

CSR Report

Tata Metaliks Limited

Year : 2006-07

Published in 2008

Audited by PWC

Abbreviations

A	
ABP	Annual Business Plan
B	
BCP	Business Continuity Plan
BDO	Block Development Officer
BE	Business Excellence
BFG	Blast Furnace Gas
BM	Benchmarking/ Benchmark
BO	Business opportunity
BOCI	Breakthrough Or Continuous Improvement
C	
CCPM	Critical Chain Project Management
CDM	Clean Development Management
CEO	Chief Executive Officer
CFO	Chief Finance Officer
CHR(C)	Chief of Human Resource (Corporate)
COC	Code of Conduct
COO	Chief of Operation
CSMS	Corporate Sustainability Management System
CSR	Corporate Sustainability Report/ Coke Strength after Reduction
CSS	Customer Satisfaction Survey
E	
EEC	External Ethics Councilor
ESHQ	Environment, Safety, Health & Quality
ESI	Employee Satisfaction Index
ESS	Employee Satisfaction Survey
F	
F& A	Finance and Accounts
FG	Foundry Grade
Fig.	Figure
FMCG	Fast moving consumer goods
FY	Financial Year
G	
GM(P&T)	General Manager (Project and Technology)
Govt.	Government
GRI	Global Reporting Index
H	
HR	Human Resources

HRD	Human Resource Development
I	
I.Sc.	Intermediate of Science
IA	Internal Audit
IACP	Internal Assessor Certification Programme
ICF	Internal Customer Feedback
ICRA	Indian Credit rating agency
ICSI	Institute of Company Secretary of India
ICWAI	Institute of Cost and Works Accountants of India
IDBI	Industrial Development Bank of India
IES	Institute of Economics Studies
IFA	Indian Foundry Association
IIT	Indian Institute of Technology
IMRB	Indian Market Research Bureau
Inst.	Instrumentation
Intl.	Internal
IOC	Indian Oil Limited
IRR	Internal Rate of return
ISO	International Organization for Standardization
ISWBM	Indian Institute of Social Welfare and Business Management
J	
JPC	Joint Plant Committee
Jsr / JSR	Jamshedpur
JV	Joint Venture
K	
Kg	Kilogram
Kg/thm	Kilogram per ton of hot metal
KGP. Or kgp	Kharagpur
KM	Knowledge Management
KPI	Key Performance Indicators
KRA	Key Result Area
L	
LSCM	Logistic-Supply Chain Management
LT	Long Term / Low Tensile
M	
MBA	Master in Business Administration
MBE	Management of Business Ethics
MBF	Mini Blast Furnace
MD	Managing Director
Mech.	Mechanical
Mgmt.	Management
MIS	Management Information System

Mktg.	Marketing
Mn	Manganese
MOM	Minutes of Meeting
MOU	Memorandum of Understanding
MW	Mega Watt
My SAP	SAP-web version (v-6) ERP solution
N	
NGO	Non Government Organisations
NOx	Nitrous Oxide
O	
OSHAS	Occupational Health Safety Assessment Series
P	
PDP	Personal development plan
PG	Post Graduate
Ph.D.	Doctor of Philosophy
Phos.	Phosphorous
PIMA	Pig Iron Manufacturers Association
PMS	Performance Management System
PPM	Product Portfolio Matrix
PPP	Percentage Poor Pig
PWC	Pricewaterhouse Coopers
Q	
R	
R&R	Rewards and Recognition
RTB	Running The Business
RtaB	Race Towards A Billion Dollar
S	
SAP	Software Application Product
SC	Steering Committee
SCOPE	Strategizing Customer Orientation for Process Effectiveness
SEBI	Securities and Exchange Board of India
SHE	Safety, Health, and Environment
Sox	Sulphur Dioxide
SPP	Strategic Planning Process
Sr.	Senior
SSS	Supplier Satisfaction Survey
ST	Short Term
SWOT	Strength, Weakness, Opportunity & Threat
Sys.	System
T	
TATA-CoC	Tata Code of Conduct
TBEM	Tata Business Excellence Model

TCCI	Tata Council for Community Initiatives
TCS	Tata Consultancy Services
Tech	Technical
Tech. Dip.	Technical Diploma
THM/ thm	Tonnes of Hot Metal
TML	Tata Metaliks Limited
TPM	Total Productive Maintenance
TQM	Total Quality Management
TRF	Talent Review Forum
TTAT	Truck Turn around Time
TTL	Tata Technology Limited
V	
VOC	Voice of Customer
W	
WB	West Bengal
WBIDC	West Bengal Industrial Development Corporation
WBPCB	West Bengal Pollution Control Board
WBSEB	West Bengal State Electricity Board
X	
XLRI	Xavier Labour Relations Institute

Chairman's message for CSR Report

The philosophy and practice of sustainability and business ethics is not new to the Tata Group. Even before the idea of corporate sustainability germinated, the Group has been actively working for the cause of building the people, the local community, the state and thereby the nation. We have actively propounded the practice of working for people and we have always seen our interests as inseparable from that of the community at large since past 100 years. 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.

