

TATA METALIKS LIMITED

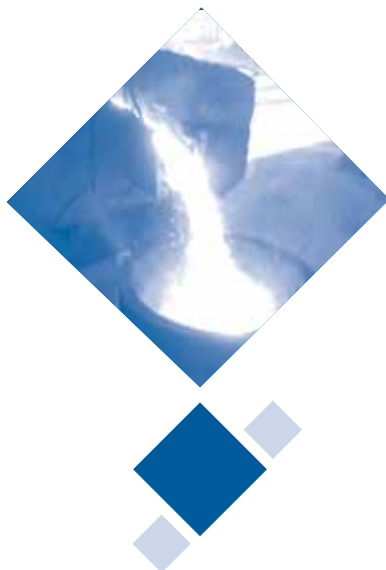


CONCENTRATE ON THE **CORE**

CONVERT. CONSERVE. COMPLY... CONSOLIDATE



**PEOPLE
PLUS
INITIATIVES**



Corporate Information	2
Chairman's Statement	5
Notice of Annual General Meeting	6
Directors' Report	9
Management Discussion and Analysis	20
Corporate Governance Report	24
Standalone Financial Statements	
Auditors' Report	41
Balance Sheet	44
Profit & Loss Account	45
Cash Flow Statement	46
Schedules	48
Balance Sheet Abstract	66
Consolidated Financial Statements	
Statement pursuant to sec. 212 & Auditors' Report	67
Balance Sheet	68
Profit & Loss Account	69
Cash Flow Statement	70
Schedules	72
Calendars	87

TWENTY FIRST ANNUAL GENERAL MEETING

Date : Thursday 29th September, 2011

Time : 3.30 p.m.

Venue : KALAKUNJ, 48, Shakespeare Sarani, Kolkata - 700 017

Important information : *As measure of economy copies of the Annual report will not be distributed at the Annual General Meeting. Shareholders are requested to bring their copies to the meeting.*

CORPORATE INFORMATION



Board of Directors (As on 27th July 2011)

Mr. Koushik Chatterjee - Chairman
Mr. A. C. Wadhawan
Mr. Manish Gupta - resigned w.e.f 17th May, 2011
Mr. Dipak Banerjee
Mr. Ashok Kumar Basu
Mr. Ashok Kumar
Mr. V. S. N. Murty
Mr. Harsh K. Jha (Managing Director)

Management (As on 27th July 2011)

Mr. Harsh K Jha	<i>Managing Director</i>
Mr. D. P. Deshpande	<i>Chief Operating Officer</i>
Mr. Subhasis Dey	<i>VP (Corporate Service)</i>
Mr. Kalyan Chatterji	<i>VP (Projects & Business Opportunity)</i>
Mr. Sudhin Mitter	<i>VP (Marketing & Sales)</i>
Mr. V. B. Singh	<i>VP (Operations)</i>
Mr. Debasish Mishra	<i>GM (Operations)</i>
Mr. Subhra Sengupta	<i>Chief Financial Officer</i>
Mr. Monideep Majumdar	<i>Chief (Corp. Planning & Mkt.) and CQH</i>
Mr. Shamit Sengupta	<i>Chief (Systems Assurance)</i>
Mr. Praveen Sinha	<i>Chief HR (Corporate)</i>
Mr. Kaushik Datta	<i>Chief (Business Opportunity)</i>
Mr. Abhijit Basak (upto 30th June 2011)	<i>Executive-in-Charge – Kharagpur Unit</i>
Mr. P. Ravi	<i>Plant Head - Redi Unit</i>
Mr. Vishwanath G Malagi	<i>Chief (Corp.Gov.) & Company Secretary</i>

REGISTERED OFFICE

Tata Centre, 43, Jawaharlal Nehru Road
Kolkata - 700 071.

BANKERS

State Bank of India, IDBI Bank, HDFC Bank
Bank of Boroda, Axis Bank, DBS Bank

AUDITORS

M/s Deloitte Haskins & Sells
Chartered Accountants
Kolkata.

SHARE REGISTRARS

M/s R & D Infotech Pvt. Ltd.
22/4, Nakuleshwar Bhattacharjee Lane
Kolkata - 700 026.

Committees of Board (As on 27th July 2011)

<p>Audit Committee</p> <p>Mr. A. C. Wadhawan - <i>Chairman</i></p> <p>Mr. Dipak Banerjee - <i>Member</i></p> <p>Mr. V.S.N.Murty - <i>Member</i></p> <p>Mr. Ashok K Basu - <i>Member</i></p>	<p>Remuneration Committee</p> <p>Mr. A. C. Wadhawan - <i>Chairman</i></p> <p>Mr. Koushik Chatterjee - <i>Member</i></p> <p>Mr. Dipak Banerjee - <i>Member</i></p>
<p>Committee of Board</p> <p>Mr. Koushik Chatterjee - <i>Chairman</i></p> <p>Mr. Harsh K Jha - <i>Member</i></p> <p>Mr. Dipak Banerjee - <i>Member</i></p> <p>Mr. Ashok Kumar - <i>Member</i></p>	<p style="text-align: center;">Investment/Borrowing Committee</p> <p>Mr. Harsh K Jha - <i>Chairman</i></p> <p>Mr. V S N Murty - <i>Member</i></p>
	<p>Shareholders' Grievance Committee</p> <p>Mr. Ashok Kumar Basu - <i>Chairman</i></p> <p>Mr. Harsh K Jha - <i>Member</i></p>

Investor Service Centre

TATA METALIKS LIMITED

'Tata Centre'

43, Jawaharlal Nehru Road

Kolkata - 700 071

Phone : + 91 33 6613 4205

Fax : +91 33 2288 4372

Email : investors@tatametaliks.co.in

Registrar & Share Transfer Agent

<p>M/s R & D Infotech Pvt. Ltd.</p> <p>Ground Floor</p> <p>22/4, Nakuleshwar Bhattacharjee Lane</p> <p>Kolkata - 700 026</p> <p>Phone : +91 33 2463 1658</p> <p>Fax : +91 33 2463 1657</p> <p>Email : rd.infotech@vsnl.net</p> <p>TILL 30TH SEPTEMBER, 2011</p>	<p>M/s R & D Infotech Pvt. Ltd.</p> <p>1st Floor</p> <p>7A, Beltala Road</p> <p>Kolkata - 700 026</p> <p>Phone : +91 33 2419 2641</p> <p>Fax : +91 33 2419 2642</p> <p>Email : rd.infotech@vsnl.net</p> <p>FROM 1ST OCTOBER, 2011</p>
--	--

GREEN INITIATIVE

27th July, 2011

Dear Shareholder,

The Ministry of Corporate Affairs has taken a "Green Initiative in Corporate" allowing paperless compliances by Companies through electronic mode and has issued circulars on 21.4.2011 and 29.4.2011 stating that Companies can now send various notices and documents, including Annual Report, to its shareholders through electronic mode to the registered e-mail addresses of shareholders.

Your Company proposes to send future communication/documents including Notice of Annual General Meeting and Annual Report to the shareholders at their e-mail address as registered with the Depository Participants (DPs)/Company/Registrars & Share Transfer Agents.

Members who are holding Equity Shares in demat mode are requested to register their e-mail ID with their Depository Participant immediately, if not registered already.

Members who are holding Equity Shares in physical form should send a scanned copy of their letter requesting for registering / changing their existing e-mail ID, bearing the signature of the sole / first shareholder on investors@tatametaliqs.co.in. Members are also requested to convert their physical holding to demat.

OR

Such members holding Equity shares in physical form can also write to the Registrar and Share Transfer Agent of the Company at their following address and inform their e-mail ID quoting their folio number. The letter should be signed by the sole/first holder as per the specimen signature recorded with the Registrar and Share Transfer Agent.

UPTO 30TH SEPTEMBER, 2011	FROM 1ST OCTOBER, 2011
M/s R & D Infotech Pvt. Ltd. 22/4, Nakuleswar Bhattacharyya Lane Kolkata - 700 026 Phone : +91-33-24631657 Telefax : +91-33-24631658 E-mail : rd.infotech@vsnl.net tml@rdinfotech.in Website : www.rdinfotech.org	M/s R & D Infotech Pvt. Ltd. 1st Floor, 7A, Beltala Road Kolkata - 700 026 Phone : +91-33-24192641 Telefax : +91-33-24192642 E-mail : rd.infotech@vsnl.net tml@rdinfotech.in Website : www.rdinfotech.org

We seek your support to enable the Company to not only reduce paper consumption but also related costs. As a shareholder, this is your opportunity to support this initiative of the Government and contribute towards a '**Greener Environment**'.

Please note that as a member of the Company, you will be entitled to be furnished free of cost with a copy of such communication / document on request.

The Annual Report of your Company for Financial Year 2010-11 alongwith all future communication/documents would also be made available on the Company's website : www.tatametaliqs.com

Thanking you

Yours sincerely

For **TATA METALIKS LIMITED**

Vishwanath G Malagi
Chief (Corporate Governance)
& *Company Secretary*

CHAIRMAN'S STATEMENT



Dear Shareholders,

The global economy while recovering at a slow pace in 2010-11 has been very volatile and uncertain in recent months. The developed economies especially in western Europe and Americas has been facing sovereign fiscal issues that are structural in nature and hence unlikely to be resolved within a very short span resulting in high unemployment. While the experience during the global financial crisis showed that we live in a multi polar world with the emerging economies demonstrating significantly robust growth trends, the economic data in recent months seems to clearly suggest that emerging markets are feeling the impact of high inflationary conditions. The Indian economy continues to be one of the fastest growing economies of the world. However, factors such as high inflation, fiscal debt and hardening of global energy prices pose a significant risk to its sustained growth. Amidst these economic variabilities, the India's GDP is expected to grow at 7% - 7.5% in this fiscal year as against the growth of over 8.5% in the last fiscal year.

The inflationary trend of 2010-11 led to unprecedented increase in the price of mineral resources and energy. The pig iron industry was significantly hit by the spiraling rise in prices of iron ore, coke and coking coal coupled with short-term supply disruptions. This situation put the pig iron industry through enormous strain and many chose to shut down their operations to curtail losses.

Your Company too has been facing several challenges in the last year including increasing prices of raw materials and very volatile market conditions, both in volume and prices. In view of the strong headwinds in the external environment, your Company has been undertaking several internal initiatives to continue its journey towards developing a robust business model through focused operations management and supply chain initiatives.

Going forward, if the macro environment in India remains stable, there is an expectation that the demand for foundry grade pig iron will recover. Given the macro uncertainties, your Company will continue to focus on performance improvement and tighter working capital management. The Board of Directors of your

Company has in January'2011 approved setting up 40m² Sinter Plant Facility at Kharagpur, for which work has already commenced. This facility is expected to be operational by end 2012 and shall help enhance productivity by about 15%. In addition, MBF#2 at Kharagpur shall be modified and upgraded, to cater to increased production.

Apart from these, your Company is focusing its attention on various other efficiency improvement projects, which are all targeted towards bringing down the cost of production and expanding the margins. Your Company also introduced a pioneering product "**Tata eFee™**" to the foundries, which melts faster than existing foundry grade pig irons in the market, thereby making customers' operations energy efficient. **Tata eFee™** will be extremely beneficial for cupola as well as induction furnace based foundries in reducing their energy consumption which in turn would help them contribute towards a greener environment.

The Ductile Iron Pipe project of your Company, through the subsidiary Tata Metaliks Kubota Pipes Limited, has had its initial problems during the year and we are working closely with our partners Kubota Corporation, Japan towards turning around the operations. These efforts are steadily picking up pace and is expected to post better results and I am confident that on the strength of its superior quality products and efficient operations it will become a value creative unit in the future.

I express my gratitude to all shareholders of the Company for their continued support and also to the Unions and employees of the Company for their dedication and commitment to the Company. I also take this opportunity to express my personal thanks to all the stakeholders and business associates who have continued to repose faith and confidence in the Company.

A handwritten signature in blue ink that reads "Koushik Chatterjee".

Koushik Chatterjee
Chairman

July 27, 2011

NOTICE

NOTICE is hereby given that the TWENTY FIRST ANNUAL GENERAL MEETING of the members of TATA METALIKS LIMITED will be held on Thursday, 29th September, 2011 at 3:30 p.m. at Kalakunj, 48, Shakespeare Sarani, Kolkata - 700 017, to transact the following businesses :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit & Loss Account of the Company for the year ended 31 March 2011 and the Balance Sheet as at that date together with the Cash Flow Statement and the reports of the Directors and the Auditors thereon.
2. To appoint a Director in the place of Mr. Koushik Chatterjee, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of Mr. Avinash Chandra Wadhawan, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors of the Company to fix their remuneration and to pay the same on a progressive billing basis as may be agreed between the Auditors and the Board of Directors.

M/s. Deloitte Haskins & Sells, Chartered Accountants, the retiring Auditors, being eligible, offer themselves for re-appointment.

SPECIAL BUSINESS

5. Change of Situation of registered office of Registrar & Transfer Agent M/s R & D Infotech Pvt. Ltd.

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

"RESOLVED THAT pursuant to provisions of Section 163 and other applicable provisions, if any, of the Companies Act, 1956, the Register of Members, Index of Members, Register of Debenture Holders, Index of Debenture Holders, Register of Transfers, Transfer deeds and all records and documents pertaining to Shares and other Securities issued by the Company and copies of all Annual Returns, prepared under Sections 159 and 160, together with the copies of

the certificates and documents required to be annexed thereto under sections 160 and 161, be kept at the office of Registrar & Share Transfer Agents of the Company viz. M/s R & D Infotech Pvt. Ltd at 1st Floor, 7A, Beltala Road, Kolkata - 700 026 w.e.f. 01st October, 2011."

By Order of the Board of Directors

Vishwanath G Malagi

Chief (Corporate Governance)
& Company Secretary

Place : Kolkata

Date : 27th July, 2011

Notes :

- a) *Mr. Manish Gupta, was due for retirement at this Annual General Meeting, as mentioned in the Directors' Report and Corporate Governance Report, but Mr. Gupta has resigned from Directorship of the Company w.e.f. 17th May, 2011.*
- b) **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM DULY COMPLETED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
- c) Corporate members are requested to send a duly certified copy of the Board resolution authorizing their representatives to attend and vote at the meeting.
- d) Members/Proxies should bring the Attendance Slip duly filled in for attending the meeting.
- e) Members are requested to notify immediately, change in their addresses, pin code, e-mail addresses and telephone number(s), if any, to the Company at its Registered Office by quoting their folio numbers. In respect of shares held in electronic mode, the same should be communicated to the respective Depository Participant (DP).
- f) As per the provisions of the Companies Act, 1956, facility for making nominations is available to the shareholders in respect of shares held by them in physical mode. Nomination forms can be obtained from the Registrars of the Company.
- g) Those who are holding shares in electronic mode should give relevant details in this matter to their respective Depository Participant (DP).

NOTICE (Contd.)

- h) Members of the Company who have multiple accounts in identical names or joint accounts in the same name are requested to send all the share certificates to the Registrar & Share Transfer Agent, M/s R & D Infotech Pvt. Ltd, or to the Registered Office of the Company for consolidation of all such shareholdings into one account to facilitate better services.
- i) All requests for transfer of Equity Shares and allied matters along with the relevant transfer deeds and share certificates should preferably be sent directly to the Company's Registrar and Share Transfer Agent, M/s R & D Infotech Pvt. Ltd., 22/4, Nakuleswar Bhattacharjee Lane, Kolkata - 700 026.
- j) The Register of Members and Share Transfer Books of the Company remained closed from Monday 4th July, 2011 to Friday 15th July, 2011 (both days inclusive).
- k) Shareholders desiring any information as regards accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready at the meeting.
- l) Members, who have not yet encashed their dividend warrant(s) for the financial year 2004-2005 and onwards, are requested to make their claims to the Company accordingly, without any further delay. It may kindly be noted that the unclaimed dividend for the financial year 2003-2004 has been transferred to the Investors Education & Protection Fund.
- m) Member who still have their holdings in physical form are requested to convert them into dematerialized form (under ISIN No. INE056C01010) at the earliest.
- n) SEBI vide its circular ref. no MRD/DoP/Cir-05/2009 dated 20.05.2009 has clarified that for securities market transactions and off-market/private transactions involving transfer of shares in physical form of listed companies, it shall be mandatory for the transferee(s) to furnish a copy of PAN card to the Company/RTAs for registration of such transfer of shares irrespective of the amount of such transaction.

All the intended transferee(s) are, therefore, requested to furnish a self certified copy of their PAN Card along with the relevant transfer deed for registration of transfer of shares. *Please note that the Share(s) lodged for transfer without self certified copy of PAN Card of the transferee(s), shall be returned under objection.*

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No.5

At the 17th Annual General Meeting held on 13th July, 2007, members had approved maintenance of Register & Index of Members and copies of all Annual Returns and related documents at the office of the Registrar & Transfer Agents M/s R & D Infotech Pvt Ltd. at 22/4, Nakuleswar Bhattacharjee Lane, Kolkata - 700 026.

The Registrar & Transfer Agent M/s R & D Infotech Pvt. Ltd. have shifted their registered office to 1st Floor, 7A, Beltala Road, Kolkata - 700 026. The Board of Directors of your Company has at its meeting held on 27th July, 2011 accorded its consent, subject to members approval, for maintenance of the Register & Index of members & debentures holders, Register of Transfers, Transfer deeds and all records and documents pertaining to Shares and other Securities issued by the Company and copies of all Annual Returns, prepared under Sections 159 and 160, together with the copies of the certificates and documents required to be annexed thereto under Sections 160 and 161, at the office of Registrar & Share Transfer Agents of the Company viz. **M/s R & D Infotech Pvt. Ltd. at 1st Floor, 7A, Beltala Road, Kolkata - 700 026, w.e.f. 1st October, 2011.**

Further in keeping with the requirement of Section 163 (1)(iii) a copy of the proposed resolution shall also be served in advance to the Registrar of Companies, West Bengal.

None of the Directors is interested in the resolution.

The Board of Directors recommends the resolution for approval of the members.

By Order of the Board of Directors

Place : Kolkata
Date : 27th July, 2011

Vishwanath G Malagi
Chief (Corporate Governance)
& Company Secretary

NOTICE (Contd.)

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

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

Name of Director	Mr. Koushik Chatterjee	Mr. A C Wadhawan
Date of appointment	24.07.2009	29.10.1999
Date of Birth	03.09.1968	27.01.1938
Expertise in specific functional areas	Corporate Finance	Metallurgical Engineer
Qualifications	<ul style="list-style-type: none"> • B.Com (Hons.) • FCA 	<ul style="list-style-type: none"> • B.Sc from Delhi University in 1957 • B.Tech (Hons) in Metallurgical Engineering from Indian Institute of Technology (IIT), Kharagpur • Diploma issued by the Ministry of External Affairs, Economic Affairs and Finance, Govt. of France, in "Steel Making and Processing of Alloy Steels" in France under L.' Association pour L' organization des stages en France (ASTEF)
List of companies in which outside Directorship held as on March 31, 2011	<ul style="list-style-type: none"> • Kalimati Investment Co. Ltd. • Rujualika Investments Limited • Tata Services Limited • The Tinplate Co. of India Ltd. • Natsteel Asia Pte Limited • Southern Steel Berhad • Tata Steel (Thailand) Public Co. Ltd. • Tata Steel Asia Holdings Pte Ltd. • Tata Steel Global Holdings Pte Ltd. • Tata Steel Global Minerals Holdings Pte Ltd. • Tata Steel Europe Limited • Tulip UK Holdings (No. 2) Limited • Tulip UK Holdings (No. 3) Limited • Tata Steel UK Limited • Tata Steel Netherland BV • Tulip Netherlands (No.1) BV • Tulip Netherlands (No. 2) BV • Orchid Netherlands (No.s) 	<ul style="list-style-type: none"> • Transweigh India Limited, Mumbai • Reliance Cellulose Products Limited • Rajasthan State Mines & Minerals Ltd, Jaipur
Chairman (C) / Member (M) of the committees of Boards of companies on which he is a Director as on March 31, 2011	<ul style="list-style-type: none"> • Natsteel Asia Pte Limited <ul style="list-style-type: none"> - Audit Committee (M) • Tata Steel (Thailand) Public Co. Ltd. <ul style="list-style-type: none"> - Executive Committee (M) - Remuneration Committee (M) - Corporate Governance & Nomination Committee (C) • Tata Metaliks Limited <ul style="list-style-type: none"> - Remuneration Committee (M) - Committee of Board (C) 	<ul style="list-style-type: none"> • Tata Metaliks Limited <ul style="list-style-type: none"> - Audit Committee (C) - Remuneration Committee (C) • Transweigh India Limited, Mumbai <ul style="list-style-type: none"> - Audit Committee (C) - Remuneration Committee (C) • Rajasthan State Mines & Minerals Ltd, Jaipur <ul style="list-style-type: none"> - Audit Committee (M)
Shareholding in Tata Metaliks Ltd.	NIL	NIL



DIRECTORS' REPORT

Dear Shareholders

Your Directors are pleased to present the Twenty First Annual Report of the working of the Company along with the statement of accounts and the Auditors' Report for the financial year ended 31st March, 2011.

1. Financial Performance

(Rs. Crore)

Particulars	Current Year (Stand-Alone)	Previous Year (Stand-Alone)	Current Year (Consolidated)	Previous Year (Consolidated)
a) Gross Income from sales and other operations	1411.89	1126.53	1436.31	1130.37
b) Profit/(Loss) before Interest, Depreciation and taxes	74.03	102.87	48.50	84.45
c) Less : Interest	28.71	35.80	37.29	42.04
d) Profit/(Loss) before Depreciation and Taxes	45.32	67.07	11.21	42.41
e) Less : Depreciation	16.64	16.42	26.41	25.06
f) Profit/(Loss) before Taxes	28.68	50.65	(15.20)	17.35
g) Less : Provision for Taxes including deferred taxes	5.73	5.10	5.73	5.10
h) Profit/(Loss) After Taxes	22.95	45.55	(20.93)	12.25
i) Less : Minority Interest	--	--	(21.50)	(16.32)
Profit/(Loss) After Tax and Minority Interest	22.95	45.55	0.57	28.57
i) Profit/(Loss) and loss credit balance brought forward	(12.16)	(57.71)	(30.62)	(59.20)
Balance available for appropriation	10.79	(12.16)	(30.05)	(30.63)
Which the Directors have appropriated to:				
i) Debenture Redemption Reserve	7.26	--	7.26	--
ii) Proposed Dividend on Equity Shares	--	--	--	--
iii) Taxes on Dividend	--	--	--	--
iv) General Reserve	--	--	--	--
Total	7.26	--	7.26	--
Balance to be carried forward	3.53	(12.16)	(37.31)	(30.63)

DIRECTORS' REPORT (Contd.)

2. Business Results

During the Financial Year (FY) 2010-11, the pig iron prices in comparison to FY 2009-10, improved to give your Company an increased turnover, with a marginal decline in sales volume, but the pig iron industry was impacted by the high cost of imported metallurgical coal /coke which could not be passed on to the end users. Thus the profit margins were put under pressure during the year resulting in lower contributions compared to the past trend.

Your Company on a Standalone basis has posted Profit After Tax (PAT) of Rs. 22.95 crore for FY 2010-11 compared to PAT of Rs. 45.55 crore reported for FY 2009-10, a drop of about 50% approximately.

Tata Metaliks Kubota Pipes Ltd. (TMKPL) the Joint Venture subsidiary of your Company failed to achieve its business targets for the year due to cutthroat competition in ductile iron pipe industry and significant increase in the input prices. Thus on a consolidated basis TML reported a Profit after tax and Minority Interest of Rs.0.57crore against PAT and Minority Interest of Rs.28.57 crore for the previous year. TMKPL with a view to stabilise it's operations has ramped up its production capacity and is carrying out breakthrough interventions in consultation with the foreign collaborators, to offer significantly superior products in comparison to the competitors.

Building Customer Centric culture and CRM Initiatives -

In line with your Company's focus on 'Customer Centricity', SCOPE, an organization-wide initiative was launched in early 2008 with IIM (Kolkata), as the consultant. The objective of this initiative is to develop the organisation culture and environment by integrating/aligning of work processes within TML in order to build a better understanding of Customers (both internal & external) across the organisation.

Your Company's Marketing and Sales objective for FY 2011-12 is to augment the Company's sales volume and net realisation by offering premium product "Tata eFee™" (pronounced as e-f-f-i) and value added products along with enhancement of services, with special focus on improving the market share in the contiguous markets that support faster sales to cash realisation.

After an intensive feedback from over 100 customers across India, your Company realized that it had to take some quick steps towards reduction of energy consumption in pig iron foundries of India. Being world's largest producer

of foundry grade pig iron, the foundries looked up to TML for solving one of the biggest challenges in recent times 'Energy Conservation'. TML decided to take up this challenge and thus started the journey of **Tata eFee™**, World's first branded Pig Iron.

TML introduced **Tata eFee™** to the foundries as the first of its kind product which melts faster than existing foundry grade pig irons in the market, thereby making customers' operations energy efficient and reducing their carbon footprint. In a competitive market with growing energy costs, **Tata eFee™** will be extremely beneficial for cupola as well as induction furnace based foundries in reducing their energy consumption, offering them an opportunity to contribute towards a greener environment.

Your Company along with the Research & Development team of Tata Steel and IIT Kharagpur, have successfully developed this pioneering product with optimum surface area to mass ratio, void distribution and packing density which as per tests carried out in various foundries across India, **Tata eFee™** has helped bring down energy consumption in the range of 5-15%.

