the Governing Council based on stipulations of the Listing Agreement and the provisions of the TATA Group Guidelines.

6. Membership term

The Board constantly evaluates the contribution of its members and recommends their re-appointment to the shareholders. An Executive Directors is appointed by the shareholders for a maximum period of five years at a time, but is eligible for reappointment upon the completion of his term. Non-Executive Directors do not have a specified term but they retire by rotation as per the provisions of the Companies Act, 1956.

CORPORATE GOVERNANCE REPORT (Contd.)

B. BOARD MEETINGS

1. Scheduling and selection of agenda items for Board Meeting

During the F.Y 2007-08, 7 (seven) Board Meetings were held. The notice of the meeting specifying the day, date, time and full address of the venue of the meeting was given to all the Directors at the address provided by them or at their usual address in India, maintaining the statutory time norms. The agenda along with the notes, draft resolution of the items to be approved were sent well in advance, so that the Directors come prepared to offer advice and guidance during the meeting. The agenda was finalised after consultation with the Managing Director as well as the Senior Management Team Members.

Partial presence of the departmental and operational heads is sometimes requested by the Board to provide additional insights into the items being discussed. The quorum was maintained in all the Board Meetings held during the year, as per the statutory norms.

2. Information placed before the Board of Directors during the year includes:

The Board has easy and direct access to any information within the Company and to any employee of the Company. At the meetings of the Board, the managers who can provide useful insight into the items being discussed are invited as and when considered necessary.

The following information is regularly supplied to the Board along with the specific item agenda:

1. Annual operating plans and budgets, capital budgets and any updates;
2. Quarterly audited results of the company and its operating divisions or business segments;
3. Minutes of meetings of Audit, Remuneration, Shareholders'/ Investors' Grievance and Investment & Borrowing Committee, as well as abstracts of circular resolution passed;
4. General notices of interest and any updates;
5. Notices under Section 274(1)(g) of the Companies Act, 1956;
6. Status of safety, security & legal compliance.
7. Status of business risk exposures, its management and related action plans presented before the Audit Committee.
8. Systems Assurance findings & reports through the Audit Committee.
9. Information on recruitment and remuneration of senior officers just below the board level including appointment or removal of CFO, Company Secretary, Vice President (Project), Vice President (Finance & Accounts), Chief (Projects) and Chief Financial Controller;

10. Materially important litigation, show cause, demand, prosecution, and penalty notices;

11. Company's management development processes and succession of senior management;

12. Issues relating to the new joint venture company;

13. Fatal or serious accidents, dangerous occurrences, any material effluents or pollution problems;

14. Any material default in financial obligations to and by the company or substantial non-payment for goods sold by the company;

15. Any issue, which involves possible public or product liability claims of a substantial nature;

16. Details of any joint ventures or collaboration agreement;

17. Transactions that involve substantial payment, if any, towards brand equity or intellectual property, etc;

18. Significant developments on the human resources front;

19. Sale of material nature, of investments, subsidiaries, assets, which is not in the normal course of business;

20. Quarterly details of foreign exchange exposure and the steps taken by the management to limit the risks of adverse exchange rate movement, if material;

21. Non-compliance of any regulatory, statutory or listing requirements and shareholders' services such as non-payment of dividend, delays in share transfer, repayment of the principal amount of debentures, etc;

22. Transfer of unpaid/unclaimed dividend/debenture interest/ shareholders' refund, pending for more than 7 years, to Investors' Education and Protection Fund of the Central Government;

23. Related Party Transactions;

24. Risk Analysis Report;

25. Make Good Reports on completed CAPEX schemes;

26. Social/Community Initiatives; and

27. Progress of creating effective communication with the Govt. of West Bengal & Maharashtra for the development & growth of our Industry and its surrounding areas.

4. Meeting with Independent Directors

In order to adopt the best Corporate Governance practices, the Company holds a meeting of Independent Directors at regular intervals with the Chairman, where only Independent Directors are present. This facilitates the independence of the Board to take any decision.

CORPORATE GOVERNANCE REPORT (Contd.)

Composition and Attendance of the meeting held with Independent Directors during the F.Y. 2007-08

Name of the Director	Category of Director (NonExecutive/Independent)	Meeting Details		Whether attended last AGM (Y/N)
		Held	Attended	
Dr. T. Mukherjee	NED	1	0	Y
Mr. A.C. Wadhawan	NED-Independent	1	1	Y
Mr. Manish Gupta	NED-Independent	1	1	Y
Mr. Debasish Som	NED-Independent	1	0	N
Mr. Dipak Banerjee	NED-Independent	1	1	Y
Mr. Ashok Basu	NED-Independent	1	1	Y
Mr. Ajoy Roy	NED-Independent	1	1	Y

Date of the meeting with Independent Directors: October 12, 2007

The Independent Directors review various compliance reports prepared by the Company. The Independent Directors also try to assess the future leadership of the Company, besides assessing

- Future manning plan for the Company;
- Potential and leadership qualities of the officers one/two-levels below the Board ;
- A proper succession planning for the Company.

5. Materially significant related party transactions

The materially significant related party transactions, pecuniary relationship transaction between Tata Metaliks and its Directors, if any, are reported to the Board of Directors.

C. BOARD COMMITTEES

The terms of reference of the Board Committees are determined by the Board from time to time. Presently, the Company has five committees, viz. Audit Committee, Remuneration Committee, Shareholders'/ Investors' Grievance Committee, Borrowing & Investment Committee and Share Transfer Committee. Each committee has an appropriate combination of Non Executive and Independent Directors.

The Board decides the membership criteria of the committees and its selection policy at regular intervals. The Chairman of the Board, in consultation with the Chairman of the concerned committees along with the General Manager (Corporate Services) and Company Secretary, decide the frequency and duration of the meetings.

1. AUDIT COMMITTEE

On 26 June 1995, the Audit Committee was constituted to provide and monitor financial accuracy, adequacy, disclosure and transparency for ensuring that the Financial Statements furnished by the Management, including reports of the System Assurance Dept., Statutory Auditors and Secretarial Auditor are correct, sufficient and credible. It also oversees the effectiveness of the External Audit systems and Systems Assurance to assist the Board in providing useful supervision of the overall financial reporting process.

During 2007-08, the Internal Audit function has been rechristened as System Assurance. The general focus of the function has undergone a shift from being a watchdog and an investigative function, to being a facilitator and of performing a business advisory and improvement role.

I. General Objectives

The System Assurance monitors the Management Representative process to ensure:

- Accurate reports
- Adequate disclosures
- Transparency and integrity of the organisation
- Management awareness of situations and conditions prevailing in the Company

The Audit Committee oversees the work carried out in the Financial Reporting process furnished by the Management, including System Assurance Dept., Statutory Auditors and the Secretarial Auditor of the Company.

To perform this objective, the System Assurance function has a two-fold, "shared" role as follows:

1. Basic Internal Control (Compliance Role)

Within Tata Metaliks' framework of Internal Control, it is recognised that:

1. Business Managers are initially responsible for Internal Control. They are ultimately responsible for exercising due supervision on the functioning of the Internal Control framework.

CORPORATE GOVERNANCE REPORT (Contd.)

2. The objective of Tata Metaliks is to ensure that the Internal Control framework is understood and practised across the organisation.

3. Concerned Top Management needs the assurance that all business managers actually maintain an adequate system of Internal Control for their respective areas of responsibility.

Composition as on 31st March 2008 :

Mr. A.C. Wadhawan	Chairman
Mr. P.K. Jha	Member
Mr. Dipak Banerjee	Member

2. Business Advisory Role:

1. To act as an advisor to the organisation in providing assistance and consultation to the Management for areas requiring special emphasis.

2. Recommending to the Board the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees

3. To review and provide commentary on any other areas of risk (such as contracts, specific agreements, medications of operating policies, etc.) upon specific advice from the management. To accomplish this objective, support from the process owners and/or outside experts may be taken based on their needs.

4. To be a member of any Steering Committee, as advised.

System Assurance is a part of management process and team, but

maintains the independence by its responsibility towards the Audit Committee.

II. Reporting and Authority:

1. The function remains independent, at all times, in performing its activities.

2. The System Assurance department reports to Managing Director. The Chief (System Assurance) has direct access to the Audit Committee, in spite of reporting to the Managing Director.

3. The members of the System Assurance Department also review the findings by any internal investigations in cases of suspected fraud/irregularity/failure of internal control systems of a material nature, and report the matter to the Board.

III. Principal Accountabilities:

The main accountabilities of the System Assurance are:

- Maintaining procedures (Audit Methodology) and programmes (Audit Manual) for the practice of System Assurance
- Reviewing the adequacy of System Assurance function, reporting structure coverage and frequency of System Assurance.
- Examining the processes and functions within the Company, as specified in the Audit Plan, to evaluate efficient and effective use of resources, accomplishment of goals and objectives, reliability of information, accuracy of records, compliance with policies and procedures, and integrity of controls
- Reviewing the functioning of the Whistle Blower mechanism

AUDIT COMMITTEE DETAILS FOR FINANCIAL YEAR ENDED 31st MARCH 2008

Total No. Members	3
Whether the Chairman is an Independent Director (Y/N)	Y
Whether the Chairman attended last AGM to answer shareholders' queries (Y/N)	Y
Details of other invitees who were invited to attend the Audit Committee meeting along with details of the meeting	Mr. Subhasis Dey, CFO & Company Secretary* Mr. Amit Ghosh, Vice-President (Finance & Accounts)* Mr. Arjit Roy, Chief, System Assurance Mr. A. S. Varma, Representative of the Statutory Auditors (Mr. Harsh K Jha, Managing Director is invited as and when required)
Whether the Company Secretary acts as Secretary to the Committee (Y/N)	Y
No. of members who are Non-Executive Directors	3
No. of members who are Independent Directors	3
Whether all members of audit committee are financially literate	Y
Detail of director having Financial and Accounting knowledge/Expertise	Both Mr. P. K. Jha & Mr. Dipak Banerjee are Fellow Chartered Accountants.

* Mr. Subhasis Dey has taken over as the CFO & Company Secretary of the Company on transfer of services of Mr. Amit Ghosh, erstwhile VP (F&A) to other Tata Group company, w.e.f. 1 December 2007.

CORPORATE GOVERNANCE REPORT (Contd.)

Status of Audit Committee Meetings during the entire tenure of the Directors

Names of the Committee Members	Category of Director - NonExecutive / Independent	Names and designation of other invitees	Meeting details			Meeting details for the F.Y. 2007-08*			Whether attended last AGM (Y/N)
			Held during the tenure of directorship	Attended	% of total	Held	Attended	% of total	
Mr. A C Wadhawan Chairman	Non-Executive Independent Director		26	25	96	4	4	100	Y
Mr. P.K Jha	Non-Executive Independent Director		37	37	100	4	4	100	Y
Mr. Dipak Banerjee	Non-Executive Independent Director		7	7	100	4	4	100	Y
Mr. Subhasis Dey	CFO & Comp.Secy Secretary of the Committee		31	31	100	4	4	100	Y
		Mr. Arijit Roy Chief (System Assurance)	10	10	100	4	4	100	Y

* 24.4.2007, 12.7.2007, 11.10.2007 & 11.1.2008

Relationship with Statutory Auditor and System Assurance

The Audit Committee of the Company shall enter into discussion with statutory auditors before the audit commences about the nature and scope of audit as well as post audit discussion to ascertain any area of concern. The Committee ensures that the Statutory Auditor gets an accurate picture of the Internal Control practised in the Company.

In addition, the Statutory Auditors and their representatives are informed about the internal control system and financial reporting process or review with the management of the Annual Financial Statements before submission to the Board. Here, the focus is on:

- Matters that need to be included in the Directors' Responsibility Statement and the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
- Any changes in accounting policies and practices and reasons for the same.
- Major accounting entries involving estimates based on exercise of judgment by management
- Significant adjustments made in the financial statements arising out of audit findings.
- Compliance with Accounting Standards
- Compliance with listing and other legal requirement relating to Financial Statements
- Disclosure of related party transactions
- Management letters/letters of internal control weaknesses issued by Statutory/ System Assurance

In keeping with the policy of transparency, the Company strongly encourages Statutory Auditors to openly discuss matters with the Committee Members and the System Assurance, whenever needed. The latter do not have any other financial or personal interest with the audit firm and with their relatives, which may impair the objective of Auditor's independence. The Committee concludes by stating that it is sufficiently satisfied on having complied with the responsibilities outlined in the Audit Charter.

In a pursuit of handholding and helping out the subsidiary company, Tata Metaliks Limited would also extend its System Assurance support functions to the subsidiary company.

2. REMUNERATION COMMITTEE

The Remuneration Committee of the Company was constituted on November 21, 1994 with an objective of determining the remuneration packages for the Managing Director and the Non-Executive Directors.

Following are the terms of reference of the Remuneration Committee of the Company:

1. Approving of the annual increment in the remuneration payable to the Managing Director within the salary scale as sanctioned by the shareholders
2. Varying, altering or widening the terms of remuneration of the Managing Director within the limits sanctioned by the shareholders
3. Determining commission/performance linked remuneration payable to the Managing Director and the Non-Executive Directors within the limits specified by shareholders

CORPORATE GOVERNANCE REPORT (Contd.)

4. Sanctioning retirement benefits within the limits as informed to shareholders

The recommendations of the Remuneration Committee are considered and approved by the Board subject to the shareholders' approval.

The Remuneration Committee comprises four Non Executive Directors. Three of them are independent, including the Chairman of the Committee.

COMPOSITION AND ATTENDANCE OF MEMBERS AT THE REMUNERATION COMMITTEE MEETINGS DURING THE F.Y. 2007-08

Name of the Committee Member	Category of Director (Non-Executive/ Independent)	Meeting Details			Meeting Details for the F.Y. 2007-08 held on 25.04.2007			Whether Attended last AGM (Y/N)
		Held during the tenure of director ship	Attended	% of total	Held during the F.Y. 2007-08	Attended	% of total	
Mr. A.C. Wadhawan (Chairman)	Non Executive & Independent	10	10	100	1	1	100	Y
Dr. T. Mukherjee *	Non Executive	20	20	100	1	1	100	Y
Mr. P.K Jha	Non Executive & Independent	7	7	100	1	1	100	Y
Mr. Dipak Banerjee	Non Executive & Independent	1	1	100	1	1	100	Y

* with effect from 11 January 2008, Mr H M Nerurkar is the Chairman of the Board of Directors and a member of the Remuneration Committee.

Remuneration Policy: Increment in salary (within the salary scale sanctioned by the shareholders) is granted annually on the basis of merit and taking into account the Company's performance. Commission or performance linked remuneration is sanctioned (within the limits specified by the shareholders) based on the criteria of production, cost of production, profit, industrial relations, inventory and additional business initiatives (overall performance). The weightage assigned for determining the increment in salary is distributed proportionately between

- Individual performance
- Company's performance and
- Breakthroughs achieved and continuous improvements.

While deciding the remuneration package of the Senior Management members, the factors taken into consideration are:

- a. Employment scenario
- b. Prevailing remuneration package of the Industry
- c. Remuneration package of the managerial talent in the related Industries

In case of annual variable pay of the Senior Managers, the performance of the Company in general and the individual performance for the relevant year measured against their specific Key Result Areas (KRAs) are also taken into account. However, it is paid after the approval of the Annual Accounts by the shareholders of the Company.

The Remuneration Committee decides the remuneration and performance linked bonus, if any, for the Executive Directors/Managing Director, and also for the Non-Executive Directors in terms of the shareholders' approval obtained at the AGM. The commission is paid at a rate not exceeding 1% of the Net Profit of the Company computed in accordance with Section 309(5) of the Companies Act, 1956. The Non-Executive and Independent Directors, except the Nominee Director from WBIDC, are eligible to receive sitting fees. Performance linked bonus for attending Board Meetings and other Committee Meetings is distributed on the basis of their attendance and contribution at the Board and Committee Meetings as well as time spent on the operational matters other than at the meetings.

The Company did not grant any Stock Option to Executive/Non-Executive Directors during the year.

CORPORATE GOVERNANCE REPORT (Contd.)

