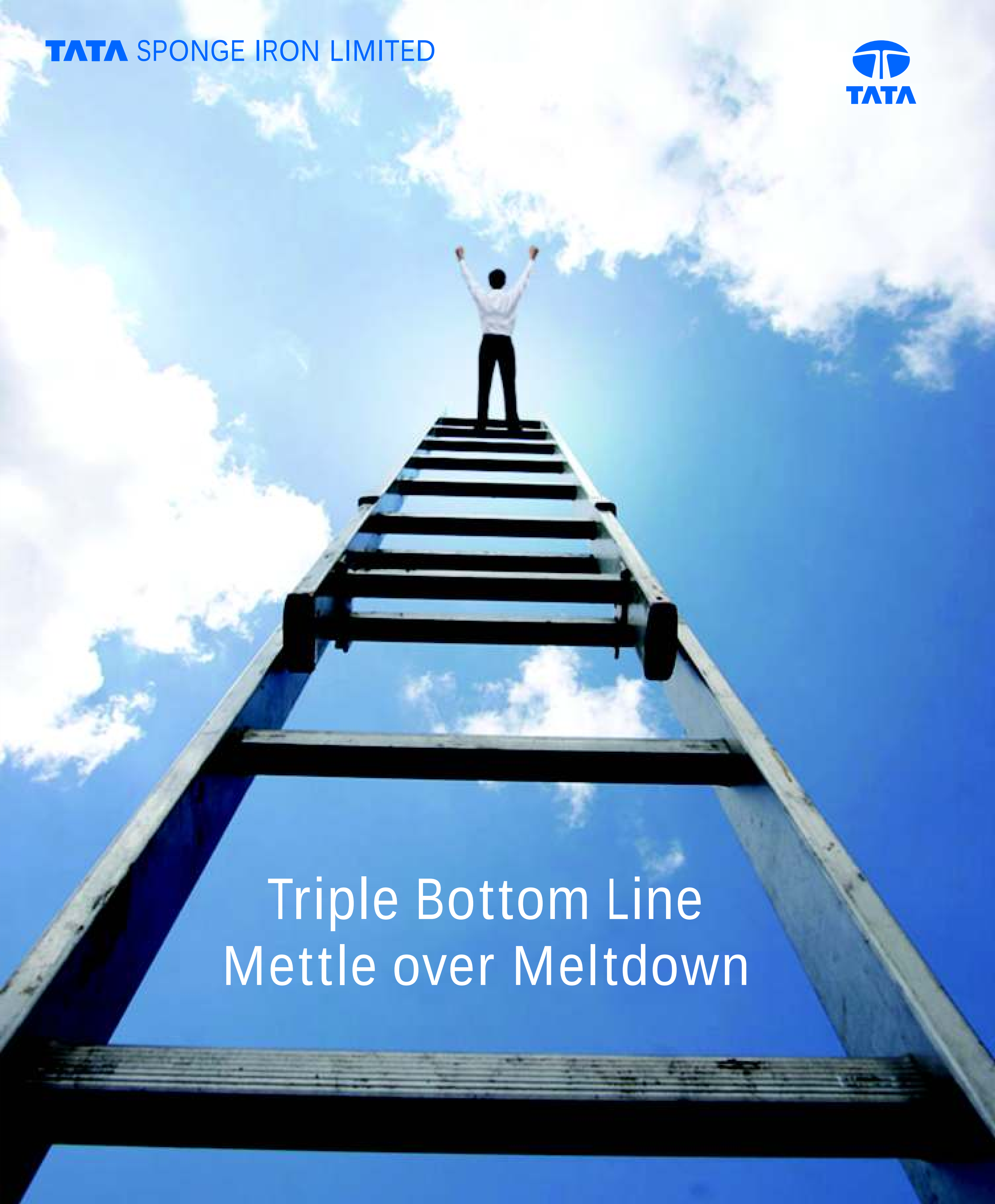

TATA SPONGE IRON LIMITED

TATA

Triple Bottom Line
Mettle over Meltdown

27th Annual Report, 2009-10

Performance Highlights 2009-10

Financial

Turnover	Rs.51,937.18 lac
Profit Before Tax	Rs.12,622.15 lac
Profit After Tax	Rs.8,452.24 lac
Dividend	80 %
Return on Capital Employed	20 .%
Earning per Share	Rs. 54.88

