



CONSOLIDATION



TATA METALIKS

MAKING OUR EFFORTS COUNT



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24TH ANNUAL GENERAL MEETING

Date : Wednesday, 10 September, 2014

Time : 3.00 p.m.

Venue : Rotary Sadan, Rotary Children's Welfare Trust, 94/2, Chowringhee Road, Kolkata - 700 020

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 on 21 July, 2014)

Mr. Koushik Chatterjee - Chairman
Mr. Sanjiv Paul - Managing Director
Mr. D P Deshpande
Mr. V. S. N. Murty
Mr. Ashok Kumar Basu
Mr. Krishnava Dutt
Dr. Pingali Venugopal



MANAGEMENT

(As on 21 July, 2014)

| | |
|-------------------------|---|
| Mr. Sanjiv Paul | <i>Managing Director</i> |
| Mr. Subhra Sengupta | <i>Chief Financial Officer</i> |
| Mr. Rajesh Mishra | <i>Executive Vice President</i> |
| Mr. Kalyan Chatterji | <i>Vice President (Projects & Business Opportunity)</i> |
| Mr. Debasish Mishra | <i>Vice President (Operations)</i> |
| Ms. Ratna Sinha | <i>Chief HRM</i> |
| Mr. Sankar Bhattacharya | <i>Chief Corporate Governance & Company Secretary</i> |

| | |
|----------------|-----------------------|
| CIN No. | L27310WB1990PLC050000 |
|----------------|-----------------------|

BANKERS

- | | |
|-----------------------|------------------|
| • State Bank of India | • DBS Bank |
| • IDBI Bank | • Indusind Bank |
| • HDFC Bank | • Central Bank |
| • Bank of Baroda | • ICICI Bank |
| • Axis Bank | • ING Vysya 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

(As on 21 July 2014)

Audit Committee

| | | |
|----------------------|---|-----------------|
| Mr. Krishnava Dutt | - | <i>Chairman</i> |
| Mr. V.S.N.Murty | - | <i>Member</i> |
| Mr. Ashok Kumar Basu | - | <i>Member</i> |

Stakeholders Relationship Committee

| | | |
|-----------------------|---|-----------------|
| Mr. Ashok Kumar Basu | - | <i>Chairman</i> |
| Mr. Sanjiv Paul | - | <i>Member</i> |
| Dr. Pingali Venugopal | - | <i>Member</i> |

Nomination and Remuneration Committee

| | | |
|-------------------------------|---|-----------------|
| <i>Dr. Pingali Venugopal</i> | - | <i>Chairman</i> |
| <i>Mr. Koushik Chatterjee</i> | - | <i>Member</i> |
| <i>Mr. Krishnava Dutta</i> | - | <i>Member</i> |

INVESTOR SERVICE CENTRE

| | |
|--|---|
| <p>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</p> | <p>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</p> |
|--|---|

GREEN INITIATIVE

21 July, 2014

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 Participants 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 2013-14 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 Financial Year 2013-14 saw slowdown in the Indian economy with second consecutive year of sub 5% GDP growth, muted business confidence and an uncertain macroeconomic environment. The negative sentiment affected the iron and steel industry and its end sectors as well. With 6% lower sales of automobiles in the financial year 2013-14 compared to previous year, contraction of 0.7% in manufacturing and 1.4% in mining sectors, and lacklustre infrastructure activity, inflationary pressure and regulatory bottleneck have dampened sector growth rate including foundry industry. As a result, there was reduced demand and increased pressure on prices in the pig iron business. However, India has a huge potential to grow and be one of the most competitive nations of the future. With the new government in place, there is an expectation that the economy will recover from sluggish growth driven by the investment led economic policies promoting industrialisation and urbanisation in the country.

Despite the challenging industry scenario, your Company showed improvement in all areas like pig iron production and sales, ductile iron pipe production and sales, and other key operating parameters, viz., sinter production, coke rate, DI pipe yield, etc. Tata Metaliks DI Pipes Limited, the Company's wholly owned subsidiary involved in the Ductile Iron (DI) pipe business, managed to significantly improve its production and sales performances and reported quarterly profit for the first time during Q4 of the year. On a consolidated basis, for the first time since commercial start-up of DI pipe plant, your

Company turned into black and ended 2013-14 with a profit of ₹ 9.47 crores against a loss of ₹ 113.90 crores in 2012-13.

