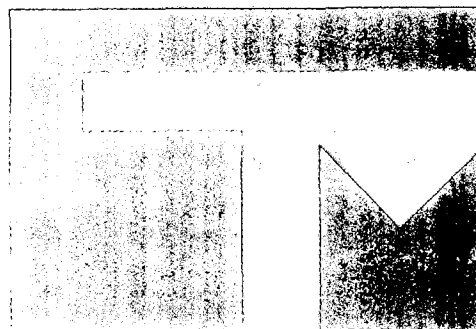


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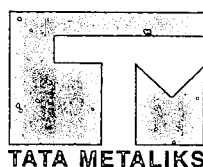
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YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		



TATA METALIKS





TATA METALIKS LIMITED

EIGHTH ANNUAL REPORT 1997-98

Board of Directors

(AS ON 26TH JUNE 1998)

Company Secretary
Mr. Sunit Sengupta

Dr. T. Mukherjee (*Chairman*)
Mr. Rajeev Dubey (*Managing Director*)
Mr. R. C. Nandrajog
Mr. M. C. De Tarafdar
Mr. H. S. Majumder
Mr. Dinesh Bahl
Mr. L. M. Chatterjee
Mr. M. V. Srinivasan
Mr. D. P. Patra
Mr. Daljit Singh

Registered Office

Tata Centre
43, Chowringhee Road
Calcutta 700 071
Ph. : 033-2473702/2477051/2404014
Fax : 033-2474372
E-Mail : metaliks@cal.vsnl.net.in

Works

Village Gokulpur
P.O. Samuraipur
Kharagpur, Dist. Midnapur
West Bengal, Pin-721 301
Ph. : 03222 33325
Fax : 03222 33316

Bankers

Indian Overseas Bank
State Bank of India
Citibank N. A.

Auditors

Messrs. A. F. Ferguson & Company
Chartered Accountants

Share Registrars & Transfer Agents

ABC Computers Private Limited
National Council of Education Building
Jadavpur University Campus
Calcutta 700 032
Ph. : (033) 4731163/4731292/4735363
Fax : (033) 474-6548
E-Mail : abccal@cal.vsnl.net.in



NOTICE

Notice is hereby given that the EIGHTH ANNUAL GENERAL MEETING of TATA METALIKS LIMITED will be held at Kalamandir, 48, Shakespeare Sarani, Calcutta - 700 017 on Wednesday, the 12th August, 1998 at 11.00 a.m., to transact the following business :-

ORDINARY BUSINESS

1. To receive and adopt the Audited Profit and Loss Account of the Company for the year ended 31st March, 1998 and the Balance Sheet as at that date together with the reports of the Directors and Auditors thereon.
2. To appoint a Director in the place of Dr. T. Mukherjee who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in the place of Mr. R. C. Nandrajog who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT the vacancy caused on the Board of Directors due to the retirement of Mr. H. S. Majumder, a Director of the Company who was liable to retire by rotation at this Annual General Meeting, be not filled."

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

"RESOLVED THAT in partial modification of the Resolution passed at the Annual General Meeting of the Company held on 21st August, 1997, in respect of appointment and terms of remuneration of Mr. Rajeev Dubey, Managing Director, and in accordance with the provisions of Sections 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves :

- (i) *fixation of salary scale of Mr. Rajeev Dubey (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) with authority to the Board of Directors to fix his salary within the salary scale, increasing thereby proportionately all benefits related to the quantum of salary, effective from 1st April, 1998, for the remainder of the tenure of his contract as Managing Director and*
- (ii) *payment of either commission between half and twice the annual salary in the manner already approved by the shareholders or performance linked remuneration not exceeding twice the annual salary as may be determined by the Board of Directors or a Committee thereof, effective from 1st April, 1998,*

as set out in the draft supplemental Agreement submitted to this meeting and initialled by a Director, for the purpose of identification, which Agreement is hereby specifically sanctioned."

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

"RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered as follows :



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Insert the following Heading and Article as Article 59A after Article 59.

DEMATERIALISATION OF SECURITIES

Definitions 59.A

- (1) For the purpose of this Article :-

'Beneficial Owner' means a person or persons whose name is recorded as such with a depository;

'SEBI' means the Securities & Exchange Board of India;

'Depositories Act' means the Depositories Act, 1996, and shall include any statutory modification(s) or re-enactment thereof for the time being in force;

'Depository' means a Company formed and registered under the Companies Act, 1956, and which has been granted a certificate of registration to act as a Depository under the Securities & Exchange Board of India Act, 1992; and

'Security' means such security as may be specified by SEBI from time to time.

Dematerialisation of Securities

- (2) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996.

Options for Investors

- (3) Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates of Securities.

If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

Securities in Depositories to be in fungible form

- (4) All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C, and 372 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

Rights of Depositories and Beneficial Owners

- (5) (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.
- (b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.



- (c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

Service of Documents	(6)	Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.
Transfer of Securities	(7)	Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.
Allotment of Securities dealt with in a Depository	(8)	Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.
Distinctive numbers of Securities held in a Depository	(9)	Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.
Register and Index of Beneficial Owners	(10)	The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles.

Calcutta, 26th June, 1998

By Order of the Board of Directors

Registered Office :

Tata Centre,
43, Chowringhee Road,
Calcutta 700 071.