Operational

Sponge Iron

- Installed capacity — 3,90,000 MT
- Production — 3,59,333 MT
- Despatch — 3,61,207 MT

Power

- Installed capacity — 227.76 Million KWH (26 MW)
- Generation — 181.39 Million KWH
- Sale — 125.02 Million KWH

CONTENTS

The Twenty-seventh Annual General Meeting of Tata Sponge Iron Limited will be held at "Lake View" (Officers' Recreation Centre), TSIL Township, Joda, Dist – Keonjhar, Orissa – 758 034, on Saturday, the 24th July, 2010 at 11-00 a.m.

As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies to the meeting.

TATA SPONGE IRON LIMITED

BOARD OF DIRECTORS

[As on 22nd April, 2010]

Mr. A. M. Misra (Chairman)
Mr. N. P. Sinha
Mr. P. K. Lahiri
Mr. Dipak Kumar Banerjee
Mr. P. C. Parakh
Mr. S. P. Mehrotra
Mr. K. K. Varughese
Mr. Arun Misra
Mr. Rajesh Chintak
Mr. Suresh Thawani (Managing Director)

MANAGEMENT TEAM

[As on 22nd April, 2010]

Mr. Suresh Thawani	Managing Director
Mr. T. P. Ninan	Vice President (Operations)
Mr. R. Raju	General Manager (Finance & Accounts)
Mr. Ujjwal Chatterjee	General Manger (Coal Project)
Mr. S. S. Dhanjal	Company Secretary

Bankers	State Bank of India Canara Bank
Auditors	M/s. Deloitte Haskins & Sells Chartered Accountants
Registered Office & Works	Post - Joda Dist - Keonjhar Orissa 758 034 Tel No : (06767) 284236 Fax No : (06767) 278159 E-mail : info@tatasponge.com Website : www.tatasponge.com
Share Registrars	M/s. TSR Darashaw Ltd. 6-10 Haji Moosa Patrawala Industrial Estate 20, Dr.E. Moses Road Mahalaxmi Mumbai - 400 011. Tel No : (022) 66568484 Fax No : (022) 66568494 E-mail : csg-unit@tsrdarashaw.com Website: www.tsrdarashaw.com

CHAIRMAN'S STATEMENT

Dear Shareholders,

2009-10 was seen by industry watchers and experts as the decisive fiscal after the meltdown year. The wait is over and the verdict is out—yes, the gloom and doom is over; globally, business is on an upswing once more. But there is a note of caution—business is not back to its pre-meltdown heydays. The year 2009-10 gave businessmen of the world a significant cue of what business models of the future should be like: forward-looking, but firmly grounded in pragmatic optimism.

I am happy to inform you that your Company, Tata Sponge Iron Limited, was able to creditably weather the meltdown despite anxious moments and achieve a PBT of Rs. 126.22 crore and PAT of Rs 84.52 crore. It remains a Company with zero debt and a positive EVA. The Board has , therefore, recommended a dividend of 80 % (i e Rs 8 per share). Based on these figures, it is safe to state that your Company was able to walk the tightrope between optimism and pragmatism this fiscal. Although your Company belongs to the commodity business with a market-driven demand cycle, ever narrowing operating margin due to raw material cost and the market price of its finished product, it focuses on tighter, smarter and sustainable operations to keep business profitable.

Your Company performed strongly on the operations front. Sponge iron production volumes continued to show solid growth. The Company achieved a record production of 3,59,333 tonnes compared to 3,42,074 tonnes of the last fiscal. Despite weak export markets, your Company achieved strong sales growth in the domestic market. In fact the stress by the government on infrastructure growth should see a sustained demand for long steel products, fuelling demand for sponge iron.

Apart from optimization of precious resources (for instance, imported coal) for operational efficiency and better margins, your Company also sharpened its strategic focus on customer complaint redressal based on changing customer preferences and needs. This proved so effective that after the first quarter, the number of customer complaints came down to zero and stayed there. Your Company stepped up efforts in marketing, especially interface with customers to ensure that orders keep on coming smoothly.

