

TATA METALIKS LIMITED



Primed for the future
22nd Annual Report | 2011-12



OUR VISION
Reaching Tomorrow First

OUR VALUES

Speed and Agility
Learning and Innovation
Integrity and Candour

Corporate Information	2
Chairman's Statement	5
Primed for the Future	6
Notice of Annual General Meeting	9
Directors' Report	19
Management Discussion and Analysis	27
Corporate Governance Report	32
Standalone Financial Statements	
Auditors' Report	51
Balance Sheet	54
Profit & Loss Account	55
Cash Flow Statement	56
Notes to the Financial Statements	58
Consolidated Financial Statements	
Auditors' Report on Consolidated Financial Statements	78
Balance Sheet	79
Profit & Loss Account	80
Cash Flow Statement	81
Notes to the Financial Statements	83
Calendars	103

TWENTY SECOND ANNUAL GENERAL MEETING

Date : Friday, September 21, 2012

Time : 11.30 a.m.

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

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

CORPORATE INFORMATION



Board of Directors as of July 5, 2012

Mr. Koushik Chatterjee - Chairman
Mr. A. C. Wadhawan
Mr. Dipak Banerjee
Mr. Ashok Kumar Basu
Mr. Ashok Kumar
Mr. V. S. N. Murty
Dr. Pingali Venugopal - Appointed as Additional Director w.e.f. January 5, 2012
Mr. D. P. Deshpande - Appointed as Executive Director w.e.f April 1, 2012
Mr. Krishnava Dutt - Appointed as Additional Director w.e.f. July 5, 2012
Mr. Harsh K Jha (Managing Director)

Management as of July 5, 2012

Mr. Harsh K Jha	<i>Managing Director</i>
Mr. D. P. Deshpande	<i>Executive Director</i>
Mr. Kalyan Chatterji	<i>VP (Projects & Business Opportunity)</i>
Mr. Sudhin Mitter	<i>VP (Marketing & Sales)</i>
Mr. Debasish Mishra	<i>GM (Operations)</i>
Mr. Subhra Sengupta	<i>Chief Financial Officer</i>
Mr. Sankar Bhattacharya	<i>Chief (Corporate Governance) & Company Secretary</i>

REGISTERED OFFICE

Tata Centre, 10th Floor, 43, Jawaharlal Nehru Road
Kolkata - 700 071

BANKERS

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

AUDITORS

M/s Deloitte Haskins & Sells
Chartered Accountants
Kolkata

REGISTRAR AND SHARE TRANSFER AGENT

M/s R & D Infotech Pvt. Ltd.
7A, Beltala Road,
Kolkata - 700 026

Committees of Board

<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. Dipak Banerjee - <i>Member</i></p> <p>Dr. Pingali Venugopal - <i>Member</i></p> <p>Mr. Koushik Chatterjee - <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>Investment/Borrowing Committee</p> <p>Mr. Harsh K Jha - <i>Chairman</i></p> <p>Mr. Dipak Banerjee - <i>Member</i></p> <p>Mr. V. S. N. Murty - <i>Member</i></p>
<p>Ethics and Compliance Committee</p> <p>Mr. Ashok K. Basu - <i>Chairman</i></p> <p>Dr. Pingali Venugopal - <i>Member</i></p>	<p>Shareholders' Grievance Committee</p> <p>Mr. Ashok Kumar Basu - <i>Chairman</i></p> <p>Dr. Pingali Venugopal - <i>Member</i></p> <p>Mr. Harsh K Jha - <i>Member</i></p>

Investor Service Centre

TATA METALIKS LIMITED
Tata Centre, 10th Floor
43, Jawaharlal Nehru Road
Kolkata - 700 071
Phone : + 91 33 6613 4205
Fax : +91 33 2288 4372
Email : investors@tatametaliiks.co.in

M/s R & D Infotech Pvt. Ltd.
1st Floor
7A, Beltala Road
Kolkata - 700 026
Phone : +91 33 2419 2641
Fax : +91 33 2419 2642
Email : rd.infotech@vsnl.net

GREEN INITIATIVE

July 5, 2012

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 email ID with their Depository Participant immediately, if already not registered.

Members who are holding Equity Shares in physical form should send a scanned copy of their letter requesting for registering / changing their existing email ID, bearing the signature of the sole / first shareholder on rdinfotech@yahoo.com. 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 email 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.

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 upon receipt of a requisition from you.

The Annual Report of your Company for Financial Year 2011-12 alongwith all future communication / documents would also be made available on the Company's website : **www.tatametaliks.com**.

Thanking you

Yours sincerely

For **TATA METALIKS LIMITED****Sankar Bhattacharya***Chief (Corporate Governance) & Company Secretary*

CHAIRMAN'S STATEMENT



Dear Shareholders,

The uncertain global economy has been taking a toll on businesses across the world. The Euro zone crisis, in particular, coupled with the slowdown in China has affected business sentiment in the metals industry. India has also been facing challenges in terms of volatile commodity prices, higher energy costs, weaker currency and increasing current account deficit. The depreciating rupee has made imports costlier and put pressure on industry margins. The country's GDP growth rate fell to a nine-year low of 5.3% in the last quarter of the financial year taking the 2011-12 annual rate to 6.5% compared to 8.5% in the previous year. While the Government has accorded highest priority to improving the economy and returning to higher growth rates, 2012-13 is expected to see GDP growing at between 6-7%.

Tata Metaliks too could not remain isolated from the prevailing macroeconomic trends and the last year proved to be extremely challenging for the company. Prices of key inputs like iron ore, coal and coke went up 30% year on year, with pig iron prices increasing by only 17%. As input costs constitute over 90% of cost of production, this lag put a severe strain on the company's margins. The ban on mining in Karnataka due to environmental concerns contributed not only to price increases, but also significantly impacted availability adversely. A number of units in the pig iron industry in South and West India were forced to close down to contain their losses. The crisis also hit the company's Redi plant and it had to be closed down in October 2011. Kharagpur operations also suffered losses due to higher raw material costs, disruption in iron ore supply in the last quarter and unstable blast furnace health that led to higher coke consumption. The Company's subsidiary, Tata Metaliks Kubota Pipes Limited, (TMKPL) increased production during the year but unfortunately suffered from low net realizations as the industry is facing over capacity, especially in the eastern region. These adversities have caused TML to incur a consolidated net loss of Rs. 135.24 Crs.

Looking ahead, TML remains focused on its strategy of investing in future capabilities while improving internal efficiency. The Company is pursuing its planned investments for a sinter plant, revamping one mini blast furnace and the coke conversion unit at Kharagpur. By substituting costlier iron ore lumps by fines at the sinter plant, the Company plans to stay competitive by way of lower input costs, improved blast furnace productivity and reduced coke rate.

The company is also aligning its customer related interventions to make them energy and cost efficient. Development and launch of "Tata efee" - the branded pig iron - first of its kind in the world - is one such initiative. It is expected that by the third quarter of 2012-13, 100% of pig iron produced would be "Tata efee".

TML's venture into ductile iron pipes is also expected to pick up pace in achieving its full potential. TMKPL is banking on India's investment in infrastructure to power its growth. It is also working with its foreign collaborators to offer better quality products compared to its competitors.

TML realizes the need to nurture its most precious resource - the human talent, which has enabled it to be a leader in the industry. With their dedication and commitment at all times, the Company has been able to foster a customer centric culture that rewards learning, collaboration and development. This makes it an organization ready for the future.

Finally, I would like to thank all the employees and unions, my colleagues in the management team and the Board of Directors for their support, hard work and contribution to the company.

A handwritten signature in black ink, appearing to read "Koushik Chatterjee". The signature is stylized and written in a cursive-like font.

Koushik Chatterjee
Chairman

July 5, 2012

PRIMED FOR THE FUTURE

Business Scenario :

Globally, the year was marked by a growth in the face of severe dearth in raw materials like coal and iron ore. TML too was affected by shortage and hence by a steep rise in input costs. It also underlines a significant aspect of the dynamics of the metal product's value chain. The rise in input prices indicate mining is now a critical part of the value chain and attracts a growing share away from products like pig iron and castings. This situation is likely to remain so for the next 3-4 years. Given the current state of European economy and a slowdown in Chinese demand, raw material prices are likely to ease. With installed capacity higher than demand, pig iron industry will also have some struggling to go through. A number of plants have already been shut down unable to bear the high cost and availability of inputs.

At Kharagpur, TML faced uncertainty in ore supplies during Q4 and higher coke consumption due to unstable blast furnace health. The company closed down its Redi operations in October 2011 due to unviable input costs in wake of mining crisis in Karnataka and is planning to divest it to control damage. The company also expects a turnaround in the industry scenario. TML's product enjoys customer preference and thus commands premium in the market. To gain competitive advantage, the management is on a drive pursuing higher internal efficiency. More importantly, TML can derive greater synergy and strength from its access to Tata steel for technology, bargaining capacity on the raw material front and funding. TML is currently poised to invest heavily in its future. A ₹ 98 crore sinter plant shall deliver sinter output in the third quarter, the upgraded MBF 2 will raise the pig iron productivity, investment in coke oven through a partner, and a proposed 10 MW power plant will make its business more stable, improve margins and insulate it against some of the vagaries of the market. The launch of 'Tata eFee', a premium 'green' product and the first branded pig iron, offers an enhanced value proposition to customers and is also set to contribute to the bottom line. TML has also received approval from Karnataka government for its steel plant at Haveri. The project will be taken up soon.

Raw Materials :

The past year has been difficult in terms of raw materials availability. About 30% jump in prices of iron ore, coal and coke raised the cost of production during the year. However, pig iron prices increased only up to 17% during the same period. While lump ore prices rose sharply due to a ban on illegal mining in Karnataka, high cost coupled with poor quality of ore in the region forced the company to suspend operations at its plant at Redi, Maharashtra since October 2011. Operations at TML's Kharagpur plant have also been hit by uncertain ore supplies in the fourth quarter.

TML has now worked out an arrangement with Tata Steel that will reduce its raw material cost through reduction in freight cost, benefit of bulk purchase and reduced inventory. As for coke the decision on the option of buying either from the domestic market or importing is based on a continuous market analysis, price projections.

Proposals for acquisition of mines in iron ore bearing states of Karnataka, Odisha, Jharkhand and Chhattisgarh for raw material linkages for the Kharagpur plant and for the proposed steel plant in Karnataka are being sought and examined. Tata Steel is itself actively looking at mining lease applications for the Karnataka project.

Operations :

With an unprecedented rise in costs and interrupted supplies, operations were bound to be severely hit. TML's operations were also hampered during the year by its blast furnaces' health. This led to higher consumption of coke and higher cost of production. Production suffered and TML's Kharagpur and Redi plant (in operation for six months) together produced 352,322 tons of hot metal during 2011-12 compared to 488,918 tons in 2010-11.

However TML's real assets - its people have risen to meet the challenge. To lower the cost, TML explored substitutes of coal in the blend. In the coal conversion plant we started blending low grade coal with good quality of coal to produce acceptable quality coke. Yet another measure was mixing of coke breeze with coal. A slew of initiatives were undertaken to reduce revenue leakages e.g. reduction of coke breeze generation during handling of coke, direct shifting of coke from wagon to reduce fines generation, to reduce contamination in coke breeze to get higher realization during selling, using of +6mm iron ore to maximize utilization etc.

Prior to commissioning of our own sinter plant arrangements were made for converting iron ore fines to sinter. It is providing hands-on experience to operating people in use of sinter.

Market Performance :

Prices of pig iron remained unremunerative in the domestic market during the early part of the Financial Year 2011-12. Prices started rising from late Q2 and remained stable thereafter. The international prices, however, remained unremunerative to export pig iron.

TML is the only supplier of low sulphur grades of pig iron and these are ideal for ductile grades of castings. The product is best suited for automobile engine boxes, gear boxes, crankshafts, rolling mill rolls, motor and generator housings, railway tools, machine tools and pipes. During the year, demand remained steady for castings from automobile, infrastructure, energy and agriculture sectors. There was, however, a drop in demand from the tractor industry.

The application of ductile iron castings has also shown signs of growth leading to augmented demand of customized grade of pig iron like SSG. However, due to non availability of low phosphorus iron ore, TML has not been able to produce this grade to

PRIMED FOR THE FUTURE (Contd.)

the full demand. Pig iron market remains volatile and non committal with regard to long term purchases. Increased availability of low cost substitutes including basic grade pig iron and steel scrap, made foundries to cut down on use of foundry grade pig iron and put a cap on the price of foundry grade pig iron.

DI Pipes business

TML subsidiary, Tata Metaliks Kubota Pipes Limited (TMKPL) also had its share of starting problems while the market for DI pipes has been wobbly. An entry of a number of new players has led to over capacity in ductile iron (DI) pipes in eastern region. As a result, net realizations dropped by 20%, though production increased by 143% to 49,502 tons during the year. Prices started moving up towards the end of fiscal 2011-12 though it is still below remunerative levels. TMKPL is confident of an improvement in the situation since India's investment in infrastructure is bound to grow. TMKPL is carrying out major interventions in consultation with its foreign collaborators to offer significantly superior products in comparison to its competitors.

Divestment of Redi Operations :

A sharp rise in lump ore prices due to the Supreme Court ban on illegal mining in Karnataka hit the company adversely. It severely affected availability of ore at TML's Redi plant making its operation unviable to sustain. The company decided to suspend plant operations in October 2011, divest its Redi business and pursue its strategy of focusing on and consolidating its Kharagpur operations with vigour. In line with this decision on the Redi unit, talks were held with a mining group in the vicinity of the plant site. TML even signed a Business Transfer Agreement with the Group for the same. However the deal did not reach the fruition stage. TML continues to pursue the strategy and is also evaluating its other options.

Focus on Cost Efficiency :

TML is looking ahead into the future with cost efficiency as its goal. The company is setting up a 40m² sinter plant at Kharagpur for sintering iron ore fines. This will help TML substitute lump ore by iron ore fines and will help in lowering the cost of raw material. Moreover, it will improve the productivity of the blast furnaces leading to over 30,000 tons annually of additional hot metal per annum from both blast furnaces.

Additionally, through its plan of expansion of MBF 2, TML is making two changes. The shower cooling system is being replaced by stove coolers and it will provide better cooling. This will also lead to less consumption of water, as the water will be recirculated. TML will also provide bell less top which facilitates better distribution of the burden. In the process, working volume of MBF will be increased leading to an additional 15,000 ton of hot metal per annum with reduction in coke rate of 12 kg per ton of hot metal. Significantly, it will also pave the way for introducing Coal Dust Injection (CDI), a project TML plans to take up later.

TML has issued a letter of intent to GSA Commercial for setting up a non recovery type of coke oven plant of 10,000 ton per month capacity within the plant premises at Kharagpur. This project will come up on build, own, operate and transfer (BOOT) basis. The flu gas generated from the coke conversion facilities will be used for setting up a 10 MW power plant. These technological interventions are expected to have a long standing impact on TML's cost matrix in the future since they will reduce cost of hot metal in the years to come. By 2014-15, these investments will help convert TML into a brand new plant. In the long run, these moves will make TML cost competitive and drive the company's agenda for sustainable growth. It will also make higher amounts of hot metal available to TMKPL at a lower rate. This in turn will have a cascading effect on the latter's cost competitiveness in coming years.

Financials :

The shutdown of Redi plant operations since October 2011 reduced the company's working capital needs. The increase in coke and iron ore prices apart from impacting its own margins negatively also resulted in a significant jump in input cost in its ductile iron pipe business under TMKPL. Thus on a consolidated basis, TML reported a loss after tax and minority interest of Rs 113.47 crs.

Customer-centric approach and CRM initiatives :

TML had launched an organization-wide initiative in 2008 in keeping with its customer centric philosophy. The programme, 'SCOPE' has helped in integration and alignment of work processes within the company. It has also helped in a better understanding of internal and external customers.

Additional marketing initiatives include Product Segmentation exercise with the help of an external foundry consultant and CRM initiative like technical services and seminars for ductile iron casting manufacturers, appreciation of customers and partners through appropriate 'Reward & Recognition' mechanism. It is also holding technical meets, reinforcing SMS services and web access mechanism, improving customer engagement by organizing customer awareness programmes, periodic communication with customers and entering into long term contracts. TML is looking forward to support the foundry industry with process and product consultancy to enable them to transform into green foundries.

In this, TML's focus areas are pollution control, power savings and waste management. These and several other initiatives taken together have enabled TML to become the 'Supplier of Choice' for its customers.

TML's Customer Service Centre has been set up to provide end-to-end service bouquet. It is meant to make its customers more competitive in the emerging new business scenario. Among the services it offers includes supply of customized pig iron, supplying

PRIMED FOR THE FUTURE (Contd.)

lumpy coke and lime stone for foundries, assistance in optimising the operations and performance of cupolas, enhancing melt rate in cupolas, training cupola operators and foundry supervisors, comprehensive moulding related services, facilitating optimization of production processes and chemical analysis of raw materials.

Human Capital & Training :

TML's human resource philosophy is geared towards attracting and retaining the best talent on offer in the market. This also ensures that the company is equipped to meet the growing challenges of the workplace and the market. It also keeps employees engaged and motivated. The employees also have a strong alignment with the company's vision and this has given TML leadership position in its industry segment. TML has always fostered a culture that encourages continuous learning, collaboration and development across the rank and file of the organization.

This makes it ready for higher blast furnace productivity and making TML's operations sinter friendly. Together, all these qualities have worked towards making the organization future oriented. To ensure business continuity, the company has an elaborate plan for development of a leadership pipeline for critical positions.

A vital aspect of TML's performance in the market is maintenance of harmonious industrial relations. TML has thus made unrelenting effort to maintain cordial Industrial relations. Apart from its people, the plant and machinery, involvement and support of various stakeholders, especially those of society where it operates, is vital to ensure smooth running of the company's operations. In this aspect, TML's initiatives in corporate social responsibility (CSR) are well received and awaited in the entire area where it operates. In fact, TML stands out as a role model of giving back to the society out of which it creates wealth.

TML believes training and development are a significant component in building up the capacity of the organization as a whole. To upgrade and improve employee skills, it gives utmost importance to training activities to ensure all sections of its employees are covered under its training and development activities. In this regard, the company has a well defined process of identifying training inputs and converting them into activities. The training and development activities of the company are conducted both in house and also externally. TML has a panel of skilled and motivated internal trainers who conduct these training workshops.

A Green Conscience :

The biggest challenge for corporates like TML is to strike a balance between sustainability and environment. In that direction, we have decided to focus on restoration of the green as an integral part of development. Thus in our race towards a billion (Rtab) by 2017, we are guided by our green conscience. Our thought process - 'economy profits only if ecology permits' culminated in us developing a unique green product - an energy efficient pig iron 'Tata eFee'. This was done in collaboration with the Research and Development team of Tata Steel and IIT Kharagpur. The idea is simple. We want to do what we can do to sustain both green and growth.

At TML, our planned investments too are environment friendly. Measures such as reduction of coke consumption, capacity expansion of MBF2 will enable us to use coal rather than coke thereby reducing consumption of natural resources. Currently, captive power plants supply 90% of the company's power requirements thus reducing its carbon footprint. This year, TML is also putting up a sinter plant to change nature of raw material use by utilising more and more iron ore fines, which occur naturally in the environment.

Social Sustainability (CSR) :

TML philosophy is deeply rooted in social sustainability. The company thus treats the community it inhabits as a vital stakeholder of its sustenance. Instead of trying to bring in rural poverty alleviation schemes, the company focuses on making the villages near its plant site, self reliant.

In recent years, TML's involvement in community services has intensified with the formation of 'Sadbhavana'. The Sadbhavana Trust account has been volunteered by officers and employees at all levels. Sadbhavana Initiatives include Nutritional Survey Camps, Comprehensive Eye Care Camp and free distribution of spectacles to under privileged people, blood donation camp, HIV/AIDS awareness camp, driver's training and imparting livelihood skills to women and youth through vermicomposting and driver's training respectively

TML takes up these programmes in and around a 10 km radius of its plant. This also serves a key in the company's drive towards social sustainability. In all these villages, three main development areas which have been taken up are healthcare, education and employability.

Under Maternal & Child Health care initiative, Nutritional survey camp for school children has been very effective in bringing down the no. of skin diseases, malnutrition etc. Gynaecological camps have been organized to benefit the women in the rural areas for whom non availability of female doctors in the community was a disadvantage.

In the field of education, scholarships were provided to meritorious students coming from BPL (Below Poverty Line) category & aspiring for higher studies. A group of dedicated tribal women of SHG called Sidukanu Birsa at Kunjachawk are successfully running vermicompost project & have created a livelihood to supplement the income of their family. Technical education (ITI) was provided to the youths of the nearby villages who are from economically weaker part of society under the scheme Swablamban.

To promote self employment in the vicinity of TML plant, Kharagpur, driver's training program has been held by TML & driving license has been provided to 22 persons of nearby villages.

NOTICE

NOTICE is hereby given that the TWENTY SECOND ANNUAL GENERAL MEETING of the members of TATA METALIKS LIMITED will be held on Friday, September 21, 2012 at 11.30 a.m. at Kalamandir, 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 March 31, 2012 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 place of Mr. Ashok Kumar Basu, who retires by rotation and being eligible for re-appointment;
3. To appoint a Director in place of Mr. Dipak Banerjee, who retires by rotation and being eligible for re-appointment;
4. To appoint auditors and fix their remuneration.

SPECIAL BUSINESS :

5. Appointment of Dr. Pingali Venugopal as a Director

To consider and if thought fit, to pass with or without modification(s) the following as an **Ordinary Resolution** :

“RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Dr. Pingali Venugopal, who was appointed by the Board as an Additional Director of the Company and who will hold office up to the date of next Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company and that his office shall be liable to retirement of Directors by rotation”.

6. Appointment of Mr. Digambar Pandurang Deshpande as a Director

To consider and if thought fit, to pass with or without modification(s) the following as an **Ordinary Resolution** :

“RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. Digambar Pandurang Deshpande, who was appointed by the Board as an Additional Director of the Company and who will hold office

up to the date of next Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company and that his office shall be liable to retirement of Directors by rotation”.

7. Appointment of Mr. Krishnava Dutt as a Director

To consider and if thought fit, to pass with or without modification(s) the following as an **Ordinary Resolution** :

“RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. Krishnava Dutt, who was appointed by the Board as an Additional Director of the Company and who will hold office up to the date of next Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company and that his office shall be liable to retirement of Directors by rotation”.

8. Re-appointment of Mr. Harsh K Jha as Managing Director

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

“RESOLVED that pursuant to the provisions of sections 198, 269, 309, 311 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to all such statutory approval(s) as may be necessary, the Company does hereby accord its consent to the re-appointment of Mr. Harsh K Jha as Managing Director of the Company for a further period of 1 (one) year with effect from 1st April, 2012 at the remuneration and other terms and conditions as contained in the draft agreement, an abstract whereof is set out in the explanatory statement relating to this resolution.

RESOLVED further that in the event of loss or inadequacy of profits in the Company in financial year during his tenure, Mr. Harsh K Jha be entitled to the same remuneration by way of salary, perquisites and allowances not exceeding

NOTICE (Contd.)

the limits as specified in the explanatory statement relating to the resolution as minimum remuneration subject to such other statutory approval(s), as may be necessary.

RESOLVED further that the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary or expedient to give effect to this resolution”.

9. **Appointment of Mr. Digambar Pandurang Deshpande as Executive Director**

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

“**RESOLVED that** pursuant to the provisions of sections 198, 269, 309, 311 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to all such statutory approval(s) as may be necessary, the Company does hereby accord its consent to the appointment of Mr. Digambar Pandurang Deshpande as Executive Director of the Company for a period of 3 (three) years with effect from April 1, 2012 at the remuneration and other terms and conditions as contained in the draft agreement, an abstract whereof is set out in the explanatory statement relating to this resolution.

RESOLVED further that in the event of loss or inadequacy of profits in the Company in any financial year during his tenure, Mr. Digambar Pandurang Deshpande be entitled to the same remuneration by way of salary, perquisites and allowances not exceeding the limits as specified in the explanatory statement relating to the resolution as minimum remuneration subject to such other statutory approval(s), as may be necessary.

RESOLVED further that the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary or expedient to give effect to this resolution”.