Tata eFee™ has been successfully tried with many of our customers in all regions who have found the results to be in line with its brand promise.

After successful launch of **Tata eFee™** in Southern and Western India markets, your Company looks forward to launch the product across India over next few months. Efforts are on to standardize the product quality and volume of production. Regular customer feedback and interaction has been identified as the key to the success of **Tata eFee™**. Sales & Marketing teams have been trained on the elements of brand building and have been equipped with all necessary marketing collaterals.

Your Company also understands that every brand has a shelf life and has already started the next phase of research which will fuel the introduction of brand extensions of **Tata eFee™**.

Your Company is also taking up additional Marketing Initiatives like, Product segmentation exercise with the help of external Foundry consultant and CRM Initiatives like Technical Service/Seminars for Ductile Iron casting manufacturers, appreciation of customers and partners through appropriate 'Reward & Recognition' mechanism, holding technical meets, reinforcing 'sms services' and web access mechanism, improved customer engagement by organising Customer Awareness Programmes, Periodic

DIRECTORS' REPORT (Contd.)

Communication with customers, entering into long term contracts, etc., which shall in the long run establish your Company as the 'Supplier of Choice' for its customers.

Backward integration - Acquisition of mines

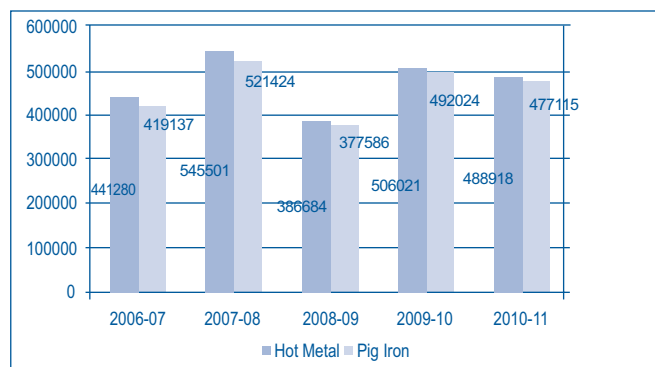
As reported previously, your Company received a prospecting license for iron-ore mining, over an area of 154.80 ha from the Maharashtra State Government in Dongarpal, Sindhudurg district, which is in close proximity of the Redi plant. Subsequent to execution of Prospecting License deed in February, 2010, though the statutory time limit for submission of prospecting report was 31st January, 2012, your Company has successfully completed the prospecting operation with the help of Tata Steel (Natural Resources Division), Jamshedpur. The Prospecting Report alongwith Mining Lease application has been submitted to Govt. of Maharashtra on September 27, 2010. Your Company awaits grant of Mining Lease.

3. Production Performance

During the year ended 31st March 2011, the Kharagpur and Redi plants produced 310,803 & 178,115 tonnes of hot metal and 306,189 tonnes & 170,926 tonnes of Pig Iron, respectively. The production of hot metal and pig iron for the past five years is shown in Figure -1 below :

Figure - 1

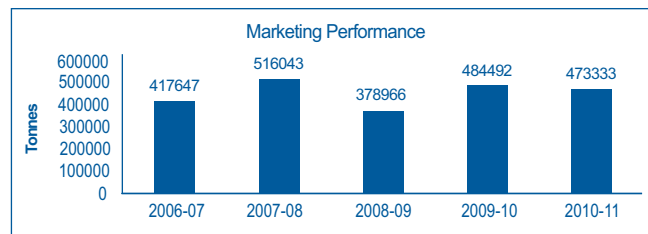
Production - Hot Metal and Pig Iron



4. Marketing Performance

During FY 2010-11, your Company produced 488,918 tonnes of hot metal and sold 473,333 tonnes of pig iron. The sales performance for the past five years is represented graphically in Figure - 2 below :

Figure - 2



Your Company's marketing initiatives like expansion of customer base, entry into new markets and industry sectors, loyalty programs with long term customers, initiating various CRM initiatives, rolling out of **Tata eFee™** Brand, etc. These initiatives along with sale of valued added products have contributed significantly to the sales performance for FY 2010-11.

Performance : Domestic market

Domestic prices of pig iron remained stable during the first half of FY 2010-11 and rose marginally during second half of FY 2010-11. International prices kept on fluctuating and March 2011 prices finally reached the level of April 2010. The demand for finished castings has shown gradual recovery especially in the automobile, infrastructure, energy and agricultural sectors. The application of ductile iron castings has also shown signs of growth leading to augmented demand of customized grade pig iron like SSG. But due to non availability of low phosphorus iron ore we have not been able to consistently produce this grade.

Pig iron buyers remain speculative and non-committal with regard to long term purchases. The total share of Pig iron produced by secondary manufacturers has increased from 87.38% in 2009-10 to 89.64% in 2010-11. Some pig iron producers had to curtail their production due to non availability of iron ore. Increased availability of low cost substitutes including basic grade pig iron and steel scrap, prompted foundries to reduce usage of Foundry Grade pig iron.

During FY 2010-11, your company sold 473,333 tonnes of Pig Iron in the domestic market with a national market share of 15%. The Redi plant of your Company catered significantly to markets in the Western and Southern India whereas the Kharagpur Plant supplied mainly to markets in Eastern and Northern India.

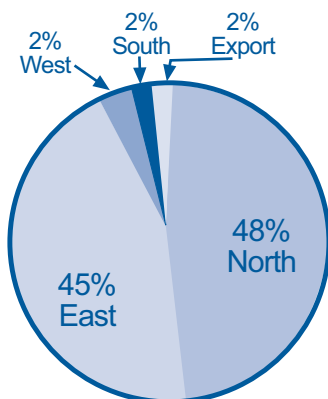
There is a perceived threat of closure of Iron Ore Mines in Karnataka due to Government action on illegal mining, which will adversely impact the availability of Raw Material for Redi

DIRECTORS' REPORT (Contd.)

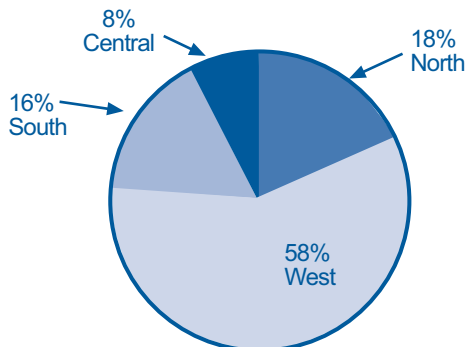
plant operations. Movement of iron ore from other sources would put costs under pressure. Coupled with this, due to shortage of labour and power in some states, the foundries were constrained to scale down their operating capacity to about 60 % of their installed capacity.

Region-wise sales at both locations are depicted below :

Region Wise Sales : KGP-2010-11



Region Wise Sales : Redi - 2010-11



Performance : Export market

The prices of Pig iron in the international market dipped briefly in the first quarter of FY 2010-11. However, it rose again in Sept '10 and then fluctuated till March, 11.

Your Company sold 28,731 tonnes of Pig Iron during the year to Tata International Ltd. about 7,700 tonnes more with respect to 2009-10.

Though sales in the South East Asian markets and Far East Asia were still recovering, your Company's pig iron was able to maintain its presence there. The Bangladesh market showed signs of recovery in the second half of FY 2010-11. Exports to niche markets in the Middle East remained below expected levels.

5. Karnataka Project

At the Global Investors Meet, Advantage Karnataka, held on June 4, 2010 at Bengaluru, your Company entered into a Memorandum of Understanding with the Government of Karnataka, for setting up an Integrated Steel Plant, with a capacity of 3 MTPA in Haveri District, Karnataka. It is estimated that the total project cost would be about Rs.15,000cr and your Company would undertake the same alongwith Tata Steel and TML would be the strategic partner in the project. Your Company has received approval for allotment of 2500 acres of land, for which necessary advance has been made to Karnataka Industrial Area Development Board (KIADB). The process of acquisition of land as identified for the project is in progress.

6. Dividend

With a view to strengthening the financial positions of the Company, your directors have not recommended any dividend for the year 2010-11.

7. Credit Rating

The Company's Credit Rating remained stable in the last financial year. ICRA has rated for its Rs 166 crore term loan facilities, Rs 100 crore Non Convertible Debenture (NCD) and Rs 150 crore fund based bank facilities of your Company, LA (pronounced LA). The outlook on the rating is stable.

The Issuer Rating, of Rs. 650 crore short term Non Fund Based bank facilities and Rs 100 crore commercial paper (CP) programme of your Company, has remained same as IrA (pronounced I R A) and it is A1 (pronounced A one), respectively.

8. Amount transferred to Investors' Education and Protection Fund

During the year under review, pursuant to the provisions of Section 205C of the Companies Act, 1956 the following unclaimed amounts pertaining to FY 2002-03 were credited to the Investors' Education & Protection Fund :

Sl. No.	Particulars	Date of Transfer	Amount transferred
1	Unpaid dividend 2002-03	26.08.2010	Rs. 2,300,047

DIRECTORS' REPORT (Contd.)

9. Directors' Responsibility Statement :

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

- In the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- They have 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 the Company at the end of the financial year and of the profit of your Company for that period;
- They have 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 the Company and for preventing and detecting fraud and other irregularities; and
- They have prepared the annual accounts on a going concern basis.

The above statements were noted by the Audit Committee at its meeting held on April 25, 2011.

10. 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.

11. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The Information relating to 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 "A" and forms part of this Report.

12. Particulars of Employees

The information required under Section 217(2A) of the Companies Act, 1956 and the Rules there under, in respect

of the employees of the Company, is provided in the Annexure forming part of this Report. In terms of Section 219(1)(b)(iv) of the Act, the Report and Accounts are being sent to the members, excluding the aforesaid Annexure. The Annexure is available for inspection by members at the Registered Office of the Company during business hours on working days upto the date of the ensuing AGM and if any member is interested in obtaining a copy thereof, such member may write to the Company Secretary, whereupon a copy would be sent.

13. Corporate Governance

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on 'Corporate Governance' has been included in this Annual Report, along with reports on 'Management Discussion and Analysis' and 'Shareholder Information'.

All board members and senior management personnel have affirmed compliance to the Code of Conduct for FY 2010-11.

Your Company has also taken initiatives to adopt the Corporate Governance Voluntary Guidelines 2009 issued by Ministry of Corporate Affairs, Government of India, New Delhi.

A Certificate from the Statutory Auditors of the Company regarding compliance of conditions and provisions of the Corporate Governance is enclosed as Annexure 'B' to this report.

14. Capital Investments

For setting up a 40m² Sinter Plant at Kharagpur, Board has approved Rs.98 crore for the total project cost at its meeting in January, 2011.

The Board of Directors of your Company has also approved normal relining, modification & up gradation of MBF#2 at the Kharagpur Unit at an estimated capital expenditure of Rs. 27.15 crore.

15. Fixed Deposits

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

DIRECTORS' REPORT (Contd.)

16. Investor Services

The Investors Relations function of your Company strives to cater to the increasing expectations of the investors by keeping its services backed with state of the art infrastructure and systems. The Registrar and Transfer Agents of your Company have been accredited with ISO certification for their investor servicing.

The investors can also directly lodge their queries/complaints to the Compliance Officer of the Company over e-mail on 'investors@tatametaliqs.co.in'.

Your Company has as a measure of investor service created a web-enabled service for the investors, wherein the investors can through the Company's website 'www.tatametaliqs.com' log-in with their folio/demat account details and pin-code to post their complaints and view status thereof.

Official news releases, financial results and investor related information are also displayed on the Company's website 'www.tatametaliqs.com'.

Your Company, in keeping with statutory requirements, publishes the financial and other investor related information, in English as well as vernacular newspapers, where the registered office of the Company is situated.

17. Availability of information on Corporate Filing and Dissemination System (CFDS)

SEBI vide circular no SEBI/CFD/DIL/LA/4/2007/27/12 dated December 27, 2007 informed that EDIFAR will be phased out gradually in view of new portal viz. Corporate Filing and Dissemination System (CFDS) put in place jointly by BSE and NSE at the URL www.corpfiling.co.in wherein requisite information about your Company is available. SEBI has since discontinued the EDIFAR system w.e.f from April 1, 2010.

18. Human Capital

Your company is committed towards creating (3C) i.e. Culture, Commitment and Competency for human excellence. All three are needed to make your company function in an atmosphere of trust and respect vis-à-vis TATA CODE OF CONDUCT (TCoC). Involving the employees at crucial stages of decision making is a hall mark of your company. The employee mix of your company is not only cosmopolitan but also appropriately qualified

and young. The Human Resource team has been using a number of innovative motivational tools such as Suggestion Award Scheme, Employee Empowerment Scheme etc. for increasing employee's engagement towards performance and productivity of the company. Creating the process as well as behavioural competencies of employees through focused training modules and rewarding higher performing employees through a well honed and structured reward and recognition scheme has gone a long way in achieving desired business results. The effort started in 2009-10 to create one company culture by integrating the Human Resource process of both Kharagpur and Redi and Corporate Headquarters at Kolkata, have shown results in the form of dyadic relationship between the two plants for mutual benefits and trouble shootings. This has also resulted in broadening of horizons of the employees across all these establishment of the company.

Your Company's Human Resource team in valued association with external experts, developed necessary processes for mapping the behavioural and process competencies of the employees.

Training :

Any asset need to be maintained by refurbishing and polishing to endure the vagaries of time and changing paradigms. Considering its people as assets your company is structurally maintaining their development of knowledge and skills to meet the challenges through a well laid out training systems in consultation with Tata Management Training Centre (TMTC), Pune. Training is now the important tool for Human Resource Management, which helps motivate employees, achieve their professional and personal goals, increasing the level of job satisfaction etc. Your company has apportioned a significant portion of its investment into training and development of it's employees as well as contractors' employees and also installed an effective system of evaluation.

Improvements in behavioural parameters of the relationship dynamics are one of the measures through which your company analyses the success of its training efforts. Technical training of its employees as well as employees of its service providers is also given prime importance. Your company has embarked upon an ambitious plan to upgrade skills of fifty (50) service provider employees who are presently unskilled and engaged by the contractors in

DIRECTORS' REPORT (Contd.)

menial jobs.

During the year under review, your company with the objective of "Creating tomorrow's capability today" in collaboration with Tata Management Training Centre (TMTTC), Pune has initiated Leadership training programmes tailor made and suited for managerial and leadership team of TML. At present the training is being conducted at three levels :-

- i. Senior Master Leadership Training Programme for the senior executives;
- ii. Second Level Training Programme is designated for middle management;
- iii. Emergent Leader Training Programme is being conducted to address the managerial skill requirements to be matched with current needs of business of the company for becoming a mature heads for tomorrow, being ready in the succession planning of hot list for young professionals;

Your company had 661 employees on its roll as on 31st March, 2011 (258 at Kharagpur and 358 at Redi).

Your Directors would like to place on record their sincere appreciation to the Labour Union and the employees for their continued cooperation in maintaining harmonious industrial relations, production and productivity and in the implementation of various initiatives to reduce internal costs, adopt environment-friendly initiatives and supporting management in implementing initiatives directed toward improvement of operational efficiencies.

19. Corporate Social Responsibility

At TML, sustainable principles and practices are the drivers of growth. Your Company has always applied its core competencies - innovation, agility and corporate integrity to reduce the environmental impact of its business. Sustained efforts aimed at reducing carbon emissions, optimising resources and mobilising all employees and service providers to participate in the 3Rs (Reduce, Reuse and Recycle) have been undertaken.

- Efforts have been made to continuously reduce raw material consumption per ton of hot metal produced over the years and intensified efforts are taken to reduce production of non-standard quality products.

- Slag, which is a waste arising in the pig iron manufacturing process, is used as raw material for cement plant. Your Company uses a slag granulation plant at Redi for higher returns.
- The Blast Furnace Gas (BFG) produced in the manufacturing process, being rich in carbon monoxide (CO), acts as a fuel for the steam turbines to generate electricity from captive power plants. BFG is also used in the blast stoves to produce hot air that is blown into the blast furnace. Your company also provides BFG to TMKPL which is used in the annealing furnaces as fuel, which helps minimise dependency on fossil fuel.
- Your Company religiously follows the principles of 3R's as regards water which is consumed extensively in the manufacturing process. Your Company has for its Kharagpur operations, taken up ambitious plans to become water neutral in the coming few years, through water conservation and rain water harvesting.
- Your Company has ensured 33% green cover at both the plant locations as per directives of Pollution Control Boards (PCB).
- Employees of both Tata Metaliks and its subsidiary Tata Metaliks Kubota Pipe Ltd. actively participate in community initiatives like blood donation, health checkup, relief activities, mobile wheel chair donation for physically challenged persons, vermin culture compost by using waste food of canteen etc.
- TMKPL has on its part, used energy efficient motors to keep the electrical energy consumption at the minimum. Moreover, in the zinc plant, the zinc dust is captured through bag filter and dispose to PCB approved vendors.

In the year under report, Kharagpur plant's community outreach increased from 10 villages to 15 villages. The Redi plants corporate care extends to seven villages including the mining village of Dongarpal. Since the population falls under the Below Poverty Line category, extensive activities for community empowerment have been undertaken in the area of health, education, training and livelihood programmes.

DIRECTORS' REPORT (Contd.)

20. Directors

Mr. Koushik Chatterjee, Mr. A. C. Wadhawan and Mr. Manish Gupta retire by rotation at the ensuing Annual General meeting and being eligible, offer themselves for re-appointment.

21. 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. Your Company has received a Certificate from the Auditors to the effect that their appointment, if made, would be within the limits of Section 224(1B) of the Companies Act, 1956.

22. Subsidiary Company

In terms of Section 4(1)(c) of the Companies Act, 1956, Tata Metaliks Kubota Pipes Limited (TMKPL) is a subsidiary of the Company in which TML holds 51% of the equity shares as on 31st March, 2011.

Tata Metaliks Kubota Pipes Limited (TMKPL) got the BIS License on 27.09.2010 and their domestic sales commenced from October, 2010.

The Company having received international certifications like ISO 2531, BSEN 545 and ISO 9001, exported about 10,891 MT to some of the quality conscious international customers.

23. Consolidated Financial Statements

The Audited Consolidated Financial Statements is based on the Financial Statements received from our subsidiary Company, TMKPL as approved by its respective Board of Directors and have been prepared in accordance with the Accounting Standard-21 (AS-21) - 'Consolidated Financial Statements', Accounting Standard-23 (AS-23) - 'Accounting for Investment in Associates in Consolidated Financial Statements' and Accounting Standard-27 (AS-27) - 'Financial Reporting of Interests in Joint Ventures', as notified under Section 211 (3C) of the Companies Act, 1956 read with Companies (Accounting Standards) Rules, 2006 as applicable.

The consolidated financial statements presented by your Company include financial information of the subsidiary TMKPL prepared in compliance with applicable Accounting

Standards. The Ministry of Corporate Affairs, Government of India vide its Circular No. 5/12/2007-CL-III dated 8th February, 2011 has granted general exemption under Section 212(8) of the Companies Act, 1956, from attaching the balance sheet, profit and loss account and other documents of the subsidiary companies to the balance sheet of the Company, provided certain conditions are fulfilled. Accordingly, annual accounts of the subsidiary company and the related detailed information will be made available to the holding and subsidiary company's investors seeking such information at any point of time. The annual accounts of the subsidiary company will also be kept for inspection by any investor at the Registered Office of the Company and that of the subsidiary company at 43, Jawaharlal Nehru Road, Kolkata - 700 071.

24. Directors response to the comments made by the Auditors in their report

Auditors' Report read together with Annexure referred to in Paragraph 3 of the Auditors' Report do not contain any qualification of significant nature and do not call for any explanation/clarification.

25. Note of Appreciation

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

Your Directors also thank the Government of India and the Governments of various countries, the concerned State Governments, Government Departments and various 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

Place : Kolkata
Date : 3rd May, 2011

Koushik Chatterjee
Chairman

COMPLIANCE TO CODE OF CONDUCT

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE CODE OF CONDUCT

This is to confirm that the Company has adopted Tata Code of Conduct for its employees including the Managing Director and Whole-time Directors. In addition, the Company has adopted the Tata Code of Conduct for Non-Executive Directors. Both these Codes are posted on the Company's website www.tatametaliks.com.

I confirm that the Company has in respect of the financial year ended 31st March, 2011, received from the senior management team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Members of the Management one level below the Managing Director as on 31st March, 2011.

Kolkata
26th April, 2011

For TATA METALIKS LIMITED
Harsh K Jha
Managing Director

ANNEXURE 'A' TO THE DIRECTORS' REPORT

PARTICULARS 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

	2010-11 Rs. Lac	2009-10 Rs. Lac
EARNINGS		
Export of pig iron through export house, sale proceeds having been/to be realized in Rupees	NIL	NIL
OUTGO		
Value of Imports (C.I.F.)	28,552.00	46,676.74
Interest	160.31	303.76
Traveling abroad	9.75	2.53
Consultancy fees on capital Account	12.14	4.99
Others	4.69	1.85

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

FORM 'A'

Form for disclosure of particulars with respect to conservation of energy

	2010-11	2009-10	Reasons for variation
A) POWER AND FUEL CONSUMPTION			
1) Electricity			
a) Purchased			
Units (Lakh KWH)	21.73	19.81	Higher Grid consumption to reduce dependence on fossil fuel for DG operation. Unit cost has increased due to rate increase & levy of cess by State Electricity Board's.
Total amount (Rs. in Lacs)	216.17	212.58	
Cost/Unit (Rs/KWH)	9.95	10.73	
b) Own Generation			
(i) Through diesel generation			
Units (Lakh KWH)	2.756	3.943	Reduce dependence on DG operation to conserve fossil fuel.
Units per ltr of High Speed Diesel (KWH)	3.44	3.72	
Cost/Unit (Rs/KWH)	10.93	8.66	Escalation in HSD prices
(ii) Thorough steam turbine/generator			
Units (Lakh KWH)	849.016	875.332	Lower BF Gas generation due to Marginal reduction in production led to lower units generation by captive power plants Escalation in HSD prices
Units per ltr of High Speed Diesel (KWH)	132.44	165.94	
Cost/Unit (Rs/KWH)	0.26	0.19	
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)`	714.06	572.85	Reduced dependence as fossil fuel & improvement in power plant operation.
Total amount (Rs.Lakhs)	259.16	183.74	
Average rate (Rs./K.ltrs.)	36,294	32,074	Efficiency in operation
B) CONSUMPTION PER UNIT OF PRODUCTION PER TONNE OF PIG IRON			
Electricity (KWH)	183.08	180.39	
Coal	–	–	
Others :			
Light Diesel/Furnace Oil (Liters)	–	–	
High Speed Diesel Oil (Liters)	1.50	1.15	Higher HSD use during cold spell and chilling of blast furnaces at KGP in Q3 of F.Y. 2010-11

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

FORM 'B'

Form for disclosure of particulars with respect to Technology Absorption : 2010-11

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 '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, 2011, 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 procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. 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
Firm Registration No. 302009E
Abhijit Bandyopadhyay
Partner
Membership No. 54785

Place : Kolkata
Date : 3rd May, 2011

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Developments

There has been discernable improvement in the global economy in 2010-11, underpinned by output expansion in emerging market economies, particularly in Asia. During the year, the World manufacturing activity has picked up, trade has recovered and financial market conditions have improved in spite of growing inflation and increasing interest rates.

However, towards end of the year, large fiscal deficits and high debt ratios coupled with slow global economic growth have created unsettling conditions for business and have potential for causing great volatility in financial markets in FY 2011 - 12. This situation poses a potential threat of advanced economies - the USA and European countries entering into the recession phase. Though India's economic growth is driven more by its dependence on domestic demand, India would not be totally insulated from the effect of these development in the global arena. On this backdrop India is expected to grow in the range of 7% - 7.5% in FY 2011-12 as against the 8.5% growth in the last year.

The growth in the automobile and energy sector, which are the major consumers of the casting manufacturers, has resulted in moderate growth in casting demand. Consequently, with the resurgence in demand, the pig iron producers will witness better capacity utilisation.

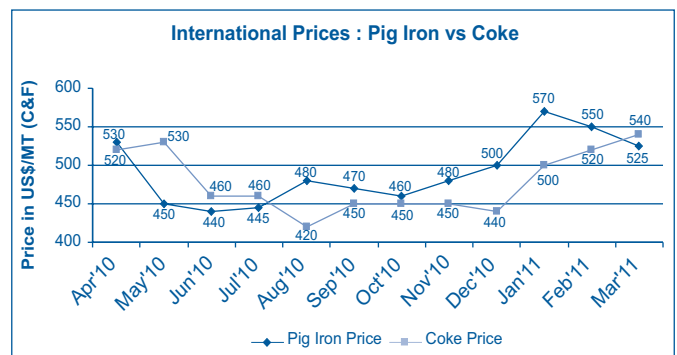
On the back of a steady growth in the auto sector in H1 of FY 2010-11, your Company experienced higher sales volumes in this sector, coupled with moderate firming up of prices in H2 the top line of your Company experienced an increase, but on the other side international coking coal and coke costs unexpectedly escalated sharply. As the pig iron prices did not move in tandem with this cost escalation, the margin was squeezed and at the end of FY 2010-11, your Company registered a 50% drop in PAT compared to last year inspite of about 25% rise in sales value on a more or less same sales volume as previous year.

In the domestic market, over the last two decades, market share of Pig Iron has moved from the integrated steel plants (Main producers) to the stand-alone pig iron units (Secondary producers). In the past five years, the secondary producers have increased their market share from 83% to 90%. The total pig iron production in India has increased from 5million tonnes in 2006-07 to 5.6million tonnes in 2010-11.

