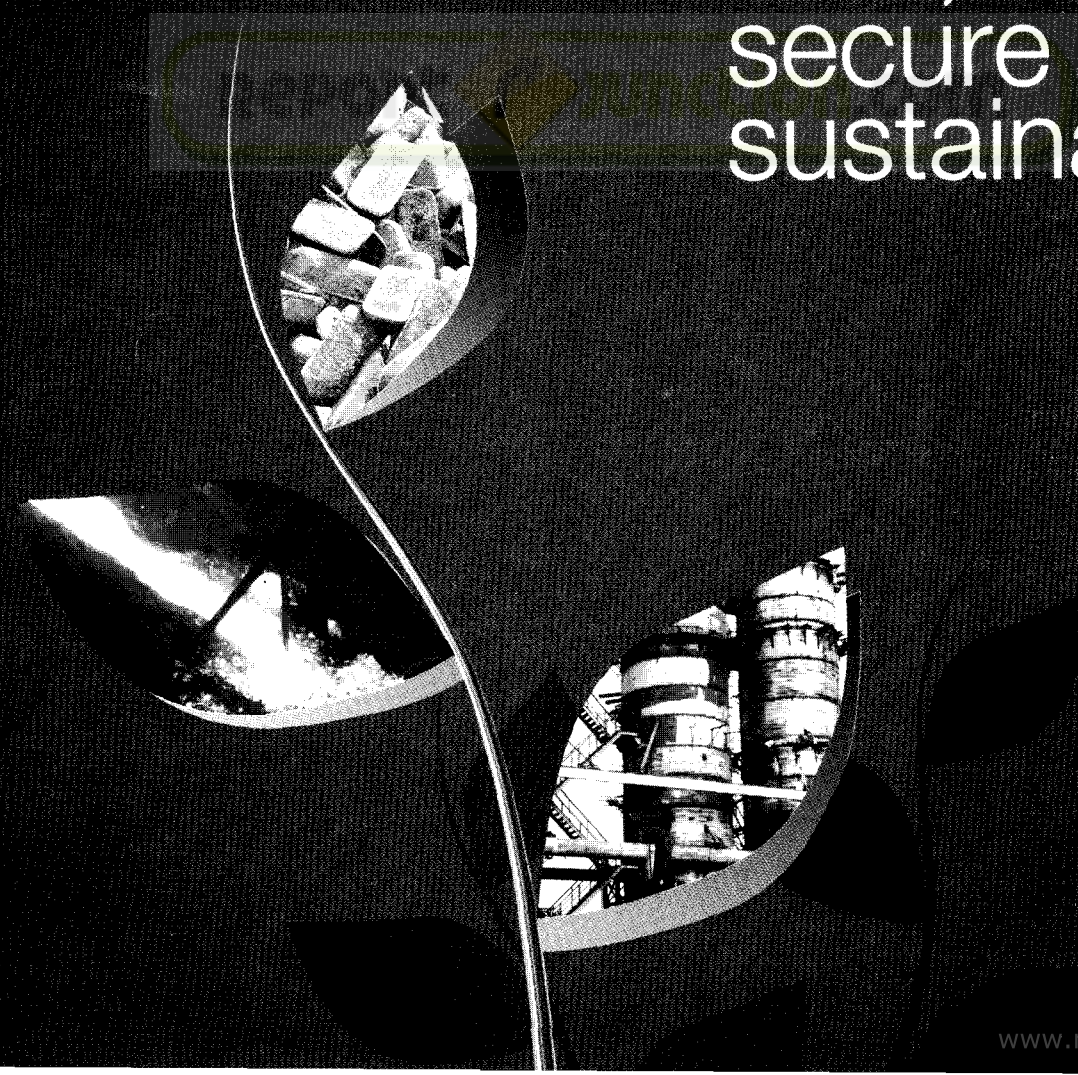




TATA METALIKS

15th Annual Report
2004-2005

Making our growth
sure,
secure and
sustainable



Corporate Information



(As on 26 April 2005)



Dr. T. Mukherjee
(Chairman)