On behalf of the Board of Directors

Sankar Bhattacharya

*Chief (Corporate Governance)
& Company Secretary*

Place : Kolkata

Date : July 5, 2012

Notes :

- a) The relative Explanatory Statements, pursuant to the provisions of Section 173(2) of the Companies Act, 1956, in respect of the businesses under Item Nos. 5 to 9 above are annexed hereto. The relevant details of directors seeking appointment / re-appointment under Item Nos. 5 to 9 above, as required by Clause 49 of the Listing Agreements entered into with the Stock Exchanges are also annexed.
- b) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. However, Proxies in order to be effective must be received by the Company at its Registered Office at least 48 hours before the meeting.
- c) Corporate members are requested to send a duly certified copy of the Board Resolution authorizing their representative(s) 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 any change in their addresses, pin code, e-mail addresses and telephone number(s), to the Company at its Registered Office by quoting their respective folio numbers. In respect of shares held in electronic mode, the same should be communicated to the respective Depository Participants (the “DP”).
- f) As per the provisions of the Companies Act, 1956, the nomination facility is available to the shareholders in respect of shares held by them in physical mode. Nomination forms can be obtained from the Registrar of the Company.
- g) Shareholders, who are holding shares in electronic mode are requested to provide relevant details in this matter to their respective DP.
- 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

NOTICE (Contd.)

- and Share Transfer Agent, M/s R & D Infotech Pvt. Ltd., 7A, Beltala Road, Kolkata 700026.
- j) The Register of Members and Share Transfer Books of the Company remained closed from September 18, 2012, Tuesday to September 21, 2012, Friday (both days inclusive).
- k) Shareholders desiring any information as regards to 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 2005-2006 and onwards, are requested to make their claims to the Company without any further delay. It may kindly be noted that the unclaimed dividend for the financial year 2004-2005 has been transferred to the Investors Education & Protection Fund.
- m) Members, 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 NOTICE

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

Item no. 5

Dr. Pingali Venugopal, a Post Graduate and Fellow in Management from the IIM, Ahmedabad is currently Associate Director, XLRI- Loyola University Chicago Center for Global Management and Responsible Leadership. He has been a faculty at XLRI, Jamshedpur since 1994 and the Dean of the Institute from 2004 to 2010. Dr. Venugopal held managerial positions for 10 years in the marketing divisions of two agribusiness companies.

Considering his vast experience, the Board thought it prudent to appoint Dr. Venugopal as an Additional Independent Director of the Company with effect from January 5, 2012. In terms of the provisions of Section 260 of the Companies Act, 1956 (the "Act") and Article 106 of the Company's Articles of Association, Dr. Venugopal holds office as Director only till the date of the forthcoming Annual General Meeting, but is eligible for appointment as Director. Notice has been received from a member as required under Section 257 of the Act, signifying his intention to propose the candidature of Dr. Venugopal for the office of Director.

The Board considers it desirable that the Company should continue to avail itself of the services of Dr. Venugopal as a

Director and accordingly commends the resolution at Item No. 5 for approval by the Members.

None of the Directors other than Dr. Venugopal is interested in the Resolution at Item No. 5.

Item no. 6

Mr. Digambar Pandurang Deshpande has done B. Tech in Chemical Engineering from IIT, Mumbai & Post Graduate Diploma in Business Management from XLRI, Jamshedpur.

Mr. Deshpande has worked for almost 30 years in coke making area at Tata Steel, Jamshedpur in various capacities, including Chief. He was Chief of Projects, to bring in New coke oven batteries and by-product plant at Tata Steel plant in Jamshedpur and Kalinganagar. His last assignment before joining Tata Metaliks was at Tata Steel as Chief (coke, sinter and iron) at 6.8 Mtpa capacity level.

Mr. Deshpande was a Member of the CII delegation team which visited Japan in 2008 on TQM. He was also a member in the integration team of Corus in the areas of coke making and raw materials for Steel Plants and has also contributed over a dozen papers in international Technical Magazines in the areas of Coke & Iron making.

Mr. Deshpande joined the Company on July 1, 2011 as Chief Operating Officer and considering his vast experience, the Board thought it prudent to appoint him as an Additional Non-

NOTICE (Contd.)

Independent Director of the Company with effect from April 1, 2012. In terms of the provisions of Section 260 of the Companies Act, 1956 (the "Act") and Article 106 of the Company's Articles of Association, Mr. Deshpande holds office as Director only till the date of the forthcoming Annual General Meeting, but is eligible for appointment as Director. Notice has been received from a member as required under Section 257 of the Act, signifying his intention to propose the candidature of Mr. Deshpande for the office of Director.

The Board considers it desirable that the Company should continue to avail itself of the services of Mr. Deshpande as a Director and accordingly commends the resolution at Item No. 6 for approval by the Members.

None of the Directors other than Mr. Deshpande is interested in the Resolution at Item No. 6.

Item No. 7

Mr. Krishnava Dutt has extensive experience both in advising the government and private players in various infrastructure projects across the country, especially in the water, airport, roads and mining sector.

Mr. Krishnava Dutt started his legal career in the Calcutta High Court where he practiced civil law. After a short stint at the High Court, he joined ICICI Bank in Mumbai where Mr. Dutt experienced handling complicated banking & finance transactions in the stressed assets space and international banking sector. He joined Amarchand Mangaldas in the year 2005 and became the partner in charge of eastern operations of the firm in the year 2007. He retired from Amarchand Mangaldas as a partner in June 2009 to establish Argus Partners. Presently Mr. Dutt is the Managing Partner of Udwadia Udeshi and Argus Partners, the merged firm of Argus Partners and Udwadia & Udeshi.

Mr. Dutt's experience encompasses the entire repertoire of corporate practice, including mergers and acquisitions, private equity, banking and finance, projects and project finance.

RSG Consulting (London) has identified Mr. Dutt amongst the leading second generation of Indian corporate lawyers, as 'a sharp, distinctive individual who has made the most of the booming Indian infrastructure market'. Chambers and Partners have identified Mr. Dutt in the category - 'Leaders in their Field' for the forthcoming edition of Chambers Asia-Pacific 2012. The Legal 500 Asia Pacific 2012's editorial has recommended his name for Corporate/M&A law in India. International Financial

Law Review and Asia Law recognized him amongst the notable lawyers in the Corporate/ M&A space in India.

The Board considers it desirable that the Company should continue to avail itself of the services of Mr. Krishnava Dutt as a Director and accordingly commends the resolution at Item No. 7 for approval by the Members.

None of the Directors other than Mr. Krishnava Dutt is interested in the Resolution at Item No. 7.

Item No. 8

Mr. Harsh K. Jha was re-appointed as Managing Director for a period of 3 (three) years commencing from April 1, 2009 and ending on March 31, 2012 with the remuneration stipulated as per terms and conditions set out in the Agreement entered into by the Company with Mr. Jha.

Although Mr. Jha has attained the age of superannuation as per the policy of the Company, but keeping in mind his steward leadership and contribution to the company especially during the tough period in the recent past financial years, the Board has at its meeting decided to re-appoint him, as Managing Director for a further period of 1 (one) year commencing from April 1, 2012. Since the Company has inadequate profits for the F.Y. 2011-12 the appointment and payment of remuneration to Mr. Jha, as Managing Director shall be guided by the provisions of Schedule XIII of the Companies Act, 1956, which provides for approval of the members by Special Resolution and that of the Central Government.

The re-appointment of Mr. Harsh K. Jha will be in accordance with the following terms and conditions:-

Salary :

The salary of Mr. Harsh K Jha shall be Rs. 2,95,000/- (Rupees two lacs ninety five thousand) only per month in the scale of Rs. 50,000/- to Rs. 3,00,000/- per month, with authority to the Board or the Remuneration Committee thereof to fix his salary within the scale from time to time (with proportionate increase in the value of the benefits linked to salary).

Commission :

In addition to salary, perquisites and allowances, performance linked remuneration would be paid, not exceeding twice the annual salary paid to Mr. Harsh K Jha, as may be determined by the Board or the Remuneration Committee thereof, even if the total remuneration, including Performance Linked Remuneration, payable to Mr. Jha, may exceed the limits

NOTICE (Contd.)

specified under Schedule XIII of the Act.

Perquisites & Allowances :

In addition to the salary and commission or performance linked remuneration payable, the Managing Director shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance, together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings and repairs, medical reimbursement, leave travel concession for himself, and his family, club fees, medical insurance and such other perquisites and allowance in accordance with the rules of the Company or as may be agreed to by the Board or the Remuneration Committee thereof and the Managing Director. Such perquisites and allowances shall be restricted to an overall limit of 125% of the annual salary of the Managing Director.

Provided that –

- I. For the purpose of calculating the above ceiling, perquisites shall be evaluated as per the Income-Tax Rules, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual cost;
- II. Provision for use of Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling; and
- III. Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund, to the extent these either singly or together are not taxable under the Income-tax Act, Gratuity payable as per the rules of the Company and encashment of leave at the end of the tenure, shall not be included in the computation of the said ceiling.

The aforesaid appointment and remuneration payable is subject to the approval of the members in the ensuing Annual General Meeting.

The draft agreement, to be entered into between the Company and Mr. Harsh K Jha, is available for inspection by the members of the Company, at the Registered Office of the Company, between the hours of 10:00 a.m. -12:00 noon, on any working day.

This explanatory statement is and should also be treated as an abstract under section 302 of the Companies Act, 1956.

The Board recommends the resolution as set out under Item No. 8 of the Notice, for adoption by the members.

None of the Directors of the Company, save and except Mr. Harsh K Jha, is concerned or interested in Item No. 8 of the Notice.

Statement as per proviso (iv) of Part (C) of Section II of Part II of Schedule XIII of the Companies Act, 1956.

I. General Information :

- 1) Nature of industry : Manufacturers of Pig Iron
- 2) Date or expected date of commencement of commercial production : April 23, 1994;
- 3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: N.A.
- 4) Financial performance based on given indicators :

(Amount in ₹ Cr)

Particulars	2011-12	2010-11	2009-10
Turnover	1132.92	1291.31	1040.01
Net Profit / (Loss) before Tax & Appropriation	(125.46)	28.68	50.65

- 5) Export performance and net foreign exchange collaborations : None
- 6) Foreign investments or collaborators, if any: None

II. Information about the appointee :

- 1) Background details: Mr. Harsh K. Jha is a B.Sc.(Engg.) (Mech.), PGDBM (XLRI). In addition, Mr. Jha has attended Advanced Management Programs from National Institute of Advanced Studies Bangalore, Off-Campus Program of Michigan University, IMD, Lausanne, etc.
- 2) Past remuneration :

(Amount in ₹ Lakhs)

Particulars	2011-12	2010-11	2009-10
Salary	31.56	28.20	25.20
Perquisites & Allowances	22.31	12.21	16.35
Performance Linked incentive	13.15	28.20	31.50
Contribution to Provident & other funds	9.46	7.61	7.56
Total	76.48	76.22	80.61

NOTICE (Contd.)

- 3) Recognition or awards : (a) National Merit Scholarship, Govt. of India (b) Bharatiya Shiromani Puraskar from Indian Economic Studies, New Delhi (c) Jubilee Merit Scholarship – Tata Steel;
- 4) Job profile and his suitability : He is responsible for the overall day to day management of the Company. Considering his qualification and wide experience, he is found to be suitable for the position of Managing Director of the Company.
- 5) Remuneration proposed : (a) Salary in the Scale of Rs. 50,000 – Rs.3,00,000 (b) Perquisites & Allowances not exceeding 125% of the Annual Salary and (c) Performance Linked Remuneration not exceeding twice the Annual Salary, subject to necessary approval of the Members and statutory authority, if necessary.
- 6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin): Tata Metaliks Ltd. is the largest Pig Iron manufacturer in India. Comparable remuneration profile is not readily available. It is believed that the remuneration proposed to be paid to Mr. Harsh K. Jha, is just and reasonable.
- 7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personal, if any: None

III. Other information :

- 1) Reasons of loss or inadequate profits: The pig iron industry has been significantly hit by the spiraling rise in price of iron ore, coke and coking coal coupled with short term supply disruptions. The Redi plant at Maharashtra was under complete shutdown during the 2nd half of the financial year as the company entered into a Business Transfer Agreement on September 28, 2011 for hiving-off the unit but the same did not materialize. This has impacted on the overall profitability of the company to a large extent compared to the past trend.
- 2) Steps taken or proposed to be taken for improvement: A lesser company would have crumpled under pressure, but not TML. We took stock of the situation. After years of performance highs, we were faced with a challenge, a serious one, but we faced it boldly and ethically. Here's how :

Fiscally : We decided not to roll over our raw material stock valuation for the next fiscal but revalue it in the same fiscal to oblige accounting standards as a good Corporate Citizen and show the true picture to our stakeholders, including shareholders and bankers. A member of the ethically driven TATA Group, we walked the Corporate Governance talk.

Operationally : We put our heart, mind and soul into leveraging our existing operational strengths at Kharagpur and are in the process of setting up the Sinter Plant therein, minimizing the coke consumption vis-a-vis its cost to a great extent to generate revenue.

Marketing : We injected the stimuli of our brand goodwill, market research and add-ons into the still-sluggish markets by categorising products and customer segments to become more customer-responsive than ever.

Human Capital : We kept the morale of employees, vendors and suppliers high with our transparent disclosures and motivation, including the formation of Must-Win Battle teams to overcome the crisis.

Risk mitigation : We evaluated how much flux in a violent market scenario our Company can absorb, by fixing a prudent Value-at-Risk for finished goods and raw material. Acquiring captive mines to insulate ourselves from raw material volatility is a core focus.

- 3) Expected increase in productivity and profits in measurable terms : The productivity is expected to increase as the company is in the process of backward integration like setting up of sinter plant etc. The profits in measurable term may be ascertained by the end of current financial year.

Item No. 9

Mr. Digambar Pandurang Deshpande joined as Chief Operating Officer of the company and co-opted as an Additional Non-Independent Director in the Board with effect from April 1, 2012.

Since the Company has inadequate profits for the F.Y. 2011-12 the appointment of Executive Director shall be guided by the provisions of Schedule XIII of the Companies Act, 1956, which limits the term of appointment to 3 years. Hence, the Board has at its meeting decided to appoint Mr. Deshpande as Executive Director of the Company for a period of 3 (three) years with effect from April 1, 2012, subject to the approval of the members by Special Resolution and statutory authorities as may be required in this regard.

NOTICE (Contd.)

The appointment of Mr. Digambar Pandurang Deshpande will be in accordance with the following terms and conditions:-

Salary :

The Salary of Mr. Digambar Pandurang Deshpande shall be Rs. 2,20,000/- (Rupees two lacs twenty thousand) only per month in the scale of Rs. 50,000/- to Rs. 5,00,000/- per month, with authority to the Board or the Remuneration Committee thereof to fix his salary within the scale from time to time (with proportionate increase in the value of the benefits linked to salary). The annual increment will be merit based and would take into account the Company's Performance.

Commission :

In addition to salary, perquisites and allowances, performance linked remuneration would be paid, not exceeding twice the annual salary paid to Mr. Digambar Pandurang Deshpande, as may be determined by the Board or the Remuneration Committee thereof, even if the total remuneration, including Performance Linked Remuneration, payable to Mr. Deshpande, may exceed the limits specified under Schedule XIII of the Act.

Perquisites & Allowances :

In addition to the salary and commission or performance linked remuneration payable, the Executive Director shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance, together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings and repairs, medical reimbursement, leave travel concession for himself, and his family, club fees, medical insurance and such other perquisites and allowance in accordance with the rules of the Company or as may be agreed to by the Board or the Remuneration Committee thereof and the Executive Director. Such perquisites and allowances shall be restricted to an overall limit of 125% of the annual salary of the Executive Director.

Provided that –

- I. For the purpose of calculating the above ceiling, perquisites shall be evaluated as per the Income-Tax Rules, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual cost;
- II. Provision for use of Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the

computation of perquisites for the purpose of calculating the said ceiling; and

- III. Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund, to the extent these either singly or together are not taxable under the Income-tax Act, Gratuity payable as per the rules of the Company and encashment of leave at the end of the tenure, shall not be included in the computation of the said ceiling.

The aforesaid appointment and remuneration payable is subject to the approval of the members in the ensuing Annual General Meeting.

The draft agreement, to be entered into between the Company and Mr. Digambar Pandurang Deshpande is available for inspection by the members of the Company, at the Registered Office of the Company, between the hours of 10:00 a.m. - 12:00 noon, on any working day.

This explanatory statement is and should also be treated as an abstract under section 302 of the Companies Act, 1956.

The Board recommends the resolution as set out under Item No. 9 of the Notice, for adoption by the members.

None of the Directors of the Company, save and except Mr. Digambar Pandurang Deshpande, is concerned or interested in Item No. 9 of the Notice.

Statement as per proviso (iv) of Part (C) of Section II of Part II of Schedule XIII of the Companies Act, 1956.

I. General Information :

- 1) Nature of industry: Manufacturers of Pig Iron;
- 2) Date or expected date of commencement of commercial production : April 23, 1994;
- 3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: N.A.
- 4) Financial performance based on given indicators :

(Amount in ₹ Cr)

Particulars	2011-12	2010-11	2009-10
Turnover	1132.92	1291.31	1040.01
Net Profit / (Loss) before Tax & Appropriation	(125.46)	28.68	50.65

NOTICE (Contd.)

- 5) Export performance and net foreign exchange earning: None
- 6) Foreign investments or collaborators, if any: None

II. Information about the appointee :

- 1) **Background details** : Mr. Digambar Pandurang Deshpande was born in the year 1956, Mr. Deshpande has done B. Tech in Chemical Engineering from IIT Mumbai & Post Graduate Diploma in Business Management from XLRI, Jamshedpur. He has worked for almost 30 years in coke making area at Tata Steel, Jamshedpur in various capacities, including Chief. He was the Chief of projects, to bring in new coke oven batteries and by-product plant at Tata Steel plant in Jamshedpur and Kalinganagar. His last assignment before joining Tata Metaliks was at Tata Steel as Chief (coke sinter and iron) at 6.8 Mtpa capacity level.
- 2) **Past remuneration** : NIL
- 3) **Recognition or awards** : He was a Member of CII delegation which visited Japan in 2008 on TQM.
- 4) **Job profile and his suitability** : He is responsible for the overall day to day operations of the Company. Considering his qualification and wide experience, he is found to be suitable for the position of Executive Director of the Company.
- 5) **Remuneration proposed** : (a) Salary in the Scale of Rs. 50,000 – Rs.5,00,000 (b) Perquisites & Allowances not exceeding 125% of the Annual Salary and (c) Performance Linked Remuneration not exceeding twice the Annual Salary, subject to necessary approval of the Members and statutory authority, if necessary.
- 6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin): Tata Metaliks Ltd. is the largest Pig Iron manufacturer in India. Comparable remuneration profile is not readily available. It is believed that the remuneration proposed to be paid to Mr. Deshpande is just and reasonable.
- 7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personal, if any: None

III. Other information :

- 1) Reasons of loss or inadequate profits: The pig iron industry has been significantly hit by the spiraling rise in price of iron ore, coke and coking coal coupled with short term supply disruptions. The Redi plant at Maharashtra was under complete shutdown during the

2nd half of the financial year as the company entered into a Business Transfer Agreement on September 28, 2011 for hiving-off the unit but the same did not materialize. This has impacted on the overall profitability of the company to a large extent compared to the past trend.

- 2) Steps taken or proposed to be taken for improvement: A lesser company would have crumpled under pressure, but not TML. We took stock of the situation. After years of performance highs, we were faced with a challenge, a serious one, but we faced it boldly and ethically.

Fiscally : We decided not to roll over our raw material stock valuation for the next fiscal but revalue it in the same fiscal to oblige accounting standards as a good Corporate Citizen and show the true picture to our stakeholders, including shareholders and bankers. A member of the ethically driven TATA Group, we walked the Corporate Governance talk.

Operationally : We put our heart, mind and soul into leveraging our existing operational strengths at Kharagpur and are in the process of setting up the Sinter Plant therein, minimizing the coke consumption vis-a-vis its cost to a great extent to generate revenue.

Marketing : We injected the stimuli of our brand goodwill, market research and add-ons into the still-sluggish markets by categorising products and customer segments to become more customer-responsive than ever.

Human Capital : We kept the morale of employees, vendors and suppliers high with our transparent disclosures and motivation, including the formation of Must-Win Battle teams to overcome the crisis.

Risk mitigation : We evaluated how much flux in a violent market scenario our Company can absorb by fixing a prudent Value-at-Risk for finished goods and raw material. Acquiring captive mines to insulate ourselves from raw material volatility is a core focus.

- 3) Expected increase in productivity and profits in measurable terms : The productivity is expected to increase as the company is in the process of backward integration like setting up of sinter plant etc. The profits in measurable term may be ascertained by the end of current financial year.

On behalf of the Board of Directors

Sankar Bhattacharya

Chief (Corporate Governance)

& Company Secretary

Place : Kolkata

Date : July 5, 2012

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. Ashok Kumar Basu	Mr. Dipak Banerjee
Director Identification No.	01411191	00028123
Date of appointment	29.03.2007	26.07.2003
Date of Birth	24.03.1942	19.02.1946
Expertise in specific functional areas	IAS, Retired	Chartered Accountant
Qualifications	<ul style="list-style-type: none"> • B.A (Hons.), I.A.S. 	<ul style="list-style-type: none"> • B. Com(H), CA
List of companies in which outside Directorship held as on March 31, 2012	<ul style="list-style-type: none"> • Visa Resources India Ltd. • Triplate Co. of India Ltd. • JSW Bengal Steel Ltd. • Visa Power Ltd. • Bharat Heavy Electricals Ltd. • The Tata Power Co. Ltd. 	<ul style="list-style-type: none"> • DIC India Ltd. • International Shipping & Logistics, FZE • Mjunction Services Limited • Shristi Infrastructure Development Corp. Ltd. • Tata Metaliks Kubota Pipes Limited • Tata Sponge Iron Limited • Tayo Rolls Ltd. • Tinplate Co. of India Limited • TM International Logistics Limited
Chairman / Member of the committees of the Boards of companies on which he is a Director as on March 31, 2012	<ul style="list-style-type: none"> • Tata Metaliks Limited <ul style="list-style-type: none"> - Audit Committee (M) - Shareholders' Grievance Committee (C) - Ethics & Compliance Committee (C) • Visa Resources India Limited <ul style="list-style-type: none"> - Remuneration Committee (C) - Finance & Banking Committee (M) - Audit Committee (M) • Triplate Co. of India Ltd. <ul style="list-style-type: none"> - Audit Committee (M) - Shareholders Grievance Committee (C) • JSW Bengal Steel Ltd. <ul style="list-style-type: none"> - Audit Committee (M) • Visa Power Ltd. <ul style="list-style-type: none"> - Audit Committee (M) - Remuneration Committee (C) • Bharat Heavy Electricals Ltd. <ul style="list-style-type: none"> - Project Implementation Comm. (M) - Remuneration Committee (C) 	<ul style="list-style-type: none"> • DIC India Ltd. <ul style="list-style-type: none"> - Audit Committee (C) - Remuneration Committee (C) • Mjunction Services Limited <ul style="list-style-type: none"> - Audit Committee (C) • Shristi Infrastructure Development Corporation Ltd. <ul style="list-style-type: none"> - Audit Committee (C) - Shareholders' Grievance Committee (M) • Tata Metaliks Ltd. <ul style="list-style-type: none"> - Audit Committee (M) - Remuneration Committee (M) - Committee of Board (M) • Tata Sponge Iron Limited <ul style="list-style-type: none"> - Audit Committee (M) • Tinplate Co. of India Limited <ul style="list-style-type: none"> - Audit Committee (M) - Remuneration Committee (C) • TM Internation Logistics Limited <ul style="list-style-type: none"> - Audit Committee (C) • Tata Metaliks Kubota Pipes Limited <ul style="list-style-type: none"> - Audit Committee (M) • Tayo Rolls Limited <ul style="list-style-type: none"> - Audit Committee (M)
Shareholding in Tata Metaliks Ltd.	NIL	NIL

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	Dr. Pingali Venugopal	Mr. D. P. Deshpande	Mr. Krishnava Dutt
DIN No.	05166520	02526471	02792753
Date of appointment	05.01.2012	01.04.2012	05.07.2012
Date of Birth	11.05.1958	04.10.1956	16.10.1974
Expertise in specific functional areas	Management	Chemical Engineering	Corporate Law
Qualifications	<ul style="list-style-type: none"> • Fellow Programme in Management • Post Graduate Diploma in Management from IIM, Ahmedabad • Bachelor of Science Agriculture 	<ul style="list-style-type: none"> • B. Tech, PGDBM, XLRI, Jamshedpur 	<ul style="list-style-type: none"> • B.Sc. LLB
List of companies in which outside Directorship held as on March 31, 2012			<ul style="list-style-type: none"> • Macmet India Limited • Jai Balaji Industries Limited • Himadri Chemicals & Industrial Ltd.
Chairman / Member of the committees of the Boards of companies on which he is a Director as on March 31, 2012			<ul style="list-style-type: none"> • Jai Balaji Industries Limited Audit Committee (M)
Shareholding in Tata Metaliks Ltd.	NIL	NIL	NIL

DIRECTORS' REPORT



Dear Shareholders,

Your Directors are pleased to present the Twenty Second Annual Report of the working of the Company along with the statement of accounts and the Auditors' Report for the financial year ended March 31, 2012.

