DIRECTORS' REPORT

To the Members

The Board of Directors has pleasure in placing the Eighteenth Annual Report of the working of the Company along with the statement of accounts and the Auditors' Report for the year ended 31st March, 2008.

1. FINANCIAL RESULTS :

(Rs. Crore)

	Particulars	Current Year (Stand-Alone)	Current Year (Consolidated)	Previous Year (Stand-Alone)
a)	Gross Income from sales and other operations	1185.47	1185.47	781.75
b)	Profit on sale of surplus raw material	0.02	0.02	0.07
c)	Profit before Interest, Depreciation and Taxes	141.10	140.07	69.30
d)	Less: Interest	19.25	19.25	14.18
e)	Profit before Depreciation and Taxes	121.85	120.83	55.12
f)	Less: Depreciation	15.55	15.55	12.95
g)	**Profit Before Taxes**	**106.30**	**105.28**	42.17
h)	Less: Provision for taxes including deferred taxes	36.67	36.69	12.66
i)	**Profit after taxes**	**69.63**	**68.59**	29.51
	Profit After Tax (After Minority Interest)	**-**	**69.10**	-
j)	Profit and loss credit balance brought forward	67.11	67.11	60.35
	Balance available for appropriation	136.74	136.21	89.86
	Which the Directors have appropriated to:			
	i) Proposed Dividend on Equity Shares	17.70	17.70	15.17
	ii) Taxes on Dividend	3.01	3.01	2.58
	iii) General Reserve	25.00	25.00	5.00
	Total	45.71	45.71	22.75
	Balance to be carried forward	91.03	90.50	67.11

2. BUSINESS RESULTS

Driven by the strong 8.7% GDP growth of the country and fuelled by the sturdy growth of the infrastructure sector, your Company has posted a robust performance during the FY 2007-08. The growing infrastructure sector has, in turn, led to the growth of the demand for steel in domestic as well as international market. Additionally, competitiveness of the Indian manufacturing sector has been significantly enhanced. Pig iron being the basic raw material for the foundries, any change in steel consumption has a direct impact on the pig iron industry. All these together, portray a healthy future for the pig iron industry and therefore for the performance of your Company.

For the financial year ended 31st March, 2008, your Company's Profit Before Tax (PBT) was Rs.106.30 Crores (higher by 152% as compared to the figure of the FY 2006-07). Significantly higher production, coupled with enhanced despatch and movement of stock has resulted in a higher gross income from sales at Rs.1185 Crore as compared to Rs.781 Crore for the FY 2006-07. The Company recorded a production of 521,424 tons of pig iron and despatch of pig iron at 516,043 tons during the year. Sustained levels of high performance both at the Kharagpur and the Redi plants helped the Company reach high levels of production. The third blast furnace at Redi started functioning from June 2007, and the plant with its 3 operational furnaces produced 195,632 tonnes of Hot Metal during the last fiscal. The furnaces 1 and 2 were shut down for relining one in November 2007 and another from January 2008. Production at Kharagpur during FY 2007-08 was 349,869 tonnes of Hot Metal.

TML is also working towards creating differentiators by way of offering more customized grades and is working towards enhancing value propositions with the customers for which several interventions like introduction of "Performance Solution Package", expanding the breadth and depth of technical support services, initiating vendor managed inventory, customer segmentation and several other CRM initiatives. These efforts have also ensured premium price for the product offerings of the Company.

A Company-wide initiative ("Project SCOPE" Strategising for Customer Oriented Processes & Excellence) has been taken up to make TML, a customer-centric organization. This project is aimed at making TML "a front-runner as always." Today's competitive environment makes it possible for a customer to move on to other players. The need of the hour is to be pro-active rather than reactive. Thus we need SCOPE because of the dynamic business environment and changing customer expectations and competitive landscape.

Forward Integration - Diversification of business activities and downstream value addition

It was reported last year that in order to mitigate the risk of being in a single product business, the Company is actively concentrating on seeking business opportunities in newer areas. The Company worked on two new business opportunities-one for castings and the other for Ductile Iron (DI) Pipes. Your Directors have immense pleasure in reporting that both the endeavours of the Company have paid off well.

Ductile Iron Pipe Business

Last year, the Company had sought to venture into a market yet untapped - DI Pipe manufacturing. A JV Agreement was signed between your Company, Kubota Corporation, Japan and Metal One, Japan and a joint venture company-Tata Metaliks Kubota Pipes Limited (TMKPL) has been incorporated on 16th October 2007, to manufacture DI Pipes. The project is all set to be implemented at Kharagpur and is likely to be operational from early 2009. A part of the hot metal production from the Kharagpur plant is likely to be used in the production facilities for the DI Pipes. The progress on this project by the Company has been as per the respective schedules. The project cost is estimated at Rs.150 Crore, out of which Rs.75 Crore is to be equity, contributed by the venture partners, wherein Tata Metaliks' share is 51% and the share of two other Japanese partners is 49%. The balance Rs.75 Crore of the project cost would be debt-funded.