International Scenario of Pig Iron and Coke prices

Historically Pig Iron prices have been found to move in tandem with the Coke prices and in general Pig Iron prices are US\$ 80 - 120 more than Coke prices. But in FY 2010-11, in the initial months, the Pig Iron prices were less than the coke prices but slowly regained to have a peak differential of US\$70, there after Pig Iron prices have experienced a falling trend and the Coke prices are moving upward.

The figure alongside depicts the high volatility in Pig Iron and Coke prices, showing the squeeze in margins experienced by your Company in FY 2010-11.



MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Financial Performance with respect to Operational Performance

Your Company produced 477,115 MT of Pig Iron in 2010-11 compared to 492,024 MT of Pig Iron produced in 2009-10. In FY 2010-11, your Company sold 473,333 MT of Pig Iron to achieve a Turnover of Rs.1411.89cr in comparison sale of 484,492 MT of Pig Iron to achieve a Turnover of Rs.1126.53 crore in FY 2009-10. Your Company on a standalone basis in the FY 2010-11 achieved a PBT of Rs.28.68 crore against a PBT of Rs.50.65 crore in FY 2009-10.

The production at Kharagpur unit suffered due to 21 days unscheduled shutdown of one Blast Furnace and reduced production in the other Blast Furnace due to non-availability of iron ore as a clamp down on mining activities in Orissa to stop illegal mining. This resulted in iron ore prices moving up steeply than in case of normal market conditions.

In case of Redi unit, as availability of iron ore was scarce, it had to be sourced from multiple mines. Since the varying lots of iron ore had different chemical composition, the consumption of coke has been relatively higher resulting in higher operating costs.

Your Company's 51% subsidiary company, Tata Metaliks Kubota Pipes Ltd. (TMKPL) which received its BIS License on 27th September, 2010 produced 20,402 MT of Ductile Iron (DI) Pipe as against a production of 3992 MT in 2009-10. TMKPL achieved a sales of 14,899 MT in domestic market and 10,891MT in international market. However, due to low capacity utilization during H1 of 2010-11, as BIS License was received towards the end of H1 2010- 2011, low price realization in domestic market in H2 of 2010-11 and higher overheads costs, TMKPL incurred a loss of Rs.43.88 crore.

On a consolidated basis your Company ended FY 2010-11 with a Profit after Tax and Minority Interest of Rs.0.57crore against FY 2009-10 performance of Rs.28.57crore.

Opportunities

It is your Company's strategic intent to secure long-term growth by synergising and blending the diverse pool of competencies residing in its business to exploit emerging opportunities.

In order to insulate itself from the adverse impact of uncertain raw material prices and availability concerns, your Company has embarked on setting up of capital projects, described below :

- (a) Sinter plant at Kharagpur which would use iron ore fines, coke fines and fluxes, to address about 60-70% of the iron ore requirement of the plant. This would in turn help raise productivity by about 12% and bring down coke rate from the present average levels of 690MT per Ton of Hot Metal (THM) to about 630MT/THM;
- (b) Setting up of Coke Conversion units at Kharagpur and Redi on Build Own Operate and Transfer (BOOT) basis. The setting up of Coke conversion units would help your Company in gaining in terms of conversion of Coking Coal into Coke, by paying conversion cost to the BOOT operator, with no additional capital expenditure to your Company's account;
- (c) Power generation would be facilitated by the flu gas (waste gas) emitting from the Coke Conversion facilities. The power thus generated would be consumed in- house and surplus power would be sold to Grid to generate revenue;
- (d) Ductile Iron Pipe project through TMKPL, is expected to get steady in FY 2011-12 and produce superior products with an aim to increasing its market share. The distinct advantage enjoyed by TMKPL is the availability of molten metal from TML. This coupled with the superior Japanese technology would put TMKPL to leverage its full capacity, stabilise its operations and be a cost competitive producer.

Threats

Iron ore and Coke constitute the major cost of production of Pig Iron. Adverse price fluctuations in iron ore and Coke as experienced by your Company in FY 2010-11 impacted the profitability of your Company. Your Company is actively pursuing securing mining lease for captive iron ore source coupled with this your Company has entered into long term arrangements for iron ore sourcing with National Mineral Development Corporation Ltd. Apart from this your Company is also exploring the opportunity of entering into long term arrangements with existing mine owners.

There is a threat of closure of Iron Ore Mines in Karnataka due to Government restrictions on illegal mining, which will also cause cost pressure and adversely impact availability of iron ore. This uncertainty along with shortage of Labour and Power in some states has restricted foundries to run at capacity not exceeding 60% on an average.

As regards Coke and Coking Coal, since India does not have known reserve of Coking Coal, your Company has entered into

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

long term arrangements with one of the major international supplier for sourcing part of its requirements of coking coal and depending on market dynamics your Company also resorts to Coke purchase as well as Coking Coal purchase in the spot market.

Above this the foundries using pig iron, are faced with the challenge of reducing their power consumption and in majority of the cases, the foundries resort to use scrap. Your Company being aware of this predicament of foundries, has developed the energy efficient **Tata eFee™**, which would help address their energy concerns by bringing down energy costs between the range of 5-15%. This way the foundries can take recourse to use high quality pig iron with more efficient use of energy to deliver far superior products to its customers.

On the logistic front, as the use of Haldia port leads to demurrage on account of delay in discharge due to draft problem, your Company is constrained to utilise Gangavaram port and incur additional costs in terms of movement of material by rake/road. As regards Paradip port, continual demurrage and extremely erratic rake availability for cargo evacuation being the order of the day, your Company was constrained to move out of Paradip port also, which was extensively used in earlier years.

Mechanised unloading having commenced at Haldia port and concerted efforts by Haldia Development Corporation to increase the draft by dredging, discharge of material at Haldia would make it economical in the near future.

Outlook

On account of hot metal capacities being added by large integrated steel producers, the secondary Pig Iron manufacturers, would be severely impacted, as there would a situation of over supply as against demand depressing the net realisation. Coupled with this high cost of raw materials like iron ore and coke/coking coal, the prices are expected to keep rising in H1 and would in turn severely impact the profit margins.

Sourcing of raw material remains an area of concern for your Company and Iron ore for Redi plant in particular.

Risks and Concerns

Risk management is an integral part of the strategic management of your Company. Risk management team focuses on making periodic assessment of significant risks likely to impact the Company to draw up suitable action plan to address the concern.

The process of Risk Management in your Company identifies inherent risks in its operations and records residual risk after taking specific risk mitigation steps. Your company has identified and categorised risks in the areas of Operations, Finance & Marketing, Regulatory Compliances and Corporate matter. Internal Auditor expresses his opinion on the level of risk identified during the audit of particular area which is reported to the Audit Committee through the Internal Audit Reports. Societal issues pose critical problems in connection with land acquisition for mining.

Wherever possible and necessary, appropriate insurance cover is taken for financial risk mitigation. An economic slowdown can adversely affect the demand-supply equation in the pig iron industry. The price of pig iron is sensitive to the demand-supply position of steel scrap in the country.

On the financial front, the Company has not borrowed any amount in foreign currency but procures coke / coking coal in foreign currency for which adequate forward cover is taken as per Foreign Exchange Policy approved by the Board.

Credit policy of your Company is primarily based on the customer profile. The Management does not perceive any major technological, environmental and/or financial risks for the Company in the near future. However, the recovery of the economy which has just begun might take some time to return to normalcy.

The Company has contingent liability as disclosed in Schedule - M of Notes to Balance Sheet and Profit & Loss Account.

Internal Controls & Systems and their Adequacy

Your Company has proper and adequate system of internal controls commensurate with its size and nature of operations to provide reasonable assurance that all assets are safeguarded, transactions are authorised, recorded and reported properly, applicable statutes, the Tata Code of Conduct and Corporate policies are duly complied with.

Your Company has an Audit Committee with majority of independent directors as members to maintain the objectivity. The Audit Charter is the guiding document in this connection. The Systems Assurance department of your Company conducts audit in various functional areas as per audit plan approved by the Audit Committee. Audit planning and executions are oriented towards a review of internal controls and risks in the functional areas of your Company. The Systems Assurance Department reports its

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

findings and observations to the Audit Committee which meet at regular intervals to review the audit issues and to follow up implementation of corrective actions.

The Audit Committee also seeks the views of statutory auditors on the adequacy of the internal control systems in the Company. The Auditors' report regarding adequacy of internal controls can be seen in Clause No. (vi) of the Annexure to the Auditors' Report.

Human Resources and Industrial Relations

Your company has 661 employees on its roll as on 31st March, 2011 as compared to 633 as on 31st March, 2010. Your company believes in the need to prepare competencies today for tomorrow's challenges and works towards it through a structured learning and development system. Your Company is focussed on enhancing employees' engagement plans. Reward and recognition policies create a positive work environment.

The role of the workers union in your company deserves a special mention for their enlightened approach and dedicated approach towards a healthy and cordial industrial relation.

Corporate Social Responsibility

The Company in its endeavour to minimize its carbon footprint and maximize human capital has put systems and process in place as per the Global Reporting Initiative (GRI) Guidelines for the Triple Bottom Line and the UN Global Compact. The Company also follows the Tata Code of Conduct that sets out for the Company and its employees, standards to conduct themselves with stakeholders at large. Your Company believes in attaining business excellence and actively pursues the 'Tata Business Excellence Model', to focus on achieving excellence in its key functional areas including business operations, process management, business results, customer interface, governance, safety, climate change and innovation.

Environment Management

Your Company is committed towards Environment Management and in order to address the environmental concerns has taken following initiatives :

- achieving water neutral status for plant operations
- energy, resource conservation across all operations / functions
- reduced greenhouse gas emission through waste heat recovery and control mechanism
- Carbon Credit initiatives
- Occupational hazards control & emergency preparedness
- Integrated community engagement & support
- Customer delight through products, prices, before & after sales service window
- Integrity in all internal and external dealings and communications

The above initiatives are aimed to reduce the carbon footprints of the Company.

Statutory Compliance

The Managing Director makes periodic declaration to the Board as regards to the compliance of the applicable provisions of various statutes, after obtaining confirmation from the respective functional heads.

The Company Secretary, being the Compliance Officers ensures compliance to Corporate Laws, SEBI Regulations and provisions of the Listing Agreement, as applicable.

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. It can not be guaranteed that these assumptions and expectations are accurate or will be realized. 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

For The Year Ended 31st March, 2011

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

Governance Philosophy

Corporate Governance is about commitment to values and ethical business conduct. It is a set of laws, regulations, processes and customs affecting the way a company is directed, administrated, controlled or managed. Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. Good governance practices stem from the culture and mindset of the organization.

The Tata Values

We at Tata Metaliks believe that good Corporate Governance is a reflection of behaviour that can scarcely be legislated; it has to be inculcated and nurtured through internalization within the organization. The Corporate Governance practices followed by your company are compatible with best practices.

A. BOARD OF DIRECTORS :

Board of Directors of the Company ('Board') is entrusted with the ultimate responsibility of management, general affairs, direction and performance of the Company and has been vested with the requisite powers, authorities and duties.

BOARD COMPOSITION

Board of Tata Metaliks Limited (TML) has an appropriate mix of skill and experience. 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 assess its relevance and suggest appropriate intervention.

The Company has a judicious mix of Executive and Non-Executive Directors. As on 31st March, 2011, the Company has eight directors on the Board, with one Executive Director. The Chairman is a Non-Executive Director and half of the Board (50%) consists of Independent Directors.

CORPORATE GOVERNANCE REPORT (Contd.)

COMPOSITION OF THE BOARD OF DIRECTORS AS ON 31st MARCH, 2011

Category	Directors	No. of Directors	Percentage of total number of Directors
Promoter - Executive Director - Non-Executive Directors	Mr. Harsh K. Jha	1	12.5
	Mr. Koushik Chatterjee* Mr. Ashok Kumar Mr. V S N Murty	3	37.5
Independent Directors	Mr. A.C. Wadhawan* Mr. Manish Gupta* Mr. Dipak Banerjee Mr. Ashok Kumar Basu	4	50
Nominee Directors - Representing Investing Institutions (WBIDC)	Nomination withdrawn	–	–
Total	–	8	100

* Retire by rotation at the ensuing Annual General Meeting.

Notes :

1. Mr. A. C. Wadhawan is the Chairman of the Audit Committee & Remuneration Committee.
2. Mr. Manish Gupta is the Chairman of the Shareholders' Grievance Committee and Ethics & Compliance Committee.
3. Mr. Harsh K. Jha is the Chairman of Investment and Borrowing Committee.

Role :

The Board of Directors at 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 and mitigate these risks ;
- 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.

Attendance of each director at the Board meetings and last AGM and Chairmanship and membership of committees in other public companies, as on 31st March, 2011

Sl. No.	Name of Director	Category	F.Y 2010-11 Attendance at		No. of Directorships in other public companies		No. of Committee positions held in public companies	
			Board Meeting	Last AGM held on 24th Sep, 2010	Chairman	Member	Chairman	Member
1.	Mr. Koushik Chatterjee	Not independent Non-executive	7	Yes	3	1	-	-
2.	Mr. Harsh K Jha (Managing Director)	Not independent Executive	7	Yes	1	Nil	Nil	-

CORPORATE GOVERNANCE REPORT (Contd.)

Sl. No.	Name of Director	Category	F.Y 2010-11 Attendance at		No. of Directorships in other public companies		No. of Committee positions held in public companies	
			Board Meeting	Last AGM held on 24th Sep, 2010	Chairman	Member	Chairman	Member
3.	Mr. Ajoy Roy (a)	Independent Non-executive	-	N.A	N.A.	N.A.	N.A.	N.A.
4.	Mr. Manish Gupta	Independent Non-executive	5	Yes	-	2	-	3
5.	Mr. A. C. Wadhawan	Independent Non-executive	6	Yes	1	2	1	-
6.	Mr. Dipak Banerjee	Independent Non-executive	6	Yes	1	7	4	5
7.	Mr. Ashok Kumar Basu	Independent Non-executive	4	Yes	-	8	-	5
8.	Mr. Subrata Gupta (b)	Nominee from WBIDC, deemed independent Director	-	N.A	N.A.	N.A.	N.A.	N.A.
9.	Mr. Ashok Kumar	Not independent Non-executive	5	Yes	-	-	-	-
10.	Mr. V S N Murty	Not independent Non-executive	7	Yes	-	2	-	3

- a) Mr. Ajoy Roy resigned from directorship w.e.f. 30th July, 2010
b) Mr. Subrata Gupta's nomination withdrawn by WBIDC Ltd. w.e.f. 7th May, 2010

Details of Board Meetings held during the Financial Year 2010-11 :

Sl. No	Date of Meeting	Board Strength	No. of Directors present
1	07.05.2010	10	8
2	10.06.2010	9	8
3	30.07.2010	9	7
4	09.09.2010	8	6
5	13.10.2010	8	6
6	31.01.2011	8	7
7	22.03.2011	8	5

Scheduling and selection of agenda items for Board Meeting

The Board meets frequently to discuss and decide on Corporate/business policy, and strategy apart from other normal Board business. The Board/Committee meetings held each year are pre-scheduled. However, in case of urgent business need, Board's approval is obtained by way of circular resolution, which is ratified in the next Board Meeting. The agenda for the Board/Committee meetings are generally accompanied by background notes and other material information, which is circulated among the Directors in advance to facilitate discussion and taking informed decisions. The Agenda is finalised by the Company Secretary in consultation with the Chairman and Managing Director.

During the F.Y 2010-11, 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, within the statutory time limits.

CORPORATE GOVERNANCE REPORT (Contd.)

The quorum was maintained in all the Board Meetings held during the year, as per the statutory requirements.

Partial presence of the functional heads is sometimes requested by the Board to provide additional insights into the items being discussed.

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

Apart from the items that are required to be placed before the Board for approval, both as per the statutes and governance policy, the following are also tabled for Board's periodic review/ information:

1. Annual operating plans and budgets, capital budgets and their updates;
2. Quarterly audited results of the company and its operating divisions or business segments;
3. General notices of interest and updates, if any;
4. Disclosures of Director's interest and notices under Section 274(1)(g) & 305 of the Companies Act, 1956;
5. Status of Action Taken Report/Implementation Report.
6. Minutes of meetings of all Committees of the Board, as well as abstracts of resolutions passed by circulation;
7. Minutes of the Board Meeting and Audit Committee meeting of the unlisted subsidiary Company;
8. Issues relating to the Subsidiary Company;
9. Details of Joint Ventures / Collaboration Agreements;
10. Show cause, demand, prosecution notices and penalty notice which are materially important;
11. Status of safety, security & legal compliance.
12. Fatal or serious accidents, dangerous occurrences, any material effluents or pollution problems;
13. Any material default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company;
14. 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;
15. 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;
16. Status of Shareholders'/Investors' Grievance Complaints and redress on a quarterly basis;
17. Any issue, which involves possible public or product liability claims of a substantial nature;
18. Transactions that involve substantial payment, if any, towards brand equity or intellectual property, etc;
19. Sale of material nature, of investments, subsidiaries, assets, which is not in the normal course of business;
20. Related Party Transactions;
21. Make Good Reports on completed CAPEX schemes;
22. Quarterly details of foreign exchange exposure and the steps taken by the management to limit the risks of adverse exchange rate movement, if material;
23. Status of business risk exposures, its management and related action plan is presented to the Audit Committee;
24. System Assurance findings & reports through the Audit Committee;
25. Risk Analysis Report;
26. Updates on Risk Register of the Company;
27. Information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary;
28. Company's management development processes and succession of senior management;

CORPORATE GOVERNANCE REPORT (Contd.)

29. Significant developments on the human resources front;
30. Social/Community Initiatives and Corporate Sustainability Reporting of the Company under the G3 Guidelines and
31. Progress in creating effective communication with various Government agencies for the development & growth of the areas surrounding the plant locations.

B. BOARD COMMITTEES

Board Committees play a crucial role in the governance structure of the Company and are set out to deal with specific areas/activities which concern the Company and need a closer review. The terms of reference of Board Committees are determined by the Board from time to time. Board has currently established the following statutory and non-statutory committees (i) Audit Committee, (ii) Remuneration Committee, (iii) Shareholders'/Investors' Grievance Committee, (iv) Investment /Borrowing Committee and (v) Ethics and Compliance Committee. Each committee has an appropriate combination of Non-Executive and Independent Directors.

The Company Secretary acts as Secretary to all Committees.

The Board decides the membership criteria of the Committees and its selection policy at regular intervals. The Chairman of the concerned Committee along with the Company Secretary, decide the frequency, duration and Agenda of the meetings.

The Company has adopted the Tata Code of Conduct for Executive Directors, Senior Management Personnel and other Executives of the Company. The Company has received confirmations from the Managing Director as well as Senior Management Personnel regarding compliance of the Code during the year under review.

The Company has also adopted the Tata Code of Conduct for Non-Executive Directors of the Company. The Company has received confirmations from the Non-Executive Directors regarding Compliance of the Code for the year under review.

Both the codes are posted on the website of the Company.

(i) AUDIT COMMITTEE

Audit Committee of the Board, inter alia, provides reassurance to the Board on the existence of an effective internal control environment. The Company has complied with the requirements of Clause 49II(A) of the Listing Agreement with regard to composition of the Committee. Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal control and financial reporting process. Chief Financial Officer and Chief System Assurance & Risk Management and the Statutory Auditors are invited to Audit Committee meetings for interacting with the members of the Committee. The Managing Director and other senior functional executives are also invited as and when required to provide necessary inputs to the Committee.

The composition of Audit Committee and the details of the meetings of the Committee attended by the Directors are given below :

Name of the Director	Category	Number of Meetings Attended	Whether attended last AGM or not
Mr. A.C.Wadhawan - Committee Chairman	Independent	5	Yes
Mr. Dipak Banerjee	Independent	5	Yes
Mr. V.S.N.Murty	Non-Independent	5	Yes
Mr. Ajoy Roy	Independent	Not attended	Not attended
Mr. Manish Gupta	Independent	1	Yes

Note : Mr. Ajoy Roy resigned from Directorship w.e.f. 30th July, 2010 and Mr. Manish Gupta, has been inducted as a member of the Committee from 30th July, 2010.

Audit Committee comprises of 3 Independent Directors and 1 Non-independent Director, all of whom are financially literate and two of whom are senior members of the Institute of Chartered Accountants of India. During the period under review, 5 Audit Committee meetings were held on 06.05.2010, 26.07.2010, 23.09.2010, 12.10.2010 & 30.01.2011.

CORPORATE GOVERNANCE REPORT (Contd.)

Audit Committee of the Board has been functioning since 1995. The terms of reference of Audit Committee are to review reports on System Assurance and discuss the same with the Internal Auditors periodically; to meet Statutory Auditors to discuss their findings, suggestions and other related matters; and to review weaknesses in internal controls reported by Internal as well as the Statutory Auditors. Audit Committee has the powers prescribed under Clause 49II (C) of the Listing Agreement and the scope of activities of the Audit Committee includes the areas prescribed by Clause 49II (D) of the Listing Agreement. Audit Committee also, mandatorily reviews the information prescribed under Clause 49II (E) of the Listing Agreement.

Chief Financial Officer and Chief System Assurance & Risk Management were present in all Audit Committee Meetings held during the year under review as invitees as per requirement of Listing Agreement. MD & Financial heads are also invited to attend on need basis to provide additional insight on matters concerning their functionality.

(ii) REMUNERATION COMMITTEE

Remuneration Committee of the Board has been in operation since 1994. The broad terms of reference of the Committee are to recommend to the Board the salary (including annual increments), perquisites and commission/performance linked remuneration to be paid to the managing/whole-time directors of the Company and to finalise the perquisites package within the overall ceiling.

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

1. Approving 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
4. Sanctioning retirement benefits within the limits approved by the shareholders

The recommendations of Remuneration Committee are considered and approved by the Board subject to necessary approvals, as may be required in keeping with the statutory provisions.

Remuneration Committee comprises of four Non-Executive Directors, three of them being independent, including the Chairman of the Committee.

The composition of the Committee and the details of the meetings attended by the members thereof during the year 2010-11 are as follows :

Name of the Director	Category	Number of Meetings Attended	Whether attended last AGM or not
Mr.A.C.Wadhawan - Committee Chairman	Independent	1	Yes
Mr.Dipak Banerjee	Independent	1	Yes
Mr. Ajoy Roy	Independent	No	No
Mr. Koushik Chatterjee	Non-Independent	1	Yes
Mr.Manish Gupta	Independent	N.A.	Yes

Note : Mr. Ajoy Roy resigned from Directorship w.e.f. 30th July, 2010 and Mr. Manish Gupta, has been inducted as a member of the Committee from 30th July, 2010.

During the year 2010-11, the Committee met once on 06.05.2010.

Remuneration Policy : For Executive Directors, increment in salary (within the sanctioned scale) 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 sanctioned limits) based on the criteria of production, cost of production, profit, industrial

CORPORATE GOVERNANCE REPORT (Contd.)

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.

The Remuneration Committee decides the remuneration and performance linked bonus, if any, for the Executive Directors/Managing Director, subject to necessary approvals and the same is paid only after adoption of Annual Accounts by the shareholders of the Company.

The Non-Executive Directors are also entitled to commission, in aggregate, 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 Directors, except the Nominee Director of WBIDC Ltd., 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 has not granted any Stock Option to any of its Directors or Employees during the year.

Details of remuneration paid to the Directors during 2010-11 are as follows :

I. Non-Whole time Directors

Name of Directors	Sitting Fees (Rs.)	Performance Linked Remuneration/Commission (Rs.)
Mr. Koushik Chatterjee	74,000/-	Nil
Mr. A. C. Wadhawan	1,00,000/-	Nil
Mr. Ashok Kumar Basu	56,000/-	Nil
Mr. Manish Gupta	94,000/-	Nil
Mr. Dipak Banerjee	1,28,000/-	Nil
Mr. Ajoy Roy	–	Nil
Mr. Subrata Gupta	–	Nil
Mr. Ashok Kumar	36,000/-	Nil
Mr. V. S. N. Murty	1,02,000/-	Nil
Total	5,90,000/-	

Notes : The outstation Directors are paid daily allowance and reimbursed expenses whenever they make their own arrangements for attending the Board or Committee or General Meeting as per Article 102(2) of the Articles of Association of the Company. During the year Mr. A. C. Wadhawan was paid Rs.3,100/-, on such account.

II. Managing Director

Managing Director	Consolidated Salary (Rs.)	Perquisites and Other Benefits (Rs.)	Company's Contribution towards Provident Fund, Gratuity & Superannuation Fund (Rs.)	Performance Linked Remuneration for F.Y. 2010-11 to be paid during the F.Y. 2011-12 * (Rs.)	Total (Rs.)
Mr. Harsh K Jha	28,20,000.00	13,89,000.00	7,61,000.00	28,20,000.00	77,90,000.00

* Subject to approval of Central Government and adoption of Audited Accounts for F.Y. 2010-11 at the ensuing Annual General Meeting.

Period of contract of Managing Director	3 years w.e.f. 01.04.2009 The contract may be terminated by either party, giving the other party six months' notice or the Company paying six months' salary in lieu of such notice.
---	---

CORPORATE GOVERNANCE REPORT (Contd.)