1. Financial Results

(₹ Crore)

Particulars	Current Year (Stand-Alone)	Previous Year (Stand-Alone)	Current Year (Consolidated)	Previous Year (Consolidated)
Gross Income from sales and other operations	1240.15	1438.87	1327.76	1462.92
Profit/(Loss) before Interest, Depreciation and taxes	(83.37)	74.03	(103.50)	48.87
Less : Interest	25.62	28.71	39.65	37.66
Profit/(Loss) before Depreciation and Taxes	(108.99)	45.32	(143.15)	11.21
Less : Depreciation	16.47	16.64	26.95	26.41
Profit/(Loss) before Taxes	(125.46)	28.68	(170.10)	(15.20)
Less : Provision for Taxes including deferred taxes	(34.86)	5.73	(34.86)	5.73
Profit/(Loss) After Taxes	(90.60)	22.95	(135.24)	(20.93)
Less : Minority Interest	–	–	(21.77)	(21.50)
Profit/(Loss) After Tax and Minority Interest	(90.60)	22.95	(113.47)	0.57
Profit/(Loss) and loss credit balance brought forward	3.53	(12.16)	(37.32)	(30.62)
Balance available for appropriation	(87.07)	10.79	(150.79)	(30.05)
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	(87.07)	3.53	(150.79)	(37.31)

DIRECTORS' REPORT (Contd.)

Dividend

As the company has suffered losses, the Directors are not in a position to recommend any dividend for 2011-12.

Change in Capital Structure

Authorized Share Capital

TML has increased and changed the authorized share capital of the company from ₹ 100.00 crore to ₹ 150.00 crore by (i) retaining 5.00 crore equity shares of ₹ 10 each aggregating ₹ 50.00 crore (ii) re-classifying 5.00 crore equity shares of ₹ 10/- each as 50.00 lac preference shares of ₹ 100/- each aggregating ₹ 50.00 crore; and (iii) creation of 50.00 lac preference shares of ₹ 100/- each aggregating ₹ 50.00 crore, through postal ballot during the year under review.

Issued, subscribed and paid-up capital

The Company has received ₹ 100.00 crore from its holding company i.e. Tata Steel Limited (TSL) by way of equity and made an allotment of 1.00 crore redeemable preference shares of ₹ 100/- each to TSL, on preferential allotment basis, during the year under review.

Business Results

In the year under consideration, TML passed through considerable difficulty mainly due to soaring prices of coal and iron ore. The price of coal and iron ore went up by 30% over the previous year while product prices could be raised only upto 17%. This reduction in the spread put considerable pressure on the margins.

Due to steep increase in price of lump ore from Karnataka associated with limited availability and significant drop in quality, TML had to suspend operations at Redi from October 2011. With only one plant in operation, the sales volume declined significantly from 473,332 tons in 2010-11 to 356,121 tons in 2011-12.

TML had entered into an agreement to sell the Redi Unit, and prepaid a considerable portion of the long term debt to make the unit unencumbered. The transaction could not be consummated due to irreconcilable differences with the buyer.

This has resulted in an imbalanced capital structure. The Company is taking steps to restate the appropriate mix of long term and short term debts.

Kharagpur operations also incurred losses due to higher raw material costs, disruption in iron ore supply in the last quarter

of the year and unstable blast furnace health that led to higher coke consumption.

Tata Metaliks Kubota Pipes Ltd. (TMKPL) subsidiary of your Company could increase the production of pipes by 143% from 20402 tons to 49,502 tons but could not achieve its business targets for the year due to lower net realizations arising out of intense competition in the ductile iron (the "DI") pipe industry. The DI Pipe business witnessed entry of three new manufacturers (including TMKPL) all located in the eastern part of the country. This brought about ≈ 20-25% drop in net realization for pipes which made the business unprofitable for all manufacturers of DI Pipe. Towards the end of 2011-12, prices began moving up but are still below expected levels. The upward trend in coke and iron ore prices also caused a significant increase in the input cost of the business.

Thus, on a consolidated basis TML reported a Loss after Tax and Minority Interest of ₹ 113.47 crores in 2011-12 against a profit of ₹ 0.57 crores in the previous year.

Building Customer Centric culture -

With TML's focus on 'Customer Centricity', an organization-wide initiative "SCOPE" launched in earlier years has helped in integrating and aligning of work processes within the company and in building a better understanding of the requirements of internal and external customers.

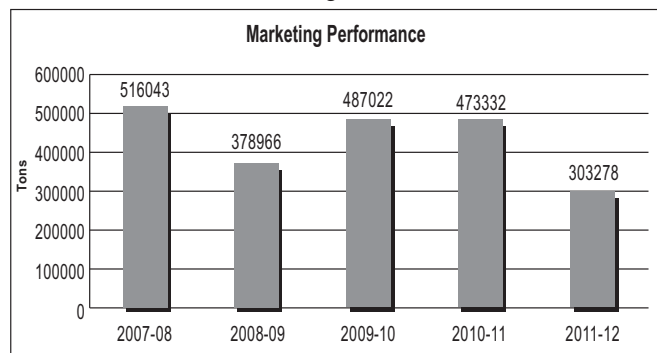
The Marketing and Sales objective for 2012-13 is to augment the Company's net realization by offering premium product Tata eFeeTM, the first branded pig iron which has created possibilities of bringing down energy consumption in the foundries by 5-15%. 55,177 tons of Tata eFeeTM was sold during 2011-12 and the Company expects to increase the share of Tata eFeeTM in the coming years. The Company plans to improve market share with higher volumes of the value added product and enhanced services. This is expected to reduce the sales to cash realization cycle.

Sales Performance

During 2011-12, your Company produced 352,322 tons of hot metal and sold 303,278 tons of pig iron (domestic 295942 tons with market share of 8% and export 7336 tons). The off-take of hot metal by the DI pipe business started to increase over the months and reached its maximum in March 2012. The sales performance of pig iron for the past five years is presented below :

DIRECTORS' REPORT (Contd.)

Figure - 1
Production - Hot Metal and Pig Iron



Domestic prices of pig iron which were stable in the first quarter of 2011-12 started rising from August 2011 and thereafter again remained stable. International prices remained significantly lower than domestic prices and your company did not find it lucrative to export pig iron. Therefore, exports share in the total revenue was marginal.

Pig iron market remained volatile and non-committal with regard to long term purchases. The total share of pig iron produced by secondary manufacturers has marginally declined from 89.64% in 2010-11 to 88.08% in 2011-12. 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.

Expansion Projects

- (i) Projects at Kharagpur
 - a) As previously reported, your Directors are hopeful of commissioning the 40m² Sinter Plant at Kharagpur by September, 2012. This project will enable TML to substitute 50% of the expensive lump ore by sinter in the blast furnace burden.
 - b) The Board of Directors of the Company has also approved normal relining, modification and up gradation of MBF#2 at the Kharagpur Unit for its capacity enhancement from the current volume of 215m³ to a new volume of 259m³. The cooling water circuit of the blast furnace will also be modified to reduce water consumption. This, together with bell less top charging facility, will yield benefits to the Company through increase in production by 15000 THM/year, decrease in coke rate by 12 kg/THM and reduction in specific emission by 0.07 TCO₂/THM.

- (ii) Karnataka Project

Further to the development reported last year, there have not been any major developments except on land acquisition. Against the approval for allotment of 2500 acres of land, your Company was asked to make advance payments to Karnataka Industrial Area Development Board (KIADB).

- (iii) Backward integration - Acquisition of mines

Your Company has taken up with Government to get a mining lease after submitting the prospecting report and mining lease application for Dongarpal Mines, from Government of Maharashtra.

Proposals for acquisition of mines in the iron ore bearing states of Karnataka, Odisha, Jharkhand, Chhatisgarh for the 3 mtpa steel project as well as raw material linkages for Kharagpur project are being pursued.

Consolidated Financial Statements

The Audited Consolidated Financial Statements based on the Financial Statements received from the subsidiary Company, TMKPL as approved by its Board of Directors, 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' and Accounting Standard-27 (AS-27) - 'Financial Reporting of Interests in Joint Ventures', 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 i.e. 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 February 8, 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.

DIRECTORS' REPORT (Contd.)**Directors**

Mr. Ashok Kumar Basu and Mr. Dipak Kumar Banerjee retire by rotation at the ensuing Annual General meeting and are eligible for re-appointment.

Dr. Pingali Venugopal, Mr. Digambar Pandurang Deshpande and Mr. Krishnava Dutt have been co-opted as Additional Directors in the Board and will hold their respective offices up to the date of the ensuing annual general meeting of the company. The Company has received notices under Section 257 of the Companies Act, 1956 from three shareholders of the company who have proposed the respective candidatures of Dr. Pingali Venugopal, Mr. Digambar Pandurang Deshpande and Mr. Krishnava Dutt as Director in the company.

Your Board took little more time than prescribed to re-balance its desired composition, as Board was in search for a right profile and finally co-opted Dr. P Venugopal in the Board.

Mr. Harsh K Jha, has been re-appointed as Managing Director for a further period of 1 (one) year with effect from April 1, 2012.

Mr. Digambar Pandurang Deshpande has been appointed as Executive Director of the Company for a period of 3 (three) years with effect from April 1, 2012.

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 standard listing agreement.

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) and in compliance of Section 226 of the Companies Act, 1956.

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.

Particulars of Employees

The information required under Section 217(2A) of the Companies Act, 1956 and the Rules made there under, in respect of the employees of the Company, and in terms of Section 219(1)(b)(iv) is available for inspection by Members at the Registered Office of the Company during business hours on working days up to the date of the ensuing AGM, and if any Member is interested in obtaining a copy thereof such Member may write to the Company, whereupon a copy would be sent.

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 2011-12.

A Certificate from the Statutory Auditors of the Company regarding compliance of conditions and provisions of the Corporate Governance is enclosed after the Corporate Governance Report.

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 2003-04 were credited to the Investors' Education & Protection Fund :

Sl	Particulars	Date of Transfer	Amount transferred
1	Unpaid dividend 2003-04	19.08.2011	₹ 2,287,921.00

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@tatametaliks.co.in'.

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

DIRECTORS' REPORT (Contd.)

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.

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.

Corporate Social Responsibility

Your Company along with TMKPL engages itself in various community initiatives under "Sadbhavna".

The Company focuses on the areas of health, education & employability issues of the community.

(i) Health :

Under Maternal & Child Health care initiative, nutritional survey camp for school children has been very effective in bringing down the number of cases with skin diseases, malnutrition etc.

Women in the rural areas underplay their health and non availability of female doctors in the community was a disadvantage for them. Gynaecological camps have been organized to benefit the women of our community.

(ii) Education :

In the field of education, scholarships were provided to meritorious students coming from BPL (Below Poverty Line) category and aspiring for higher studies.

(iii) Employability :

The vermicompost project is sustainable for the last two years. A group of dedicated tribal women of SHG called Sidukanu Birsa at Kunjachawk are successfully running this project and have created a livelihood to supplement the income of their family.

Your Company has also initiated to provide technical education (ITI) to the youth of the nearby villages who are from economically weaker sections of society.

Driver's training :

To promote self employment in the vicinity of TML plant, Kharagpur, driver's training program has been held by TML and driving license has been provided to 22 persons of nearby villages.

Directors' Responsibility Statement :

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

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of your Company for that period;
- iii) 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
- iv) 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, 2012.

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.

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.

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 : July 5, 2012

Koushik Chatterjee
Chairman

DIRECTORS' REPORT (Contd.)**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 (the "TCoC") for its employees including the Managing Director and Whole-time Directors. In addition, the Company has adopted the TCoC 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 2011-12 received from the Members of the Board and the senior management team of the Company the required declaration with respect to the 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 March 31, 2012.

Kolkata
April 20, 2012

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

	2011-12 ₹ in lacs	2010-11 ₹ in lacs
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.)	32,247.89	28,552.00
Interest	396.18	160.31
Traveling abroad	8.41	9.75
Consultancy fees on capital Account	191.05	12.14
Others	3.02	4.69

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

FORM 'A'

Form for disclosure of particulars with respect to conservation of energy

	2011-12	2010-11	Reasons for variation
A) POWER AND FUEL CONSUMPTION			
1) Electricity			
a) Purchased			
Units (Lakh KWH)	16.55	21.73	
Total amount (₹ in Lacs)	223.59	216.17	Unit cost has increased due to rate increase & levy of cess by State Electricity Board
Cost/Unit (₹/KWH)	13.51	9.95	
b) Own Generation			
(i) Through diesel generation			
Units (Lakh KWH)	2.26	2.76	
Units per ltr of High Speed Diesel (KWH)	3.23	3.44	
Cost/Unit (₹/KWH)	12.83	10.93	Escalation in HSD price
(ii) Thorough steam turbine/generator			
Units (Lakh KWH)	634.85	849.02	
Units per ltr of High Speed Diesel (KWH)	146.89	132.44	
Cost/Unit (Rs/KWH)	0.28	0.26	Escalation in HSD price
2) Coal	NIL	NIL	
3) Furnace Oil	NIL	NIL	
4) Light Diesel Oil			
Quantity (K.ltrs)	NIL	NIL	
Total amount (₹ Lakhs)	NIL	NIL	
Average rate (₹/K.ltrs.)	NIL	NIL	
5) High Speed Diesel Oil			
Quantity (K.ltrs)	585.33	714.06	
Total amount (₹ Lakhs)	237.32	259.16	
Average rate (₹/K.ltrs.)	40,544.07	36,293.80	
B) CONSUMPTION PER UNIT OF PRODUCTION PER TONNE OF PIG IRON			
Electricity (KWH)	190.79	183.08	
Coal	–	–	
Others :			
Light Diesel/Furnace Oil (Liters)	–	–	
High Speed Diesel Oil (Liters)	1.71	1.50	

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

FORM 'B'

Form for disclosure of particulars with respect to Technology Absorption : 2011-12

RESEARCH AND DEVELOPMENT (R&D)

1. Specific areas where R & D carried out by the Company	A new shape of pig iron that melts faster-branded as Tata efee
2. Benefits derived as a result of the above R & D	Yet to be evaluated
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.	



MANAGEMENT AND ANALYSIS DISCUSSION

Industry Structure and Developments

While 2011-12 started on a positive note with the world economy coming out of the recessionary effects of previous years, economic, political and other developments soon turned the tide. The year witnessed considerable uncertainty with the debt crisis in Europe and prospects of a slowdown in other developed nations impacting overall growth prospects adversely. Emerging economies were not insulated and also experienced lower growth rates.

all around. As a result, commodity prices went up almost to the peak levels experienced earlier, with the expectation that demand would be going up in the same way. Prices of iron ore, coking coal and thermal coal rose to unexpected levels.

Over and above this, there was a shortage of iron ore in India as a result of the ban on mining in most of the mines in Karnataka and many in Odisha. This embargo on mining resulted in shortfall of good quality iron ore supplies at competitive prices.

The Indian pig iron industry had to face these price and availability pressures and experienced contraction in margins. In 2011-12, raw material prices have increased by more than 30% whereas pig iron prices increased partially upto 17% after a lag of four months. In addition, rising interest rates and depreciation of the Rupee against the US Dollar have put further stress on the profitability. The slowdown together with the restriction on iron ore mining in Karnataka had a severe impact on the performance of the Redi plant of the Company.

With continuing growth, albeit at a lower rate, in the automobile and energy sector, which are the major consumers of the casting manufacturers, demand for castings is expected to have a moderate growth. With higher availability of iron ore, after partial lifting of the ban on iron ore mining in Karnataka, pig iron producers will witness better capacity utilization. However, margins of pig iron industry are expected to be under pressure due to high raw material costs and the industry's inability to pass on the increased cost to its consumers.

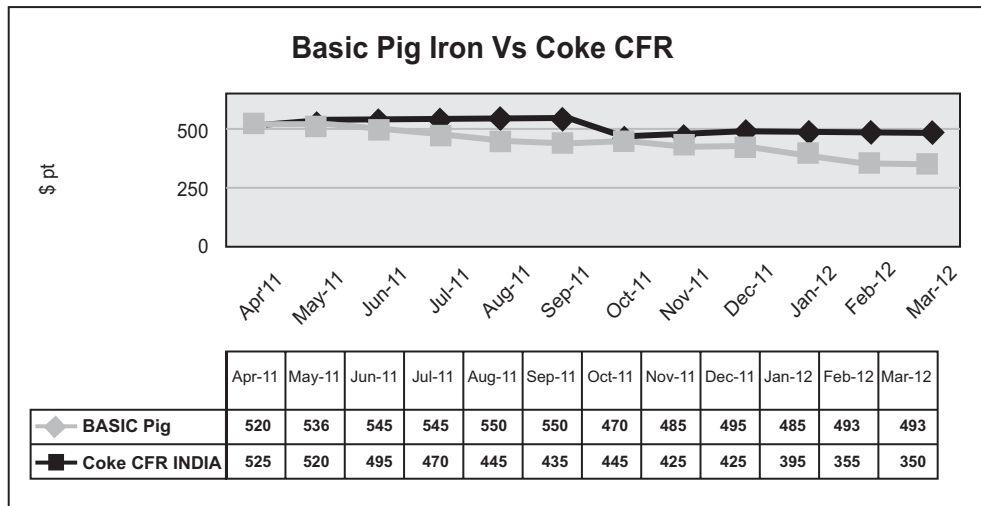
In the domestic market, over the last two decades, market share of pig iron has moved from the integrated steel plants (Main producers) to the stand-alone pig iron units (Secondary producers). During 2011-12, for the first time, the share of production of the secondary producers fell by about one percent, since the secondary producers found the business less competitive, which resulted in curtailment of production.

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. In 2011-12 however, the gap between pig iron price and coke price narrowed significantly down to \$50.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

The figure below depicts the high volatility in pig iron and coke prices and illustrates the margin pressures experienced in 2011-12.



[Source: Tax Report & CMR Report]

Financial Performance with respect to Operational Performance

Your Company produced 342,597 tons of Pig iron in 2011-12 compared to 477,115 tons in the previous year. In 2011-12 your Company sold 356,121 tons of pig iron and hot metal to achieve a turnover of ₹ 1240 crore in comparison to ₹ 1439 crore of previous year turnover from sales of 473,332 tons. On a standalone basis, in 2011-12, the company incurred a Loss after Tax of ₹ 90.60 crore against a Profit after Tax of ₹ 22.95 crore in 2010-11.

Production at the Kharagpur unit suffered due to poor health of both the blast furnaces with dislodged refractory lining and leaking shell plates.

With availability being a constraint, iron ore for the Redi unit had to be sourced from multiple mines in the first half of 2011-12. On account differences in chemical composition, the coke rate was adversely impacted and this resulted in higher operating costs. The plant was shut down in the second half of the financial year in view of these difficulties and high prices of iron ore. The business transfer agreement for divestment of the Redi Plant could not be concluded on account of certain irreconcilable differences and was terminated in March 2012.

Offtake of hot metal by Tata Metaliks Kubota Pipes Ltd. (TMKPL) was higher in 2011-12 and it was able to produce 49502 tons of Ductile Iron (DI) Pipe in 2011-2012 compared to 20402 tons in 2010-11; an increase of 143% increase over the previous year. TMKPL achieved a sale of ₹ 237.49 crore in the domestic market. However, due to low capacity utilization and realizations, TMKPL incurred a loss of ₹ 44.43crore, an increase of 1.27% over the previous year.

Hence, on a consolidated basis your Company ended 2011-12 with a Loss before Tax and minority interest of ₹ 170.10 crore against a Loss before Tax and minority interest of ₹ 15.20 crore in 2010-11.

Opportunities

It is your Company's strategic intent to secure long-term growth by undertaking value accretive projects to improve its operating margins.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

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 the following :-

- 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 average levels of 690MT/THM to about 630MT/THM. The sinter plant is under construction and expected to be in operation by September 2012
- b. Setting up of Coke Conversion units at Kharagpur 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 in your Company's account;
- c. Power generation would be facilitated by the flue gas (waste gas) emitting from the coke conversion facilities. The power thus generated would be for captive use and surplus power would be sold to the Grid to generate revenue;
- d. Ductile Iron Pipe project by TMKPL is expected to stabilize in 2012-13 and with the superior products; TMKPL would be making its presence felt in the market.

Threats

Iron ore and coke constitute the major cost component in the production of pig iron. Adverse price fluctuations in iron ore and coke as experienced by your Company in 2011-12 impacted the profitability of your Company. Your Company is actively pursuing the securing of mining lease for captive iron ore source. The long term agreement signed with NMDC has run into difficulty until revoking of the order for selling of iron ore through auction and restoring commercial operation of mines. Apart from this, your Company is also exploring the opportunity of entering into long-term arrangements with existing mine owners.

As regards coking coal, your company has started to use the supply chain of Tata Steel Limited. This provided an advantage in keeping the inventory low and getting bulk shipping discount. Coke procurement is also being matched and balanced between imports and domestic suppliers to reduce inventory.

Foundries using pig iron, are faced with the challenge of reducing their power consumption. Your Company being aware of this predicament of the 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 allows them to use high quality pig iron to deliver superior products to their customers with efficient energy usage.

Outlook

The projected addition of hot metal capacities by large integrated steel producers and the secondary pig iron manufacturers is likely to create a situation of oversupply as against the projected demand. The supply demand imbalance would keep pig iron prices under pressure. However, the raw material prices of iron ore and coal are expected to fall in the coming months when Karnataka's iron ore mines and Australia's coal mines start producing at the normalized level. The outlook for sourcing raw materials to Redi plant looks difficult until the ban on iron ore mining is completely lifted.

On account of low demand, capacities in the foundry industry are currently underutilized. In the long term perspective, this industry is destined to grow with the imminent growth in automobile and engineering sector. India is expected to emerge as a global hub of cast components. The Indian foundry industry is geared up to utilize the immense opportunity of becoming an Asian hub for supply of high quality castings for automotive, auto ancillary and other capital goods industries. Revised global forecast for 2015 suggests that world casting production will reach 93.50 million tons from 91.40 million tons in 2011. The Indian casting industry being the second largest casting producer (9.05 million ton in 2011) should further strengthen itself, resulting in higher consumption of pig iron. Hence, under current scenario the pig iron market is expected to remain depressed for some time now but is likely to improve with favourable demand and input costs in the future.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Risks and Concerns -

Risk management is an integral part of the strategic management of your Company. The risk management team focuses on making periodic assessment of significant risks likely to impact the Company operations and draws up suitable action plan to address the concerns.

The process of Risk Management in your Company identifies risks inherent in its operations and records residual risk after taking specific risk mitigation steps. Your company has identified and categorized risks in the areas of Operations, Finance & Marketing, Regulatory Compliances and Corporate matters.

The steel industry is subject to cyclical swings arising from factors such as excess capacity, regional demand and supply imbalances and volatile swings in market demand and prices, more recently exacerbated by swings in input prices as well as the Euro Zone crisis. These factors can adversely affect the demand-supply equation in the pig iron industry. The price of pig iron is also 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 and coking coal in foreign currency for which adequate forward cover is taken as per Foreign Exchange Policy approved by the Board. Wherever necessary, appropriate insurance cover is also taken to mitigate the risks.