Sunit Sengupta

Company Secretary

Notes :

- The relative Explanatory Statements pursuant to Section 173 of the Companies Act, 1956, in respect of business under Item Nos. 5 to 7 above are annexed hereto.
- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 4th August, 1998 to Wednesday, the 12th August, 1998, both days inclusive.
- 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.
- Members/Proxies should bring the Attendance Slip duly filled in for attending the Meeting.
- Shareholders are requested to kindly bring their copies of Annual Report to the Meeting.



ANNEXURE TO NOTICE

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

Item No. 5

Mr. H. S. Majumder, a Director of the Company, who is liable to retire by rotation at this Annual General Meeting has informed that he does not wish to seek re-appointment. The Board of Directors is of the view that the vacancy caused on the Board of the Company due to the retirement of Mr. Majumder be not filled at present.

Item No. 6

At the Annual General Meeting of the Company held on 21st August, 1997, the Shareholders had approved the appointment of Mr. Rajeev Dubey, Managing Director of the Company and salary of Rs. 24,000/- per month with annual increment not exceeding Rs. 2,000/- per month with such perquisites and commission as specified in the Explanatory Statement annexed to the Notice of the Meeting.

As the Shareholders are aware, the Government had liberalised Schedule XIII to the Act, in 1994, enhancing the limits of managerial remuneration, but the Company had set for itself certain limits in this regard. The present remuneration of the Managing Director is based on the internal limits of the Company as framed in 1996 and as approved by the Shareholders. It is now proposed to revise the remuneration of the Managing Director with effect from 1st April, 1998, as follows :

The salary scale for Mr. Rajeev Dubey shall be Rs. 25,000 — Rs. 75,000 per month (with proportionate increases in the value of the benefits related to salary) for the remainder of the tenure of his contract i.e. upto 30th November, 2001 with authority to the Board to fix his salary within the salary scale from time to time. The annual increment will be merit based and take into account the Company's performance. The Managing Director shall also be paid, with effect from 1st April, 1998, either commission, between half and twice the annual salary, in the manner, as already approved by the Shareholders, or performance linked remuneration not exceeding twice the annual salary as may be determined by the Board of Directors or the Committee thereof, in addition to salary and perquisites and allowances.

All other terms and conditions of the appointment of Mr. Rajeev Dubey, as approved by the Shareholders will remain unchanged.

Accordingly clause 7 of the Principal Agreement, a draft of which was approved by the members in the Annual General Meeting held on 21st August, 1997 is proposed to be altered by a supplemental Agreement to be entered into between the Company and Mr. Rajeev Dubey for variation in the terms of his remuneration.

The Resolution for the proposed variation in the terms of remuneration of the Managing Director is commended for acceptance by the Shareholders.

The Principal Agreement and the draft supplemental Agreement between the Company and Mr. Rajeev Dubey are available for inspection at the Registered Office of the Company between 11 a.m. and 1 p.m. on any working day of the Company.

None of the Directors other than Mr. Rajeev Dubey is concerned or interested in the Resolution.

This may be treated as an abstract of variation of the terms of remuneration and memorandum of interest of Mr. Rajeev Dubey, Managing Director, under Section 302 of the Companies Act, 1956.

**Item No. 7**

After the enactment of the Depositories Act, 1996 and introduction of the Depository System, some of the provisions of the Companies Act, 1956, relating to issue, holding, transfer and transmission of shares & other securities have been amended.

Consequently it is proposed to add new provisions in the Articles of Association of the Company as set out in Resolution at Item No. 7 to bring the Articles in line with the aforesaid legislations.

The Directors recommend the Resolution for approval of the Shareholders.

None of the Directors of the Company is concerned or interested in the Resolution.

A copy of the Memorandum and Articles of Association of the Company together with the proposed alterations is available for inspection by the Members of the Company at its Registered Office between 11 a.m. and 1 p.m. on any working day of the Company.

Calcutta, 26th June, 1998

By Order of the Board of Directors

Registered Office :

Tata Centre,
43, Chowringhee Road,
Calcutta 700 071.

Sunit Sengupta

Company Secretary

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EIGHTH ANNUAL REPORT 1997-98

CHAIRMAN'S STATEMENT

Dear Shareholders,

I am happy to inform you that your Company ended the Financial Year 1997-98 with sufficient profits to wipe out its entire accumulated losses. This was achieved in a difficult year, with a highly depressed market and overall sluggishness in the economy. This would not have been possible without the total involvement and commitment of all employees, individually and as a team.

Among the principal reasons for the Company having been able to turn itself around has been its commitment to quality. Your Company received the ISO 9002 certification in January which, we envisage, will be the precursor to continuous all around quality enhancement in the years to come. Towards this end, we are committed to being focussed on the right track towards Total Quality Management.

While the Company sold all that was produced — in fact production and sales volumes were higher than the previous year — the average pig-iron realisation for the year was approximately 10% lower than in 1996-97. However, this was more than counterbalanced by control of operating costs, with significant contributions from the lower specific cost of raw materials and lower interest rates.

The coming year will not be an easy one. The Government has imposed an anti-dumping duty on coke of Chinese origin, thereby making its use completely uneconomical. In addition, the sluggish growth of the economy will continue to have a dampening effect on the demand for our product for at least the next six months.

The Company also emphasises its commitment to rural and community development and has initiated work on low-cost public conveniences and smokeless chulhas.

Despite all hardships, Tata Metaliks views the future with optimism and will endeavour to make the years ahead rewarding.

(T. Mukherjee)

Chairman

Calcutta

26th June, 1998