Shareholding of the Directors in the Company as on 31st March, 2011

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. Ashok Kumar	250

(III) SHAREHOLDERS' GRIEVANCE COMMITTEE

The terms of reference of Shareholders' Grievance Committee is to address the shareholders' and investors complaints and ensure an expeditious share transfer process. The Committee also evaluates performance and service standards of Registrar & Share Transfer Agent of the Company and also provides continuous guidance to improve the service levels for investors. The Registrar and Share Transfer Agents address the shareholders / investors grievance on a day to day basis and the same is monitored by the Compliance Officer. The Committee met once during the year on 23rd August, 2010 and all members of the Committee attended the same.

Further, on a quarterly basis the Board reviews the Complaints received and redressed by the Company and in compliance of Clause 41 of the Listing Agreement the Company makes due disclosure as to the number of investor complaints pending at the beginning of the quarter, those received and disposed of during the quarter and those remaining unresolved at the end of the quarter.

The composition of the Shareholders' Grievance Committee as on 31st March, 2011 is given below :

Name of Committee Members	Category
Mr. Manish Gupta	Independent, Non-Executive (Chairman of the Committee)
Mr. Ashok Kumar Basu	Independent, Non-Executive
Mr. Harsh K Jha	Executive

Name, designation & address of Compliance Officer :	Mr. Vishwanath G Malagi Chief (Corp.Gov) & Comp.Secy. Tata Metaliks Limited Tata Centre 43, Jawaharlal Nehru Road Kolkata - 700071 Telephone No. : +91-33-66134205 Fax No. : +91-33-22884372 Email : investors@tatametalliks.co.in
---	---

Shareholder/Investor Complaints

Particulars	Nos.
Complaints pending as on 1st April, 2010	1
Complaints received during 1st April, 2010 to 31st March, 2011	180
Complaints disposed off during the year ended 31st March, 2011	180
Complaints pending as on 31st March, 2011	1

(IV) SHARE TRANSFER COMMITTEE

The Share Transfer Committee was formed in April 1993 to approve transfer/transmission of share in accordance with the provisions of law. The Committee meets fortnightly to consider and approve the transfer/transmission. Board of Directors at its meeting held on 30th July, 2010 has delegated the powers of the Committee to the Managing Director and Company Secretary.

CORPORATE GOVERNANCE REPORT (Contd.)

(V) OTHER COMMITTEES

In addition to the above Committees on Corporate Governance, the Board has also constituted the following additional Committees :

(a) Committee of Board

The Committee of Board (COB) is constituted as under :

Name of the Committee Members	Category	Held	Attended
Mr. Koushik Chatterjee	Not Independent, Non-executive (Chairman of the Committee)	2	1
Mr. Harsh K. Jha	Executive - MD	2	1
Mr. Dipak Banerjee	Independent, Non-Executive	2	2
Mr. Manish Gupta	Independent, Non-Executive	2	2

- (i) Mr. Ajoy Roy resigned from Directorship w.e.f 30th July, 2010 and Mr. Manish Gupta has been inducted as a member to the Committee from the said date.
- (ii) The COB has been authorized to approve capital expenditure upto Rs.5 Crore per scheme. Any scheme in excess of Rs. 5 Crore is put up to the Board for approval based on the recommendation of COB. Further, any scheme costing less than Rs. 5 Crore, not included in the Capital Expenditure Plan (CEP), is also 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 is submitted to the Board at the next meeting.
- (iii) The Chairman and Managing Director have been empowered to sanction donations upto Rs.1 lakh for any purpose. All donations above Rs 1 lakh and upto Rs.5 lakh, are put up to the COB for approval, subject to periodic reporting to Board.
- (iv) The COB would periodically review the Company's business plan and future strategy.

Committee met on 12th & 19th January, 2011 during the Financial Year 2010-2011.

(b) Investment / Borrowing Committee

The Investment / Borrowing Committee approve the investments and borrowings to be made by the Company upto limits delegated by the Board from time to time.

Name of the Committee Members	Category
Mr. Harsh K. Jha	Executive - MD (Chairman of the Committee)
Mr. Manish Gupta	Independent, Non-executive
Mr. VSN Murty	Independent, Non-executive

The Chief Financial Officer acts as facilitator to the Committee. The Committee did not meet during the F.Y. 2010-11.

(c) Ethics & Compliance Committee

Board at its meeting held on 24th July, 2009, in keeping with the Tata Code of Conduct, constituted an Ethics & Compliance Committee. The Committee consists of independent directors Mr. Manish Gupta as Chairman of the Committee and Mr. Ashok Kumar Basu.

Committee met on 23rd August, 2010 during the Financial Year 2010-2011 where at all committee members were present.

Name of the Committee Members	Category
Mr. Manish Gupta	Independent, Non-executive
Mr. Ashok K Basu	Independent, Non-executive

CORPORATE GOVERNANCE REPORT (Contd.)

C. GENERAL BODY MEETINGS

a) 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 Spassed
2007-08	Kalamandir 48, Shakespeare Sarani Kolkata - 700 017	16.07.2008 at 11.30 a.m.	213	Ordinary Resolutions - 8 Special Resolutions - 2
2008-09		15.09.2009 at 11.30 a.m.	327	Ordinary Resolution - 6 Special Resolutions - 4 Special Resolution by Postal Ballot - 1
2009-10	The Bengal Chamber of Commerce & Industry 6 Netaji Subhash Road Kolkata - 700 001	24.09.2010 at 2.00 p.m.	445	Ordinary Resolutions - 6 Special Resolutions - 2

b) Details regarding Special Resolutions passed in the previous 3 AGMs

Shareholder's Meeting	Special Business requiring Special Resolution
Twentieth Annual General Meeting held on 24th September 2010	<ol style="list-style-type: none"> Performance Linked Remuneration to Mr. Harsh K Jha Modification in the terms of engagement of Managing Director
Nineteenth Annual General Meeting held on 15th September 2009.	<ol style="list-style-type: none"> Confirmation of Remuneration paid to Mr. Harsh K Jha, Managing Director for the Financial Year 2008-09. Re-appointment of Mr. Harsh K Jha as Managing Director for a period of three years w.e.f. 1st of April 2009 Increase in authorized capital of the company from Rs.40crore to Rs.100crore and consequential alterations in the Memorandum of Association of the Company Increase in authorized capital of the company and alteration in the Articles of Association of the Company. Resolution relating to grant of authority in favour of Board of Directors of the Company under Section 372 A of the Companies Act, 1956
Eighteenth Annual General Meeting held on 16th July 2008.	<ol style="list-style-type: none"> Commission to Directors other than the Managing Director. Delisting of Equity Shares from The Calcutta Stock Exchange Association Limited.

c) **Special Resolution proposed to be conducted through postal ballot** : None.

d) **Procedure for Postal Ballot** : Not Applicable.

D. SUBSIDIARY COMPANY

- Tata Metaliks Kubota Pipes Ltd. (TMKPL) is a non-listed Subsidiary Company of Tata Metaliks Limited.
- Mr. Dipak Banerjee, Independent Director on the Board of Directors of TML has been nominated on the Board of TMKPL.
- The Audit Committee of TML reviews the Financial Statements of the unlisted Subsidiary Company, in particular, the investments made by TMKPL and Mr. Dipak Banerjee, being a member of the Audit Committee of TML Board, provides necessary feedback on the significant transactions of TMKPL.
- The minutes of the Board meetings and Audit Committee Meetings of TMKPL are placed before the Board meeting of TML.

CORPORATE GOVERNANCE REPORT (Contd.)

- v) The management of TMKPL submits to the TML Board a quarterly report on the working of TMKPL alongwith statement of all significant transactions and arrangements entered into by TMKPL.

E. DISCLOSURES -

- i) The Company had no transaction of material nature with its promoters, directors or the management, their subsidiaries or relatives, etc. that may have had potential conflict of interest with the Company at large.
- ii) Confirmation was placed before the Audit Committee and the Board that all related party transactions during the year under review were in the ordinary course of business and on arm's length basis.
- iii) The Register of Contracts is placed at the meetings of the Board of Directors as per the requirements of the Companies Act, 1956. No transaction has been entered into by the Company during the year requiring entry in the Register of Contracts maintained as provisions of section 301 of the Companies Act, 1956.
- iv) There are no instances of non-compliance by the Company and no penalties, strictures have been imposed by the Stock Exchanges, SEBI or any statutory authority on any matter related to capital markets, during the last three years.
- v) The Company has established a robust risk assessment and minimization procedure and the same is reviewed regularly by the Audit Committee and the Board of Directors.
- vi) The Company has complied with the applicable Accounting Standards.
- vii) Management Discussion and Analysis Report forms a part of the Director's Report.
- viii) The relevant disclosures on the remuneration of directors have been included under "Remuneration Policy" in this report.
- ix) The Company has not raised any proceeds from public issue, rights issue, preferential issue, etc. during the year.

x) 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 :

- (a) 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.
- (b) Establishing a fearless atmosphere where no reporting employee/Whistle Blower fears being harassed, demoted, retaliated or threatened in any way.
- (c) Handling all such reports/concerns with as much confidentiality as possible so that there is no retaliation of any form against the Whistle Blower.
- (d) Retaining for three years, all records relating to (i) any Accounting Allegation or Legal Allegation or report of a Retaliatory Act and (ii) the investigation of any such report Whistle Blower Protection Committee

In exceptional cases direct access to the Chairman of the Audit committee is also provided for Whistle Blowers. It is hereby affirmed that no personnel has been denied access to the Audit Committee during the year.

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 VP(Project & Business Opportunity). The other members of the Committee include senior officials of the Company and the External Ethics Counsellor (EEC). Whistle Blower 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.

xiii) Details of compliance with mandatory requirements and adoption of non-mandatory requirements of this clause.

The Company is compliant to all mandatory requirements of Clause 49 of the Listing Agreement. As far as the non-

CORPORATE GOVERNANCE REPORT (Contd.)

mandatory requirements are concerned the Board has (i) set up a Remuneration Committee (ii) a Whistle Blower Committee which enables the employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Tata Code of Conduct. The policy has been communicated to all the employees within the organisation and (iii) there are no audit qualifications with respect to the financial statements of the company.

The Company shall address the remaining non-mandatory requirements of Clause 49 in due course.

Initiatives have also been taken for adoption of Corporate Governance Voluntary Guidelines 2009 issued by Ministry of Corporate Affairs, Government of India, New Delhi.

F. CEO/CFO CERTIFICATION

The Managing Director and the Chief Financial Officer, heading the finance function, certify to the Board that :

- a. they have reviewed Financial Statements and the Cash Flow Statement for the year 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 statements 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.
- 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.

G. MEANS OF COMMUNICATION

Quarterly Results	Published in newspapers as stipulated and displayed on Co's website
Newspapers in which quarterly results were published	Business Standard & Pratidin / Aajkal
Any website, where displayed	www.tatametaliks.co.in, www.bseindia.com & www.nseindia.com & Corporate Filing and Dissemination System (CFDS) put in place jointly by BSE and NSE at the URL.
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.
Presentations made to institutional investors or to the analysts	No such presentations have been made to institutional investors during the year.

H. CODE OF INSIDER TRAINING

Code of Insider Trading in pursuance of the Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, the Board has laid down "Code of Conduct for Prevention of Insider Trading" which was reviewed and the revised Code was adopted by the Board at its meeting held on 24th July, 2009.

CORPORATE GOVERNANCE REPORT (Contd.)

The objective of the Code is preventing purchase and/or sale of shares of the Company by an Insider on the basis of unpublished price sensitive information. Under this Code, Insiders (Officers, Designated Employees and their dependents) are prevented to deal in the Company's shares during the closure of Trading Window. To deal in Securities beyond limits specified, permission of Compliance Officer is required. All Directors/Officers/Designated Employees are also required to disclose related information periodically as defined in the Code, which in turn is being forwarded to Stock Exchanges, wherever necessary. Chief Financial Officer and in his absence the Company Secretary has been designated as Compliance Officer for this Code.

I. General Shareholder Information :

i. AGM Details

Date & Time	29th September, 2011 at 3.30 p.m.
Venue	Kalakunj, 48, Shakespeare Sarani, Kolkata - 700 017
Book Closure Date	4th July, 2011 to 15th July, 2011
Dividend Payment Date	N.A.

As required under Clause 49 IV(G)(i), particulars of Directors seeking appointment /reappointment are given in the Explanatory Statement to the Notice dated 27th July, 2011, convening the Annual General Meeting.

ii. Financial Calendar

Financial Year 2011-2012		
1	Year ending	31st March 2012
2	AGM	July 2012
3	Dividend Payment	Generally in July, if any
4	First Quarter Results	July 2011
5	Second Quarter & Half Yearly Results	October 2011
6	Third Quarter Results	January 2012
7	Annual Results	April / May 2012

iii. Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments and conversion date and likely impact on equity

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

iv. Unclaimed Dividends

Shareholders, who have not yet encashed their dividend warrant(s) for the financial year 2003-2004 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 2003-2004 is being transferred to the Investors' Education & Protection Fund within the specified time limit.

Financial Year	Dividend No.	Date of Declaration	Rate	Due for Transfer	Amount pending as on 31.3.2011
2003-2004	Final Dividend	24th July 2004	35%	23rd July 2011	2,448,169.00
2004-2005	Final Dividend	26th July 2005	60%	25th July 2012	4,937,668.00
2005-2006	Final Dividend	12th July 2006	60%	11th July 2013	3,574,230.99
2006-2007	Final Dividend	13th July 2007	60%	12th July 2014	4,612,380.00
2007-2008	Final Dividend	16th July 2008	70%	15th July 2015	4,487,133.00

CORPORATE GOVERNANCE REPORT (Contd.)

v. Listing on Stock Exchanges (with Stock Code)

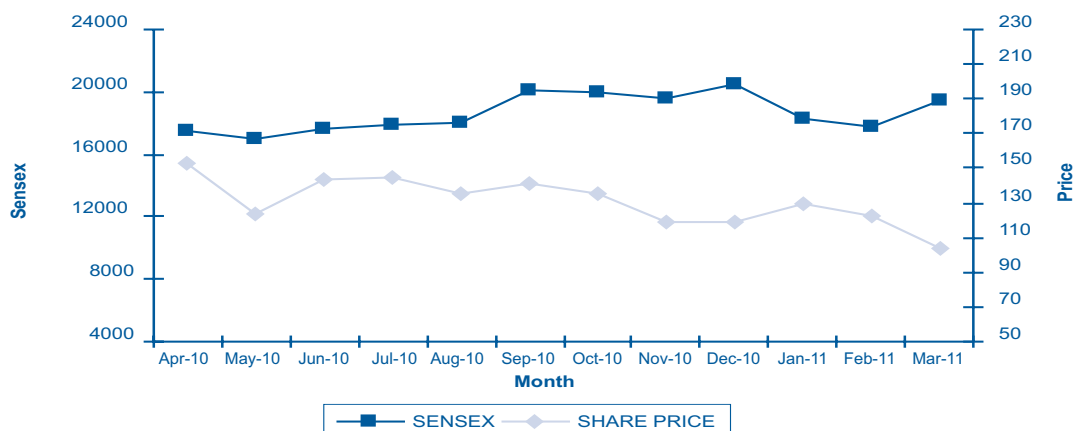
Stock Exchange	Stock code
National Stock Exchange of India Ltd. 5, Exchange Plaza, Bandra Kurla Complex Bandra East, Mumbai - 400 051.	TATAMETALI
Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.	Share - 513434
The Calcutta Stock Exchange Asscn. Ltd. 7 Lyons Range,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

The Listing Fees for the year 2011-2012 have been paid for both BSE and the NSE on 6th April, 2011.

Market Information -

Monthly High and Low quotation of Shares traded on Bombay Stock Exchange Ltd.(BSE) and National Stock Exchange (NSE) :

Month	BSE		NSE	
	High	Low	High	Low
April '10	167.00	144.00	166.95	143.00
May '10	154.00	111.55	153.75	112.65
June '10	158.20	116.50	158.70	116.70
July '10	152.90	140.00	153.90	138.60
Aug. '10	154.25	134.00	154.40	134.10
Sept. '10	153.00	136.05	153.00	135.75
Oct. '10	161.70	134.50	161.80	134.00
Nov. '10	143.40	113.05	143.25	113.25
Dec. '10	136.80	116.30	136.70	117.05
Jan. '11	148.35	119.00	148.45	119.30
Feb. '11	120.95	102.00	121.15	102.10
Mar. '11	128.80	101.55	128.70	101.45



CORPORATE GOVERNANCE REPORT (Contd.)

vi. Name and address of Registrar & Share Transfer Agent

Upto 30th September, 2011	From 1st October, 2011
R & D Infotech Pvt. Ltd. 22/4, Nakuleshwar Bhattacharjee Lane, Kolkata - 700 026 Phone : +91-33-24631657, Telefax : +91-33-24631658 E-mail : rd.infotech@vsnl.net / tml@rdinfotech.in	R & D Infotech Pvt. Ltd. 7A, Beltala Road, 1st Floor, Kolkata - 700 026 Phone : +91-33-24192641, Fax : +91-33 24192642 E-mail : rd.infotech@vsnl.net / tml@rdinfotech.in

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

vii. Share Transfer System

- a) **Physical Form** - 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.

Transfers are normally processed within 15 days from the date of receipt, provided the documents are complete in all respects. MD and the Company Secretary are severally empowered by the Board to approve transfers.

SEBI vide its circular no. MRD/DoP/Cir-05/2009 dated May 20, 2009 make it mandatory for the transferee(s) to furnish copy of PAN card to the Company/RTAs for registration of transfer of shares, for securities market transactions and off-market /private transactions involving transfer of shares in physical form.

- b) **Demat Form** - The Company had made arrangements to dematerialize its shares through National Securities Depository Ltd. and Central Depository Services (India) Ltd. and Company's ISIN No. is INE056C01010.

As on 31st March, 2011, a total of **23379879** shares of the Company, which forms **92.45%** of the total shares, stands dematerialized. The processing activities with respect to the requests received for dematerialisation are completed within 15 days from the date of receipt of request.

viii. Distribution of Shareholding as on 31st March, 2011

No of ordinary shares held	No of Shareholders	%	No of Shares	%
1 - 500	48667	95.278%	5692503	22.51%
501 - 1000	1386	2.713%	1141676	4.51%
1001 - 10000	944	1.848%	2480883	9.81%
10001 - 50000	66	0.129%	1339242	5.30%
50001 and above	16	0.031%	14633696	57.87%
Total	51079	100.00%	25288000	100.00%

ix. Categories of Shareholding as on 31st March, 2011

No of ordinary shares held	No of Shareholders	%	No of Shares	%
Promoters Holdings	11	0.02	12654633	50.04
UTI/Mutual Funds/ Banks	6	0.01	2625	0.01
Insurance Companies	2	0.00	591451	2.34
FIs	6	0.01	95979	0.38
Corporate Bodies	817	1.60	1549127	6.13
Resident Individuals	49851	97.60	9979688	39.46
State Government WBIDC	1	0.00	250000	0.99
Others	385	0.75	164497	0.65
Total	51079	100.00	25288000	100.00

CORPORATE GOVERNANCE REPORT (Contd.)

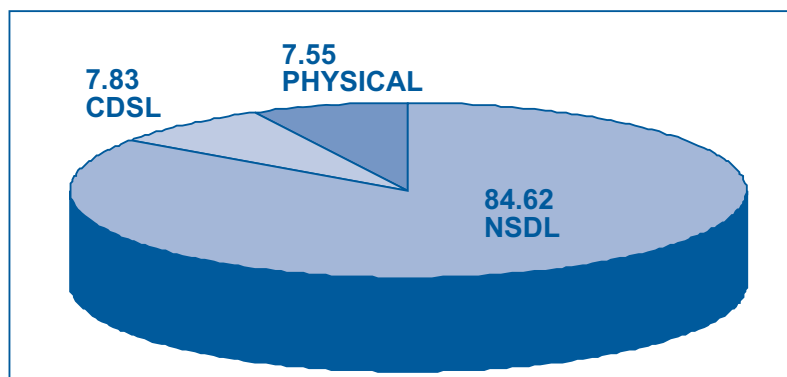
x. Top 10 Shareholders List (As on 31st March, 2011)

Name of Shareholder	No. of Share held	% of Share Capital
TATA STEEL LIMITED	11,799,992	46.66
KALIMATI INVESTMENT COMPANY LIMITED	854,383	3.38
PATTON INTERNATIONAL LTD	346424	1.37
GENERAL INSURANCE CORPORATION OF INDIA	326451	1.29
THE ORIENTAL INSURANCE COMPANY LIMITED	265000	1.05
WEST BENGAL INDUSTRIAL DEVELOPMENT CORPORATION LTD	250000	0.99
USHA RANI	104306	0.41
SATISH KHURANA	100000	0.40
VINODCHANDRA MANSUKHLAL PAREKH	97692	0.39
POWERMASTER ENGINEERS PVT LTD	97533	0.39
TOTAL	14241781	55.15

xi. Dematerialisation of Shares and Liquidity

The process of conversion of shares from physical form to electronic form is known as dematerialization. For dematerializing of shares the shareholders are to open a demat account with a Depository Participant (DP). The shareholder, 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 the Registrar & Share Transfer Agents of the Company. 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.

Demat position as on 31st March, 2011



Location of the Plants -

Kharagpur Unit :
 Village Gokulpur, P.O.Samraipur
 Kharagpur, Dist. Midnapur,
 West Bengal - 721301
 Phone : +91-3222-233325, 233877, 233290
 Telefax : +91-3222-233316
 Email : tml@tatametaliks.co.in

Redi Unit :

Sindhudurg District,
 Terekhol Road, Redi - 416 517
 Maharashtra

Phone : +91-2366-227628,227629,227665, 227654
 Telefax : +91-2366-227620
 Email : tmlredi@tatametaliks.co.in

CORPORATE GOVERNANCE REPORT (Contd.)

xii. Address for correspondence

Tata Metaliks Limited
Tata Centre, 43, Jawaharlal Nehru Road
Kolkata - 700 071.
Phone : +91-33-66134205, Fax : +91-33-2288 4372
Email : investors@tatametaliks.co.in

J. COMPLIANCE TO OTHER NON-MANDATORY REQUIREMENTS

a) The Board

The Company does not maintain any office for its Non-Executive Chairman.

The Board at its meeting held on 7th April, 2001 adopted the Tata Group Guidelines for Composition of the Board of Directors, does not retain Independent Directors for tenure exceeding a period of nine years, except in extremely deserving cases.

b) Remuneration Committee

The Company has a Remuneration Committee whose terms of reference, composition and other relevant particulars have been mentioned in this report.

c) Shareholders rights

The Company publishes the quarterly financials results in major newspapers and posts the same on the website of the Company. Further, significant events are informed to the Stock Exchanges from time to time and then the same is posted on the website of the Company. The Company does not send the same to the individual households of the members.

d) Audit qualifications

It is always the Company's endeavour to present unqualified financial statements. There is no audit qualification in the Audited Accounts for the Financial Year ended 31st March, 2011.

e) Training of Board Members

The Governance Policy casts on the Board of Directors the responsibility of strategic supervision of the Company. In order to enable the Non-executive directors to fulfil the Governance ordained role, comprehensive presentations are made on the working of the various businesses of the Company. Directors are fully briefed on all business related matters, risk assessment & minimisation procedures, new initiatives proposed by the Company. The members of the Board, being business leaders in their respective area of functioning, are aware of their responsibilities as directors and the best ways to discharge them and are not averse to taking necessary training for proper discharge of their function, if need arises. The Company is in the process of formulating a policy for Directors' Training.

f) Mechanism for evaluating Non-Executive Board Members -

The role of the Board of Directors is to provide direction and exercise control to ensure that the Company is managed in a manner that fulfils stakeholder's aspiration and societal expectations. A peer group comprising the entire Board of Directors, excluding the Director being evaluated, evaluates 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.

g) Whistle Blower Policy

The Company has constituted a "Whistle Blower Protection Committee" as a part of its Whistle Blower Policy. The Committee had been constituted under the Chairmanship of the VP(Project & Business Opportunity). The other members of the Committee include senior officials of the Company and the External Ethics Counsellor (EEC). Whistle Blower 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 are referred to the Whistle Blower Protection Committee for disciplinary actions.

AUDITORS' REPORT

To the members of
TATA METALIKS LIMITED

1. We have audited the attached Balance Sheet of **TATA METALIKS LIMITED** ("the Company") as at 31st March, 2011, the Profit & Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both 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 the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows :
 - (a) we have obtained all the 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 it appears from our examination of those books;
 - (c) the Balance Sheet, the Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet, the Profit & Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956;
 - (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - (ii) in the case of the Profit & Loss Account, of the profit of the Company for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors as on 31st March, 2011 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of Section 274 (1)(g) of the Companies Act, 1956.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
Registration No. 302009E
Abhijit Bandyopadhyay
Partner
Membership No. 54785

Kolkata, 3rd May, 2011

ANNEXURE TO THE AUDITORS' REPORT OF TATA METALIKS LIMITED FOR THE YEAR ENDED 31ST MARCH, 2011**(Referred to in paragraph 3 of our report of even date)**

- (i) Having regard to the nature of the Company's business/activities/result, clauses (iii), (v), (viii), (x), (xii), (xiii), (xiv), (xviii), (xix), (xx) of CARO are not applicable.
- (ii) In respect of its fixed assets :
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals over a period of three years. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In respect of its inventory :
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchases of inventory, fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in such internal control system.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 58A & 58AA or any other relevant provisions of the Companies Act, 1956.
- (vi) In our opinion, the Company has an adequate internal audit system commensurate with the size of the Company and the nature of its business.
- (vii) According to the information and explanations given to us in respect of statutory dues :
 - (a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Income Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2011 for a period of more than six months from the date they became payable.
 - (c) Details of dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2011 on account of disputes are given below :

ANNEXURE TO THE AUDITORS' REPORT (Contd.)

Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (₹ in Lac)
Central Excise Act, 1944	Duty & Cess, Interest	The Customs Excise and Service Tax Appellate Tribunal	September 2002 to 31st March, 2007	2204 470
Central Excise Act, 1944	Duty & Cess, Interest	The Customs Excise and Service Tax Appellate Tribunal	1st April 2007 to 31st January, 2008	1258 268
Central Excise Act, 1944	Duty & Cess, Interest	The Customs Excise and Service Tax Appellate Tribunal	September 2002 to January, 2008	1475 217

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, financial institutions and debenture holders.
- (ix) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not prima facie prejudicial to the interests of the Company.
- (x) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- (xi) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long-term investment.
- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
 Registration No. 302009E
Abhijit Bandyopadhyay
Partner
 Membership No.54785

Kolkata, 3rd May, 2011

BALANCE SHEET AS AT 31ST MARCH, 2011

(₹ in Lac)

	Schedule	As at	
		31.03.2011	31.03.2010
SOURCES OF FUNDS			
1. SHAREHOLDERS' FUND			
a) Share Capital	A	2,528.80	2,528.80
b) Reserves and Surplus	B	8,690.45	6,395.52
			11,219.25
			8,924.32
2. LOAN FUNDS			
a) Secured Loans	C	21,300.34	20,897.65
b) Unsecured Loans	D	12,890.56	–
			34,190.90
			20,897.65
3. DEFERRED TAX LIABILITY (NET)			665.30
(Refer Note 14 of Schedule M)			665.30
TOTAL			46,075.45
			30,487.27
APPLICATION OF FUNDS			
4. FIXED ASSETS	E		
Gross Block		31,037.00	30,986.23
Less : Depreciation		10,611.95	8,974.45
Net Block		20,425.05	22,011.78
Capital work-in-progress		541.08	409.84
			20,966.13
			22,421.62
5. INVESTMENTS	F		7,396.52
			4,692.01
6. CURRENT ASSETS, LOANS AND ADVANCES			
a) Inventories	G	23,545.72	24,293.56
b) Sundry Debtors	H	9,347.39	5,844.96
c) Cash and Bank Balances	I	203.73	946.69
		33,096.84	31,085.21
d) Loans and Advances	J	5,075.80	3,758.09
		38,172.64	34,843.30
7. LESS : CURRENT LIABILITIES			
a) Current Liabilities	K	18,264.15	29,993.81
b) Provisions	L	2,195.69	1,475.85
		20,459.84	31,469.66
8. Net Current Assets			17,712.80
			3,373.64
TOTAL			46,075.45
			30,487.27
Notes on Balance Sheet & Profit & Loss Account	M		

The Schedules referred to above form an integral part of the Balance Sheet

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

Abhijit Bandyopadhyay

Partner

Kolkata, 3rd May, 2011

For and on behalf of the Board of Directors

Vishwanath G Malagi
Chief of Corporate Governance & Company Secretary

Harsh K Jha
Managing Director

Koushik Chatterjee
Chairman

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

(₹ in Lac)

	Schedule	For the year ended 31.03.11	For the year ended 31.03.10
INCOME			
1. SALES	1	141,188.55	112,652.93
Less : Excise Duty recovered		12,056.64	8,244.31
		129,131.91	104,408.62
2. Other Income	2	2,893.19	2,861.86
		132,025.10	107,270.48
EXPENDITURE			
3. Manufacturing and other expenses	3	124,621.70	96,983.85
4. Interest	4	2,870.97	3,580.21
		127,492.67	
5. Depreciation		1,664.50	1,641.53
6. TOTAL EXPENDITURE		129,157.17	102,205.59
PROFIT FOR THE YEAR BEFORE TAX			
		2,867.93	5,064.89
7. Provision for taxation :			
a) Current tax		573.00	509.46
PROFIT AFTER TAXES			
		2,294.93	4,555.43
8. Loss Brought forward from previous year (LOSS CARRIED FORWARD)		(1,215.71)	(5,771.14)
BALANCE AVAILABLE FOR APPROPRIATION			
		1,079.22	(1,215.71)
9. APPROPRIATIONS			
a) Debenture Redemption Reserve		726.38	–
BALANCE CARRIED TO BALANCE SHEET			
		352.84	(1,215.71)
10. Earnings Per Share (Basic and Diluted) (₹ per Share) (Refer Note 13 of Schedule M)		9.08	18.01
11. Notes on Balance Sheet & Profit & Loss Account	M		

The Schedules referred to above form an integral part of the Profit & Loss Account

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants
Abhijit Bandyopadhyay
Partner
Kolkata, 3rd May, 2011

Vishwanath G Malagi
Chief of Corporate Governance & Company Secretary

For and on behalf of the Board of Directors

Harsh K Jha
Managing Director

Koushik Chatterjee
Chairman

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

(₹ in Lac)

	2010-11	2009-10
(A) Cash Flow From Operating Activities		
Net Profit before Tax	2,867.93	5,064.89
Adjustments for :		
Depreciation	1,664.50	1,641.53
Interest expense	2,870.97	3,580.21
Provision for Doubtful Debt	1.91	17.11
Exchange (Gain)/Loss on buyers credit	(8.91)	(21.32)
Wealth tax Provision	4.65	4.77
Dividend Received	(1.41)	(1.42)
Subsidy Received	(84.66)	(458.46)
(Profit)/Loss on Sale of Assets	6.16	(0.61)
Provision no longer required written back	–	(187.97)
Interest Income	(108.44)	(319.13)
	4,344.77	4,254.71
Operating Profit before Working Capital Changes	7,212.70	9,319.60
Adjustments for :		
- Trade and Other Receivables	(2,617.71)	105.01
- Inventories	747.84	(9,709.18)
- Trade Payables and Other Liabilities	(11,523.60)	23,849.73
	(13,393.47)	14,245.56
Direct Taxes Refund/(paid)	143.32	(150.75)
Cash from Operating Activities(A)	(6,037.45)	23,414.41
(B) Cash Flow From Investing Activities		
Purchase of Fixed Assets	(2,430.34)	(1,021.60)
Purchase of Investment in subsidiary	(2,703.00)	(867.00)
Purchase of Investments others	(7,821.51)	(5,396.00)
Sale of Investments others	7,821.41	5,397.42
Sale of Fixed Assets	8.67	0.92
Interest Received	2.73	0.01
Subsidy Received	84.66	458.46
Net Cash used in Investing Activities(B)	(5,037.38)	(1,427.79)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011 (Contd.)

(₹ in Lacs)

	2010-11	2009-10
(C) Cash Flow From Financing Activities		
Proceeds from Borrowings	16,807.41	4,824.04
Repayment of Borrowings	(3,514.16)	(23,168.30)
Exchange (Gain)/Loss	8.91	21.32
Dividends paid	(26.41)	(45.33)
Interest paid	(2,943.88)	(3,601.68)
Net Cash from Financing Activities(C)	10,331.87	(21,969.95)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(742.96)	16.67
Cash and Cash Equivalents as at 1st April, 2010	946.69	930.02
Cash and Cash Equivalents as at 31st March, 2011	203.73	946.69

Note :

1. Includes restricted balance ₹ 200.26 lac (31.03.2010 ₹ 327.01 lac).
2. Excludes purchase made from reinvestment of dividends ₹ 1.41 lac (previous year ₹ 1.42 lac).
3. Figures in brackets represent outflows.

As per our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants
Abhijit Bandyopadhyay
Partner
Kolkata, 3rd May, 2011

Vishwanath G Malagi
Chief of Corporate Governance & Company Secretary

For and on behalf of the Board of Directors

Harsh K Jha
Managing Director

Koushik Chatterjee
Chairman

SCHEDULES FORMING PART OF THE BALANCE SHEET

(₹ in Lac)

		As at 31.03.2011	As at 31.03.2010
SCHEDULE A	SHARE CAPITAL		
Authorised :			
100,000,000 (31.03.2010 : 100,000,000) Equity Shares of ₹ 10/- each		10,000.00	10,000.00
Issued, Subscribed and Paid-up :			
25,288,000 (31.03.2010 : 25,288,000) Equity Shares of ₹ 10/- each		2,528.80	2,528.80
		2,528.80	2,528.80

Note :

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

- (i) 11,799,992 (31.03.2010 : 11,799,992) Ordinary Shares of ₹ 10/- each held by Tata Steel Limited, the holding company.
- (ii) 854,383 (31.03.2010 : 854,383) Ordinary Shares of ₹ 10/- each held by Kalimati Investment Company Limited, a subsidiary of the holding company.

SCHEDULE B	RESERVES AND SURPLUS		
a) Capital Reserve			
State Capital Investment Subsidy			
Balance as per last account 31.03.2010	125.62	125.62	
	125.62	125.62	
b) General Reserve			
Balance as per last account 31.03.2010	7,485.61	7,485.61	
Less : Balance in Profit & Loss Account shown below per contra as per disclosure under Schedule VI, Part I of the Companies Act, 1956	-	1,215.71	
	7,485.61	6,269.90	
c) Debenture Redemption Reserve			
Amount appropriated from Profit & Loss Account	726.38	-	
	726.38	-	
d) Profit & Loss Account			
(Loss)/Balance carried forward	352.84	(1,215.71)	
Add : Uncommitted reserve per contra as per disclosure under Schedule VI, Part I of the Companies Act, 1956	-	1,215.71	
	352.84	-	
	8,690.45	6,395.52	

SCHEDULES FORMING PART OF THE BALANCE SHEET (Contd.)

(₹ in Lac)

SCHEDULE C SECURED LOANS		As at 31.03.2011	As at 31.03.2010
a)	12.75 % Non Convertible Debentures (privately placed with Life Insurance Corporation of India) (Note 1 and 2)	4,500.00	4,500.00
b)	Term loans from Banks (Note 1)	9,700.00	12,700.00
c)	Working Capital Demand Loans from Banks (Note 3)	5,000.00	3,000.00
d)	Cash Credit/Overdraft from banks (Note 3 and 4)	2,100.34	697.65
		21,300.34	20,897.65

Notes :

- Secured by equitable mortgage over landed properties of the company together with all buildings, structures and all plant and machinery thereon, on *pari passu* first charge basis with other term lenders and by way of hypothecation of moveable plant and machinery, stocks, book debts and other current assets on *pari passu* second charge basis with other term lenders.
- The 12.75 % Non-Convertible Debentures are redeemable at par in three annual installments in the ratio of 30:30:40 at the end of 3rd, 4th and 5th year from the date of allotment. The earliest date of redemption is 07.01.2012.
- Except for Cash Credit from Bank of Baroda, is secured by way of hypothecation of moveable plant and machinery, stock, book debts and other current assets on *pari passu* first charge basis with other working capital banks and by way of equitable mortgage over landed properties of the company together with all buildings, structures and all plant and machinery on *pari passu* second charge basis with other working capital banks.
- Cash Credit from Bank of Baroda amounting to ₹ 17.35 Lac (31.03.2010: ₹ 504.66 Lac) is secured by way of hypothecation of moveable plant and machinery, stock, book debts and other current assets on *pari passu* first charge basis with other working capital banks.

SCHEDULE D UNSECURED LOANS			
a)	Loan from Holding Company	2,200.00	–
b)	Buyer's credit from banks (repayable in foreign currency)	10,660.57	–
c)	Bank Overdrafts	29.99	–
		12,890.56	–

Note : Amounts repayable within one year - ₹ 10,690.56 Lac (31.03.2010 : Nil)

SCHEDULE E FIXED ASSETS		Gross Block			Depreciation/Amortisation				Net Block	
Particulars	As at 01.04.2010	Additions	Deductions	As at 31.03.2011	Upto 01.04.2010	For the year	Deductions	Upto 31.03.2011	As at 31.03.2011	As at 01.04.2010
Freehold Land	1,187.87	–	–	1,187.87	–	–	–	–	1,187.87	1,187.87
Buildings	2,058.68	–	–	2,058.68	412.48	57.92	–	470.40	1,588.28	1,646.20
Leasehold Land and Site Development	99.15	–	–	99.15	15.03	1.00	–	16.03	83.12	84.12
Railway Siding (Note 1)	911.58	–	–	911.58	475.60	61.67	–	537.27	374.31	435.98
Plant and Machinery	26,084.30	25.09	–	26,109.39	7,745.92	1,494.93	–	9,240.85	16,868.54	18,338.38
Data Processing Equipment	221.73	44.56	9.19	257.10	169.01	21.53	8.91	181.63	75.47	52.72
Furniture, Fittings and Office Equipment	247.70	8.60	0.94	255.36	96.13	12.09	0.48	107.74	147.62	151.57
Vehicles	175.22	14.35	31.70	157.87	60.28	15.36	17.61	58.03	99.84	114.94
	30,986.23	92.60	41.83	31,037.00	8,974.45	1,664.50	27.00	10,611.95	20,425.05	22,011.78
Previous year	30,592.65	402.20	8.62	30,986.23	7,341.23	1,641.53	8.31	8,974.45	22,011.78	

Note 1 : Includes ₹ 350.00 Lac on account of the amount contributed to Konkan Railway Corporation Limited (KRCL) for construction of Railway Siding in which the company has a right of preferential use over others for a period of 10 years. Even though the ownership of the railway siding is vested with KRCL, the amount contributed by the company has been capitalised on the basis of the future economic benefits and amortised over a period of 10 years. The depreciation for the current year includes the amortisation charge ₹ 35.00 Lac (Previous year : ₹ 35.00 Lac).

SCHEDULES FORMING PART OF THE BALANCE SHEET (Contd.)

(₹ in Lac)

	As at 31.03.2011	As at 31.03.2010
SCHEDULE F INVESTMENTS		
A LONG TERM INVESTMENTS		
(At cost less provision for diminutions in value other than temporary)		
TRADE INVESTMENTS		
Investment in Subsidiary Company :		
Shares (Unquoted)		
- Tata Metaliks Kubota Pipes Limited	7,395.00	4,692.00
73,950,000 (31.03.2010 : 46,920,000)		
Shares of face value of ₹ 10/- each fully paid-up		
Other Investments		
Unquoted		
- National Savings Certificates	1.52	0.01
(Lodged with Government authorities)		
	7,396.52	4,692.01
B CURRENT INVESTMENTS		
The Company has purchased and sold the following current investments :		
Investment in Mutual Funds (Unquoted)		
	No. of Units	Cost (₹ in Lacs)
Units in Birla Cash Plus-Instl.Daily Dividend Reinvestment Plan (Face Value ₹ 10/-)	78,047,807	7,820.00
SCHEDULE G INVENTORIES		
a) Raw Materials (At lower of cost and net realisable value)	15,325.19	18,970.74
b) Stores and Spare parts (At or lower than cost)	355.67	343.24
c) Finished goods (Including scrap)	7,864.86	4,979.58
(At lower of cost and net realisable value)		
	23,545.72	24,293.56
SCHEDULE H SUNDRY DEBTORS		
(Unsecured)		
a) Debts outstanding for a period exceeding six months		
- Considered good	22.63	34.78
- Considered doubtful	-	17.11
	22.63	51.89
b) Other debts		
- Considered good	9,324.76	5,810.18
- Considered doubtful	-	-
	9,324.76	5,810.18
c) Less : Provision for doubtful debts	-	17.11
	9,347.39	5,844.96
Sundry Debtors considered good	9,347.39	5,844.96
Sundry Debtors considered doubtful	-	17.11
	9,347.39	5,862.07

SCHEDULES FORMING PART OF THE BALANCE SHEET (Contd.)

(₹ in Lac)

SCHEDULE I CASH AND BANK BALANCES	As at 31.03.2011	As at 31.03.2010
a) Cash-in-Hand [Including Cheques ₹ Nil (31.03.2010 ₹ 379.80 Lac)]	1.13	380.68
b) Balances with scheduled banks		
i) On current accounts	1.80	239.00
ii) On deposit accounts	0.20 ¹	100.00 ²
iii) Unclaimed dividend account	200.60	227.01
	203.73	946.69

¹ Pledged with Department of mines, Rourkela

² Deposit against margin-money

SCHEDULE J LOANS AND ADVANCES (Unsecured)		
a) Advances to subsidiary	-	43.04
b) Advances recoverable in cash or in kind or for value to be received	4,711.04	3,415.22
Less : Provision for doubtful advances	9.03	9.03
	4,702.01	3,406.19
c) Rent, electricity deposits, etc.	78.36	78.94
d) Balances with Excise, Custom, Port Trust, etc.	295.43	227.76
e) Advance Fringe Benefit Tax - net of provision	-	0.51
f) Interest accrued but not due	-	1.65
	5,075.80	3,758.09
Loans and Advances considered good	5,075.80	3,758.09
Loans and Advances considered doubtful	9.03	9.03
	5,084.83	3,767.12

SCHEDULE K CURRENT LIABILITIES		
a) Acceptances	-	1,484.23
b) Sundry Creditors for goods and services :		
(i) Total outstanding dues of micro enterprise and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro and small enterprises	14,455.40	23,298.61
c) Sundry Creditors for accrued wages and salaries	276.25	252.15
d) Sundry creditors for others	1,731.80	2,359.46
e) Advances received from customers	1,367.20	2,066.54
f) Liability towards Investor Education and Protection Fund under Section 205C of the Companies Act, 1956		
Not due as at 31.03.2011		
- Unpaid dividends	200.60	227.01
g) Interest accrued but not due on :		
(i) 12.75% Non-convertible Debentures	132.04	132.04
(ii) Loans	56.73	120.14
(iii) Supplier's and Buyer's Credit	44.13	53.63
	18,264.15	29,993.81

SCHEDULE L PROVISIONS		
a) Provision for Leave Encashment	324.63	260.30
b) Provision for Gratuity	139.55	97.14
c) Provision for Discretionary Pension	100.00	100.00
d) Provision for Taxation (net of advance tax)	1,631.51	1,018.41
	2,195.69	1,475.85

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

(₹ in Lac)

		For the year ended 31.03.2011	For the year ended 31.03.2010
SCHEDULE 1	SALE OF GOODS		
a)	Sale of Finished Goods	138,694.89	112,123.68
b)	Sale of Raw Materials	2,493.66	529.25
		141,188.55	112,652.93

SCHEDULE 2	OTHER INCOME		
a)	Interest income on bank fixed deposits, sundry advances etc. [Tax Deducted at Source ₹ 0.27 Lac (Previous year ₹ 0.17 Lac)]	1.08	1.66
b)	Interest on income-tax refunds	107.36	317.47
c)	Other Operating Income	2,126.93	1,553.21
d)	Dividend income on non-trade current investments	1.41	1.42
e)	Miscellaneous Income (Note 1) [Tax deducted at source ₹ 1.51 Lac (Previous year ₹ 5.56 Lac)]	571.75	341.67
f)	Subsidy from State Governments (Note 2)	84.66	458.46
g)	Liability no longer required written back	-	187.97
		2,893.19	2,861.86

Notes :

- The Blast Furnace No.3 at Redi is eligible for sales tax incentive under 1993 package scheme of incentives as notified by Government of Maharashtra. The scheme either allows deferment or payment at Net Present Value (NPV) of sales tax accrued in respect of sales made out of the production from Blast Furnace No. 3. The Company has exercised the option of pre-payment and made the payment at NPV, using rate of discounting prescribed in the Trade Circular issued by the Department of Sales Tax, Government of Maharashtra. The difference of ₹ 347.67 Lac (Previous year ₹ Nil) between the sales tax liability of ₹ 482.91 Lac accrued from the date of sanction of the subsidy to 31st March, 2011 and the payment made at NPV of ₹ 135.23 Lac is recognised as income.
- Includes subsidy income received from the Government of West Bengal of ₹ 84.66 Lac (Previous year ₹ 458.46 Lac) towards Industrial Promotion Assistance by way of refund of 75% of Sales tax paid, under Industrial Promotion Scheme, 2000.

SCHEDULE 3	MANUFACTURING AND OTHER EXPENSES		
1.	RAW MATERIAL CONSUMED		
a)	Opening Stock	18,970.74	11,325.70
b)	Add : Purchases	110,330.07	93,922.38
		129,300.81	105,248.08
c)	Less : Closing stock	15,325.19	18,970.74
		113,975.62	86,277.34
2.	PAYMENTS TO AND PROVISIONS FOR EMPLOYEES		
a)	Wages, Salaries and Bonus	2,177.71	1,968.99
b)	Company's contributions to provident and other funds	282.65	233.77
c)	Staff welfare expenses	216.98	178.47
		2,677.34	2,381.23

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT (Contd.)

(₹ in Lac)

		For the year ended 31.03.2011	For the year ended 31.03.2010
SCHEDULE 3	MANUFACTURING AND OTHER EXPENSES (Contd.)		
3.	OPERATION AND OTHER EXPENSES		
a)	Power and Fuel	507.85	376.55
b)	Electricity Charges	393.54	293.55
c)	Consumption of stores and spare parts	2,179.21	1,963.30
d)	Rent	63.06	101.10
e)	Rates and Taxes	190.88	238.69
f)	Insurance	124.62	84.63
g)	Repairs :-		
	- Plant and Machinery	441.91	551.03
	- Buildings	38.69	29.50
	- Others	450.44	458.80
h)	Director Fees	5.90	3.26
i)	Commission, Discounts and Rebates	541.49	521.69
j)	Bank Charges	263.34	458.73
k)	Loss/(Profit) on sale/discarding of fixed assets (net)	6.16	(0.61)
l)	Provision for Wealth Tax	4.65	4.77
m)	Provision for Doubtful Debts	1.91	17.11
n)	Other expenses	2,218.74	1,809.58
		7,432.39	6,911.68
4.	FREIGHT AND HANDLING CHARGES	3,165.49	3,274.65
5.	(ACCRETION)/REDUCTION TO STOCK OF FINISHED PRODUCTS		
	Opening Stock	4,979.58	2,888.70
	Less : Closing Stock	7,864.86	4,979.58
		(2,885.28)	(2,090.88)
6.	EXCISE DUTY PROVISION ON (ACCRETION)/ REDUCTION TO STOCK OF FINISHED GOODS	256.14	229.83
		124,621.70	96,983.85
SCHEDULE 4	INTEREST		
1.	On Debentures	573.75	573.75
2.	On Fixed Loans	1,251.42	1,529.38
3.	On Other Loans	1,045.80	1,477.08
		2,870.97	3,580.21

SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE M NOTES ON BALANCE SHEET AND PROFIT & LOSS ACCOUNT

1. Accounting Policies

a) Basis of Accounting

The financial statements are prepared under historical cost convention on going concern and on accrual basis and are in compliance with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 and the relevant provisions thereof.

The financial statements are presented in accordance with Generally Accepted Accounting Principles in India, Accounting Standards notified under Section 211 (3C) of the Companies Act, 1956 and the relevant provisions thereof. The accounts presentation under Indian Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities as at the balance sheet date.

b) Revenue Recognition

i) Sale of goods

Revenue from the sale of goods is recognised in the profit & loss account when the significant risks and rewards of ownership have been transferred to the buyer. Revenue includes consideration received or receivable, excise duty but net of discounts and other sales related taxes.

ii) Dividend and Interest income

Dividend income is recognised when the company's right to receive dividend is established. Interest income is recognised on accrual basis based on interest rates implicit in the transactions.

iii) Revenue Subsidy from Government of West Bengal

Subsidy linked to the incurrence of capital expenditures sanctioned by the Government under notified schemes are recognised as income on disbursement by the Government.

iv) Sales Tax deferral scheme

Excess of deferred sales tax liability discharged over the payment made based on net present value is recognised as income at the time of payment of net present value.

c) Fixed Assets

All fixed assets are valued at cost less depreciation/amortisation. The cost of an asset includes the purchase cost of materials, including import duties and non refundable taxes, and any directly attributable costs of bringing an asset to the location and condition of its intended use. Pre-operation expenses including trial run expenses (net of revenue) are capitalised. Interest on borrowings used to finance the construction of fixed assets are capitalised as part of the cost of the asset until such time that the asset is ready for its intended use.

d) Depreciation

Freehold land is not depreciated. Premium paid on leasehold land and land development expenses are amortised over the period of lease. Railway sidings the ownership of which vest with the Railway authorities are depreciated over ten years. Other fixed assets are depreciated on a straight line basis applying the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

e) Relining Expenses

Expenses incurred on relining of Blast Furnace is capitalised and depreciated over a period of five years of average expected life. All other relining expenses are charged as expense in the year they are incurred. The written down value consisting of relining expenditure embedded in the cost of Blast Furnace is written off in the year of fresh lining.

f) Investments

Long-term Investments are carried at cost less provision for diminution other than temporary (if any) in value of such investments.

SCHEDULES FORMING PART OF THE ACCOUNTS (Contd.)

SCHEDULE M NOTES ON BALANCE SHEET AND PROFIT & LOSS ACCOUNT

Current Investments are carried at lower of cost and fair value.

g) Inventories

Raw materials are valued at cost comprising purchase price, freight and handling, non refundable taxes and duties and other directly attributable costs.

Finished products are valued at lower of cost and net realisable value.

Stores and spares are valued at cost comprising of purchase price, freight and handling, non refundable taxes and duties and other directly attributable costs.

Value of inventories are generally ascertained on the "weighted average" basis.

h) Foreign Currency Transactions

Foreign Currency transactions are recorded on initial recognition in the reporting currency i.e. Indian rupees, using the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities in currencies other than the reporting currency and foreign exchange contracts remaining unsettled are remeasured at the rates of exchange prevailing at the balance sheet date. Exchange difference arising on the settlement of monetary items, and on the remeasurement of monetary items, are included in profit & loss for the year.