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.

The Company has contingent liabilities 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 authorized, 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 findings and observations to the Audit Committee which meets at regular intervals to review 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 had 642 employees on its roll as on March 31, 2012 as compared to 661 as on March 31, 2011. Your company believes in the need to prepare competencies today for the challenges of tomorrow and works towards it through a structured learning and development system. Your Company is focused 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 and dedicated approach towards healthy and cordial industrial relations.

Corporate Social Responsibility

The Company in its endeavor to minimize its carbon footprint and maximize human capital has put systems and processes in place as per the Global Reporting Initiative (GRI) Guidelines for the Triple Bottom Line and the UN Global Compact. The Company

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

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 has taken the following initiatives to address environmental concerns:-

1. Achieving water neutral status for plant operations;
2. Energy, resource conservation across all operations / functions;
3. Reduced greenhouse gas emission through waste heat recovery and control mechanism;
4. Carbon Credit initiatives;
5. Occupational hazards control & emergency preparedness;
6. Integrated community engagement & support;
7. Creating awareness amongst foundries and offering process/product consultancy by our Customer Service Centre to enable them transform into Green Foundry;
8. Integrity in all internal and external dealings and communications

The above initiatives are aimed at reducing the Company's carbon footprint.

Statutory Compliance

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

The Company Secretary, being the Compliance Officer, 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 cannot 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



Governance Philosophy

The Tata Values

We at Tata Metaliks believe that good Corporate Governance is a reflection of behaviour that can hardly 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

An optimum combination of both independent and non-independent directors in the Board to ensure that the independence prevails at all the times while transacting each of the agenda items. The Board 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. There are 8 (eight) Directors on Board with one Executive Director as on March 31, 2012. 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 MARCH 31, 2012

Category	Directors	No. of Directors	Percentage of total number of Directors
Promoter - Executive Director - Non-Executive Directors	Mr. Harsh K. Jha (@)	1	12.50%
	Mr. Koushik Chatterjee Mr. Ashok Kumar Mr. V S N Murty	3	37.50%
Independent Directors	Mr. A. C. Wadhawan Mr. Dipak Banerjee # Mr. Ashok Kumar Basu # Mr. Manish Gupta* Dr. P. Venugopal **	4	50.00%
Total	–	8	100.00%

(@) Re-appointed as Managing Director

(#) Retire by rotation at the ensuing Annual General Meeting.

(*) Resigned from the Board w.e.f. May 17, 2011

(**) Co-opted as an Additional Director w.e.f. January 5, 2012

Note : (1) Mr. Digambar Pandurang Deshpande has been co-opted as an Additional Director w.e.f. April 1, 2012 and also appointed as the Executive Director of the Company w.e.f. April 1, 2012;

(2) Mr. Krishnava Dutta has been co-opted as an Additional Director w.e.f. July 5, 2012.

Role of the Board :

The Board of Directors of the Company primarily performs the following functions :

- Review Strategic Plan for the Company;
- Oversee the conduct of the Company's business to evaluate whether the business is being properly managed;
- Review the risk profile of the Company and their mitigation plans
- Develop and implement an investor relations programme or shareholders communications policy for the Company; and
- Review 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 March 31, 2012

Sl. No.	Name of Director	Category	Financial Year 2011-12 Attendance at		No. of Directorships in other public companies		No. of Committee positions held in public companies	
			Board Meeting	Last AGM held on Sept. 29, 2011	Chairman	Member	Chairman	Member
1.	Mr. Koushik Chatterjee	Not independent Non-executive	9	Yes	1	1	-	-
2.	Mr. A. C. Wadhawan	Independent Director	8	Yes	-	2	-	1

CORPORATE GOVERNANCE REPORT (Contd.)

Sl. No.	Name of Director	Category	Financial Year 2011-12 Attendance at		No. of Directorships in other public companies		No. of Committee positions held in public companies	
			Board Meeting	Last AGM held on Sept. 29, 2011	Chairman	Member	Chairman	Member
3.	Mr. Dipak Banerjee	Independent Director	8	Yes	1	8	4	5
4.	Mr. Ashok Kumar Basu	Independent Director	9	Yes	-	6	1	4
5.	Mr. Manish Gupta *	Independent Director	-	N.A.	-	-	-	-
6.	Dr. Pingali Venugopal	Independent Director	3	N.A.	-	-	-	-
7.	Mr. V S N Murty	Non independent Non-executive	8	Yes	-	4	-	4
8.	Mr. Ashok Kumar	Non independent Non-executive	9	Yes	-	-	-	-
9.	Mr. Harsh K Jha (Managing Director)	Non independent Executive	9	Yes	1	-	-	-

(*) Resigned from the Board w.e.f. May 17, 2011

Details of Board Meetings held during the Financial Year 2011-12 :

Sl. No	Date of Meeting	Board Strength	No. of Directors present
1	April 26, 2011	8	6
2	July 27, 2011	7	7
3	September 16, 2011	7	7
4	September 27, 2011	7	7
5	October 21, 2011	7	7
6	November 16, 2011	7	7
7	January 20, 2012	8	7
8	February 16, 2012	8	7
9	March 26, 2012	8	8

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 businesses. 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 Financial Year 2011-12, 9 (nine) 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.

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

CORPORATE GOVERNANCE REPORT (Contd.)

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 (both standalone and consolidated) 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. Status of business risk exposures, its management and related action plan is presented to the Audit Committee;
23. System Assurance findings & reports through the Audit Committee;
24. Risk Analysis Report;
25. Updates on Risk Register of the Company;
26. 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;
27. Company's management development processes and succession of senior management;
28. Significant developments on the human resources front;

CORPORATE GOVERNANCE REPORT (Contd.)

29. 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. The 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 Independent Directors and Non-Executive, Non-Independent Director.

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 decides 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 Executive 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 - Chairman	Independent	4	Yes
Mr. Dipak Banerjee	Independent	2	Yes
Mr. Manish Gupta *	Independent	-	N.A.
Mr. Ashok K Basu	Independent	4	Yes
Mr. V.S.N.Murty	Non-Independent	3	Yes

(*) Resigned from the Board w.e.f. May 17, 2011

Audit Committee comprises of 3 (three) Independent Directors and 1 (one) 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, 4 (four) Audit Committee meetings were held on April 25, 2011, July 25, 2011, October 21, 2011 and January 19, 2012.

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. Managing Director and Financial heads are also invited to attend on need base 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) Approve annual increment in the remuneration payable to the Managing Director within the salary scale as sanctioned by the shareholders;
- 2) Vary, alter or widen the terms of remuneration of the Managing Director within the limits sanctioned by the shareholders;
- 3) Determine commission/performance linked remuneration payable to the Managing Director and the Non-Executive Directors within the limits specified by shareholders;
- 4) Sanction 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 4 (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 2011-12 are as follows :

Name of the Director	Category	Number of Meetings Attended	Whether attended last AGM or not
Mr. A.C.Wadhawan - Chairman	Independent	1	Yes
Mr. Koushik Chatterjee	Non-Independent	1	Yes
Mr. Dipak Banerjee	Independent	-	Yes
Mr. Manish Gupta *	Independent	N.A.	N.A.
Mr. Pingali Venugopal	Independent	-	N.A.

(*) Resigned from the Board w.e.f. May 17, 2011

During the year 2011-12, the Committee met once on April 26, 2011.

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 and Company performance. 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, if approved. The Non-Executive Directors, except the Nominee Director(s) 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 by way of sitting fees paid to the Directors during 2011-12 are as follows :

I. Non-executive Directors

Name of Directors	Sitting Fees (₹)	Performance Linked Remuneration/Commission (₹)
Mr. Koushik Chatterjee	1,10,000/-	Nil
Mr. A. C. Wadhawan	1,30,000/-	Nil
Mr. Ashok Kumar Basu	1,30,000/-	Nil
Mr. Manish Gupta	–	Nil
Mr. Dipak Banerjee	1,10,000/-	Nil
Mr. Ashok Kumar	90,000/-	Nil
Mr. V. S. N. Murty	1,10,000/-	Nil
Dr. Pingali Venugopal	30,000/-	Nil
Total	7,10,000/-	

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 an amount of ₹ 1, 17,633/- was paid to Mr. A. C. Wadhawan on account of air fare reimbursement and ₹ 2,400/- for incidental expense on such account.

II. Managing Director

Managing Director	Consolidated Salary (₹)	Perquisites and Other Benefits (₹)	Company's Contribution towards Provident Fund, Gratuity & Superannuation Fund (₹)	Performance Linked Remuneration for F.Y. 2011-12 to be paid during the F.Y. 2012-13 (₹)	Total (₹)
Mr. Harsh K Jha	31,56,000	22,31,439	9,46,800	13,15,000	76,49,239

Period of contract of Managing Director	<p>The earlier contract expired on March 31, 2012 and Mr. Jha has been re-appointed for a further period of 1 (one) year w.e.f. April 1, 2012.</p> <p>The Contract may be terminated by either side, giving the other party 6 (six) months' notice in writing or the Company paying 6 (six) months salary in lieu of such notice.</p>
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CORPORATE GOVERNANCE REPORT (Contd.)

Shareholding of the Directors in the Company as on March 31, 2012

Sl. No.	Name	No. of Ordinary Shares of ₹ 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 are to address the shareholders' and investors' complaints and ensure an expeditious share transfer process. The Committee also evaluates performance and service standards of Registrar & Transfer Agent (the "RTA") of the Company and also provides continuous guidance to improve the service levels for investors. The RTA addresses the shareholders / investors grievance on a day to day basis and the same is monitored by the Compliance Officer.

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 March 31, 2012 is given below :

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

Name, designation & address of Compliance Officer :	Mr. Sankar Bhattacharya Chief (Corp.Gov) & Company Secretary Tata Metaliks Limited Tata Centre, 10th Floor 43, Jawaharlal Nehru Road Kolkata - 700071 Telephone No. : +91-33-66134205 Fax No. : +91-33-22884372 Email : investors@tatametaliiks.co.in
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Shareholder/Investor Complaints

Particulars	Nos.
Complaints pending as on April 1, 2011	1
Complaints received during the year ended March 31, 2012	138
Complaints disposed off during the year ended March 31, 2012	138
Complaints pending as on March 31, 2012	1

(IV) SHARE TRANSFER COMMITTEE

To expedite the process of share transfer, Board of Directors at its meeting held on July 30, 2010 has delegated necessary powers to Managing Director and Company Secretary. The delegated authority attend to the share transfer formalities on a fortnightly basis.

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 (the "COB") is constituted as under :

Name of the Committee Members	Position	Held	Attended
Mr. Koushik Chatterjee	Chairman	1	1
Mr. Harsh K. Jha	Member	1	1
Mr. Dipak Banerjee	Member	1	1
Mr. Manish Gupta *	Member	1	0
Mr. Ashok Kumar	Member	1	0

(*) Resigned from the Board w.e.f. May 17, 2011

- (i) The COB has been authorized to approve capital expenditure upto ₹ 5.00 Crore per scheme. Any scheme in excess of ₹ 5.00 Crore is to be put up to the Board for approval based on the recommendation of COB. Further, any scheme costing less than ₹ 5.00 Crore, not included in the Capital Expenditure Plan (the "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.
- (ii) The Chairman and Managing Director have been empowered to sanction donations upto ₹ 1.00 lakh for any purpose. All donations above ₹ 1.00 lakh and up to ₹ 5.00 lakh, are being put up to the COB for approval, subject to periodic reporting to Board.
- (iii) The COB would periodically review the Company's business plan and future strategy.

The Committee met once on August 19, 2011 during the Financial Year 2011-2012.

(b) Investment / Borrowing Committee

The Investment / Borrowing Committee approves 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	Position
Mr. Harsh K. Jha	Chairman
Mr. Manish Gupta *	Member
Mr. VSN Murty	Member
Mr. Dipak Banerjee	Member

(*) Resigned from the Board w.e.f. May 17, 2011

The Chief Financial Officer acts as facilitator to the Committee. The Committee did not meet during the Financial Year 2011-12.

(c) Ethics & Compliance Committee

The Board at its meeting held on July 24, 2009, in keeping with the Tata Code of Conduct, constituted an Ethics & Compliance Committee. The Committee consists of independent directors - Mr. Ashok Kumar Basu is the Chairman of the Committee. Dr. Pingali Venugopal has been inducted in the Committee w.e.f. 20.01.2012 as a member. Committee did not meet during the Financial Year 2011-2012.

Name of the Committee Members	Category
Mr. Ashok K Basu	Chairman
Dr. Pingali Venugopal	Member

CORPORATE GOVERNANCE REPORT (Contd.)

C. GENERAL BODY MEETINGS

Details of last Annual General Meetings of the Company

Financial Year	Details of Location	Date and Time when held	No. of shareholders who attended the AGM	Summary and type of Resolutions Spassed
2008-09	Kalamandir 48, Shakespeare Sarani Kolkata - 700 017	15.09.2009 at 11.30 a.m.	327	By Ordinary Resolution - 6 By Special Resolutions - 4 By Special Resolution by Postal Ballot - 1
2009-10	Willson Magor Hall, The Bengal Chamber of Commerce & Industry 6 Netaji Subhash Road Kolkata - 700 001	24.09.2010 at 2.00 p.m.	445	By Ordinary Resolutions - 6 By Special Resolutions - 2
2010-11	Kalakunj 48, Shakespeare Sarani Kolkata - 700 017	29.09.2011 at 3.30 p.m.	473	By Ordinary Resolutions - 4 By Special Resolutions - 1

(1) Details regarding Special Resolutions passed in the previous 3 AGMs

Shareholders' Meeting	Special Business requiring Special Resolution
Twenty first Annual General Meeting held on September 29, 2011.	Change of Situation of registered office of Registrar & Transfer Agent - M/s R & D Infotech Pvt. Ltd.
Twentieth Annual General Meeting held on September 24, 2010.	i. Performance Linked Remuneration to Managing Director ii. Modification in the terms of engagement of Managing Director
Nineteenth Annual General Meeting held on September 15, 2009.	i. Confirmation of Remuneration paid to Mr. Harsh K Jha, Managing Director for the Financial Year 2008-09. ii. Re-appointment of Mr. Harsh K Jha as Managing Director. iii. Increase in authorized capital of the company and alterations in the Memorandum of Association of the Company. iv. Alteration in the Articles of Association of the Company consequent to increase in Authorised Capital. v. Resolution relating to grant of authority in favour of Board of Directors of the Company under Section 372 A of the Companies Act, 1956.

(2) Resolution passed last year through postal ballots u/s 192A

(i) On 09.11.2011

Special Resolution to transfer, sell/dispose of Redi Unit of Company, located at Sindhudurg District in Maharashtra, as a going concern or otherwise, at such price and on such terms and conditions as may be decided by BOD or Committee of Board (the "COB"), with power to BOD or COB to finalise and execute necessary documents, and to do all such other acts, deeds and things as deemed necessary for the said purpose.

(ii) On 23.03.2012

(a) Increase and alter the Authorised Share Capital of the Company from ₹ 100,00,00,000 (Rupees One Hundred Crore only) divided into 10,00,00,000 (Ten Crore) Equity Shares of ₹ 10/- each to ₹ 150,00,00,000 (Rupees One Hundred and Fifty Crore only) by (i) Retaining 5,00,00,000 (Five Crore) equity shares of

CORPORATE GOVERNANCE REPORT (Contd.)

Rs. 10 each aggregating Rs. 50,00,00,000 (Fifty Crore); (ii) Re-classifying 5,00,00,000 (Five Crore) equity shares of Rs. 10 each as 50,00,000 (Fifty Lacs) Preference shares of Rs. 100 each aggregating Rs. 50,00,00,000 (Fifty Crore) and (iii) Creation of 50,00,000 (Fifty Lacs) Preference shares of Rs. 100 each aggregating Rs. 50,00,00,000 (Fifty Crore) and alteration of Clause V of the Memorandum of Association;

- (b) Alteration of Article 5 of the Articles of Association in relation to Share Capital of the Company;
- (c) Grant of authority to offer, issue and allot, Preference Shares whether Cumulative or Non-cumulative/ Redeemable/Convertible at the option of the Company and/or at the option of the holders of the security and/or securities linked to equity shares / preference shares and/or any instrument or securities representing convertible securities such as convertible debentures, bonds or warrants convertible into Equity Shares/ Preference Shares to be subscribed by institutions, financial.

D. SUBSIDIARY COMPANY

- i) Tata Metaliks Kubota Pipes Ltd. (TMKPL) is a non-listed subsidiary company of Tata Metaliks Limited;
- ii) Mr. Dipak Banerjee, Independent Director on the Board of the Company is a Member of the Board of TMKPL;
- iii) The Audit Committee of the Company 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.
- iv) The minutes of the Board meetings and Audit Committee meetings of TMKPL are placed before the Board meeting of TML.
- v) The management of TMKPL submits to the TML Board a quarterly report on the working of TMKPL along with 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 are 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 Directors' Report;
- viii) The relevant disclosures on the remuneration of directors have been included under "Remuneration Policy" in this report.
- ix) **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

CORPORATE GOVERNANCE REPORT (Contd.)

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.

During the year under review there has not been any instance requiring reference to the Committee.

x) **CODE OF INSIDER TRADING**

In accordance with SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended, the Company has established systems and procedures to restrict insider trading activity and has framed a TRADING WINDOW. The TRADING WINDOW of the Company is an important governance code to prevent any insider trading activity by dealing in shares of the Company. The Code restricts the Directors of the Company and other specified employees to deal in the securities of the Company on the basis of any unpublished price sensitive information, available to them by virtue of their position in the Company.

xi) **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-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, and 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:
- b. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- c. these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations;
- d. to the best of their knowledge and belief, no transactions have been entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

CORPORATE GOVERNANCE REPORT (Contd.)

- e. they accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and 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.
- f. 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
- g. 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 Company's website
Newspapers in which quarterly results were published	Business Standard & Aajkal
Any website, where displayed	www.tatametaliiks.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. GENERAL SHAREHOLDER INFORMATION

i. AGM Details

Date & Time	September 21, 2012; 11:30 A.M.
Venue	Kalamandir, 48, Shakespeare Sarani, Kolkata - 700 017
Book Closure Date	18.09.2012 - 21.09.2012
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 July 5, 2012 convening the Annual General Meeting.

ii. Financial Calendar

Financial Year 2012-2013			
1	Year ending	March 31, 2013	
2	AGM	Between June - September 2012	
3	Dividend Payment	Generally in July, if any	
4	Results	1st Quarter Results	July 2012
		2nd Quarter Results	October 2012
		3rd Quarter Results	January 2013
		4th Quarter/Annual	April / May 2013

CORPORATE GOVERNANCE REPORT (Contd.)

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 2005-2006 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 2004-2005 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 31.3.2012
2004-2005	Final Dividend	July 26, 2005	60%	July 25, 2012	4,758,034.00
2005-2006	Final Dividend	July 12, 2006	60%	July 11, 2013	3,561,630.99
2006-2007	Final Dividend	July 13, 2007	60%	July 12, 2014	4,594,380.00
2007-2008	Final Dividend	July 16, 2008	70%	July 15, 2015	4,461,233.00

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

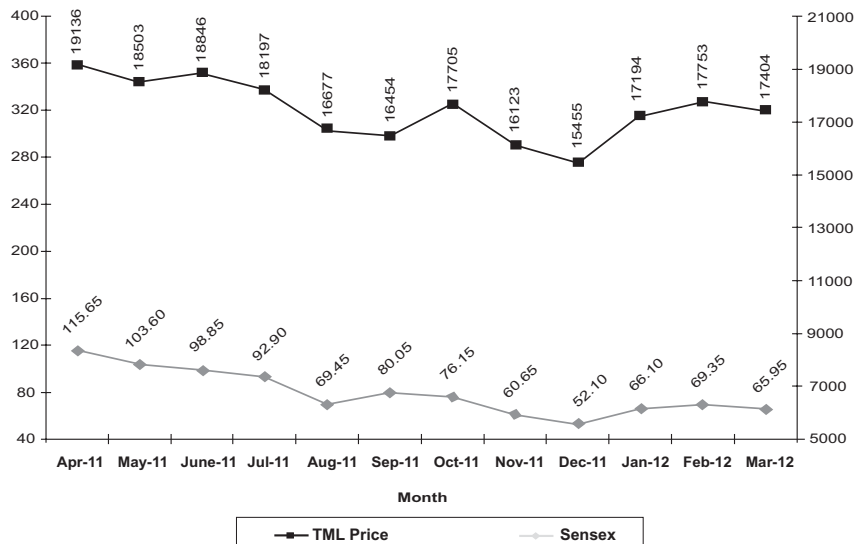
The Listing Fees for the year 2012-2013 have been paid for both BSE and the NSE on April 23 & 24, 2012.

CORPORATE GOVERNANCE REPORT (Contd.)

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 '11	130.50	112.50	130.70	114.20
May '11	117.45	98.55	118.50	98.10
June '11	113.00	94.80	112.50	91.00
July '11	106.50	91.50	106.80	92.10
Aug. '11	94.90	67.50	94.50	67.20
Sept. '11	90.00	70.70	90.00	70.10
Oct. '11	79.90	71.80	80.90	71.50
Nov. '11	77.60	57.80	77.50	55.00
Dec. '11	64.40	51.75	64.30	51.10
Jan. '12	76.60	51.00	76.90	50.00
Feb. '12	78.65	64.10	78.15	62.75
Mar. '12	74.00	63.05	74.40	63.50



vi. Name and address of Registrar & Share Transfer Agent

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 / rdinfotech@yahoo.com

CORPORATE GOVERNANCE REPORT (Contd.)

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.

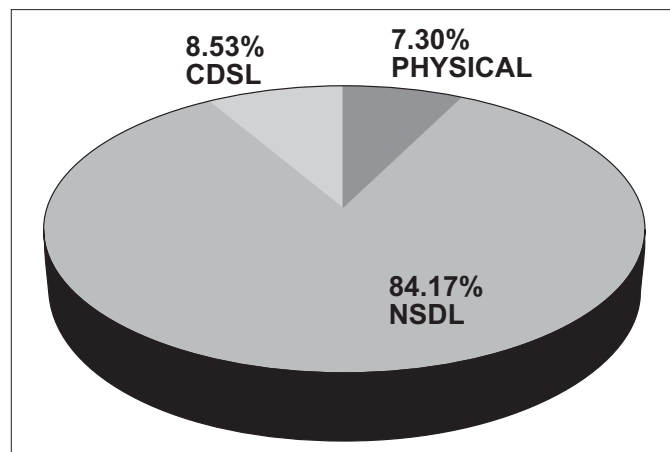
Transfers are normally processed within 15 days from the date of receipt, provided the documents are complete in all respects. MD and the Company Secretary are severally empowered by the Board to approve transfers.

SEBI vide its circular no. MRD/DoP/Cir-05/2009 dated May 20, 2009 made it mandatory for the transferee(s) to furnish a 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 March 31, 2012, a total of **23442111 shares** of the Company, which forms **92.70%** of the total shares, stands dematerialized. The processing activities with respect to the requests received for dematerialization are completed within 15 days from the date of receipt of request.