While the demand for DI pipes is expected to increase in the backdrop of higher Government spending on basic water and sanitation in the country due to urbanisation, the company will need to significantly enhance its processes and efficiencies to capture this opportunity. The increased competition in the Pig Iron industry (both from private players as well as from the state owned steel plants), and volatility in economic environment continues to pose serious challenges on the long term sustainability of the pig iron industry. The Company would need to continue its efforts towards reducing the debt and strengthening its presence in the profitable market segments in the future including market differentiation through brands.

I would like to take this opportunity to express my sincere gratitude to all our shareholders, customers, suppliers and other stakeholders for their continued support and confidence in the Company and the management. I would also like to thank the unions for maintaining harmonious industrial relations, and the employees, the management team and my colleagues in the Board of Directors for their significant contribution to the Company.



Koushik Chatterjee
Chairman

21 July, 2014

CONSOLIDATION

Business Scenario

The world Gross Domestic Product (GDP) witnessed a mere 3% growth in 2013, compared to 3.2% in 2012. The continued economic slowdown in India and an uncertain macroeconomic environment resulted in sub 5% GDP growth for the second year in succession and adversely affected the iron and steel industry in FY'14. A 6% lower sale in the automobile sector, contraction of 0.7% in manufacturing and 1.4% in mining sectors coupled with mediocre infrastructure activity hit the overall growth rate. The resultant slow down adversely affected the foundry business which in turn led to reduced demand for pig iron and also put pressure on price.

Despite this, both Tata Metaliks Limited (TML) and its wholly owned subsidiary Tata Metaliks DI Pipes Limited (TMDIPL) showed significant growth in production and sales of both pig iron and ductile iron pipes. Hot metal production went up by 37% to 4,06,486 t (previous year 2,96,107 t) and sales increased by 52% from 2,73,514 t in previous year to 4,15,158 t during this year. Significant improvement in working capital management and reduction in debt from Rs 547 crore to Rs 441 crore helped Kharagpur operations to earn a profit after tax of Rs 66.98 crore on a 34% higher turnover of Rs 1,284.49 crore.

TMDIPL also showed a quantum jump in Ductile Iron (DI) pipe production of 54% from a level of 61,748 t in the previous year to 95,864 t this year. DI pipe sales, keeping pace with production, touched 97,808 t this year from 60,629 t in the previous year, a whopping increase of 61%. TMDIPL made significant improvement during the year and turned in a profit for the first time during Q4 of the financial year enabling TML to report a consolidated profit after tax of Rs 9.47 crore for the first time since inception of the DI Pipe Company.

Raw Materials

Pig iron industry is severely impacted on the iron ore front due to ban on iron ore mining in one state or the other. Being situated in the East, TML procures its iron ore from mines in Odisha and Jharkhand and the prices are determined by the rates decided by Odisha Minerals Corporation (OMC). Iron ore lump prices in Odisha dropped by 7.5% in Q2 and remained at that level through Q3 and Q4 of FY'14. Iron ore fines prices however, increased by a staggering 38% during the year putting huge pressure on the margins.

International coke prices showed considerable volatility during the course of the year. From a high of USD 290/t cfr in Apr'13, it reduced to USD 246/t in July'13 but started moving upwards again in Q3 to reach a level of USD 276/t in Dec'13. Thereafter, coke price started softening and reached a low of USD 215/t in Mar'14. Domestic Coke manufacturers, by and large, followed the International trend, albeit at a higher price trajectory.

One of the bigger challenges facing the Company in the raw material area was to reduce foreign currency exposure as it was heavily dependent on imported coke for its operations. In order to reduce the effects of high volatility in currency, the Logistics and Supply Chain Management team resorted to a judicious mix of procurement from imported and domestic sources. To reduce the

procurement batch quantity, imported consignments were shared with Tata Steel. Also, coal was imported and converted into coke through long term agreements. All these initiatives coupled with strict inventory management helped in controlling costs.

Availability of low phos iron ore also became a challenge during the course of the year as it is critical, not only for manufacture of high end Pig Iron but also to produce the right chemistry hot metal for the DI Plant. Blast furnace trials were conducted using magnetite ore in small proportions as the availability of haematite ore was an issue.