TML aspires to be the number one company in the business of pig iron. It has gone for strategic expansion in other parts of country and is also planning for downward expansion for the sustainability of its own operation. TML has gone for a Joint Venture with a Japanese company called Kubota Corp. to produce Ductile Iron Pipes. It plans to begin manufacturing of DI Pipes by the end of the year 2008.

While doing so it has successfully met the various challenges posed by the customers, employees needs as well as community and environmental issues.

The acquisition of the plant at Redi has helped the company in getting a foothold in the western part of the country also. However addressing the needs of the different customers all over India as well as mitigation of the newly acquired employees assumed paramount importance for the Organization.

But the fact remains that no Organization can flourish on its own, oblivious of the wider society. While India is growing at a greater pace like never before, there is lot which remains to be done especially for the rural population which seems to have been left behind. The statistics point out at the grim scenario. There is definitely a need to build more schools, take care of health, higher education. The educated healthy population will ultimately be involved in the building of an educated healthy progressive nation. It gives me immense pleasure that TML 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, gynecological camps and nutritional surveys for people in the community in general, medical camps for contract labours etc. TML has also focused its resources on education by investing in laboratories in the school located nearby etc.

The formation of "Sadbhavana Trust" will give an impetus to the various community development schemes that the Organization plans to undertake in various villages in and around both of 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 good about being on the right track are various projects undertaken in the rural areas for empowerment of women, in the area of fuel conservation, waste management and disaster management. The project meant to provide regular employment to women has been one successful story.

We continue our journey towards excellence; however for us it is more inclusive than exclusive.

(H.M.Nerurkar)
Chairman

Message from the MD

Organizations owe their existence to the society and the community. Therefore the true growth of an Organization is possible only if it manages to ensure that the growth is in sync with that of the community as the two are intricately bound together.

India ranks 127th in the Human Development Index, which is a matter of grave concern to all. While it aspires to become a major force in area of business, the growth does not appear to be inclusive. The majority of population especially from rural India seems to have been left behind on way.

Sustainable development can be achieved only if Organizations recognize the need to conduct business in such a manner that it is inclusive, considering that our existence is inseparable from community.

At Tata Metaliks we understand this, and our proximity to the rural community offers us opportunities to align our initiatives in this direction.

We believe in being accountable to our stakeholders –

- ❖ customers,
- ❖ employees as well as the
- ❖ community and the environment.

However we also recognize the concern that while economic growth does bring prosperity to many, it also needs to be ensured that its effect perpetuates to the lowest of the low of the community also.

The other broad concerns that we were faced with were:

- ❖ TML today has two plants – at Kharagpur and at Redi in Maharashtra. While this kind of multi-location makes sense – as 80% of pig iron manufacturing capacities are located in East and 40% customers are located in West, this also poses problems. The customers and markets all across the country have varying needs, therefore the Organization has to proactively ensure that it satisfies the needs and even manages to travel an extra mile for the stakeholder.
- ❖ Human beings are the biggest assets for an Organization, after having acquired the plant at Redi, the biggest challenge was to ensure the smooth mitigation of the entire workforce. Our desire was always to ensure that the mitigation takes place in a mosaic like pattern and not in the now 'infamous' large melting pot fashion. Each unit manages to retain its identity and yet functions in accordance with the Tata tradition of conducting the business in the most ethical fashion.
- ❖ Pig iron business is extremely raw material centric and also has environmental impact. Our immediate priority has been to monitor the community and environment.

Following were the main activities in the reporting year:

- To improve upon the operational efficiency, Best Practises of Nippon Steel were shared by Tata Steel with TML. Especially notable was the practice of using reduced amount of lubricants, at the same time also increasing the reliability of the instrument.
- Clean Development Management CDM, was applied to our initiative of reducing use of natural fuel through hot blast stove

- Efforts in water conservation and rain water harvesting were initiated
- Blast Furnace gas utilization for power generation at Redi was successfully implemented.