In line with global manufacturing businesses, your Company has always thought of profitability in terms of the triple bottom line indices. In the fiscal under report, I am delighted to state that there was an organic growth in initiatives concerning the environment, people and the community within which your Company operates. While pollution levels were well within control, your Company did some significant thinking about waste utilisation. TSIL is examining to invest in an AFBC Boiler based power plant to use waste char. This is in addition to our existing captive power plants which converted waste heat into 181 million-plus units of power this year—contributing to a sizable part of our revenues.

Your Company also invested significantly in people—employees as well as local communities. For employees, safety, skill enhancement training and a performance-linked, transparent career progression map were the key highlights. For the community, both through your Company's Corporate Sustainability arm and through charitable trusts, the focus was more on a holistic, bottom-up approach this year, specially with extra focus on livelihood skills and income generation of villagers.

However, certain challenges remain—logistics bottlenecks, delays in backward integration initiatives like development of coal block and acquisition of iron ore mine—which need to be tackled with patience.

We take succour from the fact that owing to our strong triple bottom line and strategic direction, your Company has proven its commitment to enhance shareholder and stakeholder value. I thank all stakeholders, including customers, suppliers, shareholders, employees, the union- TSSS, central and state government authorities, local community and everyone else connected with Company's growth and brand value for their support.

A. M. Misra
Chairman

Jamshedpur
22nd April, 2010

NOTICE

THE TWENTY-SEVENTH ANNUAL GENERAL MEETING OF TATA SPONGE IRON LIMITED will be held at "Lake View", (Officers' Recreation Centre), TSIL Township, Joda, Dist – Keonjhar, Orissa – 758 034, on Saturday, the 24th July, 2010, at 11-00 a.m. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2010 and the Balance Sheet as at that date together with the Report of the Board of Directors and the Auditors' Report thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr. D. K. Banerjee, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. P. C. Parakh, who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in place of Mr. Suresh Thawani, who retires by rotation and is eligible for re-appointment
6. To appoint Auditors of the Company and to fix their remuneration

SPECIAL BUSINESS

7. **Re-appointment of Mr. Suresh Thawani as Managing Director**

   To consider and if thought fit to pass, with or without modification, the following resolutions as Ordinary Resolutions :

   "RESOLVED that pursuant to Sections 198, 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956, (the Act) read with Schedule XIII of the Act and Article 112 of the Articles of Association of the Company, the Company hereby approves of the reappointment and terms of remuneration of Mr. Suresh Thawani, Managing Director of the Company with effect from 10th March, 2010 to 31st March, 2013 upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting with liberty to the Directors to alter and vary the terms and conditions of the said reappointment in such manner as may be agreed to between the Directors and Mr. Suresh Thawani."

   "RESOLVED FURTHER that the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

Notes :

1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY AT JODA, DIST-KEONJHAR, ORISSA, PIN 758 034, NOT LESS THAN 48 HOURS BEFORE THIS ANNUAL GENERAL MEETING.

2) The Register of Members and Share Transfer Books will remain closed from 1st July, 2010 to 8th July, 2010, both days inclusive.

3) Dividend, if declared, will be paid to those shareholders, whose names appear on the Company's Register of Members/Register of Beneficial Owners as on 30th June, 2010. The payment will be made on or after 28th July, 2010.

   Your dividend warrant is valid for payment by the Company's Bankers for three months from the date of issue. Thereafter, please contact our Share Registrars, **M/s. TSR Darashaw Ltd.,** (formerly Tata Share Registry Ltd.) **6-10 Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai – 400 011**, for revalidation of the warrants.

   Please encash your dividend warrants immediately as the dividend amounts remaining unclaimed/unpaid at the expiry of 7 years from the date that becomes due for payment are required to be transferred by the Company to the Investor Education and Protection Fund established under Section 205C in terms of Section 205A of the Companies Act, 1956 and no payment shall be made in respect of any such unclaimed/unpaid dividend either by the Company or by the Fund.

4) The unclaimed dividend for the financial years 1993-94 and 1994-95 has been transferred to the General Revenue Account of Central Government and for the years 1995-96, 1996-97, 1997-98, 1998-99, 1999-2000, 2000-01 and 2001-02 has been transferred to Investor Education and Protection Fund. Members, who have not encashed their dividend warrant for 1993-94 and 1994-95 are, therefore, requested to claim the amount from the Registrar of Companies, Orissa, Chalachitra Bhawan (IInd Floor), Buxi Bazar, Cuttack–753 001.