The progress of the project implementation and other matters are proceeding as per their respective schedules. Most of the requisite agreements have been signed, environmental clearances are being obtained, key recruitments are made and the "bhoomi puja" of the proposed project site was conducted on 11th February 2008.

Castings business

India is the 5th largest producer of castings, in the world, after USA, Brazil, China and Japan, and the industry is expected to grow by at least 8% to 9% in the coming years, whereby India would be the 3rd largest in the world.

Your Company has also concentrated on its castings business. We have started manufacture of castings based on outsourcing model by leveraging our current strengths of foundry grade pig iron business. Even within the castings business, the current customer portfolio has a clear Automotive and Engineering Industry bias.

Currently, castings business is contributing around Rs.4 Crore to the Company's revenues. However, it is expected that the revenue from this segment would be in the level of Rs.25 Crore to Rs.30 Crore in the FY 2008-09. The Company in the FY 2008-09 is also charting long-term plans to set-up the in-house operations in castings business.

Backward integration-Acquisition of mines

To gain control over the raw material sources, the Company has been applying for Mining Leases (ML) and Prospecting Leases (PL) Iron ore mines in Maharashtra, Karnataka, Jharkhand and Orissa. The applications are at various stages of processing.

In Jharkhand, TML has applied for Iron and Manganese ore mines. In Orissa, TML has applied for Six ML and Two PL. In Maharashtra, your Company has applied for ML and PL for Iron ore, Manganese and Limestone. In Karnataka, TML has applied for ML for iron and manganese ore. Allotment of all these mines is under active consideration and results are expected by early next year.

For coking coal, your Company has approached the West Bengal Minerals Development and Trading Corporation Limited (WBMDTCL), West Bengal for coking coal supply for its plant at Kharagpur. Your Company is also trying to source raw materials in Madhya Pradesh and has entered into a Memorandum of Understanding (MOU) with the Govt. of Madhya Pradesh.

3. TATA METALIKS LIMITED A SUBSIDIARY OF TATA STEEL

With effect from 7th February 2008, your company has become a subsidiary of Tata Steel Limited, owing to acquisition of 2.40% shares of the Company by M/s Kalimati Steel Pvt. Ltd., a subsidiary of Tata Steel Limited, from the open market. The total holding of Tata Steel Group of companies from 7th February 2008, is as follows :

Tata Steel Ltd.	:	46.66%
Kalimati Steel Pvt. Ltd.	:	3.39%
Total	:	50.05%

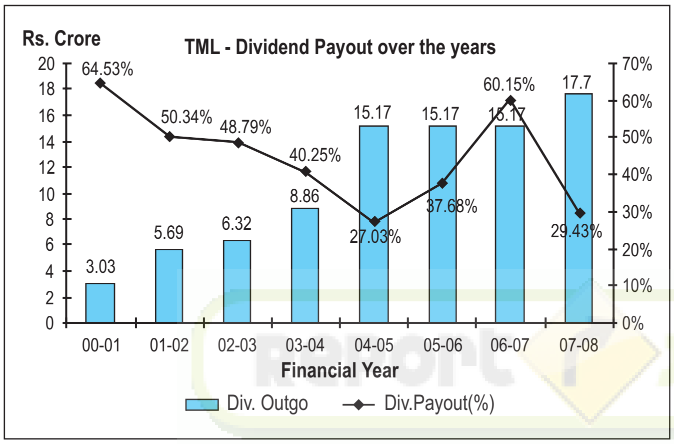
4. DIVIDEND-UNINTERRUPTED PAY OUT

Your Company's dividend policy is based on the need to balance the twin objectives of appropriately rewarding the shareholders with cash dividend and of ploughing back of profit to fund your Company's future growth. The Company has recorded consistent dividend payouts since 2000-2001 while its performance in the share markets has been stable and profitable throughout its existence. Your Company has channelised all resources and efforts through value based management towards earning better returns on its capital employed.

DIRECTORS' REPORT (*Contd.*)

The Board, for the FY 2007-08 has recommended a dividend @ 70%, subject to the approval of the shareholders at the Annual General Meeting. The dividend will be paid on 2,52,88,000 Equity Shares at Rs. 7/- per share (FY 2006-07 : on 2,52,88,000 Equity Shares at Rs. 6/- per share). The dividend pay out (after tax) works out to 29.43% (FY 2006-07 : 60.15%).

The following has been the dividend outgo (absolute terms) of your Company and dividend payout (after tax) during the last few years:



As per the Finance Act, 2008, Dividend Distribution Tax remains at 15%. This is payable by the domestic companies on the amount of dividend to be distributed and accordingly the Company has appropriated the amounts of Rs.17.70 Crore and Rs.3.01 Crore on dividend and tax thereon, respectively (inclusive of surcharge and education cess).