Mr. Harsh K. Jha
(Managing Director)



Mr. Satyajit Mitra



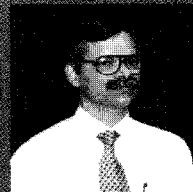
Mr. A.C. Wadhawan



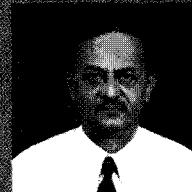
Mr. P.K. Jha



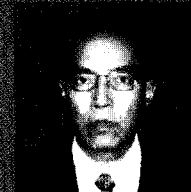
Mr. Gopal Krishna



Mr. Ashok Kumar



Mr. Manish Gupta



Mr. Dipak Banerjee

Management

(As on 26 April 2005)

Mr. Harsh K. Jha, Managing Director

Mr. Harsh Kumar, Vice President (Marketing)

Mr. Amit Ghosh, General Manager (Finance & Accounts)

Mr. V.B. Singh, General Manager (Project & Technology)

Mr. Subhasis Dey (**Company Secretary**)

Registered Office

Tata Centre, 43, Jawaharlal Nehru Road,
Kolkata - 700071

Bankers

State Bank of India,
Citibank N.A.

Indian Overseas Bank,
Bank of India

Hongkong & Shanghai Banking Corpn Ltd.
UTI Bank

Auditors

M/s A.F. Ferguson & Company
Chartered Accountants
Kolkata

Share Registrars

AMI Computers (I) Ltd.
60 A & B, Chowringhee Road
Kolkata - 700020

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REPORT

At Tata Metaliks,
we reported a record 2004-05.

Marked by a 98% increase in turnover and a 158% increase in profit after tax.

This improvement was derived from better net realisations of pig iron, our principal product.

As a long-term opportunity-focussed organisation, Tata Metaliks embarked on a number of business-strengthening initiatives with the following in mind;

- To protect it from a probable reversal in industry fortunes
- To sustain its growth in good markets and bad
- To leverage its cash flow for strengthening its business

These initiatives are expected to make the Company's growth in revenue and profitability sure, secure and sustainable.

TATA METALIKS

II TEENTH ANNUAL REPORT 2004-05

ATA METALIKS LIMITED

Our Identity

Tata Metaliks Limited is the largest merchant manufacturer of foundry grade pig iron in India



Origin: A part of India's largest and trusted House of Tata (more than 80 companies). Jointly promoted by Tata Iron and Steel Company Limited (TISCO) and West Bengal Industrial Development Corporation in 1994. Headquartered at Kolkata. Promoters and its subsidiaries hold a 47.64% stake in the Company.

Business: Engaged in the manufacture of foundry grade pig iron. An organisation guided by research, evolving products to suit diverse customer needs. Presently manufactures 11 different pig iron grades.

Location: Commenced commercial production at Kharagpur in 1994 with a capacity of 90,000 tpa. Progressive investments increased installed capacity to 325,000 tpa in 2004-05.

Presence: Geographical footprint covers India's major foundry markets; exports to 14 countries, primarily in South East Asia and Europe.



reportjunction.com

Certifications:

Received pride-enhancing certifications like ISO 9001:2000 (quality management), ISO 14001 (environment management) and OHSAS 18001 (operational safety).

Track record:

Achieved consistent revenue and profitability growth. Five-year revenue growth at a compounded rate of 30% up to 2004-05; increase in profit after tax by 66% over the same period. Dividend payout to shareholders for the fifth consecutive year.

Visibility: Shares

listed on the Kolkata, Mumbai and National Stock Exchanges. Market capitalisation at Rs. 406 cr (BSE, 31 March 2005).