Demat position as on March 31, 2012



viii. Distribution of Shareholding as on March 31, 2012

No of ordinary shares held	No of Shareholders	%	No of Shares	%
1 - 500	48663	95.04	5729761	22.66
501 - 1000	1490	2.91	1215352	4.81
1001 - 10000	974	1.90	2511310	9.93
10001 - 50000	61	0.12	1252515	4.95
50001 and above	15	0.03	14579062	57.65
Total	51203	100.00	25288000	100.00

CORPORATE GOVERNANCE REPORT (Contd.)

ix. **Categories of Shareholding as on March 31, 2012**

No of ordinary shares held	No of Shareholders	%	No of Shares	%
Promoters Holdings	4	0.01	12668140	50.10
UTI/Mutual Funds / Banks	5	0.01	1300	0.01
Insurance Companies	2	0.00	591451	2.34
FIs (Trust)	4	0.01	5500	0.02
Corporate Bodies	737	1.44	1461406	5.78
Resident Individuals	50059	97.77	10127884	40.05
State Government WBIDC	1	0.00	250000	0.99
FIs / NRIs / OCBs	391	0.76	182319	0.72
Total	51203	100.00	25288000	100.00

x. **Top 10 Shareholders List (As on March 31, 2012)**

Name of Shareholder	No. of Shares held	% of Share Capital
Tata Steel Limited	11799992	46.66
Kalimati Investment Company Limited	867598	3.43
Patton International Ltd	346424	1.37
General Insurance Corporation Of India	326451	1.29
The Oriental Insurance Company Limited	265000	1.05
W B I D C Ltd	250000	0.99
Satish Khurana	114500	0.45
Vinodchandra Mansukhlal Parekh	100916	0.40
Powermaster Engineers Pvt Ltd	97533	0.39
Sunder Lokusing Avani	79114	0.31

xi. **Location of the Plants -**

<p>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</p>	<p>Redi Unit : Terekhol Road Sindhudurg District, Redi - 416 517 Maharashtra Phone : +91-2366-227628,227629,227665, 227654 Telefax : +91-2366-227620 Email : tmlredi@tatametaliks.co.in</p>
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xii. **Address for correspondence**

Tata Metaliks Limited
Tata Centre, 10th Floor
43, Jawaharlal Nehru Road, Kolkata - 700 071.
Phone : +91-33-66134205, Fax : +91-33-2288 4372
Email : investors@tatametaliks.co.in

CORPORATE GOVERNANCE REPORT (Contd.)

I. 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 April 7, 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 March 31, 2012.

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 fulfill 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 and 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 functions, 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 stakeholders 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 Chairman-ship 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.

CORPORATE GOVERNANCE REPORT (Contd.)

Certificate

To the Members of
Tata Metaliks Limited,

1. We have examined the compliance of conditions of Corporate Governance by Tata Metaliks Limited, for the year ended on March 31, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. An independent director, who resigned from the Board of the Company with effect from May 17, 2011, was replaced by new independent director with effect from January 5, 2012. *Accordingly, the provisions of Clause 49(I)(C)(iv) relating to appointment of new independent director within 180 days of resignation of the resigning independent director and consequently Clause 49(I)(A)(ii) relating to composition of Board of Directors after 180 days from the date of resignation till January 4, 2012 were not complied with.*
4. Subject to our comments in paragraph 3 above, in our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.
5. We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

(Registration No. 302009E)

Abhijit Bandyopadhyay

Partner

(Membership No. 54785)

Place : Kolkata

Date : April 25, 2012

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 March 31, 2012, the Statement of Profit and Loss 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 misstatement. 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 Statement of Profit and Loss 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 Statement of Profit and Loss 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 March 31, 2012;
 - (ii) in the case of the Statement of Profit and Loss, of the loss 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 March 31, 2012 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2012 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, April 25, 2012

ANNEXURE TO THE AUDITORS' REPORT OF TATA METALIKS LIMITED FOR THE YEAR ENDED MARCH 31, 2012**(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 (xii), (xiii), (xiv), (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). The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- (v). 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.
- (vi). In our opinion and according to the information and explanations given to us :
 - (a) there are no contracts or arrangements that need to be entered into the Register maintained under section 301 of the Companies Act, 1956.
 - (b) paragraph 4(v)(b) of the Order is not applicable as there are no contracts or arrangements covered by Section 301 of the Companies Act, 1956.
- (vii). 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.
- (viii). In our opinion, the Company has an adequate internal audit system commensurate with the size of the Company and the nature of its business.
- (ix). We have broadly reviewed the cost records maintained by the company pursuant to the companies (Cost Accounting Records)

ANNEXURE TO THE AUDITORS' REPORT (Contd.)

Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

- (x). According to the information and explanations given to us in respect of statutory dues :
- 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.
 - 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 March 31, 2012 for a period of more than six months from the date they became payable.
 - 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 March 31, 2012 on account of disputes are given below :

Statute	Forum where dispute is pending	Period to which the amount relates	Nature of dues	Amount involved (₹ in Lac)
Central Excise Act, 1944	The Customs Excise and Service Tax Appellate Tribunal	September 2002 to January 31, 2008	Duty & Cess, Interest	3,461.35 1,086.77
Central Excise Act, 1944	The Customs, Excise and Service Tax Appellate Tribunal	February 2008 to December 2008	Duty & Cess, Interest	1,475.60 365.87

- The accumulated losses of the Company at the end of the financial year are less than fifty percent of its net worth and the Company has incurred cash losses in the financial year.
- 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.
- 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.
- 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.
- 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 has been used during the year for long-term investment for an amount ₹ 20,172.47 lacs.
- According to the information and explanation given to us, the Company has not made preferential allotment of shares to parties and companies covered in the Registrar maintained under Section 301 of the Companies Act, 1956.
- 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, April 25, 2012

BALANCE SHEET AS AT MARCH 31, 2012

(₹ in lacs)

	Notes	As at 31.03.2012	As at 31.03.2011
(I) EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	3	12,528.80	2,528.80
(b) Reserves and surplus	4	(369.68)	8,690.45
		12,159.12	11,219.25
(2) Non-current liabilities			
(a) Long-term Borrowings	5	4,000.00	12,050.00
(b) Deferred tax liabilities (net)	39	665.30	665.30
(c) Long-term provisions	6	601.61	438.70
		5,266.91	13,154.00
(3) Current liabilities			
(a) Short-term borrowings	5	38,205.25	17,790.90
(b) Trade payables	7	7,589.92	15,780.78
(c) Other current liabilities	8	2,912.51	6,843.98
(d) Short-term provisions	6	313.05	2,298.48
		49,020.73	42,714.14
TOTAL EQUITY AND LIABILITIES		66,446.76	67,087.39
(II) ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	18,766.83	20,425.05
(ii) Capital work-in-progress		2,638.84	541.08
		21,405.67	20,966.13
(b) Non Current Investments	10	9,181.52	7,396.52
(c) Long-term loans and advances	11	8,361.11	3,635.35
(d) Other non-current assets	12	0.20	0.20
		38,948.50	31,998.20
(2) Current assets			
(a) Current Investments	13	1,000.00	–
(b) Inventories	14	13,684.60	23,545.72
(c) Trade receivables	15	3,803.03	9,347.39
(d) Cash and bank balances	16	7,204.59	203.53
(e) Short-term loans and advances	11	1,229.16	1,980.87
(f) Other current assets	17	576.88	11.68
		27,498.26	35,089.19
TOTAL ASSETS		66,446.76	67,087.39

The Notes referred to above form an integral part of Balance sheet

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

Abhijit Bandyopadhyay

Partner

Kolkata, April 25, 2012

Sankar Bhattacharya
Company Secretary

Harsh K Jha
Managing Director

Koushik Chatterjee
Chairman

For and on behalf of the Board of Directors

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2012

(₹ in lacs)

	Schedule	For the year ended 31.03.12	For the year ended 31.03.11
I. Revenue from operations (gross)	18	124,014.56	143,887.23
Less : Excise duty		10,722.21	12,056.64
Revenue from operations (net)		113,292.35	131,830.59
II. Other Income	19	2,879.46	1,209.82
III. Total Revenue (I + II)		116,171.81	133,040.41
IV. EXPENSES			
(a) Cost of materials consumed	20	103,679.18	114,114.54
(b) Changes in stock of finished goods	21	5,354.75	(2,885.28)
(c) Employee benefit expense	22	2,964.33	2,677.34
(d) Finance costs	23	2,562.01	2,870.97
(e) Depreciation and amortisation expense		1,647.45	1,664.50
(f) Other expenses	24	12,510.26	11,730.41
Total Expenses (IV)		128,717.98	130,172.48
V. Profit/(Loss) before tax (III - IV)		(12,546.17)	2,867.93
VI. Tax Expense			
(1) Current tax		(3,486.04)	573.00
(i) Current tax		–	573.00
(ii) Current tax relating to previous years		(3,486.04)	–
(2) Deferred tax		–	–
Total tax expense		(3,486.04)	573.00
VII. Profit/(Loss) for the year (V - VI)		(9,060.13)	2,294.93
VIII. Earnings per equity share :	30		
(1) Basic		(35.83)	9.08
(2) Diluted		(35.83)	9.08

The Notes referred to above form an integral part of Statement of Profit and Loss.

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

Abhijit Bandyopadhyay

Partner

Kolkata, April 25, 2012

Sankar Bhattacharya
Company Secretary

Harsh K Jha
Managing Director

Koushik Chatterjee
Chairman

For and on behalf of the Board of Directors

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

(₹ in lacs)

	For the year ended 31.03.2012	For the year ended 31.03.2011
A. Cash Flow from Operating activities :		
Profit/(Loss) before taxes	(12,546.17)	2,867.93
<i>Adjustments for :</i>		
Depreciation	1,647.45	1,664.50
Write down of inventories to net realisable value	541.85	58.81
Provision for doubtful debts	–	1.91
Interest income	(17.81)	(108.44)
Dividend income from current investments	–	(1.41)
Profit on sale of current investment	(0.07)	–
Finance Costs	2,562.01	2,870.97
Provision for wealth tax	4.57	4.65
(Profit)/loss on sale of fixed assets (net)	14.35	6.16
Unrealised exchange loss/(gain)	(846.32)	(551.82)
Realised exchange loss/(gains)	2,791.98	(160.45)
Operating loss before working capital changes	(5,848.16)	6,652.81
<i>Adjustments for (increase)/decrease in operating assets</i>		
Inventories	9,319.27	689.03
Trade receivables	5,544.36	(3,504.34)
Short-term loans and advances	751.71	895.62
Long-term loans and advances	(560.09)	(7.93)
Other current assets	(555.78)	(10.61)
<i>Adjustments for increase/(decrease) in operating liabilities</i>		
Trade Payables	(10,877.20)	(11,274.28)
Other current liabilities	(323.46)	(32.25)
Short-term provision	8.11	25.48
Long-term provisions	162.91	81.26
Cash used in operations	(2,378.33)	(6,485.21)
Direct taxes (paid)/refunded	(89.50)	35.96
Net cash used in operating activities	(2,467.83)	(6,449.25)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

(₹ in lacs)

	For the year ended 31.03.2012	For the year ended 31.03.2011
B. Cash Flow from Investing activities :		
Purchase of fixed assets	(4,476.15)	(2,688.60)
Investments in subsidiary	(1,785.00)	(2,703.00)
Purchase of other long term investments	–	(1.50)
Purchase of short term investments	(1,300.00)	(7,820.00)
Sale of short term investments	300.07	7,821.41
Sale of fixed assets	15.31	8.67
Bank balances not considered as cash and cash equivalents		
Placed	–	(0.20)
Interest income received	8.39	109.02
Net cash used in investing activities	(7,237.38)	(5,274.20)
C. Cash Flow from Financing activities :		
Proceeds from issue of preference shares	10,000.00	–
Proceeds from short term borrowings	40,221.96	11,317.89
Loan received from holding company	5,000.00	2,200.00
Proceeds from working capital loans	0.74	3,946.84
Partial redemption of debentures	(1,350.00)	–
Repayment of long term borrowings	(9,700.00)	(3,000.00)
Repayment of short term borrowings	(21,886.31)	–
Repayment of working capital borrowings	(2,984.09)	(514.16)
Dividend paid	(26.85)	(26.40)
Interest and other borrowing costs paid	(2,569.18)	(2,943.88)
Net cash from financing activities	16,706.27	10,980.29
Net increase in cash or cash equivalents	7,001.06	(743.16)
Cash and cash equivalents as at 1st April¹	203.53	946.69
Cash and cash equivalents as at 31st March¹	7,204.59	203.53

Notes :

- Includes cash on hand and balance in current accounts with banks out of which restricted balance is ₹ 173.75 lacs (31.03.2011: ₹ 200.60 lacs).
- Figures in brackets represent outflows.

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

Abhijit Bandyopadhyay

Partner

Kolkata, April 25, 2012

Sankar Bhattacharya
Company Secretary

Harsh K Jha
Managing Director

Koushik Chatterjee
Chairman

For and on behalf of the Board of Directors

NOTES TO THE FINANCIAL STATEMENTS

(₹ in lacs)

1. General Corporate Information

Tata Metaliks Limited ("the Company") is a subsidiary of Tata Steel Limited, engaged in the manufacture of foundry grade pig iron. The Company is having its manufacturing plants at Kharagpur in the state of West Bengal and at Redi in the State of Maharashtra.

2. Summary of Significant Accounting Policies

2.01 Basis of Accounting

The financial statements are prepared under the historical cost convention on going concern 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 in accordance with Generally Accepted Accounting Principles in India 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 date of the financial statements and the reported amounts of expenses during the year. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

2.02 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.03 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.

2.04 Tangible Assets

- i) Tangible assets are stated at cost less accumulated 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. Interest on borrowings used to finance the construction of qualifying assets are capitalised as part of the cost of the asset until such time that the asset is ready for its intended use. The effect of exchange differences arising on reporting of long-term foreign currency monetary items is accounted by addition or deduction to the cost of the assets so far it relates to depreciable capital assets in line with Companies (Accounting Standards) Amendment Rules 2009 relating to Accounting Standard 11 (AS-11) notified by Government of India on March 31, 2009.
- ii) Freehold land is not depreciated. Premium paid on leasehold land and land development expenses are amortised over the primary lease period. 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.

2.05 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.

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies

2.06 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.

2.07 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.

2.08 Lease

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 statement of profit and loss. Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the statement of profit and loss on straight line basis.

2.09 Inventories

- i) Raw materials are valued at cost comprising purchase price, freight and handling, non refundable taxes and duties and other directly attributable costs.
- ii) Finished products are valued at lower of cost and net realisable value.
- iii) Stores and spares are valued at cost comprising of purchase price, freight and handling, non refundable taxes and duties and other directly attributable costs.
- iv) Value of inventories are generally ascertained on the "weighted average" basis.

2.10 Cash and Cash Equivalents

Cash and cash equivalents comprises of cash on hand and balances in current accounts and deposit accounts with banks having original maturity of less than three months.

2.11 Revenue recognition

i) Sale of Products

Revenue from the sale of goods is recognised in the statement of profit and loss when the significant risks and rewards of ownership have been transferred to the buyer, which generally coincides with the delivery of goods to customers. 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 a time proportion basis taking into account the amount outstanding and the rate applicable.

iii) Insurance Claims

The Company recognises insurance claims when the recoverability of the claims is established with a reasonable certainty.

iv) 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.

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies

v) 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.

2.12 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, other than long-term foreign currency monetary items are included in the statement of profit and loss.

The Company has opted for accounting the exchange difference arising on long-term foreign currency monetary items in line with the Companies (Accounting Standards) Amendment Rules, 2009 relating to Accounting Standards 11 (AS 11) - The effects of changes in foreign exchange rates notified by the Government of India on March 31, 2009. Accordingly exchange difference arising on the settlement and remeasurement of long-term foreign currency monetary items relating to the acquisition of depreciable capital asset are accounted by addition or deduction to the cost of the depreciable assets.

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 on account of remeasurement and gains and losses arising on account of roll over/cancellation of foreign currency forward contracts are recognised in the statement of profit and loss.

2.13 Employee Benefits

i) Short term Benefits

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

ii) Defined Contribution Plans

Defined contribution plans are those plans where the Company pays fixed contributions to a fund managed by independent trusts. 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 Company provides Provident Fund facility to all employees and Superannuation benefits to selected employees. The contributions are expensed as they are incurred in line with the treatment of wages and salaries.

iii) Defined Benefit Plans

The Company provides Gratuity and Leave Encashment Benefits to its employees. Gratuity liabilities are funded through a separate trust with its funds managed by Life Insurance Corporation of India. The liability towards leave encashment is not funded. 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 the Statement of Profit and Loss in full in the year in which they occur.

2.14 Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies

as part of the cost of such assets till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the statement of profit and loss in the period in which they are incurred.

2.15 Taxes on Income

i) Current Tax

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of the Income-tax Act, 1961.

ii) Deferred tax

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. The Company is eligible for tax deductions available under section 80IA of the Income Tax Act, 1961, in respect of income attributable to captive power plants being an eligible business. In view of tax deduction available to the Company under Section 80IA of the Income Tax Act, 1961, deferred tax is recognised in respect of timing differences, which originate before or during the tax holiday period but reverse before or after the tax holiday period. Deferred tax assets against unabsorbed depreciation and carried forward loss under tax laws, 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 assets can be realised. Deferred tax assets on 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.

iii) Current and Deferred tax is measured based on the provisions of tax laws and tax rates enacted or substantively enacted as at the Balance Sheet date.

2.16 Provisions, Contingent liabilities and Contingent assets

i) Provision

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if the Company has a present obligation as a result of past event, a probable outflow of resources is expected to settle the obligation and the amount of the obligation can be reliably estimated.

ii) Contingent Liabilities and Assets

Contingent liabilities are not recognised but disclosed in the case of a present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation. Contingent Assets are neither recognised nor disclosed.

2.17 Earnings Per Share

The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity together with any dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

2.18 Segment Reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns, internal organisation and management structure and the internal performance reporting systems. The accounting policies adopted for the segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocable asset/liabilities".

NOTES TO THE FINANCIAL STATEMENTS

3. Share Capital

(₹ in lacs)

	As at 31.03.2012	As at 31.03.2011
Authorised :		
50,000,000 Equity Shares of ₹ 10 each (31.03.2011: 100,000,000 Equity Shares of ₹ 10 each)	5,000.00	10,000.00
10,000,000 8.5% Non Cumulative Redeemable Preference Shares of ₹ 100 each (31.03.2011: NIL)	10,000.00	–
	15,000.00	10,000.00
Issued :		
25,288,000 Equity Shares of ₹ 10 each (31.03.2011: 25,288,000 Equity Shares of ₹ 10 each)	2,528.80	2,528.80
10,000,000 8.5% Non Cumulative Redeemable Preference Shares of ₹ 100 each (31.03.2011: NIL)	10,000.00	–
	12,528.80	2,528.80
Subscribed and fully paid up :		
25,288,000 Equity Shares of ₹ 10 each (31.03.2011: 25,288,000 Equity Shares of ₹ 10 each)	2,528.80	2,528.80
10,000,000 8.5% Non Cumulative Redeemable Preference Shares of ₹ 100 each (31.03.2011: NIL)	10,000.00	–
	12,528.80	2,528.80

Reconciliation of Number of shares

	For the year ended 31.03.2012		For the year ended 31.03.2011	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares				
Issued :				
At the beginning of the year	25,288,000	2,528.80	25,288,000	2,528.80
Issued during the year	–	–	–	–
At the end of the year	25,288,000	2,528.80	25,288,000	2,528.80
Subscribed and fully Paid up :				
At the beginning of the year	25,288,000	2,528.80	25,288,000	2,528.80
Issued during the year	–	–	–	–
At the end of the year	25,288,000	2,528.80	25,288,000	2,528.80

Reconciliation of Number of shares

	For the year ended 31.03.2012		For the year ended 31.03.2011	
	No. of Shares	Amount	No. of Shares	Amount
8.5% Non Cumulative Redeemable Preference Shares				
Issued :				
At the beginning of the year	–	–	–	–
Issued during the year	10,000,000	10,000.00	–	–
At the end of the year	10,000,000	10,000.00	–	–

NOTES TO THE FINANCIAL STATEMENTS

(₹ in lacs)

	For the year ended 31.03.2012		For the year ended 31.03.2011	
	No. of Shares	Amount	No. of Shares	Amount
Subscribed and fully Paid up :				
At the beginning of the year	–	–	–	–
Issued during the year	10,000,000	10,000.00	–	–
At the end of the year	10,000,000	10,000.00	–	–

Shares held by holding company or its subsidiaries

	As at 31.03.2012		As at 31.03.2011	
	No. of Shares	%	No. of Shares	%
Tata Steel Limited (Holding Company)	11,799,992	46.66%	11,799,992	46.66%
Kalimati Investment Company Limited (Subsidiary of the Holding Company)	867,598	3.43%	867,598	3.43%
	12,667,590	50.09%	12,667,590	50.09%
8.5% Non Cumulative Redeemable Preference Shares Tata Steel Limited (Holding Company)	10,000,000	100.00%	–	–

Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at 31.03.2012		As at 31.03.2011	
	No. of Shares	%	No. of Shares	%
Tata Steel Limited	11,799,992	46.66%	11,799,992	46.66%

Rights, preferences and restrictions attached to shares

i) Equity Shares

The company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

ii) Non-cumulative Redeemable Preference Shares

Non-cumulative redeemable preference shares having a par value of ₹ 100 carries a fixed rate of dividend of 8.5%. The dividends proposed by the Board of Directors are subject to approval of the ensuing Annual General meeting. The dividends are not accumulated in case it is not approved by the Annual General Meeting. The preference shares are redeemable at par value after a period for 36 months from the date of allotment. In case of liquidation the preference shareholders will have preference over the equity shareholders over the distribution of remaining assets of the Company.

NOTES TO THE FINANCIAL STATEMENTS

4. Reserves and Surplus

(₹ in lacs)

As at 31.03.2012	Capital Reserve	Debenture Redemption Reserve	General Reserve	Surplus/ (Deficit) in Profit and Loss Account	Total
At the beginning of the year	125.62	726.38	7,485.61	352.84	8,690.45
(Loss) for the year	–	–	–	(9,060.13)	(9,060.13)
At the end of the year	125.62	726.38	7,485.61	(8,707.29)	(369.68)

As at 31.03.2011	Capital Reserve	Debenture Redemption Reserve	General Reserve	Surplus/ (Deficit) in Profit and Loss Account	Total
At the beginning of the year	125.62	–	7,485.61	(1,215.71)	6,395.52
Profit for the year	–	–	–	2,294.93	2,294.93
Transfer to Debenture Redemption Reserve	–	726.38	–	(726.38)	–
At the end of the year	125.62	726.38	7,485.61	352.84	8,690.45

5. Borrowings

(₹ in lacs)

	As at 31.03.2012		As at 31.03.2011	
	Long Term	Short Term	Long Term	Short Term
A. Secured				
(a) 12.75% Non Convertible Debentures	1,800.00	–	3,150.00	–
(b) Term Loans				
i) From Banks	–	–	6,700.00	–
(c) Repayable on Demand				
i) From Banks				
a) Working Capital Demand Loans	–	3,000.00	–	5,000.00
b) Cash Credit / Packing Credits	–	1,146.98	–	2,100.34
Total Secured Borrowings	1,800.00	4,146.98	9,850.00	7,100.34
B. Unsecured				
(a) Loans from Holding Company	2,200.00	5,000.00	2,200.00	–
(b) Buyer's Credit from Banks	–	29,058.27	–	10,660.57
(c) Repayable on Demand				
(i) From Banks	–	–	–	29.99
Total Unsecured Borrowings	2,200.00	34,058.27	2,200.00	10,690.56
Total Borrowings	4,000.00	38,205.25	12,050.00	17,790.90

Notes :

- The 12.75% Non - Convertible Debentures of ₹ 3150.00 lacs (31.03.2011: ₹ 4500.00 lacs) are secured by equitable mortgage over landed properties of Kharagpur unit 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. These 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

NOTES TO THE FINANCIAL STATEMENTS

(₹ in lacs)

from the date of allotment. First installment has been paid on January 7, 2012. The next date of redemption is on January 7, 2013.

