

9<sup>TH</sup>

ANNUAL REPORT

2007-08

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TATA METALIKS



## **TATA METALIKS LIMITED**

### **Ninth Annual Report 1998-99**

#### **Board of Directors**

(As on 21st May, 1999)

Dr. T. Mukherjee <sup>+</sup>  
*Chairman*

Mr. Rajeev Dubey  
*Managing Director*

Mr. R. C. Nandrajog \*

Mr. M. C. De Tarafdar \*<sup>+</sup>

Mr. Dinesh Bahl \*

Mr. L. M. Chatterjee

Mr. M. V. Srinivasan <sup>+</sup>

Mr. D. P. Patra

Mr. Daljit Singh

Mr. Satyajit Mitra

<sup>+</sup> Member of the Remuneration Committee of the Board

\* Member of the Audit Committee of the Board

#### **Company Secretary**

Mr. Sunit Sengupta

#### **Auditors**

Messrs. A. F. Ferguson & Company  
Chartered Accountants

#### **Bankers**

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

#### **Registered Office .**

Tata Centre, 43, Chowringhee Road, Calcutta 700 071.  
Ph. : 033-288-3702/2887051/2884014, Fax : 033-288-4372  
E-mail : [metaliks@cal.vsnl.net.in](mailto:metaliks@cal.vsnl.net.in)

#### **Works**

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



## NOTICE

Notice is hereby given that the NINTH ANNUAL GENERAL MEETING of TATA METALIKS LIMITED will be held at Kalamandir, 48, Shakespeare Sarani, Calcutta - 700 017 on Saturday, the 31st July, 1999 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, 1999 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 Mr. Dinesh Bahl who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in the place of Mr.L.M.Chatterjee 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 , the following resolution as an Ordinary Resolution :  
"RESOLVED THAT the vacancy caused on the Board of Directors due to the retirement of Mr. M.C.De Tarafdar, 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 , the following resolution as an Ordinary Resolution :  
"RESOLVED THAT Mr.Satyajit Mitra be and is hereby appointed a Director of the Company."

Calcutta, 21st May, 1999

By Order of the Board of Directors

#### Registered Office :

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

**Sunit Sengupta**  
Company Secretary

#### Notes :

- a) The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of business under Item No. 5 & 6 is annexed hereto.
- b) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- c) Members/Proxies should bring the Attendance Slip duly filled in for attending the meeting.
- d) Members who have multiple accounts in identical names or joint accounts in the same order are requested to send all the share certificate(s) to the Registrar & Transfer Agents (ABC Computers Pvt. Ltd.), or to the Registered Office of the Company for consolidation of all such Shareholdings into one account to facilitate better service.
- e) The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, the 22nd July 1999 to Friday, 30th July 1999, both days inclusive.
- f) 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.
- g) Shareholders are requested to kindly bring their copies of Annual Report to the meeting.

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**ANNEXURE TO NOTICE****EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****ITEM NO. 5**

Mr M. C. De Tarafdar , a Director of the Company, who was 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. De Tarafdar be not filled at present.

**ITEM NO. 6**

Mr. Satyajit Mitra, Solicitor and Advocate was appointed by your Board as Additional Director of the Company with effect from 28th January, 1999. In terms of Section 260 of the Companies Act, 1956, Mr. Satyajit Mitra will hold office only up to the date of the next Annual General Meeting of the Company.

The Company has received a notice in writing from a member signifying his intention to propose Mr. Satyajit Mitra for the office of Director of the Company as required under Section 257 of the Companies Act, 1956.

The Board considers it desirable to avail the services of Mr. Satyajit Mitra as Director of the Company.

Mr. Satyajit Mitra is concerned or interested in the resolution under Item 6 of the Notice.