TATA METALIKS

FIFTEENTH ANNUAL REPORT 2004-05
TATA METALIKS LIMITED

Highlights, 2004-05

We strengthened our financials

- A 98% growth in revenue
- A 156% rise in EBITDA
- A 158% increase in profit after tax
- Rs. 46.70 cr reinvestment into the business

We improved our profitability

- A 762 basis point growth in our EBITDA margin
- A 549 basis point increase in our net margin
- A 2130 basis point increase in our ROCE to 72.02 %
- A 2958 basis point increase in our RONW to 81.15 %, one of the highest in India

We strengthened our marketplace presence

- Customer growth of 128% in India, over the previous fiscal
- Growing global footprint from eight countries in 2003-04 to 14 in 2004-05

We augmented our internal efficiencies

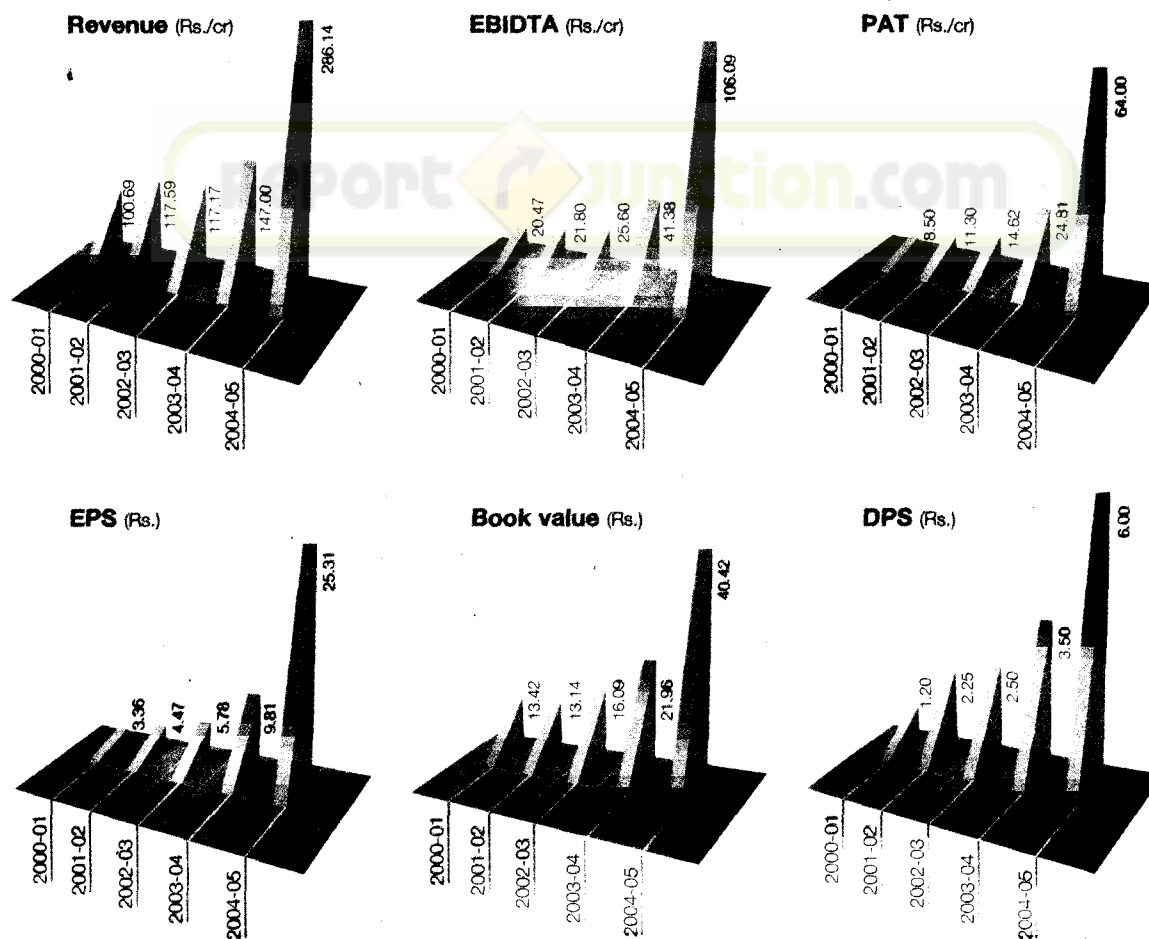
- A 29.8% increase in production from the same blast furnace
- Capacity utilisation of about 102%
- A 40.49% increase in blast furnace productivity
- A switch in our raw material sourcing from coke to coal