5. DIRECTORS' RESPONSIBILITY STATEMENT:

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

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

6. CORPORATE GOVERNANCE

Tata Metaliks is one of the pioneers in the Tata Group in setting high standards of Corporate Governance.

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section titled 'Corporate Governance' has been included in this Annual Report, along with the reports on 'Management Discussion and Analysis' and 'Shareholder Information'. All board members and senior management personnel have affirmed compliance with the Code of Conduct for the FY 2007-08. A Certificate from the Statutory Auditors of the Company regarding compliance of conditions and provisions of the Corporate Governance is enclosed as Annexure 'A' to this report.

7. STATUTORY DISCLOSURES

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

The information given under section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, as amended, is enclosed as Annexure "B" of this Report.

Statutory and other regulatory compliances in respect of the Kharagpur and the Redi plants are made separately and disclosed to the Board periodically.

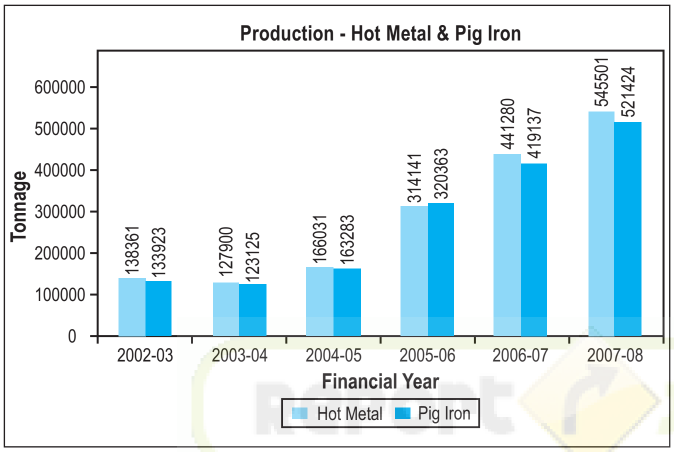
8. BROWNFIELD PROJECTS - REDI PLANT

During FY 2005-06, the Company had acquired the assets of the pig iron plant at Redi, Maharashtra, of Usha Ispat Limited, under the SARFAESI Act, 2002, from the IDBI. Since its acquisition, the Redi plant has come a long way - the plant produced reasonable results, embracing the Tata culture. We have been successful in making the Redi acquisition a part of the TML family in the real sense i.e. technologically savvy and the work culture. Under the supervision of TML management, the third blast furnace at Redi became operational on 13th June 2007. With three operational blast furnaces, and one furnace operating only during the fourth quarter, the Redi unit produced 178,140 tonnes of Pig Iron during the FY 2007-08. However, since January 2008, one blast furnace at the Redi plant has been operating.

Raw material and its sourcing remain a cause of concern for the Redi plant. Without linkages and long term contracts for the resources the Redi plant is operating at zero margins and in the rising prices scenario, there is always a time lag, which comes into play as far as increase of end-use products prices are concerned, thereby eating into the margins. We have been evaluating options for altering the raw material mix by reducing coke and replacing the same with carbon alloys etc.

9. PRODUCTION PERFORMANCE

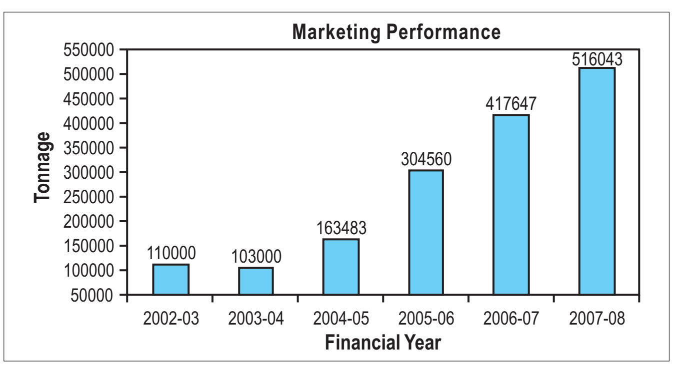
During the year ended 31st March, 2008, the Kharagpur and Redi plants produced 349,869 and 195,632 tonnes of hot metal respectively. During the FY 2007-08, the production of Pig Iron at the Kharagpur and Redi plants was 343,284 tonnes and 178,140 tonnes respectively. The production of hot metal and pig iron for the last few years is shown in the figure below :



As for the plant performance, Kharagpur Unit is ^100% in compliance with the Annual Business Plan (ABP) on all major operational parameters.