Operations

Set up with an investment of approx. Rs 120 crore, the sinter plant was commissioned during first quarter of FY'14 and all efforts were focused to stabilize the sinter plant operation. It is noteworthy that the sinter plant achieved its rated capacity in its very first year of operation with a productivity of over 1.3 t/m²/day. The availability of quality sinter and a stable blast furnace operation helped in surpassing the hot metal production target of 4,02,767 t and finish at 4,06,486 t which is an all time high production record in the history of TML.

Several improvement initiatives were undertaken in the plant which paid rich dividends in terms of increased production and productivity, better yields and reduction in costs.

Production of DI pipes at TMDIPL also showed a quantum jump of 54% at 95,389 t during the year compared to 61,748 t in the previous year. Other key operational parameters like rejection, yield, consumption norms etc also showed marked improvement.

Performance at Marketplace

Pig iron demand continued to remain depressed throughout FY'14 due to slowdown in engineering, infrastructure and automobile industries and low GDP growth. In Q4FY'14, consumption of Foundry Grade Pig Iron was adversely affected due to partial substitution by Basic Grade and low Silicon Pig Iron and scrap. The situation was further aggravated due to over-supply in domestic market of steel grade Pig Iron from RINL, NINL, Mesco and Bokaro Steel Plant, and supply of very high silicon (5 – 8% Si) sand cast iron in Howrah from nearby Ferro Alloy plants and railway sleepers in Punjab. These low cost materials challenged the demand of Foundry Grade Pig Iron and continuously created pressure on NR.

During FY'14, TML experienced adverse market conditions in Q1, with marginal improvement trends from end of Q2 till Q4. During the last financial year, the Company focused on markets which gave high realization. Customized pig iron having higher value addition was produced and marketed. This led to reduced pressure on foundry grade volumes and prices. To improve average NR, sales was maximized in freight friendly high NR markets by enhancing dispatches in East and North India and also controlled sales to direct customers in West & South India and Export. Sales targeted to get long-term direct customers manufacturing auto castings, pipes and pumps were also increased. Although the export sales increased by 85%, it was only 4% of the total sales.

For FY'14 as a whole, combined sale of Pig Iron and Molten Metal was 4,15,158 t, an increase of 51% over FY'13 of 2,73,514 t.

TML's branded product, Tata eFee, has been well received in the market. TML also manufactured and supplied value-added customised grade pig iron to several customers. Further, the attention to each and every customer complaint and resolving the same to the satisfaction of the customer expeditiously was never overlooked.

TMDIPL also showed significant improvement in sales of 97,808 t during the year as against 60,629 t in the previous year, a significant increase of 61%.

Focus on exports is a priority for TMDIPL for which, apart from setting up dedicated manufacturing stations and stockyard, stringent quality control procedures have been established.

TMDIPL has branded its DI Pipe as Tata Ductura. The name consists of 'Duct' from the Ductile and tura from ventura which means "happiness" and "contentment"-a product which assures not just reliability but happiness and contentment.

Financials

The turnover of TML on standalone basis for the year was Rs 1,287.59 crore as against Rs 966.59 crore in the previous year, an increase of 33 %. TML's Kharagpur unit made a profit after tax of Rs 66.98 crore whereas the Redi unit suffered a loss of Rs 28.38 crore mainly due to loss on sale of assets. On a consolidated basis including TMDIPL, the profit after tax was Rs 9.47 crore in the current year as against a consolidated loss of Rs 113.90 crore in the previous year.

TMDIPL achieved a sales figure of Rs 518.37 crore during the year as against sales of Rs 323.73 crore in the previous year. TMDIPL reduced its losses to Rs 29.12 crore this year as against Rs 59.36 crore in the previous year. TMDIPL showed significant improvement quarter on quarter and made its maiden quarterly profit of Rs. 1.66 crore in Q4.

Redi Plant

The Redi plant operations are suspended since October 2011. The assets at the Redi unit, excluding land, were sold through auction and the loss on sale of assets is Rs 20.81 crore. The total loss at Redi plant for the year is Rs 28.38 crore. Efforts are on for the sale of Redi land.

Safety

The Company launched the Safety Excellence Journey, spear headed by the Tata Steel Safety Department, in both TML and TMDIPL. The Loss Time Injury Frequency Rate (LTIFR) has reduced significantly to 0.8 7in FY'14 from 1.143 in the previous year, without any fatalities. Last year's slogan was 'Safety, Quality and Housekeeping'. Great emphasis was laid on training the employees of Service Providers. 'Safety Stewards' were appointed to monitor safety practices continuously in both the plants.

