TATA METALIKS LIMITED

Twentieth Annual Report | 2009-10




PEOPLE PLUS INITIATIVES




Contents

Annual General Meeting on Friday 24th September, 2010 at The Bengal Chamber of Commerce at 2 p.m.

As a measure of economy copies ot the Annual Report will not be distributed at the Annual General Meeting.
Shareholders are requested to kindly bring their copies to the meeting.

Board of Directors
(As on 30.07.2010)

Mr. H. M. Nerurkar (Chairman upto 28.10.2009)
Mr. Koushik Chatterjee (Chairman w.e.f. 29.10.2009)
Mr. A. C. Wadhawan
Mr. Manish Gupta
Mr. Dipak Banerjee
Mr. Ashok Kumar Basu
Mr. Ashok Kumar
Mr. Ajay Roy (Resigned w.e.f. 30.07.2010)
Mr. V. S. N. Murty
Mr. Subrata Gupta (Nomination withdrawn by WBIDC Ltd. w.e.f. 07.05.2010)
Mr. Harsh K Jha (Managing Director)

Management
(As on 30.07.2010)

Mr. Harsh K Jha	Managing Director
Mr. V. B. Singh	VP (Operations)
Mr. Subhasis Dey	VP (Corporate Service)
Mr. Sudhin Mitter	VP (Marketing)
Mr. Kalyan Chatterji	VP (BO & Projects)
Mr. Debasish Mishra	GM (LSCM)
Mr. P. Daniel Kumar	GM (Iron Making)
Mr. Subhra Sengupta	Chief Financial Officer
Mr. Abhijit Basak	Executive-in-Charge – Kharagpur Unit
Mr. P. Ravi	Plant Head - Redi
Mr. S. Shyam	Chief HR (Corporate) & CQH
Mr. Vishwanath G. Malagi	Chief (Corp.Gov) & Company Secretary

REGISTERED OFFICE	Tata Centre, 43, Jawaharlal Nehru Road, Kolkata – 700 071.
BANKERS	State Bank of India, IDBI Bank, HDFC Bank Bank of Baroda, Bank of India Canara Bank
AUDITORS	M/s Deloitte Haskins & Sells Chartered Accountants Kolkata
SHARE REGISTRARS	M/s R & D Infotech Pvt. Ltd. 22/4 Nakuleshwar Bhattacharjee Lane Kolkata – 700 026

Committees of Board
(As on 30th July, 2010)

Audit Committee

Mr. A. C.Wadhawan	-	Chairman
Mr. Manish Gupta	-	Member
Mr. Dipak banerjee	-	Member
Mr. V. S. N. Murty	-	Member

Remuneration Committee

Mr. A. C. Wadhawan	-	Chairman
Mr. Manish Gupta	-	Member
Mr. Dipak Banerjee	-	Member
Mr. Koushik Chatterjee	-	Member

Shareholders'/Investors' Grievance Committee

Mr. Manish Gupta	-	Chairman
Mr. Ashok Kumar Basu	-	Member
Mr. Harsh K Jha	-	Member

Committee of Board

Mr. Koushik Chatterjee	-	Chairman
Mr. Manish Gupta	-	Member
Mr. Dipak Banerjee	-	Member
Mr. Harsh K Jha	-	Member

Investment /Borrowing Committee

Mr. Harsh K Jha	-	Chairman
Mr. Manish Gupta	-	Member
Mr. V. S. N. Murty	-	Member

Ethics and Compliance Committee

Mr. Manish Gupta	-	Chairman
Mr. Ashok Kumar Basu	-	Member

Investor Service Centre

Tata Metaliks Limited
Tata Centre
43, Jawaharlal Nehru Road
Kolkata – 700 071
Phone : +91 33 6613 4205
Fax : +91 33 2288 4372
E-Mail : investors@tatametaliks.co.in

M/s R & D Infotech Pvt. Ltd.
22/4 Nakuleshwar Bhattacharjee Lane
Kolkata – 700 026.
Phone : +91 33 2463 1658 / 1657
Telefax : +91 33 2463 1657
E-mail : tml@rdinfotech.in
rd.infotech@vsnl.net

Chairman's Statement

Dear Shareholders,

At the very outset, I am pleased to inform you that your Company has returned to profit in for the financial year 2009-10 with a Profit Before Tax of Rs 50 crores..

At the start of the financial year, the Company faced severe challenges due to the economic crisis which adversely affected the global economy including in India, However, the Company undertook several initiatives under the 'Recouping the Lost Ground' program to reduce its costs, increase productivity and working capital management during the year under review and returned to profit from the second quarter of the financial year. As an outcome of the above initiatives the Company has changed the fundamental economics of running a two plant, five furnace operations which will bring more robustness and operating flexibility in the future

During the year under review, the Company continued its focus on safe operating practices, improvement in its operating performance through better management of raw materials, effective management of its assets including improvement in working capital management and better operating practices at its plants. This resulted in record production and yields in both the plants in Kharagpur and Redi.

Your Company which had received a prospecting license from the Maharashtra state government in early 2009, commenced prospecting at the Dongarpal-Sindhudurg area near Redi during the later part of the financial year. . Its findings could prove critical for the long term competitiveness of the Redi plant.

The Capital expenditure program of the Company was carefully monitored during the year considering the challenging operating and market conditions. However, the Company will continue to look at upstream and downstream investments that will enhance the competitive capability and create long term shareholder value.

As recovery picks up around the world, India ranks among the best performing nations with the GDP growth at 7.2 per cent for 2009-10. The iron and steel manufacturing industry in India is now far better placed to compete and grow profitably through better efficiency and value added product offerings. It is with that strategy in mind the Company has looked to continuously focused on improving operating performance meet customer expectations in terms of quality and service as also look at downstream products for differentiated offering to the customers. The downstream investment in DI pipes along with Kubota Corporation of Japan is an important strategic initiative. Post the economic crisis, the global economic cycles will be more volatile and uncertain. It is therefore imperative for the Company to be pro-active and seize the opportunities of the future.

The Company will continue its path of engaging with the communities in and around its operating locations to create a safe and sustainable environment which are in the best traditions of the Tata Group. Finally, I would like to thank all the shareholders for the continuous support and encouragement to the Company as also to the employees and Unions for their commitment to the Company.

Kolkata
Date : 30th July, 2010

Koushik Chatterjee
Chairman

Recouping the Lost Ground

The phoenix is truly a rare creature—a mythical bird with a corporate moral. The courage to re-enter the ring, the conviction of resurgence, the culture of reinvention. At the same time, to equate the performance of Tata Metaliks Limited in 2009-10 with the phoenix would not do it justice. Because Tata Metaliks Limited proved that the "net worth" of the Company is bigger than any meltdown-induced setback, provided, that it has over the years built a continuous tradition of strong corporate fundamentals.

Recover

In recent memory, 2008-09 was probably the most challenging year for Tata Metaliks. The culprit: the third quarter, where recessionary global headwinds pushed the Company off the cliff, with Rs. 149 crore as deficit. Losing no time, the Company put itself up on its feet and got itself on track in the fourth quarter, ending the quarter with an operational profit of Rs. 2.84 crore and a PAT of Rs. 19.66 crore. Exactly one year later, the Company has ended 2009-10 with a PBT of Rs. 50 crore and Forex gains of Rs. 4 crore. There is cause for further cheer: for the first time in its history, the Redi plant became a profit-maker. Around 35% of the Company's profits have come from the Redi plant.

Restructure

2009-10 saw the entire industry watching TML with a hawk's eye. Will the Company keep up the momentum it had managed to garner in the fourth quarter of the past fiscal or will it fall flat? Internally, within TML, the brief was clear: Recouping the Lost Ground in two years, 2009-11. This meant a broad, simple, stakeholder-centric objective—cash positive operations right through all the Company's initiatives. With strong fundamentals built over years and a mood of quiet determination. Working capital was tight; the Company had to jump the gun; there was no time to lose. Pragmatic assessment gave rise to two sub-objectives—cash containment and cost reduction. This meant reconfiguring the Company's business model without compromising on the Company's ethical mainframe. The result—a far greater vigilance on the Company's internal business cycle—both for the long and short term through a newly-instituted APEX MANCOM (Management Communication) team, Redi and Kharagpur profitability teams and plant-level 24x7 cost reviewing teams. Human ingenuity and will power was sharpened to its peak, with fresh ideas passed through the critical sieve of workability. And the Company sharpened its focus on making more from less—attacking raw material and energy costs, sweating idle assets, negotiating with suppliers, lowering customer credit period for smoother cash flow, maintaining an agile, needs-based inventory instead of locking resources.

Renew

The Company's efforts were buttressed by a more positive domestic market. Although export markets remained sluggish, India's economic climate rapidly became sunny, fuelling a demand for commodity iron products particularly in infrastructure and user industries like castings. However, positive markets resulted in a strange phenomenon of raw material prices rising faster than finished products, squeezing margins, which had to be counteracted with more innovations.

Renovate

At the same time, the Company embarked on certain cherished long-term projects—prospecting activity for iron ore at the Dongarpal mines at Maharashtra, near Redi, which, if it meets expectations, would address long-term raw material security at its Redi plant. In a spirit of cautious pragmatism, the Company did some ground work on its proposed Sinter Plant at Kharagpur.

The sister Company, which also is an internal customer for molten metal, Tata Metaliks Kubota Pipes Limited (TMKPL) started trial production of ductile iron pipes, and started exporting DI pipes to quality conscious international customers also. TMKPL received international certifications like ISO 2531, BSEN 545 and ISO 9001. In the field of DI pipes which plays a huge factor in public health, where the demand-supply gap is immense, which TMKPL would seek to address with its product quality, differentiating itself from competition with products on a par with Japanese standards.

Restore

Despite serious challenges, the Company also stepped up its initiatives work on Corporate Sustainability, including Green Initiatives, Corporate Ethics and Community Empowerment and Inclusiveness—in both its plant sites at Kharagpur and Redi. Which in today's global market separates the boys from the men.

React

The road to recovery can be smooth or a bumpy ride to a dead end. In 2009-10, Tata Metaliks showed the world that the road to recovery is as smooth as the Company and its people make it.

All about belling the BIG CAT

Recession had set the Company back in 2008-09. The big cat on the Company's balance sheet was the loss of Rs. 149 crore incurred in the meltdown year. In 2009-10, the big cat needed to be belled anyhow.

Recouping the Lost Ground (RtLG), the Company's crunch time turnaround strategy, had set the mandate—a Rs. 100 crore per year revenue. A tough call, considering that it meant tightening fiscal belts, leaving no room for risks or mistakes. Slow and steady seemed to the new mantra.

But the first quarter of the fiscal under report proved that things don't go exactly according to plan. The shutdown at one of Kharagpur's blast furnace contributed to a loss of Rs. 15 crore in June 2009. Significantly, this early setback brought out the best in the Company. The Company geared up to become more cost conscious, operate within tighter inventory, process a more efficient consumption of raw material and finished product backlog, renegotiate with vendors and customers to get the best possible fair deal. Whatever could be deferred was done prudently—the Company, even in its most challenging times, had never tried to dress up its balance sheet. So the Company's earlier target of RtaB or Race to a Billion by 2012, which targets Rs. 5000 crore or approximately $1 billion as the Company's topline, was pushed by three years to 2015. Necessities like raw material costs, operating and logistics costs, demurrage, could not be compromised with.

But despite these odds, the Company achieved a PBT of Rs. 50 crore, including FOREX gain of approximately Rs. 4 crore, which was around 1.07 times more than the figure in the Annual Business Plan. More significant for the long-term, the Redi plant became profitable for the first time, with around 35% of the profit coming from Redi. The figure was arrived at by leveraging the internal vendors of financials—operations and marketing—and overall, the intrinsic strength of the Company's human capital. On a daily basis, a positive cash flow was maintained, and the Company avoided locking profit in inventory or with debtors. The Company also lined up its Capex to grow its current or future capacities or physical assets, for example, sinter plant, mining, ductile iron pipes, among others.

In fact, DI pipes will impact the Company favourably in 2010-11. The Company is bullish about its mutually symbiotic deal with sister Company, Tata Metaliks Kubota Pipes Limited, which will function as a captive buyer for TML's hot metal.

Hard Sell, 2009-10

Recoup: The Company achieved a profit before tax of Rs. 50 crore, including a FOREX gain of Rs. 4 crore.

Rebuild: The Company bettered its annual business plan target, lined up Capex and kept a positive cash flow throughout the year (except Q1).

Recharge: The Company's financial performance restored the confidence of industry watchers, investors and stakeholders. This year, our Earnings per Share were Rs. 18.01

People in Form

Rallying the TROOPS

In some companies, they are the proverbial albatross; in others, they are the biggest business asset. In TML, human capital falls in the latter category.

2009 started with a small silver lining in the meltdown cloud—that even in the toughest year of 2008-09, the last quarter ended with a small profit. Yet overall, the mood was somber. People across Kharagpur and Redi needed assurance. Which the men in the backroom understood. The Human Resource team developed a slew of motivating elements—focused need-based skill enhancement training modules, revised compensation aligned to performance, safety trainings, a structured Reward & Recognition Scheme. A significant event was integrating the HR practices of both Kharagpur and Redi on a common platform with regard to promotions, pay structure and career paths of individuals.

Motivation works best with a goal in sight. And the goal was a tough one: RtLG.

RtLG, a two-year strategy, was driven by a focused approach to goals across all departments, in which employees were the RtLG owners and stakeholders. This explained why in the fiscal under report, people power ruled across the Company's geographies and tiers. In fact, the credit for successful implementation of RtLG lies with the people.

Skill enhancement, cross-functional exposure, safety and health as well as leadership and peer mentoring became important, both for training and KRA, which linked individual growth to not just individual career progression but a collective value-add for the Company. Employees reciprocated with unprecedented acts of ownership and engagement (read the chapters on 'Operations') at the Kharagpur and Redi shop floors, as well as those in marketing and strategic planning teams—proactively setting individual and team targets aligned to Company needs.

Hard Sell, 2009-10

Recoup: The Company, through its diverse portfolio of skill enhancement trainings and exposure, career growth plans and revised compensation structure, equitably across Kharagpur and Redi, created a resurgence of employee ownership and confidence.

Rebuild: In the first year after the meltdown, the focus was firmly on buttressing the intrinsic strength of Company—its people—with need-based skills, cross-functional, leadership and safety trainings.

Recharge: In the fiscal under report, peoples' contribution helped performance exceed annual targets—both in revenue and production.

Marketing in Form

Fence around the SAND DUNES

A dream return to form happens to cricketers, not to companies. For TML, drumming up business was a critical task, but in the commodity business, the market plays the capricious sea god that can wash away the carefully erected sand dunes. The need of the year: fences.

In 2009-10, for the pig iron industry, revival after the disastrous meltdown did occur, but its script was uneven. The auto sector showed signs of revving up, but the castings and steel sector waited till the last quarter to take off. In the public sector—railways, telecom, pipes and pipe fittings, public infrastructure—progress was on an even keel.

For TML's marketing team, the macro mission was RtLG, as a part of the Company's big picture. But to achieve that, the micro strategies had to be pragmatic, spot-on and nimble-footed. There was simply no room for mistakes.

What the marketing team did was rely on solidity, not brilliance. In a time of extreme market volatility, it kept a cool head and did not speculate on market trends; the Company responded swiftly to trends instead. It avoided locking resources to ease the flow of working capital—accumulation of raw materials or finished goods, stock holding, long-term credits or commitments. Rather, it reduced customer credit periods, and encouraged shorter order-to-delivery cycles. In fact, the lessons of the meltdown had changed the industry definition of the long-term, and so the Company also revisited long-term plans.

But in accordance to the Company's ethics of keeping customers informed, creating newer, more transparent and frequent communication channels through a revamped Customer Relationship Management, became priority. The marketing team, the customer's direct point of contact, devised a slew of communication solutions for its customers—a quarterly Communication Calendar, holding Customer Meets, feedback mechanisms, social events, consultation on technical services, customized dispatches on market/trade overview based on regions or markets, and so on. With these initiatives, it was able to retain customer confidence, despite letting customers know that they could not expect the moon on a stick.

Another vital meltdown lesson that the marketing team did not forget was maintaining the Company's diversification of markets. While the export market remained sluggish, the domestic markets were aggressively penetrated. Customer portfolio was judiciously expanded to get orders throughout the year instead of seasonal orders. But the marketing team's biggest ally remained the Company's intrinsic strengths—product quality including finish, as well as delivery compliance, which enabled the Company to retain its right of first refusal—which meant that TML continued to be the customer's preferred supplier, due to the latter's immense faith in our product quality.

Hard Sell, 2009-10

Recoup: The Company's market share has increased as many other plants shut down.

Rebuild: Despite stringent measures, customer confidence has been rebuilt with a slew of customer-centric measures and clear two-way communication channels.

Recharge: The marketing team achieved its business target in both value and volumes.

Operations (Redi) in Form

The turn of the WESTERN TIDE

The Redi plant was a dysfunctional unit when the company strategically acquired it in January 2006 to ramp up production as well as to penetrate western and southern markets in India. In a short time, the Redi plant's acclimatization with the TATA ethos has been remarkably smooth. However, issues of poor pig and variable quality had remained, mostly due to the variable sources of raw material. In addition, regular investments were needed to make its three blast furnaces operate efficiently. Was the Redi plant destined to stay in the shadow of its illustrious Kharagpur counterpart?

Not at all. In fact, 2009-10 was Redi's year. For the first time, Redi achieved profitability and record production figures of almost 2 lakh tonnes of hot metal, which was almost a 100% increase over last year. Yield was up to 98.12%, more than the target of 98% and last year's 96.7%. The percentage of poor pig was down to 3%. Of its three furnaces, two worked well, which for an old plant was another first. In fact, the furnaces achieved the lowest-ever coke rate of 683 kg per tonne of hot metal, down by more than 10kg in comparison with the preceding years.

A lot of these achievements transpired because of Redi's 368 motivated employees. In fact, in the Reward & Recognition (R&R) Scheme instituted to motivate employee performance, 36 employees at Redi were awarded—a marker of the high levels of employee engagement and ownership. Worker enthusiasm in the Knowledge Worker Programme and the culture of positive teamwork was reflected in operational efficiency. In fact, the PCM-2 was commissioned in-house, the second blast furnace as well as a compressor was repaired by employees, with the latter proving to be benchmark as the equipments manufacturer did not repair it! Greater safety awareness on the shop floor, through innovations like growing the Safety Tree without injury, resulted in no "lost time accident". In fact, Redi's Safety Tree grew for 67 days at a stretch, when it was halted by a first-aid injury case. Employees themselves set the next benchmark—100 days.

Even though the turmoil of securing raw materials, particularly iron ore of a standardized quality continued, with unavoidable spot purchases, operational efficiencies helped manufacture pig that compared to the best in the industry in terms of Fe content and finish.

The Redi turnaround will grow stronger if after prospecting, the Dongarpal iron ore mines yield the volume and quality of ore the Company is looking at. After the Maharashtra government approved the prospecting license for the Company, the Company started prospecting initiatives at the mines spread across 154.8 hectares.

Hard Sell, 2009-10

Recoup: The Redi plant attained profitability for the first time. In addition, on the sustainability scale, Redi's captive power plant and granulated slag plant added value to the triple bottom line, while its safety and pollution score was far lower than government standards.

Rebuild: The physical assets of the plant were sweated like never before by a workforce with the "will to win".

Recharge: The Redi plant was recharged by its people who were willing to deliver beyond the expected, to satisfy the internal customers through better skill-sets and broader responsibilities. No wonder, the plant jumped 83 points on the TBEM scorecard.

Operations (Kharagpur) in Form

Steady as a ROCK

The steady rock weathers many storms, and emerges stronger. The Kharagpur plant exhibits the same qualities. Emerging from an inclement global economic climate, where raw material prices inched towards the finished product, leaving hardly any margins, and where demand cycles changed every quarter, the pig iron industry turned to the only feasible solution—operational efficiency. For the Company, the Kharagpur plant provided benchmarks in operational efficiency in pig iron surface quality and production volumes as well as in intelligent capacity utilization even in the toughest times.

However, the first quarter gave some anxious moments with the unexpected shutdown, which seriously impacted the Q1 balance sheet. The plant however, quickly got back on its feet, and did what it does best: breaking its own records. For instance, it achieved a hot metal yield of 98.65%, with the lowest-ever off-grade generation of 7.8%, down from 13%. In fact, poor pig percentage is not an issue at the Kharagpur plant anymore. Apart from the primary foundry grade pig iron, the plant produces very low sulphur grades like SSG and SSG Ultra which fetch a higher premium. Of the 506286 tonnes of hot metal produced, 306264 tonnes came from Kharagpur and 200022 tonnes came from Redi, of which Kharagpur and Redi produced 302138 and 196264 tonnes of pig iron respectively.

These figures reveal the inside story—the everyday micro-level planning inside the plant across all tiers and the depth of employee motivation. In fact, training on leadership development and knowledge integration was the backbone of the Knowledge Worker and Knowledge Manthan (Churning) Programmes. The Reward & Recognition Scheme's Suggestion Box Management created greater employee ownership about innovating their best practices for themselves. 39 employees won R&R awards!

Meltdown lessons were cascaded across all levels—the belt was tightened in every manufacturing function. With raw materials responsible for 85% of expenditure, a lower fraction of iron ore was also used, with iron ore consumption reduced by 30 kg per tonne. As in last year, coke fines were also judiciously used, and coke moisture dried to better the coke rate by half. The plant is planning to use converted coke rather than imported coke to push down costs further. In another new development, a strategic decision to sell lumpy coke was undertaken to add value to the customers' raw material, which was replicated in the Redi plant also.

Although the Company, as a part of its RtLG strategy, tightened its expenditure belt at all levels, it invested in a railway siding inside the Kharagpur plant for smarter logistics management. Despite limitations, some work progressed on the sinter plant initiative as well.

Hard Sell, 2009-10

Recoup: Despite the shaky start to the new fiscal, the Kharagpur plant stood up on its feet in record time and achieved many operational records. Its safety and pollution standards also improved.

Rebuild: The capacities of the plant's workforce were reconfigured through numerous initiatives so that their skills matched the needs of a cautiously reviving post-meltdown market. Initiatives included tailor-made programmes like the Knowledge Worker, Knowledge Manthan, Master Class and Business Leaders training programmes, Lead and Develop teams,

Recharge: The plant is clear about its priority of optimum asset utilization. The mandate is clear: operational efficiency will build the Company's internal profitability model in a volatile market scenario.

Sustainability in Form

GREEN RESOLVE for Corporate Sustainability

Shape up or ship out. That's nature's message to industry in the form of climate change and global warming. TML, as a part of the ethics-driven TATA Group, has always stood for green manufacturing processes and systems based on the global triple bottom line approach of planet, people and profit. Guiding the Company are its ethics mentors—the Tata Business Excellence Model and the revamped Tata Code of Conduct, as well as the 10 principles of the UN Global Compact.

TML's green vision works in two ways—reducing its carbon footprint within its plants and corporate office through reduced energy consumption and the 3Rs (Reuse, Reduce and Recycle) and greening the lives of people in the communities it is present in.

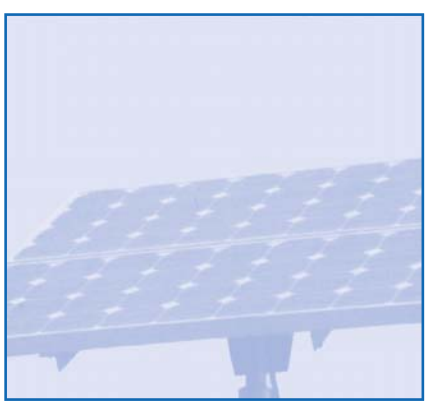
In the year under report, both the plants at Kharagpur and Redi, started significant initiatives to reduce carbon consumption, which also favourably impacted the economic bottomline of the Company.

A zero-discharge Company, there was constant vigilance to lower SOx and NOx and Suspended Particulate Matter levels below its own previous benchmarks, which were much lower than the state-approved standards in both West Bengal and Maharashtra. All forms of pollution were kept in check. In fact, a 3800m^2 metal road inside Kharagpur plant to reduce dust generation due to plying of trucks, improving the quality of ambient air inside the plant. Across both plants, groundwater consumption was measured on a daily basis, which revealed significant reduction by almost 1000 Microns m^3 per day. Year-long gardening and afforestation initiatives resulted in a 33% green belt inside the Kharagpur plant and almost 33% in its Redi counterpart.

Certain operational processes were simplified to reduce resource consumption: for example, coke was transported from storage and fed directly into the furnace instead of being redirected from storage to the ground hopper as earlier. This simple step saved vehicular fuel and prevented generation of fines due to over-handling. Across both plants, waste heat recovery (flue gas from the coke ovens) fuelled the captive power plants, reducing the load of the grid.

This also included adding value to waste products that were recycled. For instance, granulated slag, a waste bi-product which is sold to the cement industry, was made moisture-free for higher revenue. Coke breeze, or coke below 10mm which cannot be charged in the furnace, but which is sold to make briquettes, was stored covered, in a designated, isolated area to avoid its escape.

An important component of corporate wellness, particularly in the manufacturing industry, is employee safety. Across both Kharagpur and Redi, 3100 man hours were spent on Safety Sessions, training 2529 people, including employees, temporary workers and service providers.



Across the communities, the Company's Sadbhavana Trust as well as the Company's Corporate Social Responsibility teams undertook holistic grassroots programmes in health, education and livelihood and income generation. However care was maintained not to compare apples to oranges. The Company addressed the local needs of people around Kharagpur and Redi separately, and did not lump them together. While the Sadbhavana Trust selected educated community youth for job-centric skills upgrade and exposure, the CSR teams across both the plants worked extensively in villages with rural stakeholders—Gram Panchayats, public health teams, rural schools and community-based organizations—to facilitate need-based initiatives. An innovative approach to build capacities was appreciated by the villagers; for instance, at Kharagpur, a vermi-compost micro-enterprise for rural tribal women's Self-help Group, with know-how from an IIT Kharagpur knowledge partner completed a successful year. A slew of holistic CSR initiatives were added in the mining village of Dongarpal, Maharashtra, as well.

Hard Sell, 2009-10

Recoup: The Company's triple bottom line approach to corporate governance in the broadest sense of the term, in all times, irrespective of the balance sheet scorecard, added a dimension of stakeholder respect towards the Company.

Rebuild: The Company's focus was on rebuilding the quality of life for employees and the people in the community through custom-made initiatives.

Recharge: The sustained approach of corporate wellness within the plant and the community fostered greater engagement with the Company.

TATA METALIKS LIMITED

TWENTIETH ANNUAL GENERAL MEETING

NOTICE

Notice is hereby given that the TWENTIETH ANNUAL GENERAL MEETING of the members of TATA METALIKS LIMITED will be held on Friday, September 24, 2010 at 2:00 p.m. at Williamson Magor Hall at The Bengal Chamber of Commerce & Industry, 6, Netaji Subhas Road, Kolkata - 700001, to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit & Loss Account of the Company for the year ended 31 March 2010 and the Balance Sheet as at that date together with the Cash Flow Statement and the reports of the Directors and the Auditors thereon.

2. To appoint a Director in the place of Mr. Dipak Banerjee, who retires by rotation and being eligible, offers himself for re-appointment.

3. To appoint a Director in the place of Mr. Ashok Kumar, who retires by rotation and being eligible, offers himself for re-appointment.

4. To appoint a Director in the place of Mr. V S N Murty, who retires by rotation and being eligible, offers himself for re-appointment.

5. To appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to authorise the Board of Directors of the Company to fix their remuneration. M/s. Deloitte Haskins & Sells, Chartered Accountants, the retiring Auditors, being eligible, offer themselves for re-appointment.

SPECIAL BUSINESS

6. **Performance Linked Remuneration to Mr. Harsh K Jha, 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 Section 309 and all other applicable provisions, if any, of the Companies Act, 1956 ("the Act") and subject to necessary approval of the Central Government, the consent of the Company be and is hereby granted to the payment of Performance Linked Remuneration of Rs.31,50,000/- to Mr. Harsh K Jha, Managing Director, for the financial year 2009-10, notwithstanding that the same together with the remuneration paid to Mr. Jha, for the financial year 2009-10, exceeds the limits specified under Table B of Section II, Part-II of Schedule XIII, of the Companies Act, 1956.

   RESOLVED FURTHER THAT, for the purpose of giving effect to this resolution, the Board and/or Remuneration Committee constituted by the Board, be and is hereby authorized to take all actions and do all such deeds, matters and things, as it may in its absolute discretion deem necessary, proper or expedient. "

7. **Modification in the terms of engagement of Managing Director**

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

   "**RESOLVED THAT** in accordance with the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 and subject to necessary approval of the Central Government, the consent of the Company be and hereby granted to the modification of the present terms of appointment of Mr. Harsh K Jha, Managing Director to include payment of Performance Linked Remuneration not exceeding twice the annual salary during the period of continuance in the office of the Managing Director, as may be recommended by the Remuneration Committee and approved by the Board, notwithstanding that the same together with the annual remuneration paid to Mr. Jha, for the financial years 2010-11 and 2011-12, exceeds the limits specified under Table B of Section II, Part-II of Schedule XIII, of the Companies Act, 1956.

   RESOLVED FURTHER THAT, for the purpose of giving effect to this resolution, the Board and/or Remuneration Committee constituted by the Board be and is hereby authorized to take all actions and do all such deeds, matters and things, as it may in its absolute discretion deem necessary, proper or expedient."

8. **Revision of Borrowing Powers**

   To consider and if thought fit, to pass, with or without modification, the following resolution to revise the borrowing limit from the existing Rs. 250 crore to Rs. 350 crore as an **Ordinary Resolution:**

"**RESOLVED THAT** in supersession of the ordinary resolution passed pursuant to clause (d) of sub section (1) of Section 293 of the Companies Act, 1956 and Article 60 of the Articles of Association of the Company, at the Annual General Meeting of the Company held on 12th July, 2006, approval of the members be and is hereby accorded to the Board of Directors of the Company to borrow moneys and obtain loans and credits from the existing limit of Rs. 250 crore to Rs. 350 crore (including public deposits but excluding temporary loans obtained from the Company's bankers in the ordinary course of business) for the purpose of financing working capital requirements as also for acquisition of capital assets and/or for the purpose of any other requirements of the Company both capital/revenue in nature, notwithstanding that the moneys to be borrowed and already outstanding will exceed the aggregate of the paid-up capital of the company and its free reserves, that is to say, reserves not set apart for any specific purposes".

By Order of the Board of Directors

Vishwanath G Malagi
Chief (Corporate Governance)
& Company Secretary

Kolkata
30th July, 2010

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

Notes :

a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM DULY COMPLETED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

b) Corporate members are requested to send a duly certified copy of the Board resolution authorizing their representatives to attend and vote at the meeting.

c) Members/Proxies should bring the Attendance Slip duly filled in for attending the meeting.

d) Members are requested to notify immediately, change in their addresses, pin code, e-mail addresses and telephone number(s), if any, to the Company at its Registered Office by quoting their folio numbers. In respect of shares held in electronic mode, the same should be communicated to the respective Depository Participant (DP).

e) As per the provisions of the Companies Act, 1956, facility for making nominations is available to the shareholders in respect of shares held by them in physical mode. Nomination forms can be obtained from the Registrars of the Company.

f) Those who are holding shares in electronic mode should give relevant details in this matter to their respective Depository Participant (DP).

g) 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.

h) All requests for transfer of Equity Shares and allied matters along with the relevant transfer deeds and share certificates should preferably be sent directly to the Company's Registrar and Share Transfer Agent, M/s R & D Infotech Pvt. Ltd., 22/4, Nakuleswar Bhattacharjee Lane, Kolkata 700026.

i) The Register of Members and Share Transfer Books of the Company remained closed from 19th July, 2010 to 30th July, 2010 (both days inclusive).

j) Shareholders desiring any information as regards accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready at the meeting.

k) Members, who have not yet encashed their dividend warrant(s) for the financial year 2003-2004 and onwards, are requested to make their claims to the Company accordingly, without any further delay. It may kindly be noted that the unclaimed dividend for the financial year 2002-2003 has been transferred to the Investors Education & Protection Fund.

l) Member who still have their holdings in physical form are requested to convert them into dematerialized form (under ISIN No. INE056C01010) at the earliest.

m) SEBI vide its circular ref. no MRD/ DoP/Cir-05/2009 dated 20.05.2009 has clarified that for securities market transactions and off-market/ private transactions involving transfer of shares in physical form of listed companies, it shall be mandatory for the transferee(s) to furnish a copy of PAN card to the Company / RTAs for registration of such transfer of shares irrespective of the amount of such transaction.