Details of remuneration paid during 2007-08 are as follows:

I. Non-Whole time Directors

Name of Directors	Sitting Fees (Rs.)	Performance Linked Remuneration/Commission (Rs.)
Dr. T. Mukherjee	48,000/-	3,27,382/-
Mr. H M Nerurkar	16,000/-	1,19,048/-
Mr. P.K. Jha	88,000/-	3,27,381/-
Mr. Ashok Kumar	56,000/-	2,08,333/-
Mr. Ashok Kumar Basu	56,000/-	1,78,571/-
Mr. Manish Gupta	59,000/-	2,38,095/-
Mr. A.C. Wadhawan	1,04,000/-	5,05,952/-
Mr. Dipak Banerjee	1,04,000/-	3,57,143/-
Mr. Debasish Som / Mr. M V Rao	—	—
Mr. Ajoy Roy	59,000/-	2,08,333/-
Mr. V S N Murty	8,000/-	29,762/-
Total	5,98,000/-	25,00,000/-

Notes:

a) The outstation Directors have been paid daily allowance and other expenses whenever they have arranged their own accommodation for attending the Board or Committee or General Meeting as per Article 102(2) of the Articles of Association of the Company. Mr. P. K. Jha was paid Rs.14,250/- and Mr. A. C. Wadhawan was paid Rs.5,400/-.

b) Commission to the Nominee Director is paid in the name of Financial Institution.

The Committee recommended distributing of Rs. 25,00,000/- to all the Directors other than the Managing Director, to be distributed on the basis of their attendance and contribution at the Board and certain Committee Meetings as well as time spent on operational matters other than at the meetings.

II. Managing Director

(Rs. lakh)

Managing Director	Consolidated Salary	Perquisites and Other Benefits	Company's Contribution towards Provident Fund, Gratuity & Superannuation Fund	Performance Linked Remuneration for F.Y. 2007-08 to be paid during the F.Y. 2008-09	Total
Mr. Harsh K Jha	19.20	11.12	5.76	38.40	74.48

Notes:

- The Remuneration Committee at its meeting held on 26.4.2008 sanctioned performance linked remuneration of Rs. 38,40,000/- to Mr. Harsh K. Jha, taking into account the Company's performance for the F.Y. 2007-08. The amount is payable after the Annual Accounts are adopted by the shareholders in the AGM.

- The Company has allotted the Managing Director housing accommodation. Deduction has been made from his salary at the rate of 10% thereof for providing the same. Expenditure incurred on repairs and maintenance for providing such housing accommodation to the Managing Director is included in the remuneration stated above.

- The recommended commission of Rs. 25,00,000/- based on the profits of the F.Y. 2007-08 is to be distributed between Non-Executive and Independent Directors on the basis of their attendance and contribution to meetings.

CORPORATE GOVERNANCE REPORT (Contd.)

Notice period - Severance period

The contract with Mr. Harsh K. Jha for his appointment as Managing Director of the Company is severable by either party by giving to the other party six months notice in writing or by the Company giving six months salary in lieu of such notice.

Shareholding of the Directors in the Company as on 31st March 2008

Sl. No.	Name	No. of Ordinary Shares of Rs.10/- each held singly and/or jointly
1.	Mr. Harsh K Jha Jointly - Mrs. Mridula Jha	300
2.	Mr. P. K. Jha	100
3.	Mr. Ashok Kumar	250

3. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

The Shareholders'/Investors' Grievance Committee of the Company was formed on April 28, 2000. The Committee looks into and monitors the redressal of complaints made by shareholders and investors. Complaint areas include:

- Share transfer
- Non-receipt of Annual Report
- Non-receipt of declared dividend

The Shareholders'/Investors' Grievance Committee comprises of three Directors with two Non Executive & Independent Directors, including the Chairman of this Committee and one Executive Director. The CFO and Company Secretary of the Company acts as the Compliance Officer. The details of the Compliance Officer are provided elsewhere in the Report.

DETAILS OF SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE AS ON 31st MARCH 2008

Name of Non-Executive Chairman of the Committee	Mr. Manish Gupta
Details of authority to which work relating to share transfer is delegated	M/s R & D Infotech Pvt. Ltd. 22/4 Nakuleshwar Bhattacharjee Lane Kolkata 700 026.
Whether the delegated authority attended to share transfer formality at least once in a fortnight (Y/N)	Y
Whether the CFO & Company Secretary acts as the Compliance Officer of the company (Y/N)	Y

Compliance of Shareholders'/Investors' Grievance Committee and Members' Attendance at its meetings held during the F.Y. 2007- 08

Name of the Committee Member	Category of Director (Executive/ Non-Executive/ Independent)	Meeting Details			Meeting Details		
		Held during the tenure of Director	Attended	% of total	Held during the F.Y. 2007-08 on 29.2.2008	Attended	% of total
Mr. Manish Gupta	Non-Executive Independent	6	6	100	1	Y	100
Mr. Harsh K Jha	Executive	8	8	100	1	Y	100
Mr. Ajoy Roy	Non-Executive Independent	1	1	100	1	Y	100

The Compliance Officer has attended all the meetings of the Committee to effectively monitor the complaints received vis-à-vis the share transfer and other related processes and reported them to the Board. He has also carried out his responsibility of liaison officer with the investors and regulatory authorities, such as SEBI, Stock Exchanges, Registrar of Companies, RBI, etc. in respect to implementing laws, rules, regulations and other directives of such authorities concerning investor service and complaints.

The details of the Shareholders'/Investors' complaints received, solved and pending for the F.Y 2007 - 08 are provided in the Shareholders' Information.

CORPORATE GOVERNANCE REPORT (Contd.)

4. SHARE TRANSFER COMMITTEE

The Share Transfer Committee was formed in April 1993 to approve transfer/transmission of share and reject transfer/transmission applications according to law. The constitution of the Committee, at present, is as follows: -

Composition of members at the Share Transfer Committee during F.Y. 2007 - 08

Name of the Committee Member	Category of the Director (Executive/Non-Executive/ Independent)
Mr. Ajoy Roy	Non-Executive & Independent (Chairman of the Committee)
Mr. Harsh K Jha	Executive - MD
Mr. Subhasis Dey	CFO & Company Secretary

5. INVESTMENT AND BORROWING COMMITTEE

The Investment and Borrowing Committee was formed on April 30, 1996 to approve the investments made by the company at a given period of time and for borrowing purposes. The Committee consists of one Non-Executive and one Executive Managing Director. The CFO & Company Secretary is also a member of the Committee.

Composition of members at the Investment and Borrowing Committee meetings held during the F.Y. 2007 - 08

Name of the committee member	Category of the Director (Executive/Non-Executive)
Mr. Harsh K Jha	Executive Managing Director
Mr. P.K Jha	Non-Executive Independent Director
Mr. Amit Ghosh	VP (F&A)
Mr. Subhasis Dey	CFO & Company Secretary

* Mr. Subhasis Dey has taken over as the CFO & Company Secretary of the Company on transfer of services of Mr. Amit Ghosh, estwhile VP(F&A), to other Tata Group Company w.e.f. 1 December 2007

Dates on which meeting held on 12.07.2007, 09.01.2008 and 27.03.2008

During the year, the Company has invested in short term Inter-Corporate Deposits. However, most of the amount has been rolled back after maturity. The Company has earned considerable amount of interest arising out of such transactions. All arrangements for shortterm bank borrowings were routed through the Borrowing Committee.

6. COMMITTEE OF BOARD

The Committee of Board (COB) comprising of Chairman, MD, Mr. Dipak Banerjee and Mr. Ajoy Roy (inducted vice Late Satyajit Mitra) was constituted on 23rd May 2006, for the purpose of deciding on the investment matters of the Company which started functioning with the following terms of reference:

(i) the COB be authorized to approve capital expenditure upto Rs.5 Crores per scheme. Any scheme in excess of Rs. 5 Crores is put up to the Board for approval based on the recommendation of COB. Further, any scheme costing less than Rs. 5 Crores, not included in the Capital Expenditure Plan (CEP), would also be put up to the COB for approval and beyond the same, it would be put up to the Board for approval. A report on the sanctions given by the COB would be submitted to the Board at every meeting. Capital expenditures upto Rs.2 Crores would be put up before the MD for approval.

(ii) The Chairman and Managing Director have been empowered to sanction donations upto Rs. 1 lakh for any purpose. All donations beyond Rs 1 lakh are put up to the COB for approval. Overall limit for donations to be sanctioned by the COB is Rs. 5 lakhs per annum.

Beyond this value, request for donation is put up to the Board for approval.

(iii) The COB would periodically review the Company's business plan and future strategy.

There was no such capital expenditure made during the last year. As such the COB did not meet during the last year.

D. CEO/CFO CERTIFICATION

The Managing Director appointed in terms of the Companies Act, 1956 and the CFO, i.e. the CFO & Company Secretary, heading the finance function, certify to the Board that :

a. The Financial Statements and the Cash Flow Statement for the year have been reviewed and, to the best of their knowledge and belief,

(i) these statements do not contain any materially untrue statement, have not omitted any material fact and do not contain any statement that might be misleading;

(ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

CORPORATE GOVERNANCE REPORT (Contd.)

b. To the best of their knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violate Company's Code of Conduct.

c. They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, the deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

d. They have indicated to the auditors and the Audit Committee: -

(i) Significant changes in Internal Control over financial reporting during the year,

(ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(iii) Instances of significant fraud of which they are aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

E. MANAGEMENT REVIEW AND RESPONSIBILITY: -

1. Evaluation of Officers:

The Company uses people-centric tools like "Papa", "Kundali", KRA and 360-degree Analysis to evaluate performance of its officers. A Committee headed by the Managing Director along with the senior executives reviews the annual performance of the officers and decides upon the annual increment and performance linked bonus, if any, for the concerned officers. The same are decided at the Talent Review Forum (TRF) of the Company, which meets twice a year to assess the performance of the officials of the Company.

2. Interaction of the Board with external agencies and the employees: -

The Managing Director, on behalf of the Board, along with the other

officials of the company interacts with various external agencies like Government Departments/Statutory and Regulatory Bodies for different business needs. The CFO & Company Secretary, wherever required, assists the Managing Director.

The Company encourages a robust two-way communication across hierarchies, creating a healthy corporate environment without fear of reprisal. The Managing Director also meets employees to discuss issues that have a bearing on the business as well as matters affecting them specifically. The Managing Director also conducts several surveys like the dipstick survey. To evaluate the ethics of officers, he takes necessary help from the External Ethics Counsellor. In cases related to the Managing Director himself, the External Ethics Counsellor directly reports to the Chairman of the Company. However, the Managing Director reports to the Board of the Company.

3. Management Discussion and Analysis

The Management Discussion and Analysis is given as a separate chapter in this Annual Report.

4. Management Development

Employees are actively encouraged to increase their learning curve through need-based, participative training programmes. This contributes positively to the overall development of the Management.

5. Company Secretary's Compliance

As TATA Metaliks is a listed Company, the CFO & Company Secretary presents a quarterly Compliance Report relating to the Legal and Regulatory Compliances made during the period to the Board.

F. SHAREHOLDERS

1. DISCLOSURES REGARDING APPOINTMENT AND REAPPOINTMENT OF DIRECTORS: -

Three directors who are longest in their office are liable to retire by rotation and are eligible for re-appointment. The details are indicated in the Corporate Governance Policy, included elsewhere in this report, under the heading appointment and re-appointment of directors at the 18th AGM.

2. MEANS OF COMMUNICATION

(A) PUBLICATION AND DESPATCH OF HALF-YEARLY/QUARTERLY REPORTS AND RELATED MATTERS

Sl. No	Particulars	Details	
1.	Date on which Half-yearly reports were sent to each shareholder	15.11.2007	
2.	English Newspapers in which quarterly results were published	Name	Date of Publication
		1. Financial Express	28.04.2007
		2. Financial Express	14.07.2007
		3. Financial Express	13.10.2007
		4. Financial Express	12.01.2008

CORPORATE GOVERNANCE REPORT (Contd.)

Sl. No	Particulars	Details		
3.	Vernacular Newspapers in which quarterly results were published	Name	Date of Publication	
		1. Pratidin	28.04.2007	
		2. Pratidin	14.07.2007	
		3. Pratidin	13.10.2007	
		4. Pratidin	12.01.2008	
4.	Website address of the company on which reports/ Financial Results have been posted	www.tatametaliks.com www.tata.com		
5.	Website address of Stock Exchanges on which Reports/ Financial Results are posted	Name of the Stock Exchange(s)	Website address (s)	Date of posting
		Bombay Stock Exchange Limited	www.bseindia.com	25.04.2007 14.07.2007
		The Calcutta Stock Exchange Association Limited	www.cse-india.com	13.10.2007
		The National Stock Exchange of India Ltd.	www.nseindia.com	12.01.2008
6.	Whether the official News Releases are displayed by the company	Official news releases are displayed on the Company's website and as well as the Company intranet. It is also published in one/ two newspapers that enjoy a wide circulation in the State where the registered office of the Company is situated one is in English and other one in vernacular language of the State.		
7.	Whether the Management Discussion and Analysis Report formed a part of the Annual Report	Yes		

(B) DETAILS REGARDING VENUE, DATE AND TIME OF THE LAST THREE AGM

Financial Year	Details of Location	Date and Time when held	No. of shareholders who attended the AGM	Summary and type of Resolutions passed
2004 - 05	Kalamandir 48, Shakespeare Sarani Kolkata 700 017	26.07.2005 at 11.30 a.m.	421	Ordinary Resolutions – 6
2005 - 06		12.07.2006 at 11.30 a.m.	349	Ordinary Resolutions – 8
2006 - 07		13.07.2007 at 11.30 a.m.	578	Ordinary Resolutions – 7 Special Resolution – 1

(C) COMMUNICATION WITH SHAREHOLDERS

Subject matter of Communication	Mode of Despatch	Due Date of Despatch	Actual Date of Despatch	Delay, if any (No. of days)	Reasons for delay
Annual Report	Courier	17.06.2007	13.06.2007 and 16.06.2007	N.A.	N.A.
Notices of AGM / EGM	Courier	17.06.2007	13.06.2007 and 16.06.2007	N.A.	N.A.
Half-yearly Report	Book Post	N.A.	15.11.2007	N.A.	N.A.
Postal Ballots	N.A.	N.A.	N.A.	N.A.	N.A.

CORPORATE GOVERNANCE REPORT (Contd.)

3. DETAILS OF NON COMPLIANCE

There has been no non-compliance of any legal requirement by the Company or strictures imposed by any Stock Exchange, SEBI or Regional Director, Company Law Board on any matters related to Capital Market over the last 5 years for the year ended 31st March, 2008.

4. POSTAL BALLOT

For the year ended 31st March 2008, the shareholders of the Company did not pass any ordinary or special resolution by postal ballot.

G. COMPLIANCES

TATA Metaliks has complied with all the mandatory requirements and the following non-mandatory requirements:

- Remuneration Committee
- Shareholders' Rights
- Whistle Blower Policy

Whistle Blower Policy:

To strengthen its policy of corporate transparency, the Company has established an innovative and empowering mechanism for employees. Employees can report to the Management their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy.

In this regard, the Management is responsible for:

- Receiving, retaining, investigating and acting upon complaints and concerns (collectively, the "Reports") of any employee (or, the "Whistle Blower") regarding an actual/possible violation of the TATA Code of Conduct, or an event that could affect the business and/or reputation of his/her own or any other Tata Company.
- Establishing a fearless atmosphere where no reporting employee/Whistle Blower fears being harassed, demoted, retaliated or threatened in any way.
- Handling all such reports/concerns with as much confidentiality as possible so that there is no retaliation of any form against the Whistle Blower.
- Retaining for three years, all records relating to (a) any Accounting Allegation or Legal Allegation or report of a Retaliatory Act and (b) the investigation of any such report

Whistle Blower Protection Committee

The Company has constituted a "Whistle Blower Protection Committee" as a part of its Whistle Blower Policy. The Committee has been constituted under the Chairmanship of the Chief of Corporate Governance. The other members of the Committee include senior officials of the Company and the External Ethics Counsellor (EEC). Whistle Management is determined to give appropriate protection to the genuine Whistle Blower. At the same time, the employees are advised to refrain from using this facility for furthering their own personal interests. If proved, such cases may be referred to the Whistle Blower Protection Committee for disciplinary actions.

Insider Trading Regulations

The Company regularly complies with the SEBI (Prohibition of Insider Trading) Regulations, 1992. Whenever any Price Sensitive Information (PSI) is taken up for discussion at any Board Meeting, the Company closes its "Trading Window", by adhering to the Insider Trading norms stipulated by the SEBI. As per the recent amendments of SEBI (Prohibition of Insider Trading) Regulations, 1992, for presentation of PSI, Directors/Partners/Employees are not to pass on PSI to any person directly or indirectly for purchase or sale of securities.

Pursuant to Regulation 13 of the SEBI (Prohibition of Insider Trading) Regulations, 1992, whenever any Director or Officer (e.g. Company Secretary and officer one level below the Board) is appointed, the Company receives requisite disclosures from such Directors and Officers, within the stipulated time frame. The Company in turn, sends such information to the Stock Exchanges, within the stipulated time frame.

