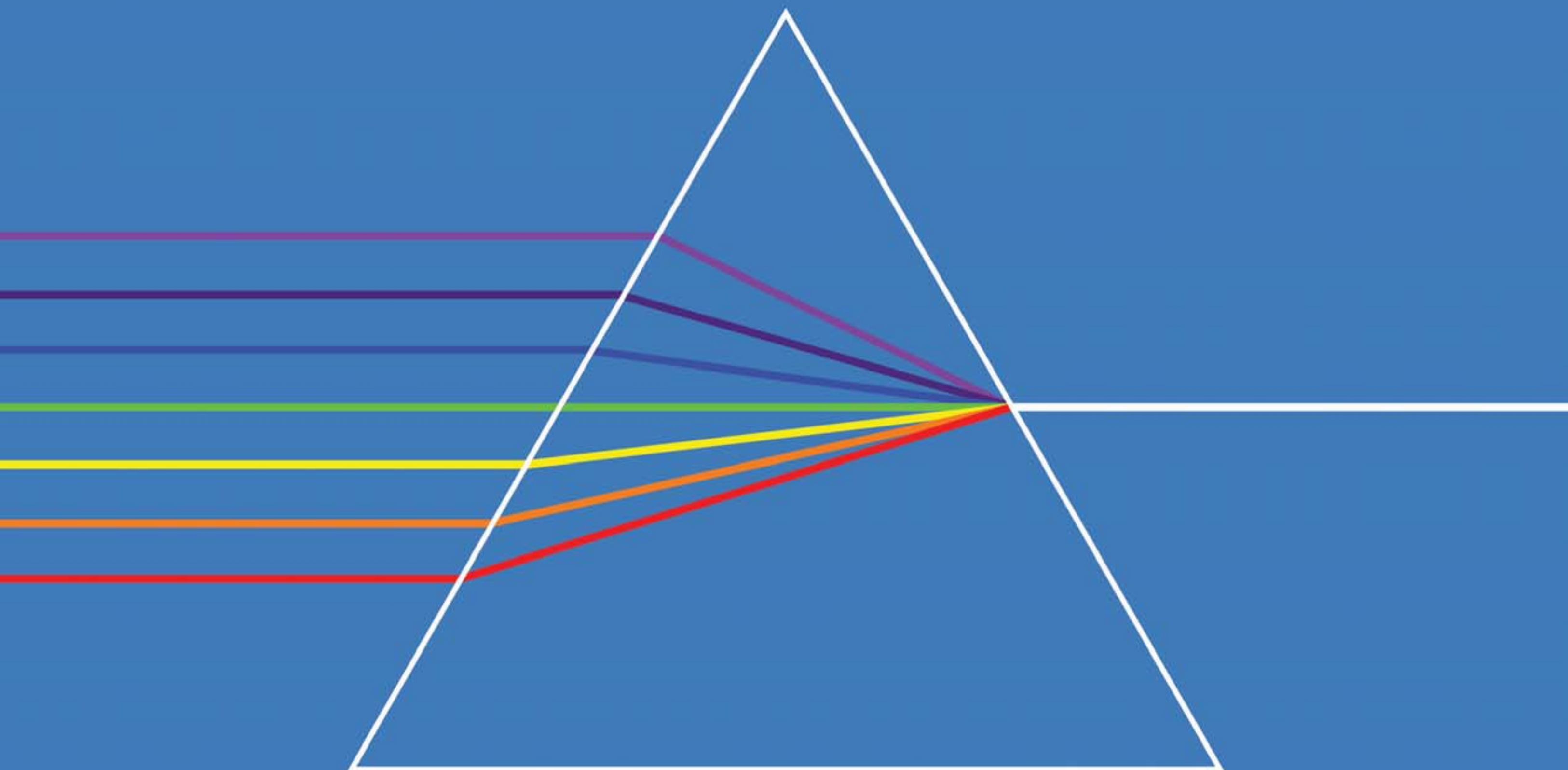
TATA METALIKS LIMITED

TATA



CONSOLIDATION FOR VALUE CREATION

23rd ANNUAL REPORT 2012-13

SINTER PLANT - INAUGURATION

TATA

TWENTY THIRD ANNUAL GENERAL MEETING

Date : Wednesday, September 25, 2013
Time : 12.00 Noon.
Venue : KALAMANDIR, 48, Shakespeare Sarani, Kolkata - 700 017

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

CORPORATE INFORMATION

Board of Directors as of July 30, 2013

Mr. Koushik Chatterjee - Chairman
Mr. Sanjiv Paul - *Managing Director - Appointed as Additional Director w.e.f. March 30, 2013 & Managing Director w.e.f April 1, 2013*
Mr. Dipak Banerjee
Mr. Krishnava Dutt
Mr. V.S.N.Murty
Mr. Ashok Kumar Basu
Mr. D.P.Deshpande - *Relinquished from the Executive position w.e.f April 1, 2013*
Dr. Pingali Venugopal

Management as of July 30, 2013

Mr. Sanjiv Paul	Managing Director
Mr. Subhra Sengupta	Chief Financial Officer
Mr. Kalyan Chatterji	Vice President (Projects & Business Opportunity)
Mr. Rajesh Mishra	Executive Vice President
Mr. Debasish Mishra	Vice President (Operations)
Mr. Sankar Bhattacharya	Chief (Corp.Gov) & Company Secretary

REGISTERED OFFICE	Tata Centre, 10th Floor, 43, Jawaharlal Nehru Road, Kolkata - 700 071.
BANKERS	State Bank of India, IDBI Bank, HDFC Bank, Bank of Baroda, Axis Bank, DBS Bank, Indusind Bank
AUDITORS	M/s Deloitte Haskins & Sells Chartered Accountants Kolkata.
SHARE REGISTRARS	M/s R & D Infotech Pvt. Ltd. 7A, Beltala Road Kolkata - 700 026.

Committees of Board

Audit Committee			Remuneration Committee		
Mr. Krishnava Dutt	-	*Chairman*	Dr. Pingali Venugopal	-	*Chairman*
Mr. Dipak Banerjee	-	*Member*	Mr. Koushik Chatterjee	-	*Member*
Mr. V.S.N.Murty	-	*Member*	Mr. Dipak Banerjee	-	*Member*
Mr. Ashok Kumar Basu	-	*Member*	Mr. Krishnava Dutta	-	*Member*

Shareholders'/Investors Grievance Committee

Mr. Ashok Kumar Basu	-	*Chairman*
Dr. Pingali Venugopal	-	*Member*
Mr. Sanjiv Paul	-	*Member*

Investor Service Centre

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

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

TATA METALIKS

GREEN INITIATIVE

July 30, 2013

Dear Shareholder,

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

Your Company proposes to send future communication / documents to you at the e-mail address, as registered with the Depository Participants (DPs)/Company/Registrars & Share Transfer Agents.

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

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

OR

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

M/s R & D Infotech Pvt. Ltd.
7A, Beltala Road
Kolkata - 700 026
Phone : +91-33-24192641
Telefax : +91-33-24192642
E-mail : rd.infotech@vsnl.net / tml@rdinfotech.in
Website : www.rdinfotech.org

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

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

The Annual Report of your Company for Financial Year 2012-13 alongwith all future communication / documents would also be made available on the Company's website : ***www.tatametaliks.com***

Thanking you

Yours sincerely

For **TATA METALIKS LIMITED**

Sankar Bhattacharya
Chief (Corporate Governance) & Company Secretary

CHAIRMAN'S STATEMENT

Dear Shareholders,

The continuing uncertainty in the global economy and the subsequent slowdown in the Indian economy with the country witnessing one of the lowest GDP growth rates in the last decade, adversely affected the business sentiments in the iron and steel industry during 2012-13. Slowdown in automobile, infrastructure and capital goods sectors decreased the demand for pig iron. Reduced pull from the market for the finished product coupled with cost push as a result of significant weakening of Rupee, posed an enormous challenge to business houses.

Despite challenging environment, your Company undertook some major capital investments, viz.

(a) upgradation and enhancement of capacity of MBF 2 and

(b) completion of sinter plant, to make operations more cost effective.

With the execution of the above strategic projects, your Company could increase production at Kharagpur by 2% to 288,512 tonnes despite one of the furnaces being down for three months for capital repairs, and could also increase EBITDA of Kharagpur operations by over ₹ 90 crores from negative of ₹ 38.76 crores in 2011-12 to positive of ₹ 51.61 crores in 2012-13. Further, your Company separated all employees of Redi unit through voluntary retirement scheme, which would help reduce fixed expenses in the coming months prior to asset disposal which is underway. Even with such challenging external environment, escalated costs on account of settlement of Redi employees and asset impairment, your Company could reduce its losses from ₹ 90.60 crores in 2011-12 to ₹ 54.54 crores in 2012-13 due to improved operational efficiencies.

Ductile iron pipe business of the Company's subsidiary, Tata Metaliks Kubota Pipes Limited also showed significant improvement in production and sales in 2012-13. However, due to low net realisation of pipes, your Company incurred loss on consolidated basis.

Both, the parent Company producing pig iron as well, and the subsidiary company producing ductile iron pipes, took significant initiatives to improve safety practices as well as bring sustainability in terms of environment management, energy management, waste reduction and water conservation with the help of highly engaged and committed employees. These sustainability initiates were not limited to the Company but were also extended to the customers to make their processes cost and energy efficient through use of **Tata eFee(R)**.

Way forward, in 2013-14, your Company has set ambitious target of producing and selling significantly more quantities of pig iron and ductile iron pipes on account of increased capacity of MBF 2, vertical ramp-up of sinter plant production to its capacity and improved operational efficiencies at the pipe plant. With increased competition in the industry and not so favourable global and domestic economic scenario, drastic cost control measures including prudent working capital management, coupled with customer-related interventions in terms of enhanced value proposition of **Tata eFee(R)**, would be the call of the day for achieving the challenging targets.

Superior and consistent quality of its products, pig iron and ductile iron pipes, supported by various initiatives and structural reforms proposed by the government to improve the economy, should help your Company achieve enhanced market place performance in 2013-14. Order position of your Company for ductile iron pipes is expected to remain healthy in view of investment in infrastructure by the government, especially in the water and sanitation sector.

I express my sincere gratitude to all the shareholders for their continued support and confidence in the Company. My thanks goes also to other stakeholders and partners including employees and unions, my colleagues in the management team and the Board of Directors for their contribution and value addition to the Company.

Koushik Chatterjee
Chairman

July 30, 2013

CONSOLIDATION FOR VALUE CREATION

Business Scenario

The global economy went through a slide in 2012-13 with general slowdown in most of the sectors. The Indian economy which has now a considerable exposure to the global economy also felt the ripples. During the year, a slight pick-up in the US economy was moderated by continuing slowdown in the Euro zone. China too faced a moderation in growth. While global economic growth slipped to 2.4% in 2012, lower than the anticipated rate of 3%, India's GDP growth dipped for the second year in succession to 5% in 2012-13 from 6.2% in the previous year. Mining and manufacturing activities slowed down and the southward movement of growth in automobile and capital goods appears unlikely to turnaround soon. Like most of the industries, TML's performance also got affected by this slowdown and depreciating rupee. Foundry pig iron market, whose demand is a function of demand in the automobile and engineering sectors, also took a hit in the second half of the year. With installed capacity higher than demand, pig iron market is struggling with excess supply and squeeze on its margin even in the current year 2013-14.

Despite poor market conditions, TML took several initiatives during the year, which are at various stages of implementation, in the direction of consolidating its business and all-round value creation, viz., (i) sinter plant for volume growth as well as cost reduction, (ii) rebuilding and capacity enhancement of MBF2, (iii) coke plant on BOOT basis to reduce dependence on expensive imported coke and mitigate impact of weakening rupee, (iv) heat recovery power plant attached to coke plant to improve self-reliance on power front, (v) closing Redi plant and settlement with employees to arrest the drag on profitability, (vi) increase ductile iron (DI) pipe production and improve operational efficiencies, (vii) buy-out Kubota's share in Tata Metaliks Kubota Pipes Limited (TMKPL) and (viii) merge TML and TMKPL into Tata Steel to create a single value chain from iron ore to finished products, i.e. pig iron and DI pipe. All these initiatives will consolidate growth by having significant impact on topline as well as bottom line in the coming years. Future of pig iron and DI pipe businesses will see more stability, improved margins and stronger insulation from adversities of external environment. Due to the adverse impact of external environment, part of which could be offset by some of the above initiatives and as a result of overall improved operational efficiencies, the Company managed to reduce its net loss from ₹ 90.60 crores in 2011-12 to ₹ 54.54 crores in 2012-13.

Raw Materials :

Pig iron manufacturing process is highly raw material intensive and the industry is getting impacted severely on the iron ore front due to partial ban on mining and on imported coal/coke front due to depreciating rupee. However, there was some respite as global coke prices continued its southward movement from Q4 FY'12 onwards and throughout FY '13. The Logistics Supply Chain Management team worked hard to procure good quality coke at competitive prices as well as optimize inventory to control working capital. TML could also manage well the working capital requirements for imported coal procurement by sharing ships with Tata Steel. Moving forward, as merger of TML with Tata Steel materialises, coal/coke working capital and inventory management is expected to improve further.

Although, with partial resumption of iron ore mining in Karnataka, the iron ore prices remained stable till Q3 FY'13 and showed slight decline thereafter in Q4, TML continued to face challenges in terms of domestic availability and quality of iron ore. However, TML could tide over this problem by taking strategic decision to sourcing iron ore on a regular basis from Tata Steel's Khondbond mines. This ensured availability of low phosphorous iron ore fines for the new sinter plant which would lead to production of low phos pig iron for the pipe plant as well as for niche pig iron buyers like automobile and ductile iron casting manufacturers.

Operations :

Pig iron business operations faced challenges during the beginning of 2012-13 due to deteriorating refractory lining of both the blast furnaces. MBF1 was relined in just 15 days in May 2012, subsequent to which productivity and coke rate improved significantly. In order to partially make up for the loss in volume due to Redi plant closure, TML made a significant investment in rebuilding MBF2 during Q2 in a 90 day shutdown which included increase in furnace volume from 215 cubic meter to 259 cubic meter, installation of stave coolers and bell-less top and complete lining of the furnace. Post start-up, there was a vertical production ramp-up which was reflected in vastly improved Q4 performance. The sinter plant , which has been commissioned on April 4, 2013, will be a major growth and value creation driver for TML with a shift from traditional feed of expensive lump ore to agglomerates through sintering. This would ensure uninterrupted plant operations and insulate TML from the problem of shortage of iron ore lumps. In order to enhance operational efficiency further, the Company would consider installation of coal dust injection in both the furnaces in the future which will reduce coke rate significantly and improve profitability.

DI pipe making operations improved significantly in terms of production which went up 25% to 61,748 tonnes in 2012-13 against 49,502 tonnes in the previous year despite challenges with regard to availability of low phos molten metal pig iron during the beginning of the year. Other operational parameters like rejection, yield, consumption norms etc also showed improvement over the previous year. The DI pipe business team has taken aggressive targets on all operational parameters for the year 2013-14 which would create significant value for the Company.

Performance at marketplace :

Performance of TML at the pig iron marketplace was quite satisfactory despite all round slowdown in the economy during second

CONSOLIDATION FOR VALUE CREATION (Contd.)

half of the year. Aggressive marketing and selling efforts by the team enabled TML to achieve highest monthly sale and dispatch of 40,909 tonnes of pig iron and molten metal during March 2013.

TML's product commands preference and premium, a result of its approach towards customer-centricity combined with technical services that it offers. While only a part of the product was branded in the previous year, in 2012-13 there was a 100% switch to 'Tata eFee', the company's brand of energy-efficient pig iron. TML also worked upon (i) direct contact with as many customers as possible instead of relationship through market intermediaries; (ii) organizing channel financing to its customers and partners to tide over liquidity problems; and (iii) export of pig iron to niche high-value markets. Going forward, with the new sinter plant, TML's capability to offer lower phos pig iron for its customers who want customized grades will improve. TML will look for augmenting net realization by offering enhanced sale in contiguous markets, offering 100% 'Tata eFee', higher sale of customized grades/value-added product and improving customer-relationship through enhanced technical services.

In terms of sale of DI pipes, TMKPL achieved much improved performance as a result of higher production. TMKPL exported about 20% pipes to Middle East countries like Qatar, Lebanon etc and also to Bangladesh, Sri Lanka and some African countries. In 2013-14, we look forward to consolidate our DI pipe business with improved production and sales as a result of several operation improvement efficiency projects undertaken. Special focus will be on production of very high value DI pipes with special coatings for niche export markets.

Financials :

With TML's improved performance since Q4 FY'13 due to new investments in production facilities, the Kharagpur operations turned profitable. However, the company continued to incur losses due to Redi unit which accounted for a loss of ₹ 78.66 crores. This included operating loss, fixed cost, depreciation of ₹ 22.97 crores, impairment of assets and voluntary retirement expenses for employees of Redi unit of ₹ 55.69 crores. TML reported a significantly lower net loss of ₹ 54.54 crores in 2012-13 compared to a net loss of ₹ 90.60 crores in 2011-12. As TML moves forward leaving the extraordinary items relating to Redi unit behind, with improved operational and marketplace performance, the Company is expected to commence value creation for its shareholders once again.

Redi plant closure :

The Redi plant operation continues to remain suspended since Oct 2011. In order to arrest further losses due to discontinuing operations, TML formally signed a Memorandum of Settlement for voluntary retirement with the Tata Metaliks Workers Union, at Redi on March 25, 2013, and the employees were separated amicably after all dues were paid in full and to their satisfaction. This would significantly reduce TML's fixed expenses in 2013-14. With the disposal of plant, machinery and land, which is underway and likely to be completed in the current financial year, there would be revenue generation from this activity.

Kubota stake buy-out and merger of TML and TMKPL with Tata Steel :

The buyout of Kubota and Metal One shares by TML in the joint venture, TMKPL, and ultimate merger of TMKPL and TML with Tata Steel are steps forward in consolidation for value creation for its shareholders as a result of considerable synergy and higher profitability due to single value chain from iron ore to finished products, pig iron and DI pipe. Despite termination of the JV agreement, continuous technical support from Kubota and export of pipes to Kubota's key markets will continue through separate agreements. Both, pig iron as well as DI pipe businesses will be geared up to face external adversities and competition in the future due to competitive advantage on account of raw material security, project execution capabilities and access to vast technical and managerial knowledge bank of Tata Steel.

Outlook :

As a result of investments in sinter plant and MBF2, production of pig iron in 2013-14 is projected to be significantly higher compared to 2012-13. Although there is likely to remain a situation of oversupply due to lower growth rates in the user industries, which could keep pig iron prices under pressure, TML is expected to show improved performance due to softening of raw material prices and strategic sales and marketing.

Although on account of low demand, capacities in foundry industry are currently underutilized, in the long-term, this industry is destined to grow with the imminent growth in automobile and engineering sectors. India is expected to emerge as a global hub of cast components. The Indian foundry industry is geared up to utilize the opportunity of becoming an Asian hub for supply of high quality castings for automotive, auto ancillary and other capital goods industries as global casting production is expected to touch 93.50 million tonnes in 2015. The domestic industry, being the second largest casting producer in the world with a 10 million tonnes production in 2012, would facilitate the growth of foundry grade pig iron in the country.

Coming few months are going to be challenging times for the economy. In order to face this challenge, TML has taken up an improvement initiative 'Kar Vijay Har Shikhar' (KVHS), a programme which literally translates to 'Conquer Every Peak'. KVHS has been very successful in Tata Steel and with their expert facilitation, TML and TMKPL would address the entire value chain through cross functional improvement projects, mostly on cost savings and efficiency improvement, which will help the Company to consolidate its position as a leading foundry grade pig iron manufacturer as well as an emerging quality DI pipe producer.

NOTICE

NOTICE is hereby given that the 23rd (TWENTY THIRD) ANNUAL GENERAL MEETING of the Members of TATA METALIKS LIMITED will be held on Wednesday, the 25th day of September, 2013 at 12 noon at Kalamandir, 48, Shakespeare Sarani, Kolkata - 700 017 to transact the following businesses:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Profit & Loss Account of the Company for the year ended 31st March 2013 and the Balance Sheet as at that date together with the Cash Flow Statement and the reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Koushik Chatterjee, who retires by rotation and being eligible for re-appointment;
3. To appoint a Director in place of Mr. V. S. N. Murty who retires by rotation and being eligible for re-appointment;
4. To appoint auditors and fix their remuneration.

SPECIAL BUSINESS :

5. **Appointment of Mr. Sanjiv Paul as Director**

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

   "RESOLVED that in accordance with the provisions of Section - 257 and all other applicable provisions, *if any,* of the Companies Act, 1956, Mr. Sanjiv Paul, who was appointed as an Additional Director and will hold office up to the date of the ensuing Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a Notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company and that his office shall not be liable to retirement of Directors by rotation".

6. **Appointment of Mr. Sanjiv Paul as the Managing Director**

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

   "RESOLVED that pursuant to the provisions of sections 198, 269, 309, 311 and other applicable provisions, *if any,* read with Schedule XIII of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to all such statutory approval(s) as may be necessary, the Company does hereby accord its consent to the appointment of Mr. Sanjiv Paul as the Managing Director of the Company with effect from 1st April, 2013 at the remuneration and other terms and conditions as contained in the draft agreement, an abstract whereof is set out in the explanatory statement relating to this resolution.

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

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

On behalf of the Board of Directors

Sankar Bhattacharya
Chief (Corporate Governance)
& Company Secretary

Place : Kolkata
Date : July 30, 2013

Notes :

a) The relative Explanatory Statements, pursuant to the provisions of Section 173(2) of the Companies Act, 1956 (the **"Act"**), in respect of the businesses mentioned under item nos. 5 and 6 above are annexed hereto. The relevant details as required under Clause 49 of the Listing Agreements entered into with the stock exchanges with respect to item nos. 5 and 6 are also annexed.

b) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. However, Proxies in order to be effective must be received by the Company at its Registered Office at least 48 hours before the meeting.

c) Corporate Members are requested to send a duly certified copy of the Board Resolution pursuant to Section 187 of the Act, authorizing their representative(s) to attend and vote at the meeting.

NOTICE (Contd.)

d) Members / Proxies should bring the attendance slip duly filled in for attending the meeting.

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

f) As per the provisions of the Act, the nomination facility is available to the shareholders in respect of shares held by them in physical mode. Nomination forms can be obtained from the Registrar of the Company.

g) The Register of Members and Share Transfer Books of the Company will be closed from Friday, September 20, 2013 to Wednesday, September 25, 2013 (both days inclusive).

h) Shareholders desiring any information as regards the 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.

i) Members, who have not yet encashed their dividend warrant(s) for the financial year 2005-2006 and onwards, are requested to make their claims to the Company accordingly, without any further delay. It may kindly be noted that the unclaimed dividend for the financial year 2003-2004 has been transferred to the Investors Education & Protection Fund.

j) 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 / RTA for registration of such transfer of shares irrespective of the amount of such transaction.

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

ANNEXURE TO NOTICE

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

Item no. 5

Mr. Sanjiv Paul graduated in Metallurgical Engineering and joined Tata Steel in 1986 as a Graduate Trainee. He started his career at the Steel Melting Shops where he worked in various capacities till 1998. After completion of a Senior Management Program at Cedep, France, Mr. Paul moved on to assume Leadership roles in areas of General Management in Tata Steel.

He assumed the position of General Manager (Town Services) in January 2003 and under his leadership, the Town Services Division became an independent company by the name of Jamshedpur Utilities & Services Company Limited, which he headed as Managing Director till March 2010. Before joining Tata Metaliks, Mr. Paul was the Vice President (Corporate Services) of Tata Steel Limited.

Considering his vast experience, the Board thought it prudent to appoint Mr. Paul as an Additional Director in the Company with effect from March 30, 2013. In terms of the provisions of Section 260 of the Act and Article 106 of the Articles of Association of the Company, Mr. Paul holds office as Director till the date of the ensuing annual general meeting and is eligible for appointment as Director. Notice has been received from a Member under section 257 of the Act, signifying his intention to propose the candidature of Mr. Paul for the office of Director.

The Board considers it desirable that the Company should continue to avail itself of the services of Mr. Paul as a Director and accordingly recommends the resolution set out at item No. 5 for approval by the Members.

None of the Directors other than Mr. Paul is interested in the Resolution at item No. 5.

Item No. 6

Mr. Sanjiv Paul joined as Managing Director in the company with effect from April 1, 2013.

Since the Company has inadequate profits for the F.Y. 2012-13 the appointment of Managing Director shall be guided by the provisions of Schedule XIII of the Companies Act, 1956.

NOTICE (Contd.)

The Board has appointed Mr. Paul as Managing Director of the Company, subject to the approval of the Members by Special Resolution and statutory authorities as may be required in this regard.

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

Salary :

The Salary of Mr. Paul shall be ₹ 2,68,000/- (Rupees two lacs sixty eight thousand) only per month in the scale of ₹ 50,000/- to ₹ 5,00,000/- per month, with authority to the Board/ Remuneration Committee thereof to fix his salary within the scale from time to time (with proportionate increase in the value of the benefits linked to salary). The annual increment will be merit based and would take into account the Company's Performance.