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

ANNEXURE TO THE NOTICE

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

Item No. 6

The Remuneration Committee in considering the Company's performance and the significant contribution made by Mr. Harsh K Jha, Managing Director in the turnaround of the Company, recommended payment of sum of Rs. 31,50,000/- as Performance Linked Remuneration to Mr. Harsh K Jha, for the year 2009-10, over and above of remuneration paid to Mr. Jha, during the year.

The Committee further observed that in accordance with Section 309(5) of the Companies Act, 1956 read with Section 349 of the said Act, as the Company does not have any profits for the year 2009-10, the payment of Performance Linked Remuneration of Rs. 31,50,000/- to Mr. Harsh K Jha *is subject to necessary approval of the members in General Meeting by way of Special Resolution and that of the Central Government.*

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

The Board recommends the resolution as set out under Item no.6 of the Notice, for acceptance by the Members of the Company.

None of the Directors of the Company, save and except Mr. Harsh K Jha, Managing Director is concerned or interested in Item No. 6 of the Notice.

Item No. 7

Mr. Harsh K. Jha, Managing Director had been appointed for a period of 3 years pursuant to Schedule XIII and other applicable provisions of the Companies Act, 1956 commencing from 1st April, 2009, in the General Meeting of the Company held on September 15, 2009.

The consent of the members is sought for the modification of the present terms of appointment of Mr. Harsh K Jha, Managing Director subject to necessary approval of Central Government, as may be necessary to the extent that, Mr. Jha shall be entitled to Performance Linked Remuneration not exceeding twice the annual salary during the period of his continuance in the office of the Managing Director, as may be recommended by the Remuneration Committee and approved by the Board, even if the total remuneration, including Performance Linked Remuneration, payable to Mr. Jha, may exceed the limits specified under Schedule XIII of the Act.

The aforesaid modification to the terms and conditions of appointment of Mr. Jha will be effective only on receipt of approval of members in General Meeting by way of Special Resolution and that of the Central Government.

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

The Board of Directors recommends the resolution as set out under Item no.7 of the Notice, for adoption by the members.

None of the Directors of the Company save and except Mr. Harsh K. Jha, Managing Director is concerned or interested in Item No. 7 of the Notice.

Item No. 8

The members of the Company at the Annual General meeting held on 12th July, 2006, had granted necessary authority to the Board of Directors to borrow in excess of the paid-up share capital and free reserves upto a limit of Rs.250 crore (including Public Deposits but excluding temporary loans obtained from the Company's bankers in the ordinary course of business).

In view of the increased business operations and future growth plans, it is expected that the borrowings shall exceed the present limit of Rs. 250 crore. In view of this, it is felt appropriate to enhance the authority of the Board of Directors, under Section 293(1) (d) of the Companies Act, 1956, to borrow funds in excess of the paid up share capital and free reserves of the Company, to the extent of Rs. 350 crore.

As per the provisions of Section 293(1)(d) of the Companies Act, 1956, consent of the members in general meeting is required, to enable the Board of Directors to borrow moneys, where moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the bankers in the ordinary course of business) exceed the aggregate paid-up share capital and free reserves, that is to say, reserves not set apart for any specific purpose. Article 60 of the Articles of Association of the Company provides for the borrowing powers of the Board subject to such limits as may be imposed by the members of the Company.

The Board of Directors 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 are concerned or interested in the resolutions except as members of the Company.

By Order of the Board of Directors

Vishwanath G Malagi
Chief (Corporate Governance)
& Company Secretary

Kolkata
30th July, 2010

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

Annexure to the Notice

Details of the Directors seeking appointment / re-appointment in the forthcoming Annual General Meeting (Pursuant of Clause 49 of the Listing Agreement with the Stock Exchanges)

Name of Director	Mr. Dipak Banerjee	Mr. Ashok Kumar	Mr. V. S. N. Murty
Date of birth	19.02.1946	02.10.1961	15.04.1951
Date of appointment	26.07.2003	27.07.2002	28.03.2008
Expertise in specific functional areas	Chartered Accountant	Metallurgical Engg	Chartered Accountant
Qualifications	B. Com(H), CA	B.Tech. (Met.)	B.Com (Hons.), A.C.A
List of companies in which outside Directorship held as on March 31, 2010	• DIC India Ltd • HBP Business Advisory Services Pvt. Ltd. • International Shipping & Logistics, FZE • Mjunction Services Limited • NET Engineering Private 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	NIL	• Industrial Energy Pvt. Ltd. • Corus International (Singapore) Holding Pte Ltd. • Tata Refractories Ltd. • Bhubaneswar Power Pvt. Ltd. • Tayo Rolls Ltd.
Chairman/Member of the committees of the Boards of companies on which he is a Director as on March 31, 2010	**DIC India Ltd** – Audit Committee (C) – Remuneration Committee(C) • **Mjunction Services Limited** – Audit Committee (C) • **Shristi Infrastructure Development Corporation Ltd** – Audit Committee (C) – Shareholders' Grievance Committee (M) • **Tata Metaliks Ltd** – Audit Committee (M) – Remuneration Committee (M) • **Tata Sponge Iron Limited** – Audit Committee (M) – Shareholders' Grievance Committee (M) • **Tinplate Co. of India Limited** – Audit Committee (C) – Remuneration Committee(C) • **TM International Logistics Limited** – Audit Committee (C)	NIL	• **Tata Metaliks Ltd.** – Audit Committee (M) – Remuneration Committee (M) • **Industrial Energy Pvt. Ltd.** – Audit Committee (M) • **Tata Refractories Ltd.** – Audit Committee (M) • **Toyo Rolls Ltd.** – Audit Committee (M) – Shareholders' Grievance Committee (M) – Remuneration Committee (M)
Shareholding in Tata Metaliks Ltd.	NIL	250 (Two hundred and Fifty)	NIL

ANNEXURE TO THE NOTICE (*Contd.*)

Statement as per proviso (iv) of Part (B) of Part II of Schedule XIII to 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: 23 April, 1994

3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: NA

4) Financial performance based on given indicators:

(Amount in Rs.Cr)

Particulars	2009-10	2008-09	2007-08
Turnover	**1040.01**	1001.85	1033.38
Net Profit / (Loss) before Tax & Appropriation	**50.65**	(165.46)	106.30

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. Harsh K. Jha is a B.Sc.(Engg.) (Mech.), PGDBM (XLRI). In addition, Mr. Jha has attended Advanced Management Programmes from National Institute of Advanced Studies Bangalore, Off-Campus Programme of Michigan University, IMD, Lausanne, etc.

2) Past remuneration:

(Amount in Rs.lakh)

Particulars	2009-10	2008-09	2007-08
Salary	**25.20**	22.80	19.20
Perquisites & Allowances	**16.35**	14.43	11.12
Performance Linked incentive	**31.50***	—	38.40
Contribution to Provident & other funds	**7.56**	6.84	5.76
Total	**80.61**	44.07	74.48

* *Payable subject to necessary approval of the members and that of the Central Government*

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: Mr Harsh K. Jha 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 that of the Central Government.

6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person: Taking into consideration the size of the Company, the profile of Mr. Harsh K. Jha, responsibility shouldered by him and the industry benchmark, the remuneration proposed is commensurate with the remuneration package paid to similar, senior level appointees in other Companies.

7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personal, if any: Apart from the remuneration payable the Managing Director does not have any other pecuniary relationship with the Company or its managerial personnel.

III. Other information:

1) Reasons of loss or inadequate profits: At Tata Metaliks Limited, the year 2008-09 started on a buoyant note. The Company was geared to improve upon the performance of best-ever fiscal of 2007-08. As the world's biggest pig iron producer with five blast furnaces across two locations, Company always needed a continuous supply of raw material for large-scale production. As a prudent resolution, the Company decided to invest in raw material inventory, enough for around 90 days of production to avoid the uncertainties of spot buying and market volatility. In the beginning of 2008, as the markets were buoyant, prices of imported coke and coal (for converting into coke) rose steadily from the first quarter of 2008-09. In September 2008, the landed cost of coal and coke peaked to around $350+ and $550 + per tonne, respectively.

In the first half of 2008-09 the Company achieved a Gross Income of Rs.683cr with a Profit before Tax of Rs.50cr. However, the global catastrophe in the first two weeks of October 2008 caused a dramatic market slump, crashing prices of raw materials and finished goods alike. During this period the Rupee experienced wide fluctuations vis-à-vis US Dollar.

While the average net realizations came down rapidly, the Company was saddled with high cost inventory which led to heavy operational losses. In addition, following global trends, demand for finished goods came down severely in the third quarter, and for the first time in the history of the Company, more than 35,000 tonnes of finished goods piled up and the Company was forced to curtail production to 40-50%, to reduce losses to the extent possible. This led to stretching of the 90 days inventory to nearly 180 day.

This sudden recessionary onset did the damage in the third quarter. The Company suffered unprecedented losses of around Rs.218 cr including Forex loss of Rs.32 cr. The Net cumulative loss as on 31.12.2008 was recorded as Rs.168 cr. The Company with its concerted efforts was able to achieve an operational Profit of Rs.2.84cr in the last quarter of 2008-09.

The measures taken to counter the negative effects of the down turn in 2008-09, helped the Company to post a Profit before Tax Rs.50.65cr, in the year 2009-10.

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 across Redi and Kharagpur. As a result, in the last quarter of 2008-09, despite the continuing hostile markets, we made an operational profit of Rs. 2.84 crore, proving the soundness of our fundamentals. This was followed up by a Profit before Tax of Rs.50.65cr in 2009-10, signaling significant turnaround for the Company.

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. A major de-risking move is supplying molten metal to our JV Company, Tata Metaliks Kubota Pipes Ltd. (TMKPL), for DI pipe manufacturing.

Expected increase in productivity and profits in measurable terms: During the year ended 31st March 2009, Kharagpur and Redi plants produced 278,051 and 108,633 tonnes of hot metal respectively, which rose to 306,000 and 200,200 tonnes in 2009-10. Over the next three years, as per conservative estimates, the production capacity of Hot metal at Kharagpur and Redi plants, are expected to increase to 4,00,000 and 2,50,000 tonnes respectively.

It is expected that by 2011-12, the Company would make good the losses incurred during the year 2008-09.

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the Twentieth Annual Report of the working of the Company along with the statement of accounts and the Auditors' Report for the financial year ended 31st March, 2010.

1. FINANCIAL RESULTS: (Rs. Cr)

PARTICULARS	Current Year (Stand-Alone)	Current Year (Consolidated)	Previous Year (Stand-Alone)	Previous Year Consolidated
a) Gross Income from sales and other operations	1121.24	1126.12	1107.05	1106.05
b) Profit / (Loss) on sale of surplus raw material	1.22	1.22	(0.68)	(0.68)
c) Profit / (Loss) before Interest, Depreciation and taxes	102.87	84.44	(119.00)	(120.35)
d) Less: Interest	35.80	42.04	30.38	30.38
e) Profit / (Loss) before Depreciation and Taxes	67.07	42.40	(149.38)	(150.73)
f) Less: Depreciation	16.42	25.06	16.09	16.31
g) Profit / (Loss) before Taxes	50.65	17.35	(165.46)	(167.04)
h) Less: Provision for Taxes including deferred taxes	5.10	5.10	(16.72)	(16.43)
i) Profit / (Loss) After Taxes	45.55	12.25	(148.74)	(150.62)
Profit / (Loss) After Tax & Minority Interest	–	28.57	–	(149.70)
j) Profit / (Loss) and loss credit balance brought forward	(57.71)	(59.20)	91.03	90.50
Balance available for appropriations	(12.16)	(30.63)	(57.71)	(59.20)
Which the Directors have appropriated to:				
i) Proposed Dividend on Equity Shares	–	–	–	–
ii) Taxes on Dividend	–	–	–	–
iii) General Reserve	–	–	–	–
Total	–	–	–	–
Balance to be carried forward	(12.16)	(30.63)	(57.71)	(59.20)

2. BUSINESS RESULTS

2009-2010 was an extremely crucial year for the Global Steel Industry after the global recession of end 2008 and early 2009 - the worst economic crisis ever faced since the Great Depression in 1930's and India was no exception. Aware of the challenges that lay ahead, your Company placed itself firmly on the path of recovery with the macro mission of 'Recouping the Lost Ground' in two years, i.e. 2009-11, through (i) conserving cash within the organisation, (ii) reducing the cash requirements of the business and (iii) preventing revenue leakages.

These measures paid off with your Company recording a Gross Income of Rs.1121cr as against Rs.1107cr for the previous year 2008-09.Your Company ended FY 2009-10 with a PBT of Rs. 50 cr as against a loss of Rs.167cr suffered during the previous year 2008-09. Hot metal production was recorded at 0.50 million tones which is not only the second highest production in the history of TML but also an industry record.

The business and operating performance of the company has been discussed in details in the Management Discussion and Analysis section of the Report.

Building a Customer Culture - Project SCOPE (Strategising for Customer Oriented Processes & Excellence)

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

Project SCOPE is targeted towards enriching and reinforcing the awareness levels of Customers' expectations across the total value chain. Specific steps taken in this regard include Sales and Marketing Initiatives such as identifying the needs of Institutional and Retail buyers in relation to both products (like customized grades) and services. Creation of a National Accounts Key Manager to handle Top 50 key customers & corporate buyers was yet another process initiative undertaken. Demarcation and emphasis of the boundary divisions of LSCM and Marketing roles, creation of a customer support group in the Accounts function. Establishment of a Head-operations position keeping in view the nature of growth avenues and criticality of manufacturing, organisation of a retail sales team as per the organisational presence were some of the organisational changes taken by your Company. Periodic feedback from partners (dealers/agents/CSAs), who are an important link in a sizeable portion of our business, is utilised as a means of developing a platform for effective two-way communication and relationship building. Thereby ensuring that the Company is able to meet the changing needs and expectations of the customers.

SCOPE has helped your Company address the dynamic business environment, changing customer expectations and the challenges of the competitive landscape. Your Company believes that the need of the hour is to be *'pro-active'* rather than reactive.

Backward integration - Acquisition of mines

As reported previously, your Company received a prospecting license for Iron-ore, over an area of 154.80 ha from the Maharashtra State Government in the Dongarpal district at Sindhudurg, which is in the vicinity of the Redi plant. Dongarpal Prospecting License deed was executed by DMO, Sindhudurg on Feb 3, 2010 for a period of two years (w.e.f Feb 1, 2010). Subsequently after obtaining consent from majority of land owners your company started the prospecting operation in Dongarpal on March 09, 2010.

The Prospecting operation which will be executed in three phases is expected to be completed by March 31, 2011. The Topographical survey and Core drilling part has been outsourced to M/s Central Drilling Province, Nagpur while the Geological Mapping and Bore hole planning shall be carried out by Tata Steel (NRD), Jamshedpur.

3. PRODUCTION PERFORMANCE

During the year ended 31st March 2010, the Kharagpur and Redi plants produced 306,000 and 200,022 tonnes of hot metal respectively. During FY 2009-10, the production of Pig Iron at the Kharagpur and Redi plants was 301,874 tonnes and 196,2678 tonnes respectively. The production of hot metal and pig iron for the past five years is shown in Figure -1 below:

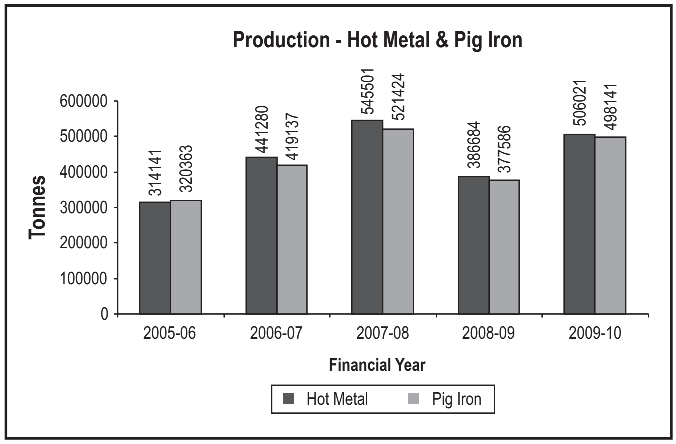


Figure 1

The manufacture of value-added products like SSG grade pig iron with low sulphur, phosphorous and manganese content alongwith significant improvements in operational parameters has contributed to increased productivity of FY 2009-10.

4. MARKETING PERFORMANCE

During FY 2009-10, your Company produced 0.50 million tonnes of hot metal and sold 487,022 tonnes of pig iron. The sales performance for the past five years is represented graphically in Figure 2 below:

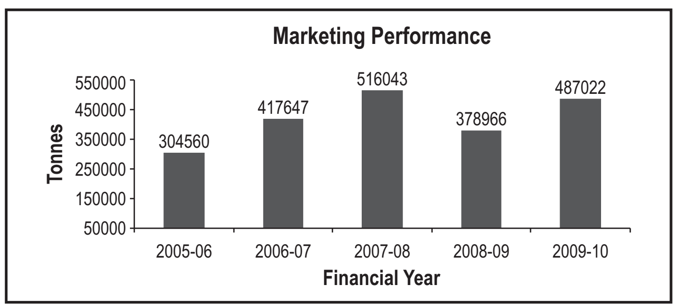


Figure 2

As mentioned above, the use of value added products and improve operational parameters have contributed significantly to the sales performance for FY 2009-10.

Performance: Domestic market

Domestic prices of pig iron remained stable during the first half of FY 2009-10 and rose marginally during second half of FY 2009-10. International prices kept on rising in the second half of FY 2009-10

DIRECTORS' REPORT (*Contd.*)

leading to an export order boom from November 2009. Since June 2009, the demand for finished castings has shown gradual recovery especially in the automobile, energy & agricultural sectors. The application of ductile iron castings has also shown sign of recovery leading to augmented demand of customized grade pig iron.

Pig iron buyers remain speculative and non-committal with regard to long term purchases. The total share of Pig iron produced by secondary manufacturers, like your Company, has come down to 87.38% in FY 2009-10 from 90.51% in FY 2008-09.

During FY 2009-10 , your company sold approx. 469080 tonnes of Pig Iron in the domestic market with a national market share of 16%. The Redi plant of your Company catered significantly to markets in the West and South India whereas the Kharagpur Plant supplied mainly to markets in East, North India as well as the overseas market.

Region-wise sales at both the locations are depicted in Figure 3 below:

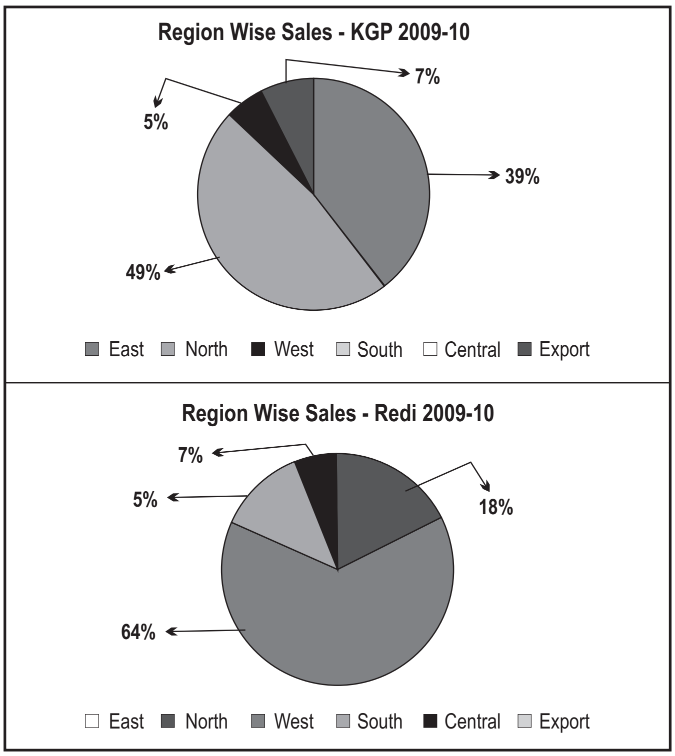


Figure 3

Performance: Export market

The prices of Pig iron in the international market rose briefly in the first quarter of F.Y. 2009-10. However, the improvement was short-lived as the prices crashed again before eventually gaining momentum from November 2009.

Albeit sales in the South East Asian markets and Far East Asia were still recovering, your Company was able to maintain it's presence. The Bangladesh market showed signs of recovery in H1 followed by Taiwan in H2. Exports to niche markets in the Middle East remained at expected levels. Your Company sold 21,000 mt of Pig Iron during the year to M/s. Tata International Ltd. in the course of export.

During the year under review your Company in association with M/s. Tata International Ltd., took initiatives to hold marketing conferences in countries such as Taiwan, Vietnam, Indonesia, Malaysia, Thailand, Bangladesh and UAE with an aim to increasing exports and developing new markets for Pig Iron.

5. KARNATAKA PROJECT

At the Global Investors Meet, Advantage Karnataka, held on June 4, 2010 at Bengaluru, your Company entered into a Memorandum of Understanding with the Government of Karnataka, for setting up an Integrated Steel Plant, with a capacity of 3 MTPA in Haveri District, Karnataka. The Company has also been allotted 2500 hectares of land for the same under the terms of the Agreement. It is estimated that the total project cost would be about Rs. 15,000 crore and your Company would undertake the same alongwith Tata Steel and TML would be a minority player in the project.

6. DIVIDEND

With a view to strengthening the financial positions of the Company, your directors have not recommended any dividend for the year 2009-2010.

7. AMOUNT TRANSFERRED TO INVESTORS' EDUCATION & 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 F.Y. 2001-02 were credited to the Investors' Education & Protection Fund :

Sl No.	Particulars	Date of Transfer	Amount transferred
1	Final redemption of debentures	26.08.2009	16,60,433/-
2	Unpaid dividend	22.06.2009	22,83,209/-
3	Debenture Interest	20.04.2009	1,73,962/-

8. CREDIT RATING

ICRA has upgraded the ratings of the Rs 166 crore term loan facilities, Rs 100 crore non convertible debenture (NCD) and Rs 150 crore fund based bank facilities of your Company from LA-(pronounced L A minus) to LA (pronounced LA)±. The outlook on the rating is stable. The Issuer Rating of your Company has also been revised from IrA-

(pronounced I R A minus) to IrA (pronounced I R A). ICRA has also upgraded the ratings of the Rs 650 crore short term non fund based bank facilities and the Rs 100 crore commercial paper (CP) programme of your Company from A2+ (pronounced A two plus) to A1 (pronounced A one).

9. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- ✓ followed in the preparation of the Annual Accounts, the applicable accounting standards with proper explanation relating to material departures, if any ;
- ✓ selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit of your Company for that period;
- ✓ taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities; and
- ✓ prepared the annual accounts on a going concern basis.

The above statements were noted by the Audit Committee at its meeting held on May 6, 2010.

10. STATUTORY DISCLOSURES

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

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

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

12. PARTICULARS OF EMPLOYEES

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

13. CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on 'Corporate Governance' has been included in this Annual Report, along with reports on 'Management Discussion and Analysis' and 'Shareholder Information'. All board members and senior management personnel have affirmed compliance to the Code of Conduct for FY 2009-10.

Your directors are happy to inform that in a survey conducted by the Institute of Company Secretaries of India; your Company was selected among the Top 25 companies for practicing Good Corporate Governance.

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

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

14. CAPITAL INVESTMENTS

Your Company has not taken up any Capital Investment projects during the year under review.

15. FIXED DEPOSITS

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

16. INVESTOR SERVICES

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

The Company has launched a special investor service drive by creating web-enabled service for the investors, wherein the investors can log-in with their account number & pin code and post their complaints, and view their complaint status. Through the electronic messaging facility, the investors can directly lodge their complaints to the Compliance Officer of the Company on investors@ tatametaliks.co.in. Official news releases are also displayed on the Company's website as well as on the Company intranet. The same are also published in English as well as vernacular newspapers, where the registered office of the Company is situated.

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

SEBI vide circular no SEBI/CFD/DIL/LA/4/2007/27/12 dated December 27, 2007 informed that EDIFAR will be phased out gradually

DIRECTORS' REPORT (*Contd.*)

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*. SEBI has since discontinued the EDIFAR system w.e.f from April 1, 2010.

18. HUMAN CAPITAL

Your Company considers its workers to be its biggest assets and the Management encourages employee participation at every stage of the decision making process and day to day running of the Company. . This has led to the development of a culture based on mutual trust and respect built assiduously and nurtured over the years. As an equal opportunity employer, your Company has created a cosmopolitan employee mix, reflective of its national stature.

The Human Resource team has introduced a number of measures aimed at motivating and increasing employee performance and productivity. These measures include focused need-based skill enhancement training modules, revised compensation aligned to performance, safety trainings and a structured Reward & Recognition Scheme. A significant event during the year was the integration of the HR practices of both Kharagpur and Redi on a common platform with regard to promotions, pay structure and career paths of individuals. The result was a new and distinctive one Company culture that aims at engaging our people not only in our strategy, development and implementation but also educates them about the business, stimulates innovation and drives growth.

Training:

As mentioned earlier, your company considers its employees as its greatest asset and the HR policies and strategies of the company have been focused on converting potential into performance. The result would be an informed, engaged and aligned employee at the workplace. Your Company, as part of its endeavour of being a learning organization, has a policy of continuously investing in the training and development of all its employees (including contractual employees). Your Company continuously upgrades the technical skills and competencies of its employees. Further, continuous steps are taken to attract fresh talent from all over the country. Your company imparts training in several areas including managerial topics, information technology, etc.

During the year under review, your Company with the objective of 'Creating tomorrow's capability today' in collaboration with Tata Management Training Centre (TMTC), Pune has initiated Leadership training programmes tailor made and suited for managerial and leadership team of TML. The training is at present being conducted in three levels (i) Senior Master Leadership Training Programme for the senior executives; (ii) Second Level Training Programme is designated for middle management; (iii) Emergent Leader Training Programme is being conducted to address the managerial skill requirements for young professionals. TMTC also measures the effectiveness of the training imparted by way of tracking the performance of employees.

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

Your Company had 678 employees on roll as on 31st March, 2010 (261 at Kharagpur and 371 at Redi unit).

19. CORPORATE SOCIAL RESPONSIBILITY

The philosophy of sustainability and business ethics has been the cornerstone of your Company's policies and practices.. In line with the values of Tata Group,your Company considers its interests to be inseparable from that of the community. As a result the Company has always involved itself in activities that benefit the inhabitants of the areas where its operations are located.

Measures in areas such as education, health care and environment are taken by the Company, which enables the local population to improve the quality and standard of living.

Going Green

Considering the emerging need of addressing the climate change initiatives in line with Tata Group guidelines, your Company has taken a three step process across the organisation viz. a) Awareness across its stakeholders including its community; b) Process improvements by introducing energy efficient pig-iron and c) Technological intervention by way of Capital Projects like Sinter Plant and Enhancement in capacity of Blast Furnace.

You Company had also adopted innovative measures to reduce its carbon footprint and in this regard both the units at Kharagpur and Redi are seeing dedicated activity at every level. One of these initiatives has to do with increasing the green cover around the plant in keeping with the requirements prescribed by the Ministry of Environment and Forests.

Other initiatives taken during the year include adopting suitable Water conservation measures to make TML a water neutral Company by 2015. Similar measures have been taken to conserve the utilisation of power. Other initiatives to protect the environment are the replacement of a petrol-operated motorbike used by employees for movement within the plant with an electric two-wheeler and the use of video-conferencing for communication between the company's site at KGP, Redi, Bengaluru and Kolkata. A solar heater has been installed in the canteen to reduce the consumption of fuel.

The World Environment Day was celebrated in Tata Metaliks, Kharagpur works on June 5th, 2010. On this occasion, saplings were planted near the Material gate and near the 100 tonne weigh bridge. A month long environment campaign was also initiated. Through all these initiatives, your Company has reinforced its commitment to the planet.

20. DIRECTORS

Mr. Dipak Banerjee, Mr. Ashok Kumar and Mr. V S N Murty, Directors retire by rotation at the upcoming Annual General Meeting and being eligible offer themselves for re-appointment.

Mr. H. M. Nerurkar and Mr. Ajoy Roy relinquished directorship of your company w.e.f 28th October, 2009 and 30th July, 2010 respectively. The Board of Directors would like to place on record their sincere appreciation of the valuable guidance and support extended by them during their tenure.

The nomination of Mr. Subrata Gupta, Managing Director of WBIDC Ltd was withdrawn w.e.f. 7th May 2010.

21. AUDITORS

The Auditors, M/s Deloitte, Haskins & Sells, Chartered Accountants, retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Your Company has received a Certificate from the Auditors to the effect that their appointment, if made, would be within the limits of Section 224(1B) of the Companies Act, 1956.

22. SUBSIDIARY COMPANY

In terms of Section 4(1)(c) of the Companies Act, 1956, Tata Metaliks Kubota Pipes Limited (TMKPL) is a subsidiary of the Company in which it holds 51% of the equity shares as on 31st March, 2010. As required under section 212 of the Companies Act, 1956 the Balance Sheet, Profit & Loss Account and the reports of the Board of Directors and Auditors of TMKPL have been attached to the Balance Sheet of your Company.

Tata Metaliks Kubota Pipes Limited (TMKPL) started commercial production from the month of May 2009 and applied for BIS License. The Company's application for BIS License, got rejected due to some procedural mistakes. Thus, the plant was not under normal operation for a large part of the year.

The Company having received international certifications like ISO2531, BSEN545 and ISO9001, exported about 1528 mt to some quality conscious international customers.

23. CONSOLIDATED FINANCIAL STATEMENTS

The Audited Consolidated Financial Statements based on the Financial Statements received from our subsidiary Company, TMKPL as approved by its respective 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.

24. DIRECTORS RESPONSE TO THE COMMENTS MADE BY THE AUDITORS IN THEIR REPORT

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

25. NOTE OF APPRECIATION

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

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

On Behalf of the Board of Directors

Sd/-
Kolkata **Koushik Chatterjee**
30th July 2010 *Chairman*

ANNEXURE 'A' TO THE DIRECTORS' REPORT

To the Members of
Tata Metaliks Limited,

We have examined the compliance of conditions of Corporate Governance by Tata Metaliks Limited, for the year ended on 31st March, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the abovementioned Listing Agreement.