Calcutta, 21st May, 1999

By Order of the Board of Directors

**Registered Office :**  
Tata Centre,  
43, Chowringhee Road,  
Calcutta 700 071.

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**Sunit Sengupta**  
Company Secretary



## CHAIRMAN'S STATEMENT

Dear Shareholder,

Your Company concluded the financial year 1998-99 with the feeling of satisfaction over a job well done in adverse circumstances. Tata Metaliks has achieved record production and sales in a year of industrial gloom for steel and allied metals.

Your Company sought to seize every opportunity in this low-growth environment particularly in the depressed pig iron market and innovated to work and produce better. Despite these difficult times, Tata Metaliks has made a profit.

Your Company did not falter in its focused strategy to enhance quality while taking concerted cost-reduction and productivity-enhancement measures. Much of this work has been done in inter-departmental and multi-disciplinary work-groups, which follow a strictly structured problem-solving process.

Nor has Tata Metaliks moved away from its commitment to the social environment and its employees. Your Company is actively involved in community development around sanitation, drinking water schemes, education and family welfare. On 11th May 1999 it received a recommendation from Det Norske Veritas of Rotterdam, Netherlands for ISO 14001. This confirms your Company's commitment to sound environmental management.

It is in meeting the diverse challenges of the difficult times that your Company finds its greatest strength. It provides the Tata Metaliks team with the inspiration to battle the odds and continue to look at the future with the hope that technology, quality and commitment will, eventually, prevail.

I would like to express my appreciation to the entire team of Tata Metaliks for its determination in meeting the challenges.

(T. Mukherjee)  
Chairman

Calcutta  
21st May, 1999

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## DIRECTORS' REPORT

### TO THE MEMBERS

The Directors hereby present their Ninth Annual Report on the business and operations of the Company and the financial accounts for the year ended 31st March, 1999.

### FINANCIAL RESULTS

	Current Year (Rs. lakhs)	Previous Year (Rs. lakhs)
(a) Gross Income	8631.95	8,653.58
(b) Gross Profit	773.73	1,001.78
(c) Less: Interest	494.52	461.24
(d) Less: Depreciation	263.48	248.22
(e) Profit before tax/(Loss)	15.73	292.32
(f) Less: Provision for taxation	1.65	24.35
(g) Net Profit/(Loss)	14.08	267.97
(h) Less: Transfer to Debenture Redemption Reserve	14.08	15.22
(i) Add: Balance brought forward from previous year	NIL	(252.75)
(j) Balance carried forward	NIL	NIL

The Directors have not recommended any dividend.

### 2. OPERATIONS AND SALES

Sustained improvement in operational performance over the previous year saw capacity utilisation touch 120 per cent – an improvement of four per cent. Naturally, both production and productivity surpassed records of the previous year.

Coke is the major component of cost of pig-iron. Concerted campaign covering all aspects of handling and use of coke produced significant improvement. However these improvements were more than offset by the anti dumping duty on Chinese coke, imposed by the government in May 1998, with concurrent increase in the price of coke from other sources.

Though sale of pig-iron increased marginally, in terms of tonnage, the continued industrial slowdown and intense competition accounted for a fall in the net realisations. The Company's profits after tax came down to Rs 0.14 crores in 1998-99 from Rs 2.68 crores in 1997-98.

During the year the Company exported 2,122 tonnes of pig-iron, valued at Rs 1.47 crores, to Bangladesh.

### 3. NATIONAL QUALITY COMPETITION AWARD

The Company won the first prize in the Indian Institute of Metals' National Quality Competition in the category of Pig-Iron Plants/ Direct Reduction units/ Re-rolling mills for the year 1997-98.

### 4. Y2K COMPLIANCE

The Company has taken adequate steps with necessary contingency plans for making its computer systems Y2K compliant. Details regarding Y2K compliance in accordance with clause 32 of the listing agreements with the Stock Exchanges are given in Annexure 'A' to the Directors' Report.

### 5. MANAGEMENT INITIATIVES

The management with the help of an appropriate consultancy firm formulated a model aimed at gearing up for the competitive times ahead. These have been supplemented by several initiatives such as Kaizen, benchmarking, total quality management, small group activities, and JRD-QV movement to improve quality, efficiency, customer satisfaction, long-term profitability, teamwork and employee involvement.