Commission :

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

Perquisites & Allowances :

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

Provided that –

I. For the purpose of calculating the above ceiling, perquisites shall be evaluated as per the Income-Tax Rules, wherever applicable. In absence of any such Rules, perquisites shall be evaluated at actual cost;

II. Provision for use of Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling; and

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

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

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

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

The Board recommends the resolution as set out under item no. 6 of the Notice, for adoption by the Members.

None of the Directors of the Company, except Mr. Paul, is concerned or interested in item no. 6 of the Notice.

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

I. General Information :

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

(Amount in ₹ Cr)

Particulars	2012-13	2011-12	2010-11
Turnover	866.29	1132.92	1318.31
Net Profit / (Loss) before Tax & Appropriation	(54.54)	(125.46)	28.68

NOTICE (Contd.)

5) **Export performance and net foreign exchange earning :** Nil
6) **Foreign investments or collaborators, *if any* :** Nil

II. Information about the appointee :

1) **Background details :** Mr. Paul graduated in Metallurgical Engineering and Completed a senior Management Programme at Cedep, France. He moved on to assume Leadership roles in areas of General Management in Tata Steel. Before joining Tata Metaliks, Mr. Paul was the Vice President (Corporate Services) of Tata Steel.

2) **Past remuneration :** N.A

3) **Recognition or awards :** Nil

4) **Job profile and his suitability :** He is responsible for the overall day to day operations of the Company. Considering his qualification and wide experience, he is found to be suitable for the position of Managing Director of the Company.

5) **Remuneration proposed :** (a) Salary in the Scale of ₹ 50,000 – ₹ 5,00,000 (b) Perquisites & Allowances not exceeding 125% of the Annual Salary and (c) Performance Linked Remuneration not exceeding twice the Annual Salary, subject to obtaining necessary approval of Members and statutory authorities, wherever required.

6) **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin) :** Tata Metaliks is the largest Pig Iron manufacturer in India. Comparative remuneration profile is not readily available. It is believed that the remuneration proposed to be paid to Mr. Paul is just and reasonable.

7) **Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personal, *if any* :** None

III. Other information:

1) ***Reasons of loss or inadequate profits :*** The losses are primarily on account of Redi business unit which suffered a loss of ₹ 78.66 crores. This included 'extra-ordinary items' of ₹ 55.70 crores consisting of (i) Redi labour settlement cost of ₹ 10.70 crores; and (ii) impairment charge on Redi Plant and Machinery of ₹ 45.00 crores. The Redi unit has been mothballed since October 15, 2011. The Kharagpur unit made a profit of ₹ 24.12 crore in the current year. The profit of Kharagpur unit has suffered to a great extent due to delay in commissioning of the plants and very poor market conditions from November 2012 onwards.

2) ***Steps taken or proposed to be taken for improvement :*** Following steps have been/are being taken to improve our competitive position :

   Fiscally: Even in the year of operating loss, we have made significant capital investment to make our future secure. We have taken various steps to reduce working capital to release funds for Capex and to reduce commodity risks.

   Operationally : During the year under review, the company has made significant capital investment to reduce cost of production and increase the production volume. The Company has upgraded and enhanced the capacity of MBF#2 during October, 2012. A newly commissioned 4,00,000 MTPA capacity Sinter plant at Kharagpur is in operation.

   Marketing : We converted 100% branded pig iron, Tata eFee and propose to add further value to our product and technical services, in order to counter the sluggish market and command premium for our products.

   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 have reduced our exposure to inventory by fixing a prudent Value-at-Risk for finished goods and raw material, which will reduce commodity risk. We have also increased our foreign currency hedge ratio to minimize currency risk.

3) ***Expected increase in productivity and profits in measurable terms :*** The productivity is likely to increase as company has enhanced capacity of MBF#2 and commissioned Sinter Plant which will increase the productivity and will reduce raw material costs.

On behalf of the Board of Directors
Sankar Bhattacharya
Chief (Corporate Governance)
& Company Secretary

Place : Kolkata
Date : July 30, 2013

NOTICE (Contd.)

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

(Pursuant to Clause 49 of the Listing Agreements)

Name of Director	Mr. Koushik Chatterjee	Mr. V S N Murty	Mr. Sanjiv Paul
Date of appointment	24-07-2009	15-04-1951	16-03-2013
Date of Birth	03-09-1968	13-07-1953	16-03-1963
Expertise in specific functional areas	Corporate Finance	Chartered Accountant	Metallurgical Engineer
Qualifications	B.Com (Hons.), FCA	B.Com (Hons.), A.C.A.	B. Tech
List of companies in which outside Directorship held as on March 31, 2013	• Tata Steel Limited • Tata Services Limited • The Tinplate Company of India Ltd. • NatSteel Asia Pte Limited • Tata Steel Global Procurement Co. Pte Limited • Tata Steel (Thailand) Public Company Ltd. • Tata Steel Holdings Pte Ltd. • Tata Steel Global Holding Pte Ltd • Tata Steel Global Minerals Holdings Pte Ltd. • Tata Steel Europe Ltd. • Tulip Holdings (No.2) Ltd • Tulip UK Holdings (No.3) Ltd. • Tata Steel UK Limited • Tulip Netherlands (No.1) BV • Tulip Netherlands (No.2) BV • NatSteel Holdings Pte Ltd • Tata Steel Netherlands B V • Tata Steel Odisha Ltd. • ProCo Issuer Pte Limited	• TRL Krosaki Refractories Ltd. • Bhubaneswar Power Pvt. Ltd. • Industrial Energy Ltd. • JAMIPOL Ltd. • Tata Steel Odisha Ltd. • Tata Steel International Holding PTE • Tata Steel Holdings Pte Ltd. • Tata Steel Global Procurement Company Pte Ltd. • ProCo Issuer Pte Limited	• Tata Metaliks Kubota Pipes Ltd. • Nicco Jubilee Park Ltd. • Gopalpur Special Economic Zone • Tata Pigments Ltd.
Chairman / Member of the committees of the Boards of companies on which he is a Director as on March 31, 2013	• **Tata Metaliks Ltd.** - Remuneration Committee – (M) - Committee of Board (M) • **NatSteel Asia Pte Ltd.** - Audit Committee (M) • **Tata Steel (Thailand) Public Company Ltd.** - Executive Committee (M) - Remuneration Committee (M) - Nomination Committee (C) - Corp. Gov. Committee (C) • **Natsteel Holdings Pte Ltd.** - Audit Committee (M)	• **Tata Metaliks Ltd.** - Audit Committee – (M) - Investment & Borrowing Com (M) • **TRL Krosaki Refractories Ltd.** - Audit Committee – (M) • **JAMIPOL Ltd.** - Audit Committee – (M) • **Tata Steel Holdings Pte Ltd., Singapore** - Audit Committee – (M)	• **Tata Metaliks Kubota Pipes Ltd.** - Remuneration Committee (M) - Audit Committee (C) • **Tata Metaliks Ltd.** - Shareholders'/Investors' Grievance Committee (M)
Shareholding in Tata Metaliks Ltd.	NIL	NIL	NIL

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present their Twenty Third Annual Report of the working of the Company along with the Statement of Accounts and the Auditors' Report for the financial year ended March 31, 2013.

1. Financial Results

(₹ Crore)

Particulars	Current Year (Stand-Alone)	Previous Year (Stand-Alone)	Current Year (Consolidated)	Previous Year (Consolidated)
Gross Income from sales and other operations	966.59	1,240.15	1,083.50	1,327.76
Profit/(Loss) before Interest, Depreciation and taxes	(19.03)	(80.20)	(46.96)	(100.01)
Less : Interest	19.41	28.79	38.72	43.14
Profit/(Loss) before Depreciation and Taxes	(38.44)	(108.99)	(85.68)	(143.15)
Less : Depreciation	16.11	16.47	28.23	26.95
Profit/(Loss) before Taxes	(54.54)	(125.46)	(113.90)	(170.10)
Less : Provision for Taxes including deferred Taxes	–	(34.86)	–	(34.86)
Profit/(Loss) After Taxes	(54.54)	(90.60)	(113.90)	(135.24)
Less : Minority Interest	–	–	(26.80)	(21.77)
Profit/(Loss) After Tax and Minority Interest	(54.54)	(90.60)	(87.11)	(113.47)
Profit/(Loss) and loss credit balance brought forward	(87.07)	3.53	(150.79)	(37.32)
Balance to be carried forward	(141.62)	(87.07)	(237.90)	(150.79)

DIRECTORS' REPORT (Contd.)

Dividend

As the Company has suffered losses, your Directors are not in a position to recommend any dividend for 2012-13.

Performance

During the year under review, the Company has made capital investment of over ₹ 100 crores to reduce cost of production and increase the production volume. The Company has upgraded and enhanced the capacity of MBF#2 during October, 2012. A newly commissioned 4,00,000 MTPA capacity Sinter Plant at Kharagpur is in operation w.e.f. April 4, 2013. It is expected that these investments will contribute to a better operating performance in F.Y. 14.

The Company produced 2.87 lacs tons of hot metal. Out of this 2.05 lacs tons of pig iron were sold and 0.68 lacs tons of hot metal supplied to TMKPL for manufacturing DI Pipes.

Domestic prices of pig iron were stable in the first half of FY-13, but started reducing from October'12 and thereafter market remained depressed.

The Company has incurred a loss of ₹ 54.54 crores compared to ₹ 90.60 crores in the previous year on standalone basis. The loss on consolidated basis is ₹ 113.90 crores compared to ₹ 135.24 crores of the previous year. The loss is largely attributable to Redi business unit which suffered a loss of ₹ 78.66 crores. This included 'extra-ordinary items' of ₹ 55.70 crores consisting of (i) Labour settlement cost of ₹ 10.70 crores; and (ii) Impairment charge on Redi Plant and Machinery of ₹ 45.00 crores. The Redi unit had been mothballed since October 15, 2011.

The Kharagpur unit made a profit of ₹ 24.12 crores in the current year. The profit of Kharagpur unit could have been higher but the same has been impacted due to delay in commissioning of Sinter Plant and revamping of the MBF#2 and the major price drop from October'12 onwards. The losses at subsidiary are mainly due to lower capacity utilisation and sharp fall in net realisation. Production at DI Pipe business however increased to an annualised rate of 1 lac tpa, from November.

Amalgamation

Your Directors have approved the amalgamation of the Company with its holding Company i.e. Tata Steel Limited. The amalgamation will bring following synergy benefits to the current and future business :-

- Supply of iron ore at competitive price, a key success factor;
- Financial support for capital projects;
- Benefits in inventory management;
- Savings in administrative and interest cost.

The amalgamation, if *approved,* will be advantageous and beneficial to all stakeholders of your company.

Building Customer Centric culture

TML continuously strives to bring forth 'Customer Centricity' as an organization-wide initiative and in our endeavor to inculcate this culture within the Company, all the recommendations of Strategizing for Customer Oriented Processes and Excellence (Project **"SCOPE"** guided and mentored by IIM Calcutta) were implemented and pursued, and all the Key Enterprise Processes were aligned and integrated accordingly. We have also built up the concept of internal and external customers over a period of time to understand and cascade customer needs.

In 2012-13 we offered our premium product **Tata eFee^R^**, the first branded pig iron, which has the capability to reduce energy consumption in foundries by 5-15%. Gradually TML has increased the share of **Tata eFee^R^** in product mix and currently we are producing 100% **Tata eFee^R^**. The company plans to increase its market share through higher volumes of value added products and become the supplier of choice by providing enhanced services like, web access mechanisms, business query through web, SMS services for delivery, technical support services from Customer Service Centre (CSC), etc.

Expansion Projects

Your Company :-

a) has successfully commissioned Sinter Plant at Kharagpur and started commercial production from April 4, 2013. This plant will enable the Company to use iron ore fines at lower cost and achieve lower coke rate and higher productivity in the mini blast furnaces;

b) has also completed normal relining, modification, up-gradation and volume enhancement of MBF#2 at Kharagpur;

c) has signed a BOOT (Build, Own, Operate and Transfer) contract for setting up a Coke Conversion unit at Kharagpur. This unit, when commissioned, will help getting coke at low cost and produce flue gas which can be used to generate power;

DIRECTORS' REPORT (Contd.)

d) is in the process of setting up a power plant based on waste heat from flue gas from the coke conversion facility. The power thus generated would be used for captive use.

The Company is in search of adequate and suitable land in the vicinity of the existing plant for future expansion.

Consolidated Financial Statements

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

Subsidiary

Your Company has one subsidiary i.e. Tata Metaliks Kubota Pipes Limited (**"TMKPL"**). This company was formed in 2007 through a joint venture agreement with Kubota Corporation, Japan and Metal One Corporation, Japan. By virtue of a joint-venture termination agreement, Kubota and Metal One have sold and transferred their respective stakes to your company and TMKPL has become a wholly owned subsidiary of your company with effect from April 9, 2013.

Directors

Mr. Harsh K Jha has retired as Managing Director w.e.f. April 1, 2013. Mr. A C Wadhawan has retired as an Independent Director w.e.f. January 27, 2013. Mr. Ashok Kumar has resigned as Director from the Board w.e.f. March 30, 2013.

Mr. D. P. Deshpande has relinquished his Executive position and become a Non-Executive Director w.e.f. April 1, 2013.

Mr. Sanjiv Paul has been co-opted as an Additional Director w.e.f. March 30, 2013. Mr. Paul has also been appointed as Managing Director of the Company w.e.f. April 1, 2013.

Mr. Koushik Chatterjee and Mr. V S N Murty retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

Auditors

M/s Deloitte Haskins & Sells, Chartered Accountants, the statutory auditors of the company shall retire at the ensuing Annual General Meeting and being eligible offered themselves for re-appointment. Your Company has received a Certificate from the Auditors to the effect that their re-appointment, *if made*¸ would be within the limits of Section 224(1B) and in compliance with the provisions of Section 226 of the Companies Act. 1956.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors confirm that :

i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with providing proper explanation relating to material departures;

ii) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of your Company for that period;

iii) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

iv) They have prepared the annual accounts on a going concern basis.

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 (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988, is appended as Annexure "A" and forms part of this Report.

Particulars of Employees

The information required under Section 217(2A) of the Companies Act, 1956 and the Rules made there under, in respect of the employees of the Company, and in terms of Section 219(1)(b)(iv) is available for inspection by Members at the Registered Office of the Company during business hours

DIRECTORS' REPORT (Contd.)

on working days up to the date of the ensuing AGM and if any Member is interested in obtaining a copy thereof, such Member may write to the Company, whereupon a copy would be sent.

Corporate Governance

Pursuant to Clause 49 of the Listing Agreement executed with the Stock Exchanges, a separate section on Corporate Governance along with reports on Management Discussion & Analysis and Auditors' Certificate regarding compliance of conditions of Corporate Governance are made a part of the Annual Report.

Corporate Social Responsibility

Your Company endeavours to take initiatives to improve quality of life in the community through "SADBHAVNA" a Trust set up for CSR activities. The corpus of the Trust is made by contribution from employees and Company.

Our focused area of CSR activities include:-

- **Health**

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

  Through Maternal & Child Health awareness program we have been able to provide clarity on the myths & realities of some common ailments and educate people on the importance of vaccination.

- **Education :**

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

- **Employability:**

  The company has been providing ITI training to unemployed youth under the name of "SWABLAMBAN" for the last two years. The first batch has already passed out in June 13 and we are also sponsoring second batch for the current financial year.

  The vermicompost project has been running for the last three years. A group of dedicated tribal women of SHG called Sidukanu Birsa at Kunjachawk are successfully running this project and have successfully carved out a livelihood from the project to supplement the income of their families.

Note of Appreciation

The Board takes this opportunity to sincerely thank all its stake-holders namely, shareholders, customers, suppliers/contractors, bankers, employees, government agencies, local authorities and the immediate society for their un-stinted support and co-operation during the year.

On Behalf of the Board of Directors

Place : Kolkata
Date : July 30, 2013

Koushik Chatterjee
Chairman

DIRECTORS' REPORT (Contd.)

COMPLIANCE TO CODE OF CONDUCT

Declaration regarding compliance by Board Members and Senior Management Personnel with the Code of Conduct

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

I confirm that the Company has in respect of the financial year ended March 31, 2013, received from the senior management team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Members of the Management one level below the Managing Director as on March 31, 2013.

For **TATA METALIKS LIMITED**

Kolkata
April 29, 2013

Sanjiv Paul
Managing Director

ANNEXURE 'A' TO THE DIRECTORS' REPORT

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

A) CONSERVATION OF ENERGY

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

B) TECHNOLOGY ABSORPTION

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

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

	2012-13 ₹ in Lacs	**2011-12 ₹ in Lacs**
EARNINGS		
Export of pig iron through export house, sale proceeds having been/to be realized in Rupees	**NIL**	NIL
OUTGO		
Value of Imports (C.I.F.)	**29288.63**	32,152.17
Interest	**574.92**	396.18
Traveling abroad	**0.60**	8.41
Consultancy fees on Capital Account	**139.35**	191.05
Others	**1.27**	3.02

ANNEXURE 'B' TO THE DIRECTORS' REPORT

Form for disclosure of particulars with respect to conservation of energy

	2012-13 ₹ in Lacs	2011-12 ₹ in Lacs
A) POWER AND FUEL CONSUMPTION		
1) Electricity		
a) Purchased		
Units (Lakh KWH)	85.36	8.97
Total amount (₹ in Lacs)	698.05	111.77
Cost / Units (₹/KWH)	8.18	12.46
b) Own Generation		
(i) Through diesel generation		
Units (Lakh KWH)	4.802	2.255
Units per Ltr of High Speed Diesel (KWH)	3.12	3.32
Cost / Unit (₹/KWH)	15.58	12.56
(ii) Through steam turbine / generator		
Units (Lakh KWH)	431.873	502.912
Units per Ltr of Light Diesel Oil (KWH)	98.61	139.31
Cost / Unit (₹/KWH)	0.49	0.30
2) Coal	–	–
3) Furnace Oil	–	–
4) High Speed Diesel Oil		
Quantity (K. Ltrs)	726.747	496.201
Total amount (₹ Lakhs)	353.39	206.67
Average Rate (₹/Lakhs)	48,627	41,651
B) CONSUMPTION PER UNIT OF PRODUCTION PER TON OF PIG IRON		
Electricity (KWH)	180.94	182.50
Coal		
Furnace Oil		
Others :		
Light Diesel Oil (Liters)		
High Speed Diesel Oil (Liters)	2.52	1.76

DIRECTORS' REPORT (Contd.)

FORM 'B'

Form for disclosure of particulars with respect to Technology Absorption : 2012-13

RESEARCH AND DEVELOPMENT (R&D)		
1.	Specific areas where R & D carried out by the Company	Tata efee established. Jointly working on Tata efee plus with Tata Steel R & D
2.	Benefits derived as a result of the above R &D	Customers derived energy savings in their foundries. We charged Rs.100 pt higher for Tata efee with respect to normal pig iron.
3.	Future plan of action	
4.	Expenditure on R & D	
	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	
2.	Benefits derived as a result of the above efforts, e.g. product, improvement, cost reduction, product developments, import substitution etc.	
3.	In case of imported technology (imported during last 5 years reckoned from the beginning of the financial year) following information may be furnished	
	a) Technology imported	
	b) Year of import	
	c) Has technology been fully absorbed, areas where this has not taken place?	
	d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.	

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. Industry Structure and Developments

Financial Year 2012-13 witnessed one of the lowest annual growth rates in India during the recent times due to global slowdown as well as domestic uncertainties. The consumption of iron and steel, dependent on the GDP growth rate and a function of the growth in automobiles, white goods, construction and infrastructure sectors, grew by just 3.3% during 2012-13 as against 5.5% in 2011-12. The low demand conditions of steel during the year, coupled with continuing ban, partial or full, on iron ore mining in Karnataka, Goa and Odisha, aggravated the problems for the industry.

The pig iron industry had to face a similar situation, especially in the second half of the financial year 2012-13, due to a severe slowdown in the foundry industry as a result of reduced demand of auto components, engineering goods and sanitary castings. Non-availability of right quality of iron ore in adequate quantity and over-supply of pig iron due to reduced global and domestic demand put tremendous pressure on price and margins. Further, closure of Redi plant, and the cost of amicable separation of the workforce there, put additional strain on profitability of the Company.

The economy has not shown any signs of improvement in the first half of 2013-14 and has infact slowed down further. The continued weakening of the Rupee against US Dollar will severely impact the imported coal and coke costs, putting further pressure on margins. However, the outlook of Q3 and Q4 is expected to be better with good monsoon and positive measures by the government to boost growth in infrastructure. Additionally, with a number of pig iron manufacturers, including a large state-owned unit, shifting to value addition into steel, the over-supply situation in the pig iron industry is expected to reduce.

B. International Scenario of Pig Iron and Coke prices

I. Pig Iron Scenario

Performance of Indian pig iron market during the financial year 2012-13 can be clearly divided into two parts. First half of the year was quite good with regard to demand as well as price of pig iron. However, the scenario started changing from Oct 2012 when the domestic market started getting affected due to (i) A slowdown in the global markets due to which demand of steel grade pig iron in the South East Asian countries reduced significantly. As a result bulk exports totally dried up and those materials which were exported started finding their way into domestic market, and; (ii) A slowdown in domestic castings market as a result of general slowdown in automobiles and engineering goods demand.

Although pig iron prices are generally linked to the major raw material prices, i.e. coking coal/coke and iron ore, it also depends on the demand, both domestic as well as global. Historically pig iron prices have been found to move in tandem with the HMS (Heavy Melting Scrap) prices and in general, pig iron prices are US$ 40-50 more than the scrap prices. In 2012-13 however, spread gap between pig iron price and HMS price narrowed down significantly to US$12 in Q4 when the prices of pig iron almost bottomed out. After that, a small improvement was observed in the global steel grade pig iron market with some successful transactions of tenders over USD 400/t FOB after a significant gap. Export of steel grade pig iron by two large state-owned manufacturers was restarted in July 2013 and is expected to reduce the flow of this material into the domestic market by them. Under this changing scenario, it is expected that the price of pig iron may move up, both in the domestic as well as the export markets.

II. Coke Price

International coke prices have declined in Q4, FY'12 mainly on account of a return to normal operation at the Australian coal mines after flooding and overall sluggish global demand of coke. The prices were on a downward trend globally throughout FY '13.

In FY'13 coke prices dropped from a level of ~ USD 365/370 pmt CFR in Q1 to ~ USD 310/315 pmt CFR in Q3.

Domestic coke prices in China declined rapidly due to a slowdown in Chinese domestic economy during 2012-13. China cancelled all controls on coke export from Q4 which led to further softening of coke price to USD 300 pmt by end of Q4.

In the international market, coke prices declined by ~ 18% in FY'13 and the decline is expected to continue in FY'14.

C. Financial Performance

The Company produced 2,88,512 tons of Pig iron in 2012-13 compared to 2,81,713 tons in the previous year. In 2012-13 the Company sold 2,73,514 tons of pig iron and hot metal compared to 3,56,121 tons to achieve a turnover of ₹ 966.59 crores in comparison to ₹ 1240.14 crores in previous year. On a stand-alone basis, in 2012-13, the Company incurred a Loss of ₹ 54.54 crores against a Loss of ₹ 90.60 crores in 2011-12.

The loss is largely attributable to Redi business unit where the Company has made loss of ₹ 78.66 crores which includes ₹ 55.70 crores as extra ordinary item on account of impairment of plant and machinery and settlement of employees.

Off-take of hot metal by Tata Metaliks Kubota Pipes Ltd. (TMKPL) was higher in 2012-13 with production of 61,748 tons of Ductile Iron (DI) Pipe in 2012-2013 compared to 49,502 tons in 2011-12; an increase of 25%. TMKPL achieved a sale of ₹ 323.73 crores in 2012-13. However, due to low capacity utilization and realizations, TMKPL incurred a loss of ₹ 59.36 crores, an increase of 34% over the previous year.

Hence, on a consolidated basis your Company ended 2012-13 with a Loss before Tax and minority interest of ₹ 113.90 crores against a Loss before Tax and minority interest of ₹ 170.10 crores in 2011-12.

The focus of the operation was on cost and the Company achieved the lowest ever net dry coke rate of 666kg/thm. MBF#1 was repaired and revived to health within a short span of time. To reduce the cost of operations further, the capacity of MBF#2 was increased from 215m3 to 259m3 with technological interventions. The 40.5 m2 Sinter Plant also commenced trial runs. This will further help the Company to improve productivity and reduce cost.

D. Opportunities

Several smaller secondary sector pig iron suppliers also manufacture other products like structural steel, ductile iron pipes and castings. As there is some demand pull and growth in these products, the supply of foundry grade pig iron would match up with the demand. With a large state-owned manufacturer of steel grade pig iron commissioning its steelmaking facilities in early 2013-14, many secondary sector foundry grade pig iron manufacturers may try to fill up the vacancy created by switching over to steel grade production.This will help foundry grade manufacturers to achieve reasonably viable price levels.