5) Members, who have not encashed their dividend warrants issued for the years 2002-03, 2003-04, 2004-05, 2005-06 2006-07, 2007-08 and 2008-09 are requested to immediately forward the same for revalidation to our Share Registrars at their address given under (3) above, and get the encashment at the earliest

6) Shareholders are requested to notify their bank particulars giving the name of the bank and the branch and the nature of account and also any change of address to the Company's Registrar and Share Transfer Agent, M/s.TSR Darashaw Ltd. Shareholders are hereby intimated that under instructions from the Securities and Exchange Board of India, furnishing of bank particulars by the shareholders has become mandatory.

7) In order to provide better service to the shareholders, the Company has introduced Electronic Clearing Service (ECS) for payments of dividend. Shareholders desirous of availing ECS facility may provide the required information to our Share Registrars at their address given under (3) above.

8) Shareholders are hereby informed that the bank particulars given by them at the time of opening a depository account will be used by the Company for printing on the dividend warrants. This would ensure that the dividend warrants cannot be deposited in any account other than the one specified on the warrants. For the safety and interest of the shareholders, it is important that bank account details are correctly provided to the depository participants. The bank mandate for shares held in physical form will not be applied for shares held in electronic form.

9) Section 109 A of the Companies Act, 1956 extends the nomination facility to individual shareholders of the Company. Therefore, the shareholders holding share certificates in physical form and willing to avail this facility may make nomination in Form 2B, which may be sent on request. However, in case of demat holdings, the shareholders should approach to their respective depository participants for making nominations.

10) Members, who have multiple accounts in identical names or joint names in same order are requested to intimate M/s.TSR Darashaw Ltd., the Ledger Folios of such accounts to enable the Company to consolidate all such share holdings into one account.

By Order of the Board of Directors

Jamshedpur
22nd April, 2010

S. S. Dhanjal
Company Secretary

ANNEXURE TO NOTICE

As required by Section 173 of the Companies Act, 1956, (hereinafter referred to as “the Act”) the following Explanatory Statement set out all material facts relating to the business mentioned under item No.7 of the accompanying Notice dated 22nd April, 2010.

Item No. 7

Mr. Suresh Thawani during his first term of appointment as Managing Director of the company from 10th March, 2007 to 9th March, 2010, had done his best for all round development and growth of the company. Therefore, on the recommendation of the Remuneration Committee, the Board of Directors of the company at its meeting held on 21st January, 2010, re-appointed Mr. Suresh Thawani as Managing Director of the company for a further period from 10th March, 2010 to 31st March, 2013 on the following terms and conditions, subject to the approval of the shareholders.

The main terms and conditions relating to the re-appointment of Mr. Suresh Thawani as Managing Director are as follows :

1) Period of re-appointment : from 10th March, 2010 to 31st March, 2013

2) Nature of Duties

   The Managing Director shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of any one or more of its associated companies and / or subsidiaries, including performing duties as assigned by the Board from time to time by serving on the boards of such associated companies and / or subsidiaries or any other executive body or any committee of such a company.

3) Remuneration

   a] **Salary :** In the pay scale of Rs.1,50,000/- to Rs.3,00,000/- per month with annual increments effective 1st April every year, as may be decided by the Board based on merit and taking into account the Company's performance for the year.

   The benefits, perquisites & allowances will be determined by the Board from time to time. Commission will be based on certain performance criteria to be prescribed by the Board.

b] The aggregate of the remuneration, perquisites, benefits, allowance, etc. shall be within the maximum limits as laid down under Section 198, 309 and all other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII of the said Act as amended from time to time.

c] **Minimum Remuneration :** Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay to the Managing Director remuneration by way of Salary, Benefits, Perquisites and Allowances, and Incentive Remuneration as specified above.

4) (I) The Managing Director shall not become interested or otherwise concerned, directly or through his spouse and/or children, in any selling agency of the company.

(ii) The terms and conditions of the appointment of the Managing Director may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule XIII to the Act or any amendments made hereinafter in this regard in such manner as may be agreed to between the Board and the Managing Director, subject to such approvals as may be required.