- 2 The Term loan of ₹ Nil (31.03.2011: ₹ 2800.00 lacs) from State Bank of India carried a variable rate of interest at 13% and was secured by equitable mortgage over landed properties of Kharagpur unit 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 loan has been repaid on November 3, 2011.
- 3 The corporate loan of ₹ Nil (31.03.2011: ₹ 1400.00 lacs) from State Bank of India carried a variable interest of 13% and was secured by equitable mortgage over landed properties of Kharagpur unit 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 loan has been repaid on October 13, 2011.
- 4 The Term loan of ₹ Nil (31.03.2011: ₹ 5500.00 lacs) from Canara Bank carried a variable rate of interest at 13.25% and was secured by equitable mortgage over landed properties of Kharagpur unit 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 loan has been repaid on October 14, 2011.
- 5 Working Capital Demand Loans / Short Term Working Capital Loans of ₹ 3000.00 lacs (31.03.2011: ₹ 5000.00 lacs) and Cash Credit of ₹ 1146.98 lacs (31.03.2011: ₹ 2100.34 lacs) from banks are secured by way of hypothecation of moveable plant and machinery, stock, book debts and other current assets on pari passu first charge basis and by way of equitable mortgage over landed properties of Kharagpur unit of the Company together with all buildings, structures and all plant and machinery on pari passu second charge basis.
- 6 Loan from Holding Company of ₹ 2200.00 lacs (31.03.2011; ₹ 2200.00 lacs) is meant for long term use and will be repaid or converted into long term financial instrument after finalisation of the financing plan for the Karnataka Project or March 31, 2014 whichever is earlier. Short term loan from the Holding Company of ₹ 5000.00 lacs has been taken on October 14, 2011 for three months and has been rolled over for further three months.
- 7 Buyers' Credit from Banks are repayable at the end of six months from the date of disbursement which are falling due from April 2012.

6. Provisions

(₹ in lacs)

	As at 31.03.2012		As at 31.03.2011	
	Long Term	Short Term	Long Term	Short Term
Provision for employee benefits				
(a) Post-employment Defined Benefits				
i) Retiring Gratuity	258.17	–	139.55	–
(b) Other Employee Benefits	343.44	133.59	299.15	125.48
(c) Provisions for Tax [Net of Advances tax of ₹ 793.93 lacs (31.03.2011 ₹ 1,835.30 lacs)]	–	179.46	–	2,173.00
Total Provisions	601.61	313.05	438.70	2,298.48

7. Trade Payable

	As at 31.03.2012	As at 31.03.2011
(a) Creditors for supplies and services (Refer Note 34)	7,474.11	15,450.53
(b) Creditors for accrued wages and salaries	115.81	330.25
Total Trade Payables	7,589.92	15,780.78

NOTES TO THE FINANCIAL STATEMENTS

8. Other Current Liabilities

(₹ in lacs)

	As at 31.03.2012	As at 31.03.2011
(a) Current maturities of long-term debts	1,350.00	4,350.00
(b) Interest accrued but not due on other borrowings	225.73	232.90
(c) Unpaid Dividends	173.75	200.60
(d) Advances received from customers	827.85	1,367.20
(e) Security Deposits from Vendors	15.00	–
(f) Creditors for other liabilities		
i) Creditors for capital goods	253.61	24.87
ii) Employee recoveries and employer contributions	2.63	2.74
iii) Statutory Dues (Excise duty, service tax, sales tax, TDS etc.)	63.94	596.09
iv) Derivatives - Foreign currency forward contract	–	69.58
Total Other Current Liabilities	2,912.51	6,843.98

9. Tangible Assets

As at 31.03.2012	Freehold Land	Leasehold Land	Freehold Buildings	Plant and Machinery	Furniture and fixtures	Office Equipments	Vehicles	Data Processing Equipments	Railway Sidings (Note 1)	Total Tangible Assets
Cost at beginning of year	1,187.87	99.15	2,058.68	26,109.39	105.92	149.44	157.87	257.10	911.58	31,037.00
Additions	–	–	2.16	10.42	2.51	1.27	–	2.53	–	18.89
Disposals	–	–	–	–	3.35	0.69	49.50	–	–	53.54
Cost at end of year	1,187.87	99.15	2,060.84	26,119.81	105.08	150.02	108.37	259.63	911.58	31,002.35
Depreciation at beginning of year	–	16.03	470.40	9,240.85	54.68	53.06	58.02	181.64	537.27	10,611.95
Charge for the year	–	1.00	57.92	1,477.33	5.14	7.16	12.23	24.99	61.68	1,647.45
Disposals	–	–	–	–	0.56	0.06	23.26	–	–	23.88
Depreciation at end of year	–	17.03	528.32	10,718.18	59.26	60.16	46.99	206.63	598.95	12,235.52
Net book value at beginning of year	1,187.87	83.12	1,588.28	16,868.54	51.24	96.38	99.85	75.46	374.31	20,425.05
Net book value at end of year	1,187.87	82.12	1,532.52	15,401.63	45.82	89.86	61.38	53.00	312.63	18,766.83
As at 31.03.2011	Freehold Land	Leasehold Land	Freehold Buildings	Plant and Machinery	Furniture and fixtures	Office Equipments	Vehicles	Data Processing Equipments	Railway Sidings (Note 1)	Total Tangible Assets
Cost at beginning of year	1,187.87	99.15	2,058.68	26,084.30	103.78	143.92	175.22	221.73	911.58	30,986.23
Additions	–	–	–	25.09	2.33	6.27	14.35	44.56	–	92.60
Disposals	–	–	–	–	0.19	0.75	31.70	9.19	–	41.83
Cost at end of year	1,187.87	99.15	2,058.68	26,109.39	105.92	149.44	157.87	257.10	911.58	31,037.00
Depreciation at beginning of year	–	15.03	412.48	7,745.92	49.81	46.32	60.28	169.01	475.60	8,974.45
Charge for the year	–	1.00	57.92	1,494.93	5.06	7.03	15.36	21.53	61.67	1,664.50
Disposals	–	–	–	–	0.19	0.29	17.62	8.90	–	27.00
Depreciation at end of year	–	16.03	470.40	9,240.85	54.68	53.06	58.02	181.64	537.27	10,611.95
Net book value at beginning of year	1,187.87	84.12	1,646.20	18,338.38	53.97	97.60	114.94	52.72	435.98	22,011.78
Net book value at end of year	1,187.87	83.12	1,588.28	16,868.54	51.24	96.38	99.85	75.46	374.31	20,425.05

NOTES TO THE FINANCIAL STATEMENTS

(₹ in lacs)

- Includes ₹ 350.00 lacs 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 lacs (Previous year : ₹ 35.00 lacs).
- Other than lease hold land all other tangible assets are owned by the Company.

10. Non-Current Investments

	As at 31.03.2012	As at 31.03.2011
Investments (At Cost)		
A. Trade		
a) Investments in Equity Instruments of a Subsidiary (Unquoted) 91,800,000 (31.03.2011: 73,950,000) shares of ₹ 10 each fully paid up in Tata Metaliks Kubota Pipes Limited	9,180.00	7,395.00
B. Others		
a) Investments in National Savings Certificate (Unquoted)	1.52	1.52
	9,181.52	7,396.52
Aggregate amount of unquoted investments	9,181.52	7,396.52

11. Loans and Advances

	As at 31.03.2012		As at 31.03.2011	
	Long Term	Short Term	Long Term	Short Term
(a) Capital advances	5,603.74	–	3,015.50	–
(b) Security deposits	96.36	3.00	78.36	–
(c) Advance with public bodies	–	379.45	–	295.43
(d) Loans and advances to related parties	–	5.27	–	–
(e) Other loans and advances				
i) Prepayments and others	542.09	841.44	–	1,694.47
ii) Advance Income Tax [Net of Provision for tax ₹ 8592.87 lacs (31.03.2011 : ₹ 9044.00 Lacs)]	2,118.92	–	541.49	–
Gross Loans and advances	8,361.11	1,229.16	3,635.35	1,989.90
Less : Provision for bad and doubtful debts	–	–	–	9.03
Net Loans and Advances	8,361.11	1,229.16	3,635.35	1,980.87
Classification of loans and advances				
Secured, considered good	–	–	–	–
Unsecured, considered good	8,361.11	1,229.16	3,635.35	1,980.87
Doubtful	–	–	–	9.03
Gross Loans and advances	8,361.11	1,229.16	3,635.35	1,989.90

NOTES TO THE FINANCIAL STATEMENTS

(₹ in lacs)

12. Other Non Current assets

	As at 31.03.2012	As at 31.03.2011
(a) Deposits with banks submitted as security with government agency	0.20	0.20
Total Other Non Current assets	0.20	0.20

13. Current Investments

(a) Investment in Mutual Funds (Lower of cost or fair value)		
i) Unquoted		
385405.169 Units (31.03.2011 : Nil) of Birla Sun Life Cash Manager - Growt	1,000.00	–
Total Current Investments	1,000.00	–

14. Inventories

(a) Raw Materials (At lower of cost or net realisable value)	10,869.27	15,325.19
(b) Finished Goods (At lower of cost or net realisable value)	2,510.11	7,864.86
(c) Stores and spares (At or lower than cost)	305.22	355.67
Total Inventories	13,684.60	23,545.72
Included above, goods-in-transit :		
(a) Raw Materials	1,884.21	–
(b) Finished Goods	613.90	–

15. Trade Receivables

Current trade receivable		
i) More than six months (from the date they were due for payment)	4.38	22.63
ii) Others	3,798.65	9,324.76
Gross Current Trade Receivables	3,803.03	9,347.39
Less : Provision for bad and doubtful debts	–	–
Net Current Trade Receivables	3,803.03	9,347.39
Classification of Current Trade Receivables		
Secured, considered good	–	–
Unsecured, considered good	3,803.03	9,347.39
Doubtful	–	–
Total Current Trade Receivables	3,803.03	9,347.39

16. Cash and Bank Balances

Cash and Cash equivalents		
(a) Cash on hand	1.06	1.13
(b) Balances with banks		
(i) In Current Accounts	29.78	1.80
(ii) In Deposit Account	7,000.00	–
(iii) In Dividend Accounts	173.75	200.60
Total cash and cash equivalents	7,204.59	203.53
Included above		
(i) Earmarked balance for unpaid dividend	173.75	200.60
(ii) Balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is	7,204.59	203.53

NOTES TO THE FINANCIAL STATEMENTS

(₹ in lacs)

17. Other Current Assets

	As at 31.03.2012	As at 31.03.2011
(a) Derivatives - Foreign currency forward contract	199.32	–
(b) Interest accrued on deposits, loans and advances	10.49	1.07
(c) Unamortised Expenses		
(i) Unamortised premium on forward contract	367.07	10.61
Total Other current assets	576.88	11.68

18. Revenue from Operations

	For the year ended 31.03.2012	For the year ended 31.03.2011
(a) Sale of Goods		
i) Pig Iron	117,330.02	138,694.89
ii) Coal	3,268.49	958.07
iii) Coke	444.87	1,535.59
(b) Other operating income	2,971.18	2,698.68
Gross Revenue from Operations	124,014.56	143,887.23

19. Other Income

(a) Interest received from deposits	17.81	1.08
(b) Interest on Income tax refund	–	107.36
(c) Profit on sale of current investments	0.07	–
(d) Dividend Income from Current Investments	–	1.41
(e) Profit on sale of Tangible assets	0.20	0.68
(f) Provisions no longer required written back	770.89	–
(g) Miscellaneous Income	458.92	84.66
(h) Gains on foreign currency transactions	1,612.54	964.58
(i) Gains on cancellation of forward contracts	19.03	50.05
Total Other Income	2,879.46	1,209.82

20. Cost of materials consumed

Raw Material Consumed		
i) Opening Stock	15,325.19	18,970.74
ii) Add : Purchases	99,223.26	110,468.99
	114,548.45	129,439.73
iii) Less : Closing Stock	10,869.27	15,325.19
	103,679.18	114,114.54
Raw Material Consumed comprises		
i) Iron Ore	27,854.47	33,224.44
ii) Coke	73,944.30	78,491.17
iii) Fluxes	1,880.41	2,398.93
	103,679.18	114,114.54

NOTES TO THE FINANCIAL STATEMENTS

(₹ in lacs)

21. Changes in stock of finished goods

	For the year ended 31.03.2012	For the year ended 31.03.2011
Stock at the beginning of the year		
(a) Finished goods	7,864.86	4,979.58
	7,864.86	4,979.58
Stock at the end of the year		
(a) Finished goods	2,510.11	7,864.86
	2,510.11	7,864.86
Net (increase)/decrease	5,354.75	(2,885.28)

22. Employee Benefit Expense

(a) Salaries and wages, including bonus	2,396.78	2,177.71
(b) Contribution to provident and other funds	385.37	282.65
(c) Staff welfare expenses	182.18	216.98
	2,964.33	2,677.34

23. Finance Costs

(a) Interest expense		
i) Interest on Debentures	535.24	573.75
ii) Interest on Fixed Loans	835.87	1,251.42
iii) Interest on Others	1,190.90	1,045.80
Total finance costs	2,562.01	2,870.97

24. Other Expenses

(a) Consumption of Stores and Spare Parts	1,850.93	2,179.21
(b) Repairs to buildings	44.23	38.69
(c) Repairs to machinery	647.83	441.91
(d) Repairs to others	380.07	450.44
(e) Power and fuel	441.08	507.85
(f) Electricity charges	356.66	393.54
(g) Freight and Handling Charges	2,020.07	3,165.49
(h) Rent	101.52	63.06
(i) Rates and taxes	252.65	190.88
(j) Insurance charges	151.06	124.62
(k) Commission, discounts and rebates	395.29	541.49
(l) Excise duties	(494.84)	256.14
(m) Provision for doubtful debts	–	1.91
(n) Bad debts written off	66.12	–
(o) Other expenses		
i) Loss on foreign currency transactions	3,558.20	252.31
ii) Loss on cancellation of forward contracts	156.54	462.75
iii) Premium on foreign currency forwards	268.66	151.75
iv) Loss on sale of tangible fixed assets	14.55	6.84

NOTES TO THE FINANCIAL STATEMENTS

(₹ in lacs)

	For the year ended 31.03.2012	For the year ended 31.03.2011
v) Auditors remuneration and out-of-pocket expenses		
- As Auditors - statutory audit	20.50	16.00
- For Taxation matters	2.50	1.00
- For Other Services	1.00	1.20
- Auditors out-of-pocket expenses	0.54	0.35
vi) Legal and other professional costs	272.93	451.83
vii) Advertisement, Promotion and Selling Expenses	20.56	20.12
viii) Travelling Expenses	245.40	285.94
ix) Bank Charges	504.37	263.34
x) Wealth Tax	4.57	4.65
xi) Other General Expenses	1,227.27	1,457.10
Total Other Expenses	12,510.26	11,730.41

25. Contingent Liabilities

	As at 31.03.2012	As at 31.03.2011
(a) Cenvat credit disallowed	6,389.59	5,893.19
(b) Bills discounted	679.54	1,002.07
(c) Guarantees given to banks on behalf of subsidiary company for term loans 1 & 2	8,665.56	7,859.76

¹ Includes a guarantee denominated in US dollar - USD 11,850,000 (31.03.2011: USD 11,850,000)

² Loan outstanding against the guarantee as at 31.03.2012 ₹ 7740.72 lacs (31.03.2011 : ₹ 7865.68 lacs)

26. Capital and other commitments

	As at 31.03.2012	As at 31.03.2011
(a) Capital Commitments		
i) Estimated value of contracts in capital account remaining to be executed (net of advances)	7,330.24	132.19

27. Value of Imports (CIF)

	For the year ended 31.03.2012	For the year ended 31.03.2011
i) Capital Goods	1,027.77	-
ii) Raw Materials	31,124.40	28,546.00
iii) Spares	-	6.00

28. Expenditure in Foreign Currency (On accrual basis)

	For the year ended 31.03.2012	For the year ended 31.03.2011
i) Interest	396.18	160.31
ii) Foreign Travel	8.41	9.75
iii) Consultancy	191.05	12.14
iv) Other Expenses	3.02	4.69

NOTES TO THE FINANCIAL STATEMENTS

(₹ in lacs)

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

	For the year ended 31.03.2012	For the year ended 31.03.2011
i) On Opening Stock	689.14	433.00
ii) On Closing Stock	194.30	689.14
	(494.84)	256.14

30. Earnings Per Share

i) Profit/(Loss) for the year attributable to equity shareholders	(9,060.13)	2,294.93
ii) Weighted average no.of Ordinary shares for Basic and Diluted EPS (Nos)	25,288,000	25,288,000
iii) Nominal Value per Ordinary Share (₹)	10	10
iv) Earnings/(Loss) Per Ordinary Share for the year (₹) - Basic	(35.83)	9.08
v) Earnings/(Loss) Per Ordinary Share for the year (₹) - Diluted	(35.83)	9.08

31. Consumption of Imported and Indigenous Materials

	For the year ended 31.03.2012		For the year ended 31.03.2011	
	%	₹ Lacs	%	₹ Lacs
Consumption of Imported and Indigenous Materials				
a) Raw Materials consumed				
- Indigenous	61.89%	64,165.09	75.33%	85,956.87
- Imported	38.11%	39,514.09	24.67%	28,157.67
	100.00%	103,679.18	100.00%	114,114.54
b) Stores and Spare parts				
- Indigenous	100.00%	1,850.93	99.72%	2,173.21
- Imported	—	—	0.28%	6.00
	100.00%	1,850.93	100.00%	2,179.21

32. Unhedged Foreign Currency exposures

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

	As at 31.03.2012		As at 31.03.2011	
	US Dollar Equivalent	Amount ₹ Lacs	US Dollar Equivalent	Amount ₹ Lacs
i) Creditors for supplies and services	3,667,200	1,865.87	13,961,938	6,314.98
ii) Outstanding Buyer's Credit	8,545,314	4,347.86	8,000,000	3,618.40
iii) Interest and commitment charges payable	229,029	116.53	97,558	44.13

33. Derivative Instruments

As at	No. of Contracts	US Dollar Equivalent	Amount ₹ lacs
31.03.2012	19	48,566,066	24,710.41
31.03.2011	1	15,723,514	7,042.17

NOTES TO THE FINANCIAL STATEMENTS

34. Due to micro and small enterprises

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.

35. Segment Reporting

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.

36. Related Party Transactions

Related party relationship :

Name of the related party	Nature of Relationship
Tata Steel Limited	: Holding Company
Tata Metaliks Kubota Pipes Limited	: Subsidiary
TM International Logistics Limited	: }
Tata Steel Resources Australia Pty Limited	: }
Tata Steel Processing and Distribution Limited	: } Fellow Subsidiaries
International Shipping and Logistics FZE	: }
TRL Krosaki Refractories Limited (Formerly Tata Refractories Limited) ¹	: }
Key Managerial Person - Mr. Harsh K Jha	: Managing Director

¹ Ceased to be subsidiary effective May 31, 2011

Related party Transactions

(₹ in lacs)

Name of the related party	Nature of transaction	For the year ended 31.03.2012	For the year ended 31.03.2011
Tata Steel Limited	Purchase of raw materials	20,244.39	21,536.76
	Sale of goods	198.70	406.26
	Services received	101.29	92.77
	Subscription of Preference shares	10,000.00	–
	Inter Corporate deposit received	5,000.00	2,200.00
	Interest paid	449.30	113.62
	Rendering of Services	11.42	11.89
Tata Metaliks Kubota Pipes Limited	Equity Contribution	1,785.00	2,703.00
	Sale of molten metal and BF gas	15,602.85	6,805.08
	Rent received	42.70	42.70
	Expenses reimbursed	52.45	53.57
TM International Logistics Limited	Services received	1,472.82	2,235.20
TRL Krosaki Refractories Limited	Purchase of goods	–	33.66
Tata Steel Resources Australia Pty Limited	Purchase of goods	5,405.74	–
Tata Steel Processing and Distribution Limited	Purchase of goods	190.16	–
International Shipping and Logistics FZE	Services received	–	86.34
Mr. Harsh K Jha	Remuneration	76.49	81.57

NOTES TO THE FINANCIAL STATEMENTS

(₹ in lacs)

Name of the related party	Nature of outstanding	As at 31.03.2012	As at 31.03.2011
Tata Steel Limited	Outstanding receivables	198.79	13.77
	Inter Corporate Deposits	7,200.00	2,200.00
	Outstanding payables	1,443.83	4,851.39
	Interest payable	339.84	37.73
Tata Metaliks Kubota Pipes Limited	Outstanding receivables	1,786.64	414.06
TM International Logistics Limited	Advances paid	4.74	88.36
TRL Krosaki Refractories Limited	Advances paid	–	7.24
Tata Steel Resources Australia Pty Limited	Outstanding payables	1,865.87	–
Tata Steel Processing and Distribution Limited	Outstanding payables	60.84	–

37. Employee Benefits

Defined Contribution plans

The Company has recognised an amount of ₹ 237.76 lacs in expenses for the year ended 31.03.2012 (Previous year ₹ 209.56 lacs) towards contribution to the following defined contribution plans :

	For the year ended 31.03.2012	For the year ended 31.03.2011
Provident Fund	153.78	133.33
Superannuation Fund	83.98	76.23
Total	237.76	209.56

Defined Benefit Plans

The Company provided the following employee benefits

Funded : Gratuity

Non Funded : Compensated absence

Details of the Gratuity Plan are as follows :

(₹ in lacs)

Description	2011-12	2010-11
1. Reconciliation of opening and closing balances of obligation		
a. Obligation as at beginning of the year	342.22	264.21
b. Current service cost	36.96	30.36
c. Interest cost	25.73	21.33
d. Acquisition Cost/(Credit)	–	–
e. Actuarial (gain)/loss	75.12	37.75
f. Benefits paid	60.78	11.43
g. Obligation as at end of the year	419.25	342.22
2. Change in fair value of plan assets		
a. Fair value of plan assets as at beginning of the year	202.67	167.07
b. Acquisition adjustment	–	–
c. Expected return on plan assets	14.98	16.35
d. Actuarial gain/(loss)	(24.77)	–
e. Contributions made by the company	28.98	30.68
f. Benefits paid	60.78	11.43
g. Fair value of plan assets as at end of the year	161.08	202.67

NOTES TO THE FINANCIAL STATEMENTS

(₹ in lacs)

Description	2011-12	2010-11			
3. Reconciliation of fair value of plan assets and obligations					
a. Present value of obligation as at 31.03.2012	419.25	342.22			
b. Fair value of plan assets as at 31.03.2012	161.08	202.67			
c. Amount recognised in the balance sheet Asset/(Liability)	(258.17)	(139.55)			
4. Expenses recognised during the year					
a. Current service cost	36.96	30.36			
b. Interest cost	25.73	21.33			
c. Expected return on plan assets	(14.98)	(16.35)			
d. Past Service Cost	–	–			
e. Actuarial (gain)/loss	99.89	37.75			
f. Expenses recognised during the year	147.60	73.09			
5. Investment details	% invested	% invested			
a. Cash at Bank	–	–			
b. Others (Funds with Life Insurance Corporation of India)	100.00	100.00			
# The breakup of the fund assets are not provided by the insurance company.	100.00	100.00			
6. Assumptions	%	%			
a. Discount rate (per annum)	8.60%	8.25%			
b. Estimated rate of return on plan assets (per annum)	9.25%	9.25%			
c. Rate of escalation in salary	5.00%	5.00%			
7. Experience adjustments	31.03.2012	31.03.2011	31.03.2010	31.03.2009	31.03.2008
a. Present value of obligation	419.25	342.22	264.21	203.34	165.90
b. Fair value of plan assets	161.08	202.67	167.07	132.72	81.28
c. Amount recognised in the balance sheet Asset/(Liability)	(258.17)	(139.55)	(97.14)	(70.62)	(84.62)
d. Experience adjustments on plan liabilities ((gain)/loss)	91.12	37.75	37.64	0.84	2.17
e. Experience adjustments on plan assets (gain)/(loss)	(24.77)	–	(2.20)	3.73	–

Details of the Compensated absence Benefit are as follows :

(₹ in lacs)

Description	2011-12	2010-11
1. Reconciliation of opening and closing balances of obligation		
a. Obligation as at beginning of the year	324.63	260.30
b. Current service cost	45.63	37.16
c. Interest cost	22.98	20.54
d. Acquisition Cost/(Credit)	3.35	–
e. Actuarial (gain)/loss	72.54	29.44
f. Benefits paid	92.10	22.81
g. Obligation as at end of the year	377.03	324.63

NOTES TO THE FINANCIAL STATEMENTS

(₹ in lacs)

Description	2011-12	2010-11
2. Reconciliation of fair value of plan assets and obligations		
a. Present value of obligation as at 31.03.2012	377.03	324.63
b. Fair value of plan assets as at 31.03.2012	–	–
c. Amount recognised in the balance sheet Asset/(Liability)	(377.03)	(324.63)
3. Expenses recognised during the year		
a. Current service cost	45.63	37.16
b. Interest cost	22.98	20.54
c. Expected return on plan assets	–	–
d. Actuarial gain/(loss)	72.54	29.44
e. Expenses recognised during the year	141.15	87.14
4. Assumptions	%	%
a. Discount rate (per annum)	8.60%	8.25%
b. Estimated rate of return on plan assets (per annum)	NA	NA
c. Rate of escalation in salary	5.00%	5.00%

5. Experience adjustments	31.03.2012	31.03.2011	31.03.2010	31.03.2009	31.03.2008
a. Present value of obligation	377.03	324.63	260.30	176.47	140.54
b. Fair value of plan assets	–	–	–	–	–
c. Amount recognised in the balance sheet Asset/(Liability)	(377.03)	(324.63)	(260.30)	(176.47)	(140.54)
d. Experience adjustments on plan liabilities (gain/(loss))	85.53	29.44	81.16	6.09	10.03
e. Experience adjustments on plan assets (gain/(loss))	–	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS

38. The Board of Directors of the Company in its meeting held on September 27, 2011 had decided to divest its 300,000 Ton pig iron manufacturing facility at Redi in Maharashtra following which, the Company had entered into an agreement for its sale for a consideration of ₹ 180 Crores plus working capital as at the date of sale. However, the transaction could not be consummated by the long stop date i.e., March 28, 2012 consequent upon which the parties decided to terminate the agreement by mutual consent on March 30, 2012. The Board continues to evaluate other strategic options including restarting of the operations of the Redi unit and therefore, continues to be included as part of “continuing operations” of the Company.