The Company has worked on opportunities and have taken a number of initiatives like

(i) 100% production of branded pig iron as "Tata eFee" (Energy Efficient Pig Iron) which melts much faster than existing foundry grade pig iron. This results in energy saving of 5-15% (coke/electricity) as validated by the customers as well as reduction of carbon footprint,

(ii) Direct contact with as many customers as possible instead of relationship through market intermediaries,

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

(iii) Providing extensive and enhanced technical services to foundries,

(iv) Organising channel financing to its customers and partners to tide over liquidity problems, and

(v) Exportingf pig iron to niche high-value markets.

The Company is currently pursuing modified version of Tata eFee which will enhance the pig iron production process productivity and further improve physical attributes of pig iron.

The Company had vacated the markets of Gujarat, Coimbatore, Hyderabad and Kolhapur upon closure of Redi unit. With expected increase of production of over 35% in 2013-14, the Company has the opportunity of re-entering these markets with a long-term strategy as some of these markets are producing high-value castings for automobiles and engineering goods. Also, these customers are more quality conscious while buying raw materials such as pig iron and scrap. Our ability to provide quality products, combined with the lesser competition helped us achieve significant sales in these markets in Q4.

The Marketing and Sales objective for 2013-14 is to augment the Company's net realization by offering enhanced sale in contiguous markets, offering 100% **Tata eFee(R)**, higher sale of customized grades/value added product and improving customer-relationship through enhanced technical services.

E. Threats

Foundries using pig iron, are now opting for substitutes like Mild Steel/Cast Iron/Heavy Melting Scrap. This is due to the switch from cupola to induction furnaces, which can use higher proportion of scrap for manufacturing castings.

The challenge remains in the foundry industry due to reduced consumption of pig iron by casting manufacturers and substitution of foundry grade pig iron with steel grade pig iron and scrap. Though the export market for steel grade pig iron has improved, foundry grade pig iron prices could be under pressure for some time. Hence, the Company plans to sell higher quantities of SSG (Special Spheroidal Graphite) pig iron for ductile iron castings manufacturers.

F. Outlook

During March'13 the demand of pig iron in North India market increased slightly. The Company succeeded in capturing this demand and dispatched 39,184 tonnes of pig iron (highest-ever -8 rake-loads) in that month. Hot metal transfer for ductile iron pipe also picked up and higher production of hot metal could also be achieved during this month.

The production of pig iron in 2013-14 is projected to be higher compared to 2012-13. The oversupply is expected to continue due to lower growth rates in the user industries. This supply demand imbalance may keep pig iron prices under pressure. However, raw material prices of iron ore,coke and coal are expected to soften in the coming months when Karnataka's iron ore mines and Australia's coal mines start producing at normal levels.

On account of low demand, capacities in the foundry industry are currently underutilized. In the long term, this industry is destined to grow with growth imminent in automobile and engineering sector. India is expected to emerge as a global hub for cast components. The Indian foundry industry is equipped to capitalise on the immense opportunity of becoming an Asian hub for supply of high quality castings for automotive, auto ancillary and other capital goods industries. Revised global forecast for 2015 suggests that world casting production will reach 93.50 million tonnes from 91.40 million tonnes in 2011. The Indian casting industry being the second largest casting producer (10.00 million tonnes in 2012), should further strengthen, resulting in higher consumption of pig iron in longer-term.

G. Risk and Concerns

Risk Management is an integral part of the strategic management of your Company. The process involves periodic identification of risks likely to affect the business from operating smoothly and adoption of appropriate measures to address the concerns. In this regard, your Company has identified risks in Marketing, Supply Chain and Finance.

Foundry grade pig iron industry may get adversely affected by excess capacity, dumping of steel grade pig iron by integrated producers and depressed economy (auto sector in particular). Price of pig iron is also sensitive to demand supply position of steel scrap in the country.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

The Company's Foreign currency exposure is on account of import of coke/coking coal. Wherever necessary, appropriate insurance cover is also taken to mitigate the risks.

H. Internal Control System and their Adequacy

Your Company has proper and adequate internal controls commensurate with its size and nature of operations to provide reasonable assurance that not only are all assets safeguarded, transactions authorized, recorded and reported properly but also all applicable statutes. Tata Code of Conduct and corporate policies are duly complied with.

Your Company has an Audit Committee with majority of independent directors as members to maintain objectivity. Audit Charter is the guiding document in this connection. Systems Assurance department of your Company conducts audit in various functional areas as per audit plan approved by the Audit Committee. Audit planning and executions are oriented towards a review of internal controls and risks in the functional areas of your Company. The Systems Assurance Department reports its findings and observations to the Audit Committee which meets at regular intervals to review audit issues and follow up on implementation of corrective actions.

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

I. Human Resources and Industrial Relations

Redi employees were separated amicably through a voluntary retirement scheme. Due to this, your Company's employee strength came down to 350 as on March 31, 2013 from 642 as on March 31, 2012. Your Company believes in the need to create competencies today for the challenges of tomorrow and works towards it through a structured learning and development system. Your Company is focused on enhancing employees' engagement plans. Reward and recognition policies create a positive work environment.

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

J. Corporate Social Responsibility

The Company in its endeavour to ensure Sustainability has put in place, as well as continually improved the systems and processes as per the Global Reporting Initiative (GRI) Guidelines for the Triple Bottom Line and UN Global Compact. Your Company believes in sustainable development to focus on achieving excellence in its key functional areas including business operations, process management, business results, climate change, carbon footprint reduction, community development, customer interface, governance, human capital, safety and innovations. The Company also follows the Tata Code of Conduct set out for the Company and its employees, and standards to conduct themselves with stakeholders at large.

K. Statutory Compliance

The Managing Director makes periodic declaration regarding the compliance with provisions of various statutes after obtaining confirmation from the respective process owner.

The Company Secretary, being the Compliance Officer, ensures compliance with the SEBI regulations and provisions of the Listing Agreement, as applicable.

L. Cautionary Statement

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

CORPORATE GOVERNANCE REPORT

Corporate Governance

The Tata Values

Corporate Governance is a reflection of our culture, policies, our relationship with stakeholders and our commitment to values. We believe that sound Corporate Governance is critical to enhance and retain investors trust. Accordingly, it is our constant endeavor to ensure that integrity & fairplay are the corner stone of our governance paradigm, whilst we pursue excellence in corporate performance.

BOARD COMPOSITION

The Company has a judicious mix of Executive and Non-Executive Directors. There are 8 (Eight) Directors on Board with two Executive Directors as on March 31, 2013. The Chairman is a Non-Executive Director and there is an appropriate combination of Independent and Non-Independent Directors on Board.

Category	No. of Directors	Percentage to total no. of Directors
Executive Director (Mr. Harsh K Jha, Mr.D.P.Deshpande)	2	22.22%
Non-Executive Directors (Mr. Koushik Chatterjee, Mr. V. S. N. Murty and Mr. Sanjiv Paul)	3	33.33%
Independent Directors (Mr. Dipak Banerjee, Mr. Ashok K Basu, Dr. Pingali Venugopal and Mr. Krishnava Dutt)	4	44.45%
Total	**9**	**100.00%**

CORPORATE GOVERNANCE REPORT (Contd.)

Note :
- Mr. Harsh K Jha has retired as Managing Director w.e.f April 1, 2013
- Mr. Sanjiv Paul has been co-opted as an Additional Director w.e.f. March 30, 2013 and also appointed as Managing Director w.e.f. April 1, 2013;
- Mr. D P Deshpande has relinquished his position as Executive Director and continues to act as Non-Executive Director w.e.f. April 1, 2013;

The Company is in compliance with Clause 49 of the listing agreement pertaining to composition of Directors.

None of the Directors on the Board is a Member in more than 10 Committees across all the companies in which he is a Director. The necessary disclosures regarding Committee positions are being made by the Directors from time to time.

Meetings of the Board

Twelve Board Meetings were held during the year 2012-13 as follows:-

April 12, 2012, April 25, 2012, July 5, 2012, July 26, 2012, September 21, 2012, October 16, 2012, November 19, 2012, December 10, 2012, January 17, 2013, January 25, 2013, March 15, 2013 & March 25, 2013.

Dates for the Board Meetings are decided well in advance and communicated to the Directors. The information as required under Annexure 1A to Clause 49 is being made available to the Board. The Ministry of Corporate Affairs vide General Circular No. 28/2011 dated May 20, 2011, has permitted the participation of Directors in Board Meetings through electronic mode. As permitted by the aforesaid circular, eight out of the aforesaid twelve Board Meetings were held in electronic mode.

The Board periodically reviews compliance reports of all laws applicable to the Company and the steps taken to rectify instances of non-compliance.

The names and categories of the Directors on the Board, their attendances at Board Meetings and Annual General Meeting and Committee Membership held by them in other Companies are given below:-

Name of the Directors	Category	No. of Board Meeting attended during 2012-13	Attendance at last AGM	No. of Directorships held in other public companies as on March 31, 2013		No. of Committee positions held in public companies as on March 31, 2013*	
				Chairman	Member	Chairman	Member
Mr. Koushik Chatterjee	Non Independent - Non-executive	12	Yes	1	3	-	-
Mr. Harsh K Jha	Non-Independent – Executive	12	Yes	1	-	-	-
Mr. Sanjiv Paul	Non-Independent – Non-Executive	N.A	N.A	-	6	1	2
Mr. A. C. Wadhawan	Independent Director	10	Yes	-	-	-	-
Mr. Dipak Banerjee	Independent Director	8	Yes	1	7	3	6
Mr. Ashok K Basu	Independent Director	10	Yes	-	7	1	4
Dr. P. Venugopal	Independent Director	8	Yes	-	-	-	-
Mr. Krishnava Dutt	Independent Director	8	Yes	-	4	-	1
Mr. V. S. N. Murty	Non Independent - Non-executive	12	Yes	-	5	-	2
Mr. D. P. Deshpande	Non Independent - Executive	12	Yes	-	-	-	-
Mr. Ashok Kumar	Non Independent - Non-executive	12	Yes	-	-	-	-

* For the purpose of reckoning the limit under this sub-clause, Chairmanship/ Membership of Audit Committee & Shareholders' /Investors' Grievance Committee have only been considered.

CORPORATE GOVERNANCE REPORT (Contd.)

Note :
- Mr. Harsh K Jha retired w.e.f. April 1, 2013;
- Mr. Sanjiv Paul has been co-opted as an Additional Director in the Board w.e.f. March 30, 2013. Mr. Paul has also been appointed as Managing Director of the Company w.e.f. April 1, 2013;
- Mr. A C Wadhawan attained 75 years on January 27, 2013 and as per group guidelines, he relinquished his position as Director in the Board with effect from that date;
- Mr. D P Deshpande has relinquished his position as Executive Director and continues to act as Non-Executive Director w.e.f. April 1, 2013;
- Mr. Ashok Kumar resigned from the Board as Director w.e.f. March 30, 2013.

Board Committees

Board Committee plays a crucial role in the governance structure of the Company. The terms of reference of the Board Committees are determined by the Board from time to time. The Board has currently established the following statutory and non-statutory committees.

(i) Audit Committee; (ii) Remuneration Committee (iii) Shareholders' / Investors' Grievance Committee. Each Committee has appropriate combination of Independent and Non-Independent Directors.

The Company Secretary acts as Secretary to all Committees.

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

Audit Committee -

The Company has complied with the requirements of Clause 49II(A) of the Listing Agreement with regard to the composition of the Committee. The Committee is entrusted with the responsibility to supervise the Company's internal control and financial reporting process. The Chief Financial Officer and Chief Systems Assurance & Risk Management and the Statutory Auditors are invited 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.

Six Audit Committee Meetings were held during the year 2012-13 as follows:-

April 25, 2012, July 25, 2012, October 15, 2012, December 10, 2012, January 17, 2013, January 25, 2013. The necessary quorum was present at each meeting.

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

Name of the Member	Category	Number of Meetings Attended	Whether attended last AGM or not
Mr. A. C. Wadhawan *	Independent	6	Yes
Mr. Krishnava Dutt **	Independent	N.A	Yes
Mr. Dipak Banerjee	Independent	4	Yes
Mr. V. S. N. Murty	Non Independent	6	Yes
Mr. Ashok K Basu	Independent	6	Yes

** Mr. A. C. Wadhawan relinquished his position from the Committee w.e.f. January 27, 2013;*
*** Mr. Krishnava Dutt joined the Committee w.e.f. March 25, 2013*

CORPORATE GOVERNANCE REPORT (Contd.)

Remuneration Committee

This Committee was constituted to decide the salary, perquisites and commission /performance linked remuneration etc., to be paid to the Managing/Whole Time / Executive Directors of the company within the broad frame-work of the Group Policy, merit and Company's performance.

Three Remuneration Committee Meetings were held during the year 2012-13 as follows:-

April 12, 2012, April, 25, 2012 and March 08, 2013.

The composition of the Remuneration Committee and the details of meetings attended by the Members are given below :

Name of the Member	Category	Number of meetings attended
Mr. A. C. Wadhawan *	Independent	2
Mr. Dipak Banerjee	Independent	2
Mr. Koushik Chatterjee	Non-Independent	3
Dr. Pingali Venugopal	Independent	1
Mr. Krishnava Dutt **	Independent	N.A.

* Mr. A. C. Wadhawan relinquished his position from the Committee w.e.f. January 27, 2013;

** Mr. Krishnava Dutt joined the Committee w.e.f. March 25, 2013

Remuneration Policy

For Executive Directors, increment in salary is granted annually on the basis of merit and taking into account the Company's performance. Commission or performance linked remuneration or any compensation is sanctioned based on the criteria of production, cost of production, profit, industrial relations, inventory and additional business initiatives (overall performance).

The Sitting Fees of Non-Executive Directors is Rs. 10,000/- per meeting in respect of Board and other Committee Meetings. No remuneration by way of commission has been paid to any Non-Executive Directors during F.Y. 2012-13.

Details of sitting fees and remuneration paid to the Directors during 2012-13 are as follows:

(a) Non-Executive Directors

Name of Directors	Sitting Fees (Rs.)
Mr. Koushik Chatterjee	70,000/-
Mr. A. C. Wadhawan	1,70,000/-
Mr. Ashok Kumar	1,20,000/-
Mr. Dipak Banerjee	1,30,000/-
Mr. Ashok K Basu	1,80,000/-
Mr. V.S.N. Murty	1,90,000/-
Dr. Pingali Venugopal	1,00,000/-
Mr. Krishnava Dutt	80,000/-
Total	**10,40,000/-**

CORPORATE GOVERNANCE REPORT (Contd.)

(b) Managing Director & Executive Director

Name	Salary	Perquisites & Allowances	Contribution to Provident, Superannuation & Gratuity Fund	Compensation for F.Y. 2012-13
Mr. Harsh K Jha	35,40,000	56,25,174	10,62,000	35,40,000 *
Mr. D P Deshpande	26,40,000	18,30,110	7,92,000	26,40,000 **

* Careeer Completion Competition

** Effort linked compensation

Shareholders' / Investors' Grievance Committee

A Shareholders' / Investors' Grievance Committee was constituted to specifically look after the redressal of investors' complaints like transfer of shares, non-receipt of balance sheet, non-receipt of dividend etc.

One meeting of this Committee was held on July 9, 2012.

The composition of the Shareholders' / Investors' Grievance Committee is given below:

Name of the Member	Category	Number of meetings attended	Whether attended last AGM or not
Mr. Ashok K Basu	Independent	1	Yes
Dr. Pingali Venugopal	Independent	1	Yes
Mr. Harsh K Jha *	Non-Independent	1	Yes

* Mr. Harsh K Jha retired w.e.f. April 1, 2013.

Name, designation & address of Compliance Officer :

Mr.Sankar Bhattacharya
Chief (Corp.Gov.) & Company Secretary
Tata Centre, 10th Floor
43, J L Nehru Road, Kolkata – 700 071
Phone : 03366134205, Fax : 03322884372
Email : investors@tatametaliks.co.in

Details of Shareholders' Complaints received, resolved & pending during the F.Y. 2012-13

Particulars	Nos.
Complaints pending as on April 1, 2012	1
Complaints received during the year ended March 31, 2013	111
Complaints disposed off during the year ended March 31, 2013	111
Complaints pending as on March 31, 2013	1 *

*Relates to issue of Duplicate Share Certificate. However, no response from shareholder has been received relating to execution of documents till date.

Transfer of Shares -

Board of Directors at its meeting held on July 30, 2010 has delegated the powers to the Managing Director & the Company Secretary to expedite the process of share transfer formalities on a weekly basis as per the recent amendments in Listing Agreement.

CORPORATE GOVERNANCE REPORT (Contd.)

General Body Meetings

(a) Location and time where last three Annual General Meetings were held :

Financial Year	Details of Location	Date & Time
2009-10	The Bengal Chamber of Commerce, Kolkata	September 24, 2010 at 2 p.m.
2010-11	Kalakunj, 48 Shakespeare Sarani, Kolkata	September 29, 2011 at 3.30 p.m
2011-12	Kalamandir, 48 Shakespeare Sarani, Kolkata	September 21, 2012 at 11.30 a.m.

No Extra-Ordinary General Meeting of the shareholders was held during the year

(b) Special Resolution passed in previous three Annual General Meetings

Shareholders' Meeting	Special Business requiring Special Resolution
20th AGM – September 24, 2010	i) Performance Linked Remuneration to Managing Director ii) Modification in the terms of engagement of Managing Director
21st AGM – September 29, 2011	Change of Situation of registered office of Registrar & Transfer Agent M/s R & D Infotech Pvt. Ltd.
22nd AGM – September 21, 2012	i) Re-appointment of Mr.Harsh K Jha as Managing Director ii) Appointment of Mr. D P Deshpande as Executive Director

(c) Resolution passed last year through Postal Ballot U/s 192A

In March 11, 2013, the Company had obtained the approval of its Members under Section 192A of the Companies Act, 1956 pertaining to :

Clause IIIA of the Memorandum of Association (the **"MOA"**) of the company which has been altered by insertion of the following new Objects 4, 5, 6, 7 after the existing clause 3:-

4. To manufacture, produce, buy, sell, trade, exchange, work, alter, improve, import, export and otherwise deal in ductile iron pipes, fittings and their accessories of any diametrical dimensions and its joint and by-products;
5. To manufacture, produce, buy, sell, trade, exchange, work, alter, improve, import, export and otherwise deal in Metaliks such as sponge iron, pig iron and associated products such as granulated slag, coke, coal fractions;
6. To carry on the business of iron founders, generally relating to ductile iron fittings and accessories, EPC contractors and water management consultants relating to pipeline projects, development and manufacture of ancillary products through job orders and cement manufacturers from granulated slag;
7. To carry on the business of miners for iron ores and coal blocks.

Subsidiary Company :

i) Tata Metaliks Kubota Pipes Ltd. (TMKPL) is a non-listed subsidiary company of Tata Metaliks Limited;

ii) Mr. Dipak Banerjee, Independent Director on the Board of the Company is a member of the Board of TMKPL;

iii) The Audit Committee of the Company reviews the financial statements of the unlisted subsidiary company, in particular, the investments made by TMKPL and Mr. Dipak Banerjee, being a member of the Audit Committee of TML Board, provides necessary feedback on the significant transactions of TMKPL;

iv) The minutes of the Board Meetings and Audit Committee meetings of TMKPL are placed before the Board Meeting of TML;

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

CORPORATE GOVERNANCE REPORT (Contd.)

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) 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;

iii) The CEO i.e the Managing Director and CFO i.e. the Chief Financial Officer have given the necessary certificates as required under Clause 49 (V) of the Listing Agreement;

iv) The Company has established a robust risk assessment and minimization procedure and the same are reviewed regularly by the Audit Committee and the Board of Directors;

v) The relevant disclosures on the remuneration of directors have been included under “Remuneration Policy” in this report;

vi) The Company has formulated a Whistle Blower Policy and affirms that no personnel has been denied access to the Audit Committee.

Means of Communication

In compliance with the requirements of Listing Agreement, the quarterly/half yearly and annual results of the Company are published generally in Business Standard & Ekdin and also displayed on the website of the Company **www.tatametaliks.com** shortly after its submission to the Stock Exchanges.

General Shareholder Information

(i) ***AGM Details :-***

Date & Time	September 25, 2013, 12 noon.
Venue	Kalamandir, 48, Shakespeare Sarani, Kolkata - 700 017
Book Closure Date	Friday, September 20, 2013 to Wednesday, September 25, 2013 (both days inclusive)
Dividend Payment Date	N.A.

As required under Clause 49 IV(G)(i), particulars of Directors seeking appointment /reappointment are given in the Explanatory Statement to the Notice dated July 30, 2013, convening the Annual General Meeting.

(ii) ***Financial Calendar***

Financial Year 2013-2014			
1	Year ending	31st March, 2014	
2	AGM	Between June - September 2013	
3	Results	1st Quarter	July 2013
		2nd Quarter	October 2013
		3rd Quarter	January 2014
		4th Quarter/Annual	April 2014 / June 2014

(iii) Unclaimed Dividends

Shareholders who have not yet encashed their dividend warrant(s) for the financial year 2005-2006 onwards, are requested to make their claims to the Company, without any further delay.

It may kindly be noted that all unclaimed dividend from the financial year 2000-2001 to 2004-2005 have been transferred to the Investors’ Education & Protection Fund within the specified time limit and no claims will lie against the Company or the Fund in respect of the unclaimed amounts so transferred.

CORPORATE GOVERNANCE REPORT (Contd.)

Listing on Stock Exchanges

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

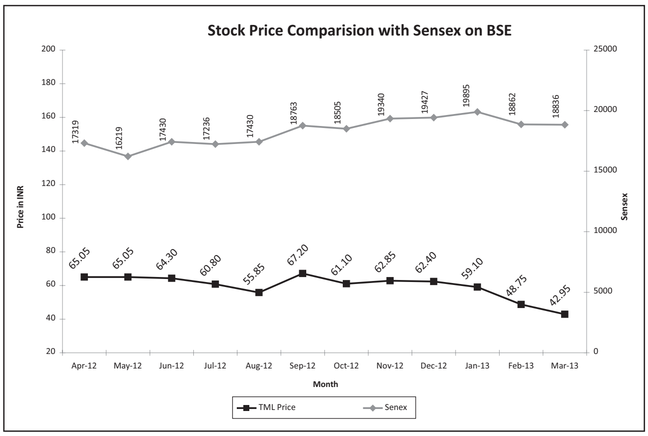
Note : *Company sought voluntary delisting from Calcutta Stock Exchange and the same was granted by the exchange. Securities got delisted from the official list of the exchange on January 27, 2009. However, considering the interest of the general investors, the said equity shares of your Company will, henceforth be traded under the "Permitted Category" on the Exchange.*

The Listing Fees for the year 2013-2014 have been paid to BSE and NSE on April 22, 2013.

Market Information -

Market Price Date : Monthly High and Low during each month int he last financial year :

Month	BSE		NSE	
	High	**Low**	**High**	**Low**
April '12	70.20	63.15	70.40	63.30
May '12	69.85	53.80	69.95	51.55
June '12	74.40	59.80	75.00	58.65
July '12	69.55	59.00	69.50	59.00
Aug. '12	62.90	55.25	62.50	55.25
Sept. '12	73.80	54.75	73.50	55.05
Oct. '12	69.00	60.65	68.75	55.90
Nov. '12	67.80	60.05	67.90	54.45
Dec. '12	69.40	60.30	67.40	61.00
Jan. '13	66.20	58.70	66.25	55.35
Feb. '13	65.00	47.55	61.00	46.00
Mar. '13	52.85	41.00	52.00	41.20



CORPORATE GOVERNANCE REPORT (Contd.)

Name and address of Registrar & Transfer Agent

For share related matters, Members are requested to correspond with the Company's Registrar and Transfer Agent – M/s R & D Infotech Pvt. Ltd. quoting their Folio No. / DP ID & Client ID at the following address :

R & D Infotech Pvt. Ltd.
1st Floor, 7A, Beltala Road
Kolkata – 700 026
Phone : +91-33-24192641, Telefax : +91-33-24192642
E-mail : rd.infotech@vsnl.net / tml@rdinfotech.in / rdinfotech@yahoo.com

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

Share Transfer System

Physical Form - Share Transfer in physical form can be lodged with R & D Infotech Pvt Limited at the above mentioned addresses. The transfers are normally processed within 10 days from the date of receipt if the documents are complete in all respects. The Managing Director & Company Secretary are empowered to approve transfers.

Demat Form – The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the Depositories in India – National Securities Depository Limited and Central Depository Services (India) Limited. Company's ISIN No. is INE056C01010.

As on March 31, 2013, a total of **23489108** Shares of the Company, which forms **92.89%** of the total shares stands dematerialized.