(iii) The appointment may be terminated by either party by giving to the other party six months' notice of such termination or the company paying six months' remuneration in lieu thereof.

(iv) The employment of the Managing Director may be terminated by the company without notice or payment in lieu of Notice :

(a) If the Managing Director is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the company or any subsidiary or associated company to which he is required by the Agreement to render services; or

(b) In the event of any serious repeated or continuing breach (after prior warning) or non- observance by the Managing Director of any of the stipulations contained in the agreement to be executed between the company and the Managing Director; or

(c) In the event the Board expresses its loss of confidence in the Managing Director.

(v) Upon termination by whatever means of the Managing Director's employment :

(a) the Managing Director shall immediately tender his resignation as Director of the company and from such other offices held by him in the company, in any subsidiary or associated company and other entities without claim for compensation for loss of office;

(b) the Managing Director shall not without the consent of the company at any time thereafter represent himself as connected with the company or any of its subsidiaries or associated companies.

(vi) The Managing Director is being appointed by virtue of his employment in the company and his appointment is subject to the provisions of Section 283(1)(i) of the Act, while at the same time, the Managing Director is liable to retire by rotation.

(vii) The terms and conditions of appointment of the Managing Director also include clauses pertaining to adherence with the Tata Code of Conduct, no conflict of interest with the company and maintenance of confidentiality.

(viii) If and when the agreement expires or is terminated for any reason whatsoever, he will cease to be the Managing Director and also cease to be a Director. If at any time the Managing Director ceases to be a Director of the company for any reason whatsoever, he shall cease to be the Managing Director and the agreement shall forthwith terminate. If at any time, the Managing Director ceases to be in the employment of the company for any reason whatsoever, he shall cease to be a Director and the Managing Director of the company.

The draft agreement of re-appointment of Mr. Suresh Thawnai is available for inspection at the Registered Office of the Company between 11-00 a.m. and 1-00 p.m. on any working day of the Company.

None of the Directors other than Mr. Suresh Thawani is concerned or interested in the Resolution at Item No.7 of the Notice.

This may also be treated as an abstract of the draft agreement of re-appointment of Mr. Suresh Thawani pursuant to Section 302 of the Companies Act, 1956.

By Order of the Board of Directors

Jamshedpur
22nd April, 2010

S. S. Dhanjal
Company Secretary

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT IN TWENTY-SEVENTH ANNUAL GENERAL MEETING

(In pursuance of Clause 49 of Listing Agreement)

Name of the Director(s)	Mr. D.K. Banerjee	Mr.P.C. Parakh	Mr.Suresh Thawani
Date of birth	19-02-1946	20-12-1945	07-06-1951
Qualifications	B.Com (Hons.) Chartered Accountant	M.Sc. (Tech) in Applied Geology from IIT, Roorkee. Masters Degree in Fiscal Studies from University of Bath (UK)	B.Tech (Hons.), IIT, Kharagpur Metallurgical Engineering Dip. in Electrical and Mechanical Engineering.
Date of appointment	09-05-2003	07-03-2007	10-03-2007
Expertise in specific functional areas	Chartered Accountant	Retired IAS	Engineer
List of other Companies in which Directorship held (excluding in foreign companies)	1] DIC India Ltd. 2] Tata Metaliks Ltd. 3] TM International Logistics Ltd. 4] Mjunction Services Ltd. 5] The Tinplate Co. of India Ltd. 6] Shristi Infrastructure Development Corporation Ltd. 7] Tayo Rolls Ltd. 8] Tata Metaliks Kubota Pipes Ltd. 9] HBB Business Advisory Services Pvt. Ltd. 10] NET Engineering Pvt. Ltd.	Nil	Nil
Chairman/Member of the Committees of the Board of Directors of other Companies in which he is a Director (excluding in foreign companies).	a] Chairman of Audit Committee and Remuneration Committee of DIC India Ltd. b] Member of Audit Committee and Remuneration Committee of Tata Metaliks Ltd. . c] Chairman of Audit Committee of TM International Logistics Ltd. d] Chairman of Audit Committee of Mjunction Services Ltd. e] Member of Audit Committee and Chairman of Remuneration Committee of The Tinplate Co. of India Ltd. f] Chairman of Audit Committee and Member of Shareholders' Grievance Committee and Remuneration Committee of Shristi Infrastructure Development Corporation Ltd. g] Member of Audit Committee of Tata Metaliks Kubota Pipes Ltd	Nil	Nil
Details of shareholding (both own or held by/for other persons on a beneficial basis), if any, in the Company	Nil	Nil	Nil