### 6. ENVIRONMENTAL PROTECTION AND COMMUNITY DEVELOPMENT

During the year under review community development work was integrated with Tata Metaliks' business plans. The Company provided expertise in constructing smokeless chulhas, low-cost conveniences and drilling tubewells and





distributed fruit-bearing trees in villages around the factory. All employees of the Company contributed a day's salary to the Chief Minister's Relief Fund (Flood) West Bengal.

The Company's environmental policy was formulated during the year and its waste water discharge was brought down to zero level. The Company had set itself the target of achieving the ISO 14001 certification for its environmental management system and received the certificate from Det Norske Veritas of Rotterdam, Netherlands.

## 7. HUMAN RESOURCES & INDUSTRIAL RELATIONS

Industrial relations were harmonious throughout the year. The Directors wish to place on record their sincere appreciation of the co-operation extended by all employees and by the Tata Metaliks Ltd. Workers Union in maintaining cordial relations.

The Company started a productivity linked incentive scheme for workers and supervisors for mutual benefit.

## 8. DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr Dinesh Bahl and Mr L. M. Chatterjee retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment. Mr M. C. De Tarafdar, who was also due to retire at the forthcoming meeting has informed the Company that he does not wish to seek re-appointment. A resolution pursuant to Section 256 of the Companies Act, 1956, for not filling the vacancy caused by Mr De Tarafdar's retirement has been included in the agenda of the forthcoming Annual General Meeting. The Board placed on record its deep appreciation of the services rendered by Mr De Tarafdar during his tenure as a Director of the Company.

Mr Satyajit Mitra, was appointed as Additional Director of the Company with effect from 28th January, 1999. In terms of Section 260 of the Companies Act, 1956, Mr. Satyajit Mitra will hold office only up to the date of the next Annual General Meeting of the Company. The Company has received a notice in writing from a member signifying his intention to propose Mr Satyajit Mitra for the office of Director of the Company, as required under Section 257 of the Companies Act, 1956. The Board considers it desirable to avail the services of Mr. Satyajit Mitra as Director of the Company.

## 9. CORPORATE GOVERNANCE

For maintaining good corporate governance (a) the Audit Committee and (b) the Remuneration Committee, comprising non-executive directors, continue to provide valuable support to the Board and to the management.

## 10. AUDITORS

M/s. A. F. Ferguson and Company, Chartered Accountants, Auditors of the Company, retire at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment.

## 11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE

Information in accordance with the provisions of Section 217(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in Annexure 'B' to the Directors' Report.

## 12. PARTICULARS OF EMPLOYEES

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

## 13. ACKNOWLEDGEMENT

The Directors wish to place on record their appreciation of the continued support extended by shareholders, the Company's bankers, the Industrial Development Bank of India, the South Eastern Railway and the Government of West Bengal.

Calcutta  
21st May, 1999

On behalf of the Board of Directors  
**T. MUKHERJEE**  
Chairman

**ANNEXURE 'A' TO DIRECTORS' REPORT**

**Disclosure of status on Y2K preparedness level as required under clause 32 of the listing agreements with Stock Exchanges.**

**1. Risk to the Company due to Year 2000 bug**

The Company is addressing the Y2K issues from beginning of this year and has taken necessary steps to meet the Y2K compliance requirements. The Company has targeted to make all its internally developed applications software Y2K compliant by September 1999. All third party systems software and operating systems will be Y2K compliant by end of June 1999. All computer hardware, electronics and testing equipment have been tested for Y2K compliance and wherever necessary, will be made Y2K compliant by September 1999.

**2. Cost to Address the Company's Year 2000 Issues**

The cost to address the Company's year 2000 issues is estimated to be Rs.22 lakhs ( approx.).

**3. Company's Contingency Plans**

The Company is developing contingency plans using internal resources to minimise the risk of disruption due to Y2K issues.

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