Distribution of Shareholding as on March 31, 2013

No of ordinary shares held	No of Shareholders	%	No of Shares	%
1 – 500	47014	94.70	5592693	22.11
501 – 1000	1526	3.07	1242263	4.91
1001 – 10000	1029	2.07	2626181	10.39
10001 – 50000	62	0.13	1157285	4.58
50001 and above	16	0.03	14669578	58.01
Total	**49647**	**100.00**	**25288000**	**100.00**

Categories of Shareholding as on March 31, 2013

No of ordinary shares held	No of Shareholders	%	No of Shares	%
Promoters Holdings	2	0.00	12667590	50.09
UTI/Mutual Funds/ Banks	8	0.02	20145	0.08
Insurance Companies	2	0.00	591451	2.34
FIs (Trust)	4	0.01	5500	0.02
Corporate Bodies	695	1.40	1507414	5.96
Resident Individuals	48567	97.83	10063932	39.80
State Government WBIDC	1	0.00	250000	0.99
FIIs / NRIs / OCBs	368	0.74	181968	0.72
Total	**49647**	**100.00**	**25288000**	**100.00**

CORPORATE GOVERNANCE REPORT (Contd.)

Top 10 Shareholders List (As on March 31, 2013)

Name of Shareholder	No. of Shares held	% of Share Capital
Tata Steel Limited	11799992	46.66
Kalimati Investment Company Limited	867598	3.43
Patton International Ltd	346424	1.37
General Insurance Corporation of India	326451	1.29
The Oriental Insurance Company Limited	265000	1.05
W B I D C Ltd	250000	0.99
Satish Khurana	151000	0.60
Vinodchandra Mansukhlal Parekh	100916	0.40
Powermaster Engineers Pvt Ltd	97533	0.39
Sunder Lokusing Advani	79114	0.31

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.

Location of the Plants –

Kharagpur Unit :	*Redi Unit : (Not in operation since October 15, 2011)*
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**	Terekhol Road, Sindhudurg District, Redi – 416 517, Maharashtra Phone : +91-2366-227628

Address for correspondence

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

CERTIFICATE

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 March 31, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration No.302009E)

Abhijit Bandyopadhyay
Partner
(Membership No. 54785)

Kolkata, July 30, 2013

INDEPENDENT AUDITORS' REPORT

To the members of

TATA METALIKS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of TATA METALIKS LIMITED ("the Company"), which comprise the Balance Sheet as at 31 March 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2013;

(b) In the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date and

(c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
   (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.
   (e) On the basis of the written representations received from the directors as on 31 March 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013 from being appointed as a director in terms of Section 274(1) (g) of the Act.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration No.302009E)

Abhijit Bandyopadhyay
Partner
(Membership No. 54785)

Kolkata, 29 April, 2013

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i) Having regard to the nature of the Company's business/activities/result during the year ended 31 March 2013, clauses (xii), (xiii), (xiv), (xix) and (xx) of paragraph 4 of the Order are not applicable to the Company.

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 inventories :

(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 explanations 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 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) (a) In our opinion and according to the information and explanations given to us, there are no contracts or arrangements that need to be entered into the Register maintained under section 301 of the Companies Act, 1956.

(b) Paragraph 4(v)(b) of the CARO is not applicable as there are no contracts or arrangements covered by section 301 of the Companies Act, 1956.

vii) According to the information and explanation 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.

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

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

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

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs 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 Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31 March, 2013 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, Customs Duty, Excise Duty and Cess which have not been deposited as on 31 March 2013 on account of disputes are given below:

Statute	Forum where diuspute is pending	Period to which the amount relates	Nature of dues	Amount involved (₹ in Lac)
Income-tax Act, 1961	Commissioner of Income-tax Appeal	Assessment year 2010-11	Income tax	200.41
Central Excise Act, 1944	The Customs Excise and Service Tax Appellate Tribunal	September 2002 to January 31, 2008	Duty & Cess, Interest	3,461.35 1,432.90
Central Excise Act, 1944	The Customs, Excise and Service Tax Appellate Tribunal	February 2008 to December 2008	Duty & Cess, Interest	1,475.60 513.43

xi) The accumulated losses of the Company at the end of the financial year are not more than fifty percent of its networth and the Company has not incurred cash losses during the financial year covered by our audit and the Company has incurred cash losses in the immediately preceding financial year.

xii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.

xiii) 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 interest of the Company.

xiv) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained, other than temporary deployment pending application.

xv) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have been used during the year for long-term investment to the extent of ₹ 20,326.95 lacs.

xvi) According to the information and explanation given to us, the company has not made preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.

xvii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration No.302009E)

Abhijit Bandyopadhyay
Partner
(Membership No. 54785)

Kolkata, 29 April, 2013

BALANCE SHEET as at March 31, 2013

(₹ in lacs)

		Notes	As at 31.03.2013	As at 31.03.2012
(I)	**EQUITY AND LIABILITIES**			
(1)	**Shareholders' funds**			
	(a) Share Capital	3	**12,528.80**	12,528.80
	(b) Reserves and surplus	4	**(5,824.12)**	(369.68)
			6,704.68	**12,159.12**
(2)	**Non-current liabilities**			
	(a) Long-term borrowings	5	**7,999.97**	4,000.00
	(b) Deferred tax liabilities (net)	43	**665.30**	665.30
	(c) Long-term provisions	6	**531.76**	601.61
			9,197.03	**5,266.91**
(3)	**Current liabilities**			
	(a) Short-term borrowings	5	**21,473.25**	38,884.79
	(b) Trade payables	7	**25,358.56**	7,589.92
	(c) Other current liabilities	8	**10,505.53**	2,912.51
	(d) Short-term provisions	6	**92.11**	313.05
			57,429.45	**49,700.27**
	TOTAL EQUITY AND LIABILITIES		**73,331.16**	**67,126.30**
(II)	**ASSETS**			
(1)	**Non-current assets**			
	(a) Fixed assets			
	(i) Tangible assets	9	**15,150.18**	18,766.83
	(ii) Intangible assets	10	**71.55**	–
	(iii) Capital work-in-progress		**11,396.01**	2,638.84
			26,617.74	21,405.67
	(b) Non Current Investments	11	**9,881.52**	9,181.52
	(c) Long-term loans and advances	12	**5,709.69**	8,361.11
	(d) Other non-current assets	13	**19.70**	0.20
			42,228.65	**38,948.50**
(2)	**Current assets**			
	(a) Current Investments	14	**–**	1,000.00
	(b) Inventories	15	**16,761.51**	13,684.60
	(c) Trade receivables	16	**12,122,13**	4,482.57
	(d) Cash and bank balances	17	**176.57**	7,204.59
	(e) Short-term loans and advances	12	**1,776.61**	1,229.16
	(f) Other current assets	18	**265.69**	576.88
			31,102.51	**28,177.80**
	TOTAL ASSETS		**73,331.16**	**67,126.30**

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

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants
Abhijit Bandyopadhyay
Partner
Kharagpur, April 29, 2013

For and on behalf of the Board of Directors

Koushik Chatterjee
Chairman

Sanjiv Paul
Managing Director

Sankar Bhattacharya
Company Secretary

STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2013

(₹ in lacs)

		Notes	For the year ended 31.03.2013	For the year ended 31.03.2012
I	Revenue from operations (gross)	19	**96,659.45**	124,014.56
	Less : Excise duty		**10,030.30**	10,722.21
	Revenue from operations (net)		**86,629.15**	113,292.35
II	Other income	20	**3,447.40**	2,879.46
III	**Total Revenue (I + II)**		**90,076.55**	116,171.81
IV	**EXPENSES**			
	(a) Cost of materials consumed	21	**73,682.62**	103,679.18
	(b) Changes in stock of finished goods	22	**(3,723.45)**	5,354.75
	(c) Employee benefit expense	23	**3,340.92**	2,964.33
	(d) Finance costs	24	**1,941.00**	2,879.16
	(e) Depreciation and amortisation expense	25	**1,610.52**	1,647.45
	(f) Other expenses	26	**13,109.82**	12,193.11
	Total Expenses (IV)		**89,961.43**	128,717.98
V	**Profit/(Loss) before exceptional items and tax (III - IV)**		**115.12**	(12,546.17)
VI	Exceptional Items	27	**(5,569.56)**	–
VII	**Profit/(Loss) before tax (V + VI)**		**(5,454.44)**	(12,546.17)
VIII	Tax Expense			
	(1) Current tax		**–**	(3,486.04)
	(i) Current tax		**–**	–
	(ii) Current tax relating to previous years		**–**	(3,486.04)
	(2) Deferred tax		**–**	–
	Total tax expense (VIII)		**–**	(3,486.04)
IX	**Profit/(Loss) for the year (VII - VIII)**		**(5,454.44)**	(9,060.13)
	Profit/(Loss) from continuing operations before tax	46	**2,411.91**	(6,723.35)
	Tax Expense	46	**–**	(3,486.04)
	Profit/(Loss) from continuing operations after tax		**2,411.91**	(3,237.31)
	Profit/(Loss) from discontinuing operations before tax	46	**(7,866.36)**	(5,822.82)
	Tax Expense	46	**–**	–
	Profit/(Loss) from discontinuing operations after tax		**(7,866.36)**	(5,822.82)
X	**Earnings per equity share:**	35		
	(1) Basic		**(21.57)**	(35.83)
	(2) Diluted		**(21.57)**	(35.83)

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

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants
Abhijit Bandyopadhyay
Partner
Kharagpur, April 29, 2013

For and on behalf of the Board of Directors

Koushik Chatterjee *Chairman*

Sanjiv Paul *Managing Director*

Sankar Bhattacharya *Company Secretary*

CASH FLOW STATEMENT for the year ended March 31, 2013

(₹ in lacs)

	For the year ended 31.03.2013	For the year ended 31.03.2012
A. Cash Flow from Operating activities:		
Loss before taxes	**(5,454.44)**	(12,546.17)
Adjustments for:		
Depreciation and amortisation expense	**1,610.52**	1,647.45
Impairment of tangible assets	**4,500.00**	–
Write down of inventories to net realisable value	**18.10**	541.85
Provision for doubtful debts	**45.52**	–
Provision no longer required written back	**(367.23)**	(770.89)
Interest income	**(369.72)**	(17.81)
Dividend income from current investments	**(1.71)**	–
Profit on sale of current investment	**(4.27)**	(0.07)
Finance costs	**1,941.00**	2,879.16
Provision for wealth tax	**4.34**	4.57
Loss on cancellation of forward contracts	**260.48**	156.54
Profit on cancellation of forward contracts	**(304.01)**	(19.03)
Loss on sale of fixed assets (net)	**339.26**	14.35
Unrealised exchange loss/(gain)	**114.65**	(846.32)
Realised exchange loss/(gains)	**346.12**	2,791.98
Operating profit/(loss) before working capital changes	**2,678.61**	**(6,164.39)**
Adjustments for (increase)/decrease in operating assets		
Inventories	**(3,095.01)**	9,319.27
Trade receivables	**(7,685.08)**	4,864.82
Short-term loans and advances	**(547.45)**	751.71
Long-term loans and advances	**537.99**	(560.09)
Other current assets	**1,979.02**	(555.78)
Adjustments for increase/(decrease) in operating liabilities		
Trade Payables	**18,140.71**	(10,106.31)
Other current liabilities	**2,643.73**	(323.46)
Short-term provision	**(99.01)**	8.11
Long-term provisions	**(69.85)**	162.91
Cash generated/(used in) operations	**14,483.66**	**(2,603.21)**
Direct taxes (paid)/refunded	1,905.49	(89.50)
Net cash generated from /(used in) operating activities	**16,389.15**	**(2,692.71)**

CASH FLOW STATEMENT for the year ended March 31, 2013 (Contd.)

(₹ in lacs)

	For the year ended 31.03.2013	For the year ended 31.03.2012
B. Cash Flow from Investing activities :		
Purchase of fixed assets	**(11,602.09)**	(4,476.15)
Investments in subsidiary	**(700.00)**	(1,785.00)
Purchase of current investments	**(5,100.00)**	(1,300.00)
Sale of current investments	**6,105.98**	300.07
Sale of fixed assets	**7.94**	15.31
Interest income received	**380.21**	8.39
Net cash from/(used in) investing activities	**(10,907.96)**	**(7,237.38)**
C. Cash Flow from Financing activities:		
Proceeds from issue of preference shares	**–**	10,000.00
Loan from/(repayments to) the holding company	**(5,000.00)**	5,000.00
Partial redemption of debentures	**(1,350.00)**	(1,350.00)
Proceeds from bills discounted	**1,103.49**	679.54
Proceeds from long-term borrowings	**9,999.96**	–
Repayment of long-term borrowings	**–**	(9,700.00)
Proceeds from buyer's credit	**17,880.74**	40,221.96
Repayment of buyer's credit	**(32,430.14)**	(21,886.31)
Repayment of working capital borrowings	**(1,103.56)**	(2,983.35)
Gain on cancellation of forward contracts	**304.01**	19.03
Loss on cancellation of forward contracts	**(260.48)**	(156.54)
Interest and other borrowing costs paid	**(1,604.98)**	(2,886.33)
Net cash from /(used in) financing activities	**(12,460.96)**	**16,958.00**
Net increase/(decrease) in cash or cash equivalents	**(6,979.77)**	7,027.91
Cash and cash equivalents as at 1st April[1]	**7,030.84**	2.93
Cash and cash equivalents as at 31st March[1]	**51.07**	7,030.84

Notes :

1. Purchase of current investments are exclusive of purchases made out of Dividend reinvested ₹ **1.71 lacs** (Previous period ₹ Nil)
2. Interest paid is exclusive and purchase of fixed assets is inclusive of interest capitalised ₹ **876.87 Lacs** (Previous period ₹ Nil.)
3. Figures in brackets represent outflows.

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants
Abhijit Bandyopadhyay
Partner
Kharagpur, April 29, 2013

For and on behalf of the Board of Directors

Koushik Chatterjee — *Chairman*
Sanjiv Paul — *Managing Director*
Sankar Bhattacharya — *Company Secretary*

NOTES TO THE FINANCIAL STATEMENTS

1. General Corporate Information

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

2. Summary of Significant Accounting Policies

2.01 Basis of accounting

The financial statements are prepared under the historical cost convention on going concern and on accrual basis. The financial statements are presented in accordance with Generally Accepted Accounting Principles in India, Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 and the relevant provisions thereof. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

The presentation of financial Statements in accordance with Generally Accepted Accounting Principles in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities as at the date of the financial statements and the reported amounts of expenses during the year. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

2.02 Cash flow statement

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

2.03 Government grants

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

2.04 Tangible assets

i) Tangible assets are stated at cost less accumulated depreciation/amortisation. The cost of an asset includes the purchase cost of materials, including import duties and non-refundable taxes, and any directly attributable costs of bringing an asset to the location and condition of its intended use. Interest on borrowings used to finance the construction of qualifying assets are capitalised as part of the cost of the asset until such time that the asset is ready for its intended use. The effect of exchange differences arising on reporting of long-term foreign currency monetary items is accounted by addition or deduction to the cost of the assets so far it relates to depreciable capital assets in line with Companies (Accounting Standards) Amendment Rules 2009 relating to Accounting Standard (AS) 11 - Effects of changes in foreign exchange rates notified by Government of India on 31 March, 2009.

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

2.05 Intangible assets

Intangible assets are stated at acquisition cost, net of accumulated amortisation. Intangible assets are amortised on a straight line basis over their estimated useful life. The cost of software is amortised on a straight line basis over an estimated useful life of five years.

2.06 Relining expenses

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

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies

2.07 Impairment

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

2.08 Investments

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

2.09 Lease

The Companies significant leasing arrangements are in respect of operating leases for premises (Office, Residence etc.,). The leasing arrangements which normally have a tenure of eleven months to three years are cancellable with a reasonable notice, and are renewable by mutual consent at agreed terms. The aggregate lease rent payable is charged as rent in the statement of profit and loss. Assets primarily vehicles acquired on leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the statement of profit and loss on straight line basis.

2.10 Inventories

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

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

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

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

2.11 Cash and Cash Equivalents

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

2.12 Revenue recognition

i) **Sale of Products**

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

ii) **Dividend and Interest income**

Dividend income is recognised when the company’s right to receive dividend is established. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

iii) **Insurance Claims**

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

iv) **Revenue Subsidy from Government of West Bengal.**

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

v) **Sales tax deferral scheme**

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

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies

2.13 Foreign Currency Transactions

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

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

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

2.14 Employee Benefits

i) **Short term Benefits**

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

ii) **Defined Contribution Plans**

Defined contribution plans are those plans where the Company pays fixed contributions to funds managed by independent trusts. Contributions are paid in return for services rendered by the employees during the year. The company has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay employee benefits. The Company provides Provident Fund facility to all employees and Superannuation benefits to selected employees. The contributions are expensed as they are incurred in line with the treatment of wages and salaries.

iii) **Defined Benefit Plans**

The Company provides Gratuity and Leave Encashment Benefits to its employees. Gratuity liabilities are funded through a separate trust with its funds managed by Life Insurance Corporation of India. The liability towards leave encashment is not funded. The present value of these defined benefit obligations are ascertained by an independent actuarial valuation as per the requirement of Accounting Standards (AS) 15 - Employee Benefits. The liability recognised in the balance sheet is the present value of the defined benefit obligations on the balance sheet date less the fair value of the plan assets (for funded plans), together with adjustments for unrecognised past service costs. All actuarial gains and losses are recognised in the Statement of Profit and Loss in full in the year in which they occur.

2.15 Borrowing costs

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

NOTES TO THE FINANCIAL STATEMENTS

2. **Summary of Significant Accounting Policies**

2.16 Taxes on Income

i) **Current Tax**

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

ii) **Deferred tax**

Deferred tax assets and liabilities are recognised by computing the tax effect on timing differences which arise during the year and reverse in the subsequent periods. The Company is eligible for tax deductions available under section 80IA of the Income Tax Act, 1961, in respect of income attributable to captive power plants being an eligible business. In view of tax deduction available to the Company under Section 80IA of the Income Tax Act, 1961, deferred tax is recognised in respect of timing differences, which originate before or during the tax holiday period but reverse before or after the tax holiday period. Deferred tax assets against unabsorbed depreciation and carried forward loss under tax laws, are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets on other timing differences are recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

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

2.17 Provisions, Contingent liabilities and Contingent assets

i) **Provision**

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

ii) **Contingent Liabilities and Assets**

Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise, or is a present obligation that arises from past events but is not recognised because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made. Contingent liabilities are disclosed and not recognised. Contingent Assets are neither recognised nor disclosed.

2.18 Earnings Per Share

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

2.19 Segment Reporting

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

NOTES TO THE FINANCIAL STATEMENTS

3. Share Capital (₹ in lacs)

	As at 31.03.2013	As at 31.03.2012
Authorised :		
50,000,000 Equity Shares of ₹ 10 each (31.03.2012 : 50,000,000 Equity Shares of ₹ 10 each)	**5,000.00**	5,000.00
10,000,000 8.5% Non Cumulative Redeemable Preference Shares of ₹ 100 each (31.03.2012 : 10,000,000 8.5% Non Cumulative Redeemable Preference of ₹ 100 each)	**10,000.00**	10,000.00
	15,000.00	**15,000.00**
Issued :		
25,288,000 Equity Shares of ₹ 10 each (31.03.2012 : 25,288,000 Equity Shares of ₹ 10 each)	**2,528.80**	2,528.80
10,000,000 8.5% Non Cumulative Redeemable Preference Shares of ₹ 100 each (31.03.2012 : 10,000,000 8.5% Non Cumulative Redeemable Preference of ₹ 100 each)	**10,000.00**	10,000.00
	12,528.80	**12,528.80**
Subscribed and fully paid up :		
25,288,000 Equity Shares of ₹ 10 each (31.03.2012 : 25,288,000 Equity Shares of ₹ 10 each)	**2,528.80**	2,528.80
10,000,000 8.5% Non Cumulative Redeemable Preference Shares of ₹ 100 each (31.03.2012 : 10,000,000 8.5% Non Cumulative Redeemable Preference of ₹ 100 each)	**10,000.00**	10,000.00
	12,528.80	**12,528.80**

Reconciliation of Number of shares

	For the year ended 31.03.2013		For the year ended 31.03.2012	
	No. of Shares	**Amount**	**No. of Shares**	**Amount**
		(₹ in lacs)		(₹ in lacs)
Equity Shares				
Issued :				
At beginning of the year	**25,288,000**	**2,528.80**	25,288,000	2,528.80
Issued during the year	**–**	**–**	–	–
At the end of the year	**25,288,000**	**2,528.80**	**25,288,000**	**2,528.80**
Subscribed and fully Paid up :				
At beginning of the year	25,288,000	2,528.80	25,288,000	2,528.80
Issued during the year	–	–	–	–
At the end of the year	**25,288,000**	**2,528.80**	**25,288,000**	**2,528.80**

NOTES TO THE FINANCIAL STATEMENTS

3. Share Capital *(Contd.)* (₹ in lacs)

Reconciliation of Number of shares

	For the year ended 31.03.2013		For the year ended 31.03.2012	
	No. of Shares	**Amount**	**No. of Shares**	**Amount**
8.5% Non Cumulative Redeemable Preference Shares				
Issued :				
At beginning of the year	**10,000,000**	**10,000.00**	–	–
Issued during the year	–	–	10,000,000	10,000.00
At the end of the year	**10,000,000**	**10,000.00**	**10,000,000**	**10,000.00**
Subscribed and fully paid up :				
At beginning of the year	**10,000,000**	**10,000.00**	–	–
Issued during the year	–	–	10,000,000	10,000.00
At the end of the year	**10,000,000**	**10,000.00**	**10,000,000**	**10,000.00**

Shares held by holding company or its subsidiaries

	As at 31.03.2013		As at 31.03.2012	
	No. of Shares	**%**	**No. of Shares**	**%**
Tata Steel Limited (Holding Company)	**11,799,992**	**46.66%**	11,799,992	46.66%
Kalimati Investment Company Limited (Subsidiary of the Holding Company)	**867,598**	**3.43%**	867,598	3.43%
	12,667,590	**50.09%**	12,667,590	50.09%
8.5% Non Cumulative Redeemable Preference Shares				
Tata Steel Limited (Holding Company)	**10,000,000**	**100.00%**	10,000,000	100.00%

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

	As at 31.03.2013		As at 31.03.2012	
	No. of Shares	**%**	**No. of Shares**	**%**
Tata Steel Limited (Holding Company)	**11,799,992**	**46.66%**	11,799,992	46.66%

Rights, preferences and restrictions attached to shares

i) Equity Shares

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

ii) Non-cumulative Redeemable Preference Shares

Non-cumulative redeemable preference shares having at par value of ₹ 100 per share carry a fixed rate of dividend of 8.5%. The dividends proposed by the Board of Directors are subject to approval of the ensuing Annual General meeting. The dividends are not accumulated in case it is not approved by the Annual General Meeting. The preference shares are redeemable at par value on 31 March 2015. In case liquidation the preference shareholders will have preference over the equity shareholders over the distribution of remaining assets of the Company.