10. MARKETING PERFORMANCE

During the FY 2007-08, the Company sold 516,043 tonnes of pig iron as compared to 417,647 tonnes in 2006-07. The sales figures for the past six years have been represented graphically below :

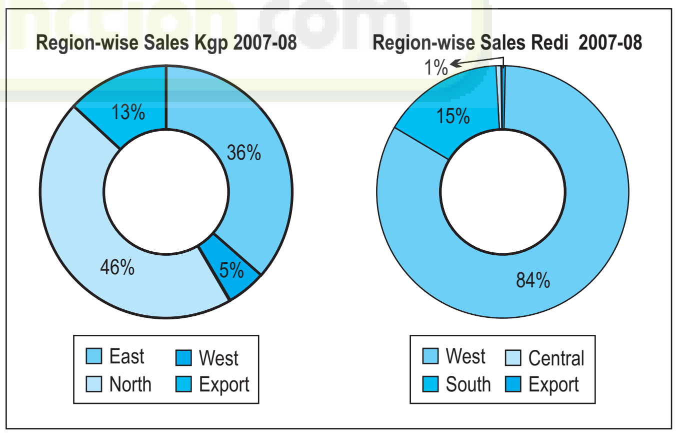


The Company was able to partly mitigate the effects of rising cost of raw materials and the average net realisation (NR) enhanced to a great extent. The rising raw material prices had also affected the smaller players, who had to scale down production, if not close down altogether. This void created in the market place was captured advantageously by your Company. The Company had acted promptly on the findings of an independent Customers' Satisfaction Survey (CSS) conducted during FY 2006-07, the results of which have started showing during FY 2007-08.

Performance : domestic market

The overall market share enjoyed by the Company during FY 2007-08 was 14% during H1 and 15% during H2. Generally, the Redi plant of the Company catered to the market in the West and South significantly. This helped the Company establish itself in the Western Indian market. 84% of the pig iron sold from Redi was for the West, while South India accounted for 15%. With a sale of 178,482 MT of pig iron, the Redi unit achieved a turnover of Rs.421.58 Crore.

The Kharagpur plant sold 337,561 MT of pig iron in the domestic and export market, out of which almost 36% and 46% respectively were for the East and the North Indian markets and 13% was for the export market. The figure below shows the region wise sales made by the two plants. The turnover for the Kharagpur plant was Rs.763.89 Crore.



The domestic prices were mostly stable during the first half of the FY 2007-08. The same witnessed a significant surge during the later part of the year. In view of the significant price increase of raw materials, your Company had experienced a very significant cost-push effect during H2. Your Company was therefore constrained to increase the price of our Pig Iron in order to mitigate a portion of the additional cost being incurred.

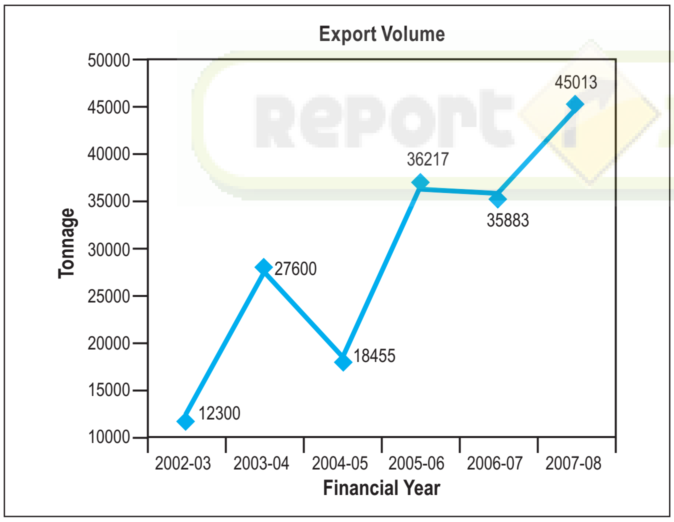
However, due to oversupply situations prevailing in the markets, there was pressure on the prices-the Company tried to fend this off using differentiators such as the Performance Solutions' Package, expand the breadth and depth of technical service, management of key accounts through customized services and several other initiatives.

DIRECTORS' REPORT *(Contd.)*

Performance : Export market

Export has been a strategic decision for your Company in order to regulate supply in the national market and protect the price levels. The price of Pig Iron in the international market has gone up by almost 7% in the third quarter in comparison to the second quarter. However your Company has not been able to improve its realisation because of the high ocean freight and appreciation of Rupee against Dollar.

Your Company is currently exporting primarily from KGP and the export volume is approximately 13% of the total sales. We continue exporting to the freight-friendly South East Asian markets and the niche markets in the Middle East. We have also enhanced our export presence in 13 countries (Bahrain, Bangladesh, China, Indonesia, Malaysia, Nepal, Philippines, Spain, South Korea, Taiwan, Thailand, U.A.E. and Vietnam) as compared to 11 during the FY 2006-07. The following figure shows the export performance of the Company, during the past few years :



11. CAPITAL INVESTMENTS

During the last year, your Company constructed a housing complex at Kharagpur at a cost of Rs.2.88 Crore for the benefit of the employees. The construction was completed during the third quarter of the FY 2007-08.

In order to insulate ourselves from the increase in the coke price, the Company has installed a coke oven plant at Redi on BOO basis. Further, to reduce logistics cost, your Company is also exploring the possibility of constructing a jetty at Redi, on BOO basis.