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

For **Deloitte Haskins & Sells**
Chartered Accountants
Registration Number: 302009E

Sd/-
A.S. Varma
Partner
Membership No. 15458

Place : Kolkata
Date : 30th July, 2010

ANNEXURE 'B' TO THE DIRECTORS' REPORT

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

A) CONSERVATION OF ENERGY

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

B) TECHNOLOGY ABSORPTION

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

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

	2009-10 Rs. Lakhs	2008-09 Rs. Lakhs
EARNINGS		
Export of pig iron through export house, sale proceeds having been/to be realized in Rupees	**NIL**	17,432
OUTGO		
CIF Value of Imports	**46,677**	43,714
Travelling abroad	**3**	12
Consultancy fees on Capital Account	**5**	3
Others	**2**	16

FORM - A

Form for disclosure of particulars with respect to conservation of energy

	2009-10	2008-09	Reasons for variation
A) POWER AND FUEL CONSUMPTION			
1) Electricity			
a) Purchased			
Units (Lakh KWH)	**19.81**	37.98	At Kharagpur, w.e.f. Jan'10 the contract demand was raised to 7500 kva/mth from 2000kva/mth and from Aug'09 the per kva charge was increased from Rs.200/- to Rs.220/-.
Total amount (Rs. in Lacs)	**212.58**	276.94	
Cost/Units (Rs./KWH)	**10.73**	7.29	
b) Own Generation			
(i) Through diesel generation			
Units (Lakh KWH)	**3.943**	3.264	With rise in production, the support power requirements also rose.
Units/ltr of High Speed Diesel (KWH)	**3.72**	3.07	Efficiency increased with optimum utilization of generation capacity
Cost/Unit (Rs/KWH)	**8.66**	9.93	
(ii) Through steam turbine / generator			
Units (Lakh KWH)	**875.33**	687.42	With increase in production capacity, power generation through efficient utilization of Blast Furnace Gas also increased. This resulted in drop of HSD requirements and hence lower unit cost.
Units/ltr of High Speed Diesel (KWH)	**165.94**	85.83	
Cost/Unit (Rs/KWH)	**0.19**	0.38	
2) Coal	**NIL**	NIL	
3) Furnace Oil	**NIL**	NIL	

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

		2009-10	2008-09	Reasons for variation
4)	**Light Diesel Oil**			
	Quantity (K.ltrs)	**NIL**	NIL	
	Total amount (Rs.Lakhs)	**NIL**	NIL	
	Average rate (Rs./K.ltrs.)	**NIL**	NIL	
5)	**High Speed Diesel Oil**			
	Quantity (K.ltrs)	**572.859**	839.854	Consumption was less due to relatively steady operation in F.Y. 2009-10 compared to F.Y. 2008-09.
	Total amount (Rs.Lakhs)	**183.74**	254.24	
	Average rate (Rs./K.ltrs.)	**32,074**	30,272	
B)	**CONSUMPTION PER UNIT OF PRODUCTION PER TONNE OF PIG IRON**			
	Electricity (KWH)	**180.39**	192.98	Rate of consumption reduced with increase in efficiency due to higher production
	Coal	**—**	—	
	Others :			
	Light Diesel/Furnace Oil (Litres)	**—**	—	
	High Speed Diesel Oil (Litres)	**1.15**	2.22	Rate of consumption reduced due to increase in own generation through steam turbine

FORM B

Form for disclosure of particulars with respect to Technology Absorption: 2009-10

RESEARCH AND DEVELOPMENT (R & D)

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

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

ANNEXURE 'C' TO THE DIRECTORS' REPORT

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

Name & Qualification	Age in Years	Designation	Date of Employment	Gross Remuneration (Rs.)	Experience (No of Years)	Last Employment held before joining the Company	No. of Share held	% of Equity Shares held
Mr Harsh K Jha B.Sc (Engg.) (Mech.) PGDBM, XLRI	60	Managing Director	01.09.2000	80,60,896	35	Executive-in Charge Bearings Division, Kharagpur The Tata Iron & Steel Co. Ltd.	300 (Jointly with Mrs Mridula Jha)	0.0012

Notes:

1. Gross remuneration comprises salary, allowance, monetary value of perquisites, performance-linked remuneration and the company's contribution to the provident, Gratuity and superannuation Funds. The contract may be terminated bu either party, giving the other party six months notice or the Company paying six months salary in lieu of such notice.
2. The nature of employment is contractual.
3. The employee mentioned above is not a relative of any director of the company.

On behalf of the Board of Directors

Sd/-
Koushik Chatterjee
Chairman

Kolkata
30th July, 2010

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

This is to confirm that the Company has adopted the Tata Code of Conduct. A link to the Code of Conduct is available on the Company's website, www.tatametaliks.com.

I, confirm that for the financial year ended March 31, 2010, all employees of the Company including the senior management team of the Company and the Members of the Board has affirmed compliance with the Code of Conduct.

For TATA METALIKS LIMITED

Sd/-
Harsh K. Jha
Managing Director

Kolkata
30th July, 2010

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Developments

After having suffered the worst recession since World-War II, which was intensified by the Lehman burst in October 2008, economies across the world are slowly and steadily marching their way towards recovery. There has been discernable improvement in the global economy in the second half of 2009, underpinned by output expansion in emerging market economies, particularly in Asia. World manufacturing activity has picked up, trade is recovering, financial market conditions are improving, and risk appetite is returning.

With the growth in the automobile sector, which is a major consumption point for the casting manufacturers, there is fair growth in casting demand. Consequently, the pig iron producers will witness better capacity utilisation to cater to the increasing demand. The capacity utilisation had come down to 50-60 percent, but now with the resurgence in demand, it is likely to move up to 70-90 percent.

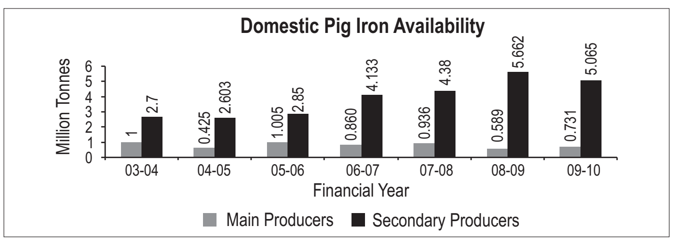
In 2009 things improved compared to 2008, thanks to the initial drive from the auto sector, which translated into improved sales. The growth in the auto sector continued beyond market expectations and thus, the second half was definitely better than the first.

In India, the total production of Pig Iron was 5.796 million tonnes in 2009-10 as compared to 1.59 million tonnes in 1991-92. Earlier Pig Iron was produced primarily by the integrated steel plant of SAIL and RINL. Of late, the share of stand-alone pig iron units has increased rapidly.

Producer - wise production of pig iron **('000 tones)**

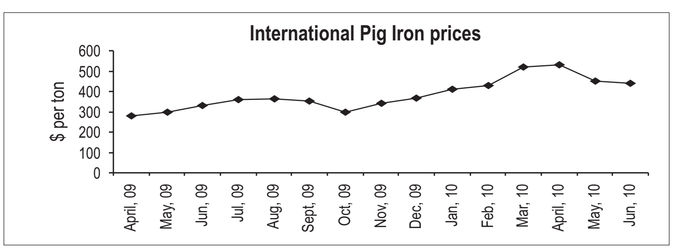
Year	Main producers	Secondary producers	Grand total	%age share of the Secondary Producers
2006-2007	0.860	4.133	4.993	82.77%
2007-2008	0.936	4.378	5.314	82.38 %
2008-2009	0.589	5.662	6.211	90.51 %
2009-2010	0.731	5.065	5.796	87.38 %

[Source: JPC]



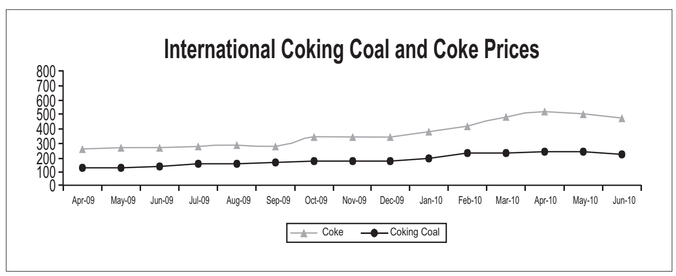
International Scenario of Pig Iron and Coke prices

Meanwhile, Chinese economy is difficult to predict and if there is a slowdown in growth in that country, it might impact the Indian market as well. Albeit China is a net importer of pig iron, it has created its own capacity and if it sees a dip in demand/consumption it may start exporting, in which circumstance, the international prices of Pig Iron would be severely effected, but this is unlikely in the near future.



[Source: Tex Report]

Historically, International Pig Iron prices follow a trend in keeping with the movement in Coking Coal / Coke prices.



[Source: Tex Report]

Financial Performance with respect to Operational Performance

Your Company produced 498,141MT of Pig Iron in 2009-10 compared to 377,586MT of Pig Iron produced in 2008-09. In 2009-10 your Company sold 487,022 of Pig Iron to achieve Turnover of Rs.1121cr in comparison to previous year 2008-09 sale of 3,78,966MT of Pig Iron to achieve Turnover of Rs. 1066.69crore. Your Company ended the FY 2009-10 with a PBT of Rs.50cr against a loss of Rs.167cr suffered during the year 2008-09.

Opportunities

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

To insulate the adverse impact, your Company has moved up in value chain for value added product like Ductile Iron pipe through TMKPL and backward integration of mining activity. Improving the efficiency through technological intervention your Company plans to put up sinter plant & coke ovens plant to reduce overall coke rate (opportunity for low carbon growth) as well as reducing RM cost. Your company also tracks movement in international prices of coke & coal (the prices don't move in tandem) and has flexibility of switching to either coal (for conversion) or coke route.

Threats

The Indian foundry industry faces new challenges as well as opportunities in today's globalised market. The demand for high-quality pig-iron is rising in both domestic and international markets, even as units face increasing competition from oversees. Energy costs are on the rise, making it vital for foundry units to find ways to increase the energy efficiency of their melting furnaces. Substitution of pig iron by scrap (lower cost material) poses a challenge to the industry. At the same time, stricter environmental standards are forcing the foundry industry-to become conscious about emissions control during operations.

Also, cost reduction of material inputs is a big challenge- as the raw material prices are ever increasing. The major raw materials for pig iron foundry are iron ore and coke, the rates whereof is a great hindrance for steady growth of the pig iron industry. Currently in India, availability of coke has become a challenge rather than its price.

The coking coal prices in the first quarter of the financial year under review went up to $200 per ton from a level of $129 per ton last year and that too in quarterly settlement. The rise in the price of coking coal as well as iron ore has brought a significant cost push of pig iron producers worldwide. However, the pig iron prices have not been fully able to absorb the cost increase as the global economy is still recovering from the economic shocks from 2008.

Infrastructural facilities are also not good in the eastern part of India. Ports like Haldia have not been dredged properly in the last few years and heavy waiting period in Paradip is creating problems. Secondly rake availability is also a big concern. As most of the iron ore mines in Orissa were closed, iron ore export movement has come to a halt. Due to this, there was no outward rake movement and thus no rakes were available for transporting raw material from the ports.

In order to insulate against vagaries of fluctuating raw material prices, your Company has entered into long term contracts with NMDC Ltd. for part requirement of Iron Ore for Redi unit and also entered into long term contract with a notable Australian Company, for nearly one-third of its annual coking coal requirement. Your Company is evaluating other options for securing its raw-material requirements on a long term basis.

Outlook

Demand for pig iron (for steel making) is expected to slow down from 2011-12 onwards as secondary steel players feel the heat from the hot metal capacities being added by large steel players.

While prices of pig iron are likely to move upwards, profitability of sponge iron players is expected to improve slightly due to increase in input costs. Pig iron players, who had suffered net losses in 2008-09 on account of fall in prices and high cost of raw material inventory, are likely to see positive margins over the next two years.

Your Company, with a view to augment its exports has taken various initiatives by way of holding conferences in key countries in association with Tata International Limited. Buoyed by expected strong performance from its consuming sector like castings, demands for pig iron in overseas markets are expected to increase. Your Company, with constant monitoring of the export market coupled with superior product quality, expects a significant rise in exports in the near future.

Sourcing of raw material remains an area of concern for your Company and Iron ore for Redi plant in particular. However, with the progress of prospecting operation in Dongerpal, exploring the possibility of strategic alliance for securing raw material supply and with the additional diversified product basket (with DI Pipes and Steel), your Company will achieve higher degrees of growth in the years to come.

In addition, your Company has received principal approval from the Government of Karnataka for setting up of an Intregated Steel Plant of capacity 3MTPA in Haveri District, Karnataka and has been allotted 2500 hectares of land.

However, significant raw material price increases, interest rate tightening and inflation may provide downsides to an otherwise positive outlook for the industry.

Risks and Concerns

Your Company has always had a system-based approach to business risk management. Your Company's Risk Management process is based on the framework of the Tata Business Excellence Model (TBEM). It clearly lays down the roles and responsibilities of the various entities in relation to risk management.

During the year under review, your Company has adopted a dynamic Risk Management Model whereby the Top Ten Risks and their associated mitigation plans are assessed by the Board on a quarterly basis.

MANAGEMENT DISCUSSION AND ANALYSIS (*Contd.*)

The Risk Management process commences with the preparation of the Long Term and Annual Business Plans and managing the performance of the business in conformity to the Plan. During the year under review, your Company has adopted a dynamic Risk Management model whereby the Top Ten Risks and their associated mitigation plans are assessed by the Board on a quarterly basis.

Chief of System Assurance has been designated as the Risk Officer of your Company and has been assigned the responsibility to conduct an Annual Enterprise Risk Management assessment on the basis of an expectation matrix from your Company's senior management team. It has a robust process to update that assessment through continuous auditing and ongoing analysis of key business processes, revisiting the organizational risk matrix and reviewing status of strategic initiatives. The Audit Committee is also periodically apprised of the risk management framework and initiatives taken by your Company to mitigate risks. The external economic environment which had severely impact on your Company's working in the past year, is being closely monitored. The function also follows up on the implementation of corrective actions and improvements in business processes after a review by the Audit Committee and Senior Management.

Internal Controls & Systems and their Adequacy

The scope of the System Assurance audit activity is broadly guided by the Annual Audit Plan, developed by System Assurance department and approved by the Audit Committee. The Audit Committee reviews the reports submitted by the System Assurance department. The Audit Committee also reviews with the Statutory Auditors, adequacy of internal controls and their observation on the financial reports.

The Audit Committee's observations and recommendations are acted upon by the management.

Your Company has in place proper and adequate system of internal controls to provide reasonable assurance that all assets are safeguarded, transactions are authorised, recorded and reported correctly and to ensure compliance with policies, statutes and Tata Code of Conduct. The internal control system provides for documented procedures covering all financial and operating functions. The internal control system is supported by the System Assurance function, which carries out extensive audit of various functions independently and submits its findings to the Managing Director and the Audit Committee.

Human Resources and Industrial Relations

People are the prime movers of any organsiation and your company is no exception. Your Company's HR vision of ***'An informed, engaged and aligned TMLian in an inspired workplace'*** helps in creating a vibrant and symbiotic relationship between management and work-force. Your Company believes that alignment of all employees to a shared vision and purpose is vital for winning in the market place. It also recognizes the mutuality of interests with key stakeholders and is committed to building harmonious employee relations.

Your Company has 678 employees on its rolls as on 31st March, 2010, compared to 711 as on 31st March, 2009. Operational challenges require continuous training of the employees to upgrade their knowledge and skills. The Human Resource Department of your company is managed by qualified professionals.

With an enlightened workers union, industrial relations in your Company continue to be healthy and cordial.

Corporate Social Responsibility

Corporate sustainability transcends mere formality or a brand building exercise and it is pursued with seriousness as it is a legacy that the Company inherited from the founding fathers of Tata Group who had been practicing it much before it formally evolved as a corporate principle.

Environment Management

Your Company is committed to minimising the environmental impact of its operations and its products by adopting sustainable practices and continuous improvements in environmental performance. Climate change is one of the most important issues facing the world today. Your Company recognises that the pig iron industry is a significant contributor to man-made greenhouse gas emissions as the manufacture of pig iron unavoidably produces carbon dioxide (CO_2). Your Company aims to contribute positively to the communities around or near its operations and actively participate in community initiatives, encourages biodiversity and nature conservation.

Your Company has taken various innovative means to reduce its carbon footprint. Increasing the green cover around the plant, adopting suitable water conservation measures, using earth-friendly initiatives, etc., are some of the key initiatives adopted by your Company. In order to improve upon its operational efficiency, your Company seeks help and guidance from Tata Steel.

Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be “forward-looking statements” within the meaning of applicable securities laws and regulations. It can not be guaranteed that these assumptions and expectations are accurate or will be realized. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand /supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.

CORPORATE GOVERNANCE REPORT

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

GOVERNANCE PHILOSOPHY

The Tata Values

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

A. BOARD OF DIRECTORS

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

BOARD COMPOSITION

Board of TML has an appropriate mix of skill and experience. It works together as a team while encouraging diverse and healthy debate in the interest of the Company and its shareholders. It makes sure that the Company has clear goals relating to shareholders value and its growth. The Board reviews its policy from time to time to assess its relevance and suggest appropriate intervention.

The Company has a judicious mix of Executive and Non-Executive Directors. As on 31st March, 2010, the Company has ten directors on the Board, with one Executive Director. The Chairman is a Non-Executive Director and half of the Board (50%) consists of Independent Directors.

COMPOSITION OF THE BOARD OF DIRECTORS AS ON 31ST MARCH, 2010

Category	Directors	No. of Directors	Percentage of total number of Directors
Promoter			
- Executive Director	Mr. Harsh K. Jha	1	10
- NonExecutive Directors	Mr. Koushik Chatterjee Mr. Ashok Kumar * Mr. V S N Murty*	3	30
Independent Directors	Mr. A.C. Wadhawan Mr. Manish Gupta Mr. Dipak Banerjee* Mr. Ajoy Roy Mr. Ashok Kumar Basu	5	50
Nominee Directors			
- Representing Investing Institutions (WBIDC)	Mr. Subrata Gupta	1	10
Total	—	**10**	**100**

* Retire by rotation at the ensuing Annual General Meeting.

Notes: -

1. Mr. Koushik Chatterjee appointed as Chairman of the Board of Directors w.e.f 29th October, 2009 in place of Mr.H.M.Nerurkar who resigned from the Board w.e.f 28th October, 2009.
2. Mr. A. C. Wadhawan is the Chairman of the Audit Committee & Remuneration Committee.
3. Mr. Manish Gupta is the Chairman of the Shareholders' Grievance Committee and Ethics & Compliance Committee.
4. Mr. Ajoy Roy resigned from the Board w.e.f. 30th July, 2010.
5. Mr. Harsh K. Jha is the Chairman of Investment and Borrowing Committee.

CORPORATE GOVERNANCE REPORT (*Contd.*)

Role:

The Board of Directors at TML primarily performs the following functions:

- Reviewing strategic plan for the Company;
- Overseeing the conduct of the Company's business to evaluate whether the business is being properly managed;
- Identifying principal risks and establishing a Risk Management framework to manage & mitigate these risks;
- Developing and implementing an investor relation programme or shareholders communications policy for the Company; and
- Reviewing the adequacy and the integrity of the Company's internal control systems and Management Information Systems, including system for compliance with applicable laws, regulations, rules, directives and guidelines.

Attendance of each Director at the Board Meetings and last AGM and Chairmanship and membership of committees in other public companies, as on 31st March, 2010

Sl. No.	Name of Director	Category	F.Y 2009-10 Attendance at		No. of Directorships in other public companies		No. of Committee positions held in other public companies	
			Board Meeting	Last AGM held on 15th Sep., 2009	Chairman	Member	Chairman	Member
1.	Mr. H. M. Nerurkar[a]	Not Independent , Non-executive	4	Yes	N.A	N.A	N.A	N.A
2.	Koushik Chatterjee[b]	Not Independent, Non-executive	4	Yes	3	2	–	–
3.	Mr. Harsh K Jha (Managing Director)	Not Independent, Executive	6	Yes	1	–	–	–
4.	Mr. Ajoy Roy[c]	Independent, Non-executive	2	No	–	1	1	–
5.	Mr. Manish Gupta	Independent, Non-executive	6	Yes	–	3	–	1
6.	Mr. A. C. Wadhawan	Independent, Non-executive	5	Yes	1	3	3	1
7.	Mr. Dipak Banerjee	Independent, Non-executive	7	Yes	1	7	5	3
8.	Mr. P. K. Jha[d]	Independent, Non-executive	2	N.A	N.A	N.A	N.A	N.A
9	Mr. Ashok Kumar Basu	Independent, Non-executive	6	Yes	–	9	1	4
10	Mr.Subrata Gupta[e]	Nominee from WBIDC, *deemed independent Director*	1	No	N.A	N.A	N.A	N.A
11	Mr. Ashok Kumar	Not Independent, Non-executive	5	Yes	–	–	–	–
12	Mr. V S N Murty	Not Independent, Non-executive	7	Yes	–	3	–	4

(a) Mr.H.M. Nerurkar resigned office w.e.f 28th October, 2009
(b) Mr. Koushik Chatterjee appointed Additional Director w.e.f 24.07.2009 and appointed as Director at AGM held on 15.09.2009
(c) Mr. Ajoy Roy resigned from Directorship w.e.f. 30th July, 2010.
(d) Mr. P.K. Jha resigned from the Board w.e.f. 8th May 2009
(e) Mr. Subrata Gupta's nomination withdrawn by WBIDC Ltd. w.e.f. 7th May, 2010.

CORPORATE GOVERNANCE REPORT (*Contd.*)

Details of Board Meetings held during the Financial Year 2009-10 :

Sl.No	Date of Meeting	Board Strength	No. of Directors present
1	03.04.2009	11	7
2	07.05.2009	11	9
3	24.07.2009	11	9
4	15.09.2009	11	9
5	28.10.2009	11	9
6	13.01.2010	10	7
7	24.03.2010	10	5

Scheduling and selection of agenda items for Board Meeting

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

During the F.Y 200910, **7 (Seven)** Board Meetings were held. The notice of the meeting specifying the day, date, time and full address of the venue of the meeting was given to all the Directors at the address provided by them or at their usual address in India, within the statutory time limits.

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

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

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

1. Annual operating plans and budgets, capital budgets and their updates;
2. Quarterly audited results of the company and its operating divisions or business segments;
3. General notices of interest and updates, if any;
4. Disclosures of Director's interest and notices under Section 274(1)(g) of the Companies Act, 1956;
5. Status of Action Taken Report/Implementation Report.
6. Minutes of meetings of all Committees of the Board, as well as abstracts of resolutions passed by circulation;
7. Minutes of the Board Meeting and Audit Committee meeting of the unlisted subsidiary Company;
8. Issues relating to the Subsidiary Company;
9. Details of Joint Ventures / Collaboration Agreements;
10. Show cause, demand, prosecution notices and penalty notice which are materially important;
11. Status of safety, security & legal compliance.
12. Fatal or serious accidents, dangerous occurrences, any material effluents or pollution problems;
13. Any material default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company;
14. Non-compliance of any regulatory, statutory or listing requirements and shareholders' services such as non-payment of dividend, delays in share transfer, repayment of the principal amount of debentures, etc;
15. Transfer of unpaid/unclaimed dividend/debenture interest/ shareholders' refund, pending for more than 7 years, to Investors' Education and Protection Fund of the Central Government;
16. Status of Shareholders'/Investors' Grievance Complaints and redress on a quarterly basis;
17. Any issue, which involves possible public or product liability claims of a substantial nature;
18. Transactions that involve substantial payment, if any, towards brand equity or intellectual property, etc;

19. Sale of material nature, of investments, subsidiaries, assets, which is not in the normal course of business;
20. Related Party Transactions;
21. Make Good Reports on completed CAPEX schemes;
22. Quarterly details of foreign exchange exposure and the steps taken by the management to limit the risks of adverse exchange rate movement, if material;
23. Status of business risk exposures, its management and related action plan is presented to the Audit Committee;
24. System Assurance findings & reports through the Audit Committee;
25. Risk Analysis Report;
26. Updates on Risk Register of the Company;
27 Information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary;
28. Company's management development processes and succession of senior management;
29. Significant developments on the human resources front;
30. Social/Community Initiatives and Corporate Sustainability Reporting of the Company under the G3 Guidelines and
31. Progress in creating effective communication with various Government agencies for the development & growth of the areas surrounding the plant locations.

B. BOARD COMMITTEES

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

The Company Secretary acts as Secretary to all Committees.

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

(I) AUDIT COMMITTEE

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

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

Name of the Director	Number of Meeting Attended	Whether attended last AGM or not
Mr.A.C.Wadhawan - Committee Chairman	3	Yes
Mr.P.K.Jha (upto 07.05.2009)	1	N.A
Mr.Dipak Banerjee	4	Yes
Mr.V.S.N.Murty	4	Yes
Mr. Ajoy Roy[(a)] (w.e.f 24.07.2009)	Nil	No

(a) Mr. Ajoy Roy resigned from Directorship w.e.f. 30th July, 2010 and Mr. Manish Gupta, has been inducted as a member fo the Committee from the said date.

Audit Committee comprises of 3 Independent Directors and 1 Non-independent Director, all of whom are financially literate and two of whom are senior members of the Institute of Chartered Accountants of India. During the period under review, 4 Audit Committee meetings were held on 07.05.2009, 23.07.2009, 28.10.2009 & 13.01.2010.

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.

(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 the Remuneration Committee of the Company:

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

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

Remuneration Committee comprises of four NonExecutive 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 2009-10 are as follows:

Name of the Director	Number of Meeting Attended	Whether attended last AGM or not
Mr.A.C.Wadhawan - Committee Chairman	Nil	Yes
Mr.P.K.Jha *(upto 07.05.2009)*	1	N.A
Mr.Dipak Banerjee	1	Yes
Mr.H M Nerurkar (upto 28.10.2009)	1	Yes
Mr. Ajoy Roy [(a)] *(w.e.f 05.06.2009)*	N.A.	No
Mr. Koushik Chatterjee - *(w.e.f 24.03.2010)*	N.A.	Yes

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

During the year 2009-10, the Committee met once on 07.05.2009. Consequent to the relinquishment of Mr. H M Nerurkar, Mr. Koushik Chatterjee has been appointed as a member of the Remuneration Committee w.e.f. 24th March 2010.

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

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

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

The Non-Executive Directors are also entitled to commission, in aggregate, not exceeding 1% of the Net Profit of the Company computed in accordance with Section 309(5) of the Companies Act, 1956. The Non-Executive Directors, except the Nominee Director of WBIDC Ltd., are eligible to receive sitting fees. Performance linked bonus for attending Board Meetings and other Committee Meetings is distributed on the basis of their attendance and contribution at the Board and Committee Meetings as well as time spent on the operational matters, other than at the meetings.

The Company has not granted any Stock Option to any of its Directors or Employees during the year.

Details of remuneration paid to the Directors during 2009-10 are as follows:

I. Non-Whole time Directors

Name of Directors	Sitting Fees (Rs.)	Performance Linked Remuneration/ Commission (Rs.)
Mr. H M Nerurkar*	Nil	Nil
Mr. Koushik Chatterjee*	8,000/-	Nil
Mr. A.C. Wadhawan	64,000/-	Nil
Mr. P.K. Jha	32,000/-	Nil
Mr. Ashok Kumar Basu	51,000/-	Nil
Mr. Manish Gupta	51,000/-	Nil
Mr. Dipak Banerjee	96,000/-	Nil
Mr. Ajoy Roy	16,000/-	Nil
Mr. Subrata Gupta	—	Nil
Mr. Ashok Kumar*	Nil	Nil
Mr. V S N Murty*	8,000/-	Nil
Total	**3,26,000/-**	

* *For the Board and Committee meetings held between Feb'09 Feb'10, these Non-Independent Directors waived their sitting fees*

Notes: *The outstation Directors are paid daily allowance and reimbursed expenses whenever they make their own arrangements for attending the Board or Committee or General Meeting as per Article 102(2) of the Articles of Association of the Company. During the year Mr. P. K. Jha was paid Rs.2,850/- and Mr. A. C. Wadhawan was paid Rs.3,550/-, on such account.*

CORPORATE GOVERNANCE REPORT (*Contd.*)

II. Managing Director

Managing Director	Consolidated Salary (Rs.)	Perquisites and Other Benefits (Rs.)	Company's Contribution towards Provident Fund, Gratuity & Superannuation Fund (Rs.)	Performance Linked Remuneration for F.Y. 2009-10 to be paid during the F.Y. 2010-11 * (Rs.)	Total (Rs.)
Mr. Harsh K Jha	25,20,000.00	16,34,896.18	7,56,000.00	31,50,000.00	80,60,896.18

* Subject to the approval of the members in the ensuing Annual General Meeting and necessary approval of the Central Government.

The Company has filed a fresh application on 18.12.2009 with the Central Government seeking its approval to pay proposed remuneration in excess of Rs. 4,800,000 (being the ceiling mentioned in Schedule XIII of the Companies Act, 1956 for Companies having no profits or inadequate profits) for the current tenure of appointment of the Managing Director from 01.04.2009 to 31.03.2012. The approval of the Central Government is pending.

Managerial remuneration of Rs. 4,407,290.32, paid to Managing Director during the year 2008-09 (pertaining to his previous term that ended on 31.03.2009), exceeded the limits of ceiling calculated under Schedule XIII to the Companies Act, 1956 by Rs. 2,007,290.32. The Company has filed necessary application to the Central Government seeking its approval for the said remuneration over the limit on 17.12.2009.

Period of contract of Managing Director	5 years w.e.f. 01.04.2009 The contract may be terminated by either party, giving the other party six months' notice or the Company paying six months' salary in lieu of such notice.

Shareholding of the Directors in the Company as on 31st March 2010

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

(III) SHAREHOLDERS' GRIEVANCE COMMITTEE

The terms of reference of Shareholders' Grievance Committee is to address the shareholders' and investors complaints and ensure an expeditious share transfer process. The Committee also evaluates performance and service standards of Registrar & Share Transfer Agent of the Company and also provides continuous guidance to improve the service levels for investors. The Registrar and Share Transfer Agents address the shareholders / investors grievance on a day to day basis and the same is monitored by the Compliance Officer. The Committee met once during the year on 15th July, 2009.

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

The composition of the Shareholders' Grievance Committee as on 31st March, 2010 is given below:

Name of the Committee Member	Category of Director (Executive/Non-Executive/ Independent)
Mr. Manish Gupta	Independent, Non-Executive (Chairman of the Committee)
Mr. Ajoy Roy[(a)] (upto 05.06.2009)	Independent, Non-Executive
Mr. Ashok Kumar Basu (w.e.f 05.06.2009)	Independent, Non-Executive
Mr. Harsh K Jha	Executive

(a) Mr. Ajoy Roy resigned from Directorship w.e.f. 30th July, 2010 .

Name, designation & address of Compliance Officer : Mr.Vishwanath G Malagi
Chief of Corp.Gov. & Comp.Secy.
Tata Metaliks Limited
Tata Centre
43, Jawaharlal Nehru Road
Kolkata 700071

Telephone No. +91-33-66134205
Fax No. +91-33-22884372
Email investors@tatametaliks.co.in

Shareholder/Investor Complaints

Particulars	Nos.
Complaints pending as on 1st April, 2009	1
Complaints received during 1st April 2009 to 31st March 2010	238
Complaints disposed off during the year ended 31st March 2010	238
Complaints pending as on 31st March, 2010	1

(IV) SHARE TRANSFER COMMITTEE

The Share Transfer Committee was formed in April 1993 to approve transfer/transmission of share in accordance with the provisions of law. The Committee meets fortnightly to consider and approve the transfer/transmission. The constitution of the Committee as on 31st March, 2010 is as under:

Name of the Committee Member	Category of the Director (Executive / Non-Executive / Independent)
Mr. Ajoy Roy (Committee Chairman)	Independent, Non-Executive
Mr. Harsh K Jha	Executive - MD

* *Board of Directors at its meeting held on 30th July, 2010 has delegated the powers of the Committee to the Managing Director and Company Secretary.*

(V) OTHER COMMITTEES -

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

(a) Committee of Board

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

Name of the Committee Members	Category
Mr. Koushik Chatterjee (w.e.f 24.03.2010)	Not Independent, Non-executive (Chairman of the Committee)
Mr. Harsh K. Jha	Executive - MD
Mr. Dipak Banerjee	Independent, Non-executive
Mr. Ajoy Roy[a]	Independent, Non-executive
Mr. H. M. Nerurkar (upto 28.10.2009)	Not Independent, Non-executive
Mr. Ashok Kumar Basu (upto 23.06.2009)	Independent, Non-executive

(a) *Mr. Ajoy Roy resigned from Directorship w.e.f. 30th July, 2010 and Mr. Manish Gupta, has been inducted as a member to the Committee from the said date.*

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

(ii) The Chairman and Managing Director have been empowered to sanction donations upto Rs.1 lakh for any purpose. All donations above Rs 1 lakh and upto Rs.5 lakh, are put up to the COB for approval, subject to periodic reporting to Board.

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

Committee did not meet during the Financial Year 2009-2010.

(b) Investment / Borrowing Committee

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

Name of the Committee Members	Category
Mr. Harsh K. Jha	Executive - MD (Chairman of the Committee)
Mr. Manish Gupta (w.e.f. 05.06.2009)	Independent, Non-executive
Mr. VSN Murty (w.e.f. 05.06.2009)	Independent, Non-executive
Mr. P.K. Jha (upto 07.05.2009)	Independent, Non-executive

The Chief Financial Officer acts as facilitator to the Committee. The Committee did not meet during the F.Y. 2009-10.