NOTES TO THE FINANCIAL STATEMENTS

4. Reserves and Surplus

(₹ in lacs)

	Capital Reserve	Debenture Redemption Reserve	General Reserve	Surplus/ (Deficit) in Profit and Loss Account	Total
As at 31.03.2013					
At the beginning of the year	**125.62**	**726.38**	**7,485.61**	**(8,707.29)**	**(369.68)**
(Loss) for the year	**–**	**–**	**–**	**(5,454.44)**	**(5,454.44)**
At the end of the year	**125.62**	**726.38**	**7,485.61**	**(14,161.73)**	**(5,824.12)**
As at 31.03.2012					
At the beginning of the year	125.62	726.38	7,485.61	352.84	8,690.45
(Loss) for the year	–	–	–	(9,060.13)	(9,060.13)
At the end of the year	**125.62**	**726.38**	**7,485.61**	**(8,707.29)**	**(369.68)**

5. Borrowings

(₹ in lacs)

	As at 31.03.2013		As at 31.03.2012	
	Long-term	**Short-term**	**Long-term**	**Short-term**
A. Secured				
(a) 12.75% Non Convertible Debentures	**–**	**–**	1,800.00	–
(b) Term Loans				
From Banks	**7,999.97**	**–**	–	–
(c) Repayable on Demand				
i) From Banks				
a) Working Capital Demand Loans	**–**	**–**	–	3,000.00
b) Cash Credit / Packing Credits	**–**	**3,043.42**	–	1,146.98
Total Secured Borrowings	**7,999.97**	**3,043.42**	**1,800.00**	**4,146.98**
B. Unsecured				
(a) Loans from Holding Company	**–**	**–**	2,200.00	5,000.00
(b) Buyer's Credit from Banks	**–**	**16,646.80**	–	29,058.27
(c) Bills discounted	**–**	**1,783.03**	–	679.54
Total Unsecured Borrowings	**–**	**18,429.83**	**2,200.00**	**34,737.81**
Total Borrowings	**7,999.97**	**21,473.25**	**4,000.00**	**38,884.79**

5. Borrowings

(₹ in lacs)

Name of the Bank/ Instrument	As at 31.03.2013 Long-term	As at 31.03.2013 Short term	As at 31.03.2013 Current Maturity (Refer Note 08)	As at 31.03.2012 Long-term	As at 31.03.2012 Short term	As at 31.03.2012 Current Maturity (Refer Note 08)	Repayment terms	Security
Secured								
12.75 % Non convertible debentures			1,800.00	1,800.00		1,350.00	07.01.2012 1,350.00 07.01.2013 1,350.00 07.01.2014 1,800.00	Secured by equitable mortgage over landed properties of Kharagpur unit of the Company together with all buildings, structures and all plant and machinery thereon, on pari passu first charge basis with other term lenders and by way of hypothecation of movable plant and machinery, stocks, book debts and other current assets on pari passu second charge basis with other term lenders.
Central Bank of India	7,999.97		1,999.99				20 quarterly instalments for ₹ 500.00 lacs each commencing from June 2013	Secured by first pari passu charge over fixed assets of Kharagpur division of the Company, both present and future with other term lenders.
Working Capital Demand Loans					3,000.00		Payable on demand	Secured by way of hypothecation of movable plant and machinery, stock, book debts and other current assets on pari passu first charge basis and by way of equitable mortgage over landed properties of Kharagpur unit of the Company together with all buildings, structures and all plant and machinery on pari passu second charge basis.
Cash credit/Packing credit		3,043.42			1,146.98		Payable on demand	
Total secured borrowing	**7,999.97**	**3,043.42**	**3,799.99**	**1,800.00**	**4,146.98**	**1,350.00**		
Unsecured								
Loan from Holding Company								
Inter Corporate deposit			2,200.00	2,200.00	5,000.00		Repayable or converted into long term financial instrument after finalisation of the financing plan for the Karnataka Project or 31 March 2014 whichever is earlier.	
Buyer's credit from banks		16,646.80			29,058.27		Buyer's Credit from Banks are repayable at the end of six months from the respective dates of disbursement which are falling due from April 2013.	
Bills Discounted		1,783.03			679.54			
Total unsecured borrowing	–	18,429.83	2,200.00	2,200.00	34,737.81	–		
Total borrowing	7,999.97	21,473.25	5,999.99	4,000.00	38,884.79	1,350.00		

NOTES TO THE FINANCIAL STATEMENTS

6. **Provisions** (₹ in lacs)

	As at 31.03.2013		As at 31.03.2012	
	Long-term	Short-term	Long-term	Short-term
Provision for employee benefits				
(a) Post-employment defined benefits				
i) Retirement gratuity	**73.12**	**–**	258.17	–
ii) Post retirement pension	**180.23**	**19.05**	–	–
(b) Other employee benefits	**278.41**	**15.53**	343.44	133.59
(c) Provisions for tax [Net of advances tax of ₹ **451.93 lacs** (31.03.2012 ₹ 793.93 lacs)]	**–**	**57.53**	–	179.46
Total Provisions	**531.76**	**92.11**	601.61	313.05

7. **Trade Payable**

	As at 31.03.2013	As at 31.03.2012
(a) Acceptances	**116.68**	–
(b) Creditors for supplies and services (Refer Note 39)	**24,646.88**	7,474.11
(c) Creditors for accrued wages and salaries	**595.00**	115.81
Total Trade Payables	**25,358.56**	7,589.92

8. **Other Current Liabilities**

	As at 31.03.2013	As at 31.03.2012
(a) Current maturities of long-term debts (Refer Note 5)	**5,999.99**	1,350.00
(b) Interest accrued but not due on other borrowings	**587.25**	225.73
(c) Unpaid dividends	**125.50**	173.75
(d) Advances received from customers	**630.55**	827.85
(e) Advances received from holding company	**1,464.98**	–
(f) Security Deposits from vendors	**29.50**	15.00
(g) Creditors for other liabilities		
i) Creditors for capital goods	**239.64**	253.61
ii) Employee recoveries and employer contributions	**2.91**	2.63
iii) Statutory Dues (Excise duty, service tax, sales tax, TDS etc.)	**685.44**	63.94
iv) Derivatives - Foreign currency forward contract	**739.77**	–
Total Other Current Liabilities	**10,505.53**	2,912.51

NOTES TO THE FINANCIAL STATEMENTS

9. Tangible Assets (₹ in lacs)

As at 31.03.2013	Freehold Land	Leasehold Land	Freehold Buildings	Plant and Machinery	Furniture and fixtures	Office Equip-ments	Vehicles	Data Processing Equipments	Railway Sidings (Note 1)	Total Tangible Assets
Cost at beginning of year	1,187.87	99.15	2,060.84	26,119.81	105.08	150.02	108.37	259.63	911.58	**31,002.35**
Additions	–	–	34.81	2,730.17	–	3.60	55.96	12.78	–	**2,837.32**
Disposals	–	–	–	541.73	0.58	–	41.21	5.95	–	**589.47**
Cost at end of the year	**1,187.87**	**99.15**	**2,095.65**	**28,308.25**	**104.50**	**153.62**	**123.12**	**266.46**	**911.58**	**33,250.20**
Impairment charge for the year (refer note 42)	–	–	170.00	4,225.00	–	–	–	–	105.00	**4,500.00**
Impairment at end of the year	**–**	**–**	**170.00**	**4,225.00**	**–**	**–**	**–**	**–**	**105.00**	**4,500.00**
Depreciation at beginning of the year	–	17.03	528.32	10,718.18	59.26	60.16	46.99	206.63	598.95	**12,235.52**
Charge for the year	–	1.00	58.30	1,443.92	4.83	7.22	10.69	19.14	61.67	**1,606.77**
Disposals	–	–	–	214.69	0.03	–	21.60	5.95	–	**242.27**
Depreciation at end of the year	**–**	**18.03**	**586.62**	**11,947.41**	**64.06**	**67.38**	**36.08**	**219.82**	**660.62**	**13,600.02**
Net book value at beginning of the year	**1,187.87**	**82.12**	**1,532.52**	**15,401.63**	**45.82**	**89.86**	**61.38**	**53.00**	**312.63**	**18,766.83**
Net book value at end of the year	**1,187.87**	**81.12**	**1,339.03**	**12,135.84**	**40.44**	**86.24**	**87.04**	**46.64**	**145.96**	**15,150.18**

As at 31.03.2012	Freehold Land	Leasehold Land	Freehold Buildings	Plant and Machinery	Furniture and fixtures	Office Equip-ments	Vehicles	Data Processing Equipments	Railway Sidings (Note 1)	Total Tangible Assets
Cost at beginning of the year	1,187.87	99.15	2,058.68	26,109.39	105.92	149.44	157.87	257.10	911.58	**31,037.00**
Additions	–	–	2.16	10.42	2.51	1.27	–	2.53	–	**18.89**
Disposals	–	–	–	–	3.35	0.69	49.50	–	–	**53.54**
Cost at end of the year	**1,187.87**	**99.15**	**2,060.84**	**26,119.81**	**105.08**	**150.02**	**108.37**	**259.63**	**911.58**	**31,002.35**
Depreciation at beginning of year	–	16.03	470.40	9,240.85	54.68	53.06	58.02	181.64	537.27	**10,611.95**
Charge for the year	–	1.00	57.92	1,477.33	5.14	7.16	12.23	24.99	61.68	**1,647.45**
Disposals	–	–	–	–	0.56	0.06	23.26	–	–	**23.88**
Depreciation at end of the year	**–**	**17.03**	**528.32**	**10,718.18**	**59.26**	**60.16**	**46.99**	**206.63**	**598.95**	**12,235.52**
Net book value at beginning of the year	**1,187.87**	**83.12**	**1,588.28**	**16,868.54**	**51.24**	**96.38**	**99.85**	**75.46**	**374.31**	**20,425.05**
Net book value at end of the year	**1,187.87**	**82.12**	**1,532.52**	**15,401.63**	**45.82**	**89.86**	**61.38**	**53.00**	**312.63**	**18,766.83**

1. Includes ₹ **350.00 lacs** on account of the amount contributed to Konkan Railway Corporation Limited (KRCL) for construction of Railway Siding in which the company has a right of preferential use over others for a period of 10 years. Even though the ownership of the railway siding is vested with KRCL, the amount contributed by the company has been capitalised on the basis of the future economic benefits and amortised over a period of 10 years. The depreciation for the current year includes the amortisation charge ₹ **35.00 lacs** (Previous year: ₹ 35.00 lacs)
2. Other than lease hold land all other tangible assets are owned by the Company.

NOTES TO THE FINANCIAL STATEMENTS

10. Intangible assets (₹ in lacs)

	Computer Software	Total
(Acquired)		
As at 31.03.2013	**Rs. lacs**	**Rs. lacs**
Additions	**75.30**	75.30
Cost at end of the period	**75.30**	75.30
Charge for the period	**3.75**	3.75
Amortisation at end of the period	**3.75**	3.75
Net book value at end of the period	**71.55**	71.55

11. Non-Current Investments

	As at 31.03.2013	As at 31.03.2012
Investments (At Cost)		
A. Trade		
a) Investments in Equity of a Subsidiary (Unquoted) **91,800,000** (31.03.2012: 91,800,000) shares of ₹ 10 each fully paid up in Tata Metaliks Kubota Pipes Limited	**9,180.00**	9,180.00
b) Investments in preference shares of a Subsidiary (Unquoted) **700,000** (31.03.2012: Nil) shares of ₹ 100 each fully paid up in Tata Metaliks Kubota Pipes Limited	700.00	–
B. Others		
a) Investments in National Savings Certificate (Unquoted)	**1.52**	1.52
	9,881.52	9,181.52
Aggregate amount of unquoted investments	**9,881.52**	9,181.52

12. Loans and Advances (Unsecured, Considered good)

	As at 31.03.2013		As at 31.03.2012	
	Long-term	**Short-term**	**Long-term**	**Short-term**
(a) Capital advances	**5,522.07**	**–**	5,603.74	–
(b) Security deposits	**97.86**	**3.00**	96.36	3.00
(c) Advance with public bodies	**–**	**579.21**	–	379.45
(d) Loans and advances to related parties	**–**	**542.02**	–	5.27
(e) Other loans and advances				
i) Prepayments and others	**2.60**	**652.38**	542.09	841.44
ii) Advance Income Tax [Net of Provision for tax ₹ **9,056.80 lacs** (31.03.2012 : ₹ 8,592.87 Lacs)]	**87.16**	**–**	2,118.92	–
Gross Loans and advances	**5,709.69**	**1,776.61**	8,361.11	1,229.16

NOTES TO THE FINANCIAL STATEMENTS

(₹ in lacs)

13. Other Non Current assets

	As at 31.03.2013	As at 31.03.2012
(a). Deposits with banks having maturity of more than one year		
Deposits with banks submitted as security with government agency	**0.20**	0.20
(b). Unamortised expenses		
Unamortised issue expenses of long-tem loans	**19.50**	
Total Other Non Current assets	**19.70**	0.20

14. Current Investments

(a). Investment in Mutual Funds (Lower of cost or fair value)		
i). Unquoted		
31.03.2013 : **Nil** (31.03.2012 :385,405.169 units) of Birla		
Sun Life Cash Manager - Growth	**–**	1,000.00
Total current investments	**–**	1,000.00

15. Inventories

(a). Raw materials (At lower of cost or net realisable value)	**10,135.15**	10,869.27
(b). Finished goods (At lower of cost or net realisable value)	**6,233.56**	2,510.11
(c). Stores and spares (At or lower than cost)	**392.80**	305.22
Total inventories	**16,761.51**	13,684.60
Included above, goods-in-transit :		
(a). Raw materials	**4,214.64**	1,884.21
(b). Finished goods	**2,100.69**	613.90

16. Trade Receivables

Current trade receivable		
(a). More than six months (from the date they were due for payment)		
Considered good	**0.70**	4.38
Considered doubtful	**45.52**	
Less : Provision of doubtful debts	**(45.52)**	–
	–	–
(b). Others - Considered good	**12,121.43**	4,478.19
Net Current Trade Receivables	**12,122.13**	4,482.57
Classification of Current Trade Receivables		
Secured, considered good	–	–
Unsecured, considered good	**12,122.13**	4,482.57
Unsecured considered Doubtful	**45.52**	–
Total Current Trade Receivables	**12,167.65**	4,482.57

NOTES TO THE FINANCIAL STATEMENTS

(₹ in lacs)

17. Cash and Bank Balances

	As at 31.03.2013	As at 31.03.2012
Cash and cash equivalents		
(a). Cash on hand	**0.97**	1.06
(b). Balances with banks		
(i). In current accounts	**50.10**	29.78
(ii). In deposit account	–	7,000.00
Total cash and cash equivalents	**51.07**	7,030.84
Other bank balances		
In dividend accounts	**125.50**	173.75
	176.57	7,204.59
Included above		
(i). Earmarked balance for unpaid dividend	**125.50**	173.75

18. Other Current Assets

(a). Derivatives - foreign currency forward contract	–	199.32
(b). Interest accrued on deposits, loans and advances	**–**	10.49
(c). Unamortised expenses		
(i) Unamortised issue expenses of long-tem loans	**6.00**	
(ii) Unamortised premium on forward contract	**259.69**	367.07
Total Other current assets	**265.69**	576.88

19. Revenue from Operations

	For the year ended 31.03.2013	For the year ended 31.03.2012
(a). Sale of Goods		
i) Pig iron	**91,438.31**	117,330.02
ii) Coal	**2,149.92**	3,268.49
iii) Coke	**850.01**	444.87
iv) Limestone	**1.74**	–
(b). Other operating income (refer note (i) below)	**2,219.47**	2,971.18
Gross Revenue from Operations	**96,659.45**	124,014.56
Note : (i)		
Other operating income comprise :		
(a). Subsidy from state government	**194.38**	97.24
(b). Sale of iron ore fines (inclusive of excise duty)	**841.55**	2,519.47
(c). Sale of blast furnace gas	**166.30**	166.74
(d). Sale of metal scrap (inclusive of excise duty)	**186.17**	91.68
(e). Sale of sinter	**781.60**	10.44
(f). Others	**49.47**	85.61
	2,219.47	**2,971.18**

NOTES TO THE FINANCIAL STATEMENTS

(₹ in lacs)

20. Other Income

	For the year ended 31.03.2013	For the year ended 31.03.2012
(a). Interest received from deposits	**48.10**	17.81
(b). Interest on income tax refund	**321.62**	–
(c). Profit on sale of current investments	**4.27**	0.07
(d). Dividend income from current investments	**1.71**	–
(e). Profit on sale of tangible assets	–	0.20
(f). Provisions no longer required written back	**367.23**	770.89
(g). Miscellaneous income	**55.66**	458.92
(h). Gains on foreign currency transactions	**2,344.80**	1,612.54
(i). Gains on cancellation of forward contracts	**304.01**	19.03
Total other income	**3,447.40**	2,879.46

21. Cost of materials consumed

Raw Material Consumed		
(a). Opening stock	**10,869.27**	15,325.19
(b). Add: Purchases	**72,948.50**	99,223.26
	83,817.77	114,548.45
(c). Less: Closing stock	**10,135.15**	10,869.27
	73,682.62	103,679.18
Raw Material Consumed comprises		
(a). Iron ore	**23,005.37**	27,854.47
(b). Coke	**48,894.58**	73,944.30
(c). Fluxes	**1,782.67**	1,880.41
	73,682.62	103,679.18

22. Changes in stock of finished goods

Stock at the beginning of the year		
(a). Finished goods	**2,510.11**	7,864.86
	2,510.11	7,864.86
Stock at the end of the year		
(a). Finished goods	**6,233.56**	2,510.11
	6,233.56	2,510.11
Net (increase)/decrease	**(3,723.45)**	5,354.75

23. Employee Benefit Expense

(a). Salaries and wages, including bonus	**2,732.23**	2,396.78
(b). Contribution to provident and other funds	**382.80**	385.37
(c). Staff welfare expenses	**225.89**	182.18
	3,340.92	2,964.33

NOTES TO THE FINANCIAL STATEMENTS

(₹ in lacs)

24. Finance Costs

	For the year ended 31.03.2013	For the year ended 31.03.2012
(a) Interest expense		
i) Interest on debentures	**362.01**	535.24
ii) Interest on fixed loans	**788.56**	835.87
iii) Interest on others	**1,388.75**	1,190.90
	2,539.32	2,562.01
(b) Other borrowing costs	**278.55**	317.15
Gross finance costs	**2,817.87**	2,879.16
Less: Interest capitalised	**876.87**	–
Net finance costs	**1,941.00**	2,879.16

25. Depreciation and amortisation expense

(a) Depreciation and amortisation for the year on tangible assets as per Note 9.	**1,606.77**	1,647.45
(b) Depreciation and amortisation for the year on Intangible assets as per Note 10.	**3.75**	
	1,610.52	1,647.45

26. Other Expenses

(a) Consumption of stores and spare parts	**2,265.46**	1,850.93
(b) Repairs to buildings	**19.55**	44.23
(c) Repairs to machinery	**338.51**	647.83
(d) Repairs to others	**278.18**	380.07
(e) Power and fuel	**646.84**	441.08
(f) Electricity charges	**714.54**	356.66
(g) Freight and handling charges	**1,591.16**	2,020.07
(h) Rent	**91.27**	101.52
(i) Rates and taxes	**290.30**	252.65
(j) Insurance charges	**158.27**	151.06
(k) Commission, discounts and rebates	**209.16**	395.29
(l) Excise duties	**477.05**	(494.84)
(m) Provision for doubtful debts	**45.52**	–
(n) Bad debts written off	**–**	66.12
(o) Other expenses		
i) Loss on foreign currency transactions	**2,805.57**	3,558.20

NOTES TO THE FINANCIAL STATEMENTS

(₹ in lacs)

		For the year ended 31.03.2013	For the year ended 31.03.2012
ii)	Loss on cancellation of forward contracts	**260.48**	156.54
iii)	Premium on foreign currency forwards	**1,096.00**	268.66
iv)	Loss on sale of tangible fixed assets	**339.26**	14.55
v)	Auditors remuneration and out-of-pocket expenses		
	As Auditors - statutory audit	**20.50**	20.50
	For Tax audit	**2.00**	2.00
	For Other Services	**5.50**	1.50
	Auditors out-of-pocket expenses	**0.70**	0.54
vi)	Legal and other professional costs	**199.93**	272.93
vii)	Advertisement, promotion and selling expenses	**11.32**	20.56
viii)	Travelling expenses	**165.17**	245.40
ix)	Bank charges	**106.91**	187.22
x)	Wealth tax	**4.34**	4.57
xi)	Other general expenses	**966.33**	1,227.27
Total Other Expenses		**13,109.82**	12,193.11

27 Exceptional Items

a).	Payment for employee separation (Refer Note 46)	**1,069.56**	–
b).	Impairment of tangible assets (refer Note 42)	**4,500.00**	–
		5,569.56	–

28. Contingent Liabilities

		As at 31.03.2013	As at 31.03.2012
(a)	Cenvat credit disallowed	**6,883.28**	6,389.59
(b)	Income Tax	**129.90**	–
(c)	Guarantees given to banks on behalf subsidiary company for term loans (1 & 2) 1. Includes a guarantee denominated in US dollar - **USD 11,850,000** (31.03.2012 : USD 11,850,000) 2. Loan outstanding against the guarantee as at **31.03.2013 ₹ 5,544.91 lacs** (31.03.2012 : ₹ 7,740.72 lacs)	**6,523.43**	8,665.56
(d)	Bills discounted	**329.79**	–

NOTES TO THE FINANCIAL STATEMENTS

29. The Company has availed sales tax incentive under Part 1 of the 1993 scheme from the Government of Maharashtra against its investment in BF3 at its plant at Redi. Under the scheme the Company has availed deferred payment facility for Sales tax and made payment at net present value as specified in the scheme. As per scheme the Company has to obtain the approval of Director of Industries for closure of the operations of the plant and also to refund the benefits availed along with interest. The Company is in the process of filing application for the waiver of refund of the benefits availed of ₹ **728.17 lacs**.

30. The company has received a demand notice issued by sales tax department against the sales tax dues of Usha Ispat Limited (erstwhile owner of REDI plant) for ₹ **87.44** Cr. The Company has acquired only the assets of Usha Ispat Limited from IDBI SASF under SARFAESI Act and not the successor of business. Company has filed writ petition before High Court of Bombay against the said demand which is pending for disposal.

(₹ in lacs)

31. Capital and other commitments

	As at 31.03.2013	**As at 31.03.2012**
(a) Capital commitments		
i) Estimated value of contracts in capital account remaining to be executed (net of advances)	**219.73**	7,330.24

32. Value of Imports (CIF)

	For the year ended 31.03.2013	**For the year ended 31.03.2012**
(a) Capital goods	**925.14**	1,027.77
(b) Raw materials	**28,146.51**	31,124.40
(c) Spares	**216.98**	–

33. Expenditure in Foreign Currency (On accrual basis)

(a) Interest	**574.92**	396.18
(b) Foreign travel	**0.60**	8.41
(c) Consultancy	**139.35**	191.05
(d) Other expenses	**1.27**	3.02

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

(a) On opening stock	**194.30**	689.14
(b) On closing stock	**671.35**	194.30
	477.05	(494.84)

35. Earnings Per Share

(a) Profit/(loss) for the year attributable to equity shareholders	**(5,454.44)**	(9,060.13)
(b) Weighted average no.of ordinary shares for basic and diluted EPS (Nos)	**25,288,000**	25,288,000
(c) Nominal value per ordinary share (₹)	**10**	10
(d) Earnings/(loss) per ordinary share for the year (₹) - Basic	**(21.57)**	(35.83)
(e) Earnings/(loss) per ordinary share for the year (₹) - Diluted	**(21.57)**	(35.83)

NOTES TO THE FINANCIAL STATEMENTS

36. Consumption of Imported and Indigenous Materials

Consumption of Imported and Indigenous Materials	For the year ended 31.03.2013		For the year ended 31.03.2012	
	%	**₹ Lacs**	**%**	**₹ Lacs**
a) Raw materials consumed				
- Indigenous	**51.53%**	**37,968.42**	61.89%	64,165.09
- Imported	**48.47%**	**35,714.20**	38.11%	39,514.09
	100.00%	**73,682.62**	**100.00%**	**103,679.18**
b) Stores and spare parts				
- Indigenous	**90.42%**	**2,048.48**	100.00%	1,850.93
- Imported	**9.58%**	**216.98**	–	–
	100.00%	**2,265.46**	**100.00%**	**1,850.93**

37. Unhedged Foreign Currency exposures

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

	As at 31.03.2013		As at 31.03.2012	
	US Dollar Equivalent	**Amount ₹ Lacs**	US Dollar Equivalent	Amount ₹ Lacs
(a) Creditors for supplies and services	**17,786,263**	**9,654.39**	3,667,200	1,865.87
(b) Outstanding Buyer's Credit	**7,419,547**	**4,027.33**	8,545,314	4,347.86
(c) Interest and commitment charges payable	**215,290**	**116.86**	229,029	116.53

38. Derivative Instruments

As at	No. of Contracts	US Dollar Equivalent	Amount ₹ lacs
31.03.2013	**30**	**35,635,250**	**19,342.81**
31.03.2012	19	48,566,066	24,710.41

39. Due to micro and small enterprises

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

40. Segment Reporting

The Company has identified the business segment as its primary segment. The Company is engaged in production and sale of Pig Iron and hence Pig Iron is the only reportable business segment in accordance with Accounting Standard 17 - Segment Reporting. The Company is operating only within India and hence India is the only geographical segment.

NOTES TO THE FINANCIAL STATEMENTS

41. Related Party Transactions

Related party relationship :

Name of the related party		Nature of Relationship
Tata Steel Limited	:	Holding Company
Tata Metaliks Kubota Pipes Limited	:	Subsidiary
TM International Logistics Limited	:	Fellow Subsidiary
TKM Global Logistics Limited		Fellow Subsidiary
Tata Steel Resources Australia Pty Limited	:	Fellow Subsidiary
Tata Steel Global Procurement Co Pte Limited		Fellow Subsidiary
Tata Steel Processing and Distribution Limited	:	Fellow Subsidiary
Key Managerial Person - Mr. Harsh K Jha	:	Managing Director
Key Managerial Person - Mr. D.P.Deshpande	:	Executive Director

Related party Transactions (₹ in lacs)

Name of the related party	Nature of transaction	For the year ended 31.03.2013	For the year ended 31.03.2012
Tata Steel Limited	Purchase of raw materials	**20,346.02**	20,244.39
	Sale of goods	**57.56**	198.70
	Services received	**107.38**	101.29
	Subscription of Preference shares	**–**	10,000.00
	Inter Corporate deposit received/ (repaid)	**(5,000.00)**	5,000.00
	Interest paid	**241.58**	449.30
	Advance Received	**1,464.98**	–
	Rendering of Services	**–**	11.42
Tata Metaliks Kubota Pipes Limited	Equity Contribution	**–**	1,785.00
	Preference Capital Contribution	**700.00**	
	Sale of molten metal and BF gas	**21,516.49**	15,602.85
	Purchase of goods	**9.61**	–
	Interest received	**32.72**	43.61
	Rent received	**48.46**	42.70
	Expenses reimbursed	**11.74**	8.84
TM International Logistics Limited	Services received	**2,307.27**	1,472.82
Tata Steel Resources Australia Pty Limited	Purchase of goods	**–**	5,405.74
	Reimbursement of expenses	**28.25**	
	Recovery of expense	**75.65**	
Tata Steel Global Procurement Co Pte Limited	Purchase of goods	**5,715.90**	–
	Reimbursement of expenses	**12.29**	
Tata Steel Processing and Distribution Limited	Purchase of goods	**18.69**	190.16
TKM Global Logistics Limited	Services received	**6.67**	–
Mr. Harsh K Jha	Remuneration	**137.67**	76.49
Mr. D.P.Deshpande	Remuneration	**79.02**	

NOTES TO THE FINANCIAL STATEMENTS

(₹ in lacs)

Name of the related party	Nature of outstanding	As at 31.03.2013	As at 31.03.2012
Tata Steel Limited	Outstanding receivables	**10.85**	198.79
	Inter Corporate Deposits	**2,200.00**	7,200.00
	Advance Payable	**1,464.98**	
	Outstanding payables	**1,610.12**	1443.83
	Interest payable	**317.78**	339.84
Tata Metaliks Kubota Pipes Limited	Outstanding receivables	**8,156.39**	1786.64
	Inter Corporate Deposits placed	**510.00**	
	Advances receivable	**32.02**	
	Interest Receivable	**4.29**	–
TM International Logistics Limited	Advances paid	**–**	4.74
	Outstanding payables	**1.31**	–
Tata Steel Resources Australia Pty Limited	Outstanding payables	**–**	1,865.87
Tata Steel Global Procurement Co Pte Limited	Outstanding payables	**1,231.81**	–
Tata Steel Processing and Distribution Limited	Outstanding payables	**–**	60.84

42. Impairments

Board of directors in their meeting held on November 19, 2012 decided to close the operation of the Redi plant and sell the assets at disaggregate mode, i.e., selling the plant and land separately. The company has done an independent valuation of its assets and accordingly recognised the impairment of ₹ **4,500 lacs** during the current year and included under exceptional items in Note 27 above.