12. FINANCE

With specific action plans, the performance during the FY 2007-08 has been the best ever in the history of the Company. There is scope for improvement in your Company's performance and actions are being initiated to enhance the same. The Company's gross turnover of Rs.1185 Crore was 51.64% higher than last year's turnover of Rs.781 Crore. The Profit Before Tax (PBT) was 152% higher, compared to the performance for the financial year 2006-07.

The other details of financial performance of the Company have been highlighted below :

(i) Fund Management

The Working Capital limits had to be enhanced during the FY 2007-08, owing to a significant hike in the coke/coal prices, which in turn have created an *impasse* for the operations of the Company. Further, raw material logistics cost has enhanced by 22%. Moreover, the requirement of stocking additional raw material at the Redi plant for the monsoon season required the Company to provide additional funds for Working Capital. Your Company has prepaid high-cost debt of Rs.25 Crore, out of internal accruals. Your Company has also made regular repayments and the present debt equity ratio of the Company stands at 0.42 : 1. The debt position of the Company stood at Rs.81 Crore in FY 2007-08.

(ii) Treasury Operations

During the FY 2007-08, the forex markets remained volatile with the rupee appreciating significantly against the dollar. During the year the Company's treasury operations continued to remain focussed on proactively managing temporarily available surplus cash and forex exposure within a well-defined risk management framework. However, there was no overdraft as at the close of the year.

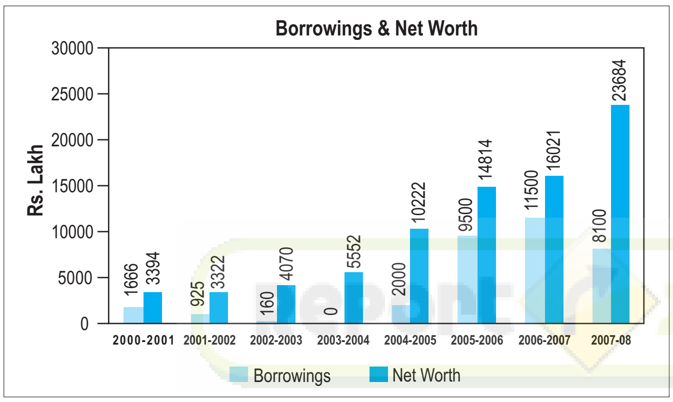
As a part of the defined treasury policy, your Company has been using the hedging mechanism through forward contracts for insulating itself against forex risks. Liquid funds are invested in fixed deposit at competitive rates which leads to lowering of interest costs on borrowing after setting off interest income. Currently, short term surplus is being parked at the interest rate ranging from 8% to 8.25%. The Company has also been exploring the possibilities of availing the "Channel Financing" facility for selected customers, which is likely to be introduced during FY 2008-09.

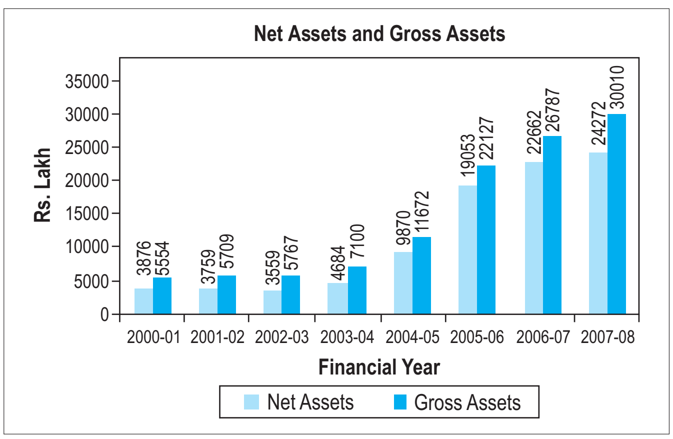
The sources of risks due to forex fluctuation, for the Company are mainly three, namely :

- Transaction Exposure - This risk is arising due to the fluctuations in the exchange rates when the trading transactions take place in the normal course of international trade like importation of raw materials, primarily coal and coke.
- Translation Exposure - The monetary assets and liabilities

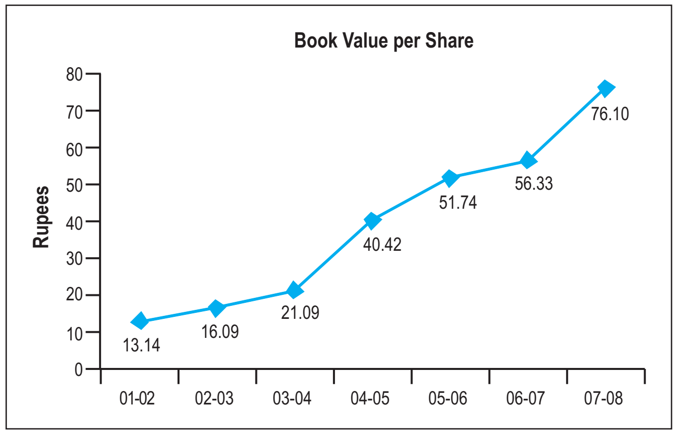
related to foreign currency transactions remaining unsettled at the year-end are translated at FY year closing import bill rates. The fluctuation has an impact on the performance, or on the value of current assets and liabilities of the Company.