Environment Management

The year also witnessed initiatives to make the environment cleaner and greener through proper upkeep and maintenance of

all Electrostatic precipitators and bag filters. Continuous efforts are on to improve waste management, waste water recycling, water conservation and rainwater harvesting. With proper utilization of the blast furnace gas the consumption of fossil fuel has reduced. About 3,200 trees were planted within the Kharagpur Works during the year.

Corporate Social Responsibility & Affirmative Action

The Company believes in sustainable development through operational excellence and adequate focus on Corporate Social Responsibility (CSR) and community development. The Company along with many of its employee volunteers carried out CSR activities in the communities near the plant at Kharagpur which include education, training, health care and self-employment.

To drive the CSR initiatives, TML has formed the 'Sadbhavana' Trust. The Chairman of the trust is the Managing Director of TML and it is volunteered by officers and employees at all levels. The Affirmative Action (AA) Committee comprising the senior management, is set firmly on the path to assist the SC/ST communities under five broad initiatives namely Employment, Employability, Entrepreneurship, Education and Health. TML has adopted one village "Kunjochowk" where 100% of the community belongs to SC/ST. In order to fulfill the objectives of "Sadbhavana Trust & AA Committee", a full year plan is laid out at the beginning of the year and a budget is allocated for implementing those initiatives.

Future Outlook

For the coming financial year, both the Companies are firmly set to march ahead by setting enhanced targets in production and sales volume and achieve better price realization and higher operational efficiencies.

However, over-supply and lower demand of pig iron is expected to continue during the first half of FY'15. Pig iron margin may also come under pressure due to cost push on account of higher iron ore prices and 2.5% import duty on imported coal and coke. However, in the second half, the situation is expected to improve, as demand forecast shows improvement from sectors like automobile and construction.

TML and TMDIPL aim to achieve enhanced performance in the market through its branded products "Tata eFee" and "Tata Ductura" respectively. TMDIPL is set to achieve sustained performance supported by robust demand for DI pipes due to proposed investment in water and sanitation sector.

The company is embarking on a capital expenditure plan for increasing capacities, improving operational efficiencies and manufacturing value added products. The company intends to set up a 1,20,000 tpa capacity non recovery type Coke Ovens plant on BOOT basis for which about 22 acres of free hold land have been purchased. The site work will start as soon as the Environment Clearance is obtained from West Bengal Pollution Control Board (WBPCB). A 10 MW Power Plant will be set up utilising the waste flue gases from the Coke Ovens. Company's growth plan envisages various other projects for which TML is in discussion with WBIDC for 300 acres of additional land.

NOTICE

THE TWENTY FOURTH ANNUAL GENERAL MEETING OF TATA METALIKS LIMITED will be held at Rotary Sadan, Rotary Children Welfare Trust, 94/2, Chowringhee Road, Kolkata – 700 020 on Wednesday, the 10 September, 2014 at 3.00 p.m. to transact the following business :

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended 31 March, 2014 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. D P Deshpande (DIN: 02526471), who retires by rotation and is eligible for re-appointment.
3. Appointment of Auditors

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

“RESOLVED THAT pursuant to the provisions of Section-139 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and Rules framed thereunder, as amended from time to time, Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No. 302009E), be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (“AGM”) till the conclusion of the twenty seventh AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM), at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

4. **Appointment of Mr. Krishnava Dutt as an Independent Director**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed thereunder read with Schedule IV of the Act, as amended from time to time, Mr. Krishnava Dutt (DIN : 02792753), a non-executive director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 10 September, 2014 up to 9 September, 2019.”

5. **Appointment of Mr. Ashok Kumar Basu as an Independent Director**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed thereunder read with Schedule IV of the Act, as amended from time to time, Mr. Ashok Kumar Basu (DIN : 01411191), a non-executive director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 10 September, 2014 up to 23 March, 2017.”

6. **Appointment of Dr. Pingali Venugopal as an Independent Director**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed there under read with Schedule IV of the Act, as amended from time to time, Dr. Pingali Venugopal (DIN: 05166520), a non-executive director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 10 September, 2014 up to 9 September, 2019.”