(c) Ethics & Compliance Committee

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

CORPORATE GOVERNANCE REPORT (*Contd.*)

C. GENERAL BODY MEETINGS

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

Financial Year	Details of Location	Date and Time when held	No. of shareholders who attended the AGM	Summary and type of Resolutions passed
2006 - 07	Kalamandir 48, Shakespeare Sarani Kolkata 700 017	13.07.2007 at 11.30 a.m.	578	Ordinary Resolutions - 7 Special Resolution - 1
2007-08		16.07.2008 at 11.30 a.m.	213	Ordinary Resolutions - 8 Special Resolutions -2
2008-09		15.09.2009 At 11.30 a.m.	327	Ordinary Resolutions - 6 Special Resolutions -4 Special Resolution by Postal Ballot 1

b) Details regarding Special Resolutions passed in the previous 3 AGM's

Shareholder's Meeting	Special Business requiring Special Resolution
Nineteenth Annual General Meeting held on 15th September 2009.	1. Confirmation of Remuneration paid to Mr. Harsh K Jha, Managing Director for the Financial Year 2008-09. 2. Re-appointment of Mr.Harsh K Jha as Managing Director for a period of three years w.e.f. 1st of April 2009 3. Increase in authorized capital of the company from Rs.40crore to Rs.100crore and consequential alterations in the Memorandum of Association of the Company 4. Increase in authorized capital of the company and alteration in the Articles of Association of the Company. 5. Resolution relating to grant of authority in favour of Board of Directors of the Company under Section 372 A of the Companies Act, 1956
Eighteenth Annual General Meeting held on 16th July 2008.	1. Commission to Directors other than the Managing Director. 2. Delisting of Equity Shares from The Calcutta Stock Exchange Association Limited.
Seventeenth Annual General Meeting held on 13th July 2007.	1. Appointment of M/s R&D Infotech Pvt. Ltd. as new Registrar & Share Transfer Agent in place of M/s AMI Computers (I) Ltd.

c) Resolution passed last year through postal ballots:

Special Resolution requiring postal ballot u/s 192A of the Companies Act, 1956 for grant of authority in favour of Board of Directors of the Company to make loan(s) and/or give any guarantee(s)/ provide any security(ies) in connection with loan(s) made to and/or acquire by way of subscription, purchase or otherwise the securities of the subsidiary company Tata Metaliks Kubota Pipes Limited up to a limit not exceeding Rs.200 crore (Rupees Two hundred crore) only, notwithstanding that the aggregate of the loans, guarantees or securities so far given or to be given to and/or securities so far acquired or to be acquired in the Body Corporate may exceed the limits prescribed under section 372A of the Act.

d) Details of Voting Pattern

No. of valid Ballot Forms received	No. of invalid Ballot Forms received	Votes Cast		Total
		For	Against	
783	39	12942112 (99.94%)	8130 (0.06%)	12950242 (100%)

e) Person who conducted the postal ballot exercise.

Mr. B.P. Dhanuka (Past President of The Institute of Company Secretaries of India, New Delhi) Practising Company Secretary was appointed as the Scrutinizer to receive and scrutinize the completed ballot papers from the members.

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

g) Procedure for Postal Ballot : Not Applicable.

D. DISCLOSURES -

i) The Company had no transaction of material nature with its promoters, directors or the management, their subsidiaries or relatives, etc. that may have had potential conflict of interest with the Company at large.

ii) Confirmation was placed before the Audit Committee and the Board that all related party transactions during the year under review were in the ordinary course of business and on arm's length basis.

iii) The Register of Contracts is placed at the meetings of the Board of Directors as per the requirements of the Companies Act, 1956. No transaction has been entered into by the Company during the year requiring entry in the Register of Contracts maintained as provisions of section 301 of the Companies Act, 1956.

iv) There are no instances of non-compliance by the Company and no penalties, strictures have been imposed by the Stock Exchanges, SEBI or any statutory authority on any matter related to capital markets, during the last three years.

v) The Company has established a robust risk assessment and minimization procedure and the same is reviewed regularly by the Audit Committee and the Board of Directors.

vi) The Company has complied with the applicable Accounting Standards.

vii) Management Discussion and Analysis Report forms a part of the Director's Report.

viii) The relevant disclosures on the remuneration of directors have been included under "Remuneration Policy" in this report.

ix) The Company has not raised any proceeds from public issue, rights issue, preferential issue, etc. during the year.

x) Mr. Dipak Banerjee, Independent Director on the Board of Directors of TML is also a director on the Board of Directors of the unlisted subsidiary company, Tata Metaliks Kubota Pipes Ltd.

xi) The Audit Committee reviews the financial statements of the unlisted subsidiary company, in particular the investments made by it.

xii) ***Whistle Blower Policy:***

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

In this regard, the Management is responsible for:

(a) Receiving, retaining, investigating and acting upon complaints and concerns (collectively, the "Reports") of any employee (or, the "Whistle Blower") regarding an actual/possible violation of the TATA Code of Conduct, or an event that could affect the business and/or reputation of his/her own or any other Tata Company.

(b) Establishing a fearless atmosphere where no reporting employee/Whistle Blower fears being harassed, demoted, retaliated or threatened in any way.

(c) Handling all such reports/concerns with as much confidentiality as possible so that there is no retaliation of any form against the Whistle Blower.

(d) Retaining for three years, all records relating to (i) any Accounting Allegation or Legal Allegation or report of a Retaliatory Act and (ii) the investigation of any such report Whistle Blower Protection Committee

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

Whistle Blower Protection Committee

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

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

The Company is compliant with all mandatory requirements of Clause 49 of the Listing Agreement. As far as the the non-mandatory requirements are concerned the Board has (i) set up a Remuneration Committee (ii) a Whistle Blower Committee which

CORPORATE GOVERNANCE REPORT (*Contd.*)

enables the employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Tata Code of Conduct. The policy has been communicated to all the employees within the organisation and (iii) there are no audit qualifications with respect to the financial statements of the company.

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

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

E. CEO/CFO CERTIFICATION

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

a. they have reviewed Financial Statements and the Cash Flow Statement for the year and, to the best of their knowledge and belief:
   (i) these statements do not contain any materially untrue statement, have not omitted any material fact and do not contain statements that might be misleading;
   (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

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

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

d. they have indicated to the auditors and the Audit Committee: -
   (i) significant changes in internal control over financial reporting during the year,
   (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements and
   (iii) instances of significant fraud of which they are aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

F. MEANS OF COMMUNICATION

Quarterly Results	Published in the newspaper as stipulated and displayed in the Company website
Newspapers in which quarterly results were published	Business Standard & Pratidin / Aajkal
Any website, where displayed	www.tatametaliks.co.in, www.bseindia.com & www.nseindia.com & Corporate Filing and Dissemination System (CFDS) put in place jointly by BSE and NSE at the URL.
Whether the official News Releases are displayed by the company	Official news releases are displayed on the Company's website and as well as the Companies 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.

G. CODE OF INSIDER TRADING

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

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

H. GENERAL SHAREHOLDER INFORMATION:

i. AGM Details

Date	September 24, 2010
Venue	The Bengal Chamber of Commerce & Industry, Williamson Magor Hall, 6, Netaji Subhas Road, Kolkata -700 001
Time	2.00 p.m.
Book Closure Date	19th July, 2010 to 30th July, 2010
Dividend Payment Date	Not Applicable

As required under Clause 49 IV(G)(i), particulars of Directors seeking appointment /reappointment are given in the Explanatory Statement to the Notice dt. 30th July, 2010, convening the Annual General Meeting.

ii. Financial Calendar

Financial Year 2010-2011		
1	Year ending	31 March 2011
2	AGM	July 2011
3	Dividend Payment	Generally in July, if any
4	First Quarter Results	July 2010
5	Second Quarter & Half Yearly Results	October 2010
6	Third Quarter Results	January 2011
7	Annual Results	April / May 2011

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 2002-2003 onwards, are requested to make their claims to the Company accordingly, without any delay. It may kindly be noted that the unclaimed dividend for the financial year 2001-2002 has already been 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 31.3.2010
2002-2003	Final Dividend	26th July 2003	25%	25th July 2010	2,431,560.00
2003-2004	Final Dividend	24th July 2004	35%	23rd July 2011	2,456,219.00
2004-2005	Final Dividend	26th July 2005	60%	25th July 2012	5,039,706.00
2005-2006	Final Dividend	12th July 2006	60%	11th July 2013	3,589,230.99
2006-2007	Final Dividend	13th July 2007	60%	12th July 2014	4,640,640.00
2007-2008	Final Dividend	16th July 2008	70%	15th July 2015	4,543,133.00

In keeping with SEBI Circular No. SEBI/CFD/DIL/1/2009/24/04 dated 24th April, 2010, the Company has opened a Demat Suspense Account with M/s Guiness Securities Ltd. and transferred the 5800 unclaimed equity shares to the Demat suspense Account.

CORPORATE GOVERNANCE REPORT (*Contd.*)

v. Listing on Stock Exchanges (with Stock Code)

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

* In keeping with the Special Resolution passed by the members at the 18th Annual General Meeting held on 16th July 2008. Tata Metaliks Limited had applied to the Calcutta Stock Exchange Association Limited (”The Exchange”), for voluntary delisting of its Equity Shares.

The Exchange has informed vide its letter ref. CSEA/LD/044/2008 dated 27th January 2008, that the voluntary delisting has been approved by the Exchange. However, considering the interest of the general investor, the equity shares of the Company would be traded under the “Permitted Category.”

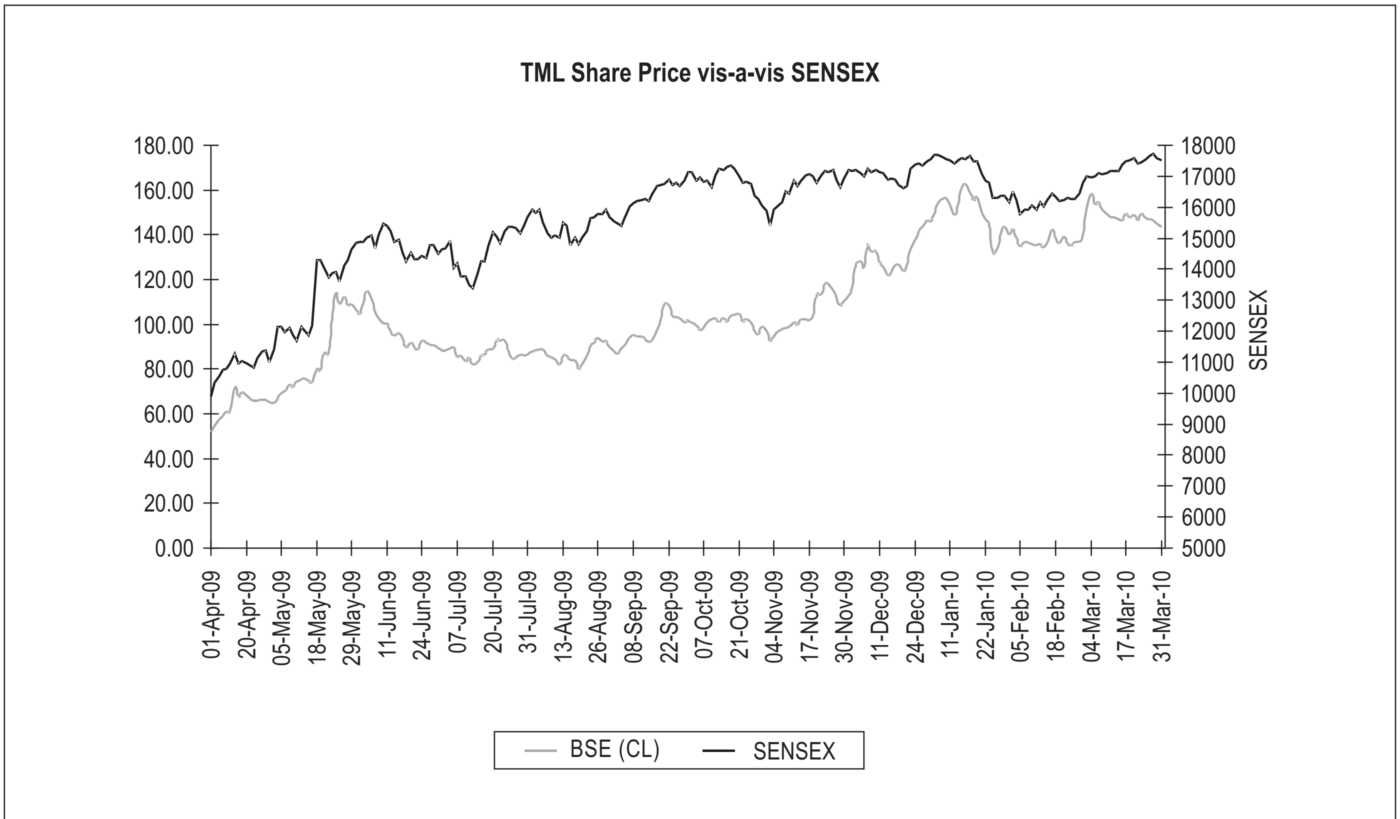
The Listing Fees for the year 2010-2011 have been paid for both BSE and the NSE on 21st April 2010.

vi. 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 '09	78.00	50.95	78.10	49.30
May '09	125.00	65.60	125.75	65.10
June '09	120.40	87.00	119.60	84.60
July '09	97.30	80.00	97.90	78.25
Aug. '09	95.20	79.70	95.00	79.65
Sept. '09	113.00	86.00	111.90	85.15
Oct. '09	108.70	88.20	107.00	87.90
Nov. '09	123.40	92.10	124.00	92.10
Dec. '09	152.70	112.10	152.20	111.10
Jan. '10	166.70	129.40	166.50	129.05
Feb. '10	148.40	131.00	150.00	129.80
Mar. '10	160.90	137.45	160.85	135.00

CORPORATE GOVERNANCE REPORT (*Contd.*)



vii. Name and address of Registrar & Share Transfer Agent

R & D Infotech Pvt. Ltd.

22/4, Nakuleshwar Bhattacharjee Lane

Kolkata - 700 026

Phone : +91-33-24631657

Telefax : +91-33-24631658

E-mail : rd.infotech@vsnl.net

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

viii. 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. Certain Directors and the Company Secretary are severally empowered to approve transfers.

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

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

As on 31st March, 2010, a total of **23274844** shares of the Company, which forms **92.04**% of the total shares, stands dematerialized. The processing activities with respect to the requests received for dematerialisation are completed within 15 days from the date of receipt of request.

CORPORATE GOVERNANCE REPORT (*Contd.*)

ix. Distribution of Shareholding as on 31st March, 2010

No. of ordinary shares held	No. of shareholders	%	No. of shares	%
1 - 500	46,809	95.39	5,567,588	22.02
501 - 1000	1,265	2.57	1,049,253	4.15
1001 - 10000	906	1.85	2,400,749	9.49
10001 - 50000	71	0.15	1,482,779	5.86
50001 and above	17	0.04	14,787,631	58.48
Total	**49,068**	**100.00**	**25,288,000**	**100.00**

x. Categories of Shareholding as on 31st March, 2010

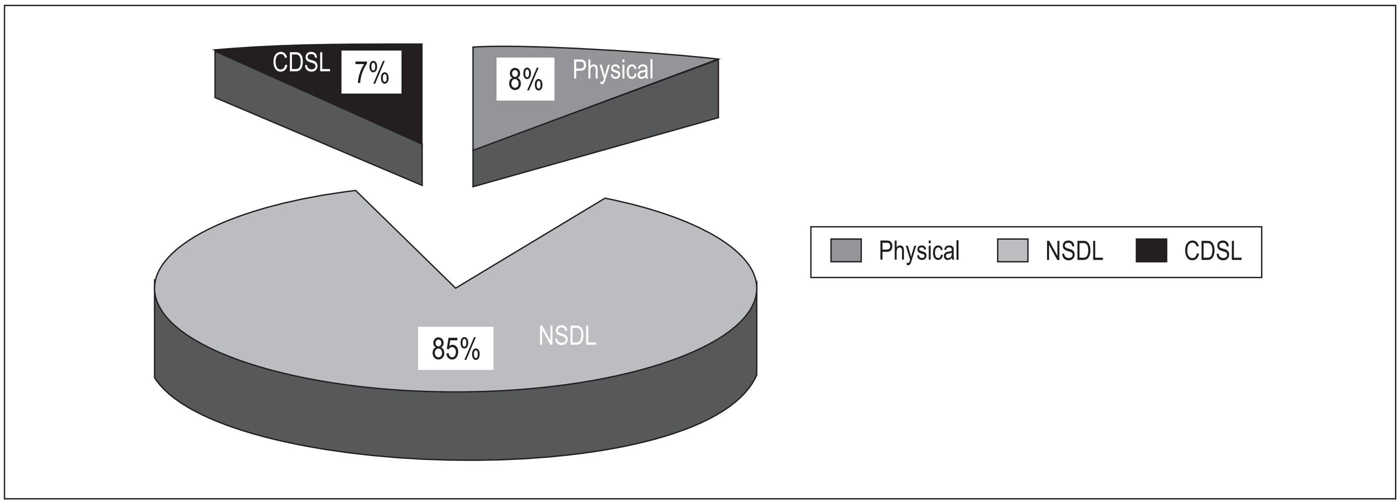
No. of ordinary shares held	No. of shareholders	%	No. of shares	%
Promoters Holding	12	0.02	12,654,933	50.04
UTI/Mutual Funds/Banks	8	0.02	72,961	0.29
Insurance Companies	2	0.00	591,451	2.34
FIs	7	0.01	46,577	0.18
Corporate Bodies	683	1.39	1,504,058	5.95
Resident Individuals	47,850	97.53	9,883,312	39.08
State Government WBIDC	1	0.00	250,000	0.99
Others	505	1.03	284,708	1.13
Total	**49,068**	**100.00**	**25,288,000**	**100.00**

xi. Top 10 Shareholders List (As on 31-03-10)

Name of Shareholder	No. of Share held	% of Share Capital
Tata Steel Limited	11,799,992	46.66
Kalimati Investment Company Limited	854,383	3.38
Sanjay Budhia	343,560	1.36
General Insurance Corporation of India	326,451	1.29
The Oriental Insurance Company Limited	265,000	1.05
West Bengal Industrial Development Corporation Ltd.	250,000	0.99
IL & FS Securities Services Limited	181,000	0.72
Madhukar Seth	100,000	0.40
Vinodchandra Mansukhlal Parekh	97,692	0.39
Powermaster Engineers Pvt Ltd	90,515	0.36

Dematerialisation of Shares and Liquidity

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



Location of Plants

Kharagpur Unit : Village Gokulpur, P.O. Samraipur Kharagpur, Dist. Midnapur, West Bengal - 721301 Phone : +91-3222-233325, 233877, 233290 Telefax : +91-3222-233316 Email : tml@tatametaliks.co.in	Redi Unit : Sindhudurg District, Terekhol Road, Redi - 416 517 Maharashtra Phone : +91-2366-227628,227629,227665, 227654 Telefax : +91-2366-227620 Email : tmlredi@tatametaliks.co.in

xiii. Address for correspondence

Tata Metaliks Limited
Tata Centre, 43, Jawaharlal Nehru Road, Kolkata 700 071.
Phone : +91-33-66134205, Fax : +91-33-2288 4372

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

b) Remuneration Committee

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

c) Shareholders rights

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

CORPORATE GOVERNANCE REPORT (*Contd.*)

d) **Audit qualifications**

It is always the Company's endeavour to present unqualified financial statements. There is no audit qualification in the Audited Accounts for the Financial Year ended 31st March, 2010.

e) **Training of Board Members**

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

f) **Mechanism for evaluating Non-Executive Board Members**

The role of the Board of Directors is to provide direction and exercise control to ensure that the Company is managed in a manner that fulfils stakeholder's aspiration and societal expectations. A peer group comprising the entire Board of Directors, excluding the Director being evaluated, evaluates the performance of the Non-Executive Directors to recognise the effectiveness, skills and knowledge of the said member(s) of the Board in their respective fields.

g) **Whistle Blower Policy**

The Company has constituted a "Whistle Blower Protection Committee" as a part of its Whistle Blower Policy. The Committee had been constituted under the Chairman-ship of the Chief of Corporate Governance. The other members of the Committee include senior officials of the Company and the External Ethics Counsellor (EEC). Whistle 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.

TATA

AUDITORS' REPORT

To the Members of
Tata Metaliks Limited

1. We have audited the attached Balance Sheet of TATA METALIKS LIMITED ("the Company") as at 31st March, 2010, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by 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 paragraph 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 appears from our examination of those books;

   (c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

   (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;

   (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

      (i) in case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;

      (ii) in case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and

      (iii) in 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 written representations received from the Directors as on 31st March, 2010 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2010 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)

Sd/-
A. S. Varma
Partner
(Membership No. 15458)

Place: Kolkata
Date: 7th May, 2010

ANNEXURE TO THE AUDITORS' REPORT

To the members of
Tata Metaliks Limited
on the accounts for the year ended 31st March, 2010
(Referred to in paragraph 3 of our report of even date)

(i) Having regard to the nature of the Company's business/ activities/result, clauses (iii), (v), (viii), (xii), (xiii), (xiv), (xviii), (xx) of CARO are not applicable.

(ii) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals over a period of three years. According to the information and explanation given to us, no material discrepancies were noticed on such verification..

(c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

(iii) In respect of its inventory:

(a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.

(b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

(iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchases of inventory, fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in such internal control system.

(v) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Section 58A & 58AA or any other relevant provisions of the Companies Act, 1956.

(vi) In our opinion, the Company has an adequate internal audit system commensurate with the size of the Company and nature of its business.

(vii) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2010 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2010 on account of disputes are given below :

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (Rs. in lakh)
Customs Act, 1962	Customs Duty (Short levy)	Deputy/ Asst. Commissioner	Financial year 2002-03	20.08

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (Rs. in lacs)
Central Excise Act, 1944	Duty & Cess	The Customs, Excise and Service Tax Appellate Tribunal	September 2002 to 31st March 2007	2203.80
	Penalty			2203.80
Central Excise Act, 1944	Duty & Cess	The Customs, Excise and Service Tax Appellate Tribunal	1st April 2007 to 31st January 2008	1257.55
	Penalty			1257.55
	Interest			392.60
Central Excise Act, 1944	Duty & Cess	The Customs, Excise and Service Tax Appellate Tribunal	September 2002 to January 2008	1475.60
	Penalty			1475.60
	Interest			69.94

(viii) 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 not incurred cash losses in the financial year but incurred cash losses in the immediately preceding financial year.

(ix) 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.

(x) 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.

(xi) 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.

(xii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long-term investment.

(xiii) According to the information and explanations given to us, the Company had issued 450 non-convertible debentures of Rs. 10,00,000 each during the year ended 31st March, 2009. The Company has created security in favour of the debentures during the period covered by our audit report.

(xiv) 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
(Registrations No. 302009E)

Sd/-
A. S. Varma
Partner
(Membership No. 15458)

Place: Kolkata
Date: 7th May, 2010

BALANCE SHEET
AS AT 31ST MARCH, 2010

		Schedule		2010		Rupees 2009
FUNDS EMPLOYED :						
1.	Share Capital	A		**252,880,000.00**		252,880,000.00
2.	Reserves and Surplus	B		**639,552,209.15**		184,008,663.99
3.	**Total Shareholders' Fund**			**892,432,209.15**		436,888,663.99
4.	Loans	C				
	Secured Loans			**2,090,027,487.60**		2,195,909,818.88
	Unsecured Loans			**—**		1,728,281,100.85
5.	DEFERRED TAX LIABILITY (NET) (SEE NOTE 10b)			**66,530,126.86**		66,530,126.86
6.	**Total Funds Employed**			**3,048,989,823.61**		4,427,609,710.58
APPLICATION OF FUNDS :						
7.	**Fixed Assets**					
	a) Gross Block			**3,098,622,791.95**		3,059,265,370.62
	b) Less : Depreciation			**897,444,906.89**		734,122,760.58
	c) Net Block	D		**2,201,177,885.06**		2,325,142,610.04
	d) Capital Work - in - Progress			**40,984,635.19**		59,943,971.16
				2,242,162,520.25		2,385,086,581.20
8.	**Investments**	E		**469,201,500.00**		382,501,500.00
9.	**A. Current Assets**					
	a) Inventories	F	**2,429,356,251.91**		1,458,438,052.37	
	b) Sundry Debtors	G	**584,495,853.74**		630,243,217.25	
	c) Cash and Bank Balances	H	**94,930,460.90**		93,002,307.05	
			3,108,782,566.55		2,181,683,576.67	
	B. Loans and Advances	I	**375,809,424.43**		261,207,544.06	
			3,484,591,990.98		2,442,891,120.73	
10.	**Less : Current Liabilities and Provisions**					
	A. Current Liabilities	J	**2,999,380,846.02**		652,943,369.11	
	B. Provisions	K	**147,585,341.60**		129,926,122.24	
			3,146,966,187.62		782,869,491.35	
11.	**Net Current Assets**			**337,625,803.36**		1,660,021,629.38
12.	**Total Assets (Net)**			**3,048,989,823.61**		4,427,609,710.58
Notes on Balance Sheet and Profit & Loss Account		L				

Per our report attached
Deloitte Haskins & Sells
Chartered Accountants
Sd/-
A S Varma
Partner
Kolkata, 7th May, 2010

Sd/-
Vishwanath G Malagi
Chief of Corporate Governance & Company Secretary

On behalf of the Board of Directors

Sd/-
Harsh K Jha
Managing Director

Sd/-
Koushik Chatterjee
Chairman

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedule		2010		Rupees 2009
INCOME					
SALES AND INCOME FROM OTHER OPERATIONS		**11,212,367,529.98**		11,070,496,023.60	
Less: Excise Duty recovered		**824,430,813.99**		1,045,197,629.76	
		10,387,936,715.99		10,025,298,393.84	
Profit / (Loss) on sale of surplus raw materials (net)		**12,179,485.34**	**10,400,116,201.33**	(6,753,232.05)	10,018,545,161.79
Other Income	1		**286,186,506.12**		234,322,181.11
			10,686,302,707.45		10,252,867,342.90
EXPENDITURE :					
Manufacturing and other expenses	2	**9,657,639,471.63**		11,442,872,701.05	
Interest	3	**358,020,496.61**		303,747,386.73	
Depreciation		**164,153,046.27**		160,872,728.39	
			10,179,813,014.51		11,907,492,816.17
PROFIT/(LOSS) FOR THE PERIOD BEFORE TAX			**506,489,692.94**		(1,654,625,473.27)
Provision for taxation :					
Current tax (Note : 10(a))			**50,946,147.78**		—
Deferred tax (net) (Note : 10(b))			**—**		(170,436,254.23)
Fringe benefit tax			**—**		3,220,554.63
Profit/(Loss) after Taxes			**455,543,545.16**		(1,487,409,773.67)
(ADVERSE BALANCE)/BALANCE BROUGHT FORWARD FROM LAST YEAR			**(577,114,336.01)**		910,295,437.66
(ADVERSE BALANCE)/AMOUNT AVAILABLE FOR APPROPRIATIONS			**(121,570,790.85)**		(577,114,336.01)
Balance Carried to Balance Sheet			**(121,570,790.85)**		(577,114,336.01)
Earnings/(Loss) per Share-basic and diluted - Rs./ Share (Note : 9)			**18.01**		(58.82)
Notes on Balance Sheet & Profit & Loss Account	L				

Per our report attached
Deloitte Haskins & Sells
Chartered Accountants
Sd/-
A S Varma
Partner
Kolkata, 7th May, 2010

Sd/-
Vishwanath G Malagi
Chief of Corporate Governance & Company Secretary

On behalf of the Board of Directors

Sd/-
Harsh K Jha
Managing Director

Sd/-
Koushik Chatterjee
Chairman

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2010

					Rupees
			2010		2009
A.	**Cash Flow from Operating Activities**				
	Net Profit/(Loss) before tax		**506,489,692.94**		(1,654,625,473.27)
	Adjustments for :				
	Depreciation	**164,153,046.27**		160,872,728.39	
	(Profit)/Loss on sale of Assets/Discarded Assets written off (net)	**(61,062.70)**		789,097.63	
	Subsidy Received	**(45,845,574.26)**		(30,536,014.00)	
	Interest Income	**(165,753.00)**		(5,996,665.21)	
	Interest charged to Profit and Loss Account	**358,020,496.61**		303,747,386.73	
	Interest received under Income Tax Act 244A	**(31,747,445.00)**		—	
	Write down of raw material inventory to NRV	**—**		1,322,427,463.76	
	Exchange (Gain)/Loss on Buyer's credit	**(2,132,031.86)**		6,240,000.00	
	Provision for Wealth Tax	**477,022.00**		500,000.00	
	Provision for doubtful debts	**1,711,000.00**		—	
	Interest received on excise duty deposit	**—**		(5,843,836.00)	
	Dividend Income on non trade current investments	**(142,046.69)**		(137,236.73)	
			444,267,651.37		1,752,062,924.57
	Operating Profit before Working Capital Changes		**950,757,344.31**		97,437,451.30
	Adjustments for :				
	Decrease/(Increase) in Trade and Other Receivables	**(70,399,763.86)**		413,495,282.45	
	Decrease/(Increase) in Inventories (excluding add back for write down to NRV)	**(970,918,199.54)**		(825,646,158.65)	
	(Decrease)/Increase in Trade Payables and Other Liabilities	**2,366,176,293.50**		(1,630,626,808.42)	
			1,324,858,330.10		(2,042,777,684.62)
	Cash Generated/(used) from Operations		**2,275,615,674.41**		(1,945,340,233.32)
	Direct Taxes paid		**(43,356,200.00)**		(115,210,744.71)
	Direct Taxes refund		**28,281,546.58**		76,588,802.00
	Net Cash generated/(used) from Operating Activities		**2,260,541,020.99**		(1,983,962,176.03)
B.	**Cash Flow from Investing Activities :**				
	Purchase of fixed assets	**(21,260,108.62)**		(66,291,809.86)	
	Sale of fixed assets	**92,186.00**		198,657.22	
	Purchase of Investment in subsidiary	**(86,700,000.00)**		(306,000,000.00)	
	Interest received	**—**		11,844,701.21	
	Subsidy Received -WBIDC	**45,845,574.26**		30,536,014.00	
	Dividend income on non trade current investments	**142,046.69**		137,236.73	
			(61,880,301.67)		(329,575,200.70)
	Net Cash generated/(used) in Investing Activities		**(61,880,301.67)**		(329,575,200.70)
C.	**Cash Flow from Financing Activities :**				
	Proceeds from borrowings		**642,403,849.27**		4,405,711,705.08
	Repayment of borrowings		**(2,476,567,281.40)**		(1,595,813,287.91)
	Foreign Exchange (Gain)/Loss		**2,132,031.86**		(6,240,000.00)
	Interest paid		**(360,168,145.20)**		(295,077,972.84)
	Dividends paid		**(4,533,020.00)**		(174,192,469.68)
	Dividend tax paid		**—**		(30,083,869.20)
Net Cash (used)/generated from Financing Activities			**(2,196,732,565.47)**		2,304,304,105.45
Net Increase/(decrease) in Cash and Cash equivalents (A+B+C)			**1,928,153.85**		(9,233,271.28)
Cash and Cash equivalents as at 31st March, 2009			**93,002,307.05**		102,235,578.33
Cash and cash equivalents as at 31st March, 2010			**94,930,460.90**		93,002,307.05

Per our report attached
Deloitte Haskins & Sells
Chartered Accountants
Sd/-
A S Varma
Partner
Kolkata, 7th May, 2010