Other non-mandatory requirements as below shall be complied with from the next financial year:

Training of Board Members

The Directors of TML are attending companies within the group and outside the group as Directors on the Board. In the process they are bringing new information, innovation and breakthrough improvements in their respective areas of expertise and the same is being cascaded down to one level below the Board, during the discussions held at the Board Meetings.

The Company considers such expertise sharing during the course of their professional practice as a means for knowledge sharing both for the Director as well as one level below the Board.

Mechanism for evaluating NonExecutive Board Members

A peer group comprising the entire Board of Directors, excluding the Director being evaluated shall evaluate the performance of the Non-Executive Directors to recognise the effectiveness, skills and knowledge of the said member(s) of the Board in their respective fields.

H. RISK MANAGEMENT

The Company has established a robust risk assessment and minimization procedure. This is reviewed regularly by the Board of Directors. The Risk Assessment Committee comprising senior executives of the management is responsible for identifying and evaluating various risks and empowering the internal control systems to reduce or mitigate them. However, a more elaborate Risk Management Process as contemplated by the revised Clause 49 of the Listing Agreement has been included in the Management Discussion and Analysis Report.

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreement, the Auditor's Certificate is given as Annexure 'A' to the Directors' Report.

On and behalf of the Board of Directors

Kolkata
26 April, 2008

Mr. H M Nerurkar
(Chairman)



AUDITORS' REPORT

To the Members of
Tata Metaliks Limited

1. We have audited the attached Balance Sheet of Tata Metaliks Limited as at 31st March, 2008 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.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - a. we have obtained all information and explanations, which to the best of our knowledge and belief were necessary for the purposes 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 written representations received from the directors as on 31st March, 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f. 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 case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2008;
 - (ii) in case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (iii) in case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **Deloitte Haskins & Sells**
Chartered Accountants

A. S. Varma
Partner

Membership No. 15458

Place: Kolkata
Date: 26 April 2008

ANNEXURE TO THE AUDITORS' REPORT

**To the members of
Tata Metaliks Limited
on the accounts for the year ended 31st March, 2008**

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details of its fixed assets.
- (b) Fixed assets have been physically verified by the management during the year in pursuance of a regular programme of verification which, in our opinion, is reasonable, having regard to the size of the Company and the nature of its assets and no material discrepancies have been noticed in respect of those assets which have been physically verified.
- (c) There has been no disposal of substantial part of the fixed assets during the year.
- (ii) (a) Inventory has been physically verified by the management at reasonable intervals during the year.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company during the year has not granted/taken any loans, secured or unsecured to/from companies, firms or other parties as per 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 suitable alternative sources do not exist for obtaining comparable quotations, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to the purchases of inventory, fixed assets and with regard to the sale of goods and services and we have not observed any continuing failure to correct major weaknesses in such internal control system.
- (v) (a) As explained to us, the particulars of contracts or arrangements referred in Section 301 of the Companies Act, 1956 have been 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, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 have been made at prices which are reasonable, having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted deposits from the public to which the provisions of the Section 58A and 58AA of the Companies Act, 1956 and the rules framed there under apply.
- (vii) In our opinion, the Company has an adequate internal audit system commensurate with the size of the Company and nature of its business.
- (viii) To the best of our knowledge and according to the information given to us, the Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 in respect of the Company's products.
- (ix) (a) According to the information and explanations given to us and according to the books and records as produced and examined by us in accordance with the generally accepted auditing practices in India, except for some delays in depositing the VAT dues, the Company is regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, excise duty, custom duty, cess and other material statutory dues as applicable with the appropriate authorities.
- (b) As at 31st March, 2008 according to the records of the Company and the information and explanations given to us, the following are the particulars of dues on account of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess matters that have not been deposited on account of any dispute.

ANNEXURE TO THE AUDITORS' REPORT (Contd.)

Name of the Statute	Nature of Dues	Amount (Rs. lacs)	Period to which the amount relates	Forum where dispute is pending
Customs Act, 1962	Customs Duty (Short levy)	20.08	Financial year 2002-03	Deputy/ Asst. Commissioner
Income Tax Act 1961	Tax	310.72	Assessment year 2005-06	Commissioner of Income Tax (Appeals)
Bengal Electricity Duty Act, 1935	Electricity Duty	65.20	Financial year 2007-08	Appeal proposed to be filed before the Sales Tax Tribunal

- (x) The Company does not have any accumulated losses as at 31st March, 2008 and has not incurred cash losses during the immediately preceding financial year.
- (xi) According to the information and explanations given to us, the Company during the year has not defaulted in repayment of dues to financial institutions 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 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 explanations given to us, the Company is not a dealer or trader in securities.
- (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 term loans taken by the Company have been applied for the purpose for which they were obtained.
- (xvii) According to the information and explanations 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 investment.
- (xviii) The Company has not made any 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 year end, paragraph (xix) of the Order is not applicable.
- (xx) The Company has not raised money during the year from the public.
- (xxi) According to the information and explanations given to us, during the year no fraud on or by the Company has been noticed or reported.

For **Deloitte Haskins & Sells**
Chartered Accountants

A. S. Varma
Partner

Place: Kolkata
Date: 26 April 2008

Membership No. 15458

BALANCE SHEET
AS AT 31ST MARCH, 2008

	Schedule	2008	Rupees Lacs 2007
FUNDS EMPLOYED :			
1. Share Capital	A	2,528.80	2,528.80
2. Reserves and Surplus	B	16,714.18	11,717.03
3. Total Shareholders' Fund		19,242.98	14,245.83
4. Loans	C		
Secured Loans		8,100.00	9,000.00
Unsecured Loans			2,500.00
5. Deferred Tax Liability (Net) (See Note 10)		2,369.66	1,859.43
6. Total Funds Employed		29,712.64	27,605.26
APPLICATION OF FUNDS :			
7. Fixed Assets			
a) Gross Block		30,009.91	26,786.72
b) Less : Depreciation		5,737.74	4,224.29
c) Net Block	D	24,272.17	22,562.43
d) Capital Work - in - Progress		1,334.37	3,541.72
		25,606.54	26,104.15
8. Investments	E	765.02	400.02
9. A. Current Assets			
a) Stores and spare parts		390.76	247.06
b) Inventories	F	19,161.43	11,097.80
c) Sundry Debtors	G	7,629.70	4,601.46
d) Cash and Bank Balances	H	1,022.36	561.05
		28,204.25	16,507.37
B. Loans and Advances	I	4,619.30	2,154.59
		32,823.55	18,661.96
10. Less : Current Liabilities and Provisions			
A. Current Liabilities	J	25,792.49	14,449.87
B. Provisions	K	3,689.98	3,111.00
		29,482.47	17,560.87
11. Net Current Assets		3,341.08	1,101.09
12. Total Assets (Net)		29,712.64	27,605.26
Notes on Balance Sheet and Profit & Loss Account	L		

Per our report attached
Deloitte Haskins & Sells
Chartered Accountants
A S Varma
Partner
Kolkata, 26th April, 2008

Subhasis Dey
Chief Financial Officer & Company Secretary

On behalf of the Board of Directors

Harsh K Jha
Managing Director

H M Nerurkar
Chairman



PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2008

	Schedule	2008	Rupees Lacs 2007	
INCOME				
Sales and Income from other Operations		118,547.33	78,175.44	
Less: Excise Duty recovered		15,211.53	10,067.77	
		103,335.80	68,107.67	
Profit on sale of surplus raw materials		2.14	6.95	68,114.62
Other Income	1	2,501.79		1,517.52
		105,839.73		69,632.14
EXPENDITURE :				
Manufacturing and other expenses	2	91,729.97	62,701.02	
Interest	3	1,924.66	1,418.48	
Depreciation		1,554.90	1,295.18	
		95,209.53		65,414.68
Profit for the year before tax		10,630.20		4,217.46
Provision for taxation :				
Current tax		3,121.00		905.00
Deferred tax		510.23		329.96
Fringe benefit tax		36.44		30.93
Profit after Taxes		6,962.53		2,951.57
BALANCE BROUGHT FORWARD FROM LAST YEAR		6,711.42		6,034.99
AMOUNT AVAILABLE FOR APPROPRIATIONS		13,673.95		8,986.56
Appropriations				
Proposed Dividend		1,770.16	1,517.28	
Tax on Dividend		300.84	257.86	
General Reserve		2,500.00	500.00	2,275.14
Balance Carried to Balance Sheet		9,102.95		6,711.42
Earnings per Share-basic and diluted (Note-9) - Rs./ Share		27.53		11.67
Notes on Balance Sheet & Profit & Loss Account	L			

Per our report attached
Deloitte Haskins & Sells
Chartered Accountants
A S Varma
Partner
Kolkata, 26th April, 2008

Subhasis Dey
Chief Financial Officer & Company Secretary

On behalf of the Board of Directors

Harsh K Jha
Managing Director

H M Nerurkar
Chairman

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2008

	2008	Rupees Lacs 2007
A. Cash Flow from Operating Activities		
Net Profit before tax	10,630.20	4,217.46
Adjustments for :		
Depreciation	1,554.90	1,295.19
Loss on sale of Assets/Discarded Assets written off (net)	343.26	91.73
Interest Income	(39.57)	(35.51)
Interest charged to Profit and Loss Account	1,924.66	1,418.48
Provision for Wealth Tax	5.00	1.65
Dividend Income	(30.00)	(30.00)
	<u>3,758.25</u>	<u>2,741.54</u>
Operating Profit before Working Capital Changes	14,388.45	6,959.00
Adjustments for :		
Decrease/(Increase) in Trade and Other Receivables	(5,494.56)	(3,765.93)
Decrease/(Increase) in Inventories	(8,207.33)	977.27
(Decrease)/Increase in Trade Payables and Other Liabilities	11,391.95	2,140.08
	<u>(2,309.94)</u>	<u>(648.58)</u>
Cash Generated from Operations	12,078.51	6,310.42
Direct Taxes paid	(2,982.11)	(884.37)
Direct taxes refund	—	—
Net Cash from Operating Activities	9,096.40	5,426.05
B. Cash Flow from Investing Activities :		
Purchase of fixed assets	(1,401.00)	(4,810.43)
Sale of fixed assets	0.44	0.17
Purchase of Investment in Subsidiary	(765.00)	—
Interest received	39.53	35.51
Sale of investment	400.00	—
Dividend Received	30.00	30.00
Subsidy Received -WBIDC	105.62	—
	<u>(1,590.41)</u>	<u>(4,744.75)</u>
Net Cash used in Investing Activities	(1,590.41)	(4,744.75)
C. Cash Flow from Financing Activities :		
Proceeds from borrowings		10,500.00
Repayment of borrowings	(3,400.00)	(8,500.00)
Interest paid	(1,916.87)	(1,240.85)
Dividends paid	(1,469.95)	(1,482.14)
Dividend tax paid	(257.86)	(212.80)
Net Cash from Financing Activities	(7,044.68)	(935.79)
Net Increase/(decrease) in Cash and Cash equivalents (A+B+C)	461.31	(254.50)
Cash and Cash equivalents as at 31st March, 2007	561.05	815.55
Cash and cash equivalents as at 31st March,2008	1,022.36	561.05

Per our report attached
Deloitte Haskins & Sells
Chartered Accountants
A S Varma
Partner
Kolkata, 26th April, 2008

Subhasis Dey
Chief Financial Officer & Company Secretary

On behalf of the Board of Directors

Harsh K Jha **H M Nerurkar**
Managing Director Chairman



SCHEDULE FORMING PART OF THE BALANCE SHEET

AS AT 31ST MARCH, 2008

	2008	Rupees Lacs 2007
SCHEDULE A : SHARE CAPITAL:		
Authorised :		
4,00,00,000 Ordinary Shares of Rs. 10 each	<u>4,000.00</u>	<u>4,000.00</u>
Issued, Subscribed and Paid-Up:		
2,52,88,000 Ordinary Shares of Rs. 10 each*	<u>2,528.80</u>	<u>2,528.80</u>
* Of the 2,52,88,000 Ordinary shares :		
(i) 1,17,99,992 Ordinary shares of Rs. 10 each held by Tata Steel Limited.		
(ii) 8,54,383 Ordinary shares of Rs 10 each held by Kalimati Investment Company Limited.		
SCHEDULE B : RESERVES AND SURPLUS :-		
a) CAPITAL RESERVE		
State Capital Investment Subsidy		
Balance as per last account 31.03.2007	20.00	20.00
Add : Received during the period	<u>105.62 #</u> 125.62	<u>—</u> 20.00
b) GENERAL RESERVE		
Balance as per last account 31.03.2007	4,985.61	4,500.00
Add : Amount transferred from Profit and Loss Account	<u>2,500.00</u>	500.00
Less : Transferred to Provision for Gratuity *(Note Below)	<u>—</u> 7,485.61	<u>14.39</u> 4,985.61
c) PROFIT & LOSS ACCOUNT		
Balance carried forward	<u>9,102.95</u>	6,711.42
	<u>16,714.18</u>	<u>11,717.03</u>

Note :* Rs 14.39 Lakhs (net of deferred tax) represents additional liability for gratuity to employees as a result of revised actuarial valuation as at 31st March, 2006 on account of the revised Accounting Standard 15 Employee Benefits issued by ICAI and effective from 1st April, 2006 whereby such additional charge had been adjusted against opening balance of revenue reserves.

Note :# Rs 105.62 lakhs represents state capital investment subsidy under WBIS - 2000 for expansion of unit at village - Gokulpur, P.O. - Samraipur, received on 21st May, 2007.

SCHEDULE C: LOANS :

Secured

Bank of India - Term Loan (Note 1)	500.00	1,000.00
State Bank Of India - Term Loan (Note 2)	<u>7,600.00</u>	<u>8,000.00</u>
	<u>8,100.00</u>	<u>9,000.00</u>
Unsecured		
State Bank of India- Short term corporate loan	<u>—</u>	<u>2,500.00</u>
	<u>8,100.00</u>	<u>11,500.00</u>

Note 1 - Secured by moveable machinery and plant at Kharagpur (both present & future)

Note 2 - Secured by first charge on the fixed assets of Redi plant

SCHEDULE FORMING PART OF THE BALANCE SHEET

AS AT 31ST MARCH, 2008

SCHEDULE - D : FIXED ASSETS :-

Rs lacs

	Cost				Depreciation				Net Block	
	Gross Block as at 31.03.2007	Additions	Deductions	Gross Block as at 31.03.2008	Upto 31.03.2007	For 2007-08	Deductions	Upto 31.03.2008	As at 31.03.2008	As at 31.03.2007
Freehold Land	1,165.63	—	—	1,165.63	—	—	—	—	1,165.63	1,165.63
Leasehold Land & Site Development	99.15	—	—	99.15	12.01	1.00	—	13.01	86.14	87.14
Buildings	1,762.54	288.48	—	2,051.02	242.50	54.32	—	296.82	1,754.20	1,520.04
Plant & Machinery	22,337.61	3,233.37	377.93	25,193.05	3,479.19	1,387.18	36.93	4,829.44	20,363.61	18,858.42
Vehicles	104.31	41.20	1.86	143.65	27.37	11.14	1.84	36.67	106.98	76.94
Data Processing Equipment	211.65	6.14	—	217.79	108.78	28.92	—	137.70	80.09	102.87
Railway Siding*	911.58	—	—	911.58	290.55	61.67	—	352.22	559.36	621.03
Furniture, Fixtures & Office Equipment	194.25	39.16	5.37	228.04	63.90	10.67	2.69	71.88	156.16	130.36
	26,786.72	3,608.35	385.16	30,009.91	4,224.30	1,554.90	41.46	5,737.74	24,272.17	22,562.43
Previous Year - 31.03.2007	22,126.94	4,896.80	237.02	26,786.72	3,074.23	1,295.18	145.12	4,224.29	22,562.43	

*Includes Rs 350 lacs on account of the estimated cost of development borne by the Company of a Railway Siding constructed by Konkan Railway Corporation Limited for preferential use of the Company over others for a period of 10 years. Even though the ownership of the siding is vested with the Railway Authorities, the cost contributed by the Company has been capitalised on the basis of the future economic benefits. Accordingly, the cost of Railway Siding is being amortised over a period of 10 years, starting with the year 2006 - 07 in which the Railway Siding became operational and available for the Company's use. The amortisation charge for the year ended 31st March, 2008 Rs 35.00 lacs (Previous year ended 31st March, 2007 Rs 35.00 lacs) is included in depreciation.