43. Deferred Tax (liability)/Assets

	As at 31.03.2012	Charge/ (Credit) to the statement of profit and loss	As at 31.03.2013
Deferred tax liabilities			
i) Difference between book depreciation and tax depreciation	2,614.16	132.40	**2,746.56**
	2,614.16	132.40	**2,746.56**
Deferred tax assets			
i) Employee separation scheme	(4.80)	–	**(4.80)**
ii) Unabsorbed depreciation	(1,032.79)	(132.40)	**(1,165.19)**
iii) Unabsorbed business losses	(911.27)	–	**(911.27)**
	(1,948.86)	(132.40)	**(2,081.26)**
Net Deferred tax liability/(asset)	665.30	–	**665.30**

NOTES TO THE FINANCIAL STATEMENTS

(₹ in lacs)

44. Employee Benefits

Defined Contribution plans

The Company has recognised an amount of ₹ **239.72 lacs** in expenses for the year ended 31.03.2012 *(Previous year ₹. 237.76 lacs)* towards contribution to the following defined contribution plans:

	For the year ended 31.03.2013	For the year ended 31.03.2012
Provident Fund	**167.19**	153.78
Superannuation Fund	**72.53**	83.98
Total	**239.72**	237.76

Defined Benefit Plans

The Company provided the following employee benefits

Funded : Gratuity

Non Funded: Compensated absence

Non Funded: Pension

Details of the Gratuity Plan are as follows

(₹ in lacs)

Description	2012-13	2011-12
1. Reconciliation of opening and closing balances of obligation		
a. Obligation as at beginning of the year	**419.25**	342.22
b. Current service cost	**42.97**	36.96
c. Interest cost	**28.61**	25.73
d. Settlement Cost /(Credit)	**45.69**	–
e. Actuarial (gain)/loss	**51.82**	75.12
f. Benefits paid	**173.13**	60.78
g. Obligation as at end of the year	**415.21**	419.25
2. Change in fair value of plan assets		
a. Fair value of plan assets as at beginning of the year	**161.08**	202.67
b. Expected return on plan assets	**22.07**	14.98
c. Actuarial (gain)/loss	**3.93**	(24.77)
d. Contributions made by the company	**200.00**	28.98
e. Benefits paid	**44.99**	60.78
f. Fair value of plan assets as at end of the year	**342.09**	161.08
3. Reconciliation of fair value of plan assets and obligations		
a. Present value of obligation	415.21	419.25
b. Fair value of plan assets	342.09	161.08
c. Amount recognised in the balance sheet Asset/(Liability)	(73.12)	(258.17)

NOTES TO THE FINANCIAL STATEMENTS

(₹ in lacs)

Description	2012-13	2011-12
4. Expenses recognised during the year		
a. Current service cost	**42.97**	36.96
b. Interest cost	**28.61**	25.73
c. Expected return on plan assets	**(22.07)**	(14.98)
d. Settlement Cost /(Credit)	**45.69**	-
e. Actuarial (gain)/loss	**47.89**	99.89
f. Expenses recognised during the year	**143.09**	147.60
5. Investment details	**% invested**	% invested
a. Others (Funds with Life Insurance Corporation of India)	**100.00**	100.00
# The breakup of the fund assets are not provided by the insurance company.		
6. Assumptions	**%**	%
a. Discount rate (per annum)	**8.00%**	8.60%
b. Estimated rate of return on plan assets (per annum)	**9.25%**	9.25%
c. Rate of escalation in salary	**5.00%**	5.00%

7. Experience adjustments	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
a. Present value of obligation	**415.21**	419.25	342.22	264.21	203.34
b. Fair value of plan assets	**342.09**	161.08	202.67	167.07	132.72
c. Amount recognised in the balance sheet Asset/(Liability)	**(73.12)**	(258.17)	(139.55)	(97.14)	(70.62)
d. Experience adjustments on plan liabilities ((gain)/loss)	**27.73**	91.12	37.75	37.64	0.84
e. Experience adjustments on plan assets (gain/(loss))	**3.93**	(24.77)	–	(2.20)	3.73

Details of the Compensated absence Benefit are as follows

1. Reconciliation of opening and closing balances of obligation	2012-13	2011-12
a. Obligation as at beginning of the year	**377.03**	324.63
b. Current service cost	**51.24**	45.63
c. Interest cost	**26.12**	22.98
d. Settlement Cost /(Credit)	**17.24**	–
e. Acquisition Cost/(Credit)	**–**	3.35
f. Actuarial (gain)/loss	**(31.18)**	72.54
g. Benefits paid	**146.51**	92.10
h. Obligation as at end of the year	**293.94**	377.03
2. Expenses recognised during the year		
a. Current service cost	**51.24**	45.63
b. Interest cost	**26.12**	22.98
c. Settlement Cost /(Credit)	**17.24**	
d. Actuarial gain/(loss)	**(31.18)**	72.54
e. Expenses recognised during the year	**63.42**	141.15
3. Assumptions	**%**	**%**
a. Discount rate (per annum)	**8.00%**	8.60%
b. Estimated rate of return on plan assets (per annum)	**NA**	NA
c. Rate of escalation in salary	**5.00%**	5.00%

NOTES TO THE FINANCIAL STATEMENTS

(₹ in lacs)

4. Experience adjustments	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
a. Present value of obligation	**293.94**	377.03	324.63	260.30	176.47
b. Experience adjustments on plan liabilities ((gain)/loss)	**(46.96)**	85.53	29.44	81.16	6.09

Details of Post Retirement Pension Benefit (un-funded) are as follows :

Description	2012-13	2011-12
1. Reconciliation of opening and closing balances of obligation		
a. Actuarial (gain)/loss	**199.28**	–
b. Obligation as at end of the year	**199.28**	–
2. Expenses recognised during the year		
a. Actuarial gain/(loss)	**199.28**	–
b. Expenses recognised during the year	**199.28**	–
3. Assumptions	**%**	
a. Discount rate (per annum)	**8.00%**	–

45. Subsequent Events

(a) The Company has purchased the entire shareholding of Kubota Corporation and Metal One Corporation in its subsidiary Tata Metaliks Kubota Pipes Limited on April 9, 2013. Consequently Tata Metaliks Kubota Pipes Limited has become a wholly owned subsidiary with effect from that date.

(b) The Board of directors at their meeting held on April 10, 2013 approved the scheme of amalgamation of the Company and its subsidiary, Tata Metaliks Kubota Pipes Limited with Tata Steel Limited with an appointed date of April 1, 2013. The Scheme is subject to approval of the High Court judicature of Bombay and Calcutta.

NOTES TO THE FINANCIAL STATEMENTS

(₹ in lacs)

46. Discontinuing Operations :

Based on decision of the Board of Directors of the Company at its meeting held on November 19, 2012 the Company has filed an application with the appropriate authority for closure of the Redi Plant, located at Terekhol Road, Dist: Sindhudurg, Redi - 416 517, Maharashtra, in accordance with the provisions of the Industrial Disputes Act, 1947. The application was initially rejected by the authority and the company has filed a review petition before the same authority. In the mean time the Company has negotiated with the employees for settlement and an agreement was signed on March 25, 2013 with the employees' union. The Company and the employees' union have filed the settlement details with the Commissioner of Labour to facilitate the closure process. The Company has provided for ₹ **1,069. 56 lacs** which has been included under Note 27 - Exceptional item. The carrying value of fixed assets, current assets and current liabilities of the Redi Plant were ₹ **5,698 lacs,** ₹ **262 lacs** and ₹ **746 lacs** respectively.

	Continuing Operations		**Discontinuing Operations**		**Total**	
	Twelve months Ended 31.03.2013	Twelve months Ended 31.03.2012	**Twelve months Ended 31.03.2013**	Twelve months Ended 31.03.2012	**Twelve months Ended 31.03.2013**	Twelve months Ended 31.03.2012
Gross Revenue	**95,609.83**	96,626.77	**1,049.62**	27,387.79	**96,659.45**	124,014.56
Excise Duty	**9,920.94**	8,354.78	**109.36**	2,367.43	**10,030.30**	10,722.21
Revenue from Operations	**85,688.89**	88,271.99	**940.26**	25,020.36	**86,629.15**	113,292.35
Other Income	**3,388.47**	1,497.73	**58.93**	1,381.73	**3,447.40**	2,879.46
Total	**89,077.36**	89,769.72	**999.19**	26,402.09	**90,076.55**	116,171.81
Raw materials consumed	**72,586.96**	82,274.49	**1,095.66**	21,404.69	**73,682.62**	103,679.18
Changes in stock of finished goods, work-in-progress and stock-in-trade	**(3,994.01)**	50.39	**270.56**	5,304.36	**(3,723.45)**	5,354.75
Employee benefit expense	**2,492.48**	1,924.33	**848.44**	1,040.00	**3,340.92**	2,964.33
Depreciation	**808.16**	802.13	**802.36**	845.32	**1,610.52**	1,647.45
Other expenses	**12,830.86**	9,396.96	**278.97**	2,796.15	**13,109.83**	12,193.11
Operating Expenses	**84,724.45**	94,448.30	**3,295.99**	31,390.52	**88,020.44**	125,838.82
Interest	**1,941.00**	2,044.77	**–**	834.39	**1,941.00**	2,879.16
Profit/(Loss) from Operating activities Before exceptional items and tax	**2,411.91**	(6,723.35)	**(2,296.80)**	(5,822.82)	**115.11**	(12,546.17)
Exceptional Items	**–**	–	**(5,569.56)**	–	**(5,569.56)**	–
Profit/(Loss) from Operating activities before tax	**2,411.91**	(6,723.35)	**(7,866.36)**	(5,822.82)	**(5,454.45)**	(12,546.17)
Tax	**–**	(3,486.04)	**–**	**–**	**–**	(3,486.04)
Profit/(Loss) from Operating activities after tax	**2,411.91**	(3,237.31)	**(7,866.36)**	(5,822.82)	**(5,454.45)**	(9,060.13)
Net Cash flow from/(used in) Operating activities	**16,507.91**	(7,416.39)	**(118.76)**	4,723.68	**16,389.15**	(2,692.71)
Net Cash flow from Investing activities	**(10,909.72)**	10,908.74	**1.76**	0.78	**(10,907.96)**	10,909.52
Net Cash flow from Financing activities	**377.02**	(11,676.89)	**(12,837.98)**	(784.07)	**(12,460.96)**	(12,460.96)

NOTES TO THE FINANCIAL STATEMENTS

47. Consumption of raw materials incudes ₹ **Nil** (Previous year ₹ 478.52 lacs) and change in stocks include ₹18.10 lacs (Previous year: ₹ 63.33 lacs) towards write down of closing inventory of Raw materials and finished goods to net realisable value in accordance with Accounting Standard (AS) - 2 - Valuation of Inventory

48. Leases

Operating Lease arrangement as lessee

The Company has entered into a non-cancellable operating lease in respect of vehicles and the lease rental expenses recognised for the year is ₹ 14.53 lacs (previous year: ₹ 15.90 lacs) The lease agreement provides for an option to the Company to renew the lease period at the end of the non-cancellable period. There are no exceptional/ restrictive covenants in the lease agreements.

The total of future minimum lease payments under non-cancellable operating lease as at 31.03.13 are as follows :

	2012-13	2011-12
Payable not later than one year	**14.15**	14.53
Payable later than one year but not later than five years	**24.01**	38.16
Payable later than five years	-	-

49. Previous year's figures have been regrouped/reclassified where necessary to correspond with the current year's classification/disclosure.

For and on behalf of the Board of Directors

	Koushik Chatterjee	**Sanjiv Paul**	**Sankar Bhattacharya**
Kharagpur, April 29 , 2013	*Chairman*	*Managing Director*	*Company Secretary*

CONSOLIDATED INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
TATA METALIKS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of TATA METALIKS LIMITED ("the Company"), and its subsidiary Tata Metaliks Kubota Pipes Limited (the Company, its subsidiary constitute "the Group"), which comprises the Consolidated Balance Sheet as at 31 March 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 31 March, 2013;

(ii) in the case of the Consolidated Statement of Profit and Loss, of the loss of the Group for the year ended on that date; and

(iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No. 302009E)

Abhijit Bandyopadhyay
Partner
(Membership No. 54785)

Kolkata 29 April, 2013

CONSOLIDATED BALANCE SHEET as at March 31, 2013

(₹ in lacs)

	Notes	As at 31.03.2013	As at 31.03.2012
(I) EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	3	**12,528.80**	12,528.80
(b) Reserves and surplus	4	**(15,452.35)**	(6,741.51)
		(2,923.55)	5,787.29
(2) Minority interest		**-**	2,679.59
(3) Non-current liabilities			
(a) Long-term borrowings	5	**17,790.88**	13,058.90
(b) Deferred tax liabilities (net)	43	**665.30**	665.30
(c) Long-term provisions	6	**595.83**	640.86
		19,052.01	14,365.06
(4) Current liabilities			
(a) Short-term borrowings	5	**25,427.25**	41,071.36
(b) Trade payables	7	**27,950.72**	9,229.16
(c) Other current liabilities	8	**15,777.08**	8,456.33
(d) Short-term provisions	6	**92.75**	313.52
		69,247.80	59,070.37
TOTAL EQUITY AND LIABILITIES		**85,376.26**	81,902.31
(II) ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	**31,669.96**	35,243.68
(ii) Intangible assets	10	**85.07**	-
(iii) Capital work-in-progress		**11,862.74**	2,914.97
		43,617.77	38,158.65
(b) Non-current investments	11	**1.52**	1.52
(c) Long-term loans and advances	12	**5,800.01**	8,580.75
(d) Other non-current assets	13	**208.71**	220.19
		49,628.01	46,961.11
(2) Current assets			
(a) Current investments	14	**-**	1,000.00
(b) Inventories	15	**21,727.19**	17,987.49
(c) Trade receivables	16	**8,857.95**	4,704.73
(d) Cash and bank balances	17	**901.17**	8,081.34
(e) Short-term loans and advances	12	**3,838.61**	2,502.97
(f) Other current assets	18	**423.33**	664.67
		35,748.25	34,941.20
TOTAL ASSETS		**85,376.26**	81,902.31

The Notes referred to above form an integral part of Consolidated Balance Sheet

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants
Abhijit Bandyopadhyay
Partner
Kharagpur, April 29, 2013

For and on behalf of the Board of Directors

Koushik Chatterjee — *Chairman*
Sanjiv Paul — *Managing Director*
Sankar Bhattacharya — *Company Secretary*

CONSOLIDATED PROFIT & LOSS ACCOUNT for the year ended March 31, 2013

(₹ in lacs)

		Notes	For the year ended 31.03.2013	For the year ended 31.03.2012
I	Revenue from operations (gross)	19	**108,349.56**	132,776.21
	Less: Excise duty		**8,889.44**	10,153.35
	Revenue from operations (net)		**99,460.12**	122,622.86
II	Other income	20	**3,620.42**	3,246.04
III	**Total revenue (I + II)**		**103,080.54**	125,868.90
IV	**EXPENSES**			
	(a) Cost of materials consumed	21	**77,227.54**	107,209.79
	(b) Changes in stock of finished goods and work-in-progress	22	**(4,291.53)**	3,925.40
	(c) Employee benefit expense	23	**5,058.50**	4,455.55
	(d) Finance costs	24	**3,872.24**	4,313.73
	(e) Depreciation and amortisation expense	25	**2,822.50**	2,695.45
	(f) Other expenses	26	**24,212.16**	20,279.11
	Total expenses (IV)		**108,901.41**	142,879.03
V	**Profit/(Loss) before exceptional items and tax (III - IV)**		**(5,820.87)**	(17,010.13)
VI	Exceptional items	27	**(5,569.56)**	-
VII	**Profit/(loss) before tax (V +VI)**		**(11,390.43)**	(17,010.13)
VIII	Tax expense			
	(1) Current tax		**-**	(3,486.04)
	(2) Deferred tax		**-**	-
	Total tax expense		**-**	(3,486.04)
IX	**Loss for the period (VII - VIII)**		**(11,390.43)**	(13,524.09)
X	Minority interest		**(2,679.59)**	(2,176.63)
XI	**Loss for the period after tax and minority interest (VII -VIII)**		**(8,710.84)**	(11,347.46)
	Loss from continuing operations before tax	42	**(3,524.07)**	(11,187.31)
	Tax Expense		**-**	(3,486.04)
	Loss from continuing operations after tax	42	**(3,524.07)**	(7,701.27)
	Loss from discontinuing operations before tax	42	**(7,866.36)**	(5,822.82)
	Tax Expense		**-**	-
	Loss from discontinuing operations after tax	42	**(7,866.36)**	(5,822.82)
XII	**Earnings per equity share:**	32		
	(1) Basic		**(34.45)**	(44.87)
	(2) Diluted		**(34.45)**	(44.87)

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

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants
Abhijit Bandyopadhyay
Partner
Kharagpur, April 29, 2013

For and on behalf of the Board of Directors

Koushik Chatterjee *Chairman*

Sanjiv Paul *Managing Director*

Sankar Bhattacharya *Company Secretary*

CONSOLIDATED CASH FLOW STATEMENT for the year ended March 31, 2013

(₹ in lacs)

		For the year ended 31.03.2013	For the year ended 31.03.2012
A.	**Cash Flow from Operating activities :**		
	(Profit)/(Loss) before taxes	**(11,390.43)**	(17,010.13)
	Adjustments for :		
	Depreciation and amortisation expense	**2,822.50**	2,695.45
	Impairment of tangible assets	**4,500.00**	
	Write down of inventories to net realisable value	**290.12**	579.74
	Provision for doubtful debts	**49.80**	-
	Provision no longer required written back	**(367.23)**	
	Interest income	**(353.96)**	(43.09)
	Write down of goodwill on consolidation	-	20.57
	Dividend income from current investments	**(1.71)**	-
	Profit on sale of current investments	**(4.27)**	(0.07)
	Finance costs	**3,872.24**	4,313.73
	Provision for wealth tax	**4.34**	4.57
	Mark to market adjustments on derivatives	**-**	(265.42)
	Loss on cancellation of forward contracts	**273.46**	156.54
	Profit on cancellation of forward contracts	**(305.50)**	(19.03)
	(Profit)/loss on sale of fixed assets (net)	**349.19**	14.35
	Unrealised exchange loss/(gain)	**156.99**	(743.05)
	Realised exchange loss/(gains)	**304.07**	2,776.25
	Operating loss before working capital changes	**199.61**	(7,519.59)
	Adjustments for (increase)/decrease in operating assets		
	Inventories	**(4,029.82)**	7,483.81
	Trade receivables	**(4,081.14)**	5,555.77
	Short-term loans and advances	**(1,331.06)**	518.39
	Long-term loans and advances	**522.55**	(556.10)
	Other current assets	**1,979.02**	(555.78)
	Adjustments for increase/(decrease) in operating liabilities		
	Trade payables	**19,090.48**	(10,129.23)
	Other current liabilities	**2,967.79**	234.61
	Short-term provision	**(98.84)**	8.30
	Long-term provisions	**(45.03)**	173.70
	Cash generated from /(used in) operations	**15,173.56**	(4,786.12)
	Direct taxes refunded/(Paid)	**1,904.67**	(97.61)
	Net cash generated from /(used in) operating activities	**17,078.23**	(4,883.73)

CONSOLIDATED CASH FLOW STATEMENT for the year ended March 31, 2013 (Contd.)

(₹ in lacs)

	For the year ended 31.03.2013	For the year ended 31.03.2012
B. Cash Flow from Investing activities :		
Purchase of fixed assets	**(12,614.11)**	(5,536.59)
Purchase of current investments	**(5,100.00)**	(1,300.00)
Sale of current investments	**6,105.98**	-
Sale of short term investments	**-**	300.07
Sale of fixed assets	**7.94**	15.31
Bank balances not considered as cash and cash equivalents	**-**	-
Placed	**62.29**	235.65
Interest income received	**370.48**	23.11
Net cash generated from/(used in) investing activities	**(11,167.42)**	(6,262.45)
C. Cash Flow from Financing activities:		
Contribution from minority	**-**	1,830.00
Proceeds from issue of preference shares	**-**	10,000.00
Proceed from acceptance	**-**	500.40
Loan received from /(repaid to) holding company	**(5,000.00)**	5,000.00
Partial redemption of debentures	**(1,350.00)**	(1,350.00)
Proceeds from short-term borrowings	**755.05**	
Proceeds from working capital loans	**26,372.69**	0.74
Proceeds from bills discounted	**1,594.09**	
Proceeds from buyer's credit	**17,880.74**	44,246.75
Proceeds from long-term borrowings	**17,601.63**	5,210.08
Repayment of buyer's credit	**(32,430.14)**	(24,267.89)
Repayment of working capital loans	**(26,543.65)**	(2,984.09)
Repayment of long-term borrowings	**(7,827.11)**	(15,006.11)
Repayment of short term borrowings	**(490.00)**	
Loss on cancellation of forward contract	**(273.46)**	(156.54)
Gain on cancellation of forward contracts	**305.49**	19.03
Interest and other borrowing costs paid	**(3,638.06)**	(4,379.62)
Net cash generated from / (used in) financing activities	**(13,042.73)**	18,662.75
Net increase/(decrease) in cash and cash equivalents	**(7,131.92)**	7,516.57
Cash and cash equivalents as at 1st April 1	**7,907.59**	391.02
Cash and cash equivalents as at 31st March 1	**775.67**	7,907.59

Notes :

1. Purchase of current investments are exclusive of purchases made out of dividend re-invested ₹ **1.71 Lacs** (Previous period : Nil).
2. Interest paid is exclusive and purchase of fixed assets is inclusive of interest capitalised ₹ **876.87 Lacs** (Previous period ₹ Nil.).
3. Includes cash on hand and balance in current accounts with banks.
4. Figures in brackets represent outflows.

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants
Abhijit Bandyopadhyay
Partner
Kharagpur, April 29, 2013

For and on behalf of the Board of Directors

Koushik Chatterjee *Chairman*

Sanjiv Paul *Managing Director*

Sankar Bhattacharya *Company Secretary*

Notes to the Consolidated Financial Statements

(₹ in lacs)

1. **Principles of Consolidation**

The consolidated financial statements relate to Tata Metaliks Limited ("the Company") and its subsidiary company. The consolidated financial statements have been prepared on the following basis:

a) The financial statements of the Company and its subsidiary company (together "the Group") have been combined on a line-by-line basis by adding together book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits and losses as per Accounting Standard (AS) 21 - Consolidated Financial Statements as notified under the Companies (Accounting Standards) Rules, 2006.

b) The financial statements of the subsidiary used in the consolidation are drawn upto the same reporting date as that of the Company. i.e., 31 March 2013.

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

i) Amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and

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

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

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

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

g) The Subsidiary considered in the preparation of the Consolidated Financial Statements:

Name of the Subsidiary	:	**Tata Metaliks Kubota Pipes Limited**
Country of incorporation	:	**India**
Percentage of ownership interest as at 31 March 2013	:	**51.17%**

2. **Summary of Significant Accounting Policies**

2.01 Basis of Accounting

The financial statements are prepared under the historical cost convention on going concern and on accrual basis. The financial statements are presented in accordance with Generally Accepted Accounting Principles in India, Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 and the relevant provisions thereof. The accounting policies adopted in preparation of the financial statements are consistent with those followed in the previous year.