Sd/-
Vishwanath G Malagi
Chief of Corporate Governance & Company Secretary

On behalf of the Board of Directors

Sd/-
Harsh K Jha
Managing Director

Sd/-
Koushik Chatterjee
Chairman

SCHEDULE FORMING PART OF THE BALANCE SHEET

AS AT 31ST MARCH, 2010

		As at 31st March, 2010 Rupees		As at 31st March, 2009 Rupees
SCHEDULE A : SHARE CAPITAL:-				
Authorised :				
10,00,00,000 Equity Shares of Rs. 10 each		**1,000,000,000.00**		400,000,000.00
Issued, Subscribed and Paid-Up:				
2,52,88,000 Equity Shares of Rs. 10 each*		**252,880,000.00**		252,880,000.00
* Of the 2,52,88,000 Equity shares :				
(i) 1,17,99,992 Equity shares of Rs. 10 each held by Tata Steel Limited, the holding company.				
(ii) 8,54,383 Equity shares of Rs 10 each held by Kalimati Investment Company Limited, a subsidiary of the holding company.				
SCHEDULE B : RESERVES AND SURPLUS :-				
a) CAPITAL RESERVE				
State Capital Investment Subsidy				
Balance as per last account 31.03.2009	**12,562,000.00**		12,562,000.00	
Add : Received during the period	**—**	**12,562,000.00**	—	12,562,000.00
b) GENERAL RESERVE				
Balance as per last account 31.03.2009	**748,561,000.00**		748,561,000.00	
Less : Adverse balance in Profit and Loss Account shown below per contra as per disclosure under Schedule VI, Part I of the Companies Act, 1956	**(121,570,790.85)**	**626,990,209.15**	(577,114,336.01)	171,446,663.99
c) PROFIT & LOSS ACCOUNT				
(Adverse Balance)/Balance carried forward	**(121,570,790.85)**		(577,114,336.01)	
Add : Uncommitted reserve per contra as per disclosure under Schedule VI, Part I of the Companies Act, 1956	**121,570,790.85**	**—**	577,114,336.01	—
		639,552,209.15		184,008,663.99
SCHEDULE C: LOANS :				
Secured				
(a) 12.75% Non Convertible Debentures (privately placed with Life Insurance Corporation of India) (Note 1)		450,000,000.00		450,000,000.00
(b) State Bank Of India - Corporate Term Loan (Note 2)		280,000,000.00		—
(c) State Bank Of India - Term Loan (Note 3)		440,000,000.00		600,000,000.00
(d) Canara Bank - Term Loan (Note 4)		550,000,000.00		550,000,000.00
(e) State Bank Of India - WCDL (Note 5)		100,000,000.00		—
(f) State Bank Of India - CC (Note 5)		5,149,567.27		138,055,464.88
(g) Bank of Baroda - CC (Note 5)		50,465,686.00		—
(h) HDFC Bank Limited - CC (Note 5)		11,938,163.27		—
(i) IDBI Bank Limited : CC (Note 5)		2,474,071.06		457,854,354.00
(j) IDBI Bank Limited : WCDL (Note 5)		200,000,000.00		—
		2,090,027,487.60		2,195,909,818.88

Note 1 : Secured by first pari passu charge on fixed assets at Redi plant.
Note 2 : Secured by first pari passu charge on the fixed assets at Kharagpur plant and second charge on the company's current assets, both present and future.
Note 3 : Secured by first charge on the fixed assets of Redi plant.
Note 4 : Secured by a first pari passu charge over fixed assets at Kharagpur.
Note 5 : Secured by hypothecation of the Company's entire stocks and receivables.
The 12.75% Non-Convertible Debentures under item (a) (alloted on 07.01.2009) are redeemable at par in 3 annual installments in the ratio of 30:30:40 at the end of 3rd, 4th & 5th year from the date of allotment. The earliest date of redemption is 07.01.2012.
Note : Term loans repayable within 1 year - Rs. 600,000,000.00 (31.03.09 - Rs. 160,000,000.00)

Unsecured

	As at 31st March, 2010 Rupees	As at 31st March, 2009 Rupees
Short - Term loan :		
Buyer's credit from banks (repayable in foreign currency)	—	1,728,281,100.85
	—	1,728,281,100.85

Note : Amounts repayable within 1 year - Nil (31.03.2009 : Rs. 1,728,281,100.85)

SCHEDULE FORMING PART OF THE BALANCE SHEET

AS AT 31ST MARCH, 2010

SCHEDULE - D : FIXED ASSETS :- Rupees

	Cost				Depreciation				Net Block	
	Gross Block as at 31.03.2009	Additions	Deductions	**Gross Block as at 31.03.2010**	**Upto 31.03.2009**	**For the year ended 31.03.2010**	Deductions	**Upto 31.03.2010**	**As at 31.03.2010**	As at 31.03.2009
Freehold Land	116,563,200.00	2,223,300.00	—	**118,786,500.00**	—	**—**	—	**—**	**118,786,500.00**	116,563,200.00
Leasehold Land & Site Development	9,915,358.00	—	—	**9,915,358.00**	1,402,392.36	**100,145.12**	—	**1,502,537.48**	**8,412,820.52**	8,512,965.64
Buildings	205,100,504.70	767,576.04	—	**205,868,080.74**	35,462,265.77	**5,786,033.21**	—	**41,248,298.98**	**164,619,781.76**	169,638,238.93
Plant & Machinery	2,573,155,174.12	35,446,792.62	172,416.26	**2,608,429,550.48**	627,042,307.08	**147,691,172.49**	141,292.96	**774,592,186.61**	**1,833,837,363.87**	1,946,112,867.04
Vehicles	17,130,910.60	391,000.00	—	**17,521,910.60**	4,686,023.25	**1,341,540.87**	—	**6,027,564.12**	**11,494,346.48**	12,444,887.35
Data Processing Equipment	22,317,487.35	544,758.00	689,607.00	**22,172,638.35**	15,704,920.92	**1,886,171.84**	689,607.00	**16,901,485.76**	**5,271,152.59**	6,612,566.43
Railway Siding*	91,158,495.61	—	—	**91,158,495.61**	41,392,740.52	**6,167,468.69**	—	**47,560,209.21**	**43,598,286.40**	49,765,755.09
Furniture, Fixtures & Office Equipment	23,924,240.24	846,017.93	—	**24,770,258.17**	8,432,110.68	**1,180,514.05**	—	**9,612,624.73**	**15,157,633.44**	15,492,129.56
	3,059,265,370.62	40,219,444.59	862,023.26	**3,098,622,791.95**	734,122,760.58	**164,153,046.27**	830,899.96	**897,444,906.89**	**2,201,177,885.06**	2,325,142,610.04
Previous Year Ended - 31.03.2009	3,000,989,763.67	59,791,259.95	1,515,653.00	**3,059,265,370.62**	573,777,930.09	**160,872,728.39**	527,897.90	**734,122,760.58**	**2,325,142,610.04**	

*Includes Rs 35,000,000 on account of the estimated cost of development borne by the company of a Railway Siding constructed by Konkan Railway Corporation Limited for preferential use of the company over others for a period of 10 years. Even though the ownership of the siding is vested with the Railway Authorities, the cost contributed by the company has been capitalised on the basis of the future economic benefits. Accordingly, the cost of Railway Siding is being amortised over a period of 10 years, starting with the year 2006 - 07 in which the Railway Siding became operational and available for the company's use. The amortisation charge for the twelve months ended 31st March, 2010 Rs3,500,000 (Previous twelve months ended 31st March, 2009 Rs 3,500,000) is included in depreciation.

	As at 31st March, 2010 Rupees	As at 31st March, 2009 Rupees
SCHEDULE E: INVESTMENTS -		
A. Long Term Investment		
At cost less any decline, other than temporary		
1. Investment in Subsidiary Company :	**469,200,000.00**	382,500,000.00
Shares (Unquoted) : Trade		
Tata Metaliks Kubota Pipes Limited		
8,670,000 Shares of face value subscribed and paid during the year (Face value of Rs. 10 each) 46,920,000 shares; (31.03.2009 - 38,250,000 shares)		
2 Non trade Investments		
Unquoted		
a. National Savings Certificates (Lodged with Government authorities.)	**1,500.00**	1,500.00
Aggregate amount of unquoted investments	**469,201,500.00**	382,501,500.00

B. Current Investments - at lower of cost and fair value

Non trade investment in mutual fund

Name of the Funds	Balance as at 01.04.2009		Purchased during the year		Sold during the year		Balance as at 31.03.2010	
	No. of units	Rs	No. of units	Rs	No. of units	Rs	No. of units	Rs
Birla Cash Plus-Instl.Daily Dividend Reinvestment	—	—	29,009,397.4170	307,500,000.00	29,009,397.4170	307,500,000.00	—	—
Baroda Pioneer Treasury Advantage Fund	—	—	7,742,484.9510	80,000,000.00	7,742,484.9510	80,000,000.00	—	—
Kotak Liquid (Institutional)-Daily Dividend	—	—	12,438,563.6361	152,100,000.00	12,438,563.6361	152,100,000.00	—	—
Total	—	—	49,190,446.0041	539,600,000.00	49,190,446.0041	539,600,000.00	—	—

Total Investments (A + B)	**469,201,500.00**	382,501,500.00

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SCHEDULE FORMING PART OF THE BALANCE SHEET

AS AT 31ST MARCH, 2010

			As at 31st March, 2010 Rupees		As at 31st March, 2009 Rupees
SCHEDULE F: INVENTORIES :-					
(at lower of cost and net realisable value)					
(a)	Raw materials		**1,897,074,132.48**		1,132,569,757.88
(b)	Stores and spare parts		**34,323,692.10**		36,998,018.56
(c)	Finished goods including scrap etc.	**454,658,571.33**		268,553,256.33	
(d)	Excise duty on Finished goods	**43,299,856.00**	**497,958,427.33**	20,317,019.60	288,870,275.93
			2,429,356,251.91		1,458,438,052.37
SCHEDULE G : SUNDRY DEBTORS - UNSECURED :-					
a)	Over six months old				
	– considered good		**3,477,057.54**		8,481,212.57
	– considered doubtful		**1,711,000.00**		—
b)	Other debts				
	– considered good		**581,018,796.20**		621,762,004.68
	– considered doubtful		**—**		—
	Less : Provision for doubtful debts		**1,711,000.00**		—
			584,495,853.74		630,243,217.25
SCHEDULE H : CASH AND BANK BALANCES :-					
a)	Cash in hand		**87,909.10**		96,603.60
b)	Cheques in hand		**37,979,892.66**		36,318,019.35
c)	Current account with scheduled banks		**46,862,659.14**		56,587,684.10
c)	Deposit account with scheduled bank		**10,000,000.00** *		—
			94,930,460.90		93,002,307.05

*Deposit against margin-money

SCHEDULE I : LOANS AND ADVANCES				
(Unsecured considered good, unless otherwise stated)				
Advances with Subsidiary	**4,304,140.00**	**4,304,140.00**	1,964,588.00	1,964,588.00
Advances recoverable in cash or in kind or for value to be received *	**341,522,211.17**		217,585,207.14	
Less : Provision for doubtful advances	**903,273.85**	**340,618,937.32**	903,273.85	216,681,933.29
Rent ,electricity deposits etc.		**7,894,095.00**		8,741,878.00
Balances with Excise, Custom, Port Trust, etc.		**22,775,832.87**		33,768,478.53
Advance Fringe Benefit Tax - net of provision		**50,666.24**		50,666.24
Interest accrued but not due		**165,753.00**		—
		375,809,424.43		261,207,544.06

* Includes doubtful Rs. 903,273.85; (31.03.2009 Rs. 903,273.85)

* Includes Capital Advances of Rs. 900,000; (31.03.2009 Rs. 95,000,000)

SCHEDULE FORMING PART OF THE BALANCE SHEET

AS AT 31ST MARCH, 2010

			As at 31st March, 2010 Rupees		As at 31st March, 2009 Rupees
SCHEDULE J : CURRENT LIABILITIES :-					
a)	Acceptances		**148,423,487.00**		—
b)	Sundry Creditors -				
	(i) Total outstanding dues of micro, small and medium enterprises		**—**		—
	(ii) Total outstanding dues of creditors other than micro, small and medium enterprises		**2,603,916,451.09**		487,171,426.98
c)	Advances received from customers		**193,759,669.94**		105,810,035.55
d)	Unpaid dividends *	**22,700,488.99**		25,281,651.99	
e)	Unpaid matured Debentures and interest *	**—**	**22,700,488.99**	1,951,857.00	27,233,508.99
f)	Interest accrued but not due on				
	(i) 12.75% NCD	**13,204,110.00**		13,204,109.59	
	(ii) Loans	**12,013,497.00**		5,517,151.00	
	(iii) Supplier's & Buyer's Credit	**5,363,142.00**	**30,580,749.00**	14,007,137.00	32,728,397.59
			2,999,380,846.02		652,943,369.11

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

		As at 31st March, 2010 Rupees	As at 31st March, 2009 Rupees
SCHEDULE K: PROVISIONS :-			
a)	Provision for leave encashment	**26,030,000.00**	17,646,970.00
b)	Provision for gratuity	**9,714,140.00**	7,062,000.00
c)	Provision for discretionary pension	**10,000,000.00**	8,000,000.00
d)	Provision for taxation (net of advance tax)	**101,841,201.60**	97,217,152.24
		147,585,341.60	129,926,122.24

SCHEDULE FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH, 2010

SCHEDULE L : NOTES ON BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

1 Significant Accounting Policies

a) These financial statements have been prepared on going concern assumptions under the historical cost convention on an accrual basis and in conformity with the relevant accounting standards as notified under the Companies (Accounting Standards) Rules, 2006 and the Companies Act, 1956.

b) Sale of Products :

Sale of goods is net of trade discounts and are exclusive of sales tax.

c) Subsidies from Government :

(i) on capital account

Subsidy sanctioned and disbursed by the Government, under a notified scheme linked to the incurrence of capital expenditure by the company either in a past period or during the current reporting period is credited directly to Capital Reserve.

(ii) on revenue account

Subsidy sanctioned and disbursed by the Government, under a notified scheme linked to the identified revenue expenditure incurred either in a past period or during the current reporting period is recognised in the Profit and Loss Account.

d) Gratuity :

Provision for gratuity liability to employees is made on the basis of an independent actuarial valuation as on 31st March, 2010.

e) Leave Salaries :

Provision for leave salaries is made on the basis of an independent actuarial valuation as on 31st March, 2010.

f) Termination Benefits :

Termination Benefits incurred are recognised as an expense immediately.

g) Relining Expenses:

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

TATA

SCHEDULE FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH, 2010

h) Depreciation :

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

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

i) Foreign Exchange Transactions :

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

All differences in translation of monetary assets and liabilities and realised gains and losses on foreign exchange transactions are recognised in the Profit and Loss Account. In respect of transactions covered by forward exchange contracts, the difference between the spot rate and contract rate on the date of transaction is charged to the Profit and Loss Account over contract period. In case of transactions covered by Buyer's credit, the gain/(loss) on foreign exchange is shown separately in manufacturing expenses.

j) Gain or loss on Derivatives :

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

k) Fixed Assets :

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

Blast furnace relining expenditure is capitalised, the written-down value consisting of lining/relining expenditure embedded in the cost of the furnace is written off in the year of fresh relining. During the year ended 31st March, 2010, relining expenses incurred Rs.Nil (corresponding previous year ended 31st March,2009 : Rs 11,487,496.12 capitalised) has been capitalized and is being amortised over five years from the date of re - commissioning.

l) Investments :

Long term investments are carried at cost less provision for diminution other than temporary, if any. Current investments are carried at lower of cost and fair value.

m) Inventories :

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

n) Current Tax :

Current tax is the amount of income tax determined to be payable (recoverable) in respect of the taxable income (tax loss) for an accounting period or computed on the basis of the provisions of Section 115 JB of the Income - tax Act , 1961 by way of minimum alternate tax (MAT) at the prescribed percentage on the adjusted book profits of a year , when income - tax liability under the normal method of tax payable basis works out either a lower amount or nil amount compared to the tax liability under Section 115 JA.

o) Deferred Tax :

(i) Deferred Tax is accounted for by computing the tax effect of timing differences between taxable income and accounting income for a period that originate in one period and are capable of reversal in one or more subsequent periods.

(ii) Deferred Tax asset is recognised and carried forward 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,except in the case of unabsorbed depreciation or carry forward of losses under the Income Tax Act,1961, deferred tax asset is recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realised.

(iii) In the case of recent losses,the company recognises deferred tax assets only to the extent that it has timing differences the reversal of which will result in sufficient income against which such deferred tax assets can be realised.

p) Leases :

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

q) Borrowings and Ancilliary cost :

Borrowings and ancilliary costs incurred in connection with arrangement of borrowings is being amortised over the period of the borrowing.

r) Contingent Liabilities :

These are disclosed in relation to confirmed demands which are contested by the company and it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

s) Employee Benefits :

(i) Defined Contribution Schemes: Company's contribution towards Provident Fund and Superannuation Fund and provision for discretionary pension being set-up over the five year tenure of the wholetime director,on arithmetical basis (DCS) paid / payable during the year to the recognized fund of Tata Metaliks Limited, or the employee, as the case may be, are charged to the Profit and Loss Account.

(ii) Defined Benefit Schemes: Company's liability towards Gratuity is a defined benefit Scheme (DBS).Liability towards Leave Encashment and Gratuity are ascertained (on annual basis only) by an independent actuarial valuation, per the requirements of Accounting Standard 15 (revised 2005) on “Employee Benefits”.

(iii) Other Long-term Employee Benefits are recognised as an expense in the Profit and Loss Account for the period in which employees have rendered services. Estimated liability on account of long - term benefits is discounted to the current value, on actuarial basis, as on the date of the balance sheet. This includes provision for leave encashment which is Rs 26,030,000.00.

(iv) Gratuity and Superannuation benefits to employees have been funded under separate arrangements with the Life Insurance Corporation of India (LIC).

(v) Gratuity benefits to employees have been funded under the pension and group scheme with Life Insurance Corporation of India.As such the details of investments made are not avaliable with the company.

(vi) Actuarial gains and losses are recognised in the Profit and Loss Account.

SCHEDULE FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH, 2010

t) Impairment :

An impairment loss on asset is recognised in the Profit and Loss Account , if and only if its recoverable amount is less than its carrying amount.

2 Contingent Liabilites

		2009-10 Rupees	2008-09 Rupees
(a)	Other claims of workmen	—	716,000.00
(b)	Customs demands	2,008,000.00	2,008,000.00
(c)	Cenvat credit disallowed including interest and penalty	1,033,644,579.30	696,916,949.00
(d)	Guarantee given to a third party on company's business	15,987,000.00	35,702,572.00

(e) The company has given corporate guarantees to the two banks of its subsidiary Tata Metaliks Kubota Pipes Ltd (TMKPL),as per details below :

Date of issuance	In favour of	Amount of Corporate Guarantee	Purpose of the Guarantee
17th November ,2008	Sumitomo Mitsui Banking Corporation,Singapore Branch	USD 11,850,000 (USD 11,850,000)	Term - loan facility given to TMKPL
27th April ,2009	Bank of Baroda,Kestopur Branch,Kolkata	Rs 250,000,000 (Rs Nil)	Term - loan facility given to TMKPL

(Figures in bracket relate the amounts of corporate guarantee given as on 31 March ,2009)

3 Minor and Medium scale business entities :

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2010. The above information regarding micro, small and medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

4 Estimated amount of contracts remaining to be executed on Capital Account and not provided for Rs. 12,195,524.00 (31.03.2009 : Rs. 11,427,203.50).

5 Managerial Remuneration

		2009-10 Rupees	2008-09 Rupees
a)	Salaries	2,520,000.00	2,280,000.00
b)	Provision for Performance Linked remuneration	3,150,000.00***	—
c)	Perquisites / Allowances	1,634,896.18	1,443,290.32
d)	Contribution to Provident and Other Funds	756,000.00	684,000.00
e)	Commission to Non Wholetime directors	—	—
		8,060,896.18**	4,407,290.32*

* Managerial Remuneration paid during the year 2008-2009 Rs 4,407,290.32 to the Managing Director has exceeded the limits calculated under Schedule XIII to the Companies Act, 1956 by Rs 2,007,290.32. The Company has filed the application to the Central Government seeking its approval for the said remuneration paid over the limit on 17.12.2009 but the approval is pending.

** The Company has filed a fresh application on 18.12.2009 with the Central Government seeking its approval to pay proposed remuneration in excess of Rs 4,800,000 (being the ceiling mentioned in Schedule XIII of the Companies Act , 1956 for Companies having no profits or inadequacy of profits) for the current tenure of appointment of the Managing Director from 01.04.2009 to 31.03.2012. The approval from the Central Government is pending.

*** Subject to the approval of the shareholders and approval of the Central Government.

Note : Managerial remuneration excludes provision for pension of Rs.20 Lacs towards post retirement benefit liability of Whole-time director(s), pursuant to the resolution passed by the members at the 11th Annual General meeting held on 30-7-2001.The eligibility to pension benefit is at the discretion of the Board based on the recommedation of a Committee of the Board and may be subject to such approvals as may be necessary at the point in time when the discretion is used.Provision for pension has been made as a matter of caution.

Computation of net profits in accordance with section 309(5) read with Section 349 of the Companies Act, 1956			2009-2010 Rupees	2008-2009 Rupees
Profit/(loss) before taxation as per Profit & Loss Account			506,489,692.94	(1,654,625,473.27)
Add :	a)	Director's Remuneration	8,060,896.18	4,407,290.32
	b)	Directors' fees	326,000.00	574,000.00
	c)	Provision for wealth tax	477,022.00	500,000.00
	d)	Loss on sale of assets as per books	—	789,097.63
	e)	Provision for doubtful debts	1,711,000.00	—
			517,064,611.12	(1,648,355,085.32)
Less:	a)	Profit on sale of assets	61,062.70	—
	b)	Loss brought forward from the last year	(1,648,355,085.32)	—
Net profit/(loss) as per Section 309(5) read with Section 349			(1,131,351,536.90)	(1,648,355,085.32)
Commission to Non Wholetime Directors as per Board Resolution			—	—

6 Payment to auditors (excluding service tax)

	2009-10 Rupees	2008-09 Rupees
Audit fees	650,000.00	650,000.00
Tax audit fees	100,000.00	100,000.00
Other services/certificates	1,070,000.00	1,085,000.00
Out of pocket expenses	25,000.00	18,321.00

7 **(a) Information about Primary Business Segments**

The company has considered business segment as the primary segment for disclosure. The Company is engaged in the manufacture of pig iron, which in the context of Accounting Standard 17 as notified under the Companies (Accounting Standards) Rules, 2006 is considered as the only business segment.

(b) Information about Secondary Segments :- Geographical

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

8 **Related Party Disclosures**

(a) List of Related Parties and Relationship

Party		Relationship
A.	Tata Steel Limited	Holding Company
B.	Tata Metaliks Kubota Pipes Limited	Subsidiary Company
C.	Hooghly Met Coke Limited	Fellow Subsidiary
D.	Tata Refractories Limited	Fellow Subsidiary
E.	TM International Logistic Limited	Fellow Subsidiary
F.	Jamipol Ltd.	Fellow Subsidiary
G.	Tata Blue Scope Ltd.	Fellow Subsidiary
H	Tata NYK Shipping Pte Ltd.	Fellow Subsidiary
I.	Key Management Personnel Mr Harsh K. Jha - Managing Director	Whole Time Director

(b) Transactions during the year

Rupees

				2009-10 Rupees	2008-09 Rupees
1	With Holding Company				
	i)	Purchase of Raw Materials		**1,156,511,335.03**	1,415,023,869.88
	ii)	Sale of finished goods		**17,920,839.76**	9,897,883.90
	iii)	Expenses reimbursed in respect of services received		**8,742,011.80**	5,896,389.88
	iv)	Dividend paid		**—**	82,599,944.00
	v)	Outstanding balance at the year end :			
		a)	Creditors (net of advances)	**155,277,397.34**	113,443,294.35
		b)	Debtors	**2,072,233.92**	2,531,265.15
2	With Subsidiary Company				
	i)	Equity Contribution		**469,200,035.70**	382,500,000.00
	ii)	Sale of Molten Metal		**136,299,733.66**	9,951,732,00
	iii)	Services rendered		**5,025,295.00**	17,452,468.00
	iv)	Outstanding balance at the year end :			
		–	Debtors	**31,193,407.41**	334,648.00
		–	Advances given for Expenses	**—**	1,964,588.00
3	With Fellow Subsidiary				
	a)	Hooghly Met Coke			
		i)	Services received	**—**	19,864,000.00
		ii)	Intercorporate Deposit received during the year	**—**	200,000,000.00
		iii)	Interest paid during the year	**—**	102,740.00
	b)	TM International Logistics Ltd			
		i)	Services received	**125,778,422.00**	113,519,957.00
		ii)	Outstanding balance at the year end	**1,527,530.00**	602,405.00
	(c)	Jamipol Ltd.			
		(i)	Services received	**2,486,425.00**	—
		(ii)	Outstanding balance at the year end	**—**	—
	(d)	Tata Blue Scope Ltd			
		(i)	Services received	**907,055.00**	—
		(ii)	Outstanding balance at the year end	**907,055.00**	—
	(e)	Tata NYK Shipping Pte Ltd			
		(i)	Services received	**205,108,309.23**	—
		(ii)	Outstanding balance at the year end	**—**	—
	(f)	Tata Refactories Ltd			
		(i)	Services received	**27,371,126.00**	—
		(ii)	Outstanding balance at the year end	**1,126,517.00**	—

4 Details of remuneration paid to directors is disclosed in the report on Corporate Governance and Note 5 above.

SCHEDULE FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH, 2010

9 Earnings per Share (EPS)

			2009-10	2008-09
(i)	Profit / (Loss) after tax	Rs.	**455,543,545.16**	(1,487,409,773.67)
(ii)	Weighted average No. of Ordinary Shares for Basic EPS		**25,288,000**	25,288,000
(iii)	Nominal value of Ordinary Shares	Rs.	**10.00**	10.00
(iv)	Basic/Diluted Earnings per Ordinary Share	Rs.	**18.01**	(58.82)

10 Taxation

(a) Provision for Current Tax for the year ended 31st March, 2010 Rs 50,946,147.78 has been made under the provisions of Section 115 JB of the Income - tax Act ,1961 by way of Minimum Alternate Tax i.e., where the estimated normal income-tax payable under the usual tax payable method is less than the prescribed percentage of the adjusted book profits of the Company which is deemed to be the total income of the Company.

(b) Deferred Tax Liability (Net)

		Deferred tax liability/ (asset) as at 01.04.2009 Rupees	**Current year charge/ (credit) Rupees**	**Deferred tax liability/ (asset) as at 31.03.2010 Rupees**
Deferred Tax Liability	(A)			
(i) Difference between book and tax depreciation		237,446,831.92	8,429,912.99	245,876,744.91
Deferred Tax Assets	(B)			
(i) Employee separation scheme		(480,450.83)	—	(480,450.83)
(ii) Unabsorbed carry forward loss		(91,126,974.87)	—	(91,126,974.87)
(iii) Unabsorbed depreciation		(79,309,279.36)	(8,429,912.99)	(87,739,192.35)
Deferred Tax Liability (net)		66,530,126.86	—	66,530,126.86

11 Licensed and installed capacities and production

Class of Products		**Licenced capacity(1)**	**Installed capacity(2)**	**Production(3)**
		MT	MT	MT
Pig Iron	**2009-10**	**N.A.**	**650,000**	**492,024**
	2008-09	N.A.	650,000	377,586

(1) Not applicable in terms of Government of India's Notification No. S. O. 477(E) dated 25th July, 1991

(2) Excluding items intended for captive consumption & arisings i.e. slags and scrap etc.

(3) As certified by the Managing Director and accepted by the auditors, being a technical matter.

12 Turnover, Closing and Opening Stocks

Class of Products			**Turnover**		**Closing Stock**		**Opening Stock**	
			MT	**Rupees**	**MT**	**Rupees**	**MT**	**Rupees**
a)	Pig Iron	**2009-10**	**484,492**	**10,684,853,803.88**	**16,511.30**	**361,649,626.82**	**9,707.00**	**192,345,125.20**
		2008-09	(378,966)	(10,666,922,025.44)	(9,707.00)	(192,345,125.20)	(11,463.00)	(218,458,659.60)
b)	Others-Scrap, Slag etc.	**2009-10**		**527,513,726.10**		**136,308,800.51**		**96,525,150.73**
		2008-09		(403,573,998.16)		(96,525,150.73)		(135,887,931.95)
	Total	**2009-10**	**484,492**	**11,212,367,529.98**		**497,958,427.33**		**288,870,275.93**
		2008-09	(378,966)	(11,070,496,023.60)		(288,870,275.93)		(354,346,591.55)

SCHEDULE FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH, 2010

13 Raw materials consumed

		2009-10		2008-09	
		MT	**Rupees**	MT	Rupees
(i)	Coke	**379,422**	**6,016,190,291.29**	297,441	8,081,769,404.56
(ii)	Iron Ore	**865,107**	**2,390,259,932.76**	650,583	1,961,382,839.68
(iii)	Dolomite	**52,542**	**44,539,000.98**	36,062	30,996,311.77
(iv)	Limestone	**56,200**	**61,651,062.37**	48,265	57,875,399.54
(v)	Manganese Ore	**11,724**	**54,445,745.81**	8,279	72,330,900.09
(vi)	Quartzite	**24,665**	**16,612,471.25**	19,394	14,097,101.64
(vii)	Others	**1,004**	**2,036,544.32**	4,055	5,155,465.21
			8,585,735,048.78		10,223,607,422.49

Notes : 1. The consumption figures shown above are after adjusting excesses and shortages ascertained on physical count, unservicable items etc.
2. The consumption includes exchange gain (net) Rs. 34,780,750.32 (2008-09 : exchange loss (net) Rs. 385,227,707.82)

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

			Rupees
(i)	Raw materials	**2009-10**	**4,667,674,328.13**
		2008-09	4,371,431,385.64
(ii)	Components, stores and spare parts	**2009-10**	**NIL**
		2008-09	NIL

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

			Raw materials		Components, stores and spare parts	
			Rupees	Percentage	Rupees	Percentage
(a)	Directly imported	**2009-10**	**2,416,096,963.61**	**28.14**	**—**	**—**
		2008-09	(4,816,055,054.78)	(47.11)	—	—
(b)	Indigenously obtained	**2009-10**	**6,169,638,085.17**	**71.86**	**197,602,302.44**	**100.00**
		2008-09	(5,407,552,367.71)	(52.89)	(203,933,443.86)	(100.00)
		2009-10	**8,585,735,048.78**	**100.00**	**197,602,302.44**	**100.00**
		2008-09	(10,223,607,422.49)	(100.00)	(203,933,443.86)	(100.00)

16 Expenditure in foreign currency (on payment basis)

			Rupees
		2009-10	2008-09
(i)	Interest on suppliers' credit	**30,376,110.11**	126,644,042.93
(ii)	Foreign Travel	**253,284.00**	1,174,996.49
(iii)	Consultancy fees	**499,328.34**	335,452.00
(iv)	Other	**184,935.65**	1,566,373.78

17. Accounting Policy on Employee Benefits

(i) Provision for gratuity as on 31.03.2010 has been computed on the basis of actuarial valuation for the year ended 31st March, 2010 provided by Watson Wyatt.

(ii) Disclosures in (iii) below in respect of DBS have been given to the extent practical and the availability of information.