An ethics counselor was appointed at Redi to address the ethical issues, at the same time lot of employee well-being activities were carried out at Redi, this included, improved transportation facilities, canteen etc

The community upliftment activities were stepped up at both Kharagpur and Redi. The activities focused upon education and health. Several health camps were undertaken. Most notably TML community volunteers stood by the village people at the time of natural calamity. Few classrooms at a school at Gokulpur were renovated by TML project team, the laboratories etc were also replenished. Similarly at Redi also, Health checkup for contract labours, gynaecological checkup for women etc was organized. Formation of Sadbhavana Trust is one important activity in this direction.

Innovation is stressed upon at TML. We aim to find new business practices that solves issues confronting customers. Technological innovation, like websites, tracking devices installed on trucks etc are being used to give better service to customers thereby addressing and solving daily issues confronting customers.

As part of downward integration, we have floated a Joint Venture Company called Tata Metaliks Kubota Corp. by entering into a tie up with Kubota Corp. of Japan. This company will begin producing Ductile Iron Pipes by the end of the year 2008. This JV will use the liquid metal produced by TML

Corporate sustainability for us is not a mere formality or a brand building exercise. It is pursued with seriousness; it also is legacy that we have inherited from the founding fathers of Tata Group who had been practicing it before it formally evolved as corporate sustainability.

(Harsh K. Jha)
Managing Director

1. Strategy and Analysis

This section is intended to provide a high-level, strategic view of the organization's relationship to sustainability in order to provide context for subsequent and more detailed reporting against other sections of the Guidelines. It may draw on information provided in other parts of the report, but this section is intended to produce insight on strategic topics rather than simply summarize the contents of the report. The strategy and analysis should consist of the statement outlined in 1.1 and a concise narrative outlined in 1.2.

1.1 Statement from the most senior decision maker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy. The statement should present the overall vision and strategy for the short-term, medium-term (e.g., 3-5 years), and long-term, particularly with regard to managing the key challenges associated with economic, environmental, and social performance. The statement should include:

- Strategic priorities and key topics for the short/ medium-term with regard to sustainability, including respect for internationally agreed standards and how they relate to long-term organizational strategy and success;
- Broader trends (e.g., macroeconomic or political) affecting the organization and influencing sustainability priorities;
- Key events, achievements, and failures during the reporting period;
- Views on performance with respect to targets;
- Outlook on the organization's main challenges and targets for the next year and goals for the coming 3-5 years; and
- Other items pertaining to the organization's strategic approach.

1.2 Description of key impacts, risks, and opportunities. The reporting organization should provide two concise narrative sections on key impacts, risks, and opportunities. Section One should focus on the organization's key impacts on sustainability and effects on stakeholders, including rights as defined by national laws and relevant internationally agreed standards. This should take into account the range of reasonable expectations and interests of the organization's stakeholders. This section should include:

- A description of the significant impacts the organization has on sustainability and associated challenges and opportunities. This includes the effect on stakeholders' rights as defined by national laws and the expectations in internationally-agreed standards and norms;
- An explanation of the approach to prioritizing these challenges and opportunities;
- Key conclusions about progress in addressing these topics and related performance in the reporting period. This includes an assessment of reasons for underperformance or over performance; and
- A description of the main processes in place to address performance and/or relevant changes. Section Two should focus on the impact of sustainability trends, risks, and opportunities on the long-term prospects and financial performance of the organization. This should concentrate specifically on information relevant to financial stakeholders or that could become so in the future. Section Two should include the following:
 - A description of the most important risks and opportunities for the organization arising from sustainability trends;
 - Prioritization of key sustainability topics as risks and opportunities according to their relevance for long-term organizational strategy, competitive position, qualitative and (if possible) quantitative financial value drivers;
 - Table(s) summarizing:
 - Targets, performance against targets, and lessons-learned for the current reporting period; and
 - Targets for the next reporting period and mid-term objectives and goals (i.e., 3-5 years) related to key risks and opportunities.
 - Concise description of governance mechanisms in place to specifically manage these risks and opportunities, and identification of other related risks and opportunities.

.2 Statement of the organization's vision and strategy regarding its contribution to sustainable development

Vision & Strategy :

The philosophy of the founder of the TATA group is reflected in its group purpose statement:

- **Improvement of the communities we serve**
One of our significant purposes in TATA Group is to improve quality of life of the communities we serve. We do this through leadership in sectors of national economic significance to which the group brings a unique set of capabilities. This requires us to grow aggressively in focused areas of business.

- **Returning to the society what we earn**

Our heritage of returning to society what we earn evokes trust among consumers, employees, shareholders and the community. This heritage will be continuously enriched by formalizing the high standards of behaviour expected from employees and companies.

- **Leadership with trust**

The TATA name is a unique asset representing Leadership with Trust. Leveraging this asset to enhance group synergy and become globally competitive is the route to sustained growth and long term success.