- Economic Exposure - The movement of FOREX rates can impact the pricing of the goods produced meant for export. The movement does not have a direct impact but influences the price of goods sold which affects the financial performance of the Company.





The net worth of the Company has gone up during the FY 2007-08. Net Worth has increased following enhanced reserves and surplus base. Both gross assets and net assets of the Company have also grown. For the FY 2007-08, the Book Value per Share of the Company has gone up to Rs.76.10 from Rs.56.33 per share of FY 2006-07. However, the impact of deferred taxation has not been considered while computing the Book Value per Share.



The Company has adopted IFRS and the audit for the year 2006-07 is on.

(iii) Economic Value Added (EVA)

The FY 2007-08 has been yet another year of positive EVA for the Company. This year, the Company has achieved an EVA of Rs. 59.75 Crore, up from the EVA figure of Rs. 19.24 Crore by 211%. This enhancement has been mainly on account of higher production, higher sales and the resultant higher NOPAT for the Company.

13. FIXED DEPOSITS

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

14. INVESTOR SERVICES

The investor service facility of the Company is devoted to the betterment of the services being provided to the dedicated investors in the Company. This facility strives continuously to improve its high quality services through constant upgradation of its infrastructure and systems.

The Company has launched a special investor service drive by creating web-enabled service for the investors, wherein the investors can log-in, post their complaints, and view their complaint status. Through the electronic messaging facility, the investors can directly lodge their complaints to the Compliance Officer of the Company on subhasis.dey@tatametaliks.co.in. Official news releases are also displayed on the Company's website as well as on the Company intranet. It is also published in one/ two newspapers (one is in English and other one in the vernacular language of the State) that enjoy wide circulation in the State where the registered office of the Company is situated.

DIRECTORS' REPORT (*Contd.*)

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

Pursuant to Clause 51 of the Listing Agreement with the Stock Exchanges, the Company has been filing its quarterly shareholding pattern and audited financial statements at the end of each quarter, Annual Report along with the Balance Sheet, Profit and Loss Account and Corporate Governance Report on the EDIFAR system maintained by SEBI in the manner and format and ahead of the deadline specified by SEBI.

Under a new filing system rolled out by SEBI [Cause 52 of listing agreements - Corporate Filing and Dissemination System (CFDS)], the corporate disclosures shall be submitted on a newly launched portal www.corpfiling.co.in or on such other portal as may be specified by the Stock Exchanges from time to time to take care of exigencies, if any. However, this system will be rolled out in phases and to start with, this system will be made applicable only to 100 companies across India. Currently this system is not applicable to Tata Metaliks Limited.

16. HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS

Your Company's recent foray in multi-business model context poses unique challenges for the Human Resources' function. Over the years, the Company has fashioned Human Resource Management Systems and processes that aim at creating a responsive, customer-centric and market-focussed culture that enhances organisational capability and vitality. These systems and processes, operating in an enabling and empowering work environment, support winning performances. As always, the emphasis has been on defining performance parameters more accurately and monitoring the same through continuous performance monitoring systems. In addition, there was renewed emphasis on training and enhanced communication, leading to continuous upgradation of both knowledge and skill sets, of the employees.

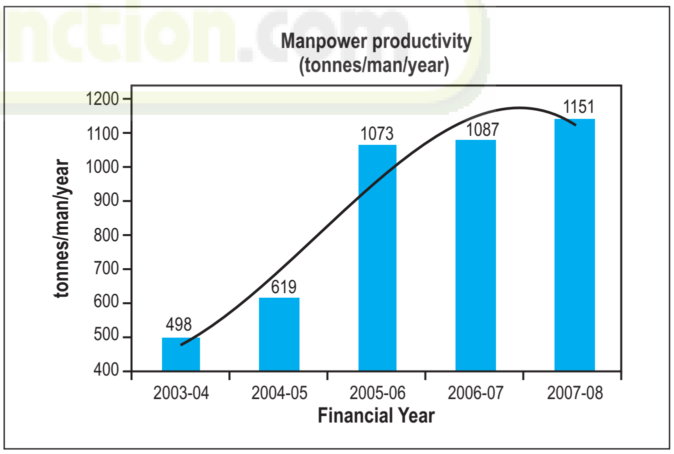
The Company's ability to align employees with its shared vision and over-reaching purpose continues to facilitate the attraction and retention of quality talent in a buoyant market. The collaborative spirit of partnership and fellowship all across the organisation has resulted in significant enhancement in quality and productivity, whilst enhancing the quality of life of its employees.