**SCHEDULE E: INVESTMENTS -
At Cost less any decline, other than temporary**

Long Term Investment

1. Investment in Subsidiary Company :

Shares (Unquoted)
Tata Metaliks Kubota Pipes Limited
(Face value of Rs. 10 each) 76,50,000 shares received on allotment during the year.

2 Non trade Investments

Unquoted

- National Savings Certificates
(Lodged with Government authorities.)
- 7.5% Cumulative Redeemable Preference Shares of Rs. 10 fully paid in Rallis India Ltd.(sold during the year)

	2008	Rupees Lacs 2007
	765.00	—
	0.02	0.02
	—	400.00
	<u>765.02</u>	<u>400.02</u>



SCHEDULE FORMING PART OF THE BALANCE SHEET

AS AT 31ST MARCH, 2008

	2008	Rupees Lacs 2007
SCHEDULE F: STOCK IN TRADE :- (at lower of cost and net realisable value)		
(a) Raw materials	15,617.96	8,468.15
(b) Finished goods including scrap etc.	3,012.59	2,270.40
(c) Excise duty on Finished goods	530.88	359.25
	<u>19,161.43</u>	<u>11,097.80</u>
 SCHEDULE G : SUNDRY DEBTORS - UNSECURED :-		
a) Over six months old - considered good	2.89	27.00
b) Other - Considered good	7,626.81	4,574.46
	<u>7,629.70</u>	<u>4,601.46</u>
 SCHEDULE H : CASH AND BANK BALANCES :-		
a) Cash in hand	1.26	1.59
b) Current accounts with scheduled banks (Including cheques-in-hand Rs.74.04 lacs 31.03.07: Rs. 41.23 lacs)	811.10	559.46
c) Deposit account with scheduled bank	210.00	—
	<u>1,022.36</u>	<u>561.05</u>
 SCHEDULE I : LOANS AND ADVANCES (Unsecured considered good, unless otherwise stated)		
Advances with Subsidiary	21.32	—
Advances recoverable in cash or in kind or for value to be received *	3,620.78	1,107.50
Less : Provision for doubtful advances	9.03	9.03
Rent ,electricity deposits etc.	560.64	547.65
Balances with Excise, Custom, Port Trust, etc.(see Note 18)	425.59	506.82
Advance Fringe Benefit Tax - net of provision	—	1.65
	<u>4,619.30</u>	<u>2,154.59</u>
* Includes doubtful Rs. 9.03 lacs; (31.03.2007 Rs. 9.03 lacs)		
* Includes Capital Advances of Rs. 23.86 lacs; (31.03.2007 Rs. 152.72 lacs)		

SCHEDULE FORMING PART OF THE BALANCE SHEET

AS AT 31ST MARCH, 2008

	2008	Rupees Lacs 2007
SCHEDULE J : CURRENT LIABILITIES :-		
a) Sundry Creditors -		
(i) Total outstanding dues of micro and small and medium enterprises	—	—
(ii) Total outstanding dues of creditors other than micro small and medium enterprises	24,129.45	13,712.71
b) Advances received from customers	1,399.18	502.14
c) Unpaid dividends *	224.58	177.25
d) Unpaid matured Debentures and interest *	39.28	57.77
	<u>25,792.49</u>	<u>14,449.87</u>

* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund

SCHEDULE K: PROVISIONS :-

a) Provision for leave encashment	140.54	98.69
b) Provision for gratuity	97.71	51.93
c) Provision for pension	60.00	40.00
d) Provision for taxation (net of advance tax)	1,320.44	1,145.24
e) Provision for fringe benefit tax (net of advance tax)	0.29	—
f) Proposed dividend	1,770.16	1,517.28
g) Tax on dividend	300.84	257.86
	<u>3,689.98</u>	<u>3,111.00</u>

SCHEDULE FORMING PART OF THE BALANCE SHEET

FOR THE YEAR ENDED 31ST MARCH, 2008

SCHEDULE L : NOTES ON BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

1 Accounting Policies

- a) The financial statements are prepared under the historical cost convention on an accrual basis and in conformity with accounting standards issued by the Institute of Chartered Accountants of India.
- b) **Sale of Products :**
Sale of goods is net of trade discounts and include exchange differences arising on sales transactions.
- c) **Gratuity :**
Provision for gratuity liability to employees is made on the basis of actuarial valuation as on 31st March, 2008.



SCHEDULE FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH, 2008

d) Leave Salaries :

Provision for leave salaries is made on the basis of actuarial valuation as on 31st March, 2008.

e) Termination Benefits :

Termination Benefits incurred are recognised as an expense immediately.

f) Relining Expenses:

Relining expenses other than expenses on Blast Furnace relining are charged as an expense in the year in which they are incurred.

g) Depreciation :

Provided on the Straight Line Method basis at the rate and method prescribed under Schedule XIV to the Companies Act, 1956, other than the Railway Siding the ownership of which vests with the Railway Authorities which is being amortised over 10 years (Refer Note on Schedule D). Leasehold land and site development cost are amortized over the period of lease.

Blast furnace relining is capitalised and depreciated over a period of five years (average expected life).

h) Foreign Exchange Transactions :

Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year end rates.

All differences in translation of monetary assets and liabilities and realized gains and losses on foreign exchange transactions are recognised in the Profit and Loss Account. In respect of transactions covered by forward exchange contracts, the difference between the spot rate & contract rate on the date of transaction is charged to the Profit and Loss Account over contract period.

i) Gain or loss on Derivatives :

Outstanding derivative contracts at the balance sheet date are marked to market. While anticipated losses on outstanding derivative contracts at the balance sheet date are provided for fully, anticipated gains on such contracts are ignored, in conformity with the announcement issued by the Institute of Chartered Accountants of India in March 2008.

j) Fixed Assets :

All fixed assets are valued at Cost less specific grants received. Pre-operation expenses including trial run expenses (net of revenue) are capitalized. Interest on borrowings and financing costs during the period of construction is added to the cost of fixed assets.

Blast furnace relining is capitalised, the written-down value consisting of lining/relining expenditure embedded in the cost of the furnace is written off in the year of fresh relining. During the year ended 31st March, 2008, relining expenses incurred Rs.2.60 crores (corresponding previous year ended 31st March, 2007: Rs 2.99 crores) has been capitalized and is being amortised over five years from the date of re-commissioning .

k) Investments :

Long term investments are carried at cost, less provision required if any for permanent diminutions.

l) Inventories :

Stores and spares are valued at cost. Other inventories are carried at lower of cost and net realizable value. Cost of inventories is generally ascertained on the 'weighted average' basis. Work-in-progress and finished and semi-finished products are valued on full absorption cost basis.

m) Deferred Tax is accounted for by computing the tax effect of timing differences which arise during the year and reverse in subsequent periods.

n) Leases :

The Company's significant leasing arrangements are in respect of operating leases for premises (Residence, Office etc.). The leasing arrangements which are not cancellable range between eleven months to three years generally, and are usually renewable by mutual consent at agreed terms. The aggregate lease rent payable are charged as rent in the Profit and Loss Account.

SCHEDULE FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH, 2008

2 Contingent Liabilities

	2007-08	Rupees Lacs 2006-07
(a) Customs demands	20.08	20.08
(b) Electricity Duty	—	39.52
(c) Others-claims of workmen	7.16	9.50

3 Minor and Medium scale business entities :

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, 2008. The above information regarding Micro, Small and Medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

4 Estimated amount of contracts remaining to be executed on Capital Account and not provided for Rs.484.59 Lacs (31.03.2007 : Rs. 810.17 Lacs).

5 Managerial Remuneration

	2007-08	Rupees Lacs 2006-07
a) Salaries	19.20	15.60
b) Provision for Performance Linked bonus	38.40	23.40
c) Perquisites / Allowances	11.12	10.21
d) Contribution to Provident and Other Funds	5.76	4.68
e) Commission to Non Wholetime directors	25.00*	20.00
	<u>99.48</u>	<u>73.89</u>

* Subject to shareholders' approval

Note : Managerial remuneration excludes pension of Rs. 20 Lacs towards post retirement benefit liability of Whole-time director(s), pursuant to the resolution passed by the members at the 11th Annual General Meeting held on 30-7-2001.

Computation of net profits in accordance with section 309(5) of the Companies Act, 1956

		Rupees Lacs
Profit before taxation as per Profit & Loss Account	10,630.20	4,217.46
Add: a) Director's Remuneration	99.48	73.88
b) Directors' fees	6.70	5.22
c) Depreciation charged in the books	1,554.90	1,295.18
d) Provision for wealth tax	5.00	1.65
e) Loss on sale of assets as per books	343.26	91.73
	<u>12,639.54</u>	<u>5,685.13</u>
Less: a) Provision for Depreciation under Section 350 of the Companies Act, 1956	1,554.90	1,295.18
b) Loss on sale of assets	343.26	91.73
Net profit as per Section 309(5)	<u>10,741.38</u>	<u>4,298.22</u>
Commission to Non Wholetime directors as per Board Resolution	25.00	20.00



SCHEDULE FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH, 2008

6 Payment to auditors (excluding service tax)	Rupees Lacs	
	2007-08	2006-07
Audit fees	6.50	6.50
Tax audit fees	1.00	1.00
Other services/certificates	7.55	6.17
Out of pocket expenses	0.81	0.76

7 (a) Information about Primary Business Segments

The company has considered business segment as the primary segment for disclosure. The Company is engaged in the manufacture of pig iron, which in the context of Accounting Standard 17 issued by the Institute of Chartered Accountants of India is considered as the only business segment.

(b) Information about Secondary Segments :- Geographical

The Company sells its products within India. The conditions prevailing in India being uniform, no separate geographical segment disclosure is considered necessary. The export of pig iron is through export house (Tata International Limited).

8 Related Party Disclosures

(a) List of Related Parties and Relationship

Party	Relationship
A. Tata Steel Limited	Holding Company
B. Tata Metaliks Kubota Pipes Limited	Subsidiary Company
C. TM International Logistic Limited	Fellow Subsidiary
D. Key Management Personnel Mr Harsh K. Jha - Managing Director	Whole Time Director

(b) Transactions during the year	Rupees Lacs	
	2007-08	2006-07
1 With Holding Company		
i) Purchase of Raw Materials	11,996.76	7,204.52
ii) Sale of finished goods	322.90	—
iii) Expenses reimbursed in respect of services received	101.12	35.24
iv) Dividend paid	708.00	707.99
v) Outstanding balance at the year end :		
a) Creditors (net of advances)	742.73	217.27
b) Debtors	65.95	0.75
2 With Subsidiary Company		
i) Equity Contribution	765.00	—
ii) Services rendered	50.24	—
iii) Outstanding balance at the year end :		
– Advances given for Expenses	21.32	—
3 With Fellow Subsidiary		
i) Services received	369.03	—
ii) Outstanding balance at the year end :	178.16	—
4 Details of remuneration paid to directors is disclosed in the report on Corporate Governance and Note 5 above.		

SCHEDULE FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH, 2008

9 Earnings per Share (EPS)

		2007-08	2006-07
(i) Profit after tax	Rs. Lacs	6,962.53	2,951.57
(ii) Weighted average No. of Ordinary Shares for Basic EPS		25,288,000	25,288,000
(iii) Nominal value of Ordinary Shares	Rs.	10.00	10.00
(iv) Basic/Diluted Earnings per Ordinary Share	Rs.	27.53	11.67

10 Deferred Tax Liability (Net)

		Rupees Lacs		
		Deferred tax liability/ (asset) as at 01.04.2007	Current year charge/ (credit)	Deferred tax liability/ (asset) as at 31.03.2008
Deferred Tax Liability				
(i) Difference between book and tax depreciation	(A)	1,859.66	514.81	2,374.47
Deferred Tax Assets				
(i) Employee separation scheme	(B)	(0.23)	(4.58)	(4.81)
Deferred Tax Liability	(A)-(B)	1,859.43	510.23	2,369.66

11 Licensed and installed capacities and production⁽¹⁾

Class of Products		Licenced capacity	Installed capacity ⁽²⁾	Production ⁽³⁾
		MT	MT	MT
Pig Iron	2007-08	N.A.	650,000	521,424
	2006-07	N.A.	650,000	419,137

- (1) Not applicable in terms of Government of India's Notification No. S. O. 477(E) dated 25th July, 1991
(2) Excluding items intended for captive consumption & arisings i.e. slags and scrap etc.
(3) As certified by the Managing Director and accepted by the auditors, being a technical matter.

12 Turnover, Closing and Opening Stocks

Class of Products		Turnover		Closing Stock		Opening Stock	
		MT	Rs. Lacs	MT	Rs. Lacs	MT	Rs. Lacs
a) Pig Iron	2007-08	516,043	113,291.92	11,463	2,184.59	10,351	1,765.18
	2006-07	(417,667)	(73,000.22)	(10,351)	(1,765.18)	(13,476)	(1,942.66)
b) Others-Scrap, Slag etc.	2007-08		5,255.41		1,358.88		864.47
	2006-07		(5,175.22)		(864.47)		(404.53)
	2007-08	516,043	118,547.33		3,543.47		2,629.65
	2006-07		(78,175.44)		(2,629.65)		(2,347.19)



SCHEDULE FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH, 2008

13 Raw materials consumed

	2007-08		2006-07	
	MT	Rs. Lacs	MT	Rs. Lacs
(i) Coke	412,214	52,462.63	372,798	35,490.82
(ii) Iron Ore	915,976	23,957.65	754,374	16,709.76
(iii) Dolomite	43,892	358.00	22,989	190.77
(iv) Limestone	76,361	914.20	82,403	928.05
(v) Manganese Ore	12,819	451.36	11,070	186.92
(vi) Quartzite	33,068	224.05	22,108	130.19
(vii) Other	9,260	58.35	21,797	232.92
		78,426.24		53,869.43

Notes : 1. The consumption figures shown above are after adjusting excesses and shortages ascertained on physical count, unservicable items etc.

2. The consumption includes exchange gain (net) Rs. 1,049.79 Lacs [2006-07 : exchange gain (net) Rs. 559.75 Lacs]

14 Value of direct imports (C.I.F value)

		Rupees Lacs
(i) Raw materials	2007-08	43,594.75
	2006-07	26,837.50
(ii) Components, stores and spare parts	2007-08	NIL
	2006-07	NIL

15 The value of consumption of directly imported and indigenously obtained raw materials, stores and spare parts and the percentage of each to the total consumption

		Raw materials		Components, stores and spare parts	
		Rs. Lacs	Percentage	Rs. Lacs	Percentage
(a) Directly imported	2007-08	42,916.48	54.72	—	—
	2006-07	(31,259.97)	(58.03)	—	—
(b) Indigenously obtained	2007-08	35,509.76	45.28	2,705.65	100.00
	2006-07	(22,609.46)	(41.97)	(1,720.60)	(100.00)
		78,426.24	100.00	2,705.65	100.00
		(53,869.43)	(100.00)	(1,720.60)	(100.00)

16 Expenditure in foreign currency

		Rupees Lacs
	2007-08	2006-07
(i) Interest on suppliers' credit	658.03	438.25
(ii) Foreign Travel	12.52	15.20
(iii) Consultancy fees	3.21	2.16
(iv) Other	15.92	5.71

SCHEDULE FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH, 2008

17 Earnings in foreign exchange

Export of Pig Iron through export house - (Tata International Limited) sale proceeds realised/ to be realised Rs. 7,788.93 Lacs (2006-07 : Rs.5,444.77 Lacs)

18 Balances with Excise, Custom, Port Trust, etc. in Schedule I include Rs. 5 crores deposited with the excise authorities at Redi Plant in April,2006 in pursuance of the interim order dated 27.03.06 of the Honourable High Court of Bombay. The authorities have raised a claim of Rs.12.98 crores (plus further interest) on the previous owners of Redi Plant and had refused fresh excise registration. A final order has been passed by the Honourable High Court on 20.02.2008 directing the department to refund the said amount of deposit of Rs 5 Crores alongwith the interest @ 6% p.a.and the cheque was received on 2nd April, 2008 and would be accounted for in 2008-09.

19 Compensation of Rs 17.67 lacs paid to employees during the year ended 31st March 2008 who have opted for retirement under the Voluntary Separation Scheme (VSS), has been fully expensed out and is included in Other Expenditure, as per the requirement of Accounting Standard - 15 (Revised 2005) Employee Benefits. Hitherto, such expenditure incurred in the past was amortised equally over three years. As a result of this change in the method of accounting in the VSS cost, the profit for the year ended 31st March 2008 and reserves as at that date are lower each by Rs 11.78 lacs than what those would have been had the earlier method been followed.