SCHEDULE FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH, 2010

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

	Employee Benefits	**2010**		2009	Rupees
	Defined benefit plans/ Long term Compensated absences As per actuarial valuation as on 31st March, 2010	**Gratuity**	**Leave Encashment**	Gratuity	Leave Encashment
I	**Components of employer expenses**				
	1 Current Service Cost	**2,499,870.00**	**2,546,640.00**	2,333,460.00	2,241,850.00
	2 Interest cost	**1,592,310.00**	**1,297,730.00**	1,327,170.00	1,109,590.00
	3 Expected return on plan assets	**(1,334,980.00)**	**—**	(808,730.00)	—
	4 Curtailment cost / (credit)	**—**	**—**	—	—
	5 Settlement cost / (credit)	**—**	**—**	—	—
	4 Past Service Cost	**—**	**—**	—	—
	7 Actuarial Losses / (Gains)	**3,075,310.00**	**7,389,280.00**	(289,680.00)	608,390.00
	8 Benefits paid		**(2,850,620.00)**		—
	9 **Total expenses recognized in the Statement of Profit & Loss Account.**	**5,832,510.00**	**8,383,030.00**	2,562,220.00	3,959,830.00
II	**Actual Contribution and Benefits Payments for period ended 31 March, 2010**				
	1 Actual benefit payments	**(860,160.00)**	**2,850,620.00**	—	—
	2 Actual Contributions	**3,180,040.00**	**—**	3,962,110.00	367,190.00
III	**Net assets / (liability) recognized in balance sheet as at March 31, 2010**				
	1 Present value of Defined Benefit Obligation	**26,421,150.00**	**26,030,000.00**	20,333,920.00	17,646,970.00
	2 Fair value of plan assets	**16,707,010.00**	**—**	13,272,250.00	—
	3 Funded status [Surplus/Deficit]	**(9,714,140.00)**	**(26,030,000.00)**	(7,061,670.00)	(17,646,970.00)
	4 Unrecognized past service cost	**—**	**—**	—	—
	5 **Net asset/ (liability) recognized in balance sheet**	**(9,714,140.00)**	**(26,030,000.00)z**	(7,061,670.00)	(17,646,970.00)
IV	**Change in Defined Benefit Obligations during the year ended March 31, 2010**				
	1 Present Value of DBO at beginning of period	**20,333,920.00**	**17,646,970.00**	16,589,670.00	14,054,330.00
	2 Current Service cost	**2,499,870.00**	**2,546,640.00**	2,333,460.00	2,241,850.00
	3 Interest cost	**1,592,310.00**	**1,297,730.00**	1,327,170.00	1,109,590.00
	4 Curtailment cost / (credit)	**—**	**—**	—	—
	5 Settlement cost / (credit)	**—**	**—**	—	—
	6 Plan amendments	**—**	**—**	—	—
	7 Acquisitions	**—**	**—**	—	—
	8 Actuarial (Gains) / Losses	**2,855,210.00**	**7,389,280.00**	83,620.00	608,390.00
	9 Benefits paid	**(860,160.00)**	**(2,850,620.00)**	—	(367,190.00)
	10 Present Value of DBO at the end of period	**26,421,150.00**	**26,030,000.00**	20,333,920.00	17,646,970.00
V	**Change in Fair value of Assets during the year ended March 31, 2010**				
	1 Plan assets at beginning of period	**13,272,250.00**	**N/A**	8,128,110.00	N/A
	2 Acquisition Adjustment	**N/A**	**N/A**	N/A	N/A
	3 Actual return on plan assets	**1,334,980.00**	**N/A**	808,730.00	N/A
	4 Actual company contribution	**3,180,040.00**	**2,850,620.00**	3,962,110.00	367,190.00
	5 Actuarial Gains / (Loss)	**(220,100.00)**	**—**	373,300.00	—
	6 Benefits paid	**(860,160.00)**	**(2,850,620.00)**	—	(367,190.00)
	7 Plan assets at the end of the period	**16,707,010.00**	**N/A**	13,272,250.00	N/A
VI	**Actuarial Assumptions**				
	1 Discount Rate	**8.25%**	**8.25%**	8.00%	8.00%
	2 Expected return on plan assets	**9.25%**	**N/A**	9.25%	N/A
	3(a) Salary escalation	**5.00%**	**5.00%**	5.00%	5.00%
	3(b) Salary escalation - Supervisors	**5.00%**	**5.00%**	5.00%	5.00
	3(c) Salary escalation - Workers	**5.00%**	**5.00%**	5.00%	5.00
	4 Medical cost inflation	**N/A**	**N/A**	N/A	N/A

SCHEDULE FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH, 2010

		2010 Gratuity	2010 Leave Encashment	2009 Gratuity	2009 Leave Encashment
					Rupees
VII	**Major Category of Plan Assets as a % of the Total Plan Assets**				
	1 Insurance Companies	**100%**		100%	
	N/A = Not Applicable				

			2010 Gratuity	2010 Leave Encashment	2009 Gratuity	2009 Leave Encashment
Information for the current and previous financial years						Rupees
I	a)	Present value of defined benefit obligation	**(26,421,150.00)**	**(26,030,000.00)**	(20,333,920.00)	(17,646,970.00)
	b)	Fair value of Plan Assets	**16,707,010.00**	**—**	13,272,250.00	—
	c)	Surplus / (Deficit) in plan assets	**(9,714,140.00)**	**(26,030,000.00)**	(7,061,670.00)	(17,646,970.00)
II	a)	Experience Adjustment on plan liabilities	**(3,763,600.00)**	**(8,116,280.00)**	(83,620.00)	(609,210.00)
	b)	Experience Adjustment on plan assets	**(220,100.00)**	**—**	373,300.00	—
III		Expected contribution (best estimates) to funded plans in subsequent financial year.	**—**	**—**	—	—

			2008 Gratuity	2008 Leave Encashment	2007 Gratuity	2007 Leave Encashment
Information for the current and previous financial years						Rupees
I	a)	Present value of defined benefit obligation	(213,320.00)	(140,540.00)	(110,310.00)	(98,690.00)
	b)	Fair value of Plan Assets	115,610.00	—	56,740.00	—
	c)	Surplus / (Deficit) in plan assets	(97,710.00)	(140,540.00)	(53,570.00)	(98,690.00)
II	a)	Experience Adjustment on plan liabilities	Not Available	Not Available	Not Available	Not Available
	b)	Experience Adjustment on plan assets	Not Available	Not Available	Not Available	Not Available
III		Expected contribution (best estimates) to funded plans in subsequent financial year.	—	—	—	—

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

	2009-10 Rupees	2008-09 Rupees
Opening Stock	20,317,019.60	53,087,767.66
Closing Stock	43,299,856.00	20,317,019.60
	(22,982,836.40)	32,770,748.06

19. Raw material consumption includes exchange gain (net) on suppliers credit Rs 34,780,750.32 (Year ended 31st March 2009 exchange loss Rs 385,227,707.82)and Operation and other expenses includes exchange gain (net) on buyer's credit Rs. 2,132,031.86 (Year ended 31st March 2009 exchange loss : Rs.89,534,109.10)

20. No Debenture Redemption Reserve (DRR) Rs 150,000,000.00 (2008 - 09 : Rs 37,500,000.00) for the year ; cumulative DRR Rs 187,500,000.00 (31.03.2009 : Rs 37,500,000.00) has been set up in respect of 12.75% Non Convertible Secured Debentures of the issue price of Rs 450,000,000 (31.03.2009 : Rs 450,000,000) , as required to be set up under Section 117C of the Companies Act ,1956 , in view of the cumulative loss position as at 31st March , 2010. These debentures are redeemable between 7th January, 2012 and 6th January, 2014 at par in three annual instalments in the ratio of 30:30:40. DRR would be set - up in future when there are adequate profits.

21. Advances recoverable in cash or in kind or for value to be received includes Rs 80,000,000.00 (31.03.2009 : Rs 95,000,000.00) advances given in earlier years to West Bengal Industrial Development Corporation Limited (WBIDC) for purchase of land in Kharagpur for a project , which has been dropped by the Company . WBIDC vide its letter dated 6th July , 2009 has informed the Company that as soon as the land procured for the Company's erstwhile proposed project at Kharagpur would be allotted to a new entrepreneur the amount deposited by the Company with WBIDC towards the said procurement will be refunded. In the opinion of the Company, the said amount is considered good of recovery.

22. Figures for the corresponding previous year have been regrouped / recast, wherever necessary, to conform to this year's classification.

On behalf of the Board of Directors

	Sd/-	Sd/-	Sd/-
	Vishwanath G Malagi	**Harsh K Jha**	**Koushik Chatterjee**
Kolkata, 7th May, 2010	*Chief of Corporate Governance & Company Secretary*	*Managing Director*	*Chairman*

SCHEDULE FORMING PART OF THE PROFIT & LOSS ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH, 2010

	Year Ended 31st March, 2010 Rupees	Year Ended 31st March, 2009 Rupees
SCHEDULE 1 : OTHER INCOME :-		
Interest income on bank fixed deposits, sundry advances etc (includes tax deducted at source Rs 16,575.00 (2008 - 09 : Rs 1,415,744.97/-)	165,753.00	5,996,665.21
Interest income on income - tax refunds received	31,747,445.00	—
Other Operating Income	155,321,153.68	126,666,534.17
Dividend income on non - trade current investments	142,046.69	137,236.73
Miscellaneous * (includes tax deducted at source Rs 556,200.00 (2008 - 09 : Rs Nil)	80,012,673.26	85,673,461.48
Liability no longer required written back	18,797,434.49 **	15,848,283.52
	286,186,506.12	234,322,181.11

* Includes recognition of subsidy income Rs 45,845,574.26/- (31.03.2009 Rs 30,536,014/-) under Industrial Promotion Scheme,2000 of the Government of West Bengal,by off - setting the VAT payable liability Rs 45,845,574.26/- (31.03.2009 Rs 30,536,014/-) during the year ended 31st March,2010, based on the disbursement by WBIDC (disbursing agency of the State Government) in favour of the Commissioner of Sales Tax - Account Tata Metaliks Limited.

** For prior period.

SCHEDULE 2 : MANUFACTURING AND OTHER EXPENSES :-

			Year Ended 31st March, 2010 Rupees	Year Ended 31st March, 2010 Rupees	Year Ended 31st March, 2009 Rupees	Year Ended 31st March, 2009 Rupees
1	**RAW MATERIAL CONSUMED (NOTE 13)**					
	a)	Opening Stock	1,132,569,757.88		1,561,796,319.89	
	b)	Add - Purchases	9,350,239,423.38		9,794,380,860.48	
			10,482,809,181.26		11,356,177,180.37	
	c)	Less - Closing Stock	1,897,074,132.48		1,132,569,757.88	
				8,585,735,048.78		10,223,607,422.49
2	**PAYMENTS TO AND PROVISIONS FOR EMPLOYEES**					
	a)	Wages & Salaries, including bonus	196,898,762.43		163,071,276.59	
	b)	Company's contributions to provident and other funds	23,377,229.00		18,750,344.00	
	c)	Staff welfare expenses	17,846,613.65		17,915,504.87	
				238,122,605.08		199,737,125.46
3	**OPERATION AND OTHER EXPENSES**					
	a)	Power and fuel	37,655,441.72		34,853,546.17	
	b)	Electricity Charges	29,355,524.78		33,105,137.80	
	c)	Consumption of stores and spare parts (indigenous)	197,602,302.44		203,933,443.86	
	d)	Rent	10,109,966.30		5,512,558.00	
	e)	Rates and taxes	23,854,625.67		17,395,991.26	
	f)	Insurance	8,463,022.85		8,946,684.77	
	g)	Director fees	326,000.00		574,000.00	
	h)	Commission ,discounts and rebates	52,168,883.76		35,067,877.46	
	i)	L/C and bank charges	45,872,892.11		79,777,523.80	
	j)	(Profit)/Loss on sale/discarding of fixed assets (net)	(61,062.70)		789,097.63	
	k)	Provision for wealth tax	477,022.00		500,000.00	
	l)	Miscellaneous expenses	122,420,393.93		137,298,695.43	
	m)	Provision for doubtful debts	1,711,000.00		—	
	n)	Hire charges of cranes	59,923,609.90		51,783,634.26	
	o)	Repairs :-				
		Plant and machinery	55,102,908.37		35,983,115.70	
		Buildings	2,949,905.69		3,151,103.81	
		Others	45,880,326.64		38,494,375.54	
	p)	Exchange loss (gain)	(2,132,031.86)		89,534,109.10	
	q)	Share/Debenture Registrar's fees and expenses	741,109.25	692,421,840.85	850,258.01	777,551,152.60
4	**FREIGHT AND HANDLING CHARGES**			327,465,291.92		209,271,432.94
5	**(ACCRETION)/REDUCTION TO STOCK OF FINISHED PRODUCTS**					
	Opening Stock		288,870,275.93		354,346,591.55	
	Less : Closing Stock		497,958,427.33	(209,088,151.40)	288,870,275.93	65,476,315.62
6	Excise duty provision on (accretion)/reduction to stock of Finished Products (Note 18)			22,982,836.40		(32,770,748.06)
				9,657,639,471.63		11,442,872,701.05

TATA

SCHEDULE FORMING PART OF THE PROFIT & LOSS ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH, 2010

	Year Ended 31st March, 2010 Rupees	Year Ended 31st March, 2010 Rupees	Year Ended 31st March, 2009 Rupees	Year Ended 31st March, 2009 Rupees
SCHEDULE 3 : INTEREST :-				
Interest on				
i) Fixed Loans	**152,937,946.00**		84,183,038.00	
ii) 12.75% NCD	**57,375,000.00**		13,204,110.00	
iii) Others	**82,708,585.46**	**293,021,531.46**	48,366,851.40	145,753,999.40
iv) Supplier's and Buyer's Credit		**64,998,965.15**		157,993,387.33
		358,020,496.61		303,747,386.73

BALANCE SHEET ABSTRACT and Company's General Business Profile

I. Registration Details

Registration No.	50000	State Code	21
Balance Sheet Date	31 (Date) 03 (Month) 2010 (Year)		

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

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

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

Total Liabilities	3048990	Total Assets	3048990
Sources of Funds			
Paid-Up Capital	252880	Reserves & Surplus	639552
Secured Loans	2090027	Unsecured Loans	NIL
Application of Funds			
Net Fixed Assets	2242163	Investments	469202
Net Current Assets	337626	Misc. Expenditure	NIL
Accumulated Losses	NIL		

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

Turnover	11212368	Total Expenditure	10179813
Extraordinary Items	NIL	Profit/Loss before Tax	506490
Profit/Loss after Tax	455544	Earning per share in Rs.	18·01

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

Item Code No. (ITC Code)	72011000
Product Description	PIG IRON -FOUNDRY GRADE
Item Code No. (ITC Code)	72031000
Product Description	SCRAP - PIG IRON
Item Code No. (ITC Code)	26180000
Product Description	GRANULATED SLAG

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

STATEMENT PURSUANT TO SECTION 212

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

					The net aggregate amount of the Subsidiary Company Profit/(loss) so far as it concerns the members of the Holding Company			
					Not dealt with in the Holding Company's accounts		Dealt with in the Holding Company	
Name of the Subsidiary Company	Financial Year of the subsidiary company ended on	Date from which they became Subsidiary Company	Number and face value of shares held by Tata Metaliks Ltd in the subsidiary company at the end of financial year of the subsidiary company	Extend of Interest of Holding Company at the end of financial year of the subsidiary company	For the financial year ended 31st March, 2010	For the previous financial year of the Subsidiary Company since they became the Holding Company's Subsidiary	For the financial year ended 31st March, 2010	For the previous financial year of the Subsidiary Company since they became the Holding Company's Subsidiary
Tata Metaliks Kubota Pipes Limited	31.03.2010	09.01.2008	4,69,20,000 shares of Rs 10 each	51%	-	-	16,98,38,694.72	95,71,859.79

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 (the Company and its subsidiary constitute "the Group") as at 31st March, 2010, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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 reports on individual financial statements of the Company and 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 31st March, 2010;

   ii. in the case of the Consolidated Profit and Loss Account, of the profit 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)

Sd/-
A. S. Varma
Partner
Membership No. 15458

Place : Kolkata
Date : 7th May, 2010

CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH, 2010

		Schedule	As at 31st March, 2010 Rupees	Rupees	As at 31st March, 2009 Rupees	Rupees
FUNDS EMPLOYED :						
1.	Share Capital	A		**252,880,000.00**		252,880,000.00
2.	Reserves and Surplus	B		**454,868,441.92**		169,163,591.48
3.	**Total Shareholders' Fund**			**707,748,441.92**		422,043,591.48
4.	Minority Interest			**273,358,803.45**		353,237,157.20
5.	Loans	C				
	Secured Loans			**3,345,764,037.83**		3,145,623,155.86
	Unsecured Loans			**—**		1,728,281,100.85
6.	Deferred Tax Liability (Net) (See Note 9(b))			**66,530,126.86**		66,530,126.86
7.	**Total Funds Employed**			**4,393,401,410.06**		5,715,715,132.25
APPLICATION OF FUNDS :						
8.	**Fixed Assets**					
	a) Gross Block			**4,892,245,028.98**		3,075,744,731.69
	b) Less : Depreciation			**986,114,751.05**		736,389,944.18
	c) Net Block	D		**3,906,130,277.93**		2,339,354,787.51
	d) Capital Work - in - Progress			**48,666,503.51**		1,799,117,308.12
				3,954,796,781.44		4,138,472,095.63
9.	**Investments**	E		**1,500.00**		1,500.00
10.	**A. Current Assets**					
	a) Inventories	F	**2,513,987,603.16**		1,475,467,635.73	
	b) Sundry Debtors	G	**559,641,704.57**		629,618,566.88	
	c) Cash and Bank Balances	H	**246,083,645.96**		255,068,221.20	
			3,319,712,953.69		2,360,154,423.81	
	B. Loans and Advances	I	**415,682,072.93**		292,474,293.28	
			3,735,394,996.62		2,652,628,717.09	
11.	**Less : Current Liabilities and Provisions**					
	A. Current Liabilities	J	**3,146,490,486.40**		944,927,838.23	
	B. Provisions	K	**150,301,381.60**		130,459,342.24	
			3,296,791,868.00		1,075,387,180.47	
12.	**Net Current Assets**			**438,603,128.62**		1,577,241,536.62
13.	**Total Assets (Net)**			**4,393,401,410.06**		5,715,715,132.25
Notes on Balance Sheet and Profit & Loss Account		L				

Per our report attached
Deloitte Haskins & Sells
Chartered Accountants
Sd/-
A S Varma
Partner
Kolkata, 7th May, 2010

Sd/-
Vishwanath G Malagi
Chief of Corporate Governance & Company Secretary

On behalf of the Board of Directors

Sd/-
Harsh K Jha
Managing Director

Sd/-
Koushik Chatterjee
Chairman

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedule	**Year Ended 31st March, 2010** **Rupees**	**Rupees**	Year Ended 31st March, 2009 Rupees	Rupees
INCOME					
Sales and Income from other Operations		**11,261,214,946.55**		11,060,544,291.60	
Less: Excise Duty recovered		**832,071,867.99**		1,045,019,129.76	
		10,429,143,078.56		10,015,525,161.84	
Profit / (Loss) on sale of surplus raw materials (net)		**12,179,485.34**	**10,441,322,563.90**	(6,753,232.05)	10,008,771,929.79
Other Income	1		**291,273,157.89**		234,322,181.11
			10,732,595,721.79		10,243,094,110.90
EXPENDITURE :					
Manufacturing and other expenses	2	**9,888,167,641.10**		11,446,639,533.40	
Interest	3	**420,374,298.78**		303,747,386.73	
Depreciation		**250,581,137.44**		163,139,911.99	
			10,559,123,077.32		11,913,526,832.12
Profit/(Loss) for the year before tax			**173,472,644.47**		(1,670,432,721.22)
Provision for taxation :					
Current tax [Note 6(a)(i)]			**50,946,147.78**		2,022,669.00
Deferred tax [Note 6(a)(ii)]			**—**		(170,436,254.23)
Fringe benefit tax			**—**		4,158,990.20
Profit/(Loss) after Taxes			**122,526,496.69**		(1,506,178,126.19)
Add : Minority Interest			**163,178,353.75**		9,196,492.73
PROFIT/(LOSS) AFTER TAX AND MINORITY INTEREST			**285,704,850.44**		(1,496,981,633.46)
(ADVERSE BALANCE)/BALANCE BROUGHT FORWARD FROM LAST YEAR			**(591,959,408.52)**		905,022,224.94
AMOUNT AVAILABLE FOR APPROPRIATIONS			**(306,254,558.08)**		(591,959,408.52)
Balance Carried to Balance Sheet			**(306,254,558.08)**		(591,959,408.52)
Earnings per Share-basic and diluted - Rs./ Share (Note : 7)			**11.30**		(59.20)
Notes on Balance Sheet & Profit & Loss Account	L				

Per our report attached
Deloitte Haskins & Sells
Chartered Accountants
Sd/-
A S Varma
Partner
Kolkata, 7th May, 2010

Sd/-
Vishwanath G Malagi
Chief of Corporate Governance & Company Secretary

On behalf of the Board of Directors

Sd/-
Harsh K Jha
Managing Director

Sd/-
Koushik Chatterjee
Chairman

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2010

		Year Ended 31st March, 2010 Rupees		Year Ended 31st March, 2009 Rupees	
A.	**Cash Flow from Operating Activities**				
	Net (Loss)/Profit before tax		**173,472,644.47**		(1,670,432,721.22)
	Adjustments for :				
	Depreciation	**250,581,137.44**		163,139,911.99	
	(Profit)/Loss on sale of Assets/Discarded Assets written off (net)	**144,179.39**		789,097.63	
	Subsidy Received	**(45,845,574.26)**		(30,536,014.00)	
	Interest Income	**(3,918,646.61)**		(5,996,665.21)	
	Interest charged to Profit and Loss Account	**420,374,298.78**		303,747,386.73	
	Interest received under Income Tax 234A	**(31,747,445.00)**		—	
	Write down of raw material inventory to NRV	**24,630,605.62**		1,322,427,463.76	
	Exchange (Gain)/Loss on Buyer's credit	**(4,270,167.86)**		18,011,990.35	
	Provision for Wealth Tax	**477,022.00**		500,000.00	
	Provision for doubtful debts	**1,711,000.00**		—	
	Interest received on excise duty deposit	—		(5,843,836.00)	
	Dividend Income on non trade current investments	**(142,046.69)**		(137,236.73)	
			611,964,362.81		1,766,102,098.52
	Operating Profit before Working Capital Changes		**785,437,007.28**		95,669,377.30
	Adjustments for :				
	Decrease/(Increase) in Trade and Other Receivables	**(49,787,129.24)**		445,667,199.46	
	Decrease/(Increase) in Inventories (excluding add back for write down to NRV)	**(1,063,150,573.05)**		(825,646,158.65)	
	(Decrease)/Increase in Trade Payables and Other Liabilities	**2,223,193,187.82**		(1,392,345,053.48)	
			1,110,255,485.53		(1,772,324,012.67)
	Cash Generated/(used) from Operations		**1,895,692,492.81**		(1,676,654,635.37)
	Direct Taxes paid		**(44,114,999.72)**		(117,318,995.71)
	Direct Taxes refund		**28,281,546.58**		76,588,802.00
	Net Cash generated/(used) from Operating Activities		**1,879,859,039.67**		(1,717,384,829.08)
B.	**Cash Flow from Investing Activities :**				
	Purchase of fixed assets	**(62,824,149.76)**		(1,776,738,045.48)	
	Sale of fixed assets	**216,556.50**		198,657.22	
	Purchase of Investment in Subsidiary	—		—	
	Interest received	**2,443,708.39**		11,844,701.21	
	Sale of investment	—		—	
	Subsidy Received -WBIDC	**45,845,574.26**		30,536,014.00	
	Dividend income on non trade current investments	**142,046.69**		137,236.73	
			(14,176,263.92)		(1,734,021,436.32)
	Net Cash (used) in Investing Activities		**(14,176,263.92)**		(1,734,021,436.32)
C.	**Cash Flow from Financing Activities :**				
	Proceeds from issue of Equity shares		**83,300,000.00**		294,000,000.00
	Proceeds from borrowings		**948,427,062.52**		5,405,425,042.06
	Repayment of borrowings		**(2,476,567,281.40)**		(1,645,813,287.91)
	Foreign Exchange (Loss)/Gain		**2,132,031.86**		(18,011,990.35)
	Interest paid		**(427,426,143.97)**		(289,560,830.44)
	Dividends paid		**(4,533,020.00)**		(174,192,469.68)
	Dividend tax paid		—		(30,083,869.20)
Net Cash (used)/generated from Financing Activities			**(1,874,667,350.99)**		3,541,762,594.48
Net (decrease)/Increase in Cash and Cash equivalents (A+B+C)			**(8,984,575.24)**		90,356,329.08
Cash and Cash equivalents as at 31st March, 2009			**255,068,221.20**		164,711,892.12
Cash and cash equivalents as at 31st March,2010			**246,083,645.96**		255,068,221.20

Per our report attached
Deloitte Haskins & Sells
Chartered Accountants
Sd/-
A S Varma
Partner
Kolkata, 7th May, 2010

Sd/-
Vishwanath G Malagi
Chief of Corporate Governance & Company Secretary

On behalf of the Board of Directors

Sd/-
Harsh K Jha
Managing Director

Sd/-
Koushik Chatterjee
Chairman

CONSOLIDATED SCHEDULE FORMING PART OF THE BALANCE SHEET

AS AT 31ST MARCH, 2010

		As at 31st March, 2010 Rupees		As at 31st March, 2009 Rupees
SCHEDULE A : SHARE CAPITAL:-				
Authorised :				
100,000,000 Equity Shares of Rs. 10 each		**1,000,000,000.00**		400,000,000.00
Issued, Subscribed and Paid-Up:				
25,288,000 Equity Shares of Rs. 10 each*		**252,880,000.00**		252,880,000.00
* Of the 2,52,88,000 Equity shares :				
(i) 1,17,99,992 Equity shares of Rs. 10 each held by Tata Steel Limited, the holding company.				
(ii) 8,54,383 Equity shares of Rs 10 each held by Kalimati Investment Company Limited, a subsidiary of the holding company.				
SCHEDULE B : RESERVES AND SURPLUS :-				
a) CAPITAL RESERVE				
State Capital Investment Subsidy				
Balance as per last account 31.03.2009	**12,562,000.00**		12,562,000.00	
Add : Received during the period	**—**	**12,562,000.00**	—	12,562,000.00
b) GENERAL RESERVE				
Balance as per last account 31.03.2009	**748,561,000.00**		748,561,000.00	
Less : Adverse balance in Profit and Loss Account shown below per contra as per disclosure under Schedule VI, Part I of the Companies Act, 1956	**(306,254,558.08)**	**442,306,441.92**	(591,959,408.52)	156,601,591.48
c) PROFIT & LOSS ACCOUNT				
(Adverse Balance)/Balance carried forward	**(306,254,558.08)**		(591,959,408.52)	
Add : Uncommitted reserve per contra as per disclosure under Schedule VI, Part I of the Companies Act, 1956	**306,254,558.08**	**—**	(591,959,408.52)	—
		454,868,441.92		169,163,591.48
SCHEDULE C: LOANS :				
Secured				
(a) 12.75% Non Convertible Debentures (privately placed with Life Insurance Corporation of India) (Note 1)		**450,000,000.00**		450,000,000.00
(b) State Bank Of India - Corporate Term Loan (Note 2)		**280,000,000.00**		—
(c) State Bank Of India - Term Loan (Note 3)		**440,000,000.00**		600,000,000.00
(d) Canara Bank - Term Loan (Note 4)		**550,000,000.00**		550,000,000.00
(e) State Bank Of India - WCDL (Note 5)		**100,000,000.00**		—
(f) State Bank Of India - CC (Note 5)		**5,149,567.27**		138,055,464.88
(g) Bank of Baroda - CC (Note 5)		**50,465,686.00**		—
(h) HDFC - CC (Note 5)		**11,938,163.27**		—
(i) IDBI Bank Limited : CC (Note 5)		**2,474,071.06**		457,854,354.00
(j) IDBI Bank Limited : WCDL (Note 5)		**200,000,000.00**		—
(k) Buyer's credit from HSBC (Note 6)		**306,469,002.00**		345,955,836.98
(l) External Commercial Borrowings from SMBC (Note 7)		**534,909,000.00**		603,757,500.00
(m) Bank Of Baroda - Term Loan (Note 8)		**249,998,597.60**		—
(n) Yes Bank - CC (Note 9)		**164,359,950.63**		—
		3,345,764,037.83		3,145,623,155.86

Note 1 : Secured by first pari passu charge on fixed assets at Redi plant.
Note 2 - Secured by first pari passu charge on the fixed assets at Kharagpur plant and second charge on the company's current assets,both present and future.
Note 3 : Secured by first charge on fixed assets of Redi plant.
Note 4 - Secured by a first pari passu charge over fixed assets at Kharagpur
Note 5 - Secured by first pari passu charge on company's stock and book debts, both present and future.
Note 6 - Secured by a First Charge on the moveable imported fiixed assets financed by the bank ranking pari passu with Sumitomo Mitsui Banking Corporation (SMBC)
Note 7: Secured by a First Charge on all the movable fixed assets both present & futue ranking pari passu with other term lenders and Corporate Guarantee from Tata Metaliks Ltd and Kubota Corporation in the ratio of 51:49.
Note 8 - Secured by a First Charge on all the present and future indegineous moveable fixed assets of the company ranking pari passu with Sumitomo Mitsui Banking Corporation (SMBC) and Corporate Guarantee from Tata Metaliks Ltd and Kubota Corporation in the ratio of 51:49.
Note 9 : Secured by hypothecation of all current assets both present and future of the company with Yes Bank.
The 12.75 % Non - Convertible Debentures under item (a) (alloted on 07.01.2009) are redeemable at par in 3 annual installments in the ratio of 30:30:40 at the end of 3rd,4th & 5th year from the date of allotment. The earliest date of redemption is 07.01.2012.
Note : Term loans repayable within 1 year - Rs 848,214,950.63 (31.03.2009 - Rs 160,000,000.00)

		As at 31st March, 2010 Rupees		As at 31st March, 2009 Rupees
Unsecured				
Short - Term loan :				
Buyer's credit from banks (repayable in foreign currency)		**—**		1,728,281,100.85
		—		1,728,281,100.85

Note : Amounts repayable within 1 year NIL (31.03.2009 : Rs. 1,728,281,100.85)

CONSOLIDATED SCHEDULE FORMING PART OF THE BALANCE SHEET

AS AT 31ST MARCH, 2010

SCHEDULE - D : FIXED ASSETS :-

Rupees

	Cost				Depreciation				Net Block	
	Gross Block as at 31.03.2009	Additions —	Deductions —	**Gross Block as at 31.03.2010**	**Upto 31.03.2009**	**For the year ended 31.03.2010**	Deductions	**Upto 31.03.2010**	**As at 31.03.2010**	As at 31.03.2009
Freehold Land	116,563,200.00	2,223,300.00	—	**118,786,500.00**	—	—	—	—	**118,786,500.00**	116,563,200.00
Leasehold Land & Site Development	9,915,358.00	—	—	**9,915,358.00**	1,402,392.36	**100,145.12**	—	**1,502,537.48**	**8,412,820.52**	8,512,965.64
Buildings	205,100,504.70	358,972,885.28	—	**564,073,389.98**	35,462,265.77	**15,030,062.66**	—	**50,492,328.43**	**513,581,061.55**	169,638,238.93
Plant & Machinery	2,573,155,174.12	1,435,043,945.39	172,416.26	**4,008,026,703.25**	627,042,307.08	**217,948,777.63**	141,292.96	**844,849,791.75**	**3,163,176,911.50**	1,946,112,867.04
Vehicles	19,185,420.60	391,000.00	—	**19,576,420.60**	4,859,773.72	**1,536,719.33**	—	**6,396,493.05**	**13,179,927.55**	14,325,646.88
Data Processing Equipment	30,323,023.58	17,937,452.19	689,607.00	**47,570,868.77**	16,322,086.47	**7,901,248.66**	689,607.00	**23,533,728.13**	**24,037,140.64**	14,000,937.11
Railway Siding*	91,158,495.61	—	—	**91,158,495.61**	41,392,740.52	**6,167,468.69**	—	**47,560,209.21**	**43,598,286.40**	49,765,755.09
Furniture, Fixtures & Office Equipment	30,343,555.08	3,118,780.89	325,043.20	**33,137,292.77**	9,908,378.26	**1,896,715.35**	25,430.61	**11,779,663.00**	**21,357,629.77**	20,435,176.82
	3,075,744,731.69	1,817,687,363.75	1,187,066.46	**4,892,245,028.98**	736,389,944.18	**250,581,137.44**	856,330.57	**986,114,751.05**	**3,906,130,277.93**	2,339,354,787.51
Previous Year Ended - 31.03.2009	3,000,989,763.67	76,270,621.02	1,515,653.00	**3,075,744,731.69**	573,777,930.09	**163,139,911.99**	527,897.90	**736,389,944.18**	**2,339,354,787.51**	2,427,211,833.58

*Includes Rs 35,000,000 on account of the estimated cost of development borne by the company of a Railway Siding constructed by Konkan Railway Corporation Limited for preferential use of the company over others for a period of 10 years. Even though the ownership of the siding is vested with the Railway Authorities, the cost contributed by the company has been capitalised on the basis of the future economic benefits. Accordingly, the cost of Railway Siding is being amortised over a period of 10 years, starting with the year 2006 - 07 in which the Railway Siding became operational and available for the company's use. The amortisation charge for the twelve months ended 31st March, 2010 Rs 3,500,000 (Previous twelve months ended 31st March, 2009 Rs 3,500,000) is included in depreciation.