Foreign Currency forward contracts, other than those entered into to hedge foreign currency risk on unexecuted firm commitments or highly probable forecast transactions are treated as foreign currency transactions and accounted accordingly as per Accounting Standard (AS) 11 - Effects of Changes in Foreign Exchange Rates. The difference between the contract rate and spot rate on the date of transaction is recognised as premium/discount and recognised over the life of the contract. Exchange differences arising from remeasurement of contracts are included in the profit and loss for the year. Gains and losses arising on account of roll over/cancellation of forward contracts are

recognised as income/expenses in the pre-operative expenses.

All other derivative contracts including forward contracts entered into to hedge foreign currency risks on unexecuted firm commitments and highly probable forecast transactions, are recognised in the financial statements at fair value as on the Balance Sheet date in pursuance of the announcement of the Institute of Chartered Accountants of India dated March 29, 2008 on accounting of derivatives.

i) Borrowing Costs

Borrowing Costs that are attributable to the acquisition, construction of qualifying assets are capitalised as part of the cost of such assets till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. Costs incurred in connection with arrangement of borrowings are amortised over the period of the borrowing. All other borrowing costs are recognised as an expense in the profit & loss account in the period in which they are incurred.

j) Employee Benefits

i) Short term benefits

Short term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

ii) Post employment benefits

Defined Contribution Plans

Defined Contribution Plans are those plans where the Company pays fixed contributions to a separate entity. Contributions are paid in return for services rendered by the employees during the year. The company has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay employee benefits. The contributions are expensed as they are incurred in line with the treatment of wages and salaries.

SCHEDULES FORMING PART OF THE ACCOUNTS (Contd.)

SCHEDULE M NOTES ON BALANCE SHEET AND PROFIT & LOSS ACCOUNT

In respect of contribution of provident fund to the trust set up by the Company, since the Company is obligated to meet interest shortfall, if any, with respect to covered employees, such employee benefit plan is classified as Defined Benefit Plan in accordance with the Guidance on implementing Accounting Standard (AS) 15 (Revised) on Employee Benefits.

Defined Benefit Plans

Defined Benefit Plans are arrangements that provide guaranteed benefits to employees, either by way of contractual obligations or through a collective agreement. This guarantee of benefits represents a future commitment of the Company and, as such, a liability is recognised. The present value of these defined benefit obligations are ascertained by an independent actuarial valuation as per the requirement of Accounting Standards 15 - Employee Benefits. The liability recognised in the balance sheet is the present value of the defined benefit obligations on the balance sheet date less the fair value of the plan assets (for funded plans), together with adjustments for unrecognised past service costs. All actuarial gains and losses are recognised in Profit & Loss Account in full in the year in which they occur.

k) Taxes on Income

Current Taxes

Provision for Current Tax is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961. Current Tax for the current and previous year are provided based on the Minimum Alternate Tax (MAT) determined to be payable under the provisions of Section 115JB of the Income Tax Act, 1961. MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period.

Deferred Taxes

Deferred tax assets and liabilities are recognised by computing the tax effect on timing differences which arise during the year and reverse in the subsequent periods. Deferred tax assets against unabsorbed depreciation or carry forward losses under the Income Tax Act, 1961 are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realised. Deferred tax assets against other timing differences are recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

l) Leases

The Companies significant leasing arrangements are in respect of operating leases for premises (Office, Residence etc.). The leasing arrangements which normally have a tenor of eleven months to three years are cancellable with a reasonable notice, and are renewable by mutual consent at agreed terms. The aggregate lease rent payable is charged as rent in the profit & loss account.

m) Earnings Per Share

The Company reports basic and diluted earnings per share in accordance with Accounting Standard (AS) 20 - Earnings Per Share. Basic earnings per equity share have been computed by dividing net profit after tax attributable to equity share holders by the weighted average numbers of equity shares outstanding during the year. Diluted earnings during the year adjusted for the effects of all dilutive potential equity shares per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

n) Impairment

Wherever events or changes in circumstances indicate that the carrying value of fixed assets may be impaired, the company subjects such

SCHEDULES FORMING PART OF THE ACCOUNTS (Contd.)

SCHEDULE M NOTES ON BALANCE SHEET AND PROFIT & LOSS ACCOUNT

assets to a test of recoverability, based on discounted cash flows expected from use or disposal of such assets. If the assets are impaired, the company recognises an impairment loss as the difference between the carrying value and value in use.

o) Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an

outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

p) Government Grants

Government grants which are given with reference to the total investments in an undertaking and no repayment is ordinarily expected in respect thereof, the grants are treated as capital reserve which can be neither distributed as dividend nor considered as deferred income.

2. Contingent Liabilities

(₹ in Lac)

	31.03.2011	31.03.2010
Contingent Liabilities not provided for		
a) Cenvat credit disallowed	5,893.19	10,336.45
b) Customs Duty	–	20.08
c) Bills Discounted	1,002.07	–
d) Guarantees given to banks on behalf of subsidiary company for term loans ^{1&2}	7,859.76	7,871.61
e) Bank Guarantee	389.87	159.87
f) Letters of Credit	1,648.46	–

¹ Includes a guarantee denominated in US dollar - **USD 11,850,000** (31.03.2010 : USD 11,850,000)

² Loan outstanding against the guarantee as at 31.03.2011 ₹ **7865.68** Lac (31.03.2010 : ₹ 7849.00 Lac)

3. Estimated amounts of contracts remaining to be executed on capital account and not provided : ₹**132.19** Lacs (As at 31.3.2010 ₹ 121.95 Lac).

4. Licensed and Installed Capacities and Production

a) Licensed capacity is not applicable in terms of Government of India's Notification No. S.O.477(E) dated 25th July, 1991

	2010-2011 Tonnes	2009-2010 Tonnes
b) Installed Capacity (As certified by the Management and relied upon by the Auditors)		
i) Pig Iron	650,000	650,000
c) Production (Excluding items intended for captive consumption & arisings ie., slags and scrap etc.)		
i) Pig Iron	477,115	492,024

SCHEDULES FORMING PART OF THE ACCOUNTS (Contd.)

SCHEDULE M NOTES ON BALANCE SHEET AND PROFIT & LOSS ACCOUNT

5. Turnover, Closing and Opening Stocks

	2010-2011		2009-2010	
	Quantity (Tonnes)	Amount (₹ in Lac)	Quantity (Tonnes)	Amount (₹ in Lac)
a) Turnover				
- Pig Iron	473,333	131,999.35	484,492	106,848.54
- Others - Scrap, Slag etc.		6,695.54		5,275.14
b) Closing Stock				
- Pig Iron	19,873	6,030.12	16,511	3,616.49
- Others - Scrap, Slag etc.		1,834.74		1,363.09
c) Opening Stock				
- Pig Iron	16,511	3,616.49	9,707	1,923.45
- Others - Scrap, Slag etc.		1,363.09		965.25

6. Raw Materials consumed

	2010-2011		2009-2010	
	Quantity (Tonnes)	Amount (₹ in Lac)	Quantity (Tonnes)	Amount (₹ in Lac)
a) Iron Ore	840,559	33,224.44	865,107	23,902.60
b) Coke	365,196	78,352.25	379,422	60,537.96
c) Dolomite	58,636	615.14	52,542	445.39
d) Limestone	60,484	781.44	56,200	660.45
e) Manganese Ore	12,015	794.32	11,724	544.46
f) Quartzite	24,168	201.97	24,665	166.12
g) Others	406	6.06	1,004	20.36
		113,975.62		86,277.34

SCHEDULES FORMING PART OF THE ACCOUNTS (Contd.)

SCHEDULE M NOTES ON BALANCE SHEET AND PROFIT & LOSS ACCOUNT

7. Consumption of Imported and Indigenous Materials

	2010-2011		2009-2010	
	%	Amount (₹ in Lac)	%	Amount (₹ in Lac)
a) Raw Materials consumed				
- Indigenous	75.30	85,817.95	71.98	62,103.84
- Imported	24.70	28,157.67	28.02	24,173.50
	100.00	113,975.62	100.00	86,277.34
b) Stores and Spare parts				
- Indigenous	99.72	2,173.21	100.00	1,963.30
- Imported	0.28	6.00	0.00	–
	100.00	2,179.21	100.00	1,963.30

8. Value of Imports (C.I.F.)

	2010-2011 Amount (₹ in Lac)	2009-2010 Amount (₹ in Lac)
a) Raw Materials	28,546.00	46,676.74
b) Components, Stores and Spares	6.00	–

9. Expenditure in Foreign Currency

a) Interest	160.31	303.76
b) Foreign Travel	9.75	2.53
c) Consultancy Fees	12.14	4.99
d) Others	4.69	1.85

10. Managerial Remuneration

a) Remuneration to Managing Director		
i) Salary	28.20	25.20
ii) Contribution to Provident and Superannuation Funds	7.61	7.56
iii) Provision for performance linked bonus	28.20	31.50
iv) Value of Perquisites/Allowances	13.89	16.35
	77.90	80.61

Notes :

- The remuneration excludes provisions for post employment benefits and leave encashment benefits which are based on actuarial valuation done on an overall Company basis, and for the current year includes leave encashment benefits paid at the time of separation.

SCHEDULES FORMING PART OF THE ACCOUNTS (Contd.)

SCHEDULE M NOTES ON BALANCE SHEET AND PROFIT & LOSS ACCOUNT

2. The Company had filed an application on 18.12.2009 with the Central Government seeking its approval to pay remuneration in excess of the limits specified in the Schedule XIII to the Companies Act, 1956 (due to no or inadequacy of profits) for the current tenure of appointment of the Managing Director from 01.04.2009 to 31.03.2012. The approval for the same has been received from the Central Government vide letter no. SRN no. A74836321/2010-CL-VII dated 5th August, 2010.

Computation of Net Profit in accordance with Section 309(5) of the Companies Act, 1956

(₹ in Lac)

	As at 31.03.2011	As at 31.03.2010
Profit before Tax	2,867.93	5,064.89
Add : i) Provision for Depreciation	1,664.50	1,641.53
ii) Managerial Remuneration	77.90	80.61
iii) Provision for Wealth Tax	4.65	4.77
iv) Directors' Sitting Fees	5.90	3.26
v) Loss on Sale of Assets	6.16	–
vi) Provision for Doubtful Debts	1.91	17.11
	4,628.95	6,812.17
Less : i) Profit on Sale of Asset	–	0.61
ii) Depreciation under Section 350 of the Companies Act, 1956	1,664.50	1,641.53
iii) Loss brought forward from the previous year	11,313.52	16,483.55
Net Profit as per Section 309(5) of the Companies Act, 1956	(8,349.07)	(11,313.52)
Commission to :		
i) Non Executive Directors	–	–

11. Auditors' Remuneration

Other expenses includes		
i) Audit Fees	16.00	16.00
ii) Tax Audit Fees	1.00	1.00
iii) Other services/certification	1.20	1.20
iii) Travelling and out-of-pocket expenses	0.36	0.25
	18.56	18.45

The above figures are exclusive of Service Tax

SCHEDULES FORMING PART OF THE ACCOUNTS (Contd.)

SCHEDULE M NOTES ON BALANCE SHEET AND PROFIT & LOSS ACCOUNT

12. Related Party Transaction

a) List of Related Parties and Relationship

Name of the Related Party		
i)	Tata Steel Limited	Holding Company
ii)	Tata Metaliks Kubota Limited	Subsidiary Company
iii)	Tata Refractories Limited	Fellow Subsidiary
iv)	T M International Logistics Limited	
v)	International Shipping and Logistics Fze	
vi)	Tata NYK Shipping Pte Limited	Joint Venture of Holding Company
vii)	Tata Bluescope Steel Limited	
viii)	JAMIPOL Limited	Associate of Holding Company
ix)	Key Management Personnel	
	- Mr. Harsh K Jha	Managing Director

b) Related party transactions

Nature of relationship	Name of the Company	Nature of Transaction	2010-11 (₹ in Lac)	2009-10 (₹ in Lac)
Holding Company	Tata Steel Limited	Purchase of raw materials	21,536.76	11,565.11
		Sale of goods	406.26	179.21
		Services received	92.77	87.42
		Inter Corporate deposit received	2,200.00	-
		Interest paid	113.62	-
		Outstanding payables	4,851.39	1,552.77
		Outstanding receivables	13.77	20.72
		Interest payable	37.73	-
Subsidiary Company	Tata Metaliks Kubota Limited	Equity Contribution	2,703.00	4,692.00
		Sale of molten metal and BF Gas	6,805.08	136,300.00
		Expenses reimbursed	96.27	50.25
		Outstanding receivables	414.06	311.93
Fellow Subsidiary	T M International Logistics Limited	Services received	2,235.20	1,257.78
		Outstanding payables	-	15.27
		Advances outstanding receivable	88.36	-
	Tata Refractories Limited	Purchase of goods	33.66	273.71
		Outstanding payables	-	11.27
		Advances outstanding receivable	7.24	-
International Shipping and Logistics	Services received	86.34	-	

SCHEDULES FORMING PART OF THE ACCOUNTS (Contd.)

SCHEDULE M NOTES ON BALANCE SHEET AND PROFIT & LOSS ACCOUNT				
Nature of relationship	Name of the Company	Nature of Transaction	2010-11 (₹ in Lac)	2009-10 (₹ in Lac)
Joint Venture of the Holding Company	Tata Nyk Shipping Pte Limited	Services received	2,596.48	2,051.08
		Outstanding payables	49.14	–
	Tata Bluescope Steel Limited	Purchase of goods	12.33	9.07
		Outstanding payables	–	9.07
		Advances outstanding receivable	4.35	–
Associate of Holding Company	JAMIPOL Limited	Purchase of goods	11.53	24.86
Key Management Personnel	Mr. Harsh K Jha	Remuneration paid	77.90	80.61

13. Earnings Per Share

	2010-11	2009-10
Net Profit for the Year (₹ in Lac)	2,294.93	4,555.43
Number of Equity Shares (Face Value ₹ 10/- each)	25,288,000	25,288,000
Basic and Diluted Earnings Per Share (₹)	9.08	18.01

14. Deferred Tax Liability

(₹ in Lac)

	Deferred Tax Liability/(Asset) as at 01.04.2010	Current Year Charge/(Credit)	Deferred Tax Liability/(Asset) as at 31.03.2011
Deferred Tax Liabilities			
i) Difference between book and tax depreciation	2,458.76	29.50	2,488.26
	2,458.76	29.50	2,488.26
Deferred Tax Assets			
i) Employee Separation Scheme	(4.80)		(4.80)
ii) Unabsorbed depreciation	(877.39)	(29.50)	(906.89)
iii) Unabsorbed business losses	(911.27)		(911.27)
	(1,793.46)	(29.50)	(1,822.96)
Deferred Tax Liability	665.30	–	665.30

Note :

Deferred Tax Assets on unabsorbed losses not recognised ₹ 1,706.81 lac (31.03.2010 : ₹ 2528.36 lac)

15. Employee Benefits

Defined Contribution Plans

The Company has recognised, in the Profit & Loss Account for the current year an amount of ₹ 209.56 lac. (Previous year : ₹ 175.45 lac) expenses under defined contribution plans.

SCHEDULES FORMING PART OF THE ACCOUNTS (Contd.)

SCHEDULE	M	NOTES ON BALANCE SHEET AND PROFIT & LOSS ACCOUNT	2010-2011 (₹ in Lac)	2009-2010 (₹ in Lac)
i)		Contribution to Provident Fund	133.33	113.52
ii)		Contribution to Superannuation Fund	76.23	61.93
			209.56	175.45

Staff welfare expenses include an amount of ₹ 4 Lac (Previous year ₹ Nil) contributed to the Employees' Provident Fund Trust managed by the Company to meet the estimated shortfall in interest liability at the rates declared by Employees Provident Fund Organisation.

Defined Benefits Plans

Details of the Gratuity Leave Salary Benefit are as follows :

Description	2010-11		2009-10	
	Gratuity (₹ in Lac)	Leave (₹ in Lac)	Gratuity (₹ in Lac)	Leave (₹ in Lac)
1. Reconciliation of opening and closing balances of obligation				
a. Obligation as at 01.04.2010	264.21	260.30	203.34	176.47
b. Current service cost	30.36	37.16	25.00	25.47
c. Interest cost	21.33	20.54	15.92	12.98
d. Actuarial (gain)/loss	37.75	29.44	28.55	73.89
e. Benefits paid	(11.43)	(22.81)	(8.60)	(28.51)
f. Obligation as at 31.03.2011	342.22	324.63	264.21	260.30
2. Change in fair value of plan assets				
a. Fair value of plan assets as at 01.04.2010	167.07	–	132.72	–
b. Expected return on plan assets	16.35	–	13.35	–
c. Actuarial gain/(loss)	–	–	(2.20)	–
d. Contributions/(refunds) made by/(to) the company	30.68	22.81	31.80	28.51
e. Benefits paid	(11.43)	(22.81)	(8.60)	(28.51)
f. Fair value of plan assets as at 31.03.2011	202.67	–	167.07	–
3. Reconciliation of fair value of plan assets and obligations				
a. Present value of obligation as at 31.03.2011	342.22	324.63	264.21	260.30
b. Fair value of plan assets as at 31.03.2011	(202.67)	–	(167.07)	–
c. Amount recognised in the balance sheet	139.55	324.63	97.14	260.30
4. Expenses recognised during the year				
a. Current service cost	30.36	37.16	25.00	25.47
b. Interest cost	21.33	20.54	15.92	12.98
c. Expected return on plan assets	(16.35)	–	(13.35)	–
d. Actuarial (gains)/loss	37.75	29.44	30.75	73.89
e. Expenses recognised during the year	73.09	87.14	58.32	112.34

SCHEDULES FORMING PART OF THE ACCOUNTS (Contd.)

SCHEDULE	M	NOTES ON BALANCE SHEET AND PROFIT & LOSS ACCOUNT			
		2010-11		2009-10	
		Gratuity (₹ in Lac)	Leave (₹ in Lac)	Gratuity (₹ in Lac)	Leave (₹ in Lac)
5. Investment details					
a. Others (Funds with Life Insurance Corporation of India)		202.67	–	167.07	–
6. Assumptions					
a. Discount rate (per annum)		8.25%	8.25%	8.25%	8.25%
b. Estimated rate of return on plan assets (per annum)		9.25%	NA	9.25%	NA
c. Rate of escalation in salary		5.00%	5.00%	5.00%	5.00%
7. Experience adjustments					
Gratuity					
a. Present value of obligation as at the end of the year		342.22	264.21	203.34	165.90
b. Fair value of plan assets as at the end of the year		(202.67)	(167.07)	(132.72)	(81.28)
c. (Surplus)/Deficit in the plan		139.55	97.14	70.62	84.62
d. Experience adjustments on plan liabilities [loss/(gains)]		37.75	37.64	0.84	2.17
e. Experience adjustments on plan assets (loss)/gain		–	(2.20)	3.73	–
Leave					
a. Present value of obligation as at the end of the year		324.63	260.30	176.47	140.54
b. Fair value of plan assets as at the end of the year		–	–	–	–
c. (Surplus)/Deficit in the plan		324.63	260.30	176.47	140.54
d. Experience adjustments on plan liabilities [loss/(gains)]		29.44	81.16	6.09	10.03
e. Experience adjustments on plan assets [(loss)/gain]		–	–	–	–

16. The Company is engaged in production and sale of Pig Iron and hence Pig Iron is the only reportable segment in accordance with Accounting Standard 17 - Segment Reporting.

17. Based on and to the extent of information obtained from suppliers regarding their status as Micro, Small or Medium enterprises under Micro, Small and Medium Enterprises Development Act, 2006, there are no amounts due to them as at the end of the year.

18. Derivative Instruments

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations. The use of foreign currency forward contracts is governed by the Company's strategy approved by the Board of Directors, which provide principles on the use of such forward contracts consistent with the Company's Risk Management Policy. The Company does not use forward contracts for speculative purposes.

SCHEDULES FORMING PART OF THE ACCOUNTS (Contd.)

SCHEDULE M NOTES ON BALANCE SHEET AND PROFIT & LOSS ACCOUNT

Outstanding Short Term Forward Exchange contracts entered in to by the Company on account of buyers' credit and outstanding payables

As at	No. of Contracts	US Dollar Equivalent	INR Equivalent (₹ in Lac)
31.03.2011	1	15,723,514	7,042.17
31.03.2010	32	37,750,000	17,548.52

The foreign currency exposures at the year end that have not been hedged by a derivative instrument or otherwise are given below :

	31.03.2011		31.03.2010	
	US Dollar Equivalent	Amount (₹ in Lac)	US Dollar Equivalent	Amount (₹ in Lac)
Amount payable in foreign currency on account of Outstanding payables	13,961,938	6,314.98	2,443,866	1,107.80
Amount payable in foreign currency on account of buyer's credit	8,000,000	3,618.40	—	—

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

	2010-11 (₹ in Lac)	2009-10 (₹ in Lac)
On Opening Stock	433.00	203.17
On Closing Stock	689.14	433.00
	256.14	229.83

20. Raw material consumption includes exchange gain (net) on suppliers' credit ₹ 138.92 lac (Previous year gain of ₹ 347.80 lac) and operation and other expenses includes exchange gain (net) on buyers' credit of ₹ 8.91 lac (Previous year gain of ₹ 21.32 lac).

21. Advances recoverable in cash or kind or for value to be received includes ₹ 800 lac (31.03.2010 ₹ 800 lac) paid as advance to West Bengal Industrial Development Corporation Limited (WBIDC) for purchase of land at Kharagpur for a project, which has been dropped by the Company. WBIDC vide its letter dated 6th July, 2009 has informed the Company that as soon as the land procured for the Company's erstwhile proposed project at Kharagpur would be allotted to a new entrepreneur, the amount deposited by the Company will be refunded. In the opinion of the Company, the said amount is recoverable.

22. Figures for the previous year have been restated/regrouped where necessary to conform with figures for the current year.

For and on behalf of the Board of Directors

Kolkata, 3rd May, 2011

Vishwanath G Malagi
Chief of Corporate Governance & Company Secretary

Harsh K Jha
Managing Director

Koushik Chatterjee
Chairman

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.

Balance Sheet Date
D D M M Y Y Y Y

State Code

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

Public Issue

Bonus Issue

Rights Issue

Private Placement

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

Total Liabilities

Sources of Funds

Paid-Up Capital

Secured Loans

Application of Funds

Net Fixed Assets

Net Current Assets

Accumulated Losses

Total Assets

Reserves & Surplus

Unsecured Loans

Investments

Misc. Expenditure

IV. Performance of Company (Amount in ₹Thousands)

Turnover

Extraordinary items

Profit/Loss after tax

Total Expenditure

Profit/Loss before tax

Earning Per Share (in ₹)

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

Item Code No. (ITC Code)

Product Description

Item Code No. (ITC Code)

Product Description

Item Code No. (ITC Code)

Product Description

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.