20 Accounting Policy on Employee Benefits:

- (i) Defined Contribution Schemes: Company's contribution towards Provident Fund and Superannuation Fund and provision for pension being set-up over the five year tenure of the wholetime director, on arithmetical basis (DCS) paid / payable during the year to the recognized fund of Tata Metaliks Limited, or the employee, as the case may be, are charged to the Profit and Loss Account.
- (ii) Defined Benefit Schemes: Company's liabilities towards Gratuity, and Leave Encashment are Defined Benefit Schemes (DBS). Leave Encashment and Gratuity are ascertained by an independent actuarial valuation as per the requirements of Accounting Standard 15 (revised 2005) on "Employee Benefits".
- (iii) Gratuity and Superannuation benefits to employees have been funded under separate arrangements with the Life Insurance Corporation of India (LIC).
- (iv) Disclosures in (v) below in respect of DCS and DBS have been given to the extent practical and the availability of information.



SCHEDULE FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH, 2008

(v) The following tables set out the details of amount recognized in the financial statements in respect of employee benefit schemes.

Employee Benefits	2008		Rupees Lacs 2007	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Defined benefit plans/ Long term Compensated absences As per actuarial valuation as on 31st March 2008				
I Components of employer expenses				
1. Current Service Cost	39.62	19.35	—	2.76
2. Interest cost	—	8.14	—	1.62
3. Expected return on plan assets	(75.99)	—	—	—
4. Curtailment cost / (credit)	—	—	—	—
5. Settlement cost / (credit)	—	—	—	—
6. Past Service Cost	18.46	—	—	—
7. Actuarial Losses / (Gains)	63.69	14.36	31.39	15.52
8. Total expenses recognized in the Statement of Profit & Loss Account.	45.78	41.85	31.39	19.91
II Actual Contribution and Benefits Payments for period ended 31st March 2008				
1. Actual benefit payments	—	—	—	4.93
2. Actual Contributions	39.62	41.85	31.39	19.91
III Net assets / (liability) recognized in balance sheet as at 31st March 2008				
1. Present value of Defined Benefit Obligation	213.32	140.54	110.31	98.69
2. Fair value of plan assets	115.61	—	56.74	—
3. Funded status [Surplus/Deficit]	(97.71)	(140.54)	(53.57)	(98.69)
4. Unrecognized past service cost	—	—	—	—
5. Net asset/ (liability) recognized in balance sheet	(97.71)	(140.54)	(53.57)	(98.69)
IV Change in Defined Benefit Obligations during the year ended 31st March 2008				
1. Present Value of DBO at beginning of period	110.31	98.69	83.28	82.71
2. Current Service cost	39.62	19.35	—	2.76
3. Interest cost	—	8.14	—	1.62
4. Curtailment cost / (credit)	—	—	—	—
5. Settlement cost / (credit)	—	—	—	—
6. Plan amendments	—	—	—	—
7. Acquisitions	—	—	—	—
8. Actuarial (Gains) / Losses	63.69	14.36	31.39	15.52
9. Benefits paid	—	—	—	(4.93)
10. Present Value of DBO at the end of period	213.32	140.54	110.31	98.69

SCHEDULE FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH, 2008

	2008		Rupees Lacs 2007	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
V Change in Fair value of Assets during the year ended 31st March 2008				
1. Plan assets at beginning of period	75.99	N/A	—	N/A
2. Acquisition Adjustment	—	N/A	—	N/A
3. Actual return on plan assets	—	N/A	—	N/A
4. Actual company contribution	39.62	N/A	—	N/A
5. Benefits paid	—	N/A	—	N/A
6. Plan assets at the end of the period	115.61	N/A	88.13	N/A
VI Actuarial Assumptions				
1. Discount Rate	8%	8%	N/A	8%
2. Expected return on plan assets	N/A	N/A	N/A	N/A
3(a). Salary escalation - TM & G	N/A	5%	N/A	5%
3(b). Salary escalation - Supervisors	N/A	5%	N/A	5%
3(c). Salary escalation - Workers	N/A	5%	N/A	5%
4. Medical cost inflation	N/A	N/A	N/A	N/A

N/A = Not Applicable

21 Excise duty pertaining to (accretion)/reduction to stock of finished goods is as under:

	2007-08	Rupees Lacs 2006-07
	Rs. Lacs	Rs. Lacs
Opening Stock	359.25	355.63
Closing Stock	530.88	359.25
	(171.63)	(3.62)

22 Anticipated losses recognised in the Profit & Loss Account in respect of the outstanding derivative contracts as at 31st March 2008 is Rs NIL.

23 Figures for the previous year have been regrouped / recast wherever necessary to confirm this year's classification.

On behalf of the Board of Directors

Dated : 26th April, 2008

Subhasis Dey
Chief Financial Officer & Company Secretary

Harsh K Jha
Managing Director

H M Nerurkar
Chairman



SCHEDULE FORMING PART OF THE PROFIT & LOSS ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH, 2008

	2008	Rupees Lacs 2007
SCHEDULE 1 : OTHER INCOME :-		
Interest received on deposits, sundry advances, etc.*	39.57	35.51
Dividend income from long term investment	30.00	30.00
Miscellaneous	<u>2,432.22</u>	<u>1,452.01</u>
	<u>2,501.79</u>	<u>1,517.52</u>
* (Tax deducted at source Rs. 8.80 lacs; Previous Year Rs. 8.10 lacs)		
SCHEDULE 2 : MANUFACTURING AND OTHER EXPENSES :-		
1 RAW MATERIAL CONSUMED		
a) Stock as on 1st April, 2007	8,468.15	9,829.27
b) Add - Purchases	<u>85,576.05</u>	<u>52,508.31</u>
	<u>94,044.20</u>	<u>62,337.58</u>
c) Less - Closing Stock	<u>15,617.96</u>	<u>8,468.15</u>
	78,426.24	53,869.43
2 PAYMENTS TO AND PROVISIONS FOR EMPLOYEES		
a) Wages & Salaries, including bonus	1,955.21	1,400.96
b) Company's contributions to provident and other funds	202.56	157.85
c) Staff welfare expenses	<u>201.87</u>	<u>165.18</u>
	2,359.64	1,723.99
3 OPERATION AND OTHER EXPENSES		
a) Power and fuel	1,144.48	654.38
b) Consumption of stores and spare parts (indigenous)	2,705.65	1,720.60
c) Rent	56.67	59.69
d) Rates and taxes	353.40	169.54
e) Insurance	79.64	71.36
f) Director fees	6.70	5.22
g) Commission ,discounts and rebates	483.15	338.53
h) Loss on sale/discarding of fixed assets (net)	343.26	91.73
i) Provision for wealth tax	5.00	1.65
j) Miscellaneous expenses	2,042.25	1,682.73
k) Provision for doubtful advances	—	—
l) Repairs and maintenance :-		
Plant and machinery	738.04	354.82
Buildings	58.88	46.12
Others	883.67	399.61
m) Share/Debenture Registrar's fees and expenses	<u>8.13</u>	<u>42.00</u>
	8,908.92	5,637.98
4 FREIGHT AND HANDLING CHARGES	2,777.36	1,748.46
5 (ACCRETION)/REDUCTION TO STOCK OF FINISHED PRODUCTS		
Opening Stock	2,629.65	2,347.19
Less : Closing Stock	<u>3,543.47</u>	<u>2,629.65</u>
	(913.82)	(282.46)
6 Excise duty provision on (accretion)/reduction to stock of Finished Products (Note 21)	171.63	3.62
	<u>91,729.97</u>	<u>62,701.02</u>

SCHEDULE FORMING PART OF THE PROFIT & LOSS ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH, 2008

SCHEDULE 3 : INTEREST :-

Interest on

	2008		Rupees lacs 2007	
i) Fixed Loans	850.69		732.10	
ii) Others	<u>299.84</u>	1,150.53	<u>192.21</u>	924.31
iii) Supplier's Credit		774.13		494.17
		<u>1,924.66</u>		<u>1,418.48</u>

Financial Year of the subsidiary ending on	Date from which they became subsidiary	Share of the subsidiary held by the Company as on 31 March 2008	Net aggregate amount of the subsidiary company's profit/(loss) so far as it concern the member of the holding company (Rupees Lakhs)
31-Mar-08	16 October 2007 (date of incorporation)	Number & face value 76,50,000 shares of Rs.10/- each	Not dealt with in the holding company's accounts - 50.66
		Extent of holding - 51%	Dealt with in the holding company' accounts - 52.74



BALANCE SHEET ABSTRACT and Company's General Business Profile

I. Registration Details

Registration No. 5 0 0 0 0

State Code 2 1

Balance Sheet Date 3 1 0 3 2 0 0 8
Date Month Year

II. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue
N I L

Rights Issue
N I L

Bonus Issue
N I L

Private Placement
N I L

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities
2 9 7 1 2 6 4

Total Assets
2 9 7 1 2 6 4

Sources of Funds

Paid-Up Capital
2 5 2 8 8 0

Reserves & Surplus
1 6 7 1 4 1 8

Secured Loans
8 1 0 0 0 0

Unsecured Loans
N I L

Other Liabilities
2 3 6 9 6 6

Application of Funds

Net Fixed Assets
2 5 6 0 6 5 4

Investments
7 6 5 0 2

Net Current Assets
3 3 4 1 0 8

Misc. Expenditure
N I L

Accumulated Losses
N I L

IV. Performance of Company (Amount in Rs. Thousands)

Turnover
1 0 5 8 3 9 7 3

Total Expenditure
9 5 2 0 9 5 3

Extraordinary Items
N I L

Profit/Loss before Tax
1 0 6 3 0 2 0

Profit/Loss after Tax
6 9 6 2 5 3

Earning per share in Rs.
2 7 . 5 3

Dividend rate %
7 0 . 0 0

V. Generic Name of Three Principal Products of the Company (as per monetary terms)

Item Code No. (ITC Code) 7 2 0 1 1 0 0 0

Product Description PIG IRON -FOUNDRY GRADE

Item Code No. (ITC Code) 7 2 0 3 1 0 0 0

Product Description SCRAP - PIG IRON

Item Code No. (ITC Code) 2 6 1 8 0 0 0 0

Product Description GRANULATED SLAG

The ITC Code of Products are as per the publication "Indian Trade Classification" based on harmonised commodity description and coding system by Ministry of Commerce, Directorate General of Commercial Intelligence and Statistics.

CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH, 2008

	Schedule	Rupees Lacs 2008
FUNDS EMPLOYED :		
1. SHARE CAPITAL	A	2,528.80
2. RESERVES AND SURPLUS	B	16,661.45
3. TOTAL SHAREHOLDERS' FUND		<u>19,190.25</u>
4. MINORITY INTEREST		684.34
5. LOANS	C	
Secured Loans		8,100.00
Unsecured Loans		
6. DEFERRED TAX LIABILITY (NET) (SEE NOTE 10)		2,369.66
7. TOTAL FUNDS EMPLOYED		<u>30,344.25</u>
APPLICATION OF FUNDS :		
8. FIXED ASSETS		
a) Gross Block		30,009.91
b) Less : Depreciation		<u>5,737.74</u>
c) Net Block	D	24,272.17
d) Capital Work - in - Progress		<u>1,786.45</u>
		26,058.62
9. INVESTMENTS	E	0.02
10. A. CURRENT ASSETS		
a) Stores and spare parts		390.76
b) Inventories	F	19,161.43
c) Sundry Debtors	G	7,629.70
d) Cash and Bank Balances	H	<u>1,647.12</u>
		28,829.01
B. LOANS AND ADVANCES	I	<u>5,002.57</u>
		33,831.58
11. Less : CURRENT LIABILITIES AND PROVISIONS		
A. Current Liabilities	J	25,855.99
B. Provisions	K	<u>3,689.98</u>
		29,545.97
12. NET CURRENT ASSETS		<u>4,285.61</u>
13. TOTAL ASSETS (Net)		<u>30,344.25</u>
Notes on Balance Sheet and Profit & Loss Account	L	

Per our report attached
Deloitte Haskins & Sells
Chartered Accountants
A S Varma
Partner
Kolkata, 26th April, 2008

Subhasis Dey
Chief Financial Officer & Company Secretary

On behalf of the Board of Directors

Harsh K Jha
Managing Director

H M Nerurkar
Chairman



CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH, 2008

	Schedule		Rupees Lacs 2008
INCOME			
SALES AND INCOME FROM OTHER OPERATIONS			118,547.33
Less: Excise Duty recovered			<u>15,211.53</u>
			103,335.80
Profit on sale of surplus raw materials			<u>2.14</u>
Other Income	1		103,337.94
			<u>2,501.79</u>
			105,839.73
EXPENDITURE			
Manufacturing and other expenses	2		91,832.39
Interest	3		1,924.66
Depreciation			<u>1,554.90</u>
			95,311.95
PROFIT FOR THE YEAR BEFORE TAX			<u>10,527.78</u>
Provision for taxation			
Current tax			3,121.00
Deferred tax			510.23
Fringe benefit tax			<u>37.41</u>
PROFIT AFTER TAXES			6,859.14
ADD : MINORITY INTEREST			50.66
PROFIT AFTER TAX AND MINORITY INTEREST			6,909.80
BALANCE BROUGHT FORWARD FROM LAST YEAR			6,711.42
AMOUNT AVAILABLE FOR APPROPRIATIONS			<u>13,621.22</u>
APPROPRIATIONS			
PROPOSED DIVIDEND			1,770.16
TAX ON DIVIDEND			300.84
GENERAL RESERVE			<u>2,500.00</u>
			4,571.00
BALANCE CARRIED TO BALANCE SHEET			<u>9,050.22</u>
Earnings per Share-basic and diluted (Note-6) - Rs./ Share			27.32
Notes on Balance Sheet & Profit & Loss Account	L		

Per our report attached
Deloitte Haskins & Sells
 Chartered Accountants
A S Varma
 Partner
 Kolkata, 26th April, 2008

Subhasis Dey
 Chief Financial Officer & Company Secretary

On behalf of the Board of Directors

Harsh K Jha
 Managing Director

H M Nerurkar
 Chairman

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2008

	Rupees Lacs 2008
A. Cash Flow from Operating Activities	
Net Profit before tax	10,527.78
Adjustments for :	
Depreciation	1,554.90
Loss on sale of Assets/Discarded Assets written off (net)	343.26
Interest Income	(39.57)
Interest charged to Profit and Loss Account	1,924.66
Provision for Wealth Tax	5.00
Dividend Income	(30.00)
	<u>3,758.25</u>
Operating Profit before Working Capital Changes	<u>14,286.03</u>
Adjustments for :	
Decrease/(Increase) in Trade and Other Receivables	(5,877.75)
Decrease/(Increase) in Inventories	(8,207.33)
(Decrease)/Increase in Trade Payables and Other Liabilities	11,455.44
	<u>(2,629.64)</u>
Cash Generated from Operations	11,656.39
Direct Taxes paid	(2,983.17)
Direct Taxes refund	—
Net Cash from Operating Activities	<u>8,673.22</u>
B. Cash Flow from Investing Activities :	
Purchase of fixed assets	(1,853.06)
Sale of fixed assets	0.44
Interest received	39.53
Sale of investment	400.00
Dividend Received	30.00
Subsidy Received -WBIDC	105.62
	<u>(1,277.47)</u>
Net Cash used in Investing Activities	<u>(1,277.47)</u>
C. Cash Flow from Financing Activities :	
Proceeds from issue of share capital	735.00
Repayment of borrowings	(3,400.00)
Interest paid	(1,916.87)
Dividends paid	(1,469.95)
Dividend tax paid	(257.86)
Net Cash from Financing Activities	<u>(6,309.68)</u>
Net Increase/(decrease) in Cash and Cash equivalents (A+B+C)	<u>1,086.07</u>
Cash and Cash equivalents as at 31st March, 2007	<u>561.05</u>
Cash and cash equivalents as at 31st March,2008	<u>1,647.12</u>

Per our report attached
Deloitte Haskins & Sells
Chartered Accountants
A S Varma
Partner
Kolkata, 26th April, 2008

Subhasis Dey
Chief Financial Officer & Company Secretary

On behalf of the Board of Directors
Harsh K Jha **H M Nerurkar**
Managing Director Chairman



CONSOLIDATED SCHEDULE FORMING PART OF THE BALANCE SHEET

AS AT 31ST MARCH, 2008

SCHEDULE A : SHARE CAPITAL

Authorised :

4,00,00,000 Ordinary Shares of Rs. 10 each

Rupees Lacs
2008

4,000.00

Issued, Subscribed and Paid-Up:

2,52,88,000 Ordinary Shares of Rs. 10 each*

2,528.80

* Of the 2,52,88,000 Ordinary Shares :

(i) 1,17,99,992 Ordinary shares of Rs. 10 each held by Tata Steel Limited.