		As at 31st March, 2010 Rupees	As at 31st March, 2009 Rupees
SCHEDULE E: INVESTMENTS -			
A	**Long Term Investment**		
	At Cost less any decline, other than temporary		
	Non trade Investments		
	Unquoted		
	National Savings Certificates	**1,500.00**	1,500.00
	(Lodged with Government authorities.)		
		1,500.00	1,500.00
B	Current Investments - at lower of cost and fair value		
	Non trade investment in mutual fund		

Name of the Funds	Balance as at 01.04.2009		Purchased during the year		Sold during the year		Balance as at 31.03.2010	
	No. of units	Rupees	No. of units	Rupees	No. of units	Rupees	No. of units	Rupees
Birla Cash Plus-Instl.Daily Dividend Reinvestment	—	—	29,009,397.4170	307,500,000.00	29,009,397.4170	307,500,000.00	—	—
Baroda Pioneer Treasury Advantage Fund	—	—	7,742,484.9510	80,000,000.00	7,742,484.9510	80,000,000.00	—	—
Kotak Liquid (Institutional)-Daily Dividend	—	—	12,438,563.6361	152,100,000.00	12,438,563.6361	152,100,000.00	—	—
Total	—	—	49,190,446.0041	539,600,000.00	49,190,446.0041	539,600,000.00	—	—

	As at 31st March, 2010 Rupees	As at 31st March, 2009 Rupees
Total Investments (A + B)	**1,500.00**	1,500.00

CONSOLIDATED SCHEDULE FORMING PART OF THE BALANCE SHEET

AS AT 31ST MARCH, 2010

			As at 31st March, 2010 Rupees		As at 31st March, 2009 Rupees
SCHEDULE F: STOCK IN TRADE :-					
(at lower of cost and net realisable value)					
(a)	Raw materials		**1,907,361,681.31**		1,137,970,139.63
(b)	Stores and spare parts		**46,555,279.39**		39,225,616.37
(c)	Finished goods including scrap etc.	**504,629,690.44**		268,553,256.33	
(d)	Excise duty on Finished goods	**47,067,319.57**	**551,697,010.01**	20,317,019.60	288,870,275.93
(e)	Work in Progress		**8,373,632.45**		9,401,603.80
			2,513,987,603.16		1,475,467,635.73
SCHEDULE G : SUNDRY DEBTORS - UNSECURED :-					
a)	Over six months old				
	– considered good		**3,477,057.54**		8,397,914.81
	– considered doubtful		**1,711,000.00**		—
b)	Other debts				
	– considered good		**556,164,647.03**		621,220,652.07
	– considered doubtful		**—**		—
	Less : Provision for doubtful debts		**1,711,000.00**		—
			559,641,704.57		629,618,566.88
SCHEDULE H : CASH AND BANK BALANCES :-					
a)	Cash in hand		**91,625.10**		111,159.60
b)	Cheques in hand		**37,979,892.66**		36,318,019.35
c)	Current account with scheduled banks		**73,009,853.20**		63,331,774.25
d)	Deposit account with scheduled bank*		**135,002,275.00**		155,307,268.00
			246,083,645.96		255,068,221.20

* Includes Rs 20,307,268.00 (31.03.2009 - Rs 20,307,268.00) deposit under lien with State Bank of India for having secured a bank guarantee line.

* This Includes Rs. 70,000,000 (31.03.2009-Rs. 135,000,000) unutilised monies out of the issue of equity shares.

		As at 31st March, 2010 Rupees		As at 31st March, 2009 Rupees
SCHEDULE I : LOANS AND ADVANCES				
(Unsecured considered good, unless otherwise stated)				
Advances recoverable in cash or in kind or for value to be received * (Note : 13)	**345,083,363.17**		250,728,499.15	
Less : Provision for doubtful advances	**903,273.85**	**344,180,089.32**	903,273.85	249,825,225.30
Rent ,electricity deposits etc.		**14,002,842.00**		8,741,878.00
Balances with Excise, Custom, Port Trust, etc.		**53,346,806.50**		33,768,478.53
Advance Income Tax - tax deducted at source on bank interest		**644,930.28**		85,538.56
Advance Fringe Benefit Tax - net of provision		**252,580.89**		53,172.89
Interest Accrued on Fixed Deposit with banks		**3,254,793.94**		—
		415,682,042.93		292,474,293.28

* Includes doubtful Rs. 903,273.85; (31.03.2009 Rs. 903,273.85)

* Includes Capital Advances of Rs. 2,157,294.00; (31.03.2009 Rs. 118,536,154.76)

CONSOLIDATED SCHEDULE FORMING PART OF THE BALANCE SHEET

AS AT 31ST MARCH, 2010

			As at 31st March, 2010 Rupees		As at 31st March, 2009 Rupees
SCHEDULE J : CURRENT LIABILITIES :-					
a)	Acceptances		**148,423,487.00**		—
b)	Sundry Creditors -				
	(i) Total outstanding dues of micro, small and medium enterprises		**—**		—
	(ii) Total outstanding dues of creditors other than micro, small and medium enterprises		**2,739,297,588.22**		774,977,312.34
c)	Advances received from customers		**195,662,441.66**		105,520,032.50
d)	Unpaid dividends *	**22,700,488.99**		25,281,651.99	
e)	Unpaid matured Debentures and interest *	**—**	**22,700,488.99**	1,951,857.00	27,233,508.99
f)	Interest accrued but not due				
	(i) 12.75% NCD	**13,204,110.00**		13,204,109.59	
	(ii) Loans	**21,839,228.53**		9,985,737.81	
	(iii) Supplier's & Buyer's Credit	**5,363,142.00**	**40,406,480.53**	14,007,137.00	37,196,984.40
			3,146,490,486.40		944,927,838.23

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

SCHEDULE K: PROVISIONS :-			
a)	Provision for leave encashment	**28,746,040.00**	18,180,190.00
b)	Provision for gratuity	**9,714,140.00**	7,062,000.00
c)	Provision for discretionary pension	**10,000,000.00**	8,000,000.00
d)	Provision for taxation (net of advance tax)	**101,841,201.60**	97,217,152.24
		150,301,381.60	130,459,342.24

CONSOLIDATED SCHEDULE FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH, 2010

SCHEDULE L : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT OF THE COMPANY AND ITS SUBSIDIARY FOR THE YEAR ENDED 31ST MARCH, 2010

1 Principles of Consolidation :

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

a) The financial statements of the Company and its subsidiary company have been combined on a line -by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra group transactions resulting in unrealised profit or losses as per Accounting Standard 21 - Consolidated Financial Statements as notified under the Companies(Accounting Standards) Rules, 2006 (as amended by the gazette notification dated 31st March, 2009,issued by the Ministry of Corporate Affairs) as per Section 211(3C) of the Companies Act,1956 as relevant for the subsidiary company.

b) The financial statement of the subsidiary used in the consolidation are drawn upto the same reporting date as that of the Company i.e 31st March, 2010.

c) Minority interest in the net assets of consolidated subsidiaries consists of :

1) The amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and

2) The minorities' share of movements in equity since the date the parent subsidiary relationship came into existence.

d) Minority interest's share of net loss for the year of consolidated subsidiary is identified and adjusted against the profit after tax of the group.

e) Intra - group balances and intra - group transactions and resulting unrealised profit have been eliminated.

2 The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS 21) "Consolidated Financial Statements ", Accounting Standard 23 (AS 23) "Accounting for Investments in Associates in Consolidated Financial Statements" and Accounting Standard 27 (AS 27) "Financial Reporting of Interests in Joint Ventures", as notified under the Companies (Accounting Standards) Rules, 2006.

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

Name	Country of Incorporation	Percentage of ownership interest as at 31st March,2010
Tata Metaliks Kubota Pipes Limited	India	51

b) Interests in Joint Ventures : None

c) Interests in Associates : None

3 **Significant Accounting Policies**

a) The financial statements have been prepared on going concern assumptions under the historical cost convention on an accrual basis and in conformity with the relevant accounting standards as notified under the Companies (Accounting Standards) Rules, 2006 and the Companies Act, 1956.

b) **Sale of Products :**

Sale of goods is net of trade discounts and are exclusive of sales tax.

c) **Subsidies from Government :**

(i) on capital account

Subsidy sanctioned and disbursed by the Government, under a notified scheme linked to the incurrence of capital expenditure by the company either in a past period or during the current reporting period is credited directly to Capital Reserve.

(ii) on revenue account

Subsidy sanctioned and disbursed by the Government, under a notified scheme linked to the identified revenue expenditure incurred either in a past period or during the current reporting period is recognised in the Profit and Loss Account.

d) **Gratuity :**

Provision for gratuity liability to employees is made on the basis of independent actuarial valuation as at 31st March, 2010.

e) **Leave Salaries :**

Provision for leave salaries is made on the basis of independent actuarial valuation as at 31st March, 2010.

f) **Termination Benefits :**

Termination Benefits incurred are recognised as an expense immediately.

g) **Relining Expenses:**

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

h) **Depreciation :**

Provided on the straight line method basis at the rates and in the manner prescribed under Schedule XIV to the Companies Act, 1956, other than the Railway Siding the ownership of which vests with the Railway Authorities which is being amortised over 10 years (Refer Note on Schedule D). Leasehold land and site development cost are amortised over the period of lease. Estimated useful lives have been taken either based on the Schedule XIV rates or useful lives in case of certain fixed assets which is lower than the Schedule XIV rates.

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

i) **Foreign Exchange Transactions :**

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

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

j) **Gain or loss on Derivatives :**

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

CONSOLIDATED SCHEDULE FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH, 2010

k) Fixed Assets :

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

Blast furnace relining expenditure is capitalised, the written-down value consisting of lining/relining expenditure embedded in the cost of the furnace is written off in the year of fresh relining. During the year ended 31st March, 2010, relining expenses incurred Rs.NIL (previous year ended 31st March,2009 : Rs 11,487,496.12 capitalised) has been capitalised and is being amortised over five years from the date of re - commissioning.

l) Investments :

Long term investments are carried at cost, less provision for diminution other than temporary, if any. Current investments are carried at lower of cost and fair value.

m) Inventories :

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

n) Current Tax :

Current tax is the amount of income tax determined to be payable (recoverable) in respect of the taxable income (tax loss) for an accounting period or computed on the basis of the provisions of Section 115 JB of the Income - tax Act , 1961 by way of minimum alternate tax (MAT) at the prescribed percentage on the adjusted book profits of a year , when income - tax liability under the normal method of tax payable basis works out either a lower amount or nil amount compared to the tax liability under Section 115 JA.

o) Deferred Tax :

(i) Deferred Tax is accounted for by computing the tax effect of timing differences between taxable income and accounting income for a period that originate in one period and are capable of reversal in one or more subsequent periods.

(ii) Deferred Tax asset is recognised and carried forward 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,except in the case of unabsorbed depreciation or carry forward of losses under the Income Tax Act,1961, deferred tax asset is recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realised.

(iii) In the case of recent losses,the company recognises deferred tax assets only to the extent that it has timing differences the reversal of which will result in sufficient income against which such deferred tax assets can be realised.

p) Leases :

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

q) Borrowings & Ancilliary Cost :

Borrowings and ancilliary costs incurred in connection with arrangement of borrowings is being amortised over the period of the borrowing.

r) Contingent Liabilities :

These are disclosed in relation to confirmed demands which are contested by the company and it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

s) Employee Benefits :

(i) Defined Contribution Schemes: Company's contribution towards Provident Fund and Superannuation Fund and provision for discretionary pension being set-up over the five year tenure of the wholetime director,on arithmetical basis (DCS) paid / payable during the year to the recognized fund of Tata Metaliks Limited, or the employee, as the case may be, are charged to the Profit and Loss Account.

(ii) Defined Benefit Schemes: Company's liability towards Gratuity is a defined benefit Scheme (DBS).Liability towards Leave Encashment and Gratuity are ascertained (on annual basis only) by an independent actuarial valuation, per the requirements of Accounting Standard 15 (revised 2005) on “Employee Benefits”.

(iii) Other Long-term Employee Benefits are recognised as an expense in the Profit and Loss Account for the period in which employees have rendered services. Estimated liability on account of long - term benefits is discounted to the current value, on actuarial basis, as on the date of the balance sheet. This includes provision for leave encashment which is Rs 28,746,040.00

(iv) Gratuity and Superannuation benefits to employees have been funded under separate arrangements with the Life Insurance Corporation of India (LIC).

(v) Gratuity benefits to employees have been funded under the pension and group scheme with Life Insurance Corporation of India.As such the details of investments made are not avaliable with the company.

(vi) Actuarial gains and losses are recognised in the Profit and Loss Account.

t) Impairment :

An impairment loss on asset is recognised in the Profit and Loss Account , if and only if its recoverable amount is less than its carrying amount.

TATA

4 Contingent Liabilites

		2009-10 Rupees	2008-09 Rupees
(a)	Others-claims of workmen	—	716,000.00
(b)	Customs demands	2,008,000.00	2,008,000.00
(c)	Cenvat credit disallowed including interest and penalty	1,033,644,579.30	696,916,949.00
(d)	Guarantee given to a third party on company's business	15,987,000.00	35,702,572.00

5 Minor and Medium scale business entities :

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2010. The above information regarding micro, small and medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

6 Estimated amount of contracts remaining to be executed on Capital Account and not provided for Rs.22,907,524.00 (31.03.2009 : Rs.104,845,203.50).

7 Earnings per Share (EPS)

		2009-10 Rupees	2008-09 Rupees
(i)	Profit/(Loss) after tax	285,704,850.44	(1,496,981,633.46)
(ii)	Weighted average No. of Ordinary Shares for Basic EPS	25,288,000.00	25,288,000.00
(iii)	Nominal value of Ordinary Shares	10.00	10.00
(iv)	Basic/Diluted Earnings per Ordinary Share	11.30	(59.20)

8 Related Party Disclosures

(a) List of Related Parties and Relationship

Party		Relationship
A.	Tata Steel Limited	Holding Company
B.	Hooghly Met Coke Limited	Fellow Subsidiary
C.	TM International Logistics Limited	Fellow Subsidiary
D.	Tata Refractories Limited	Fellow Subsidiary
E.	Jamipol Ltd.	Fellow Subsidiary
F.	Tata Blue Scope Ltd.	Fellow Subsidiary
G.	Tata NYK Shipping Pte Ltd.	Fellow Subsidiary
H.	Key Management Personnel Mr Harsh K. Jha - Managing Director	Whole Time Director

(b) Transactions during the year

		2009-10 Rupees	2008-09 Rupees
1	With Holding Company		
i)	Purchase of Raw Materials	**1,156,511,335.03**	1,415,023,869.88
ii)	Purchase of Capital Goods	**744,743.89**	52,967,627.73
iii)	Sale of finished goods	**17,920,839.76**	9,897,883.90
iv)	Expenses reimbursed in respect of services received	**9,317,892.80**	6,312,275.88
v)	Dividend paid	**—**	82,599,944.00
vi)	Outstanding balance at the year end :		
a)	Creditors (net of advances)	**155,277,397.34**	113,444,417.35
b)	Debtors	**2,141,004.03**	2,531,265.15

SCHEDULE FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH, 2010

2 With Fellow Subsidiary

			2009-10 Rupees	2008-09 Rupees
a)	Hooghly Met Coke			
	i)	Services received	—	19,864,000.00
	ii)	Intercorporate Deposit received during the year	—	200,000,000.00
	iii)	Interest paid during the year	—	102,740.00
b)	TM International Logistics Ltd			
	i)	Services received	**125,882,393.00**	120,820,766.00
	ii)	Outstanding balance at the year end	**1,527,530.00**	818,505.00
c)	Jamipol Ltd.			
	i)	Services received	**2,486,425.00**	—
	ii)	Outstanding balance at the year end	—	—
d)	Tata Blue Scope Ltd.			
	i)	Services received	**907,055.00**	—
	ii)	Outstanding balance at the year end	**907,055.00**	—
e)	Tata NYK Shipping Pte Ltd.			
	i)	Services received	**205,108,309.23**	—
	ii)	Outstanding balance at the year end	—	—
f)	Tata Refactories Ltd.			
	i)	Services received	**27,371,126.00**	—
	ii)	Outstanding balance at the year end	**1,126,517.00**	—

9 Taxation

(a) Provision for Current Tax for the year ended 31st March, 2010 Rs 50,946,147.78 has been made under the provisions of Section 115 JB of the Income - tax Act, 1961 by way of Minimum Alternate Tax i.e., where the estimated normal income-tax payable under the usual tax payable method is less than the prescribed percentage of the adjusted book profits of the Company which is deemed to be the total income of the Company.

(b) Deferred Tax Liability (Net)

			Deferred tax liability/ (asset) as at 01.04.2009 Rupees	Current period charge/ (credit) Rupees	Deferred tax liability/ (asset) as at 31.03.2010 Rupees
Deferred Tax Liability					
(i)	Difference between book and tax depreciation	(A)	237,446,831.92	8,429,912.99	245,876,744.91
Deferred Tax Assets		(B)			
(i)	Employee separation scheme		(480,450.83)	—	(480,450.83)
(ii)	Unabsorbed carry forward loss		(91,126,974.87)	—	(91,126,974.87)
(iii)	Unabsorbed depreciation		(79,309,279.36)	(8,429,912.99)	(87,739,192.35)
Deferred Tax Liability			66,530,126.86	—	66,530,126.86

10 Accounting Policy on Employee Benefits

(i) Provision for gratuity as on 31.03.2010 has been computed on the basis of actuarial valuation for the year ended 31st March, 2010 provided by Watson Wyatt.

(ii) Disclosure in (iii) below in respect of DBS have been given to the extent practical and the availability of information.

SCHEDULE FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH, 2010

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

					Rupees
	Employee Benefits	**2010**		2009	
	Defined benefit plans/ Long term Compensated absences As per actuarial valuation as on 31st March 2010	**Gratuity**	**Leave Encashment**	Gratuity	Leave Encashment
I	**Components of employer expenses**				
1	Current Service Cost	**2,998,840.00**	**2,987,500.00**	2,426,620.00	2,316,400.00
2	Interest cost	**1,617,370.00**	**1,337,450.00**	1,327,170.00	1,111,410.00
3	Expected return on plan assets	**(1,435,500.00)**	**—**	(808,730.00)	—
4	Curtailment cost / (credit)	**—**	**—**	—	—
5	Settlement cost / (credit)	**—**	**—**	—	—
6	Past Service Cost	**—**	**—**		
7	Actuarial Losses / (Gains)	**3,203,390.00**	**9,223,100.00**	(88,000.00)	1,042,480.00
8	Benefits paid	**—**	**(2,982,200.00)**	—	—
9	**Total expenses recognized in the Statement of Profit & Loss Account.**	**6,384,100.00**	**10,565,850.00**	2,857,060.00	4,470,290.00
II	**Actual Contribution and Benefits Payments for period ended 31 March 2010**				
1	Actual benefit payments	**(860,160.00)**	**2,850,620.00**	—	—
2	Actual Contributions	**4,480,040.00**	**131,580.00**	4,652,360.00	367,190.00
III	**Net assets / (liability) recognized in balance sheet as at March31, 2010**				
1	Present value of Defined Benefit Obligation	**27,368,100.00**	**28,746,040.00**	20,628,760.00	18,180,190.00
2	Fair value of plan assets	**18,797,780.00**	**—**	13,962,500.00	—
3	Funded status [Surplus/Deficit]	**(9,714,140.00)**	**(28,746,040.00)**	(7,061,670.00)	(18,180,190.00)
4	Funded status [Surplus/Deficit]	**1,143,820.00**	**—**	395,410.00	—
5	Unrecognized past service cost	**—**	**—**	—	—
6	**Net asset/ (liability) recognized in balance sheet**	**(9,714,140.00)**	**(28,746,040.00)**	(7,061,670.00)	(18,180,190.00)
IV	**Change in Defined Benefit Obligations during the year ended March 31, 2010**				
1	Present Value of DBO at beginning of period	**20,628,760.00**	**18,180,190.00**	16,589,670.00	14,077,090.00
2	Current Service cost	**2,998,840.00**	**2,987,500.00**	2,426,620.00	2,316,400.00
3	Interest cost	**1,617,370.00**	**1,337,450.00**	1,327,170.00	1,111,410.00
4	Curtailment cost / (credit)	**—**	**—**	—	—
5	Settlement cost / (credit)	**—**	**—**	—	—
6	Plan amendments	**—**	**—**	—	—
7	Acquisitions	**—**	**—**	—	—
8	Actuarial Gains / (Losses)	**2,983,290.00**	**9,223,100.00**	285,300.00	1,042,480.00
9	Benefits paid	**(860,160.00)**	**(2,982,200.00)**	—	(367,190.00)
10	Present Value of DBO at the end of period	**27,368,100.00**	**28,746,040.00**	20,628,760.00	18,180,190.00
V	**Change in Fair value of Assets during the year ended March 31, 2010**				
1	Plan assets at beginning of period	**13,962,500.00**	**N/A**	8,128,110.00	N/A
2	Acquisition Adjustment	**N/A**	**N/A**	—	N/A
3	Actual return on plan assets	**1,435,500.00**	**N/A**	808,730.00	N/A
4	Actual company contribution	**4,480,040.00**	**2,982,200.00**	4,652,360.00	367,190.00
5	Actuarial Gains / (Losses)	**(220,100.00)**	**—**	373,300.00	—
6	Benefits paid	**(860,160.00**	**(2,982,200.00)**	—	(367,190.00)
7	Plan assets at the end of the period	**18,797,780.00**	**N/A**	13,962,500.00	N/A
VI	**Actuarial Assumptions**				
1	Discount Rate	**8.25%**	**8.25%**	8.00%	8.00%
2	Expected return on plan assets	**9.25%**	**N/A**	9.25%	N/A
3(a)	Salary escalation	**5.00%**	**5.00%**	5.00%	5.00%
3(b)	Salary escalation - Supervisors	**5.00%**	**5.00%**	5.00%	5.00%
3(c)	Salary escalation - Workers	**5.00%**	**5.00%**	5.00%	5.00%
4	Medical cost inflation	**N/A**	**N/A**	N/A	—

SCHEDULE FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH, 2010

	2010 Gratuity	2010 Leave Encashment	2009 Gratuity	2009 Leave Encashment
				Rupees
VII Major Category of Plan Assets as a % of the Total Plan Assets				
1 Insurance Companies	**100%**		100%	
N/A = Not Applicable				

Information for the current and previous financial years	2010 Gratuity	2010 Leave Encashment	2009 Gratuity	2009 Leave Encashment
				Rupees
I a) Present value of defined benefit obligation	**(27,368,100.00)**	**(28,746,040.00)**	(20,628,760.00)	(18,180,190.00)
b) Fair value of Plan Assets	**18,797,780.00**	**—**	13,962,500.00	—
c) Surplus / (Deficit) in plan assets	**(8,570,320.00)**	**(28,746,040.00)**	(6,666,260.00)	(18,180,190.00)
II a) Experience Adjustment on plan liabilities	**(3,908,730.00)**	**(9,990,060.00)**	(167,240.00)	(1,094,530.00)
b) Experience Adjustment on plan assets	**(220,100.00)**	**—**	1,559,950.00	—
III Expected contribution (best estimates) to funded plans in subsequent financial year.	**—**	**—**	—	—

Information for the current and previous financial years	2008 Gratuity	2008 Leave Encashment	2007 Gratuity	2007 Leave Encashment
				Rupees
I a) Present value of defined benefit obligation	(213,320.00)	(140,540.00)	(110,310.00)	(98,690.00)
b) Fair value of Plan Assets	115,610.00	—	56,740.00	—
c) Surplus / (Deficit) in plan assets	(97,710.00)	(140,540.00)	(53,570.00)	(98,690.00)
II a) Experience Adjustment on plan liabilities	Not Available	Not Available	Not Available	Not Available
b) Experience Adjustment on plan assets	Not Available	Not Available	Not Available	Not Available
III Expected contribution (best estimates) to funded plans in subsequent financial year.	—	—	—	—

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

	2009-10 Rupees	2008-09 Rupees
Opening Stock	**20,317,019.60**	53,087,767.66
Closing Stock	**47,067,319.57**	20,317,019.60
	(26,750,299.97)	32,770,748.06

12 No Debenture Redemption Reserve (DRR) Rs 150,000,000.00 (2008 - 09 : Rs 37,500,000.00) for the year ; cumulative DRR Rs 187,500,000.00 (31.03.2009 : Rs 37,500,000.00) has been set up in respect of 12.75% Non Convertible Secured Debentures of the issue price of Rs 450,000,000 (31.03.2009 : Rs 450,000,000) , as required to be set up under Section 117C of the Companies Act ,1956 , in view of the cumulative loss position as at 31st March , 2010. These debentures are redeemable between 7th January, 2012 and 6th January, 2014 at par in three annual instalments in the ratio of 30:30:40. DRR would be set - up in future when there are adequate profits.

13 Advances recoverable in cash or in kind or for value to be received includes Rs 80,000,000.00 (31.03.2009 : Rs 95,000,000.00) advances given in earlier years to West Bengal Industrial Development Corporation Limited (WBIDC) for purchase of land in Kharagpur for a project , which has been dropped by the Company . WBIDC vide its letter dated 6th July , 2009 has informed the Company that as soon as the land procured for the Company's erstwhile proposed project at Kharagpur would be allotted to a new entrepreneur the amount deposited by the Company with WBIDC towards the said procurement will be refunded. In the opinion of the Company, the said amount is considered good of recovery.

14 Foreign Exchange translation gain for the year ended 31st March,2010 on long-term monetary loan liability amounting to Rs. 108,335,334.98 (corresponding previous year ended 31st March,2009 Loss Rs . 58,497,302.50) in respect of the construction project of Tata Metaliks Kubota Pipes Limited has been decapitalised and is included under the applicable fixed asset classification. Exchange translation gain for the year ended 31st March, 2010 on short -term monetary liability amounting to Rs.12,660,580.04 (corresponding previous year ended 31st March, 2009 Rs.70,269,301.54) has been recognised as income and is included under "Foreign Exchange (Gain)/Loss" line item in Schedule 2 of Manufacturing and Other Expenses.

SCHEDULE FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH, 2010

15 Tata Metaliks Kubota Pipes Ltd had commenced commercial operations effective 1st May, 2009, however the Company is yet to achieve the desired level of its business operations in view of the new requirement to hold a license from the Bureau of Indian Standards (BIS) vide an Order dated 25th June, 2009 issued by the Ministry of Commerce and Industry, Department of Industrial Policy and Promotion (DIPP), to enable it to manufacture , store for sale, sell or distribute its products in India. The Company's application for grant of license has not been approved by BIS vide letter dated 6th August,2009. DIPP, Ministry of Commerce & Industry recinded, their order dated June 25, 2009 of making BIS license mandatory for DI pipes on October 23, 2009 and issued a revised order on October 30, 2009 with new effective date of March 1, 2010. The company had, therefore, manufactured and sold DI pipes during the period end of October 2009 to the end of February 2010 to the customers who required non- ISI pipes.

The Company's writ petition, challenging the aforesaid Order dated 25th June, 2009 was heard and finally disposed off by the Honourable Calcutta High Court as DIPP themselves extended the compliance period upto 1st March, 2010. The Company's writ petition challenging the rejection of its application by BIS was heard and finally dismissed by Honourable Calcutta High Court maintaining the decision of BIS.

In view of the aforesaid development during 2009-2010, the Company has planned to obtain BIS license in 3rd Quarter of 2010-11 after the minimum compulsory waiting time incidental to rejection of application. The domestic operation of the Company is expected to start in 3rd quarter of 2010-11. However, Company is continuing with its export business. The domestic operation together with export business would help the company to increase its capacity utilisation by 30%-40% in 2010-11 over 2009-2010 depending on the attractiveness of export business and ultimately is expected to achieve full capacity utilization in 2011-12.

On the basis of the aforesaid, in the opinion of the Board of Directors, the appropriateness of having followed the going concern assumption in the preparation of their financial statements is considered reasonable.

16 Information about Primary Segment - Geographical Segment as Primary

Particulars	India	Asia Excl. India	UK	EU Excl. UK	Rest of world	Elimination	Total
Revenue:							
Total External Sales:	10,357,848,164.27	—	—		83,474,399.63		**10,441,322,563.90**
Add: Inter Segment Revenue							
Total Revenue	**10,357,848,164.27**	—	—	—	**83,474,399.63**	—	**10,441,322,563.90**
Segment result	**687,015,457.22**	—	—	—	**(129,308,434.06)**	—	**557,707,023.16**
Unallocated corporate expenses :							
Interest expense							**420,374,298.78**
Interest Income							**35,997,873.40**
Income Tax							**50,946,147.78**
Dividend Income							**142,046.69**
Profit/(Loss) from ordinary activities							**122,526,496.69**
Extraordinary loss							—
Net Profit							**122,526,496.69**
Other Information							
Segment Assets							
Net Fixed Assets	3,954,796,781.44	—	—	—	—	—	**3,954,796,781.44**
Stores and Spare parts	46,555,279.39	—	—	—	—	—	**46,555,279.39**
Stock - in - trade	2,467,432,323.77	—	—	—	—	—	**2,467,432,323.77**
Sundry Debtors	558,002,048.97	—	—	—	1,639,655.60	—	**559,641,704.57**
Cash and Bank Balances	246,083,645.96	—	—	—	—	—	**246,083,645.96**
Loans and advances	415,682,042.93	—	—	—	—	—	**415,682,042.93**
Total Segment Assets	**7,688,552,122.46**	—	—	—	**1,639,655.60**	—	**7,690,191,778.06**
Un-allocated Corporate Assets							
Interest Accrued on Investment							**3,254,793.94**
Advance Income Tax							**644,930.28**
Advance Fringe Benefit Tax							**252,580.89**
Total Assets		—	—	—	1,639,655.60	—	**7,694,344,083.17**
Segment Liabilities							
Current Liabilities:							
Sundry Creditors	2,739,297,588.22	—	—	—	—	—	**2,739,297,588.22**
Others	366,786,417.65	—	—	—	—	—	**366,786,417.65**
Provisions:							
Provision for employee benefits	48,460,180.00	—	—	—	—	—	**48,460,180.00**
Others	101,841,201.60	—	—	—	—	—	**101,841,201.60**
Total Segment Liabilities	**3,256,385,387.47**	—	—	—	—	—	**3,256,385,387.47**

SCHEDULE FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH, 2010

	India	Asia Excl. India	UK	EU Excl. UK	Rest of world	Elimination	Total
Un-allocated Corporate Liabilities							
Interest accrued but not due							**40,406,480.53**
Total Liabilities		—	—	—	—	—	**3,296,791,868.00**
Total cost incurred during the year to acquire segment assets	62,824,149.76	—	—	—	—	—	**62,824,149.76**
Segment Depreciation	250,581,137.44	—	—	—	—	—	**250,581,137.44**
Non - Cash expenses other than depreciation	22,606,649.01	—	—	—	—	—	**22,606,649.01**
External Revenue by Geographical Location of customers							
India							**10,357,848,164.27**
Asia Excl. India							**—**
UK							**—**
EU Excl. UK							**—**
Rest of World							**83,474,399.63**
							10,441,322,563.90
Information about secondary segments: Business							
Revenue by business segments							
Pig Iron							**10,264,174,625.38**
Ductile Pipes							**177,147,938.52**
Total carrying amount of segment assets							
Pig Iron							**5,699,855,147.39**
Ductile Pipes							**1,990,336,630.67**
Total cost incurred to acquire segment assets							
Pig Iron							**21,260,108.62**
Ductile Pipes							**41,564,041.14**

Notes:

1 The Company has disclosed Geographical Segment as the primary segment.

2 Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segment as also amounts allocated on a reasonable basis.

3 There are no previous year's comparatives on segment information, since Tata Metaliks Kubota Pipes Limited commenced business on 1 May, 2009.

17 Figures for the corresponding previous year have been regrouped / recast, wherever necessary, to conform to this year's classification.

On behalf of the Board of Directors

	Sd/-	Sd/-	Sd/-
	Vishwanath G Malagi	**Harsh K Jha**	**Koushik Chatterjee**
Kolkata, 7th May, 2010	*Chief of Corporate Governance & Company Secretary*	*Managing Director*	*Chairman*

TATA

CONSOLIDATED SCHEDULE FORMING PART OF THE PROFIT & LOSS ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH, 2010

	Year Ended 31st March, 2010 Rupees	Year Ended 31st March, 2009 Rupees
SCHEDULE 1 : OTHER INCOME :-		
Interest income on bank fixed deposits, sundry advances, etc.	**4,250,428.40**	5,996,665.21
(includes tax deducted at source Rs 575,966.72 (2008-09 : Rs 1,415,744.97)		
Interest income on income - tax refunds received	**31,747,445.00**	—
Other Operating Income	**155,321,153.68**	126,666,534.17
Dividend income on non-trade current investments	**142,046.69**	137,236.73
Miscellaneous*	**81,346,431.42**	85,673,461.48
(includes tax deducted at source Rs 556,200.00 (2008-09 : Rs Nil)		
Liability no longer required written back	**18,797,434.49** **	15,848,283.52
Less: Transferred to Capital & other account	**33,781.99**	—
	291,273,157.89	234,322,181.11

* Includes recognition of subsidy income Rs 45,845,574.26/-(31.03.2009 Rs 30,536,014/-) under Industrial Promotion Scheme,2000 of the Government of West Bengal,by off - setting the VAT payable liability Rs 45,845,574.26/- (31.03.2009 Rs 30,536,014/-) during the year ended 31st March,2010,based on the disbursement by WBIDC (disbursing agency of the State Government) in favour of the Commissioner of Sales Tax - Account Tata Metaliks Limited.