The presentation of financial statements is in accordance with Generally Accepted Accounting Principles in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities as at the date of the financial statements and the reported amounts of expenses during the year. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

2.02 Government Grants

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

Notes to the Consolidated Financial Statements

2. Summary of Significant Accounting Policies

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

2.03 Tangible Assets

i) Tangible assets are stated at cost less accumulated depreciation/amortisation. The cost of an asset includes the purchase cost of materials, including import duties and non-refundable taxes, and any directly attributable costs of bringing an asset to the location and condition of its intended use. Interest on borrowings used to finance the construction of qualifying assets are capitalised as part of the cost of the asset until such time that the asset is ready for its intended use. The effect of exchange differences arising on reporting of long-term foreign currency monetary items is accounted by addition or deduction to the cost of the assets so far it relates to depreciable capital assets in line with Companies (Accounting Standards) Amendment Rules 2009 relating to Accounting Standard (AS) 11 - The Effect of Changes in Foreign exchange rates notified by Government of India on 31 March 2009.

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

2.04 Intangible assets

Intangible assets are stated at acquisition cost, net of accumulated amortisation. Intangible assets are amortised on a straight line basis over their estimated useful life. The cost of software is amortised on a straight line basis over an estimated useful life of five years.

2.05 Relining Expenses

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

2.06 Impairment

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

2.07 Investments

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

2.08 Lease

The Group's significant leasing arrangements are in respect of operating leases for premises (Office, Residence etc.,). The leasing arrangements which normally have a tenure of eleven months to three years are cancellable with a reasonable notice, and are renewable by mutual consent at agreed terms. The aggregate lease rent payable is

Notes to the Consolidated Financial Statements

2. Summary of Significant Accounting Policies

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

2.09 Inventories

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

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

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

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

2.10 Revenue recognition

i) Sale of Products

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

ii) Dividend and Interest income

Dividend income is recognised when the company’s right to receive dividend is established. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

iii) Insurance Claims

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

iv) Revenue Subsidy from Government of West Bengal

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

v) Sales tax deferral scheme

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

2.11 Borrowing costs

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

Notes to the Consolidated Financial Statements

2. Summary of Significant Accounting Policies

2.12 Cash Flow Statement

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

2.13 Cash and Cash Equivalents

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

2.14 Foreign Currency Transactions

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

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

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

2.15 Employee Benefits

i) Short term Benefits

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

ii) Defined Contribution Plans

Defined contribution plans are those plans where the Company pays fixed contributions to a fund managed by government authorities and independent trusts. Contributions are paid in return for services rendered by the employees during the year. The Company has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay employee benefits. The Company provides Provident Fund facility

Notes to the Consolidated Financial Statements

2. **Summary of Significant Accounting Policies**

to all employees and Superannuation benefits to selected employees. The contributions are expensed as they are incurred in line with the treatment of wages and salaries.

iii) **Defined Benefit Plans**

The Group provides gratuity and leave encashment benefits to its employees. Gratuity liabilities are funded through a separate trust with its funds managed by Life Insurance Corporation of India. The liability towards leave encashment is not funded. The present value of these defined benefit obligations are ascertained by an independent actuarial valuation as per the requirement of Accounting Standards 15 - Employee Benefits. The liability recognised in the balance sheet is the present value of the defined benefit obligations on the balance sheet date less the fair value of the plan assets (for funded plans), together with adjustments for unrecognised past service costs. All actuarial gains and losses are recognised in the Statement of Profit and Loss in full in the year in which they occur.

2. **Summary of Significant Accounting Policies**

2.16 Earnings Per Share

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

2.17 Segment Reporting

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

2.18 Taxes on Income

i) **Current Tax**

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

ii) **Deferred tax**

Deferred tax assets and liabilities are recognised by computing the tax effect on timing differences which arise during the year and reverse in the subsequent periods. The Company is eligible for tax deductions available under section 80IA of the Income Tax Act, 1961, in respect of income attributable to captive power plants being an eligible business. In view of tax deduction available to the Company under Section 80IA of the Income Tax Act, 1961, deferred tax is recognised in respect of timing differences, which originate before or during the tax holiday period but reverse before or after the tax holiday period. Deferred tax assets against unabsorbed depreciation and carried forward loss under tax laws, are recognised only to the extent that there is virtual certainty

Notes to the Consolidated Financial Statements

2. Summary of Significant Accounting Policies

supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets on other timing differences are recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

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

2.19 Provisions, Contingent liabilities and Contingent assets

i) Provision

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

ii) Contingent Liabilities and Assets

Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise, or is a present obligation that arises from past events but is not recognised because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made. Contingent liabilities are disclosed and not recognised. Contingent Assets are neither recognised nor disclosed.

3. Share Capital

(₹ in lacs)

	As at 31.03.2013	As at 31.03.2012
Authorised:		
50,000,000 Equity Shares of ₹ 10 each (31.03.2012: 50,000,000 Equity Shares of ₹ 10 each)	**5,000.00**	5,000.00
10,000,000 8.5% Non Cumulative Preference Shares of ₹ 100 each (31.03.2012: 10,000,000 8.5% Non Cumulative Redeemable Preference Shares of ₹ 100 each)	**10,000.00**	10,000.00
	15,000.00	15,000.00
Issued:		
25,288,000 Equity Shares of ₹ 10 each (31.03.2012: 25,288,000 Equity Shares of ₹ 10 each)	**2,528.80**	2,528.80
10,000,000 8.5% Non Cumulative Preference Shares of ₹ 100 each (31.03.2012: 10,000,000 8.5% Non Cumulative Redeemable Preference Shares of ₹ 100 each)	**10,000.00**	10,000.00
	12,528.80	12,528.80
Subscribed and fully Paid up:		
25,288,000 Equity Shares of ₹ 10 each (31.03.2012: 25,288,000 Equity Shares of ₹ 10 each)	**2,528.80**	2,528.80
10,000,000 8.5% Non Cumulative Preference Shares of ₹ 100 each (31.03.2012: 10,000,000 8.5% Non Cumulative Redeemable Preference Shares of Rs. 100 each)	**10,000.00**	10,000.00
	12,528.80	12,528.80

Notes to the Consolidated Financial Statements

4. Reserves and Surplus

(₹ in lacs)

As at 31.03.2013	Capital Reserve	Debenture Redemption Reserve	General Reserve	Surplus in Profit and Loss Account	Total
At the beginning of the year	125.62	726.38	7,485.61	(15,079.12)	(6,741.51)
Loss for the year	-	-	-	(8,710.84)	(8,710.84)
At end of the year	**125.62**	**726.38**	**7,485.61**	**(23,789.96)**	**(15,452.35)**

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

5. Borrowings

(₹ in Lacs)

	As at 31.03.2013		As at 31.03.2012	
	Long Term	Short Term	Long Term	Short Term
A. Secured				
(a) 12.75% Non Convertible Debentures	**-**	**-**	1,800.00	-
(b) Term Loans				
i) From banks	**15,201.14**	**-**	7,725.57	-
ii) From others	**2,589.74**	**-**	1,333.33	-
(c) Buyer's credit from banks	**-**	**259.02**	-	-
(d) Repayable on demand				
i) From Banks				
a) Working capital demand loans	**-**	**1,800.00**	-	4,000.00
b) Cash credit / packing credits	**-**	**3,043.42**	-	1,833.16
(e) FCNR (B) Loan	**-**	**903.98**	-	-
Total Secured Borrowings	**17,790.88**	**6,006.42**	**10,858.90**	**5,833.16**
B. Unsecured				
(a) Loans from holding company	-	**-**	2,200.00	5,000.00
(b) Buyer's Credit from Banks	**-**	**16,646.80**	-	29,058.27
(c) Bills Discounted	**-**	**2,774.03**	-	1,179.93
Total Unsecured Borrowings	**-**	**19,420.83**	**2,200.00**	**35,238.20**
Total Borrowings	**17,790.88**	**25,427.25**	**13,058.90**	**41,071.36**

Notes to the Consolidated Financial Statements

(₹ in lacs)

6. Provisions

	As at 31.03.2013		As at 31.03.2012	
	Long-term	Short-term	Long-term	Short-term
Provision for employee benefits				
(a) Post-employment defined benefits				
i) Retirement gratuity	**73.12**	**-**	258.17	-
ii) Post retirement pension	**180.23**	**19.05**	-	-
(b) Other employee benefits	**342.48**	**16.17**	382.69	134.06
(c) Provisions for tax	**-**	**57.53**	-	179.46
Total Provisions	**595.83**	**92.75**	**640.86**	**313.52**

7. Trade Payable

	As at 31.03.2013	As at 31.03.2012
(a) Acceptances	**116.68**	-
(b) Creditors for supplies and services (Refer note 34)	**26,997.69**	8,991.58
(c) Creditors for accrued wages and salaries	**836.35**	237.58
	27,950.72	9,229.16

8. Other Current Liabilities

	As at 31.03.2013	As at 31.03.2012
(a) Current maturities of long-term debts (Refer Note:1 below)	**9,157.64**	5,149.78
(b) Interest accrued but not due on borrowings	**690.89**	324.04
(c) Unpaid dividends	**125.50**	173.75
(d) Advances received from customers	**1,396.27**	1,370.38
(e) Advances received from holding company	**1,464.98**	-
(f) Security deposits from vendors	**29.50**	15.00
(g) Creditors for other liabilities		
i) Creditors for capital goods	**1,073.22**	1,046.72
ii) Employee recoveries and employer contributions	**20.48**	16.97
iii) Statutory dues (excise duty, service tax, sales tax, TDS etc.)	**1,064.33**	359.69
iv) Derivatives	**739.77**	-
v) Other credit balances	**14.50**	-
	15,777.08	8,456.33

Note :

(1) Current maturities of long-term debt - Long-term borrowings for details of security and guarantee.

Secured	As at 31.03.2013	As at 31.03.2012
Term loans		
i) From banks	3,914.05	3,133.11
ii) From holding company	2,200.00	-
iii) From others	3,043.59	2,016.67
	9,157.64	**5,149.78**

Notes to the Consolidated Financial Statements

(₹ in lacs)

9. Tangible Assets

As at 31.03.2013	Freehold Land	Leasehold Land	Freehold Buildings	Plant and Machinery	Furniture and fixtures	Office Equip-ments	Vehicles	Data Processing Equipments	Railway Sidings (Note 2)	Total Tangible Assets
Cost at beginning of the year	**1,187.87**	**99.15**	**5,891.95**	**41,245.20**	**144.23**	**218.14**	**141.87**	**550.34**	**911.58**	**50,390.33**
Additions	**-**	**-**	**82.14**	**3,613.72**	**0.38**	**4.05**	**55.96**	**23.99**	**-**	**3,780.24**
Exchange differences capitalised	**-**	**-**	**58.83**	**260.88**	**-**	**-**	**-**	**-**	**-**	**319.71**
Disposals	**-**	**-**	**-**	**550.43**	**0.58**	**1.73**	**41.21**	**6.29**	**-**	**600.24**
Cost at end of the year	**1,187.87**	**99.15**	**6,032.92**	**44,569.37**	**144.03**	**220.46**	**156.62**	**568.04**	**911.58**	**53,890.04**
Impairment charge for the year (refer note 41)	**-**	**-**	**170.00**	**4,225.00**	**-**	**-**	**-**	**-**	**105.00**	**4,500.00**
Impairment at end of the year	**-**	**-**	**170.00**	**4,225.00**	**-**	**-**	**-**	**-**	**105.00**	**4,500.00**
Depreciation at beginning of the year	**-**	**17.03**	**822.58**	**13,144.95**	**75.53**	**76.56**	**56.40**	**354.66**	**598.94**	**15,146.65**
Charge for the year	**-**	**1.00**	**166.18**	**2,493.41**	**6.58**	**10.07**	**13.87**	**63.75**	**61.67**	**2,816.53**
Disposals	**-**	**-**	**-**	**214.93**	**0.03**	**0.32**	**21.60**	**6.22**		**243.10**
Depreciation at end of the year	-	**18.03**	**988.76**	**15,423.43**	**82.08**	**86.31**	**48.67**	**412.19**	**660.61**	**17,720.08**
Net book value at beginning of the year	**1,187.87**	**82.12**	**5,069.37**	**28,100.25**	**68.70**	**141.58**	**85.47**	**195.68**	**312.64**	**35,243.68**
Net book value at end of the year	**1,187.87**	**81.12**	**4,874.16**	**24,920.94**	**61.95**	**134.15**	**107.95**	**155.85**	**145.97**	**31,669.96**
As at 31.03.2012	**Freehold Land**	**Leasehold Land**	**Freehold Buildings**	**Plant and Machinery**	**Furniture and fixtures**	**Office Equip-ments**	**Vehicles**	**Data Processing Equipments**	**Railway Sidings (Note 2)**	**Total Tangible Assets**
Cost at beginning of the year	1,187.87	99.15	5,707.72	40,298.11	132.75	211.45	191.37	534.64	911.58	49,274.64
Additions	-	-	34.57	350.20	14.83	7.39	-	15.70	-	422.69
Exchange differences capitalised	-	-	149.66	596.89	-	-	-	-	-	746.55
Disposals	-	-	-	-	3.35	0.70	49.50	-	-	53.55
Cost at end of the year	1,187.87	99.15	5,891.95	41,245.20	144.23	218.14	141.87	550.34	911.58	50,390.33
Depreciation at beginning of the year	-	16.03	661.19	10,775.65	66.88	66.71	64.26	287.11	537.27	12,475.10
Charge for the year	-	1.00	161.39	2,369.30	9.23	9.90	15.41	67.55	61.67	2,695.45
Disposals	-	-	-	-	0.58	0.05	23.27	-	-	23.90
Depreciation at end of the year	-	17.03	822.58	13,144.95	75.53	76.56	56.40	354.66	598.94	15,146.65
Net book value at beginning of year	1,187.87	83.12	5,046.53	29,522.46	65.87	144.74	127.11	247.53	374.31	36,799.54
Net book value at end of the year	1,187.87	82.12	5,069.37	28,100.25	68.70	141.58	85.47	195.68	312.64	35,243.68

Note :

1. Depreciation for the year on building includes adjustment of ₹ **0.40 lacs** (Previous year ₹ 4.08 lacs) and depreciation for the year on plant and machinery includes adjustment of ₹ **1.62 lacs** (Previous year ₹ 29.55 lacs) on account of depreciation attributable to exchange fluctuations on long term foreign currency loans for purchase of building and plant and machinery.
2. Includes ₹ 350 lacs on account of the amount contributed to Konkan Railway Corporation Limited (KRCL) for construction of railway siding in which the company has a right of preferential use over others for a year of 10 years. Even though the ownership of the railway siding is vested with KRCL, the amount contributed by the company has been capitalised on the basis of the future economic benefits and amortised over a year of 10 years. The depreciation for the current year includes the amortisation charge ₹ **35 lacs** (Previous year : ₹ 35 lacs).
3. Other than lease hold land all other tangible assets are owned by the Group.

Notes to the Consolidated Financial Statements

(₹ in lacs)

10. Intangible assets (Acquired)

As at 31.03.2013	Computer Software	Total Intangible Assets
Additions	**91.04**	91.04
Cost at end of the period	**91.04**	91.04
Charge for the period	**5.97**	5.97
Amortisation at end of the period	**5.97**	5.97
Net book value at end of the period	**85.07**	85.07

11. Non-Current Investments

	As at 31.03.2013	As at 31.03.2012
Other Investments		
Investments in National Savings Certificate (Unquoted)	**1.52**	1.52
	1.52	1.52
Aggregate amount of unquoted investments	**1.52**	1.52

12. Loans and Advances

(Unsecured, Considered good)	As at 31.03.2013		As at 31.03.2012	
	Long-term	Short-term	Long-term	Short-term
(a) Capital advances	**5,522.37**	**-**	5,749.61	-
(b) Security deposits	**170.77**	**513.66**	153.83	96.56
(c) Advance with public bodies	**-**	**2,512.27**	-	1,436.85
(d) Other loans and advances				
i) Retirement benefit assets				
a) Retirement gratuity fund	**-**	**16.64**	-	5.74
b) Superannuation fund	**-**	**12.37**	-	11.24
ii) Prepayments and others	**2.60**	**783.67**	542.09	952.58
iii) Advance income tax	**104.27**	**-**	2,135.22	-
Total Loans and advances	**5,800.01**	**3,838.61**	**8,580.75**	**2,502.97**

13. Other Non Current assets

	As at 31.03.2013	As at 31.03.2012
(a) Balance held as margin money deposits with maturity period of more than 12 months	**138.79**	201.07
(b) Unamortised long term loan issue expenses	**69.92**	19.12
Total Other Non Current assets	**208.71**	**220.19**

14. Current Investments

	As at 31.03.2013	As at 31.03.2012
(a) **Investment in Mutual Funds (Lower of cost or fair value)**		
i) **Unquoted**		
Nil (31.03.2012 : 385405.169 Units) of Birla Sun Life Cash Manager - Growth	–	1,000.00
Total Current Investments	–	1,000.00

Notes to the Consolidated Financial Statements

(₹ in lacs)

15. Inventories

	As at 31.03.2013	As at 31.03.2012
(a) Raw Materials (At lower of cost or net realisable value)	**10,345.56**	11,075.03
(b) Work in progress (At lower of cost and net realisable value)	**925.09**	1,053.09
(c) Finished Goods (At lower of cost or net realisable value)	**9,409.46**	4,989.93
(d) Stores and spares (At or lower than cost)	**1,047.08**	869.44
Total Inventories	**21,727.19**	17,987.49
Included above, goods-in-transit :		
(a) Raw Materials	**4,214.64**	1,884.21
(b) Finished Goods	**2,100.69**	613.90

16. Trade Receivables

Current Trade receivables		
(a) More than six months (from the date they were due for payment)		
Considered good	**0.70**	215.51
Considered doubtful	**49.80**	
Less: Provision of doubtful debts	**(49.80)**	
	-	-
(b) Others - Considered good	**8,857.25**	4,489.22
Net Current Trade Receivables	**8,857.95**	4,704.73
Classification of Current Trade Receivables		
Secured, considered good	**-**	-
Unsecured, considered good	**8,857.95**	4,704.73
Unsecured considered Doubtful	**49.80**	-
Total Current Trade Receivables	**8,907.75**	4,704.73

17. Cash and Bank Balances

Cash and Cash equivalents		
(a) Cash on hand	**1.12**	1.09
(b) Balances with banks		
(i) In current accounts	**758.64**	906.50
(ii) In deposit accounts	**-**	7,000.00
(c) Remittance in transit	**15.91**	-
Total cash and cash equivalents	**775.67**	7,907.59
(d) Other bank balances (1)	**125.50**	173.75
Total cash and bank balances	**901.17**	8,081.34
Included above		
(1) Earmarked balance for unpaid dividend	**125.50**	173.75

18. Other Current Assets

(a) Derivatives - Foreign currency forward contract	**–**	199.32
(b) Interest accrued on deposits, loans and advances	**53.99**	70.52
(c) Unamortised Expenses		
(i) Unamortised premium on foreign currency forward contracts	**259.70**	367.07
(ii) Unamortised issue expenses of long-tem loans	**109.64**	27.76
Total Other current assets	**423.33**	664.67

Notes to the Consolidated Financial Statements

(₹ in lacs)

19. Revenue from Operations

	For the year ended 31.03.2013	For the year ended 31.03.2012
(a) Sale of products	**105,898.77**	129,659.25
(b) Other operating income (See Note (i) below)	**2,450.79**	3,116.96
Gross Revenue from Operations	**108,349.56**	132,776.21
Note :		
(i) **Other operating income comprise :**		
(a) Subsidy from State Government	**194.38**	97.24
(b) Sale of iron ore fines (inclusive of excise duty)	**841.54**	2,519.47
(c) Sale of metal scrap (inclusive of excise duty)	**186.17**	91.68
(d) Sale of sinter	**781.60**	10.44
(e) Sale of scrap (net of excise)	**234.44**	44.43
(f) Duty drawback and other export incentive	**172.79**	268.10
(g) Others	**39.87**	85.60
	2,450.79	3,116.96

20. Other Income

(a) Interest received from deposits	**32.34**	43.09
(b) Interest on income tax refund	**321.62**	-
(c) Profit on sale of current investments	**4.27**	0.07
(d) Dividend income from current investments	**1.71**	-
(e) Profit on sale of tangible assets	**-**	0.20
(f) Provisions no longer required written back	**367.23**	770.89
(g) Miscellaneous income	**55.65**	458.92
(h) Gain in foreign currency transactions	**2,532.10**	1,688.42
(i) Gains on cancellation of forward contracts	**305.50**	19.03
(j) Mark to market adjustment on derivatives	**-**	265.42
Total Other Income	**3,620.42**	3,246.04

21. Cost of materials consumed

Opening stock of raw materials	**11,075.03**	15,460.91
Add: Purchases	**76,498.07**	102,823.91
	87,573.10	118,284.82
Less: Closing stock of raw materials	**10,345.56**	11,075.03
	77,227.54	107,209.79
Raw Material Consumed comprises		
(a) Coke	**48,894.57**	73,944.30
(b) Iron Ore	**23,005.37**	27,854.47
(c) Fluxes	**1,782.67**	1,880.41
(d) Steel scrap	**777.51**	1,568.75
(e) Others	**2,767.42**	1,961.86
	77,227.54	107,209.79

Notes to the Consolidated Financial Statements

(₹ in lacs)

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

	For the year ended 31.03.2013	For the year ended 31.03.2012
Stock at the beginning of the period		
(a) Finished goods	**4,989.93**	8,893.66
(b) Work-in-progress	**1,053.09**	1,074.76
	6,043.02	9,968.42
Stock at the end of the period		
(a) Finished goods	**9,409.46**	4,989.93
(b) Work-in-progress	**925.09**	1,053.09
	10,334.55	6,043.02
Net (increase)/decrease	**(4,291.53)**	3,925.40

23. Employee Benefit Expense

(a) Salaries and wages, including bonus	**4,185.23**	3,660.49
(b) Contribution to provident and other funds	**523.63**	506.39
(c) Staff welfare expenses	**349.64**	288.67
	5,058.50	4,455.55

24. Finance Costs

(a) Interest expense		
i) Interest on debentures	**362.01**	535.24
ii) Interest on fixed Loans	**2,196.82**	2,070.26
iii) Interest on Others	**1,590.22**	1,295.08
(b) Other borrowing costs	**600.06**	413.15
Total finance costs	**4,749.11**	4,313.73
Less: Interest Capitalised	**876.87**	-
	3,872.24	4,313.73

25. Depreciation and amortisation expense

(a) Depreciation and amortisation for the year on tangible assets as per Note 9.	**2,816.53**	2,695.45
(b) Depreciation and amortisation for the year on Intangible assets as per Note 10.	**5.97**	-
	2,822.50	2,695.45

26. Other Expenses

(a) Consumption of stores and spare parts	**4,300.65**	3,377.34
(b) Repairs to buildings	**21.72**	47.47
(c) Repairs to machinery	**528.24**	914.05
(d) Repairs to others	**466.36**	611.76
(e) Fuel	**1,229.43**	733.99
(f) Purchase of power	**3,302.23**	2,029.29
(g) Freight and handling charges	**4,509.62**	3,978.42
(h) Rent	**179.28**	167.73
(i) Rates and taxes	**1,262.72**	865.78

Notes to the Consolidated Financial Statements

(₹ in lacs)

	For the year ended 31.03.2013	For the year ended 31.03.2012
(j) Insurance charges	**196.11**	175.50
(k) Commission, discounts and rebates	**738.29**	894.57
(l) Royalty	**39.81**	6.52
(m) Excise duties	**553.62**	(318.12)
(n) Provision for Doubtful Advance	**49.80**	-
(o) Bad debts written off	**-**	66.12
(p) Other expenses		
i) Loss on foreign currency transactions	**2,993.16**	3,721.62
ii) Loss on cancellation of forward contracts	**273.46**	156.54
iii) Premium on Foreign currency forwards	**1,098.73**	268.66
iv) Loss on sale of tangible fixed assets	**349.19**	14.55
v) Auditors remuneration and out-of-pocket expenses		
As Auditors	**25.50**	26.06
For Taxation Matters	**3.00**	3.12
For Other Services	**9.00**	1.67
Auditors out-of-pocket expenses	**1.02**	0.54
vi) Legal and other professional costs	**234.44**	355.53
vii) Advertisement, promotion and selling expenses	**29.46**	29.60
viii) Travelling expenses	**284.97**	377.52
ix) Bank charges	**150.34**	245.19
x) Wealth tax	**4.34**	4.57
xi) Other general expenses	**1,377.67**	1,523.52
Total Other Expenses	**24,212.16**	20,279.11
27 Exceptional Items		
(a) Payment for Employee seperation (Refer Note 42)	**1,069.56**	-
(b) Impairment on tangible asset (Refer Note 40)	**4,500.00**	-
	5,569.56	-

28. Contingent Liabilities

	As at 31.03.2013	As at 31.03.2012
(a) Cenvat credit disallowed	**6,883.28**	6,389.59
(b) Bills discounted	**329.79**	–

29. The Company has availed sales tax incentive under Part 1 of the 1993 scheme from the Government of Maharashtra against its investment in BF3 at its plant at Redi. Under the scheme the Company has availed deferred payment facility for Sales tax and made payment at net present value as specified in the scheme. As per scheme the Company has to obtain the approval of Director of Industries for closure of the operations of the plant and also to refund the benefits availed along with interest. The Company is in the process of filing application for the waiver of refund of the benefits availed of ₹ **728.17 lacs**.