(ii) 8,54,383 Ordinary shares of Rs 10 each held by Kalimati Investment Company Limited.

SCHEDULE B : RESERVES AND SURPLUS

a) CAPITAL RESERVE

State Capital Investment Subsidy

Balance as per last account 31.03.2007

20.00

Add : Received during the period

105.62 #

125.62

b) GENERAL RESERVE

Balance as per last account 31.03.2007

4,985.61

Add : Amount transferred from Profit and Loss Account

2,500.00

7,485.61

c) PROFIT & LOSS ACCOUNT

Balance carried forward

9,050.22

16,661.45

Note :# Rs 105.62 lakhs represents state capital investment subsidy under WBIS - 2000 for expansion of unit at village - Gokulpur, P.O. - Samraipur, received on 21st May, 2007.

SCHEDULE C: LOANS

Secured

Bank of India - Term Loan (Note 1)

500.00

State Bank Of India - Term Loan (Note 2)

7,600.00

8,100.00

Unsecured

State Bank of India- Short term corporate loan

—

8,100.00

Note 1 - Secured by moveable machinery and plant at Kharagpur (both present & future)

Note 2 - Secured by first charge on the fixed assets of Redi plant

CONSOLIDATED SCHEDULE FORMING PART OF THE BALANCE SHEET

AS AT 31ST MARCH, 2008

SCHEDULE - D : FIXED ASSETS

Rs Lacs

	Cost				Depreciation				Net Block	
	Gross Block as at 31.03.2007	Additions	Deductions	Gross Block as at 31.03.2008	Upto 31.03.2007	For 2007-08	Deductions	Upto 31.03.2008	As at 31.03.2008	As at 31.03.2007
Freehold Land	1,165.63	—	—	1,165.63	—	—	—	—	1,165.63	1,165.63
Leasehold Land & Site Development	99.15	—	—	99.15	12.01	1.00	—	13.01	86.14	87.14
Buildings	1,762.54	288.48	—	2,051.02	242.50	54.32	—	296.82	1,754.20	1,520.04
Plant & Machinery	22,337.61	3,233.37	377.93	25,193.05	3,479.19	1,387.18	36.93	4,829.44	20,363.61	18,858.42
Vehicles	104.31	41.20	1.86	143.65	27.37	11.14	1.84	36.67	106.98	76.94
Data Processing Equipment	211.65	6.14	—	217.79	108.78	28.92	—	137.70	80.09	102.87
Railway Siding*	911.58	—	—	911.58	290.55	61.67	—	352.22	559.36	621.03
Furniture, Fixtures & Office Equipment	194.25	39.16	5.37	228.04	63.90	10.67	2.69	71.88	156.16	130.36
	26,786.72	3,608.35	385.16	30,009.91	4,224.30	1,554.90	41.46	5,737.74	24,272.17	22,562.43
Previous Year - 31.03.2007	22,126.94	4,896.80	237.02	26,786.72	3,074.23	1,295.18	145.12	4,224.29	22,562.43	

*Includes Rs 350 lacs on account of the estimated cost of development borne by the company of a Railway Siding constructed by Konkan Railway Corporation Limited for preferential use of the company over others for a period of 10 years. Even though the ownership of the siding is vested with the Railway Authorities, the cost contributed by the company has been capitalised on the basis of the future economic benefits. Accordingly, the cost of Railway Siding is being amortised over a period of 10 years, starting with the year 2006 - 07 in which the Railway Siding became operational and available for the company's use. The amortisation charge for the year ended 31st March, 2008 Rs 35.00 lacs (Previous year ended 31st March, 2007 Rs 35.00 lacs) is included in depreciation.

SCHEDULE E: INVESTMENTS

At Cost less any decline, other than temporary

Non trade Investments

Unquoted

- National Savings Certificates
(Lodged with Government authorities.)
- 7.5% Cumulative Redeemable Preference Shares of Rs. 10 fully paid in Rallis India Ltd.(sold during the year)

Rupees Lacs
2008

0.02

—

0.02



CONSOLIDATED SCHEDULE FORMING PART OF THE BALANCE SHEET

AS AT 31ST MARCH, 2008

SCHEDULE F: STOCK IN TRADE

(at lower of cost and net realisable value)

(a) Raw materials	15,617.96
(b) Finished goods including scrap etc.	3,012.59
(c) Excise duty on Finished goods	530.88
	<u>19,161.43</u>

SCHEDULE G : SUNDRY DEBTORS - UNSECURED

a) Over six months old - considered good	2.89
b) Other - Considered good	7,626.81
	<u>7,629.70</u>

SCHEDULE H : CASH AND BANK BALANCES

a) Cash in hand	1.32
b) Current accounts with scheduled banks (Including cheques-in-hand Rs. 74.12 lacs)	1,035.80
c) Deposit account with scheduled bank	610.00
	<u>1,647.12</u>

SCHEDULE I : LOANS AND ADVANCES

(Unsecured considered good, unless otherwise stated)

Advances recoverable in cash or in kind or for value to be received *	4,024.44
Less : Provision for doubtful advances	9.03
Rent ,electricity deposits etc.	560.64
Balances with Excise, Custom, Port Trust, etc.(see Note 18)	425.59
Advance Income Tax - TDS on bank interest	0.85
Advance Fringe Benefit Tax - net of provision	0.08
	<u>5,002.57</u>

* Includes doubtful Rs. 9.03 lacs.

* Includes Capital Advances of Rs. 417.20 lacs.

Rupees Lacs
2008

CONSOLIDATED SCHEDULE FORMING PART OF THE BALANCE SHEET

AS AT 31ST MARCH, 2008

SCHEDULE J : CURRENT LIABILITIES

	Rupees Lacs 2008
a) Sundry Creditors -	
(i) Total outstanding dues of micro and small medium enterprises	—
(ii) Total outstanding dues of creditors other than micro small and medium enterprises	24,192.95
b) Advances received from customers	1,399.18
c) Unpaid dividends *	224.58
d) Unpaid matured Debentures and interest *	39.28
	263.86
	25,855.99

* There are no amounts due and outstanding to be credited to Investors' Education and Protection Fund

SCHEDULE K: PROVISIONS

a) Provision for leave encashment	140.54
b) Provision for gratuity	97.71
c) Provision for pension	60.00
d) Provision for taxation (net of advance tax)	1,320.44
e) Provision for fringe benefit tax (net of advance tax)	0.29
f) Proposed dividend	1,770.16
g) Tax on dividend	300.84
	3,689.98

CONSOLIDATED SCHEDULE FORMING PART OF THE BALANCE SHEET

FOR THE YEAR ENDED 31ST MARCH, 2008

SCHEDULE L : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT OF THE COMPANY AND ITS SUBSIDIARY FOR THE YEAR ENDED 31ST MARCH, 2008

1 Principles of Consolidation :

The Consolidated Financial Statements relate to Tata Metaliks Limited ("the Company") and its subsidiary company. The Consolidated Financial Statements have been prepared on the following basis :

- a) The financial statements of the Company and its subsidiary company have been combined on a line -by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra group transaction resulting in unrealised profit or losses as per Accounting Standard 21 - Consolidated Financial Statements issued by The Institute of Chartered Accountants of India.
- b) The financial statement of the subsidiary used in the consolidation are drawn upto the same reporting date as that of the Company i.e. 31st March, 2008.



CONSOLIDATED SCHEDULE FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH, 2008

- c) Minority interest in the net assets of consolidated subsidiaries consists of :
- 1) The amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and
 - 2) The minorities' share of movements in equity since the date the parent subsidiary relationship came into existence.
- d) Minority interest's share of net loss for the year of consolidated subsidiary is identified and adjusted against the profit after tax of the group.
- e) Intra - group balances and intra - group transactions and resulting unrealised profit have been eliminated.
- 2 The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS 21) "Consolidated Financial Statements ", Accounting Standard 23 (AS 23) "Accounting for Investments in Associates in Consolidated Financial Statements" and Accounting Standard 27 (AS 27) "Financial Reporting of Interests in Joint Ventures", issued by The Institute of Chartered Accountants of India.

- a) The subsidiary considered in the preparation of the consolidated financial statement is :

Name	Country of Incorporation	Percentage of ownership interest as at 31st March, 2008
Tata Metaliks Kubota Pipes Limited	India	51

- b) Interests in Joint Ventures : None
- c) Interests in Associates : None
- 4 **Accounting Policies**
- a) The financial statements are prepared under the historical cost convention on an accrual basis and in conformity with accounting standards issued by The Institute of Chartered Accountants of India.
- b) **Sale of Products :**
Sale of goods is net of trade discounts and include exchange differences arising on sales transactions.
- c) **Gratuity :**
Provision for gratuity liability to employees is made on the basis of actuarial valuation as on 31 st March, 2008.
- d) **Leave Salaries :**
Provision for leave salaries is made on the basis of actuarial valuation as on 31 st March, 2008.
- e) **Termination Benefits :**
Termination Benefits incurred are recognised as an expense immediately.
- f) **Relining Expenses:**
Relining expenses other than expenses on Blast Furnace relining are charged as an expense in the year in which they are incurred.
- g) **Depreciation :**
Provided on the Straight Line Method basis at the rate and method prescribed under Schedule XIV to the Companies Act, 1956, other than the Railway Siding the ownership of which vests with the Railway Authorities which is being amortised over 10 years (Refer Note on Schedule D). Leasehold land and site development cost are amortized over the period of lease.
Blast furnace relining is capitalised and depreciated over a period of five years (average expected life).
- h) **Foreign Exchange Transactions :**
Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year end rates.
All differences in translation of monetary assets and liabilities and realized gains and losses on foreign exchange transactions are recognised in the Profit and Loss Account. In respect of transactions covered by forward exchange contracts, the difference between the spot rate & contract rate on the date of transaction is charged to the Profit and Loss Account over contract period.

CONSOLIDATED SCHEDULE FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH, 2008

i) Gain or loss on Derivatives :

Outstanding derivative contracts at the balance sheet date are marked to market. While anticipated losses on outstanding derivative contracts at the balance sheet date are provided for fully, anticipated gains on such contracts are ignored, in conformity with the announcement issued by The Institute of Chartered Accountants of India in March 2008.

j) Fixed Assets :

All fixed assets are valued at Cost less specific grants received. Pre-operation expenses including trial run expenses (net of revenue) are capitalized. Interest on borrowings and financing costs during the period of construction is added to the cost of fixed assets.

Blast furnace relining is capitalised, the written-down value consisting of lining/relining expenditure embedded in the cost of the furnace is written off in the year of fresh relining. During the year ended 31st March, 2008, relining expenses incurred Rs.2.60 crores (corresponding previous year ended 31st March, 2007: Rs 2.99 crores) has been capitalized and is being amortised over five years from the date of re-commissioning.

k) Investments :

Long term investments are carried at cost, less provision required if any for permanent diminutions.

l) Inventories :

Stores and spares are valued at cost. Other inventories are carried at lower of cost and net realizable value. Cost of inventories is generally ascertained on the 'weighted average' basis. Work-in-progress and finished and semi-finished products are valued on full absorption cost basis.

m) Deferred Tax is accounted for by computing the tax effect of timing differences which arise during the year and reverse in subsequent periods.

n) Leases :

The Company's significant leasing arrangements are in respect of operating leases for premises (Residence, Office etc.). The leasing arrangements which are not cancellable range between eleven months to three years generally, and are usually renewable by mutual consent at agreed terms. The aggregate lease rent payable are charged as rent in the Profit and Loss Account.

5 Managerial Remuneration

	Rs. Lacs
	2007-08
a) Salaries	19.20
b) Provision for Performance Linked bonus	38.40
c) Perquisites / Allowances	11.12
d) Contribution to Provident and Other Funds	5.76
e) Commission to Non Wholetime directors	* 25.00
	<u>99.48</u>

* Subject to shareholders' approval

6 Earnings per Share (EPS)

		2007-08
(i) Profit after Tax and Minority Interest	Rs. Lacs	6,909.80
(ii) Weighted average No. of Ordinary Shares for Basic EPS		25,288,000
(iii) Nominal value of Ordinary Shares	Rs.	10.00
(iv) Basic/Diluted Earnings per Ordinary Share	Rs.	27.32



CONSOLIDATED SCHEDULE FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH, 2008

	Rs. Lacs 2007-08
7 Contingent Liabilities	
(a) Customs demands	20.08
(b) Others-claims of workmen	7.16

8 Estimated amount of contracts remaining to be executed on Capital Account and not provided for **Rs. 9424.59 Lacs**

9 (a) Information about Primary Business Segments

The company has considered business segment as the primary segment for disclosure. The Company is engaged in the manufacture of pig iron, which in the context of Accounting Standard 17 issued by the Institute of Chartered Accountants of India is considered as the only business segment.

(b) Information about Secondary Segments :- Geographical

The Company sells its products within India. The conditions prevailing in India being uniform, no separate geographical segment disclosure is considered necessary. The export of pig-iron is through export house (Tata International Limited).

10 Deferred Tax Liability (Net)

		Rs. Lacs
	Deferred tax liability/ (asset) as at 01.04.2007	Current year charge/ (credit)
		Deferred tax liability/ (asset) as at 31.03.2008
Deferred Tax Liability		
(i) Difference between book and tax depreciation (A)	1,859.66	514.81
Deferred Tax Assets		
(i) Employee separation scheme (B)	(0.23)	(4.58)
Deferred Tax Liability (A)-(B)	<u>1,859.43</u>	<u>510.23</u>
		<u>2,369.66</u>

11 Related Party Disclosures

(a) List of Related Parties and Relationship

Party	Relationship
A. Tata Steel Ltd.	Holding Company
B. Key Management Personnel Mr. Harsh K. Jha - Managing Director	

(b) Transactions during the year

	Rs. Lacs 2007-08
1 With Holding Company	
i) Purchase of Raw Materials	11,996.76
ii) Purchase of Capital Goods	91.13
iii) Sale of finished goods	322.90
iv) Expenses reimbursed in respect of services received	101.12
v) Dividend paid	708.00
vi) Outstanding balance at the year end :	
a) Creditors (net of advances)	796.95
b) Debtors	65.95

CONSOLIDATED SCHEDULE FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH, 2008

		Rs. Lacs
		2007-08
12	Excise duty pertaining to (accretion)/ reduction to stock of finished goods is as under:	
	Opening Stock	359.25
	Closing Stock	530.88
		<u>(171.63)</u>
13	Compensation of Rs 17.67 lacs paid to employees during the year ended 31st March 2008 who have opted for retirement under the Voluntary Separation Scheme (VSS), has been fully expensed out and is included in Other expenditure, as per the requirement of Accounting Standard - 15 (Revised 2005) Employee benefits. Hitherto, such expenditure incurred in the past was amortised equally over three years. As a result of this change in the method of accounting in the VSS cost, the profit for the year ended 31st March 2008 and reserves as at that date are lower each by Rs 11.78 lacs than what those would have been had the earlier method been followed.	
14	Balances with Excise, Custom, Port Trust, etc. in Schedule I include Rs. 5 crores deposited with the excise authorities at Redi Plant in April, 2006 in pursuance of the interim order dated 27.03.06 of the Honourable High Court of Bombay. The authorities have raised a claim of Rs. 12.98 crores (plus further interest) on the previous owners of Redi Plant and had refused fresh excise registration. A final order has been passed by the Honourable High Court on 20.02.2008 directing the department to refund the said amount of deposit of Rs 5 Crores along with the interest @ 6% p.a. and the cheque was received on 2nd April, 2008 and would be accounted for in 2008-09	
15	Accounting Policy on Employee Benefits:	
	(i) Defined Contribution Schemes: Company's contribution towards Provident Fund and Superannuation Fund and provision for pension being set-up over the five year tenure of the wholetime director, on arithmetical basis (DCS) paid / payable during the year to the recognized fund of Tata Metaliks Limited, or the employee, as the case may be, are charged to the Profit and Loss Account.	
	(ii) Defined Benefit Schemes: Company's liabilities towards Gratuity, and Leave Encashment are defined benefit Schemes (DBS). Leave Encashment and Gratuity are ascertained by an independent actuarial valuation as per the requirements of Accounting Standard 15 (revised 2005) on "Employee Benefits".	
	(iii) Gratuity and Superannuation benefits to employees have been funded under separate arrangements with the Life Insurance Corporation of India (LIC).	
	(iv) Disclosures in (v) below in respect of DCS and DBS have been given to the extent practical and the availability of information.	
	(v) The following tables set out the details of amount recognized in the financial statements in respect of employee benefit schemes.	