(₹ in lacs)

39. Deferred Tax (liability)/Assets

	As at 31.03.2011	Charge/ (Credit) to the statement of profit and loss	As at 31.03.2012
Deferred tax liabilities			
i) Difference between book depreciation and tax depreciation	2,488.26	125.90	2,614.16
	2,488.26	125.90	2,614.16
Deferred tax assets			
i) Employee separation scheme	(4.80)	–	(4.80)
ii) Unabsorbed depreciation	(906.89)	(125.90)	(1,032.79)
iii) Unabsorbed business losses	(911.27)	–	(911.27)
	(1,822.96)	(125.90)	(1,948.86)
Net Deferred tax liability/(asset)	665.30	–	665.30

40. Consumption of raw materials include ₹ 478.52 lacs and Change in stocks include ₹ 63.33 lacs (Previous year : ₹ 58.81 Lacs) towards write down of closing inventory of Raw materials and finished goods to net realisable value in accordance with Accounting Standard (AS) - 2 - Valuation of Inventory.

41. The Revised Schedule VI has become effective from April 1, 2011 for the preparation of financial statements. This has impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped/reclassified where necessary to correspond with the current year's classification/disclosure.

For and on behalf of the Board of Directors

Kolkata, April 25, 2012

Sankar Bhattacharya
Company Secretary

Harsh K Jha
Managing Director

Koushik Chatterjee
Chairman

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors of

TATA METALIKS LIMITED

1. We have audited the attached Consolidated Balance Sheet of **TATA METALIKS LIMITED** ("the Company"), and its subsidiary Tata Metaliks Kuhota Pipes Limited (the Company, its subsidiary constitute "the Group") as at March 31, 2012, the Consolidated Statement of Profit and Loss 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.
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 misstatement. 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. 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.
4. Based on our audit and on consideration of the separate audit report 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:
 - (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2012;
 - (ii) in the case of the Consolidated Statement of Profit and Loss, of the loss of the Group for the year ended on that date and
 - (iii) 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, April 25, 2012

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2012

(₹ in lacs)

	Notes	As at 31.03.2012	As at 31.03.2011
(I) EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	3	12,528.80	2,528.80
(b) Reserves and surplus	4	(6,741.51)	4,605.95
		5,787.29	7,134.75
(2) Minority Interest		2,679.59	3,005.68
(3) Non-current liabilities			
(a) Long-term Borrowings	5	13,058.90	19,010.83
(b) Deferred tax liabilities (net)	32	665.30	665.30
(c) Long-term provisions	6	640.86	467.15
		14,365.06	20,143.28
(4) Current liabilities			
(a) Short-term borrowings	5	39,891.43	17,790.90
(b) Trade payables	7	10,409.09	17,349.80
(c) Other current liabilities	8	8,456.33	13,776.64
(d) Short-term provisions	6	313.52	2,298.77
		59,070.37	51,216.11
TOTAL EQUITY AND LIABILITIES		81,902.31	81,499.82
(II) ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	35,243.68	36,799.54
(iii) Capital work-in-progress		2,914.97	622.26
		38,158.65	37,421.80
(b) Non Current Investments	10	1.52	1.52
(c) Long-term loans and advances	11	8,564.45	3,696.80
(d) Other non-current assets	12	220.19	436.72
		46,944.81	41,556.84
(2) Current assets			
(a) Current Investments	13	1,000.00	–
(b) Inventories	14	17,987.49	26,051.04
(c) Trade receivables	15	4,704.73	10,211.19
(d) Cash and bank balances	16	8,081.34	591.62
(e) Short-term loans and advances	11	2,519.27	3,027.99
(f) Other current assets	17	664.67	61.14
		34,957.50	39,942.98
TOTAL ASSETS		81,902.31	81,499.82

The Notes referred to above form an integral part of Balance sheet

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

Abhijit Bandyopadhyay

Partner

Kolkata, April 25, 2012

Sankar Bhattacharya

Company Secretary

For and on behalf of the Board of Directors

Harsh K Jha

Managing Director

Koushik Chatterjee

Chairman

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2012

(₹ in lacs)

	Notes	For the year ended 31.03.12	For the year ended 31.03.11
I Revenue from operations (gross)	18	132,776.21	146,291.82
Less : Excise duty		10,153.35	11,757.19
Revenue from operations (net)		122,622.86	134,534.63
II Other Income	19	3,246.04	1,323.11
III Total Revenue (I + II)		125,868.90	135,857.74
IV EXPENSES			
(a) Cost of materials consumed	20	107,209.79	116,019.66
(b) Changes in stock of finished goods and work-in-progress	21	3,925.40	(4,367.71)
(c) Employee benefit expenses	22	4,455.55	3,587.52
(d) Finance costs	23	3,964.75	3,765.71
(e) Depreciation and amortisation expenses	9	2,695.45	2,640.95
(f) Other expenses	24	20,628.09	15,731.25
Total Expenses (IV)		142,879.03	137,377.38
V Profit/(Loss) before tax (III - IV)		(17,010.13)	(1,519.64)
VI Tax Expense			
(1) Current tax		(3,486.04)	573.00
(i) Current tax		–	573.00
(ii) Current tax relating to previous years		(3,486.04)	–
(2) Deferred tax		–	–
Total tax expense		(3,486.04)	573.00
VII Profit/(Loss) for the year (V - VI)		(13,524.09)	(2,092.64)
VIII Minority Interest		(2,176.63)	(2,149.91)
IX Profit/(loss) for the year after tax and minority interest (VII -VIII)		(11,347.46)	57.27
X Earnings per equity share :	27		
(1) Basic		(44.87)	0.23
(2) Diluted		(44.87)	0.23

The Notes referred to above form an integral part of Statement of Profit and Loss.

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants
Abhijit Bandyopadhyay
Partner
Kolkata, April 25, 2012

Sankar Bhattacharya
Company Secretary

Harsh K Jha
Managing Director

Koushik Chatterjee
Chairman

For and on behalf of the Board of Directors

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

(₹ in lacs)

	For the year ended 31.03.12	For the year ended 31.03.11
A. Cash Flow from Operating activities :		
Profit/(Loss) before taxes	(17,010.13)	(1,519.64)
<i>Adjustments for :</i>		
Depreciation	2,695.45	2,640.95
Write down of finished goods to net realisable value	579.74	148.56
Provision for doubtful debts	–	1.91
Interest income	(43.09)	(141.76)
Write down of Goodwill on consolidation	20.57	–
Dividend income from current investments	–	(1.41)
Profit on sale of current investment	(0.07)	–
Mark to Market Loss/(Gain) on Derivatives	(265.42)	265.42
Finance Costs	3,964.75	3,765.71
Provision for Wealth tax	4.57	4.65
(Profit)/loss on sale of fixed assets (net)	14.35	6.16
Unrealised exchange loss/(gain)	19.09	(523.95)
Realised exchange loss/(gain)	2,768.55	(98.31)
Operating loss before working capital changes	(7,251.64)	4,548.29
<i>Adjustments for (increase)/decrease in operating assets</i>		
Inventories	7,483.81	(1,059.72)
Trade receivables	5,555.77	(4,678.52)
Short-term loans and advances	518.39	166.26
Long-term loans and advances	(556.10)	(8.30)
Other current assets	(555.78)	(10.61)
<i>Adjustments for increase/(decrease) in operating liabilities</i>		
Trade Payables	(10,129.23)	(9,915.61)
Other current liabilities	234.61	213.85
Short-term provision	8.30	25.76
Long-term provisions	173.70	82.55
Cash used in operations	(4,518.17)	(10,636.05)
Direct taxes (paid)/refunded	(97.61)	36.25
Net cash used in operating activities	(4,615.78)	(10,599.80)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

(₹ in lacs)

	For the year ended 31.03.12	For the year ended 31.03.11
B. Cash Flow from Investing activities :		
Purchase of fixed assets	(6,291.03)	(3,099.07)
Purchase of Other Long Term investment	–	(1.50)
Purchase of short term investments	(1,300.00)	(7,820.00)
Sale of short term investments	300.07	7,821.41
Sale of fixed assets	15.31	8.67
Bank balances not considered as cash and cash equivalents	–	–
Placed	235.65	813.30
Interest income received	23.11	123.76
Net cash used in investing activities	(7,016.89)	(2,153.43)
C. Cash Flow from Financing activities :		
Proceeds from issue of preference shares	10,000.00	–
Contributions from minority	1,830.00	2,422.00
Proceeds from acceptances	500.40	–
Proceeds from long term borrowings	5,210.08	1,600.02
Proceeds from short term borrowings	44,246.75	12,637.89
Loan received from holding company	5,000.00	2,200.00
Proceeds from working capital loans	0.74	3,946.84
Partial redemption of debentures	(1,350.00)	–
Repayment of long term borrowings	(15,006.11)	(3,339.23)
Repayment of short term borrowings	(24,267.89)	(2,963.60)
Repayment of working capital borrowings	(2,984.09)	(514.16)
Dividend paid	(26.85)	(26.40)
Interest and other borrowing costs paid	(4,030.64)	(3,826.71)
Net cash from financing activities	19,122.39	12,136.65
Net increase in cash or cash equivalents	7,489.72	(616.58)
Cash and cash equivalents as at 1st April	591.62	1,208.20
Cash and cash equivalents as at 31st March	8,081.34	591.62

Notes :

- Includes cash on hand and balance in current accounts with banks out of which restricted balance is ₹ 173.75 lacs (31.03.2011: ₹ 200.60 lacs).
- Figures in brackets represent outflows.

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants
Abhijit Bandyopadhyay
Partner
Kolkata, April 25, 2012

Sankar Bhattacharya
Company Secretary

Harsh K Jha
Managing Director

For and on behalf of the Board of Directors

Koushik Chatterjee
Chairman

Notes to the Consolidated Financial Statements

(₹ in lacs)

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., March 31, 2012.
- 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.
- g) 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 interest as at 31 March 2012	: 51.17%

2. Summary of Significant Accounting Policies

2.01 Basis of Accounting

The financial statements are prepared under the historical cost convention on going concern 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 in accordance with Generally Accepted Accounting Principles in India 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 date of the financial statements and the reported amounts of expenses during the year. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

2.02 Government Grants

Government grants which are given with reference to the total investments in an undertaking and no repayment is

Notes to the Consolidated Financial Statements

2. Summary of Significant Accounting Policies

ordinarily expected in respect thereof, the grants are treated as capital reserve which can be neither distributed as dividend nor considered as deferred income.

2.03 Tangible Assets

- i) Tangible assets are stated at cost less accumulated 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. Interest on borrowings used to finance the construction of qualifying assets are capitalised as part of the cost of the asset until such time that the asset is ready for its intended use. The effect of exchange differences arising on reporting of long-term foreign currency monetary items is accounted by addition or deduction to the cost of the assets so far it relates to depreciable capital assets in line with Companies (Accounting Standards) Amendment Rules 2009 relating to Accounting Standard 11 (AS-11) notified by Government of India on March 31, 2009.
- ii) Freehold land is not depreciated. Premium paid on leasehold land and land development expenses are amortised over the primary lease period. 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.

2.04 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.

2.05 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.

2.06 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.

2.07 Lease

The Company's 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 statement of profit and loss. Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the statement of profit and loss on straight line basis.

Notes to the Consolidated Financial Statements

2. Summary of Significant Accounting Policies

2.08 Inventories

- i) Raw materials are valued at cost comprising purchase price, freight and handling, non refundable taxes and duties and other directly attributable costs.
- ii) Finished products are valued at lower of cost and net realisable value.
- iii) Stores and spares are valued at cost comprising of purchase price, freight and handling, non refundable taxes and duties and other directly attributable costs.
- iv) Value of inventories are generally ascertained on the "weighted average" basis.

2.09 Revenue recognition

i) Sale of Products

Revenue from the sale of goods is recognised in the statement of profit and loss when the significant risks and rewards of ownership have been transferred to the buyer, which generally coincides with the delivery of goods to customers. 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 a time proportion basis taking into account the amount outstanding and the rate applicable.

iii) Insurance Claims

The Company recognises insurance claims when the recoverability of the claims is established with a reasonable certainty.

iv) 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.

v) 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.

2.10 Borrowing costs

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

2.11 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or

Notes to the Consolidated Financial Statements

2. Summary of Significant Accounting Policies

payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.12 Cash and Cash Equivalents

Cash and Cash equivalents comprises cash on hand and balances in current accounts with banks having original maturity of less than three months.

2.13 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, other than long-term foreign currency monetary items are included in the statement of profit and loss.

The Company has opted for accounting the exchange difference arising on long-term foreign currency monetary items in line with the Companies (Accounting Standards) Amendment Rules, 2009 relating to Accounting Standards 11 (AS 11) - The effects of change in foreign exchange rates notified by the Government of India on March 31, 2009. Accordingly exchange difference arising on the settlement and remeasurement of long-term foreign currency monetary items relating to the acquisition of depreciable capital asset are accounted by addition or deduction to the cost of the depreciable assets.

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 on account of remeasurement and gains and losses arising on account of roll over/cancellation of foreign currency forward contracts are recognised in the statement of profit and loss.

2.14 Employee Benefits

i) Short term Benefits

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

ii) Defined Contribution Plans

Defined contribution plans are those plans where the Company pays fixed contributions to a fund managed by government authorities and independent trusts. 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 Company provides Provident Fund facility to all employees and Superannuation benefits to selected employees. The contributions are expensed as they are incurred in line with the treatment of wages and salaries.

Notes to the Consolidated Financial Statements

2. Summary of Significant Accounting Policies

iii) Defined Benefit Plans

The Company provides Gratuity and Leave Encashment Benefits to its employees. Gratuity liabilities are funded through a separate trust with its funds managed by Life Insurance Corporation of India. The liability towards leave encashment is not funded. 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 the Statement of Profit and Loss in full in the year in which they occur.

2.15 Earnings Per Share

The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity together with any dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

2.16 Segment Reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns, internal organisation and management structure and the internal performance reporting systems. The accounting policies adopted for the segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocable asset/liabilities".

2.17 Taxes on Income

i) Current Tax

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of the Income-tax Act, 1961.

ii) Deferred tax

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. The Company is eligible for tax deductions available under section 80IA of the Income Tax Act, 1961, in respect of income attributable to captive power plants being an eligible business. In view of tax deduction available to the Company under Section 80IA of the Income Tax Act, 1961, deferred tax is recognised in respect of timing differences, which originate before or during the tax holiday period but reverse before or after the tax holiday period. Deferred tax assets against unabsorbed depreciation and carried forward loss under tax laws, 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 assets can be realised. Deferred tax assets on other timing differences are recognised only

Notes to the Consolidated Financial Statements

2. Summary of Significant Accounting Policies

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.

- iii) Current and Deferred tax is measured based on the provisions of tax laws and tax rates enacted or substantively enacted as at the Balance Sheet date.

2.18 Provisions, Contingent liabilities and Contingent assets

i) Provision

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if the Company has a present obligation as a result of past event, a probable outflow of resources is expected to settle the obligation and the amount of the obligation can be reliably estimated.

ii) Contingent Liabilities and Assets

Contingent liabilities are not recognised but disclosed in the case of a present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation. Contingent Assets are neither recognised nor disclosed in the financial statement.

3. Share Capital

(₹ in lacs)

	As at 31.03.2012	As at 31.03.2011
Authorised :		
50,000,000 Equity Shares of ₹ 10 each (31.03.2011: 100,000,000 Equity Shares of ₹ 10 each)	5,000.00	10,000.00
10,000,000 8.5% Non Cumulative Preference Shares of ₹ 100 each (31.03.2011: NIL)	10,000.00	–
	15,000.00	10,000.00
Issued :		
25,288,000 Equity Shares of ₹ 10 each (31.03.2011: 25,288,000 Equity Shares of ₹ 10 each)	2,528.80	2,528.80
10,000,000 8.5% Non Cumulative Preference Shares of ₹ 100 each (31.03.2011: NIL)	10,000.00	–
	12,528.80	2,528.80
Subscribed and fully Paid up :		
25,288,000 Equity Shares of ₹ 10 each (31.03.2011: 25,288,000 Equity Shares of ₹ 10 each)	2,528.80	2,528.80
10,000,000 8.5% Non Cumulative Preference Shares of ₹ 100 each (31.03.2011: NIL)	10,000.00	–
	12,528.80	2,528.80

Notes to the Consolidated Financial Statements

(₹ in lacs)

4. Reserves and Surplus

As at 31.03.2012	Capital Reserve	Debenture Redemption Reserve	General Reserve	Surplus/ (Deficit) in Profit and Loss Account	Total
At the beginning of the year	125.62	726.38	7,485.61	(3,731.66)	4,605.95
(Loss) for the year	–	–	–	(11,347.46)	(11,347.46)
Transfer to Debenture Redemption Reserve	–	–	–	–	–
At the end of the year	125.62	726.38	7,485.61	(15,079.12)	(6,741.51)

As at 31.03.2011	Capital Reserve	Debenture Redemption Reserve	General Reserve	Surplus/ (Deficit) in Profit and Loss Account	Total
At the beginning of the year	125.62	–	7,485.61	(3,062.55)	4,546.68
Profit for the year	–	–	–	57.27	57.27
Transfer to Debenture Redemption Reserve	–	726.38	–	(726.38)	–
At the end of the year	125.62	726.38	7,485.61	(3,731.66)	4,605.95

5. Borrowings

(₹ in Lacs)

	As at 31.03.2012		As at 31.03.2011	
	Long Term	Short Term	Long Term	Short Term
A. Secured				
(a) 12.75% Non Convertible Debentures	1,800.00	–	3,150.00	–
(b) Term Loans				
i) From Banks	7,725.57	–	13,260.83	–
ii) From Others	1,333.33	–	–	–
(c) Repayable on Demand				
i) From Banks				
a) Working Capital Demand Loans	–	4,000.00	–	5,000.00
b) Cash Credit / Packing Credits	–	1,833.16	–	2,100.34
Total Secured Borrowings	10,858.90	5,833.16	16,410.83	7,100.34
B. Unsecured				
(a) Loans from Holding Company	2,200.00	5,000.00	2,200.00	–
(b) Term Loan				
i) From Bank	–	–	400.00	–
(c) Buyer's Credit from Banks	–	29,058.27	–	10,660.57
(c) Repayable on Demand				
(i) From Banks	–	–	–	29.99
Total Unsecured Borrowings	2,200.00	34,058.27	2,600.00	10,690.56
Total Borrowings	13,058.90	39,891.43	19,010.83	17,790.90

Notes to the Consolidated Financial Statements

(₹ in lacs)

6. Provisions

	As at 31.03.2012		As at 31.03.2011	
	Long Term	Short Term	Long Term	Short Term
Provision for employee benefits				
(a) Post-employment Defined Benefits				
i) Retiring Gratuity	258.17	–	139.55	–
(b) Other Employee Benefits	382.69	134.06	327.60	125.77
(c) Provisions for Tax	–	179.46	–	2,173.00
Total Provisions	640.86	313.52	467.15	2,298.77

7. Trade Payable

	As at 31.03.2012	As at 31.03.2011
(a) Acceptances	1,179.93	702.73
(b) Creditors for supplies and services (Refer Note 29)	8,991.58	16,277.26
(c) Creditors for accrued wages and salaries	237.58	369.81
	10,409.09	17,349.80

8. Other Current Liabilities

	As at 31.03.2012	As at 31.03.2011
(a) Current maturities of long-term debt	5,149.78	9,589.44
(b) Interest accrued but not due on other borrowings	324.04	343.05
(c) Interest accrued and due on other borrowings	–	–
(d) Unpaid Dividends	173.75	200.60
(e) Advances received from customers	1,370.38	1,530.17
(f) Security Deposits from Vendors	15.00	–
(g) Creditors for other liabilities		
i) Creditors for capital goods	1,046.72	1,047.98
ii) Employee recoveries and employer contributions	16.97	17.10
iii) Statutory Dues (Excise duty, service tax, sales tax, TDS etc.)	359.69	782.88
iv) Derivatives	–	265.42
	8,456.33	13,776.64

Notes to the Consolidated Financial Statements

(₹ in lacs)

9. Tangible Assets

As at 31.03.2012	Freehold Land	Leasehold Land	Freehold Buildings	Plant and Machinery	Furniture and fixtures	Office Equipments	Vehicles	Data Processing Equipments	Railway Sidings (Note 2)	Total Tangible Assets
Cost at beginning of year	1,187.87	99.15	5,707.72	40,298.11	132.75	211.45	191.37	534.64	911.58	49,274.64
Additions	–	–	34.57	350.20	14.83	7.39	–	15.70	–	422.69
Exchange differences capitalised	–	–	149.66	596.89	–	–	–	–	–	746.55
Disposals	–	–	–	–	3.35	0.70	49.50	–	–	53.55
Cost at end of year	1,187.87	99.15	5,891.95	41,245.20	144.23	218.14	141.87	550.34	911.58	50,390.33
Depreciation at beginning of year	–	16.03	661.19	10,775.65	66.88	66.71	64.26	287.11	537.27	12,475.10
Charge for the year	–	1.00	161.39	2,369.30	9.23	9.90	15.41	67.55	61.67	2,695.45
Disposals	–	–	–	–	0.58	0.05	23.27	–	–	23.90
Depreciation at end of year	–	17.03	822.58	13,144.95	75.53	76.56	56.40	354.66	598.94	15,146.65
Net book value at beginning of year	1,187.87	83.12	5,046.53	29,522.46	65.87	144.74	127.11	247.53	374.31	36,799.54
Net book value at end of year	1,187.87	82.12	5,069.37	28,100.25	68.70	141.58	85.47	195.68	312.64	35,243.68
As at 31.03.2011	Freehold Land	Leasehold Land	Freehold Buildings	Plant and Machinery	Furniture and fixtures	Office Equipments	Vehicles	Data Processing Equipments	Railway Sidings (Note 2)	Total Tangible Assets
Cost at beginning of year	1,187.87	99.15	5,640.73	40,080.27	128.80	202.57	195.77	475.71	911.58	48,922.45
Additions	–	–	62.72	196.39	4.14	9.63	27.30	68.12	–	368.30
Exchange differences capitalised	–	–	4.27	21.45	–	–	–	–	–	25.72
Disposals	–	–	–	–	0.19	0.75	31.70	9.19	–	41.83
Cost at end of year	1,187.87	99.15	5,707.72	40,298.11	132.75	211.45	191.37	534.64	911.58	49,274.64
Depreciation at beginning of year	–	15.03	504.92	8,448.50	60.34	57.46	63.97	235.33	475.60	9,861.15
Charge for the period	–	1.00	156.27	2,327.15	6.73	9.54	17.90	60.69	61.67	2,640.95
Disposals	–	–	–	–	0.19	0.29	17.61	8.91	–	27.00
Depreciation at end of year	–	16.03	661.19	10,775.65	66.88	66.71	64.26	287.11	537.27	12,475.10
Net book value at beginning of year	1,187.87	84.12	5,135.81	31,631.77	68.46	145.11	131.80	240.38	435.98	39,061.30
Net book value at end of year	1,187.87	83.12	5,046.53	29,522.46	65.87	144.74	127.11	247.53	374.31	36,799.54

Note :

- Depreciation for the period on building includes adjustment of ₹ 4.08 lacs (Previous year ₹ 8.48 lacs) and depreciation for the period on plant and machinery includes adjustment of ₹ 29.55 lacs (Previous year ₹ 61.89 lacs) on account of depreciation attributable to exchange fluctuations on long term foreign currency loans for purchase of building and plant and machinery.
- Includes ₹ 350.00 lacs 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 lacs (Previous year : ₹ 35.00 lacs).
- Other than lease hold land all other tangible assets are owned by the Company.