30. The company has received a demand notice issued by sales tax department against the sales tax dues of Usha Ispat Limited (erstwhile owner of REDI plant) for ₹ **8,744 lacs.** The Company has acquired only the assets of Usha Ispat Limited from IDBI SASF under SARFAESI Act and not the successor of business. Company has filed writ petition before High Court of Bombay against the said demand which is pending for disposal.

Notes to the Consolidated Financial Statements

(₹ in lacs)

31. Capital and other commitments

	As at 31.03.2013	As at 31.03.2012
(a) Capital Commitments		
Estimated value of contracts in capital account remaining to be executed (net of advances)	**416.71**	7,492.22
(b) Other Commitments		
i) Export Obligation against import of capital goods under EPCG Scheme	**2,692.30**	6,824.67

32. Earnings Per Share

		For the year ended 31.03.2013	For the year ended 31.03.2012
a)	Loss for the period attributable to equity shareholders (₹ lacs)	**(8,710.84)**	(11,347.46)
b)	Weighted average no.of Ordinary shares for Basic and Diluted EPS (Nos)	**25,288,000**	25,288,000
c)	Nominal Value per Equity Share (₹)	**10**	10
d)	Earnings/(Loss) Per Ordinary Share for the year (₹) - Basic	**(34.45)**	(44.87)
e)	Earnings/(Loss) Per Ordinary Share for the year (₹) - Diluted	**(34.45)**	(44.87)

33. Disclosure in respect of Long-term Foreign Currency Monetary Items

Foreign exchange (gain)/loss capitalised in the fixed assets block [Includes ₹ **0.99 lacs** (previous year ₹ 7.88 lacs) recognised in capital work in progress)	**312.83**	754.43
Depreciation impact on account of exchange fluctuation capitalised during the current year	**12.73**	16.94
Depreciation impact on account of exchange fluctuation capitalised till 31st March 2013	**(2.02)**	(33.63)

34. Due to micro and small enterprises

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

35. Derivative Instruments

As at	No. of Contracts	US Dollar Equivalent	Amount Rs. lacs
31.03.2013	**31**	**36,377,800**	**19,751.58**
31.03.2012	20	49,847,326	25,377.05

Notes to the Consolidated Financial Statements

(₹ in lacs)

36. Related Party Transactions

Related party relationship :

Name of the related party	Nature of Relationship
Tata Steel Limited	Holding Company
TM International Logistics Limited	Fellow Subsidiary Tata Steel
Tata Steel Resources Australia Pty Limited	Fellow Subsidiary Tata Steel
Tata Steel Global Procurement Co. Pte Limited	Fellow Subsidiary Tata Steel
TKM Global Logistics Limited	Fellow Subsidiary Tata Steel
Tata Steel Processing and Distribution Limited	Fellow Subsidiary Tata Steel
Key Managerial Person - Mr. Harsh K Jha	Managing Director
Key Managerial Person - Mr. D. P Deshpande	Executive Director (w.e.f 1 April 2012)

Related party Transactions

Name of the related party	Nature of transaction	For the year ended 31.03.2013	For the year ended 31.03.2012
Tata Steel Limited	Purchase of raw materials	**20,346.02**	20,244.39
	Sale of goods	**57.56**	198.70
	Services received	**125.29**	119.89
	Subscription of Preference Shares	**-**	10,000.00
	Advance Received	**1,464.98**	-
	Interest paid	**241.58**	449.30
	Inter Corporate deposit received /(repaid)	**(5,000.00)**	5,000.00
	Rendering of Services	**-**	11.42
TM International Logistics Limited	Services received	**2,307.27**	1,472.82
Tata Steel Resources Australia Pty Limited	Purchase of goods	**-**	5,405.74
	Reimbursement of expenses	**28.25**	-
	Recovery of expense	**75.65**	-
Tata Steel Global Procurement Pte Limited	Purchase of goods	**5,715.90**	-
	Reimbursement of expenses	**12.29**	-
Tata Steel Processing and Distribution Limited	Purchase of goods	**18.69**	190.16
TKM Global Logistics Limited	Services received	**6.67**	-
Mr. Harsh K Jha	Remuneration paid	**137.67**	76.49
Mr. D. P Deshpande	Remuneration paid	**79.02**	-
Name of the related party	**Nature of outstanding**		
Tata Steel Limited	Outstanding receivables	**10.85**	198.79
	Inter Corporate Deposits	**2,200.00**	7,200.00
	Advance payables	**1,464.98**	-
	Outstanding payables	**1,610.12**	1,443.83
	Interest payable	**317.78**	339.84
TM International Logistics Limited	Advances paid	**-**	4.74
	Outstanding payables	**1.31**	-
Tata Steel Global Procurement Pte Limited	Outstanding payables	**1,231.81**	-
Tata Steel Resources Australia Pty Limited	Outstanding payables	**-**	1,865.87
Tata Steel Processing and Distribution Limited	Outstanding payables	**-**	60.84

Notes to the Consolidated Financial Statements

(₹ in lacs)

37. Employee Benefits

Defined Contribution plans

The Company has recognised an amount of ₹ **348.81 lacs** in expenses for the year ended 31.03.2013 (Previous year ₹ 349.00 lacs) towards contribution to the following defined contribution plans:

	For the year ended 31.03.2013	For the year ended 31.03.2012
Provident Fund	**249.72**	220.49
Superannuation Fund	**115.25**	114.30
Employee State Insurance	**19.84**	14.21
Total	**384.81**	349.00

Defined Benefit Plans

The Company provided the following employee benefits.

Funded : Gratuity

Non Funded : Compensated absence

Non Funded : Pension

Details of the Gratuity Plan are as follows :

Description	2012-13	2011-12
1. Reconciliation of opening and closing balances of obligation		
a. Obligation as at beginning of the year	**447.27**	361.40
b. Current service cost	**56.49**	48.65
c. Interest cost	**31.10**	27.22
d. Settlement Cost /(Credit)	**45.69**	-
e. Actuarial (gain)/loss	**56.86**	73.99
f. Benefits paid	**173.13**	63.99
g. Obligation as at end of the year	**464.28**	447.27
2. Change in fair value of plan assets		
a. Fair value of plan assets as at beginning of the year	**194.84**	231.93
b. Expected return on plan assets	**24.85**	17.25
c. Actuarial gain/(loss)	**26.47**	(24.77)
d. Contributions made by the company	**206.63**	34.42
e. Benefits paid	**44.99**	63.99
f. Fair value of plan assets as at end of the year	**407.80**	194.84
3. Reconciliation of fair value of plan assets and obligations		
a. Present value of obligation as at 31.03.2013	**464.28**	447.27
b. Fair value of plan assets as at 31.03.2013	**407.80**	194.84
c. Amount recognised in the balance sheet Asset/(Liability)	**(56.48)**	(252.43)
Disclosed under Long-term provision ₹ **73.12 lacs** (31.03.2012, ₹ 258.17) and short-term loans and advances ₹ **16.64 lacs** (31.03.2012 : ₹ 5.74)		
4. Expenses recognised during the year		
a. Current service cost	**56.49**	48.65
b. Interest cost	**31.10**	27.22
c. Expected return on plan assets	**(24.85)**	(17.25)

Notes to the Consolidated Financial Statements

(₹ in lacs)

37. Employee Benefits

Detail of Gratuity Plan (Contd.)

Description	**2012-13**	**2011-12**
d. Settlement Cost /(Credit)	**45.69**	-
e. Actuarial (gain)/loss	**30.39**	98.76
f. Expenses recognised during the year	**138.82**	157.38
5. Investment details	**% invested**	% invested
a. Cash at Bank	**-**	-
b. Others (Funds with Life Insurance Corporation of India)#	**100.00**	100.00
# The breakup of the fund assets are not provided by the insurance company.		
6. Assumptions	**%**	%
a. Discount rate (per annum)	**8.00% - 8.20%**	8.60% - 8.90%
b. Estimated rate of return on plan assets (per annum)	**7.50% - 9.25%**	7.50% - 9.25%
c. Rate of escalation in salary	**5.00%**	5.00%

7. Experience adjustments	**31.03.2013**	31.03.2012	31.03.2011	31.03.2010	31.03.2009
a. Present value of obligation	**464.28**	447.27	361.40	273.68	206.29
b. Fair value of plan assets	**407.80**	194.84	231.93	187.98	139.62
c. Amount recognised in the balance sheet Asset/(Liability)	**(56.48)**	(252.43)	(129.47)	(85.70)	(66.67)
d. Experience adjustments on plan liabilities ((gain)/loss)	**(26.61)**	92.20	38.99	39.09	3.14
e. Experience adjustments on plan assets (gain/(loss)	**26.46**	(24.77)	-	(2.20)	3.73

Details of the Compensated absence Benefit are as follows :

Description	**2012-13**	**2011-12**
1. Reconciliation of opening and closing balances of obligation		
a. Obligation as at beginning of the year	**416.75**	353.37
b. Current service cost	**63.81**	55.84
c. Interest cost	**29.29**	25.14
d. Settlement Cost /(Credit)	**17.24**	-
e. Acquisition Cost/(Credit)	**-**	3.35
f. Actuarial (gain)/loss	**(13.62)**	77.87
g. Benefits paid	**154.82**	98.82
h. Obligation as at end of the year	**358.65**	416.75
2. Reconciliation of fair value of plan assets and obligations		
a. Present value of obligation as at 31.03.2013	**358.65**	416.75
b. Fair value of plan assets as at 31.03.2013	**-**	-
c. Amount recognised in the balance sheet Asset/(Liability)	**(358.65)**	(416.75)

Notes to the Consolidated Financial Statements

(₹ in lacs)

3.	**Expenses recognised during the year**		
a	Current service cost	**63.81**	55.84
b	Interest cost	**29.29**	25.14
c	Settlement Cost /(Credit)	**17.24**	-
d	Actuarial gain/(loss)	**(13.62)**	77.87
e	Expenses recognised during the year	**96.72**	158.85
4.	**Assumptions**	**%**	%
a	Discount rate (per annum)	**8.00%-8.20%**	8.60%-8.90%
b	Estimated rate of return on plan assets (per annum)	**NA**	NA
c	Rate of escalation in salary	**5.00%**	5.00%

5.	**Experience adjustments**	**31.03.2013**	31.03.2012	31.03.2011	31.03.2010	31.03.2009
a.	Present value of obligation	**358.65**	416.75	353.37	287.46	181.80
b.	Fair value of plan assets	**-**	-	-	-	
c.	Amount recognised in the balance sheet	**(358.65)**	(416.75)	(353.37)	(287.46)	(181.80)
d.	Experience adjustments on plan liabilities ((gain)/loss)	**53.77**	93.32	30.65	99.90	10.94

37. Employee Benefits

Details of the Post retirement pension benefit (Un-funded) are as follows

Description		**2012-13**	**2011-12**
1.	**Reconciliation of opening and closing balances of obligation**		
a.	Actuarial (gain)/loss	**199.28**	-
b.	Obligation as at end of the year	**199.28**	-
2.	**Expenses recognised during the year**		
a.	Actuarial (gain)/loss	**199.28**	-
b.	Expenses recognised during the year	**199.28**	-
3.	**Assumptions**	**%**	
a.	Discount rate (per annum)	**8.00%**	-

38. Segment Reporting

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

Notes to the Consolidated Financial Statements

(₹ in lacs)

Particulars	Pig Iron	D I Pipe	Elimination	Total
Revenue				
Total External Sales	68,201.70	31,258.42		99,460.12
	99,701.94	*22,920.92*	-	*122,622.86*
Add: Inter Segment Revenue	18,427.45	-	(18,427.45)	-
	13,590.40	-	*(13,590.40)*	-
Total Revenue	86,629.15	31,258.42	(18,427.45)	99,460.12
	113,292.34	*22,920.92*	*(13,590.40)*	*122,622.86*
Segment Result	2,056.15	(3,973.48)	(31.30)	(1,948.63)
	(9,667.03)	*(3,029.37)*	-	*(12,696.40)*
Finance costs				3,872.24
				4,313.73
Profit and (Loss) before exceptional items and taxes				(5,820.87)
				(17,010.13)
Exceptional Items	(5,569.56)			(5,569.56)
	-			-
Taxes				-
				(3,486.04)
Net Loss				(11,390.43)
				(13,524.09)
Segment Asset	62,941.18	30,621.53	-	93,562.71
	56,946.30	*26,420.70*	-	*83,367.00*
Segment Liabilities	30,487.99	12,957.20		43,445.19
	10,067.12	*5,887.66*		*15,954.78*
Total Cost incurred during the period to acquire segment assets	11,669.82	1,468.96	-	13,138.78
	4,476.15	*1,814.88*	-	*6,291.03*
Segment Depreciation	1,610.52	1,211.98	-	2,822.50
	1,647.45	*1,048.00*	-	*2,695.45*
Non Cash expenses other than depreciation	4,563.62	276.30	-	4,839.92
	541.85	*37.89*	-	*579.74*

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

Notes to the Consolidated Financial Statements

(₹ in lacs)

38. Segment Reporting

	For the year ended 31.03.2013	For the year ended 31.03.2012
External Revenue by Geographical location of customers		
India	**93,444.05**	121,005.06
Asia Excluding India	**4,552.77**	1,440.96
Others	**1,463.30**	176.84
	99,460.12	122,622.86
Additions to fixed assets		
India	**13,138.78**	6,291.03
Asia Excluding India	**-**	
	13,138.78	6,291.03

	As at 31.03.2013	As at 31.03.2012
Carrying value of Segment Assets		
India	**93,217.89**	83,205.32
Asia Excluding India	**344.81**	161.68
	93,562.70	83,367.00

39. Subsequent Events

(a) The Company has purchased the entire shareholding of Kubota Corporation and Metal One Corporation in its subsidiary Tata Metaliks Kubota Pipes Limited on April 9, 2013. Consequently Tata Metaliks Kubota Pipes Limited has become a wholly owned subsidiary with effect from that date.

(b) The Board of directors at their meeting held on April 10, 2013 approved the scheme of amalgamation of the Company and its subsidiary, Tata Metaliks Kubota Pipes Limited with Tata Steel Limited with an appointed date of April 1,2013. The Scheme is subject to approval of the High Court judicature of Bombay and Calcutta.

40. Impairments.

Board of directors in their meeting held on November 19, 2012 decided to close the operation of the Redi plant and sell the assets at disaggregate mode, i.e., selling the plant and land separately. The company has done a independent valuation of its assets and accordingly recognised the impairment of ₹ 4,500 lacs during the current year and included under exceptional items in Note 27 above.

41. *Consumption of raw materials incudes ₹* **Nil** *(Previous year ₹ 478.52 lacs) and change in stocks include ₹* **290.12 lacs** *(Previous year: ₹ 101.22 lacs) towards write down of closing inventory of Raw materials and finished goods to net realisable value in accordance with Accounting Standard (AS) - 2 - Valuation of Inventory*

42. Discontinuing Operations:

Based on decision of the Board of Directors of the Company at its meeting held on November 19, 2012 the Company has filed an application with the appropriate authority for closure of the Redi Plant, located at Terekhol Road, Dist: Sindhudurg, Redi - 416 517, Maharashtra, in accordance with the provisions of the Industrial Disputes Act, 1947. The application was initially rejected by the authority and the company has filed a review petition before the same authority. In the mean time the Company has negotiated with the employees for settlement and an agreement was signed on March 25, 2013 with the employees' union. The Company and the employees' union have filed the settlement details with the Commissioner of Labour to facilitate the closure process. The Company has provided for ₹ **1,069. 56 lacs** which has been included under Note 27 - Exceptional item. The carrying value of fixed assets, current assets and current liabilities of the Redi Plant were ₹ **5,698 lacs,** ₹ **262 lacs** and ₹ **746 lacs** respectively.

Notes to the Consolidated Financial Statements

(₹ in lacs)

	Continuing Operations		Discontinuing Operations		Total	
	Year Ended 31.03.2013	Year Ended 31.03.2012	Year Ended 31.03.2013	Year Ended 31.03.2012	Yedar Ended 31.03.2013	Year Ended 31.03.2012
Gross Revenue	107,299.94	105,388.42	1,049.62	27,387.79	108,349.56	132,776.21
Excise Duty	8,780.08	7,785.92	109.36	2,367.43	8,889.44	10,153.35
Revenue from Operations	98,519.86	97,602.50	940.26	25,020.36	99,460.12	122,622.86
Other Income	3,561.49	1,864.31	58.93	1,381.73	3,620.42	3,246.04
Total	102,081.35	99,466.81	999.19	26,402.09	103,080.54	125,868.90
Raw materials consumed	76,131.88	85,805.10	1,095.66	21,404.69	77,227.54	107,209.79
Changes in stock of finished goods, work-in-progress and stock-in-trade	(4,562.09)	(1,378.96)	270.56	5,304.36	(4,291.53)	3,925.40
Employee benefit expense	4,210.06	3,415.55	848.44	1,040.00	5,058.50	4,455.55
Depreciation	2,020.14	1,850.13	802.36	845.32	2,822.50	2,695.45
Other expenses	23,933.19	17,482.96	278.97	2,796.15	24,212.16	20,279.11
Operating Expenses	101,733.18	107,174.78	3,295.99	31,390.52	105,029.17	138,565.30
Interest	3,872.24	3,479.34	-	834.39	3,872.24	4,313.73
Profit/(Loss) from Operating activities Before exceptional items and tax	(3,524.07)	(11,187.31)	(2,296.80)	(5,822.82)	(5,820.87)	(17,010.13)
Exceptional Items	-	-	(5,569.56)	-	(5,569.56)	-
Profit/(Loss) from Operating activities before tax	(3,524.07)	(11,187.31)	(7,866.36)	(5,822.82)	(11,390.43)	(17,010.13)
Tax	-	(3,486.04)	-	-	-	(3,486.04)
Profit/(Loss) from Operating activities after tax	(3,524.07)	(7,701.27)	(7,866.36)	(5,822.82)	(11,390.43)	(13,524.09)
Net Cash flow from/(used in) Operating activities	17,196.99	(9,607.41)	(118.76)	4,723.68	17,078.23	(4,883.73)
Net Cash flow from Investing activities	(11,169.18)	(6,263.23)	1.76	0.78	(11,167.42)	(6,262.45)
Net Cash flow from Financing activities	(204.75)	19,446.82	(12,837.98)	(784.07)	(13,042.73)	18,662.75

Notes to the Consolidated Financial Statements

(₹ in lacs)

43. Deferred Tax (liability)/Assets

	As at 31.03.2012	Charge/ (Credit) to the statement of profit and loss	As at 31.03.2013
Deferred tax liabilities			
i) Difference between book depreciation and tax depreciation	4,565.81	**340.95**	**4,906.76**
	4,565.81	**340.95**	**4,906.76**
Deferred tax assets			
i) Employee separation scheme	(4.80)	**-**	**(4.80)**
ii) Unabsorbed depreciation	(1,032.79)	**(132.40)**	**(1,165.19)**
iii) Unabsorbed business losses	(2,862.92)	**(208.55)**	**(3,071.47)**
	(3,900.51)	**(340.95)**	**(4,241.46)**
Net Deferred tax liability/(asset)	665.30	**-**	**665.30**

44. Leases

Operating Lease arrangement as lessee

The Company has entered into a non-cancellable operating lease in respect of vehicles and the lease rental expenses recognised for the year is ₹ **18.17 lacs** (previous year: ₹ 16.51 lacs) The lease agreement provides for an option to the Company to renew the lease period at the end of the non-cancellable period. There are no exceptional/ restrictive covenants in the lease agreements.

The total of future minimum lease payments under non-cancellable operating lease as at 31.03.2013 are as follows :

	2012-13	**2011-12**
Payable not later than one year	17.79	18.17
Payable later than one year but not later than five years	34.31	52.1
Payable later than five years	-	-

45. Previous year's figures have been regrouped/reclassified where necessary to correspond with the current year's classification/disclosure.

For and on behalf of the Board of Directors

Kharagpur, April 29, 2013

Koushik Chatterjee
Chairman

Sanjiv Paul
Managing Director

Sankar Bhattacharya
Company Secretary

Management of Business Ethics-Calender 2013-14 for Ethic Counsellor interaction with Shareholders

Stakeholders	Types	Months											
		April 2013	**May 2013**	**June 2013**	**July 2013**	**August 2013**	**September 2013**	**October 2013**	**November 2013**	**December 2013**	**January 2014**	**February 2014**	**March 2014**
Employees	Employees	1st week	2nd week	1st week	NIL	1st week	2nd week	1st week	2nd week	1st week	1st week	3rd week	1st week
	CEO ,TMKPL	1st week	2nd week	1st week		3rd week	2nd week	1st week	2nd week	2nd week	1st week	3rd week	1st week
	VP (Sales & Mktg)					1st week	2nd week	1st week	2nd week	1st week	1st week	3rd week	1st week
	VP (Opr)					1st week	2nd week	1st week	2nd week	1st week	1st week	3rd week	1st week
	CFO					1st week	2nd week	1st week	2nd week	1st week	1st week	3rd week	1st week
	Company Secretary					1st week	2nd week	1st week	2nd week	1st week	1st week	3rd week	1st week
Customers	Visits/Contacts					2	2	2	2	2	2	2	2
Customers	Formal Meets	-	-	-			Customer meet*			Customer meet**			
Suppliers/ Partners	Visits/Contacts					2	2	2	2	2	2	2	2
Suppliers/ Partners	Meets					1st week		1st week				3rd week	
Shareholders	AGM						AGM**						
Shareholders Visit	Plant Visit									2nd week			
	Team Meeting***						3rd week			3rd week			3rd week
	MD					3rd week	Do	Do	Do	Do	Do	Do	Do

Communication Mode

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

* As and when the customers' meets are held

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

*** EC will attend Team Meeting to share ethical concern, if any.

CALENDAR FOR COMMUNICATION WITH SHAREHOLDERS FOR F.Y. 2013-14

Particulars	Annual	Half-yearly	Quarterly	Monthly	Daily
Event	1. AGM (Shareholders' Day) Interaction with Shareholders 2. Annual Report sent to individual shareholders 3. Factory visit of shareholders 4. Transfer of funds to IEPF	1. Communication with Analysts	1. Press meet with Chairman / MD	1. Meeting with RTA to solve pending issues 2. Meeting with Govt. officials related to Project work	1. Shareholders queries to be suitably address
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 who has not claimed dividend before transferring the amount to the Investors' Education & Protection Fund	1. Views of the shareholders about the company and the department			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	1. Informing quarterly financial results and press release 2. Shareholding pattern of the Company as per Listing Agreement requirements		Email addresses - rd.infotech@vsnl.net investors@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 2. Intimation of Book closure/record date and date of AGM	1. Half Yearly result 2. Summary of achievements for the 1st half of the year	1. Intimation of date of Board Meeting. 2. Audited quarterly results 3. Any notable achievements or acquisiton of any assets		1. Availability of Share Price & Market Capitalisation 2. Queries related to Stock Exchange quotations
Telephone					Telephone no. for shareholders queries viz. 033 6613 4205 033 2419 2641
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. Annual/Quarterly 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.				
Corporate Compliance Certificate	Non-Mandatory		Disclosure by the Company to the Stock Exchanges regarding compliance with the Corporate Governance norms of Listing Agreements with Stock Exchanges		
Secretarial Standards	Followed almost all requirements of the Secretarial Standards.	1. Review of standards with respect to the Company 2. Shareholders' / Investors' Grievance Committee Meeting		Pending complaints from Shareholders	

TATA METALIKS LIMITED

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

Attendance Slip

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

I, hereby record my presence at the TWENTY THIRD ANNUAL GENERAL MEETING of the Company at Kalamandir, 48, Shakespeare Sarani, Kolkata - 700 017 at 12 noon on Wednesday, September 25, 2013.

....

Full name of the Member Signature
(in BLOCK LETTERS)

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

....

Full name of the Member Signature
(in BLOCK LETTERS)

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, 10th Floor, 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 TWENTY THIRD ANNUAL GENERAL MEETING of the Company to be held on Wednesday, September 25, 2013 at 12 noon at Kalamandir, 48 Shakespeare Sarani, Kolkata 700 017 and at any adjournment thereof.

Signed this ....day of ....2013.

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

Affix Revenue Stamp

No. of Shares held.................................... ....
Signature

This form is to be used $\frac{\text{@ in favour of}}{\text{@ against}}$ 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, 10th Floor, 43, Jawaharlal Nehru Road, Kolkata - 700 017, not less then FORTY-EIGHT HOURS before the time for holding the aforesaid meeting.

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

DUCTILE IRON PIPES

TATA METALIKS LIMITED
Registered Office : Tata Centre, 43, Jawaharlal Nehru Road, Kolkata - 700071

Plant Locations:
Kharagpur : Samraipur, Gokulpur, Kharagpur, Pin - 721301, West Bengal
Redi : Terekhol Road, Dist: Sindhudurg, Redi, Pin - 416517, Maharashtra
www.tatametaliks.com