EMPLOYEE BENEFITS

Defined benefit plans/ Long term Compensated absences
As per actuarial valuation as on 31st March, 2008

I Components of employer expenses

1	Current Service Cost	
2	Interest cost	
3	Expected return on plan assets	
4	Curtailement cost / (credit)	
5	Settlement cost / (credit)	
6	Past Service Cost	
7	Actuarial Losses / (Gains)	
8	Total expenses recognized in the Statement of Profit & Loss Account.	

Rupees Lacs
31st March, 2008

Gratuity	Leave Encashment
----------	------------------

39.62	19.35
—	8.14
(75.99)	—
—	—
—	—
18.46	—
63.69	14.36
45.78	41.85



CONSOLIDATED SCHEDULE FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH, 2008

EMPLOYEE BENEFITS

II Actual Contribution and Benefits Payments for period ended 31st March, 2008

	Rupees Lacs 31st March, 2008	
	Gratuity	Leave Encashment
1 Actual benefit payments	—	—
2 Actual Contributions	39.62	41.85

III Net assets / (liability) recognized in balance sheet as at 31st March, 2008

1 Present value of Defined Benefit Obligation	213.32	140.54
2 Fair value of plan assets	115.61	—
3 Funded status [Surplus/Deficit]	(97.71)	(140.54)
4 Unrecognized past service cost	—	—
5 Net asset/ (liability) recognized in balance sheet	(97.71)	(140.54)

IV Change in Defined Benefit Obligations during the year ended 31st March, 2008

1 Present Value of DBO at beginning of period	110.31	98.69
2 Current Service cost	39.62	19.35
3 Interest cost	—	8.14
4 Curtailment cost / (credit)	—	—
5 Settlement cost / (credit)	—	—
6 Plan amendments	—	—
7 Acquisitions	—	—
8 Actuarial (Gains) / Losses	63.69	14.36
9 Benefits paid	—	—
10 Present Value of DBO at the end of period	213.32	140.54

V Change in Fair value of Assets during the year ended 31st March, 2008

1 Plan assets at beginning of period	75.99	N/A
2 Acquisition Adjustment	—	M/A
3 Actual return on plan assets	—	N/A
4 Actual company contribution	39.62	N/A
5 Benefits paid	—	N/A
6 Plan assets at the end of the period	115.61	N/A

VI Actuarial Assumptions

1 Discount Rate	8%	8%
2 Expected return on plan assets	N/A	N/A
3(a) Salary escalation TM & G	N/A	5%
3(b) Salary escalation Supervisors	N/A	5%
3(c) Salary escalation Workers	N/A	5%
4 Medical cost inflation	N/A	N/A

N/A = Not Applicable

CONSOLIDATED SCHEDULE FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH, 2008

- 16 Tata Metaliks Kubota Pipes Limited incorporated on 16th October, 2007 has now been recorded as a subsidiary company and in the process of setting up the project and this being the first Consolidated Account of the company no comparative figures have been given.
- 17 Anticipated losses recognised in the Profit & Loss Account in respect of the outstanding derivative contracts as at 31st March, 2008 is Rs NIL.
- 18 This being the first accounting period when the Consolidated Financial Statements have been prepared, therefore, there are no comparatives for the previous period.

On behalf of the Board of Directors

Dated : 26th April, 2008

Subhasis Dey
Chief Financial Officer & Company Secretary

Harsh K Jha
Managing Director

H M Nerurkar
Chairman

CONSOLIDATED SCHEDULE FORMING PART OF THE PROFIT & LOSS ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH, 2008

SCHEDULE 1 : OTHER INCOME

Interest received on deposits, sundry advances, etc *

Dividend income from long term investment

Miscellaneous

Rupees Lacs
2008
39.57
30.00
2,432.22
2,501.79

* (Tax deducted at source Rs 8.80 lacs)



CONSOLIDATED SCHEDULE FORMING PART OF THE PROFIT & LOSS ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH, 2008

SCHEDULE 2 : MANUFACTURING AND OTHER EXPENSES

1 RAW MATERIAL CONSUMED

a) Stock as on 1st April'2007	8,468.15	
b) Add - Purchases	85,576.05	
	<u>94,044.20</u>	
c) Less - Closing Stock	15,617.96	78,426.24

2 PAYMENTS TO AND PROVISIONS FOR EMPLOYEES

a) Wages & Salaries, including bonus	1,989.85	
b) Company's contributions to provident and other funds	216.88	
c) Staff welfare expenses	202.41	
	<u>2,409.14</u>	
Less: Transferred to Capital & other account	48.62	2,360.52

3 OPERATION AND OTHER EXPENSES

a) Power and fuel	1,144.48	
b) Consumption of stores and spare parts (indigenous)	2,705.65	
c) Rent	62.08	
d) Rates and taxes	353.40	
e) Insurance	81.83	
f) Director fees	6.94	
g) Commission ,discounts and rebates	483.15	
h) Loss on sale/discarding of fixed assets (net)	343.26	
i) Provision for wealth tax	5.00	
j) Miscellaneous expenses	2,098.16	
k) Provision for doubtful advances	—	
l) Repairs and maintenance :-		
Plant and machinery	738.04	
Buildings	58.88	
Others	883.67	
m) Share/Debenture Registrar's fees and expenses	8.34	
n) Company formation expenses	101.08	
	<u>9,073.96</u>	
Less: Transferred to Capital & other account	63.50	9,010.46

4 FREIGHT AND HANDLING CHARGES

2,777.36

5 (ACCRETION)/REDUCTION TO STOCK OF FINISHED PRODUCTS

Opening Stock	2,629.65	
Less : Closing Stock	3,543.47	(913.82)

6 Excise duty provision on (accretion)/reduction to stock of Finished Products (Note 12)

171.63

91,832.39

Rupees lacs
2008

CONSOLIDATED SCHEDULE FORMING PART OF THE PROFIT & LOSS ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH, 2008

SCHEDULE 3 : INTEREST

Interest on

- i) Fixed Loans
- ii) Others
- iii) Supplier's Credit

	Rupees lacs 2008	
	850.69	
	<u>299.84</u>	1,150.53
		<u>774.13</u>
		<u>1,924.66</u>



SHAREHOLDERS' INFORMATION (Contd.)

Name, designation & address of Compliance Officer	Name, designation & address of Investor Relations Officer
Mr. Subhasis Dey CFO & Comp.Secy. Tata Centre, 43, Jawaharlal Nehru Road Kolkata 700 071. Phone : (033)66134222 Fax : (033) 2288 4372 Email : subhasisdey.cs@tatametaliks.co.in	Mr. Subhasis Dey CFO & Comp.Secy. Tata Centre, 43, Jawaharlal Nehru Road Kolkata 700 071. Phone : (033)66134222 (Extn. 222) Fax : (033) 2288 4372 Email : subhasis.dey@tatametaliks.co.in

Shareholder / Investor Complaints	
Complaints pending as on 1st April, 2007	2
During the period 1st April, 2007 to 31st March, 2008 complaints identified	236
And reported under Clause 41 of the Listing Agreement	236
Complaints disposed off during the year ended 31st March, 2008	237
Complaints unresolved to the satisfaction of shareholders as on 31st March, 2008	1
No. of pending share transfers as on 31st March, 2008	1200
Transfers lodged in the last two weeks of March '08 and hence pending as on 31st March,'08	400

Sl.No.	Description	Nos. Received	Total Replied	Total Pending
A	Complaints Letters received from Statutory/Regulatory Bodies			
1	SEBI	6	6	-
2	DOCA/ROC	0	0	-
3	STOCK EXCHANGES	11	11	-
4	NSDL/CDSL	5	5	-
	Total Nos.	22	22	-
B	Legal Matters Court/Consumer Forum Matters	1*		1*
	Total Nos.	1*		1*
C	Dividends			
1.	Non-receipt of Dividend Warrants (pending reconciliation At the time of receipt of letters)	49	49	-
2.	Fraudulent Encashment of dividend warrants	-	-	-
	Total Nos.	49	49	-
D	Letters in the nature of reminders/ complaints			
	Non-receipt of share after transfer	27	27	-
	Non-receipt of Annual Report	6	6	-
	Non-receipt of Interest/Redemption Warrant	42	42	-
	Non-receipt of Duplicate Certificate	37	37	-
	Non-receipt of Certificate after rejection	3	3	-
	Miscellaneous	49	48	1
	Total Nos.	164	163	1
	Grand Total	236	235	1

SHAREHOLDERS' INFORMATION

Note:

*Although the Company has replied to the matter, it is yet to be resolved.

The correspondence identified, as investor complaints are letters received through Statutory/Regulatory bodies and those related to Court/Consumer forum matters, (where the Company /Registrar is involved and is accused of deficiency in service) fraudulent encashment and non-receipt of dividend amounts where reconciliation of the payment is in progress/completed after the end of the quarter.

Secretarial Audit

A qualified practicing Company Secretary carried out a secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued / paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

General Shareholder Information

AGM Details	
Date	16th July, 2008
Venue	Kalamandir, 48, Shakespeare Sarani, Kolkata -700017
Time	11.30 a.m.
Book Closure Date	Monday, 23 June 2008 to Wednesday, 16 July 2008, both days inclusive
Dividend Payment Date	On or after 18 July 2008

As required under Clause 49 IV(G)(i), particulars of Directors seeking reappointment are given in the Explanatory Statement to the Notice of the Annual General Meeting to be held on 16th July, 2008.

Financial Calendar

Financial Year 2008-2009		
1	Year ending	31 March, 2009
2	AGM	July 2009
3	Dividend Payment	Generally in July
4	First Quarter Results	July 2008
5	Second Quarter & Half Yearly Results	October 2008
6	Third Quarter Results	January 2009
7	Annual Results	April 2009

Unclaimed Dividends

Shareholders, who have not yet encashed their dividend warrant(s) for the financial year 2001-2002 onwards, are requested to make their claims to the Company accordingly, without any delay. It may kindly be noted that the unclaimed dividend for the financial year 2001-2002 is due for transfer to the Investors Education & Protection Fund on 21st July, 2008.

Financial Year	Dividend No.	Date of Declaration	Rate	Due for Transfer	Amount pending as on 31.3.2008
2000-2001	Maiden Dividend	30th July 2001	12%	21st July 2008	1330865.40
2001-2002	Interim Dividend	10th July 2002	22.5%	9th May 2009	2393627.00
2002-2003	Final Dividend	26th July 2003	25%	25th July 2010	2448753.00
2003-2004	Final Dividend	24th July 2004	35%	23rd July 2011	2478979.64
2004-2005	Final Dividend	26th July 2005	60%	25th July 2012	5104728.00
2005-2006	Final Dividend	12th July 2006	60%	11th July 2013	3653224.63
2006-2007	Final Dividend	13th July 2007	60%	12th July 2014	5047944.00



SHAREHOLDERS' INFORMATION (Contd.)

Listing on Stock Exchanges (with Stock Code)

Stock Exchange	Stock code
Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.	Share 513434
The Calcutta Stock Exchange Asscn. Ltd. 7 Lyons Range Kolkata 700 001.	Share 30047
National Stock Exchange of India Ltd. 5, Exchange Plaza, Bandra Kurla Complex, Bandra East, Mumbai 400 051.	TATAMETALI

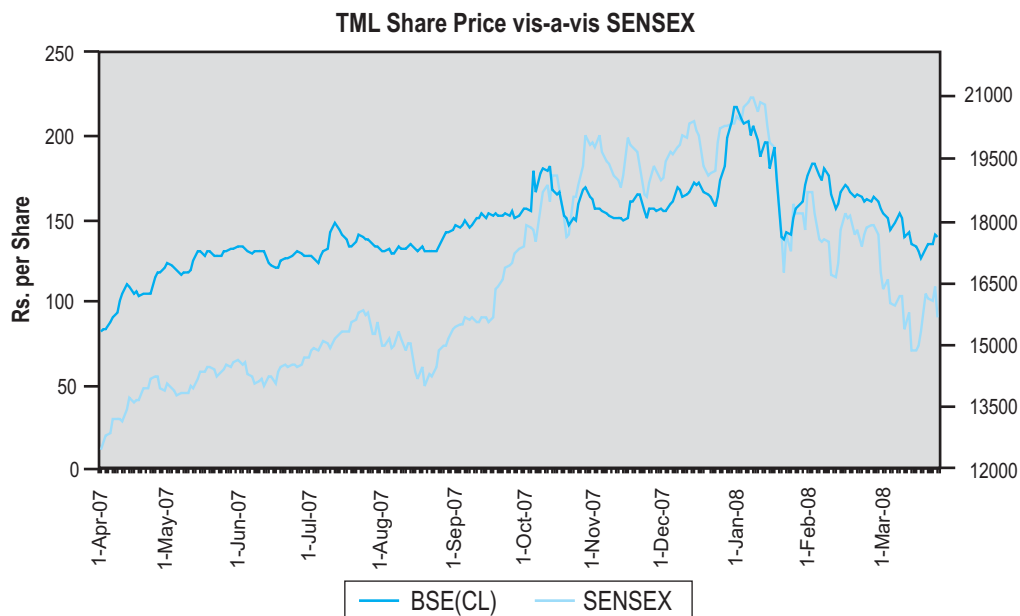
The Listing Fees for the year 2008-2009 has been paid to the BSE, the NSE & the CSE on 8.4.2008 and 2.5.2007. The Company proposes to delist its equity shares from the CSE.

Market Information -

Monthly High and Low quotation of Shares traded on Calcutta Stock Exchange (CSE), Bombay Stock Exchange (BSE) and National Stock Exchange (NSE)

Month	BSE		NSE		CSE	
	High	Low	High	Low	High	Low
April '07	121.90	80.00	123.00	78.55	—	—
May '07	138.00	114.00	136.95	114.10	—	—
June '07	135.90	118.10	135.00	118.50	—	—
July '07	152.40	123.25	152.40	121.05	—	—
Aug. '07	147.75	125.00	147.00	124.10	—	—
Sept. '07	157.00	143.30	159.95	142.20	—	—
Oct. '07	197.00	145.35	196.75	143.65	—	—
Nov. '07	168.00	147.50	170.00	145.00	—	—
Dec. '07	216.35	154.15	214.85	154.10	—	—
Jan. '08	224.00	113.00	223.50	107.60	—	—
Feb. '08	196.00	155.00	196.70	125.65	—	—
Mar. '08	160.50	124.10	163.90	115.25	—	—

SHAREHOLDERS' INFORMATION (Contd.)



Name and address of Registrar & Share Transfer Agent

R & D Infotech Pvt. Ltd.

22/4, Nakuleshwar Bhattacharjee Lane

Kolkata 700 026

Phone:033-2463-1658

Fax:033-2463-1657

E-mail:rd.infotech@vsnl.net

Shareholders holding share in the electronic form should address their correspondence, except those relating to dividend, to their respective Depository Participants.

Share Transfer System

Shares in the physical form for transfer, should be lodged with the office of the Company's Registrar & Share Transfer Agent, M/s R & D Infotech Pvt. Ltd. or at the registered office of the Company. The transfers are processed if technically found to be in order and complete in all respects. As per directives issued by SEBI, it is compulsory to trade in the Company's shares in dematerialized form. Certain Directors and the CFO & Company Secretary are severally empowered to approve transfers.

Transfer Period	:	April, '07 March, '08
Transfer period in days	:	10 days - 12 days
Total No. of Shares Lodged for Transfer	:	111638
Total No. of Shares Transferred	:	88438
Total No. of Transfer	:	717
Total No. of Objection as per SEBI guidelines on good/bad delivery	:	23200
Percentage (%) of objection to no. of shares lodged	:	20.78%



SHAREHOLDERS' INFORMATION (Contd.)