Note : Directors of the company do not have any inter-se relationship

Triple Bottom Line

METTLE OVER MELTDOWN

THE TRIPLE BOTTOM LINE LENS-Spotting
Opportunities in Challenges

In the aftermath of the global financial meltdown, as the economy limped on the road to recovery, there were clear corporate winners and losers. Those who survived were the recession winners. In the commodity manufacturing industry, with cyclical ups and downs even in the best of times, making the best of the meltdown was not easy. However, Tata Sponge Iron Limited (TSIL) managed to stretch its performance beyond the challenges of the recession, emerging stronger with a series of performance records.

LOOKING THROUGH THE 3P LENS It was not an easy road. Similar companies were diving in the red. But TSIL responded to the recession proactively. The Company reexamined every aspect of its enterprise, finding and strengthening every weak link in its chain. In fact, every milestone was an achievement for all triple bottom line stakeholders-planet, people and profit. For example, if the Company achieved record production figures of 3,59,333 tonnes in 2009-10 compared to 3,42,074 tonnes of sponge iron in 2008-09, it did not just benefit the economic bottomline, but also the people and the environment. Employees were empowered with work, safety and leadership skills through intensive value-added training programmes - the maximum in any fiscal so far-and an increased productivity simultaneously meant a more stringent deployment of the 3Rs, reduce, reuse and recycle, which reduced its carbon footprint.

STEADY STEPS IN UNSTEADY TIMES It's not surprising, then, that a 360° approach to excellence is the reason for the Company's sustainability and growth in unsteady times. That's why although the Company is rounding off 09-10 with a PBT of Rs. 126.22 crore; this is only one among the year's highlights. There are several others: nearly zero customer complaints, zero percent of shop floor or plant accidents, the least number of shutdown days, record production of sponge iron and generation of power from captive power plants, a record number of training sessions, a heightened investment in its corporate sustainability initiatives through TSIL's Corporate Sustainability Department which worked in collaboration with Vidya Shakti Nyas (VSN), a Public Charitable Trust.

DOES PROGRESSIVE PRAGMATISM WORK? The Company achieved a balance between progress and pragmatism to outperform in a delicate economic climate. Instead of lay-offs, it empowered its employees with more productive skills. Instead of cutting costs by buying poor quality coal, it imported high-quality South African coal and utilized it to the optimum. Instead of getting jittery about sponge iron markets, it bettered its product quality, revamped its bagging facility and transport support to increase customer delight. Instead of tightening budgets on green measures, it is examining to invest in an AFBC boiler to recycle waste char to power. In addition to spending its own esources on CSR activities it also participated in sustainability drive along with a Trust in and around its plant. In the past fiscal, there are numerous such examples where the Company has converted a business challenge into an opportunity that impacts the planet, people and profit (that is, 3P) for a sustainable and scalable enterprise.

SHINE THROUGH THE FOG The fiscal under report saw the global economy on a recovery track, but it was no overnight miracle, much less in the global iron and steel industry known for its spikes and troughs of business cycle. Silver linings grew stronger, along with pick-ups in the infrastructure and auto sectors, but clouds of uncertainty remained, particularly in the markets of US and Europe. In fact, the first quarter of 2009-10 seemed like a continuation of the meltdown year of 2008-09.

However, in India, the government's thrust on infrastructure revived the steel industry, and with it, the demand for sponge iron or direct reduced iron (DRI), which is preferred by secondary steelmakers for its high purity and high quality of charge induction.