Training:

Empowering employees with growth opportunities through constant training and skill enhancement was the thrust of the human resource activities for the year. Learned IIT faculty were brought into TML classrooms at the Kharagpur Plant to impart valuable training to the workers and other employees at TML, Kharagpur. This was in addition to the continuing initiative of tapping from the knowledge resources of Tata Steel on a regular basis. ISO systems, TPM practices, TBEM basics were installed at Redi unit. TML provided 10 external assessors for the TBEM assessment to TQMS thus providing opportunity to the assessors to learn the best business practices followed by the companies being assessed.

Man-days of specialized training provided during the year were 1059 as against 987 last year. During the current year, the training investment per man-day of training was Rs. 1765 as against Rs.866 last year. Value addition per employee remained steady and employee cost per tonne of hot metal continued to dip giving us that critical leeway for making adjustments in compensation. The company has in place well-established Performance Management Systems and the Talent Review mechanisms for providing due recognition to the performance of the employees and rewarding them suitably.

Employee productivity at the Kharagpur Unit continued its upward trend since last year though the Furnace availability loss due to relining shutdown dampened the overall production. The enhanced manpower productivity for the FY 2007-08 went to 1151 t/m/y, up from 1087 t/m/y for the FY 2006-07.



In the Redi plant, among some of the novel areas of practice, an employee satisfaction survey was conducted and also an inter-departmental MOU system was implemented. Besides, SCOPE was also introduced at the plant. Employee training was also equally emphasized and the following trainings were imparted to the employees:

Category	Total No	2006-07	2007-08
Sr. Associate	70	2976	3200
Associate	137	1184	1400
Workers	254	1026	1270

Learning & improvements were regularly measured. After providing training, examinations are conducted and unsatisfactory performers are put on retraining.

Job rotation was also undertaken to demonstrate maturity on organisational talent capabilities to take up new roles and challenges. Similar efforts have been launched to improve the qualification and skill mix of Redi employees. As against separation of 22 employees, 37 new employees joined at Kharagpur. The Company had 728 people on rolls as on 31.03.2008 - 424 at the Redi unit and 304 at Kharagpur, Head Office and branch offices taken together. Industrial Relations have continued to be congenial and conducive to uninterrupted production at both the production units and there were no man-days lost due to any kind of unrest.

Among the efforts undertaken at the Redi plant, the following are noteworthy:

1) Weekly Knowledge Sharing and Knowledge "Manthan"
2) Formation of 24 Cross-Functional Teams
3) Business Excellence Awareness and practices
4) Teams formed to prepare their own departmental process and bringing improvements.
5) Jishu Hozen - Team formed to attend daily programmes at plant.
6) Root Cause Analyses conducted and corrective actions implemented.
7) 26 BELP leaders identified for bringing in Business Excellence.
8) Celebration of "Safety Week"
9) Regular publication of "Jagruti" - quarterly magazine to showcase the happenings at Redi plant. The magazine also conducted Essay competition for family members of employees. Besides communicating the TATA culture and creating awareness about your Company's vision and values, the magazine also published views put forth by employees and good performances were always appreciated.
10) Company-wide initiatives such as TBEM/TPM/Jishu Hozen programs were organized to create "Engaged Employees".

The Redi plant systems achieved prestigious ISO 9001:2000 and ISO 14001:2004 certifications and the NABL Certification for ISO : 17025. Thus as a collective amalgam of all these activities, your Company continues to attract the best of talents in the job market.

17. CORPORATE SOCIAL RESPONSIBILITY

The philosophy and practice of sustainability and business ethics has been a matter of abiding interest and faith to your Company. Your Company has always seen its interests as inseparable from that of the community as it draws sustenance and inspiration from the values of the Tata Group.

Your Company, because of its proximity to rural area is actively involved in upliftment of the population by focusing on education, environment and healthcare. They have successfully undertaken projects that have proved to be sustainable in the longer run; both at Kharagpur and Redi. Some such projects were health checkups, gynaecological check-up camps and nutritional surveys for people in the community in general, medical camps for contract labours, self employment generation programmes etc. TML has also focused its resources on education by investing in laboratories in the schools located nearby.

The formation of "Sadbhavana Trust" will give further impetus to the various community development schemes that the Organization plans to undertake in various villages in and around both its plants at Kharagpur and Redi.

Over the years, TML has emerged as a progressive corporate citizen, aligned with the Triple Bottom-line approach, through a compliance with the following:

- The Global Reporting Initiative (GRI), which evaluates corporate performance in a holistic manner.
- The UN Global Compact which comprises ten forward-looking principles related to labour, human rights, environment and anti-corruption etc.
- The Tata Index for Sustainable Human Development, which quantifies our efforts towards community initiatives on an annual basis.

A few examples that make us feel that our approach is properly aligned is exemplified by the following :

- projects undertaken in the rural areas for empowerment of women,
- fuel conservation,
- waste management and
- disaster management.

A project at Kharagpur, meant to provide regular employment (through pot-making training) to women has been one more of such success stories. We continue our journey towards excellence; however for us it is more inclusive than exclusive.