Distribution of Shareholding as on 31st March, 2008

No. of ordinary shares held	No. of shareholders	%	No. of shares	%
1 - 500	46554	95.63	5567681	22.02
501 - 1000	1207	2.48	988493	3.91
1001 - 10000	843	1.73	2290878	9.06
10001 - 50000	60	0.12	1239777	4.90
50001 and above	18	0.04	15201171	60.11
Total	48682	100.00	25288000	100.00

Categories of Shareholding as on 31st March, 2008

No. of ordinary shares held	No. of shareholders	%	No. of shares	%
Promoters' Holding	10	0.02	12654383	50.04
UTI/Mutual Funds/Banks	8	0.02	192660	0.76
FIs	9	0.02	658151	2.60
Corporate Bodies	803	1.65	1741717	6.89
FIIIs / NRIs / OCBs	305	0.63	285160	1.13
State Government - WBIDC	1	0.00	250000	0.99
Resident Individuals	47546	97.66	9505929	37.59
Total	48682	100.00	25288000	100.00

Top 10 Shareholders List (As on 31-03-08)

Name of Shareholder	No. of Share held	% of Share Capital
Tata Steel Limited	11799992	46.66
Kalimati Investment Company Limited	854383	3.37
Sanjay Budhia	451327	1.78
General Insurance corporation of India	326451	1.29
Delhi Iron & Steel Co. Ltd	274808	1.08
The Oriental Insurance Company Limited	265000	1.04
West Bengal Industrial Development Corpn. Ltd.	250000	0.98
Birla Sunlife Trustee Company Pvt. Ltd	188010	0.74
Madhukar C Sheth	100000	0.39
Integrated Master Securities Pvt. Ltd.	100000	0.39

Dematerialisation of Shares and Liquidity

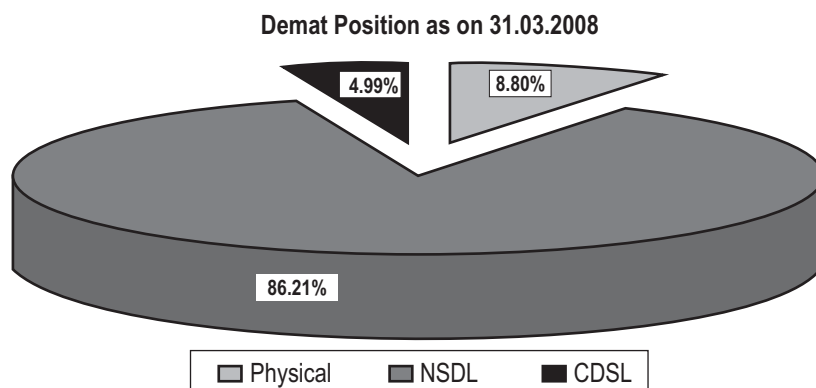
The process of conversion of shares from physical form to electronic form is known as dematerialization. For dematerializing of the shares the shareholders should open a demat account with the Depository Participant (DP). He is required to fill in a Demat Request Form and submit the same along with the share certificates to his DP. The DP will allocate a demat request no. and shall forward the request physically and electronically through NSDL/CDSL to R & T Agents. On receipt of the demat request both physically and electronically and after verification, the shares are dematerialized and an electronic credit of the shares is given in the account of the shareholder.

SHAREHOLDERS' INFORMATION (Contd.)

The shares of the Company are compulsorily traded in dematerialized form and are available for trading under both the Depository System in India NSDL (National Securities Depository Limited) and CDSL (Central Depository Services Limited).

As on 31st March, 2008, a total of **230630500** shares of the Company, which forms **91.20%** of the total shares, stands dematerialized. The processing activities with respect to the requests received for dematerialisation are completed within 10 days from the date of receipt of request.

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's Shares is INE056C01010.



Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments	None
Conversion date and likely impact on equity	N.A

Plant Locations

Village Gokulpur, P.O.Samraipur
Kharagpur, Dist. Midnapur, West Bengal 721301
Phone : 03222-233325, 233877, 233290, Telefax : 03222-233316
Email : tml@tatametaliiks.co.in

Sindhudurg District, Terekhol Road, Redi 416 517, Maharashtra
Phone : 02366-227628, 227629, 227665, 227654, Telefax : 02366-227620
Email : tmlredi@tatametaliiks.co.in

Address for Correspondence

Tata Centre, 43, Jawaharlal Nehru Road
Kolkata 700 071.
Phone : 033-66134205/66134217
Fax : 033-2288-4372
E-mail : tml@tatametaliiks.co.in

Other information to the shareholders

Electronic Clearing Services (ECS) Facility

The Company with respect to payment of dividend to shareholders provides the facility of ECS at the following cities :

Ahmedabad, Bangaluru, Bhubaneshwar, Chandigarh, Chennai, Coimbatore, Delhi, Guwahati, Hyderabad, Jaipur, Kanpur, Kolkata, Lucknow, Mumbai, Nagpur, Patna, Pune, Surat, Thiruvananthapuram and Vadodara.

Shareholders holding shares in physical form who wish to avail the ECS facility may send their ECS mandate in the prescribed form to the Company, in the event they have not done so earlier.

Depository Services

Shareholders may write to the respective Depository or to M/s R & D Infotech for guidance on depository services. Addresses for correspondence with the Depository are as follows :

National Securities Depository Limited

Trade World, 4th Floor
Kamala Mills Compound, Senapati Bapat Marg
Lower Parel, Mumbai 400 013
Phone : 022-24994200
Fax : 022-24972993/6351
Email : info@nsdl.co.in
Website : www.nsdl.co.in

Central Depository Services (India) Limited

Phiroze Jeejeebhoy Towers
16th Floor, Dalal Street
Mumbai 400 023.
Phone : 022-22723333
Fax : 022-22723199/2072
Website : www.cdslindia.com



CORPORATE COMPLIANCE CERTIFICATE (3Cs) (Contd.)

To
The Members
Tata Metaliks Limited

I have examined all secretarial records and compliance of provisions of the Companies Act, 1956, (the Act) the guidelines and the instructions issued by the Securities and Exchange Board of India (SEBI) and the relevant clauses of the Listing Agreement with the Stock Exchanges where the shares of Tata Metaliks Limited (the Company) are listed, for the year ended 31 March 2008 and I report that:

- The Company is maintaining all Statutory records and registers as required to be maintained under various provisions of the Companies Act, 1956 and the rules made thereunder and all the records and entries in the registers are up to date.
- The Company has filed all Statutory Returns on time with the Registrar of Companies, West Bengal as well as with other Statutory Authorities and has furnished the required documents/intimations to the Stock Exchanges regularly and within the scheduled time frame as required under various clauses of the Listing Agreements.
- The Company has neither made any further issue nor bought back any share during the financial year.
- The Company has called, convened and conducted the Board Meetings and General Meeting as per the Secretarial Standards 1 and 2 respectively issued by the Institute of Company Secretaries of India.
- The Company has duly complied with the requirements of Section 217 of the Act.
- The directors have disclosed their interest in other companies where they are on the Board of Directors, pursuant to Section 299 of the Act and the rules made hereunder.
- The Company did not accept any Public Deposits under Companies (Acceptance of Deposit) Rules, 1975, during the year. The Company has neither issued any GDR/ADR nor any convertible instrument during the year under report, which may have an impact on equity.
- The amount borrowed by the Company from the directors, members, public and others during the financial year ending are within the limits of the Company and in compliance with the provisions of Section 293(1)(d) of the Act.
- The Company has duly complied with the requirements of Section 372A with regard to making loans and investments to other bodies corporate during the financial year.
- The Company has paid dividend by due date after its declaration and, wherever necessary, has kept in abeyance rights to dividend, pending registration of transfer of shares in compliance with the provisions of the Act.
- The Company has duly complied with the requirements of the Secretarial Standard 3 regarding dividend, issued by the Institute of Company Secretaries of India.
- The Company has deposited the unclaimed/unpaid debenture interest to Investor Protection and Education Fund pursuant to section 205C of the Act as detail below:

Particulars	Date	Amount (Rs.)
01.10.1999 - 31.03.2000	17.05.2007	283475.00
1st Redemption Amount —		
01.04.2000 - 11.07.2000	16.08.2007	1212521.00
01.04.2000 - 30.09.2000	03.11.2007	134865.00

Since, the Company declared dividend for the first time in the F.Y. 2000 01, the provision of section 205C is not attracted with respect to unclaimed/unpaid dividend.

13. The Company has set up adequate systems and procedures voluntarily even prior to the SEBI guidelines to ensure daily reconciliation of shares held in physical and electronic segments with the total shares issued by the Company.

14. To ensure speedy and timely transfer/transmission of shares in physical segment, the Share Transfer Committee constituted by the Board comprising 3 directors consider and approve the entire share related issues besides taking note of beneficial owners position under demat mode. All the complaints/grievances relating to share transfers/transmissions, demat/remat of shares, issue of duplicate share certificates, payment of dividend, etc. are promptly attended to by the Company and they are resolved within 10-15 days of their receipt. During the previous year ended 31 March 2008, the Share Transfer Committee met 23 times.

15. The Company processes the dematerialisation/rematerialisation requests of shares within 15 days from the date of receipt of physical documents from the DPs as per the SEBI guidelines.

16. The Company has also been proactive, for better corporate governance, to introduce a system to obtain a certificate of compliance of different statutes, governing the affairs of the Company, signed by the Managing Director of the Company, and place before every meeting of the Board of Directors of the Company.

17. The Company has duly complied with the requirements of Clause 49 of the Listing Agreement relating to Corporate Governance.

CORPORATE COMPLIANCE CERTIFICATE (3Cs)

18. The Company has duly and timely submitted share holding pattern, corporate governance certificate and financial results (audited) to Stock Exchanges in compliance with Clause 35, 49 and 41 of the Listing Agreement respectively and complied with furnishing details in electronic mode as per the EDIFAR system introduced by Clause 51 of the Listing Agreement.

19. So far the information provided to me, the Company and all its officers as defined in SEBI (Prohibition of Insider Trading) Regulations, 1992, have complied with the restrictions imposed by the said Regulation.

20. The Company has duly complied with the provisions with respect to continual disclosures to the Stock Exchanges under Rule 8(3) of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997 and accordingly submitted the said disclosures within the due dates.

21. The Company has timely submitted the following quarterly/half yearly certificate(s), from a Company Secretary in practice, to the Stock Exchanges as per the guidelines issued by SEBI and clause 47C of the listing agreement: -

Sl. No	Subject matter of the Certificate	Due Date	Date of Submission
1.	Reconciliation of admitted capital, with the depositories, with issued and listed capital of the company	30.04.2007	12.04.2007
		31.07.2007	11.07.2007
		31.10.2007	16.10.2007
		31.01.2008	15.01.2008
		30.04.2008	17.04.2008
2.	Half yearly certificate from a Company Secretary in practice on Physical transfer of shares as per clause 47(c) of the Listing Agreement	30.04.2007	12.04.2007
		31.10.2007	16.10.2007
		30.04.2008	17.04.2008

22. The break up of the shares held in physical and demat mode as on 31-3-08 is as below: -

	No. of Shares	No. of Holders
Physical -	22,24,950	18657
Demat -	2,30,63,050	30025
Total -	2,52,88,000	48682

23. The Company has not received any show cause notice for any alleged offence/violation under the Companies Act, 1956, or under the clauses of the Listing Agreement or under SEBI guidelines and no fine, penalty or other punishment has been imposed on the Company in this regard during the year under review.

Place: Kolkata
Date: 20 April 2008

B. P. Dhanuka
Practising Company Secretary
FCS 615
C. P. No.6041

A CALENDAR FOR PLANNED COMMUNICATION WITH SHAREHOLDERS FOR F.Y.2008-09

Particulars	Annual	Half-yearly	Quarterly	Monthly	Daily
Event	1. AGM (Shareholders' Day) Interaction with Shareholders 2. Annual Report sent to individual shareholders 3. Factory visit of shareholders 4. Analyst meet(s)	1. Investors' meet 2. Analyst meet 3. Transfer of unpaid amounts to Investors' Education & Protection Fund 4. Half-yearly financial results	1. Press meet with Chairman / MD	1. Meeting with RTA to solve pending problems 2. Meeting with Govt. officials related to Project work	1. Shareholders' queries to be suitably addressed 2. Correspondence with shareholders over telephone or directly
One to one	1. Factory visit of shareholders 2. Approach to shareholders to compulsorily opt for ECS and holding shares in demat mode 3. Intimation to shareholder/debentureholders who has not claimed dividend /debenture interest before transferring the amount to the Investors' Education & Protection Fund	1. Views of the shareholders about the company and the department	1. Communication through house journal		1. Personal interaction with the Secretarial Department 2. Solving problems of the shareholders and mitigating their grievances
Mass media	1. Event Announcement	1. Interview of CEO and other top management 2. Informing Half-yearly financial results and press release	Informing quarterly financial results and press release Shareholding pattern of the Company as per Listing Agreement requirements		Email addresses - rd.infotech@vsnl.net shyamali.bose@tatametaliiks.co.in subhasisdey.cs@tatametaliiks.co.in
Group Publication	1. Event of the Company 2. Annual Result	1. Half Yearly result	1. Quarterly result 2. Shareholding Pattern		
Newspaper	1. Annual Result 2. Meeting press	1. Half Yearly result 2. Summary of achievements for the 1st half of the year	1. Audited quarterly results 2. Any notable achievements or acquisition of any assets		1. Availability of Share Price & Market Capitalisation 2. Queries related to Stock Exchange quotations
Telephone					Telephone no. for shareholders queries viz. 66134217 2463-1657/58
Website www.tatametaliiks.com SEBI Website www.sebi.gov.in	1. Greetings of Shareholders 2. Annual / Quarterly Fin. Results 3. Shareholding Pattern 4. Availability of shareholding pattern and financial results in the EDIFAR site.	1. Half yearly financial results 2. Shareholding Pattern	1. Quarterly results 2. Shareholding pattern		1. Continuous updation of the website.
Corporate Governance Audit	Audit conducted by Statutory Auditors to ensure Compliance with best Corporate Governance Practices.				
Corporate Compliance Certificate	Certificate by a practising Co. Secy. that the Company has complied all the rules and regulations or provision of Companies Act and Listing Agreement of Stock Exchanges		Disclosure by the Company to the Stock Exchanges regarding compliance with the Corporate Governance norms of Listing Agreements with Stock Exchanges		
Secretarial Standards SS- 1, 2, 3, 4, 5 and 6	Followed almost all requirements of the Secretarial Standards.	Review of standards with respect to the Company Shareholders' / Investors' Grievance Committee Meeting		Pending complaints from Shareholders	

CALENDAR

MANAGEMENT OF BUSINESS ETHICS - CALENDAR 2008-09

Stakeholders	Types	Months												
		April 2008	May 2008	June 2008	July 2008	August 2008	September 2008	October 2008	November 2008	December 2008	January 2009	February 2009	March 2009	
Employees	Employees including the new recruits	2nd week	1st week	2nd week	1st week	1st week	2nd week	2nd week	2nd week	2nd week	2nd week	2nd week	3rd week	1st week
	As Stakeholder contact	2nd week	1st week	2nd week	1st week	1st week	2nd week	2nd week	2nd week	2nd week	2nd week	2nd week	3rd week	1st week
	Process Owners		1st week	2nd week	1st week	1st week	2nd week	2nd week	2nd week	2nd week	2nd week	2nd week	3rd week	1st week
	Chief Mktg and Sales		1st week	2nd week	1st week	1st week	2nd week	2nd week	2nd week	2nd week	2nd week	2nd week	3rd week	1st week
	Head RM		1st week	2nd week	1st week	1st week	2nd week	2nd week	2nd week	2nd week	2nd week	2nd week	3rd week	1st week
	Head P&S		1st week	2nd week	1st week	1st week	2nd week	2nd week	2nd week	2nd week	2nd week	2nd week	3rd week	1st week
	CFO&CS	2nd week	1st week	2nd week	1st week	1st week	2nd week	2nd week	2nd week	2nd week	2nd week	2nd week	3rd week	1st week
Customers	Visits/Contacts		2	2	2	2	2	2	2	2	2	2	2	
Customers	Formal Meets				Customer meet**	Customer meet**	Customer meet**	Customer meet**	Customer meet**	Customer meet**	Customer meet**	Customer meet**		
Suppliers/Partners	Visits/Contacts			Visit 02	Visit 02	Visit 02	Visit 02	Visit 02	Visit 02	Visit 02	Visit 02	Visit 02	Visit 02	
Suppliers/Partners	Meets etc				3rd week								3rd week	
Suppliers/Partners					Service Provider		Service Provider				Service Provider			
Shareholders	Contact Major Shareholders			2	2	2	2	2	2	2	2	2	2	
Shareholders	Visit To Plant								2nd week					
Shareholders	AGM				AGM**									
	Team Meeting**			3rd week					3rd week				3rd week	
	MD			2nd week	1st week				2nd week				1st week	
Communication Mode														
Stakeholders	Mode													
Customers	Telephone, one to one contacts, letters, presentation on ethics during formal meets, personal visit etc													
Shareholders	Do													
Suppliers	Do													
Employees	One to one contacts													

* As and when the customers' meet are held

**** EEC will be present at the AGM for extending communication on Business Ethics

*** Team Meeting(once in a quarter) shall be attended to share of ethical concern(if any)