In all of this, Tata Sponge Iron Limited held its own, ending 2009-10 with a PBT of Rs. 126.22 crore. Due to its intrinsic strategy of evaluating its initiatives on the scale of 3Ps, the Company shone through the fog with its clean operations, producing high quality, energy-efficient sponge iron customized to customer delight, in a habitat of zero-discharge, green and community-centric mechanisms. Its evaluating tools, the 3P Principle, had evolved into its corporate pillars. *Its mettle over meltdown.*

SEAMLESS SYNERGIES-Planet, People, Profit (3P)

For the TATA Group, enterprise is the instrument of deep-rooted socio-economic transformation through ways that do not endanger its ecological habitat. Tata Sponge Iron Limited, as an ethical corporate citizen, evaluates all its business initiatives on the triple bottom line measurement of Planet, People and Profit. These triple concerns do not tug the Company in disparate ways, but link each with the other in a seamless synergy-a holistic evaluation which makes the Company stand out from its competitors.

The best part about this 3P synergy is that it has helped the Company perform in difficult times. Even during 2008-09, the worst downturn in living memory, as well as the difficult first quarter of the year under report, the 3Ps kept the Company afloat.

Financial Mettle

HIGHER RETURNS

Today's global marketplace respects profits when they are clean and green. TSIL endorses this global view, with a business model that constantly looks to optimize raw material usage to produce more sponge iron, produce and sell power from waste heat and plug leaks in operations or logistics to remain profitable.

In 2009-10, sponge iron prices started looking up after a low first quarter, the hangover to the meltdown. But overall, they matched India's economic recovery. With the global meltdown, the prices of raw materials, especially imported coal, fell dramatically. At the same time, the selling price of sponge iron fell from its peak in August 2008 to less than half in August 2009, and signed off the fiscal with a marginal increase. As in any commodity product, cyclicity of market prices has the potential to derail growth. Despite shifting market dynamics, the Company's strong fundamentals and record-breaking operational success have kept its growth story on track.

The Company's captive power generation plant helped enhance the revenues because of higher price. The Company sold its surplus power to the tune of Rs. 38 crore. However, although the Orissa Electricity Regulatory Commission (OERC) increased tariff from November 2009, a considerable outstanding from GRIDCO led to slowing down of cash flows. As yet, the Company does not have access to the open market to sell its power as The Electricity Act 2003 has not been implemented in earnest spirit.

The way forward to financial sustainability is clear: a focused attack on raw materials, which amounts to about 80% of the Company's cost. Assured availability of iron ore from Tata Steel is an asset, but to source coal, the Company approaches import markets, government-owned collieries and private parties. To get coal with ash content less than 22% (a higher ash content will decrease throughput) from diverse sources is a challenge, so the Company obtained more coal from South Africa, getting one shipload of 50,000 tonnes every quarter , even when the price per tonne went up to $120 a tonne. In this scenario, the Company's longstanding investment, its coal block, once operational, will give a relief.

For an enterprise which needs speed and nimble-footedness to prosper, it had to contend with persistent bottlenecks of inadequate infrastructure and regulatory challenges continued. Transport bottlenecks-ports, rakes, intermediary transport-add to the cost, not value. For instance, congestion at the Paradwip port cost the Company Rs. 3 crore in demurrage this financial year.

For the long-term, the Company believes in a string-of-pearls strategy, where it would like to have a series of "pearls" or nodes for smoother operations-coal block, rakes and ports, among others.

The 3P Mettle Metre

Clean and green profits say it all. The Company's business structure and operations highlight the integrated triple bottom line priority of the Company-optimum sweating of resources, transparent accounting, generation of green wealth from waste, and creating tangible and intangible wealth for its stakeholders.

Off-track: Clean Currency

The Company's efforts in implementation of the Japanese 5S workplace organization methodology led to, among other things, a more efficient implementation of waste management.

Operational Mettle

FASTER, HIGHER, STRONGER

It's a fundamental truth: operational efficiency is the backbone of TSIL. And at a time when sponge iron prices are unlikely to grow proportionate to raw material costs, and margins are under pressure, survival depends on enhanced operational efficiencies to sustain profit. Operations must devise newer and better ways to be on top.

This means that while systems and processes must be laid and followed for collective efficiency, these must not be allowed to get rigid. What's rigid is rusty. So operations must walk the tightrope between discipline and dynamism-calling for some fresh ideas. For the Company, implementing global business consultant Eliyahu M. Goldratt's Critical Chain Project Management (CCPM) was one such fresh idea that worked wonders. As the resources at the Company's disposal play such a critical part of operational success or failure, CCPM, a method to plan and manage projects which tightly plans the resources required for project execution, became an idea whose time had come.