For and on behalf of the Board of Directors

Kolkata, 3rd May, 2011

Vishwanath G Malagi
Chief of Corporate Governance & Company Secretary

Harsh K Jha
Managing Director

Koushik Chatterjee
Chairman

STATEMENT PURSUANT TO SECTION 212

Statement pursuant to Section 212 of the Companies Act 1956, relating to Company's Interest in the Subsidiary Company

					The net aggregate amount of the Subsidiary Company Profit/(loss) so far as it concerns the members of the Holding Company			
					Not dealt with in the Holding Company's accounts		Dealt with in the Holding Company	
Name of the Subsidiary Company	Financial Year of the subsidiary company ended on	Date from which they became Subsidiary Company	Number and face value of shares held by Tata Metaliks Ltd in the subsidiary company at the end of financial year of the subsidiary company	Extend of interest of Holding Company at the end of financial year the subsidiary company	For the financial year ended 31st March, 2011	For the previous financial year of the Subsidiary Company since they became the Holding Company's Subsidiary	For the financial year ended 31st March 2011	For the previous financial year of the subsidiary company since they became the holding company's subsidiary
Tata Metaliks Kubota Pipes Limited	31.03.2011	09.01.2008	739,50,000 shares of ₹ 10 each	51%	-	-	(22,37,65,966.47)	(16,98,38,694.72)

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the members of

TATA METALIKS LIMITED

- We have audited the attached Consolidated Balance Sheet of TATA METALIKS LIMITED ("the Company"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute "the Group") as at 31st March, 2011, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
- We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements) as notified under the Companies (Accounting Standards) Rules, 2006.
- Based on our audit and on consideration of the separate audit reports on individual financial statements of the Company its aforesaid subsidiary and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2011;
 - in the case of the Consolidated Profit and Loss Account, of the loss of the Group for the year ended on that date and
 - in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For **DELOITTE HASKINS & SELLS**
 Chartered Accountants
 Registration No. 302009E
Abhijit Bandyopadhyay
 Partner
 Membership No. 54785

Kolkata, 3rd May, 2011

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

(₹ in Lac)

	Schedule	As at 31.03.2011	As at 31.03.2010
SOURCES OF FUNDS			
1. Shareholders' Fund			
a) Share Capital	A	2,528.80	2,528.80
b) Reserves & Surplus	B	4,605.95	4,548.68
			7,077.48
2. Minority Interest			2,733.59
3. Loan Funds			
a) Secured Loans	C	31,900.62	33,455.02
b) Unsecured Loans	D	14,490.56	–
			33,455.02
4. Deferred Tax Liability (Net) (Refer Note 9 of Schedule M)			665.30
TOTAL		57,196.91	43,931.39
APPLICATION OF FUNDS			
5. Fixed Assets	E		
Gross Block		49,274.64	48,922.45
Less : Depreciation		12,475.10	9,861.15
Net Block		36,799.54	39,061.30
Capital Work-in-Progress		622.26	486.66
			39,547.96
6. Investments	F		0.01
7. Current Assets, Loans And Advances			
a) Inventories	G	26,051.04	25,139.88
b) Sundry Debtors	H	10,211.19	5,596.43
c) Cash and Bank Balances	I	1,028.35	2,458.22
			33,194.53
d) Loans and Advances	J	6,266.05	4,156.82
			37,351.35
8. Less : Current Liabilities			
a) Current Liabilities	K	21,558.61	31,464.92
b) Provisions	L	2,224.43	1,503.01
			32,967.93
9. Net Current Assets			4,383.42
TOTAL		57,196.91	43,931.39
Notes on Balance Sheet and Profit & Loss Account	M		

The Schedules referred to above form an integral part of the Balance Sheet

In terms of our report attached
For **DELOITTE HASKINS & SELLS**
Chartered Accountants
Firm Registration No. 302009E
Abhijit Bandyopadhyay
Partner
Membership No. 54785
Kolkata, 3rd May, 2011

For and on behalf of the Board of Directors

Vishwanath G Malagi
Chief of Corporate Governance & Company Secretary

Harsh K Jha
Managing Director

Koushik Chatterjee
Chairman

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

(₹ in Lac)

	Schedule	For the year ended 31.03.2011	For the year ended 31.03.2010
INCOME			
1. Sales	1	143,630.56	113,036.83
Less : Excise Duty recovered		11,757.19	8,216.15
		131,873.37	104,820.68
2. Other Income	2	2,889.09	2,896.06
Less : Transferred to capital and other accounts		–	3.32
		2,889.09	2,892.74
		134,762.46	107,713.42
EXPENDITURE			
3. Manufacturing and Other expenses	3	129,646.54	99,269.14
4. Interest	4	3,729.19	4,251.19
Less : Transferred to capital and accounts		–	47.44
		3,729.19	4,203.75
		133,375.73	103,472.89
5. Mark to market loss on derivative contracts		265.42	–
6. Depreciation		2,640.95	2,505.81
7. TOTAL EXPENDITURE		136,282.10	105,978.70
Profit for the year before Tax		(1,519.64)	1,734.72
8. Provision for Taxation :			
a) Current Tax		573.00	509.46
Profit after Taxes		(2,092.64)	1,225.26
9. Minority Interest		(2,149.91)	(1,631.78)
Profit after Minority Interest		57.27	2,857.04
10. Loss brought forward from previous year		(3,062.55)	(5,919.59)
Loss Carried Forward		(3,005.28)	(3,062.55)
11. Appropriations			
a) Debenture Redemption Reserve		726.38	–
		726.38	–
Balance Carried to Balance Sheet		(3,731.66)	(3,062.55)
12. Earnings Per Share (Basic and Diluted) (₹ per share) (Refer Note 8 of Schedule M)		0.23	11.30
13. Notes on Balance Sheet and Profit & Loss Account	M		

The Schedules referred to above form an integral part of the Profit and Loss Account

In terms of our report attached
For **DELOITTE HASKINS & SELLS**
Chartered Accountants
Firm Registration No. 302009E
Abhijit Bandyopadhyay
Partner
Membership No. 54785
Kolkata, 3rd May, 2011

Vishwanath G Malagi
Chief of Corporate Governance & Company Secretary

For and on behalf of the Board of Directors

Harsh K Jha
Managing Director

Koushik Chatterjee
Chairman

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

(₹ in Lac)

	2010-11	2009-10
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	(1,519.64)	1,734.72
Adjustments for :		
Depreciation	2,640.95	2,505.81
Interest expense	3,729.18	4,203.75
Provision for Doubtful Debt	1.91	17.11
Exchange gain/loss on buyers credit	(6.76)	(42.70)
Loss on mark to market of derivative contracts	265.42	-
Wealth Tax Provision	4.65	4.77
Dividend Received	(1.41)	(1.42)
Subsidy Received	(84.66)	(458.46)
(Profit)/Loss on Sale of Assets	6.16	1.14
Write down of finished goods to NRV	89.75	246.31
Provision no longer required written back	-	(187.97)
Interest Income	(141.76)	(356.66)
	6,503.44	5,931.68
Operating Profit before Working Capital Changes	4,983.80	7,666.40
Adjustments for :		
- Trade and Other Receivables	(4,195.14)	311.13
- Inventories	(1,000.92)	(10,631.50)
- Trade Payables and Other Liabilities	(10,220.89)	23,004.10
	(15,416.95)	12,683.73
Direct Taxes Refund/(Paid)	143.61	(158.34)
Cash from Operating Activities(A)	(10,289.54)	20,191.78
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(2,775.78)	(3,104.79)
Purchase of investments others ²	(7,821.51)	(5,396.00)
Sale of investments others	7,821.41	5,397.42
Sale of Fixed Assets	8.67	2.17
Interest Received	17.47	24.45
Subsidy Received	84.66	458.46
Net Cash used in Investing Activities(B)	(2,665.08)	(2,618.30)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

(₹ in Lac)

	2010-11	2009-10
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Equity Share	2,422.00	833.00
Proceeds from Borrowings	19,727.42	8,967.63
Repayment of Borrowings	(6,816.98)	(23,168.30)
Exchange (Gain)/Loss	8.91	21.32
Dividends paid	(26.41)	(45.33)
Interest paid	(3,790.20)	(4,274.26)
Net Cash from Financing Activities(C)	11,524.74	(17,665.94)
Net Increase/(Decrease) in Cash and		
Cash Equivalents (A+B+C)	(1,429.88)	(92.46)
Cash and Cash Equivalents as at 1st April, 2010	2,458.22	2,550.68
Cash and Cash Equivalents as at 31st March, 2011¹	1,028.35	2,458.22

Note :

1. Includes restricted balance ₹ 417.32 Lac (31.03.2010 - ₹ 430.08 Lac).
2. Excludes purchase made from reinvestment of dividends ₹ 1.41 Lac (Previous year - ₹ 1.42 Lac).
3. Figures in brackets represent outflows.

In terms of our report attached
For **DELOITTE HASKINS & SELLS**
Chartered Accountants
Firm Registration No. 302009E
Abhijit Bandyopadhyay
Partner
Membership No. 54785
Kolkata, 3rd May, 2011

Vishwanath G Malagi
Chief of Corporate Governance & Company Secretary

For and on behalf of the Board of Directors

Harsh K Jha
Managing Director

Koushik Chatterjee
Chairman

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

(₹ in Lac)

		As at 31.03.2011	As at 31.03.2010
SCHEDULE A	SHARE CAPITAL		
Authorised :			
100,000,000 (31.03.2010 : 100,000,000) Equity Shares of ₹ 10/- each		10,000.00	10,000.00
Issued, Subscribed and Paid-up :			
25,288,000 (31.03.2010 : 25,288,000) Equity Shares of ₹ 10/- each		2,528.80	2,528.80
		2,528.80	2,528.80

Note :

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

- 11,799,992 (31.03.2010 : 11,799,992) Ordinary Shares of ₹ 10/- each held by Tata Steel Limited, the holding company.
- 854,383 (31.03.2010 : 854,383) Ordinary Shares of ₹ 10/- each held by Kalimati Investment Company Limited, a subsidiary of the holding company.

SCHEDULE B	RESERVES AND SURPLUS		
a)	Capital Reserve		
	State Capital Investment Subsidy		
	Balance as per last account 31.03.2010	125.62	125.62
		125.62	125.62
b)	General Reserve		
	Balance as per last account 31.03.2010	7,485.61	7,485.61
c)	Debenture Redemption Reserve		
	Amount appropriated from Profit & Loss Account	726.38	–
		–	–
d)	Profit & Loss Account		
	(Loss)/Balance carried forward	(3,731.66)	(3,062.55)
		4,605.95	4,548.68

SCHEDULE C	SECURED LOANS		
a)	12.75 % Non-Convertible Debentures (privately placed with Life Insurance Corporation of India)	4,500.00	4,500.00
b)	Term Loans from Banks	12,200.00	15,199.99
c)	External Commercial Borrowings from Banks	5,365.68	5,349.09
d)	Buyer's Credit from Bank	2,734.60	3,064.69
e)	Working Capital Demand Loans from Banks	5,000.00	3,000.00
g)	Short Term Credit from Banks	–	1,643.60
h)	Cash Credit/Overdraft from Banks	2,100.34	697.65
		31,900.62	33,455.02

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET (Contd.)

(₹ in Lac)

SCHEDULE D UNSECURED LOANS		As at 31.03.2011	As at 31.03.2010
a)	Loan from Holding Company	2,200.00	–
b)	Buyer's credit from Banks (repayable in foreign currency)	10,660.57	–
c)	Term Loan from Bank	1,600.00	–
d)	Bank Overdrafts	29.99	–
		14,490.56	–

SCHEDULE E FIXED ASSETS											
Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK		
	As at 01.04.2010	Additions	Deductions	As at 31.03.2011	Upto 01.04.2010	For the year	Deductions	Upto 01.04.2010	As at 31.03.2011	As at 01.04.2010	
Freehold Land	1,187.87	–	–	1,187.87	–	–	–	–	1,187.87	1,187.87	
Buildings	5,640.73	66.99	–	5,707.72	504.92	156.27	–	661.19	5,046.53	5,135.81	
Leasehold Land and Site Development	99.15	–	–	99.15	15.03	1.00	–	16.03	83.12	84.12	
Railway Siding (Note 1)	911.58	–	–	911.58	475.60	61.67	–	537.27	374.31	435.98	
Plant and Machinery	40,080.27	217.84	–	40,298.11	8,448.50	2,327.15	–	10,775.65	29,522.46	31,631.77	
Data Processing Equipment	475.71	68.12	9.19	534.64	235.33	60.69	8.91	287.11	247.53	240.38	
Furniture, Fittings and Office Equipment	331.37	13.77	0.94	344.20	117.80	16.27	0.48	133.59	210.61	213.57	
Vehicles	195.77	27.31	31.70	191.37	63.97	17.90	17.61	64.26	127.11	131.80	
TOTAL	48,922.45	394.03	41.83	49,274.64	9,861.15	2,640.95	27.00	12,475.10	36,799.54	39,061.30	
Previous Year	30,757.44	18,176.88	11.87	48,922.45	7,363.90	2,505.81	8.56	9,861.15	39,061.30		

Note 1 : Includes ₹ 350.00 Lac on account of the amount contributed to Konkan Railway Corporation Limited (KRCL) for construction of Railway Siding in which the Company has a right of preferential use over others for a period of 10 years. Even though the ownership of the railway siding is vested with KRCL, the amount contributed by the company has been capitalised on the basis of the future economic benefits and amortised over a period of 10 years. The depreciation for the current year includes the amortisation charge ₹ 35.00 Lac (Previous Year : ₹ 35.00 Lac).

SCHEDULE F INVESTMENT				
A	Long Term Investments			
	OTHER INVESTMENTS			
	Unquoted :			
	- National Savings Certificates		1.52	0.01
	(Lodged with Government Authorities)			
			1.52	0.01

SCHEDULE G INVENTORIES				
a)	Raw Materials (At lower of cost and net realisable value)		15,460.91	19,073.61
b)	Work-in-Progress		1,074.76	83.74
c)	Stores & Spare parts (At or lower then cost)		621.71	465.56
d)	Finished Goods (Including scrap)		8,893.66	5,516.97
	(At lower of cost and net realisable value)			
			26,051.04	25,139.88

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET (Contd.)

(₹ in Lac)

	As at 31.03.2011	As at 31.03.2010
SCHEDULE H SUNDRY DEBTORS		
(Unsecured)		
a) Debts outstanding for a period exceeding six months		
- Considered good	22.63	34.78
- Considered doubtful	–	17.11
	22.63	51.89
b) Other debts		
- Considered good	10,188.56	5,561.65
- Considered doubtful	–	–
	10,188.56	5,561.65
c) Less : Provision for doubtful debts	–	17.11
	10,211.19	5,596.43
Sundry Debtors considered good	10,211.19	5,596.43
Sundry Debtors considered doubtful	–	17.11
	10,211.19	5,613.54
SCHEDULE I CASH AND BANK BALANCES		
a) Cash-in-Hand [Including Cheques ₹ Nil (31.03.2010 ₹ 379.80 Lac)]	1.15	380.72
b) Balances with Scheduled Banks		
i) On current accounts	389.88	500.47
ii) On deposit accounts	436.72	1,350.02
iii) Unclaimed dividend account	200.60	227.01
	1,028.35	2,458.22
SCHEDULE J LOANS AND ADVANCES		
(Unsecured)		
a) Advances to subsidiary	–	–
b) Advances recoverable in cash or in kind or for value to be received	4,761.88	3,450.83
Less : Provision for doubtful advances	9.03	9.03
	4,752.85	3,441.80
c) Rent, Electricity Deposits, etc.	248.08	140.03
d) Balances with Excise, Custom, Port Trust, etc.	1,207.47	533.47
e) Advance Income Tax	6.16	6.45
f) Advance Fringe Benefit Tax - net of provision	2.02	2.53
g) Interest accrued but not due	49.47	32.54
	6,266.05	4,156.82
Loans and Advances considered good	6,266.05	4,156.82
Loans and Advances considered doubtful	9.03	9.03
	6,275.08	4,165.85

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET (Contd.)

(₹ in Lac)

		As at 31.03.2011	As at 31.03.2010
SCHEDULE K	CURRENT LIABILITIES		
a)	Acceptances	702.73	1,484.23
b)	Sundry Creditors for goods and services :		
	(i) Total outstanding dues of micro enterprise and small enterprises	–	–
	(ii) Total outstanding dues of creditors other than micro and small enterprises	16,487.45	24,652.43
c)	Sundry Creditors for accrued wages and salaries	276.25	252.15
d)	Sundry Creditors for others	2,018.36	2,359.46
e)	Advances received from customers	1,530.17	2,085.57
f)	Liability towards Investor Education and Protection Fund under Section 205C of the Companies Act, 1956		
	Not due as at 31.03.2011 :		
	- Unpaid Dividends	200.60	227.01
g)	Interest accrued but not due on :		
	(i) 12.75% Non-Convertible Debentures	132.04	132.04
	(ii) Loans	166.88	218.40
	(iii) Supplier's and Buyer's Credit	44.13	53.63
		21,558.61	31,464.92
SCHEDULE L	PROVISIONS		
a)	Provision for Leave Encashment	353.37	287.46
b)	Provision for Gratuity	139.55	97.14
c)	Provision for Discretionary Pension	100.00	100.00
d)	Provision for Taxation (net of advance tax)	1,631.51	1,018.41
		2,224.43	1,503.01

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT

(₹ in Lac)

		For the year ended 31.03.2011	For the year ended 31.03.2010
SCHEDULE 1	SALE OF GOODS		
a)	Sale of Finished Goods	141,136.90	112,507.58
b)	Sale of Raw Materials	2,493.66	529.25
		143,630.56	113,036.83

SCHEDULE 2	OTHER INCOME		
a)	Interest income on bank fixed deposits, sundry advances etc.	34.40	42.51
b)	Interest on income-tax refunds	107.36	317.47
c)	Other Operating Income	2,073.25	1,533.22
d)	Dividend income on other current investments	1.41	1.42
e)	Miscellaneous Income (Note 1)	588.01	355.01
f)	Subsidy from State Governments (Note 2)	84.66	458.46
g)	Liability no longer required written back	–	187.97
		2,889.09	2,896.06

Notes :

- The Blast Furnace No.3 at Redi is eligible for sales tax incentive under 1993 Package Scheme of Incentives as notified by Government of Maharashtra. The scheme either allows deferment or payment at Net Present Value (NPV) of sales tax accrued in respect of sales made out of the production from Blast Furnace No. 3. The Company has exercised the option of pre-payment and made the payment at NPV, using rate of discounting prescribed in the Trade Circular issued by the Department of Sales Tax, Government of Maharashtra. The difference of ₹ 347.67 Lac (Previous Year ₹ Nil) between the sales tax liability of ₹ 482.91 Lac accrued from the date of sanction of the subsidy to 31st March, 2011 and the payment made at NPV of ₹ 135.23 Lac is recognised as income.
- Includes subsidy income received from the Government of West Bengal of ₹ 84.66 Lac (Previous Year ₹ 458.46 Lac) towards Industrial Promotion Assistance by way of refund of 75% of Sales Tax paid, under Industrial Promotion Scheme, 2000.

SCHEDULE 3	MANUFACTURING AND OTHER EXPENSES		
1.	Raw Material Consumed		
a)	Opening Stock	19,073.61	11,379.70
b)	Add : Purchases	112,167.93	94,161.39
		131,241.54	105,541.09
c)	Less : Closing Stock	15,460.91	19,073.61
		115,780.63	86,467.48
d)	Transferred to capital and other accounts	–	136.39
		115,780.63	86,331.09
2.	Payments to and Provisions for Employees		
a)	Wages, Salaries and Bonus	2,950.77	2,590.21
b)	Company's contributions to provident and other funds	349.32	339.60
c)	Staff Welfare Expenses	292.88	237.92
		3,592.97	3,167.73
d)	Transferred to capital and other accounts	–	122.65
		3,592.97	3,045.08

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT (Contd.)

(₹ in Lac)

	For the year ended 31.03.2011	For the year ended 31.03.2010
SCHEDULE 3 MANUFACTURING AND OTHER EXPENSES		
3. Operation and Other Expenses		
a) Power and Fuel	1,912.46	1,424.37
b) Electricity Charges	393.54	293.55
c) Consumption of stores and spare parts	2,814.45	2,175.69
d) Rent	115.92	142.13
e) Rates and Taxes	284.00	280.06
f) Insurance	157.96	121.22
g) Repairs :-		
- Plant and Machinery	573.71	669.42
- Buildings	47.11	36.49
- Others	547.84	471.00
h) Director Fees	5.90	3.26
i) Commission, Discounts and Rebates	636.33	521.69
j) Bank Charges	334.64	470.94
k) Loss/(Profit) on sale/discarding of fixed assets (net)	6.16	(0.61)
l) Provision for Wealth Tax	4.65	4.77
m) Provision for Doubtful Debts	1.91	17.11
n) Other Expenses	2,600.41	2,208.69
	10,436.99	8,839.78
o) Transferred to capital and other accounts	-	336.18
	10,436.99	8,503.60
4. Freight and Handling Charges	3,889.12	3,548.12
Transferred to capital and other accounts	-	0.56
	3,889.12	3,547.56
5. (Accretion)/Reduction to Stock of Finished Products		
Opening Stock	5,600.71	2,982.72
Less : Closing Stock	9,968.42	5,600.71
	(4,367.71)	(2,617.99)
Transferred to capital and other accounts	-	(192.30)
		(2,425.69)
6. Excise Duty Provision on (Accretion)/ Reduction to Stock of Finished Goods	314.54	267.50
	129,646.54	99,269.14
SCHEDULE 4 INTEREST		
1. On Debentures	573.75	573.75
2. On Fixed Loans	2,027.04	2,100.19
3. On Other Loans	1,128.40	1,577.25
	3,729.19	4,251.19

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

SCHEDULE M NOTES ON CONSOLIDATED BALANCE SHEET AND PROFIT & LOSS ACCOUNT

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 book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits and losses as per Accounting Standards 21 (AS 21) Consolidated Financial Statements as notified under the Companies (Accounting Standards) Rules, 2006.
- b) The financial statements of the subsidiary used in the consolidation are drawn upto the same reporting date as that of the Company i.e. 31.03.2011
- c) Minority interest in the net assets of the consolidated subsidiaries consists of :
 - i) Amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and
 - ii) 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.
- f) 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 as notified under the Companies (Accounting Standards) Rules, 2006.

2. The Subsidiary considered in the preparation of the

Consolidated Financial Statements :

Name of the Subsidiary : **Tata Metaliks Kubota Pipes Limited**

Country of Incorporation : **India**

Percentage of Ownership : **51%**

Interest as at 31.03.2011

3. Significant Accounting Policies

a) Basis of Accounting

The financial statements are prepared under historical cost convention on going concern and on accrual basis and are in compliance with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 and the relevant provisions thereof.

The financial statements are prepared under historical cost convention and on accrual basis. The financial statements are presented in accordance with Generally Accepted Accounting Principles in India, Accounting Standards notified under Section 211 (3C) of the Companies Act, 1956 and the relevant provisions thereof. The accounts presentation under Indian Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities as at the balance sheet date.

b) Revenue Recognition

i) Sale of goods

Revenue from the sale of goods is recognised in the profit & loss account when the significant risks and rewards of ownership have been transferred to the buyer. Revenue includes consideration received or receivable, excise duty but net of discounts and other sales related taxes.

ii) Dividend and Interest Income

Dividend income is recognised when the Company's right to receive dividend is established. Interest income is recognised on accrual basis based on interest rates implicit in the transactions.

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS (Contd.)

SCHEDULE M NOTES ON CONSOLIDATED BALANCE SHEET AND PROFIT & LOSS ACCOUNT

- | | |
|---|---|
| <p>iii) Revenue Subsidy from Government of West Bengal
Subsidy linked to the incurrence of capital expenditures sanctioned by the Government under notified schemes are recognised as income on disbursement by the Government.</p> <p>iv) Sales Tax deferral scheme
Excess of deferred sales tax liability discharged over the payment made based on net present value is recognised as income at the time of payment of net present value.</p> <p>c) Fixed Assets
All fixed assets are valued at cost less depreciation/ amortisation. The cost of an asset includes the purchase cost of materials, including import duties and non refundable taxes, and any directly attributable costs of bringing an asset to the location and condition of its intended use. Pre-operation expenses including trial run expenses (net of revenue) are capitalised. Interest on borrowings used to finance the construction of fixed assets are capitalised as part of the cost of the asset until such time that the asset is ready for its intended use.</p> <p>d) Depreciation
Freehold Land is not depreciated. Premium paid on leasehold land and land development expenses are amortised over the period of lease. Railway sidings the ownership of which vest with the Railway authorities are depreciated over ten years. Other fixed assets are depreciated on a straight line basis applying the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.</p> <p>e) Relining Expenses
Expenses incurred on relining of Blast Furnace is capitalised and depreciated over a period of five years of average expected life. All other relining expenses are charged as expense in the year they are incurred. The written down value consisting of relining expenditure embedded in the cost of Blast Furnace is written off in the year of fresh lining.</p> | <p>f) Investments
Long-term Investments are carried at cost less provision for diminution other than temporary (if any) in value of such investments. Current Investments are carried at lower of cost and fair value.</p> <p>g) Inventories
Raw Materials are valued at cost comprising purchase price, freight and handling, non refundable taxes and duties and other directly attributable costs.
Finished products are valued at lower of cost and net realisable value.
Stores and Spares are valued at cost comprising of purchase price, freight and handling, non refundable taxes and duties and other directly attributable costs.
Value of inventories are generally ascertained on the "weighted average" basis.</p> <p>h) Foreign Currency Transactions
Foreign Currency Transactions are recorded on initial recognition in the reporting currency i.e. Indian rupees, using the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities in currencies other than the reporting currency and foreign exchange contracts remaining unsettled are remeasured at the rates of exchange prevailing at the balance sheet date. Exchange difference arising on the settlement of monetary items, and on the remeasurement of monetary items, are included in profit & loss for the year.
Foreign Currency Forward Contracts, other than those entered into to hedge foreign currency risk on unexecuted firm commitments or highly probable forecast transactions are treated as foreign currency transactions and accounted accordingly as per Accounting Standard 11 (AS 11) - Effects of Changes in Foreign Exchange Rates. The difference between the contract rate and spot rate on the date of transaction is recognised as premium/discount and recognised over the life of the contract. Exchange differences arising from remeasurement of contracts are</p> |
|---|---|

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS (Contd.)

SCHEDULE M NOTES ON CONSOLIDATED BALANCE SHEET AND PROFIT & LOSS ACCOUNT

included in the profit & loss for the year. Gains & losses arising on account of roll over/cancellation of forward contracts are recognised as income/ expenses in the pre-operative expenses.

The Company and its subsidiary have opted for accounting the exchange differences arising on reporting of long-term foreign currency monetary items in line with Companies (Accounting Standards) Amendment Rules, 2009 relating to Accounting Standard 11 (AS 11) notified by Government of India on 31st March, 2009. Accordingly the effect of exchange differences on foreign currency loans of the Company is accounted by addition or deduction to the cost of the assets so far it relates to depreciable capital assets.

All other derivative contracts including forward contracts entered into to hedge foreign currency risks on unexecuted firm commitments and highly probable forecast transactions, are recognised in the financial statements at fair value as on the Balance Sheet date in pursuance of the announcement of the Institute of Chartered Accountants of India dated March 29, 2008, on accounting of derivatives.

i) **Borrowing Costs**

Borrowing Costs that are attributable to the acquisition, construction of qualifying assets are capitalised as part of the cost of such assets till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. Costs incurred in connection with arrangement of borrowings are amortised over the period of the borrowing. All other borrowing costs are recognised as an expense in the profit and loss account in the period in which they are incurred.

j) **Employee Benefits**

i) **Short-term benefits**

Short-term employee benefits are recognised as an expense at the undiscounted amount in the profit & loss account of the year in which the related service is rendered.

ii) **Post employment benefits**

Defined Contribution Plans

Defined contribution plans are those plans where the Company pays fixed contributions to a separate entity. Contributions are paid in return for services rendered by the employees during the year. The Company has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay employee benefits. The contributions are expensed as they are incurred in line with the treatment of wages and salaries.