Notes to the Consolidated Financial Statements

(₹ in lacs)

10. Non-Current Investments

	As at 31.03.2012	As at 31.03.2011
Investments (At Cost)		
A. Others		
a) Investments in National Savings Certificate (Unquoted)	1.52	1.52
	1.52	1.52
Aggregate amount of unquoted investments	1.52	1.52

11. Loans and Advances

	As at 31.03.2012		As at 31.03.2011	
	Long Term	Short Term	Long Term	Short Term
(a) Capital advances	5,749.61	–	3,015.50	–
(b) Security deposits	153.83	96.56	139.82	108.26
(c) Advance with public bodies	–	1,436.85	–	1,207.48
(d) Other loans and advances				
i) Retirement benefit assets				
a) Retirement gratuity fund	–	5.74	–	10.08
b) Superannuation fund	–	11.24	–	7.42
ii) Prepayments and others	542.09	952.58	–	1,695.60
iii) Advance Income Tax	2,118.92	16.30	541.48	8.18
Gross Loans and advances	8,564.45	2,519.27	3,696.80	3,037.02
Less : Provision for bad and doubtful debts	–	–	–	9.03
Net Loans and Advances	8,564.45	2,519.27	3,696.80	3,027.99
Classification of loans and advances				
Secured, considered good	–	–	–	–
Unsecured, considered good	8,564.45	2,519.27	3,696.80	3,027.99
Doubtful	–	–	–	9.03
Gross Loans and advances	8,564.45	2,519.27	3,696.80	3,037.02

12. Other Non Current assets

	As at 31.03.2012	As at 31.03.2011
(a) Balance held as margin money deposits with maturity period of more than 12 months	201.07	436.72
(b) Unamortised long term loan issue expenses	19.12	–
Total Other Non Current assets	220.19	436.72

13. Current Investments

	As at 31.03.2012	As at 31.03.2011
(a) Investment in Mutual Funds (Lower of cost or fair value)		
i) Unquoted		
385405.169 Units (31.03.2011 : Nil) of Birla Sun Life Cash Manager - Growth	1,000.00	–
Total Current Investments	1,000.00	–

Notes to the Consolidated Financial Statements

(₹ in lacs)

14. Inventories

	As at 31.03.2012	As at 31.03.2011
(a) Raw Materials (At lower of cost or net realisable value)	11,075.03	15,460.91
(b) Work in progress (At lower of cost and net realisable value)	1,053.09	1,074.76
(c) Finished Goods (At lower of cost or net realisable value)	4,989.93	8,893.66
(c) Stores and spares (At or lower than cost)	869.44	621.71
Total Inventories	17,987.49	26,051.04
Included above, goods-in-transit :		
(a) Raw Materials	1,884.21	–
(b) Finished Goods	613.90	–

15. Trade Receivables

Current trade receivable and other assets		
(a) Current Trade receivables		
i) More than six months (from the date they were due for payment)	215.51	22.63
ii) Others	4,489.22	10,190.47
Gross Current Trade Receivables	4,704.73	10,213.10
Less : Provision for bad and doubtful debts	–	1.91
Net Current Trade Receivables	4,704.73	10,211.19
Classification of Current Trade Receivables		
Secured, considered good	–	–
Unsecured, considered good	4,704.73	10,211.19
Doubtful	–	1.91
Total Current Trade Receivables	4,704.73	10,213.10

16. Cash and Bank Balances

Cash and Cash equivalents		
(a) Cash on hand	1.09	1.14
(b) Balances with banks		
(i) In Current Accounts	906.50	389.88
(ii) In Deposit Accounts	7,000.00	–
(iii) In Dividend Accounts	173.75	200.60
Total cash and cash equivalents	8,081.34	591.62
Included above		
(i) Earmarked balance for unpaid dividend	173.75	200.60
(ii) Balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is	8,081.34	591.62

17. Other Current Assets

(a) Derivatives - Foreign currency forward contract	199.32	–
(b) Interest accrued on deposits, loans and advances	70.52	50.53
(c) Unamortised Expenses		
(i) Unamortised premium on forward contract	367.07	10.61
(ii) Unamortised long term loan issue expenses	27.76	–
Total Other current assets	664.67	61.14

Notes to the Consolidated Financial Statements

(₹ in lacs)

18. Revenue from Operations

	For the year ended 31.03.2012	For the year ended 31.03.2011
(a) Sale of Products	129,659.25	143,630.55
(b) Other operating income	3,116.96	2,661.27
Gross Revenue from Operations	132,776.21	146,291.82

19. Other Income

(a) Interest received from deposits	43.09	34.40
(b) Interest on Income tax refund	–	107.36
(c) Profit on sale of current investments	0.07	–
(d) Dividend Income from Current Investments	–	1.41
(e) Profit on sale of Tangible assets	0.20	0.68
(f) Provisions no longer required written back	770.89	–
(g) Miscellaneous Income	458.92	84.66
(h) Gain in foreign currency transactions	1,688.42	1,044.55
(i) Gains on cancellation of forward contracts	19.03	50.05
(j) Mark to market gain on derivatives	265.42	–
Total Other Income	3,246.04	1,323.11

20. Cost of materials consumed

Opening Stock of Raw Materials	15,460.91	19,073.62
Add : Purchases	102,823.91	112,406.95
	118,284.82	131,480.57
Less : Closing Stock of Raw Materials	11,075.03	15,460.91
	107,209.79	116,019.66
Raw Material Consumed comprises		
(a) Coke	73,944.30	78,491.17
(b) Iron Ore	27,854.47	33,224.44
(c) Fluxes	1,880.41	2,398.93
(d) Steel scrap	1,568.75	877.96
(e) Others	1,961.86	1,027.16
	107,209.79	116,019.66

Notes to the Consolidated Financial Statements

(₹ in lacs)

21. Changes in stock of finished goods and work-in-progress

	For the year ended 31.03.2012	For the year ended 31.03.2011
Stock at the beginning of the year		
(a) Finished goods	8,893.66	5,516.97
(b) Work-in-progress	1,074.76	83.74
	9,968.42	5,600.71
Stock at the end of the year		
(a) Finished goods	4,989.93	8,893.66
(b) Work-in-progress	1,053.09	1,074.76
	6,043.02	9,968.42
Net (increase)/decrease	3,925.40	(4,367.71)

22. Employee Benefit Expense

(a) Salaries and wages, including bonus	3,660.49	2,950.77
(b) Contribution to provident and other funds	506.39	343.87
(c) Staff welfare expenses	288.67	292.88
	4,455.55	3,587.52

23. Finance Costs

(a) Interest expense		
i) Interest on Debentures	535.24	573.75
ii) Interest on Fixed Loans	2,070.26	2,027.04
iii) Interest on Others	1,295.08	1,128.40
(b) Other borrowing costs	64.17	36.52
Total finance costs	3,964.75	3,765.71

24. Other Expenses

(a) Consumption of Stores and Spare Parts	3,377.34	2,814.09
(b) Repairs to buildings	47.47	47.11
(c) Repairs to machinery	914.05	573.71
(d) Repairs to others	611.76	547.83
(e) Fuel	733.99	782.29
(f) Purchase of Power	2,029.29	1,423.60
(g) Freight and Handling Charges	3,978.42	3,889.12
(h) Rent	167.73	115.91
(i) Rates and taxes	865.78	284.00
(j) Insurance charges	175.50	157.96
(k) Commission, discounts and rebates	894.57	636.34
(l) Royalty	6.52	–
(m) Excise duties	(318.12)	314.54
(n) Provision for Doubtful Advance	–	1.91
(o) Bad debts written off	66.12	–

Notes to the Consolidated Financial Statements

(₹ in lacs)

	For the year ended 31.03.2012	For the year ended 31.03.2011
(p) Other expenses		
i) Loss on foreign currency transactions	3,721.62	396.57
ii) Mark to market loss on derivatives	–	265.42
iii) Loss on cancellation of forward contracts	156.54	462.75
iv) Premium on Foreign currency forwards	268.66	151.75
v) Loss on sale of tangible fixed assets	14.55	6.84
vi) Auditors remuneration and out-of-pocket expenses	–	–
- As Auditors	26.06	21.00
- For Taxation Matters	3.62	2.00
- For Other Services	1.17	2.39
- Auditors out-of-pocket expenses	0.54	0.36
vii) Legal and other professional costs	355.53	487.33
viii) Advertisement, Promotion and Selling Expenses	29.60	29.72
ix) Travelling Expenses	377.52	376.78
x) Bank Charges	594.17	298.12
xi) Wealth Tax	4.57	4.65
xii) Other General Expenses	1,523.52	1,637.16
Total Other Expenses	20,628.09	15,731.25

25. Contingent Liabilities

	As at 31.03.2012	As at 31.03.2011
(a) Cenvat credit disallowed	6,389.59	5,893.19
(b) Bills discounted	679.54	1,002.07

26. Capital and other commitments

(a) Capital Commitments		
i) Estimated value of contracts in capital account remaining to be executed (net of advances)	7,492.22	132.19
(b) Other Commitments		
i) Export obligation against import of capital goods under EPCG Scheme	6,824.67	8,433.68

27. Earnings Per Share

	For the year ended 31.03.2012	For the year ended 31.03.2011
i) Profit/(Loss) for the year attributable to equity shareholders	(11,347.46)	57.27
ii) Weighted average no. of Ordinary shares for Basic and Diluted EPS (Nos)	25,288,000	25,288,000
iii) Nominal Value per Equity Share (₹)	10	10
iv) Earnings/(Loss) Per Ordinary Share for the year (₹) - Basic	(44.87)	0.23
v) Earnings/(Loss) Per Ordinary Share for the year (₹) - Diluted	(44.87)	0.23

Notes to the Consolidated Financial Statements

(₹ in lacs)

28. 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 ₹ 754.43 lacs (Previous year ₹ 25.05 lacs) availed for purchase of capital assets has been capitalised and is included under the applicable fixed assets classification.

	For the year ended 31.03.2012	For the year ended 31.03.2011
Foreign exchange loss capitalised in the fixed assets block [Includes ₹ 7.88 lacs (Previous year: ₹ Nil) recognised in capital work-in-progress]	754.43	25.72
Depreciation impact on account of exchange fluctuation capitalised during the current year	16.94	(70.38)
Depreciation impact on account of exchange fluctuation capitalised till March 31, 2012	(33.63)	(70.38)

29. Due to micro and small enterprises

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.

30. Segment Reporting

The Company has identified business segments as its primary segment. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Geographical revenues are allocated based on the location of the customer.

Particulars	Pig Iron	D I Pipe	Elimination	Total
Revenue				
Total External Sales	99,701.94 125,900.84	22,920.92 8,633.79	– –	122,622.86 134,534.63
Add : Inter Segment Revenue	13,590.40 5,929.74	– –	(13,590.40) (5,929.74)	– –
Total Revenue	113,292.34 131,830.58	22,920.92 8,633.79	(13,590.40) (5,929.74)	122,622.86 134,534.63
Segment Result	(9,984.17) 5,738.90	(3,061.21) (3,492.83)	– –	(13,045.38) 2,246.07
Interest expenses				3,964.75 3,765.71
Profit and Loss from ordinary activities				(17,010.13) (1,519.64)
Taxes				(3,486.04) 573.00
Net Loss				(13,524.09) (2,092.64)

Notes to the Consolidated Financial Statements

(₹ in lacs)

Particulars	Pig Iron	D I Pipe	Elimination	Total
Segment Assets	53,800.58 <i>59,692.39</i>	26,420.70 <i>22,221.49</i>	– –	80,221.28 <i>81,913.88</i>
Segment Liabilities	7,600.94 <i>21,011.94</i>	6,388.05 <i>3,705.050</i>	– –	13,988.99 <i>24,716.99</i>
Total Cost incurred during the year to acquire segment assets	4,476.15 <i>2,688.60</i>	1,814.88 <i>410.47</i>	– –	6,291.03 <i>3,099.07</i>
Segment Depreciation	1,647.45 <i>1,664.50</i>	1,048.00 <i>976.45</i>	– –	2,695.45 <i>2,640.95</i>
Non Cash expenses other than depreciation	541.84 <i>58.81</i>	37.88 <i>89.74</i>	– –	579.72 <i>148.55</i>

Note: Figures disclosed in italics are for the previous year.

30. Segment Reporting

(₹ in lacs)

	For the year ended 31.03.2012	For the year ended 31.03.2011
External Revenue by Geographical location of customers		
India	121,005.06	130,526.96
Asia Excluding India	1,617.80	4,007.67
	122,622.86	134,534.63
Additions to fixed asses		
India	6,291.03	3,099.07
Asia Excluding India	–	–
	6,291.03	3,099.07
Carrying value of Segment Assets		
India	80,059.60	81,913.88
Asia Excluding India	161.68	–
	80,221.28	81,913.88

31. Leases

As a lessee :

(i) Operating lease :

The Company has entered into a non-cancellable operating lease for certain assets, and the lease rental expenses recognised for the year is ₹ 0.61 lacs (Previous year : ₹ Nil). The lease agreement provides for an option to the company to renew the lease period at the end of the non-cancellable period. There are no exceptional/ restrictive covenants in the lease agreements.

The totals of future minimum lease payments under non-cancellable operating lease as at 31.03.2012 are as follows :

Minimum Lease Payments

Sl No.	Particulars	As at 31.03.2012	As at 31.03.2011
i)	Payable not later than one year	3.64	–
ii)	Payable later than one year and not later than five years	13.94	–
iii)	Payable later than five years	–	–

Notes to the Consolidated Financial Statements

(₹ in lacs)

32. Deferred Tax (liability)/Assets

	As at 31.03.2011	Charge/ (Credit) to the statement of profit and loss	As at 31.03.2012
Deferred tax liabilities			
i) Difference between book depreciation and tax depreciation	4,033.04	558.12	4,591.16
	<u>4,033.04</u>	<u>558.12</u>	<u>4,591.16</u>
Deferred tax assets			
i) Employee separation scheme	(4.80)	–	(4.80)
ii) Unabsorbed depreciation	(906.89)	(125.90)	(1,032.79)
iii) Unabsorbed business losses	(2,456.05)	(432.22)	(2,888.27)
	<u>(3,367.74)</u>	<u>(558.12)</u>	<u>(3,925.86)</u>
Net Deferred tax liability/(asset)	<u>665.30</u>	<u>–</u>	<u>665.30</u>

33. Related Party Transactions

Related party relationship :

Name of the related party

Nature of Relationship

Tata Steel Limited :	Holding Company
TM International Logistics Limited :	Fellow Subsidiary
Tata Steel Resources Australia Pty Limited :	
Tata Steel Processing and Distribution Limited :	
International Shipping and Logistics FZE :	
Key Managerial Person - Mr. Harsh K Jha :	Managing Director

Related party Transactions

Name of the related party	Nature of transaction	For the year ended 31.03.2012	For the year ended 31.03.2011
Tata Steel Limited	Purchase of raw materials	20,244.39	21,536.76
	Sale of goods	198.70	406.26
	Rent paid	119.89	103.15
	Subscription of Preference shares	10,000.00	–
	Inter Corporate deposit received	5,000.00	2,200.00
	Interest paid	449.30	113.62
	Rendering of Services	11.42	11.89
TM International Logistics Limited	Services received	1,472.82	2,235.20
Tayo Rolls Limited	Sale of goods	–	196.38
Tata Steel Resources Australia Pty Limited	Purchase of goods	5,405.74	–
Tata Steel Processing and Distribution Limited	Purchase of goods	190.16	–
International Shipping and Logistics FZE	Services received	–	86.34
Mr. Harsh K Jha	Remuneration	76.49	81.57

Notes to the Consolidated Financial Statements

(₹ in lacs)

Name of the related party	Nature of outstanding	As at 31.03.2012	As at 31.03.2011
Tata Steel Limited	Outstanding receivables	198.79	13.77
	Inter Corporate Deposits	7,200.00	2,200.00
	Outstanding payables	1,443.83	4,851.86
	Interest payable	339.84	37.73
TM International Logistics Limited	Advances paid	4.74	88.36
Tayo Rolls Limited	Outstanding receivables	-	1.78
Tata Steel Resources Australia Pty Limited	Outstanding payables	1,865.87	-
Tata Steel Processing and Distribution Limited	Outstanding payables	60.84	-

34. Employee Benefits

Defined Contribution plans

The Company has recognised an amount of ₹ 349.00 lacs in expenses for the year ended 31.03.2012 (Previous year ₹ 274.12 lacs) towards contribution to the following defined contribution plans :

	For the year ended 31.03.2012	For the year ended 31.03.2011
Provident Fund	220.49	180.21
Superannuation Fund	114.30	83.66
Employee State Insurance	14.21	10.25
Total	349.00	274.12

Defined Benefit Plans

The Company provided the following employee benefits.

Funded : Gratuity

Non Funded : Leave Encashment

Details of the Gratuity Plan are as follows :

Description	2011-12	2010-11
1. Reconciliation of opening and closing balances of obligation		
a. Obligation as at beginning of the year	361.40	273.68
b. Current service cost	48.65	37.67
c. Interest cost	27.22	22.14
d. Acquisition Cost/(Credit)	-	-
e. Actuarial (gain)/loss	73.99	39.34
f. Benefits paid	63.99	11.43
g. Obligation as at end of the year	447.27	361.40
2. Change in fair value of plan assets		
a. Fair value of plan assets as at beginning of the year	231.93	187.98
b. Acquisition adjustment	-	-
c. Expected return on plan assets	17.25	18.16
d. Actuarial gain/(loss)	(24.77)	-
e. Contributions made by the company	34.42	37.22
f. Benefits paid	63.99	11.43
g. Fair value of plan assets as at end of the year	194.84	231.93

Notes to the Consolidated Financial Statements

(₹ in lacs)

34. Employee Benefits

Description	2011-12	2010-11			
3. Reconciliation of fair value of plan assets and obligations					
a. Present value of obligation as at 31.03.2012	447.27	361.40			
b. Fair value of plan assets as at 31.03.2012	194.84	231.93			
c. Amount recognised in the balance sheet Asset/(Liability)	(252.43)	(129.47)			
Disclosed under LT Provision ₹ 258.17 lacs and Loans and advances ₹ 5.74 lacs	(252.43)	(129.47)			
4. Expenses recognised during the year					
a. Current service cost	48.65	37.67			
b. Interest cost	27.22	22.14			
c. Expected return on plan assets	(17.25)	(18.16)			
d. Past Service Cost	–	–			
e. Actuarial (gain)/loss	98.76	39.34			
f. Expenses recognised during the year	157.38	80.99			
5. Investment details	% invested	% invested			
a. Others (Funds with Life Insurance Corporation of India)	100.00	100.00			
# The breakup of the fund assets are not provided by the insurance company					
6. Assumptions	%	%			
a. Discount rate (per annum)	8.60% - 8.90%	8.25% - 8.50%			
b. Estimated rate of return on plan assets (per annum)	7.50% - 9.25%	7.50 - 9.25%			
c. Rate of escalation in salary	5.00%	5.00%			
7. Experience adjustments	31.03.2012	31.03.2011	31.03.2010	31.03.2009	31.03.2008
a. Present value of obligation	447.27	361.40	273.68	206.29	165.90
b. Fair value of plan assets	194.84	231.93	187.98	139.62	81.28
c. Amount recognised in the balance sheet Asset/(Liability)	(252.43)	(129.47)	(85.70)	(66.67)	(84.62)
d. Experience adjustments on plan liabilities ((gain)/loss)	92.20	38.99	39.09	(3.14)	2.17
e. Experience adjustments on plan assets (gain)/(loss)	(24.77)	–	(2.20)	3.73	–

34. Employee Benefits

Details of the Compensated absence Benefit are as follows :

Description	2011-12	2010-11
1. Reconciliation of opening and closing balances of obligation		
a. Obligation as at beginning of the year	353.37	287.46
b. Current service cost	55.84	43.49
c. Interest cost	25.14	22.52
d. Acquisition Cost/(Credit)	3.35	–
e. Actuarial (gain)/loss	77.87	31.12
f. Benefits paid	98.82	31.22
g. Obligation as at end of the year	416.75	353.37

Notes to the Consolidated Financial Statements

(₹ in lacs)

Description	2011-12	2010-11			
2. Reconciliation of fair value of plan assets and obligations					
a. Present value of obligation as at 31.03.2012	416.75	353.37			
b. Fair value of plan assets as at 31.03.2012	–	–			
c. Amount recognised in the balance sheet Asset/(Liability)	(416.75)	(353.37)			
3. Expenses recognised during the year					
a. Current service cost	55.84	43.49			
b. Interest cost	25.14	22.52			
c. Expected return on plan assets	–	–			
d. Actuarial gain/(loss)	77.87	31.12			
e. Expenses recognised during the year	158.85	97.13			
4. Assumptions	%	%			
a. Discount rate (per annum)	8.60% - 8.90%	8.25% - 8.50%			
b. Estimated rate of return on plan assets (per annum)	NA	NA			
c. Rate of escalation in salary	5.00%	5.00%			
5. Experience adjustments	31.03.2012	31.03.2011	31.03.2010	31.03.2009	31.03.2008
a. Present value of obligation	416.75	353.37	287.46	181.80	140.77
b. Fair value of plan assets	–	–	–	–	–
c. Amount recognised in the balance sheet Asset/(Liability)	(416.75)	(353.37)	(287.46)	(181.80)	(140.77)
d. Experience adjustments on plan liabilities ((gain)/loss)	93.32	30.65	99.90	10.94	10.03
e. Experience adjustments on plan assets (gain)/(loss)	–	–	–	–	–

35. The Board of Directors of the Company in its meeting held on September 27, 2011 had decided to divest its 300,000 Ton pig iron manufacturing facility at Redi in Maharashtra following which, the Company had entered into an agreement for its sale for a consideration of ₹ 180 Crores plus working capital as at the date of sale. However, the transaction could not be consummated by the long stop date i.e., March 28, 2012 consequent upon which the parties decided to terminate the agreement by mutual consent on March 30, 2012. The Board continues to evaluate other strategic options including restarting of the operations of the Redi unit and therefore, continues to be included as part of “continuing operations” of the Company.
36. The Revised Schedule VI has become effective from April 1, 2011 for the preparation of financial statements. This has impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped/reclassified where necessary to correspond with the current year's classification/disclosure.

For and on behalf of the Board of Directors

Kolkata, April 25, 2012

Sankar Bhattacharya
Company Secretary

Harsh K Jha
Managing Director

Koushik Chatterjee
Chairman

CALENDAR FOR COMMUNICATION WITH SHAREHOLDERS FOR F.Y. 2012-13

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 		Email addresses - rd.infotech@vsnl.net investors@tatametalliks.co.in
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
Telephone					Telephone no. for shareholders queries viz. 6613-4205 RTA : 2419-2641
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 		<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. 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 	



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 TWENTY SECOND ANNUAL GENERAL MEETING of the Company at Kalamandir, 48, Shakespeare Sarani, Kolkata - 700 017 at 11.30 a.m. on Friday, September 21, 2012.

.....
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 TWENTY SECOND ANNUAL GENERAL MEETING of the Company to be held on September 21, 2012 and at 11.30 a.m.

Signed thisday of2012.

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.



TATA



Melts faster than existing pig iron

Energy efficient operations for foundries

Highest surface area to mass ratio existing in market today

Optimum void distribution in cupola & packing density in induction furnace

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