We raised the industry benchmark

- A pioneering use of blended coke (high ash and low ash) in the blast furnace
- The highest pig iron yield in India

We rewarded our stakeholders

- An earning per share of Rs. 25.31, higher by 158% over the previous year
- A dividend (proposed) of Rs. 6 per share
- A growth in market capitalisation by 90% to Rs. 406 cr (as on 31 March 2005)



TATA METALIKS

FIFTEENTH ANNUAL REPORT 2004-05

TATA METALIKS LIMITED

Chairman's Statement



Dear Shareholders,

The momentous developments of the year 2004-05 took the iron and steel industry by storm. With demand reaching unprecedented heights, prices of finished products and input materials soared worldwide.

In our country too, iron and steel was symptomatic of the tremendous optimism that surged through the economy reflected in GDP growth of 6.9% and industrial sector growth of 7.8% (official estimates). Although a partially failed monsoon brought down the growth rate in the agriculture sector to 1.1% (down from a bumper 9.1% in 2003-04), India reported buoyant economic growth, a scenario that is expected to continue.

Tata Metaliks leveraged this

improvement in the economy and within its sector to report a landmark year in terms of performance, planning and implementation.

I am pleased to inform you that the Company not only kept pace with its ambitious target, but also made rapid strides in consolidating its presence in the Indian industry.

For instance, the Company's second mini blast furnace commenced production from 22 March 2005 and has increased installed hot metal capacity from 1.63 lac tonnes per annum to 3.25 lac tonnes per annum accompanied by an intention to integrate forwards from the manufacture of foundry grade pig iron to the manufacture of steel.

In the pursuit of excellence, the main drivers of the Company's operations are and will continue to be appropriate technological interventions, upgradation and agile business decisions.

- The outsourcing of the coke conversion process to an adjacent unit helped the Company reduce logistics bills and enhance competitiveness
- A continuous focus on upgradation and optimal human resource utilisation helped double the production capacity with a substantial increase in productivity
- The Company entered another five countries and increased its global footprint to 14 countries
- Within the domestic market, Tata Metaliks established its



The Company earned the third position on the Tata Index for Sustainable Human Development across the entire Tata Group.

presence in the hitherto untapped markets of south and west India

As a result, the Company came in for a special commendation from the Hon'ble Chief Minister of West Bengal and the Hon'ble Minister of Industry and Commerce of West Bengal on the occasion of the inauguration of the second mini blast furnace. The State Government has assured us of appropriate assistance, whenever we ask for it, for on-going or new projects. We should take full advantage of this positive pro-industry attitude of the government for our prospective plans. Needless to mention, our endeavour should always be to make the state proud of our presence through excellence in all spheres of our activity. I hope that

the positive attitude of the state government will also manifest itself in the form of meaningful policy decisions, which will attract corporates and entrepreneurs to this area of high potential to foster growth and provide opportunity to the people here.

It gives me great satisfaction to see the Company's commitment to the principle of Corporate Social Responsibility in keeping with the basic tenets of the Tata Group. This continuing endeavour of the Company on the social front earned it the third position on the Tata Index for Sustainable Human Development across the entire Tata Group.

I have always placed great faith in our employees and their unions to lift the organisation to even greater

heights. The enhanced performance of the Company makes me glad to see that this faith was not misplaced. I deeply appreciate their efforts and energy. I take this opportunity to thank you for your confidence in Tata Metaliks and thank the management, the union, all the employees and the stakeholders for the performance in 2004-05.

I look forward to an even better 2005-06.

Dr. T. Mukherjee
Chairman

TATA METALIKS

FIFTEENTH ANNUAL REPORT 2004-05
TATA METALIKS LIMITED

Solutions

At Tata Metaliks, we expect to sustain the momentum of our growth through an evolution from the competitive manufacture of products to the comprehensive delivery of solutions. Enabling us to transform vendorship into partnership.