** For Prior Period

SCHEDULE 2 : MANUFACTURING AND OTHER EXPENSES :-

			Year Ended 31st March, 2010 Rupees	Year Ended 31st March, 2010 Rupees	Year Ended 31st March, 2009 Rupees	Year Ended 31st March, 2009 Rupees
1		**RAW MATERIAL CONSUMED**				
	a)	Opening Stock	**1,137,970,139.63**		1,561,796,319.89	
	b)	Add - Purchases	**9,376,139,867.38**		—	
			10,514,110,007.01		1,561,796,319.89	
	c)	Less - Closing Stock	**1,907,361,681.31**		1,137,970,139.63	
			8,606,748,325.70		423,826,180.26	
		Less : Transferred to Capital & other account	**13,638,928.60**		11,196,725.52	
				8,593,109,397.10		412,629,454.74
2		**PAYMENTS TO AND PROVISIONS FOR EMPLOYEES**				
	a)	Wages & Salaries, including bonus	**259,020,406.97**		195,674,449.89	
	b)	Company's contributions to provident and other funds	**33,960,411.29**		21,991,182.63	
	c)	Staff welfare expenses	**23,791,356.81**		21,985,882.70	
			316,772,175.07		239,651,515.22	
		Less : Transferred to Capital & other account	**12,265,151.66**	**304,507,023.41**	39,676,789.76	199,974,725.46
3		**OPERATION AND OTHER EXPENSES**				
	a)	Power and fuel	**142,437,338.21**		39,694,649.55	
	b)	Electricity	**29,355,524.78**		38,219,004.80	
	c)	Consumption of stores and spare parts (indigenous)	**218,840,864.82**		209,367,707.58	
	d)	Rent	**14,212,802.30**		10,239,912.63	
	e)	Rates and taxes	**28,084,060.08**		36,101,836.26	
	f)	Insurance	**12,121,638.85**		10,604,693.77	
	g)	Director fees	**544,000.00**		792,000.00	
	h)	Commission ,discounts and rebates	**52,168,883.76**		35,157,765.46	
	i)	L/C and bank charges	**47,094,210.29**		81,561,301.18	
	j)	Loss on sale/discarding of fixed assets (net)	**114,179.39**		789,097.63	
	k)	Provision for wealth tax	**477,022.00**		500,000.00	
	l)	Miscellaneous expenses	**140,866,872.82**		190,653,723.35	
	m)	Provision for doubtful advances	**1,711,000.00**		—	
	n)	Hire charges of cranes	**59,923,609.90**		51,783,634.26	
	o)	Repairs and maintenance :-				
		Plant and machinery	**68,860,371.78**		36,562,248.48	
		Buildings	**2,949,905.69**		3,151,103.81	
		Others	**45,880,326.64**		38,494,375.54	
	p)	Exchange loss/(gain)	**(14,792,611.90)**		159,803,410.64	
	q)	Share/Debenture Registrar's fees and expenses	**763,655.25**		868,218.01	
			851,613,654.66		944,344,682.95	
4		**FREIGHT AND HANDLING CHARGES**	**354,812,378.80**		209,783,641.34	
		Less : Transferred to Capital & other account	**56,497.00**	**1,206,369,536.46**	154,107,900.40	1,000,020,423.89
5		**ACCRETION/(REDUCTION) TO STOCK OF FINISHED PRODUCTS**				
		Opening Stock	**298,271,879.73**		354,346,591.55	
		Less : Closing Stock	**560,070,642.46**		298,271,879.73	
			(261,798,762.73)		56,074,711.82	
		Less : Transferred to Capital & other account	**(19,230,146.89)**	**(242,568,615.84)**	(9,506,229.80)	65,580,941.62
6		Excise duty provision on (accretion)/reduction to stock of Finished Products (Note 11)		**26,750,299.97**		(32,770,748.06)
				9,888,167,641.10		1,645,434,797.65

CONSOLIDATED SCHEDULE FORMING PART OF THE PROFIT & LOSS ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH, 2010

		Year Ended 31st March, 2010		Year Ended 31st March, 2009	
		Rupees	Rupees	Rupees	Rupees
SCHEDULE 3 : INTEREST :-					
Interest on					
i)	Fixed Loans	**205,274,355.03**		84,183,038.00	
ii)	12.75% NCD	**57,375,000.00**		13,204,110.00	
iii)	Others	**92,725,978.60**	**355,375,333.63**	48,366,851.40	145,753,999.40
iv)	Supplier's and Byuer's Credit	**64,998,965.15**		226,904,677.44	
	Less : Transferred to Capital & Other Account	**—**	**64,998,965.15**	68,911,290.11	157,993,387.33
			420,374,298.78		303,747,386.73

DIRECTORS' REPORT

To the Members

The Directors hereby present their 3rd Annual Report on the business and operations of the Company and the financial accounts for the year ended 2009-10.

(Rs.)

	Particulars	Current Year	Previous Year
a)	Loss before Extra-ordinary items and taxes	—	15,807,248
b)	**Less:** Extra- ordinary items	—	—
c)	Loss before taxes	—	15,807,248
d)	**Less:** Provisions for taxes including fringe benefit tax and deferred tax, if any	—	2,961,105
e)	Loss after taxes	—	18,768,353
f)	Profit and loss credit balance brought forward	—	10,339,633
	Balance carried to Balance Sheet	—	29,107,985

Business Results:

At Tata Metaliks Kubota Pipes Limited, the F.Y. 2009-10 was indeed not a promising year. After receiving "Consent to Operate" from West Bengal Pollution Control Board, the Company started commercial production from the month of May 2009 and applied for BIS license. While the application was under progress, Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce and Industry after consulting Bureau of Indian Standards (BIS), by passing a notification have made BIS certification mandatory for DI pipes. This order prohibits manufacture, storage, sale and distribution of DI Pipes without ISI mark except for export. The Company's application for BIS license got rejected due to some procedural mistakes. Thus, the plant was not under normal operation for a large portion of the year except for some export production. All efforts are being directed to get BIS license at the earliest. However, the Company has received the ISO 9001: 2008 certification which is essential for several export orders and even for some domestic orders. The Company has also obtained ISO 2531 and BSEN 545 from DNV which conducted the certification process of manufacturing and test facility for entire range of pipes. The Company continues to focus on increasing its export to keep the plant operational till it gets the BIS license for domestic sales.

Production Performance

Due to the above mentioned circumstances, the plant was not under operation for almost entire financial year 2009-10 except for some export production and some non-ISI requirements when Govt. notification was not effective. Total Production during the year ended 31st March 2010 was 3991t.

Marketing Performance

During the FY 2009-10, the Company's total sales including export is given below,

Domestic Sales	**1416 t**
Exports	**1528 t**

Finance:

The total amount of borrowings by the Company till 31st March 2010 is Rs 125.57 crore including the External Commercial Borrowings of approximately Rs 53 crore from Sumitomo Mitsui Banking Corporation, Singapore.

Raising of finance through issue of equity shares to Promoters:

The Company raised Rs 17 cr by way of equity contribution from the major promoters, Tata Metaliks Ltd., Kubota Corporation and Metal One Corporation in proportion to their shareholding ratio.

Directors:

Dr Naoya Tanaka and Mr Sanjiv Paul retired by rotation and were re-appointed by members in the Annual General Meeting held on 12th July 2009.

Mr Dipak Banerjee was appointed as Additional Director of the Company w.e.f. 10.04.2009 till the next Annual General Meeting of the Company held on 12th July 2009 where he was appointed as Director by members.

DIRECTORS' REPORT *(Contd.)*

Mr Subhasis Dey relinquished the Directorship of the Company w.e.f. 10.04.2009 due to his increased responsibility in his company. Directors are pleased to record their sincere appreciation of the valuable guidance and support extended by Mr Dey, during his tenure as Director in the Company.

Human Resource

The FY 09-10 in many ways has seen the people centric focus of the Company. The major part of the FY 09-10 was spent on developing and fine tuning the skill and competency of the new hired. A big team of trainer from Kubota Corporation was in Kharagpur for imparting training on the Basic and the Advance modules of DIP technology. Further, into the journey of manpower development, various other training were imparted which includes the training on ISO 9001 & 14001 awareness, internal auditor programmes and safety. In order to increase the Business Excellence(BE) awareness among the employees, in the first phase the Company covered all the officers through TBEM awareness programmes organized in-house at Kharagpur.

During the year, initiatives on higher employee engagement, such as rolling of "Specific Implementation programme" which encompasses on improving the Safety Standard, Education, Training and Housekeeping in the plant were taken up. Reward & Recognition was done in order to give the impetus to the efforts' and performance of the teams and individuals. In order to achieve the above milestones around 3500 man hours of training was provided.

Corporate Social Responsibility

As an endeavour towards social responsibility, 71 no. of employees volunteered to donate blood in a blood donation camp organized on the occasion of the birthday of Jamsetji Tata at Tata Metaliks' Kharagpur plant in association with Midnapore Medical College Blood Bank.

Auditors

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

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

Energy, Technology and Foreign Exchange:

Details of energy conservation and research and development activities undertaken by the Company along with the information in accordance with the provisions of 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, are given in **Annexure 'A'** to the Directors' Report.

Particulars of employees

Information in accordance with the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, regarding employees is given in **Annexure 'B'** to the Directors' Report.

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 disclosure as required under the provisions of Companies Act, 1956.

Directors' Responsibility Statement:

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors, based on the representations received from the Operating Management, confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
2. they have, in the selection of the Accounting Policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
3. they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. they have prepared the annual accounts on a going concern basis.

A note of Appreciation

Your Directors wish to place on record their sincere 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 and look forward to the future with confidence.

On behalf of the Board of Directors

Date: 13th April 2010
Place: Kolkata

Harsh K Jha
Chairman

ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE 'A' TO DIRECTORS' REPORT

a) **Conservation of Energy** –

Particulars with respect of conservation of Energy are given in Form – A enclosed.

b) **Technology absorption**

Form B :

Form for disclosure of particulars with respect to Technology Absorption

Research and development (R & D)

1.	Specific areas in which R & D carried out by the company.	Nil
2.	Benefits derived as a result of the above R&D	Nil
3.	Future plan of action	Nil
4.	Expenditure on R & D :	Nil
	(a) Capital	
	(b) Recurring	
	(c) Total	
	(d) Total R & D expenditure as a percentage of total turnover	Nil

Technology, absorption, adaptation and innovation

1. **Efforts, in brief, made towards technology absorption, adaptation and innovation.** –
   i) Training by Kubota technicians of Company employees is continuously going on for transfer of technology of manufacture of DI Pipes.
   ii) Documentation for process manual is under preparation by Kubota Corporation.
2. **Benefits derived as a result of the above efforts –**
   Quality of Product expected to be superior.
3. **In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished :**
   (a) Technology imported – DI pipe plant engineering and DI pipe manufacture.
   (b) Year of import. – 2008-09, continuing in 2009-10
   (c) Has technology been fully absorbed - No
   (d) If not fully absorbed, areas where this has not taken place, reasons there for and future plans of action. –
   Training of key personnel in operations to achieve high productivity and quality is a continuous process and expected to be achieved with increased production.

c) **Foreign Exchange Earning (Export earnings):** – Rs. 83,474,400

d) **Foreign Exchange Outgo:**

Expenditure in foreign currency	**Rupees**
i) Interest	18,086,462
ii) Consultancy	828,142
iii) Technical Fees	34,562,200
iv) Other	79,918
Value of direct imports (C.I.F/FOB value)	
i) Machinery	50,883,032
ii) Raw Materials	7,093,515
iii) Components, stores and spare parts	3,565,924
Total	**115,099,195**

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

Form A :

Form for disclosure of particulars with respect to conservation of energy

A. Power & Fuel Consumption

1) Electricity

Unit	– 8187750
Total Amount	– Rs 58,768,464
Cost/Units	– Rs 7.17

2) Light Diesel Oil

Quantity (k.ltrs)	– 1033.62
Total Amount	– Rs 44,346,000
Average Rate (Rs/k.ltrs)	– Rs 42.9

3) High Speed Diesel Oil

Quantity (k.ltrs)	– 1.77
Total Amount	– Rs 58,250
Average Rate (Rs/k.ltrs)	– Rs 32.91

4) Blast Furnace Gas

Quantity (Nm3)	– 4874442
Total Amount	– Rs 2,248,336
Average Rate (Rs/NM3)	– Rs 0.46

B. Consumption per unit of production per tonne of DI Pipes

Electricity- 2051 KWH
Light Diesel Oil- 258.94 ltrs
High Speed Diesel Oil - 0.44ltrs
BFG Gas 1221 Nm3

ANNEXURE 'B' TO DIRECTORS' REPORT

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

	Name & Qualification	Age in years	Designation	Date of Employment (Rs)	Gross Remuneration	Experience (No. of yrs)	Last Employment
1.	Mr Rajesh Mishra B. Tech, MBA	46	Managing Director	01.11.2007	2,473,335	25	General Manager (DI Pipe Project) Tata Metaliks Limited
2.	Mr Masaharu Tabata B.Eng.	56	Whole time Director	01.11.2007	2,122,943	32	Kubota Corporation, (DI Pipe Division) Japan

Notes :

1. Gross remuneration comprises salary, allowances, monetary value of perquisites, performance-linked remuneration and the Company's contribution to the Provident, Gratuity and Superannuation Funds.
2. The nature of employment is contractual.
3. The employees mentioned above are not relative of any Director of the Company.

On behalf of Board of Directors

Date: April 13, 2010
Place : Kolkata

Harsh K Jha
Chairman

AUDITORS' REPORT

To the Board of Directors of
TATA METALIKS KUBOTA PIPES LIMITED

Auditors' Report to the members of Tata Metaliks Kubota Pipes Limited

1. We have audited the attached Balance Sheet of Tata Metaliks Kubota Pipes Limited ('the Company') as at 31st March, 2010, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by 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 paragraph 4 and 5 of the said Order.

4. *We draw attention to Note 21 of Schedule K to the financial statements whereby we have relied upon the management's opinion of appropriateness of the going concern assumption.*

5. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows :

   (a) we have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

   (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;

   (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

      (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;

      (ii) in the case of the Profit and Loss Account, 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.

6. On the basis of the written representations received from the Directors as on 31st March, 2010 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2010 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)

A. S. Varma
Partner
Membership No. 15458

Place : Kolkata
Date : April 13, 2010

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

To the Members of
TATA METALIKS KUBOTA PIPES LIMITED
on the accounts for the year ended 31st March, 2010

(i) Having regard to the nature of the Company's business/activities/ result, clauses (viii), (x), (xii), (xiii), (xiv), (xv), (xix) and (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. 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 purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.

(vi) In respect of contracts or arrangements entered in the Registrar maintained under Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:

(a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the Registrar maintained under the said Section have been so entered.

(b) Where each of such transaction is in excess of Rs. 5 lakhs in respect of any party, the transactions have been made at prices which are *prima pacie* reasonable having regard to the prevailing market prices at the relevant time except in respect of certain purchases for which comparable quotations are not available and in respect of which we are unable to comment.

(vii) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year.

(viii) In our opinion and according to the information and explanations given to us, the existing internal audit system needs to be strengthened and its scope needs to be extended, to make it commensurate with the size of the Company and the nature of its business.

(ix) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as 31st March, 2010 for a period of more than six months from the date they became payable.

ANNEXURE TO THE AUDITORS' REPORT (*Contd.)*

(c) There are no dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2010 on account of disputes.

(x) 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 and financial institutions.

(xi) 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 other than temporary deployment pending application.

(xii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long-term investment.

(xiii) According to the information and explanations given to us, the Company has made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956 at a price which is prima facie not prejudicial to the interests of the Company.

(xiv) 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)

A. S. Varma
Partner
Membership No. 15458

Place : Kolkata
Date : April 13, 2010

TATA METALIKS KUBOTA PIPES LIMITED

BALANCE SHEET

AS AT 31ST MARCH, 2010

	Schedule	As at 31st March, 2010 Rupees		As at 31st March, 2009 Rupees	
I. Sources of funds :					
(1) Shareholders' Funds					
(a) Capital	A		**920,000,070.00**		750,000,070.00
(b) Reserves and Surplus			**—**		—
			920,000,070.00		750,000,070.00
(2) Loan Funds	B				
(a) Secured Loans			**1,255,736,550.23**		949,713,336.98
(b) Unsecured Loans			**—**		—
TOTAL			**2,175,736,620.23**		1,699,713,406.98
II. Application of funds :					
(1) Fixed Assets					
(a) Gross Block	C	**1,793,622,237.03**		16,479,361.07	
(b) Less : Depreciation		**88,669,844.16**		2,267,183.60	
(c) Net Block		**1,704,952,392.87**		14,212,177.47	
(d) Capital Work- in - Progress/Project development expenditure(including CWIP)	D	**7,681,868.33**	**1,712,634,261.20**	1,739,173,337.82	1,753,385,515.29
(2) Current Assets, Loans and Advances					
(a) Inventories	E	**84,631,351.25**		17,029,583.36	
(b) Cash and Bank Balances	F	**151,153,185.06**		162,065,914.15	
(c) Sundry Debtors	G	**1,676,960.53**		—	
(d) Loans and Advances	H	**44,176,758.50**		33,231,337.22	
		281,638,255.34		212,326,834.73	
Less : Current Liabilities and Provisions					
(a) Liabilities	I	**177,944,890.08**		294,248,708.34	
(b) Provisions	J	**2,716,040.00**		858,220.00	
		180,660,930.08		295,106,928.34	
Net Current Assets			**100,977,325.26**		(82,780,093.61)
(3) Profit and Loss account - debit balance			**362,125,033.77**		29,107,985.30
TOTAL			**2,175,736,620.23**		1,699,713,406.98
Notes on Balance Sheet and Profit & Loss Account	K				

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

As per our report of even date attached
For **Deloitte Haskins & Sells**
Chartered Accountants
A S Varma
Partner
Kolkata, 13th April, 2010

On behalf of the Board of Directors

Rajesh Mishra	**M. Tabata**	**Harsh K. Jha**	**Rubi Chaturvedi**
Managing Director	*Executive Director (Manufacturing)*	*Chairman*	*Company Secretary*

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedule	For the Year Ended 31st March, 2010 Rupees			For the Year Ended 31st March, 2009 Rupees		
INCOME							
Sales of products			**184,788,992.52**			—	
Income from other operations			**—**			—	
Less: Excise Duty			**7,641,054.00**	**177,147,938.52**		—	—
Miscellaneous Income				**1,333,758.16**			—
Other Income - Interest	**2**		**4,084,675.40**			—	
Less : Transferred to Capital & other account			**331,781.79**	**3,752,893.61**		—	—
				182,234,590.29			—
EXPENDITURE							
Manufacturing and other expenses	**1**		**366,469,745.42**			13,540,064.35	
Depreciation			**86,428,091.17**			2,267,183.60	
Interest and Borrowing Cost		**67,097,992.49**			68,911,290.11		
Less : Transferred to Capital & other account		**4,744,190.32**	**62,353,802.17**	**515,251,638.76**	68,911,290.11	—	15,807,247.95
LOSS BEFORE TAX AND EXTRA ORDINARY ITEMS				**333,017,048.47**			15,807,247.95
EXTRAORDINARY ITEM				**—**			—
LOSS FOR THE YEAR BEFORE TAX				**333,017,048.47**			15,807,247.95
Provision for taxation :							
Current Tax :							
Income Tax - A.Y. 08-09			**—**			88,416.00	
Income Tax - A.Y. 09-10			**—**	**—**		1,934,253.00	2,022,669.00
Deferred tax				**—**			—
Fringe benefit tax				**—**			938,435.57
LOSS AFTER TAXES				**333,017,048.47**			18,768,352.52
BALANCE BROUGHT FORWARD FROM LAST YEAR				**29,107,985.30**			10,339,632.78
BALANCE CARRIED TO BALANCE SHEET				**362,125,033.77**			29,107,985.30
Loss per Share-basic and diluted (Face Value Rs.10 each) (Refer Note 14 of Schedule K)				**(4.37)**			(0.31)
Notes on Balance Sheet & Profit & Loss Account	K						

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

As per our report of even date attached
For **Deloitte Haskins & Sells**
Chartered Accountants
A S Varma
Partner
Kolkata, 13th April, 2010

On behalf of the Board of Directors

Rajesh Mishra *Managing Director*

M. Tabata *Executive Director (Manufacturing)*

Harsh K. Jha *Chairman*

Rubi Chaturvedi *Company Secretary*

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2010

			Year Ended 31st March, 2010 Rupees		16th October, 2007 to 31st March, 2009 Rupees
A.	**Cash Flow from Operating Activities**				
	Net Loss before tax		**(333,017,048.47)**		(15,807,247.95)
	Adjustments for :				
	Depreciation		**86,428,091.17**		2,267,183.60
	Unrealised (Gain)/Loss on Foreign Exchange		**(2,138,136.00)**		11,771,990.35
	Interest Income		**(3,752,893.61)**		—
	Interest charged to Profit and Loss Account		**62,353,802.17**		—
	Loss on sale of Fixed Assets		**175,242.09**		—
	Write down of Finished goods Inventories		**24,630,605.62**		—
	Operating loss before Working Capital Changes		**(165,320,337.03)**		(1,768,074.00)
	Adjustments for :				
	(Increase)/Decrease in Trade and Other Receivables	**(10,222,615.08)**		(10,654,820.71)	
	(Increase)/Decrease in Inventories	**(92,232,373.51)**		—	
	Increase/(Decrease) in Trade Payables and Other Liabilities	**(112,147,855.98)**		286,625,635.06	
			(214,602,844.57)		275,970,814.35
	Cash Used For Project and post - commencement Related Activities		**(379,923,181.60)**		274,202,740.35
	Direct Taxes paid		**(758,799.72)**		(2,108,251.00)
	Net Cash (used)/generated from Operating Activities		**(380,681,981.32)**		272,094,489.35
B.	**Cash Flow from Investing Activities :**				
	Purchase of fixed assets		**(41,564,041.14)**		(1,710,446,235.62)
	Sale of fixed assets		**124,370.50**		—
	Interest received		**2,443,708.39**		—
	Net Cash (used) in Investing Activities		**(38,995,962.25)**		(1,710,446,235.62)
C.	**Cash Flow from Financing Activities :**				
	Proceeds from issue of Equity shares		**170,000,000.00**		600,000,000.00
	Proceeds from Long Term Loan		**141,663,262.62**		949,713,336.98
	Proceeds from Working Capital Loan		**164,359,950.63**		50,000,000.00
	Proceeds from Short Term Loan		**—**		—
	Interest paid		**(67,257,998.77)**		—
	Repayment of Short Term Loan		**—**		(50,000,000.00)
	Foreign Exchange (Gain)/Loss		**—**		(11,771,990.35)
Net Cash generated from Financing Activities			**408,765,214.48**		1,537,941,346.63
Net (decrease)/increase in Cash and Cash equivalents (A+B+C)			**(10,912,729.09)**		99,589,600.36
Cash and Cash equivalents as at 31st March, 2009			**162,065,914.15**		62,476,313.79
Cash and cash equivalents as at 31st March, 2010			**151,153,185.06**		162,065,914.15

As per our report of even date attached
For **Deloitte Haskins & Sells**
Chartered Accountants
A S Varma
Partner
Kolkata, 13th April, 2010

On behalf of the Board of Directors

Rajesh Mishra — *Managing Director*
M. Tabata — *Executive Director (Manufacturing)*
Harsh K. Jha — *Chairman*
Rubi Chaturvedi — *Company Secretary*

A CALENDAR FOR PLANNED COMMUNICATION WITH SHAREHOLDERS FOR F.Y. 2010-11

Particulars	Annual	Half-yearly	Quarterly	Monthly	Daily
Event	1. AGM (Shareholders' Day) Interaction with Shareholders 2. Annual Report sent to individual shareholders 3.Factory visit of shareholders	1. Investors' meet 2. Analyst meet 3. Transfer of funds to Investors' Education & Protection Fund	1. Press meet with Chairman / MD	1. Meeting with RTA to solve pending prob-lems 2. Meeting with Govt. officials related to Project work	1. Shareholders' queries to be suitably addressed
One to one	1. Factory visit of shareholders 2. Approach to shareholders to compulsorily opt for ECS and holding shares in demat mode 3. Intimation to shareholder/ debentureholders who has not claimed dividend /debenture interest before transferring the amount to the Investors' Education & Protection Fund	1. Views of the shareholders about the company and the department	1. Communication through house journal		1. Personal interaction with the Secretarial Department 2. Solving problems of the shareholders and mitigating their grievances
Mass media	1. Event Announcement	1. Interview of CEO and other top management 2. Half-yearly financial results and press release	Informing quarterly financial results and press release Shareholding Pattern of the Company as per Listing Agreement requirements		Email addresses - rd.infotech@vsnl.net investors@tatametaliks.co.in
Group Publication	1. Event of the Company 2. Annual Result	1. Half Yearly result	1. Quarterly result 2. Shareholding Pattern		
Newspaper	1. Annual Result	1. Half Yearly result 2. Summary of achievements for the 1st half of the year	1. Audited quarterly results 2. Any notable achievements or acquisition of any assets		1. Availability of Share Price & Market Capitalisation 2. Queries related to Stock Exchange quotations
Telephone					Telephone no. for shareholders queries viz. 66134217/66134213 2463-1658 (RTA)
Website www.tatametaliks.com SEBI Website www.sebi.gov.in Corporate Filing and Dissemination System (CFDS) put in place jointly by BSE and NSE at the URL	1.Greetings of Shareholders 2.Annual / Quarterly Fin. Results 3. Shareholding Pattern 4. Availability of shareholding pattern	1. Financial results 2. Shareholding Pattern	1. Quarterly results 2. Shareholding pattern		1. Continuous updation of the website.
Corporate Governance Audit	Audit conducted by Statutory Auditors to ensure Compliance with best Corporate Governance Practices.				
Secretarial Standards	Followed almost all requirements of the Secretarial Standards.	Review of standards with respect to the Company Shareholders' / Investors ' Grievance Committee Meeting		Pending complaints from Shareholders	

CALENDAR

MANAGEMENT OF BUSINESS ETHICS - CALENDAR 2010-11

Stakeholders	Types		Months										
		April 2010	May 2010	June 2010	July 2010	August 2010	September 2010	October 2010	November 2010	December 2010	January 2011	February 2011	March 2011
Employees	Employees	3rd week	1st week	2nd week	3rd week	1st week	2nd week	1st week	2nd week	1st week	1st week	3rd week	1st week
	As stakeholder contact process owners	1st week	1st week	2nd week	3rd week	1st week	2nd week	1st week	2nd week	1st week	1st week	3rd week	1st week
	VP (Sales & Mktg)	1st week	1st week	2nd week	3rd week	1st week	2nd week	1st week	2nd week	1st week	1st week	3rd week	1st week
	GM (Logistics)	1st week	1st week	2nd week	3rd week	1st week	2nd week	1st week	2nd week	1st week	1st week	3rd week	1st week
	Head RM	1st week	1st week	2nd week	3rd week	1st week	2nd week	1st week	2nd week	1st week	1st week	3rd week	1st week
	C FO	1st week	1st week	2nd week	3rd week	1st week	2nd week	1st week	2nd week	1st week	1st week	3rd week	1st week
	Company Secretary	1st week	1st week	2nd week	3rd week	1st week	2nd week	1st week	2nd week	1st week	1st week	3rd week	1st week
Customers	Visits/Contacts	3rd week	2	2	2	2	2	2	2	2	2	2	2
Customers	Formal Meets				Customer meet**		Customer meet**			Customer meet**			
Suppliers/Partners	Visits/Contacts			Visit 02	Visit 02	Visit 02	Visit 02	Visit 02	Visit 02	Visit 02	Visit 02	Visit 02	Visit 02
Suppliers/Partners	Meets etc					1st week		1st week				3rd week	
Suppliers/Partners						Service Provider		Service Provider				Service Provider	
Shareholders	Contact Major Shareholders			2	2	2	2	2	2	2	2	2	2
Shareholders	Visit To Plant									2nd week			
Shareholders	AGM						AGM**						
	Team Meeting***			3rd week			3rd week			3rd week			3rd week
	MD		1st week	2nd week	1st week	1st week	2nd week	1st week	2nd week	2nd week	1st week	3rd week	1st week

Communication Mode

Stakeholders	Mode
Customers	Telephone, one to one contacts, letters, presentation on ethics during formal meets, personal visit to customer
Shareholders	Do
Suppliers	Do
Employees	One to one contacts/Interactive Sessions

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

NOTES

NOTES

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 TWENTIETH ANNUAL GENERAL MEETING of the Company at The Bengal Chamber of Commerce & Industry at Williamson Magor Hall, 6, Netaji Subhas Road, Kolkata 700 001 at 2.00 p.m. on Friday, September 24, 2010.

…………………………………………… ……………………………………

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 Proxy (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 of ……………………………………………………being a Member/Members of the above named Company, hereby appoint…………………………………………… ………………… of ………… in the district of …………………………………………… or failing him …………………………………………… of ………………………………… in the district of …………………………………………… as my/our Proxy to attend and vote for me/us and on my/our behalf at the TWENTIETH ANNUAL GENERAL MEETING of the Company, to be held on September 24, 2010 and at any adjournment thereof.

Signed this………………………… day of ………………………… 2010.

Folio No.……………… / DP ID No. *……………… & Client ID No. *………………

* *Applicable for members holding shares in electronic form.*

Affix 1 Rupee Revenue Stamp

No. of Shares held ………………………… ……………………………………

Signature

This form is to be used @ in favour of / @ against the resolutions. Unless other wise instructed, the proxy will act as he/she deems fit.

@ *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 700 071, not less than FORTY–EIGHT HOURS before the time for holding the aforesaid meeting.

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

Customer's Meet
at Jaipur

Partner's Meet
at Kolkata

Reward &
Recognition

BUREAU VERITAS
Certification

Certification
Awarded to

TATA METALIKS LIMITED
HEAD OFFICE, KOLKATA
TATA METALIKS LIMITED
TATA CENTRE, 10TH FLOOR, 43 JAWAHARLAL NEHRU ROAD, KOLKATA – 700 071,
WEST BENGAL, INDIA.
SBU, KHARAGPUR
TATA METALIKS LIMITED
SAMRAIPUR, GOKULPUR, KHARAGPUR, PIN: 721301
SBU, REDI
TATA METALIKS LIMITED
TEREKHOL ROAD, REDI, VENGURLA – TALUKA, DIST: SINDHUDURG REDI
PIN: 416517, MAHARASHTRA, INDIA.

Bureau Veritas Certification (India) Private Limited certify that the Management System of the above organisation has been audited and found to be in accordance with the requirements of the standard detailed below

STANDARD

ISO/IEC 20000-1:2005

SCOPE OF SUPPLY

INFORMATION TECHNOLOGY SERVICE MANAGEMENT SYSTEM ADOPTED FOR SERVICES PROVIDED BY TATA METALIKS LIMITED, SYSTEMS DEPARTMENT WHICH COVERS ALL THE IT OPERATIONS AND SUPPORT OF SYSTEMS, APPLICATIONS, DATABASES, NETWORK, IT SECURITY, MESSAGING, END USER, REPORTING AND SMS SERVICES WITHIN THE TECHNICAL AND ORGANIZATIONAL BOUNDARIES OF TATA METALIKS LIMITED. THE SERVICES ARE PROVIDED IN ACCORDANCE WITH THE LATEST VERSION OF THE SERVICE CATALOGUE .

Original Approval Date: 06 July 2010

Subject to the continued satisfactory operation of the organisation's Management System, this certificate is valid until: 05 July 2013

To check this certificate validity please call: +91 22 6695 6300

Further clarifications regarding the scope of this certificate and the applicability of the Management System requirements may be obtained by consulting the organisation.

Certificate Number: IND10.2203 *Date:* 07 July 2010

R. K. SHARMA
Director

itSMF ISO/IEC 20000

First Company in
Eastern India to
be awarded the
ISO/IEC 20000-1:2005
Certificate for
IT Management
Systems

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