In respect of contribution of provident fund to the trust set up by the Company, since the Company is obligated to meet interest shortfall, if any, with respect to covered employees, such employee benefit plan is classified as Defined Benefit Plan in accordance with the Guidance on implementing Accounting Standard 15 (AS 15) (Revised) on Employee Benefits.

Defined Benefit Plans

Defined Benefit Plans are arrangements that provide guaranteed benefits to employees, either by way of contractual obligations or through a collective agreement. This guarantee of benefits represents a future commitment of the Company and, as such, a liability is recognised. The present value of these defined benefit obligations are ascertained by an independent actuarial valuation as per the requirement of Accounting Standards 15 (AS 15) - Employee Benefits. The liability recognised in the balance sheet is the present value of the defined benefit obligations on the balance sheet date less the fair value of the plan assets (for funded plans), together with adjustments for unrecognised past service costs. All actuarial gains & losses are recognised in Profit & Loss Account in full in the year in which they occur.

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS (Contd.)

SCHEDULE M NOTES ON CONSOLIDATED BALANCE SHEET AND PROFIT & LOSS ACCOUNT

k) Taxes on Income

Current Taxes

Provision for Current Tax is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961. Current Tax for the current and previous year are provided based on the Minimum Alternate Tax (MAT) determined to be payable under the provisions of Section 115JB of the Income Tax Act, 1961. MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

Deferred Taxes

Deferred tax assets and liabilities are recognised by computing the tax effect on timing differences which arise during the year and reverse in the subsequent periods. Deferred tax assets against unabsorbed depreciation or carry forward losses under the Income Tax Act, 1961 are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realised. Deferred tax assets against other timing differences are recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

l) Leases

The Companies significant leasing arrangements are in respect of operating leases for premises (Office, Residence etc.). The leasing arrangements which normally have a tenor of eleven months to three years are cancellable with a reasonable notice, and are renewable by mutual consent at agreed terms. The aggregate lease rent payable is charged as rent in the profit & loss account.

m) Earnings Per Share

The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20 (AS 20) - Earnings Per Share. Basic earnings per equity share have been computed by dividing net profit after tax attributable to equity share holders by the weighted average numbers of equity shares outstanding during the year. Diluted earnings during the year adjusted for the effects of all dilutive potential equity shares per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

n) Impairment

Wherever events or changes in circumstances indicate that the carrying value of fixed assets may be impaired, the Company subjects such assets to a test of recoverability, based on discounted cash flows expected from use or disposal of such assets. If the assets are impaired, the Company recognises an impairment loss as the difference between the carrying value and value in use.

o) Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

p) Government Grants

Government Grants which are given with reference to the total investments in an undertaking and no repayment is ordinarily expected in respect thereof, the grants are treated as capital reserve which can be neither distributed as dividend nor considered as deferred income.

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS (Contd.)

SCHEDULE	M	NOTES ON CONSOLIDATED BALANCE SHEET AND PROFIT & LOSS ACCOUNT
4.		Contingent Liabilities (₹ in Lac)
		31.03.2011 31.03.2010
		Contingent Liabilities not provided for –
		a) CENVAT Credit Disallowed 5,893.19 10,336.45
		b) Customs Duty – 20.08
		c) Bills Discounted 1,002.07 –
		d) Bank Guarantee 763.85 159.87
		e) Letters of Credit 1,656.27 –
5.		Estimated amounts of contracts remaining to be executed on capital account and not provided : ₹ 132.19 Lac (as at 31.3.2010 ₹ 229.07 Lac).
6.		Disclosure in respect of Long term foreign currency monetary items
		Foreign exchange translation loss for the year ended on long term foreign currency loan amounting to ₹ 25.72 Lac (Previous Year (gain) ₹ 1,083.35 Lac) availed for purchase of capital assets has been capitalised and is included under the applicable fixed assets classification. (₹ in Lac)
		31.03.2011 31.03.2010
		Foreign exchange (gain)/loss capitalised/(decapitalised) in the fixed assets block 25.72 (1,083.35)
		Depreciation impact on account of exchange fluctuation capitalised during the current year (70.38) –
		Depreciation impact on account of exchange fluctuation capitalised till 31st March, 2010 – –
7.		Related Party Transaction
		a) List of Related Parties and Relationship
		Name of the Related Party
		i) Tata Steel Limited Holding Company
		ii) Tata Metaliks Kubota Pipes Limited Subsidiary Company
		iii) Tata Refractories Limited
		iv) T M International Logistics Limited Fellow Subsidiary
		v) International Shipping and Logistics Fze
		vi) Tata NYK Shipping Pte Limited Joint Venture of Holding Company
		vii) Tata Bluescope Steel Limited Associate of Holding Company
		viii) JAMIPOL Limited
		ix) Key Management Personnel
		- Mr. Harsh K Jha Managing Director

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS (Contd.)

SCHEDULE M NOTES ON CONSOLIDATED BALANCE SHEET AND PROFIT & LOSS ACCOUNT

b) Related party transactions

Nature of relationship	Name of the Company	Nature of Transaction	2010-11 (₹ in Lac)	2009-10 (₹ in Lac)
Holding Company	Tata Steel Limited	Purchase of raw materials	21,536.76	11,565.11
		Purchase of capital goods	–	7.45
		Sale of goods	406.26	179.21
		Services received	103.15	93.18
		Loan received	2,200.00	–
		Interest paid	113.62	–
		Outstanding payables	4,851.86	1,552.77
		Outstanding receivables	13.77	21.41
Fellow Subsidiary	T M International Logistics Limited	Interest payable	37.73	–
		Services received	2,235.20	1,257.78
		Outstanding payables	–	15.27
		Advances outstanding receivable	88.36	–
	Tata Refractories Limited	Purchase of goods	33.66	273.71
		Outstanding payables	–	11.27
		Advances outstanding receivable	7.24	–
	Tayo Rolls Limited	Share of goods	196.38	–
		Outstanding receivables	1.78	–
International Shipping and Logistics	Services received	86.34	–	
	Tata Nyk Shipping Pte Limited	Services received	2,596.48	2,051.08
Tata Bluescope Steel Limited		Outstanding payables	49.14	–
	Associate of Holding Company	Purchase of goods	12.33	9.07
Outstanding payables		–	9.07	
Advances outstanding receivable		4.35	–	
Associate of Holding Company	JAMIPOL Limited	Purchase of goods	11.53	24.86
Key Management Personnel	Mr. Harsh K Jha	Remuneration paid	77.90	80.61

8. Earnings Per Share

	2010-11	2009-10
Net Profit after Minority Interest for the Year (₹ in Lac)	57.27	2,857.04
Number of Equity Shares (Face Value ₹ 10/- each)	25,288,000	25,288,000
Basic and Diluted Earnings Per Share (₹)	0.23	11.30

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS (Contd.)

SCHEDULE M NOTES ON CONSOLIDATED BALANCE SHEET AND PROFIT & LOSS ACCOUNT

9. Deferred Tax Liability

(₹ in Lac)

	Deferred Tax Liability/(Asset) as at 01.04.2010	Current Year Charge/(Credit)	Deferred Tax Liability/(Asset) as at 31.03.2011
Deferred Tax Liabilities			
i) Difference between book and tax depreciation	2,458.76	29.50	2,488.26
	2,458.76	29.50	2,488.26
Deferred Tax Assets			
i) Employee Separation Scheme	(4.80)	–	(4.80)
ii) Unabsorbed Depreciation	(877.39)	(29.50)	(906.89)
iii) Unabsorbed Business Losses	(911.27)	–	(911.27)
	(1,793.46)	(29.50)	(1,822.96)
Deferred Tax Liability	665.30	–	665.30

Note : Deferred Tax Assets on unabsorbed losses not recognised ₹ 1,706.81 Lac (31.03.2010 : ₹ 2528.36 Lac).

10. Employee Benefits

Defined Contribution Plans

The Company has recognised, in the Profit & Loss Account for the current year an amount of ₹ 267.86 Lac (Previous Year ₹ 253.15 Lac) expenses under defined contribution plans.

	2010-11	2009-10
i) Contribution to Provident Fund	180.21	147.08
ii) Contribution to Superannuation Fund	83.65	106.07
	263.86	253.15

Staff Welfare Expenses include an amount of ₹ 4 Lac (Previous Year ₹ Nil) contributed to the Employees' Provident Fund Trust managed by the Company to meet the estimated shortfall in interest liability at the rates declared by Employees Provident Fund Organisation.

Defined Benefits Plans

Details of the Gratuity Leave Salary Benefit are as follows

Description	2010-11		2009-10	
	Gratuity (₹ in Lac)	Leave (₹ in Lac)	Gratuity (₹ in Lac)	Leave (₹ in Lac)
1. Reconciliation of opening and closing balances of obligation				
a. Obligation as at 01.04.2010	273.68	287.46	206.29	181.80
b. Current Service Cost	37.67	43.49	29.99	29.88
c. Interest Cost	22.14	22.52	16.17	13.38
d. Actuarial (gain)/loss	39.34	31.12	29.83	92.23
e. Benefits paid	(11.43)	(31.22)	(8.60)	(29.83)
f. Obligation as at 31.03.2011	361.40	353.37	273.68	287.46

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS (Contd.)

Description	2010-11		2009-10	
	Gratuity (₹ in Lac)	Leave (₹ in Lac)	Gratuity (₹ in Lac)	Leave (₹ in Lac)
2. Change in fair value of plan assets				
a. Fair value of plan assets as at 01.04.2010	187.98	–	139.62	–
b. Expected return on plan assets	18.16	–	14.36	–
c. Actuarial gain/(loss)	–	–	(2.20)	–
d. Contributions/(refunds) made by/(to) the company	37.22	31.22	44.80	29.83
e. Benefits paid	(11.43)	(31.22)	(8.60)	(29.83)
f. Fair value of plan assets as at 31.03.2011	231.93	–	187.98	–
3. Reconciliation of fair value of plan assets and obligations				
a. Present value of obligation as at 31.03.2011	361.40	353.37	273.68	287.46
b. Fair value of plan assets as at 31.03.2011	(231.93)	–	(187.98)	–
c. Amount recognised in the balance sheet	129.47	353.37	85.70	287.46
Provisions : ₹ 139.55 Lac				
Current Assets : ₹ 10.08 Lac				
4. Expenses recognised during the year				
a. Current service cost	37.67	43.49	29.99	29.88
b. Interest cost	22.14	22.52	16.17	13.38
c. Expected return on plan assets	(18.16)	–	(14.36)	–
d. Actuarial (gains)/loss	39.34	31.12	32.03	92.23
e. Expenses recognised during the year	80.99	97.13	63.83	135.49
5. Investment details				
a. Others (Funds with Life Insurance Corporation of India)	231.93	–	187.98	–
6. Assumptions				
a. Discount rate (per annum)	8.25%-8.50%	8.25%-8.50%	8.25%-8.60%	8.25%
b. Estimated rate of return on plan assets (per annum)	7.50%-9.25%	NA	7.50%-9.25%	NA
c. Rate of escalation in salary	5.00%	5.00%	5.00%	5.00%
7. Experience adjustments				
Gratuity				
a. Present value of obligation as at the end of the year	361.40	273.68	203.34	165.9
b. Fair value of plan assets as at the end of the year	(231.93)	(187.98)	(132.72)	(81.28)
c. (Surplus)/Deficit in the plan	129.47	85.70	70.62	84.62
d. Experience adjustments on plan liabilities (loss)/(gains)	38.99	39.09	0.84	2.17
e. Experience adjustments on plan assets ((loss)/gain)	–	(2.20)	3.73	–

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS (Contd.)

SCHEDULE M NOTES ON CONSOLIDATED BALANCE SHEET AND PROFIT & LOSS ACCOUNT				
Description	2010-11		2009-10	
	Gratuity (₹ in Lac)	Leave (₹ in Lac)	Gratuity (₹ in Lac)	Leave (₹ in Lac)
Leave				
a. Present value of obligation as at the end of the year	353.37	287.46	176.47	140.54
b. Fair value of plan assets as at the end of the year	–	–	–	–
c. (Surplus)/Deficit in the plan	353.37	287.46	176.47	140.54
d. Experience adjustments on plan liabilities (loss)/(gains)	30.65	99.90	6.09	10.03
e. Experience adjustments on plan assets (loss)/gain	–	–	–	–

11. The Company is engaged in production and sale of Pig Iron and hence Pig Iron is the only reportable segment in accordance with Accounting Standard 17 - Segment Reporting.
12. Advances recoverable in cash or kind or for value to be received includes ₹ **800 Lac** (31.03.2010 - ₹ 800 Lac) paid as advance to West Bengal Industrial Development Corporation Limited (WBIDC) for purchase of land at Kharagpur for a project, which has been dropped by the Company. WBIDC vide its letter dated 6th July, 2009 has informed the Company that as soon as the land procured for the Company's erstwhile proposed project at Kharagpur would be allotted to a new entrepreneur, the amount deposited by the Company will be refunded. In the opinion of the Company, the said amount is recoverable.
13. Figures for the previous year have been re-stated/re-grouped where necessary to conform with figures for the current year.

For and on behalf of the Board of Directors

Kolkata, 3rd May, 2011

Vishwanath G Malagi
Chief of Corporate Governance & Company Secretary

Harsh K Jha
Managing Director

Koushik Chatterjee
Chairman

CALENDER FOR COMMUNICATION WITH SHAREHOLDERS FOR F.Y. 2011-12

Particulars	Annual	Half-yearly	Quarterly	Monthly	Daily
Event	<ol style="list-style-type: none"> 1. AGM (Shareholders' Day) Interaction with Shareholders 2. Annual Report sent to individual shareholders 3. Factory visit of shareholders 4. Transfer of funds to IEPF 	<ol style="list-style-type: none"> 1. Communication with Analysts 	<ol style="list-style-type: none"> 1. Press meet with Chairman / MD 	<ol style="list-style-type: none"> 1. Meeting with RTA to solve pending issues 2. Meeting with Govt. officials related to Project work 	<ol style="list-style-type: none"> 1. Shareholders queries to be suitably addressed
One to one	<ol style="list-style-type: none"> 1. Factory visit of shareholders 2. Approach to shareholders to compulsorily opt for ECS and holding shares in demat mode 3. Intimation to shareholder who has not claimed dividend before transferring the amount to the Investors' Education & Protection Fund 	<ol style="list-style-type: none"> 1. Views of the shareholders about the company and the department 	<ol style="list-style-type: none"> 1. Communication through house journal 		<ol style="list-style-type: none"> 1. Personal interaction with the Secretarial Department 2. Solving problems of the shareholders and mitigating their grievances
Mass media	<ol style="list-style-type: none"> 1. Event Announcement 	<ol style="list-style-type: none"> 1. Interview of CEO and other top management 2. Half-yearly financial results and press release 	<ol style="list-style-type: none"> 1. Informing quarterly financial results and press release 2. Shareholding pattern of the Company as per Listing Agreement requirements 		<p>Email addresses - rd.infotech@vsnl.net investors@tatametalliks.co.in</p>
Group Publication	<ol style="list-style-type: none"> 1. Event of the Company 2. Annual Result 	<ol style="list-style-type: none"> 1. Half Yearly result 	<ol style="list-style-type: none"> 1. Quarterly result 2. Shareholding Pattern 		
Newspaper	<ol style="list-style-type: none"> 1. Annual Result 	<ol style="list-style-type: none"> 1. Half Yearly result 2. Summary of achievements for the 1st half of the year 	<ol style="list-style-type: none"> 1. Audited quarterly results 2. Any notable achievements or acquisition of any assets 		<ol style="list-style-type: none"> 1. Availability of Share Price & Market Capitalisation 2. Queries related to Stock Exchange quotations
Website www.tatametalliks.com SEBI Website www.sebi.gov.in Corporate Filing and Dissemination System (CFDS) put in place jointly by BSE and NSE at the URL.	<ol style="list-style-type: none"> 1. Greetings of Shareholders 2. Annual / Quarterly Fin. Results 3. Shareholding Pattern 4. Availability of shareholding pattern 	<ol style="list-style-type: none"> 1. Financial Results 2. Shareholding Pattern 	<ol style="list-style-type: none"> 1. Quarterly results 2. Shareholding pattern 		<p>Telephone no. for shareholders queries viz. Company : 6613-4205 RTA : 2463-1658/2419-2641</p> <ol style="list-style-type: none"> 1. Continuous updation of the website.
Corporate Governance Audit	<ol style="list-style-type: none"> 1. Audit conducted by Statutory Auditors to ensure compliance with clause 49 of Listing Agreement 				
Corporate Compliance Certificate	<ol style="list-style-type: none"> 1. Non-Mandatory 		<ol style="list-style-type: none"> 1. Disclosure to the Stock Exchanges regarding compliance with the Corporate Governance norms of Listing Agreement 		
Secretarial Standards	<ol style="list-style-type: none"> 1. Adopted major requirements of the Secretarial Standards 	<ol style="list-style-type: none"> 1. Review of standards with respect to the Company by Shareholders' / Investors' Grievance Committee Meeting 		<ol style="list-style-type: none"> 1. Pending complaints from Shareholders 	

MANAGEMENT OF BUSINESS ETHICS - CALENDAR 2011-12

Stakeholders	Types	Months												
		April 2011	May 2011	June 2011	July 2011	August 2011	September 2011	October 2011	November 2011	December 2011	January 2012	February 2012	March 2012	
Employees	Employees	1st week	2nd week	1st week	2nd week	1st week	1st week	1st week	2nd week	2nd week	1st week	1st week	3rd week	1st week
	Stakeholder contact/ Process Owners	1st week	2nd week	1st week	2nd week	1st week	1st week	1st week	2nd week	2nd week	1st week	1st week	3rd week	1st week
	VP (Sales & Mktg)	1st week	2nd week	1st week	2nd week	1st week	1st week	1st week	2nd week	2nd week	1st week	1st week	3rd week	1st week
	GM(LSCM)	1st week	2nd week	1st week	2nd week	1st week	1st week	1st week	2nd week	2nd week	1st week	1st week	3rd week	1st week
	Chief (OBS)	1st week	2nd week	1st week	2nd week	1st week	1st week	1st week	2nd week	2nd week	1st week	1st week	3rd week	1st week
	CFO	-	2nd week	1st week	2nd week	1st week	1st week	1st week	2nd week	2nd week	1st week	1st week	3rd week	1st week
	Company Secretary	-	2nd week	1st week	2nd week	1st week	1st week	1st week	2nd week	2nd week	1st week	1st week	3rd week	1st week
Customers	Visits/Contacts	-	3	2	2	2	2	2	2	2	2	2	2	2
Customers	Formal Meets	-	-	Customer meet**				Customer meet**				Customer meet**		
Suppliers/ Partners	Visits/Contacts			2	2	2	2	2	2	2	2	2	2	2
Suppliers/ Partners	Meets				1st week			1st week					3rd week	
SBU - Redi		2nd week			2nd week				3rd week					1st week
Shareholders	Contact Major Shareholders	-		2	2	2	2	2	2	2	2	2	2	2
Shareholders	AGM								AGM**					
Shareholders Visit	Plant Visit	-											2nd week	
	Team Meeting***			3rd week									3rd week	3rd week
	MD	1st week	2nd week	2nd week	2nd week	1st week	1st week	1st week	2nd week	2nd week	1st week	1st week	3rd 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/Interactive Sessions													

* As and when the Customers' meet are held
 ** EEC will be present at the meeting for extending communication on Business Ethics
 *** Team Meeting(once in a quarter) shall be attended to share ethical concern(if any)



TATA METALIKS LIMITED

Registered Office : Tata Centre, 43, Jawaharlal Nehru Road, Kolkata - 700 071

Attendance Slip

Members attending the meeting in person or by Proxy are requested to complete the Attendance Slip and hand it over at the entrance of the meeting hall.

I, hereby record my presence at the TWENTYFIRST ANNUAL GENERAL MEETING of the Company at Kala Kunj, 48, Shakespeare Sarani, Kolkata - 700 017 at 3.30 p.m. on Thursday, September 29, 2011.

.....
Full name of the Member
(in BLOCK LETTERS)

.....
Signature

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

.....
Full name of the Member
(in BLOCK LETTERS)

.....
Signature

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



TATA METALIKS LIMITED

Registered Office : Tata Centre, 43, Jawaharlal Nehru Road, Kolkata - 700 071

Proxy

I/We.....
of..... in the district ofbeing
a Member/Members of the above named Company, hereby appoint.....
..... of in the district of or failing him
..... of in the district of
..... as my/our Proxy to attend and vote for me/us and on my/our behalf
at the TWENTYFIRST ANNUAL GENERAL MEETING of the Company to be held on September 29, 2011 and at any adjournment thereof.

Signed thisday of2011.

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

No. of Shares held.....

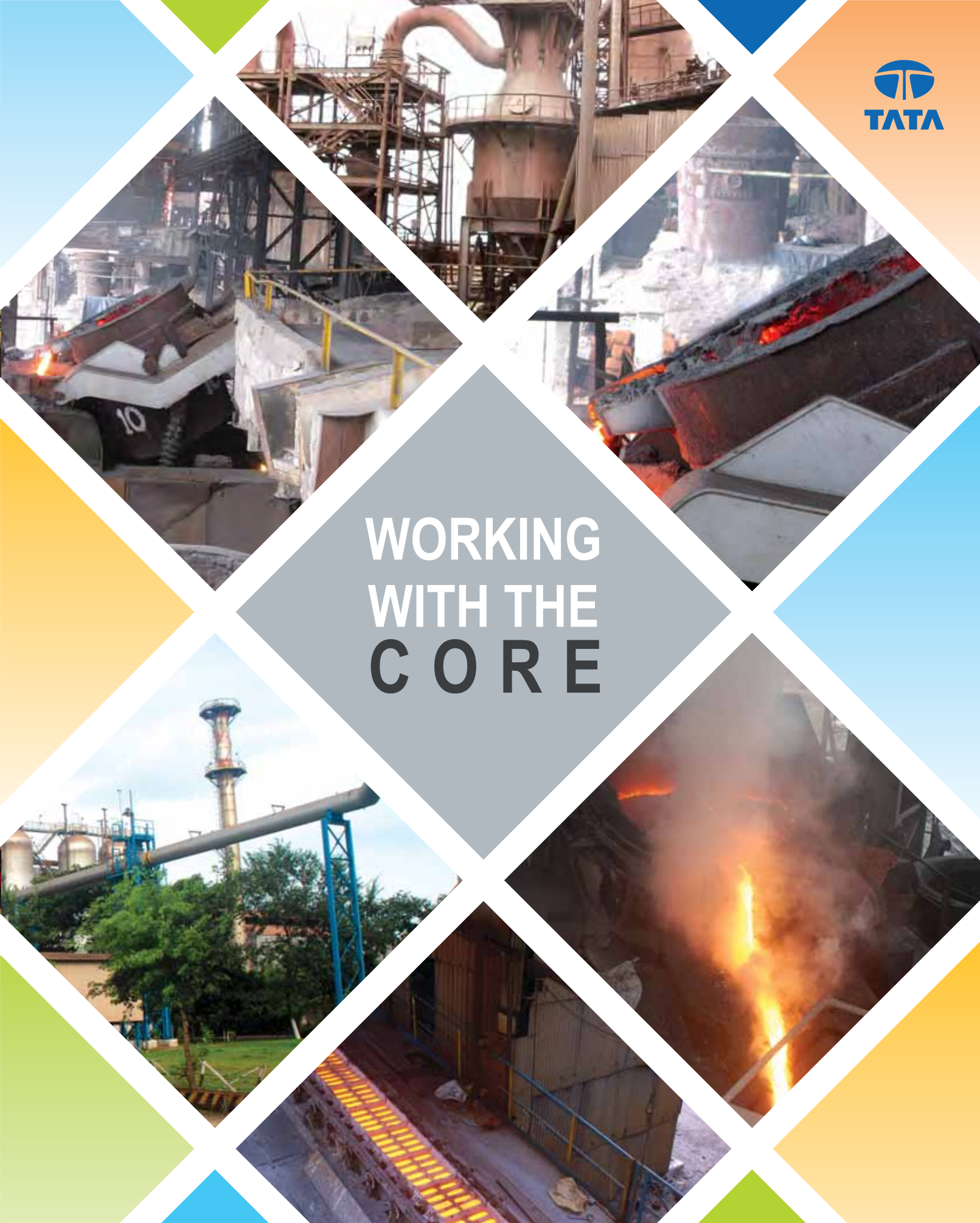
.....
Signature

This form is to be used @ in favour of _____ the resolutions. Unless other wise instructed, the proxy will act as he/she deems fit
@ against _____
@ Strike out whichever is not desired.

- Notes : (i) The Proxy must be returned so as to reach the Registered Office of the Company. Tata Centre, 43, Jawaharlal Nehru Road, Kolkata - 700 017, not less then FORTY-EIGHT HOURS before the time for holding the aforesaid meeting.
(ii) Those members who have multiple folios with different jointholders may use copies of this Attendance Slip Proxy.



WORKING
WITH THE
CORE





TATA METALIKS LIMITED

REGISTERED OFFICE

Tata Centre | 43 Jawaharlal Nehru Road | Kolkata - 700 071

PLANT LOCATIONS

Kharagpur : Samraipur | Gokulpur | Kharagpur | Pin - 721301 | West Bengal

Redi : Terekhol Road | Dist : Sindhudurg | Redi | Pin - 416517 | Maharashtra

Visit us at : www.tatametaliks.com