18. GLOBAL REPORTING INDEX (GRI) INITIATIVES

Tata Metaliks has been reporting for the last four years, on its corporate social responsibility practices focusing on how it plans to address the needs of all the stakeholders. The Company has also embarked upon a new initiative to further reinforce its commitment to "improving the quality of life of communities we serve", by adopting the GRI Framework for Corporate Sustainability Reporting. TML's Corporate Sustainability Report is acclaimed as the benchmark for other companies in the Tata Group. The Company has been following the recently introduced G3 guideline this year in its Corporate Sustainability Report and its assurance processes. M/s PriceWaterhouse Coopers has been conducting the assurance process for the Company's Corporate Sustainability Initiatives and reports thereon during the past few years.

DIRECTORS' REPORT (*Contd.*)

19. AFFIRMATIVE ACTIONS

The Company has in place a Code of Conduct on Affirmative Actions and has been following the same in its business practices. The pro-active actions of the Company are also being reported to the Board on a quarterly basis. The percentage of SC/ST employees at Kharagpur is miniscule. The location of the Redi plant is surrounded by OBC. Hence, the total percentage of OBC, SC and ST employees would be over 35.85% at Redi.

20. CLEAN DEVELOPMENT MECHANISM (CDM)

Clean Development Mechanism (CDM) is a new scheme available under the Kyoto Protocol, which is formulated by the United Nation Framework Convention of Climate Change (UNFCCC), the nodal body of the worldwide climatic change mitigation activities.

TML being a conscious corporate citizen, has initiated all necessary actions towards abatement of GHG emissions through the implementation of such energy efficiency improvement schemes and hence give priority to the approval of HBS implementation project in light of its associated environmental benefits and additional financial incentive available under the CDM - Kyoto Protocol. On June 4, 2007, TML has received the Host Country Approval from the Ministry of Environment & Forests, Government of India. M/s Ernst & Young is also helping the Company to fulfill and comply with the various requirements in the project.

21. TATA BUSINESS EXCELLENCE MODEL (TBEM)

TML has won the prestigious JRD QV award for the year 2006-07. In a glitzy award evening on 29th July 2007, Mr. Ratan Tata handed over the award to Mr. Harsh K Jha, Managing Director, and Mr. S Shyam, CQH, who accepted the award on behalf of the entire TML family. The Company has also been adorned with the Highest Delta Award, for having earned a 50+ points' enhancement in the score band of 500-600 in one year.

22. DIRECTORS

On 12th October 2007, Mr. M V Rao has been appointed as a Director of the Company in his capacity as the Managing Director (and hence a nominee) of the West Bengal Industrial Development Corporation Limited. He has replaced Mr. Debashish Som, the erstwhile Managing Director of WBIDC.

Dr T. Mukherjee, erstwhile Chairman stepped down as the Chairman of the Board and a Director on the Board of Directors of your Company, with effect from 11th January 2008, owing to his pre-occupations and greater involvement with the operations of Corus Steel. Thereafter, Mr. Mr. H M Nerurkar, Chief Operating Officer(Tata Steel), has been appointed the Chairman of the Board.

Mr. VSN Murty, CFC - Tata Steel, has been appointed Additional Director by the Board of Directors with effect from 28th March, 2008. Mr. Murty has more than 30 years of experience.

Mr. Ashok Kumar, Mr Ajoy Roy and Mr. M V Rao, are liable to retire by rotation in accordance with Section 256 of the Companies act 1956 and Article 110 of the Articles of Association of the Company and being eligible, offer themselves for re-appointment.

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

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

24. EMPLOYEES

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

25. AUDITORS

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

26. CONSOLIDATED FINANCIAL STATEMENTS

In accordance with Accounting Standard 21 - Consolidated Financial Statements, Accounts of Tata Metaliks Kubota Pipes Limited (TMKPL) form a part of this Report & Accounts. This consolidated financial statement has been prepared on the basis of audited financial statements received from subsidiary company, as approved by their Board.

Since the commercial production of TMKPL has not yet commenced, the revenue of TMKPL has not contributed to TML's revenue. TMKPL has an issued share capital of Rs.15 Crore, out of which your Company has contributed 51% share i.e. Rs.7.65 Crore. Accumulated expense charged to the revenue account of TMKPL is Rs.1.02 Crore, 51% of which is absorbed by TML.

27. A NOTE OF APPRECIATION

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

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

On Behalf of the Board of Directors

Kolkata
26th April, 2008

Mr. H M Nerurkar
Chairman

ANNEXURE 'B' TO THE DIRECTORS' REPORT

To the Members of
Tata Metaliks Limited,

We have examined the compliance of conditions of Corporate Governance by Tata Metaliks Limited, for the year ended on 31st March, 2008, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the certificate 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, the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the abovementioned Listing Agreement.

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

For **Deloitte Haskins & Sells**
Chartered Accountants

A.S. Varma
Partner
Membership No. 15458

Place : Kolkata
Date : 26th April, 2008