With above background, the path for sustainable growth has been planted through our vision of "Reaching Tomorrow First" and our five guiding values of "Value Creation"; "Good Corporate Governance"; "Integrity & Candour"; "Speed & Agility" and "Learning & Innovation". The Tata Group purpose statement drives the theme of sustainable development integrating the five core values of Integrity, Understanding, Excellence, Unity and Responsibility. It provides business linkage to sustainable development and is the driving force that underpins the way we do business in Tata Metaliks. The Company is committed to its stakeholders for sustained growth by adding value in all activities, across all operations.

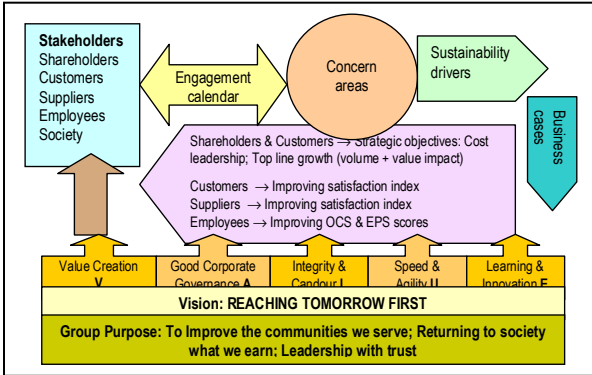
The values set forth by the founding fathers; Mr. J N Tata, Mr. Naval Tata and Mr. JRD Tata have been the corner stone of the Group's vision. Today the business of Tata Metaliks in India and abroad carries the hallmark of this legacy.

The Company's strategy development process embraces a SWOT and risk analysis of the environment scan inputs. Through stakeholders' engagement calendar and various two-way communication forums (Table 1.1), the stakeholders' needs are identified and the inputs are taken and used as part of environment scan inputs for strategy development process.

Stakeholder/ Responsibility	Forum for assessing requirements, communicating direction and receiving feedback	Frequency
Employees Res.: Sr. leaders including chairman, MD & directors	<ul style="list-style-type: none"> ❖ Strategy meeting , ABP meeting , PMS workshop, Team meeting, Morning meeting at works, Dept. communication meeting, Union-Mgt meeting ❖ COC awareness & feedback meeting 	Daily/Monthly or as per plan
Shareholders Res.: MD/GM (CS) & CS	Annual General Meeting, Half-yearly reports to all shareholders (from FY'05), Analyst Meet, Annual communication to top 50 Shareholders, Annual shareholders Feedback through Questionnaire, Shareholders' Plant Visit – as per plan	Annual/half yearly/as per plan
Customers (including potential customers) Res.: Senior leaders including MD, C(M&S) and supervisors/ employees	Regional Customers Meet (all markets in defined frequency) from earlier annual meets in principal markets, Quarterly Technical Meet , Visit to Customers – as per plan by Sr. Leaders and by other officers/supervisors, Business Development team visits customers for technical support, raw material supply and learning from trial runs – as per plan	As per plan
Suppliers/ Partners Res.: Sr. leaders	Meeting with Key Suppliers (domestic and foreign) by Senior Leaders – as per plan.	As per plan or need based
Key customers/ Suppliers, Res.: EEC	Visit to key customers'/suppliers' places selected at random – as per plan.	As per plan
External/Govt./ Press/Analysts/ Banks/FIs Res.: Sr. leaders including MD/VP/GM (CS) & CS	Meeting with Central or State ministers/ Development Commissioner Iron & Steel/DM/Directorate of - Industries/ WBPCB /WBIDC/WBSEB/ DED . Meeting with Trade Bodies/Industry Associations: CII, AIM, IIF, IFA, EEPC, Trade Delegation.	As and when required
Community Res.: Sr. leaders including MD/GM (CS) & CS, C(MS), CHR (C) and employees	Meeting with BDO, Public Representative like Anchal Pradhan to understand community expectations , Feedback report to TCCI – as & when required. / as per plan, Meeting with local NGOs/village volunteers and involving them in survey	As per plan

The inputs collected from the stakeholders' engagement calendar is used to conduct an environment scan, which is the process of analyzing and understanding the information collected by the company with respect to stakeholders and competitors and the

business scenario in general that affect its present and future competitiveness, success and growth. The process of identifying and addressing sustainability issues is shown in Fig. 1.A below;



Balancing of stakeholders needs/expectations are addressed through developing strategies in variety of perspectives viz. economic and financial perspective for shareholders; customer & market perspective for customers; capability perspective for employees & suppliers and environmental & social perspective for key community & society. Balancing also ensures that needs/expectations of one category of stakeholder do not have gross adverse impact on the interest of other categories of stakeholder.

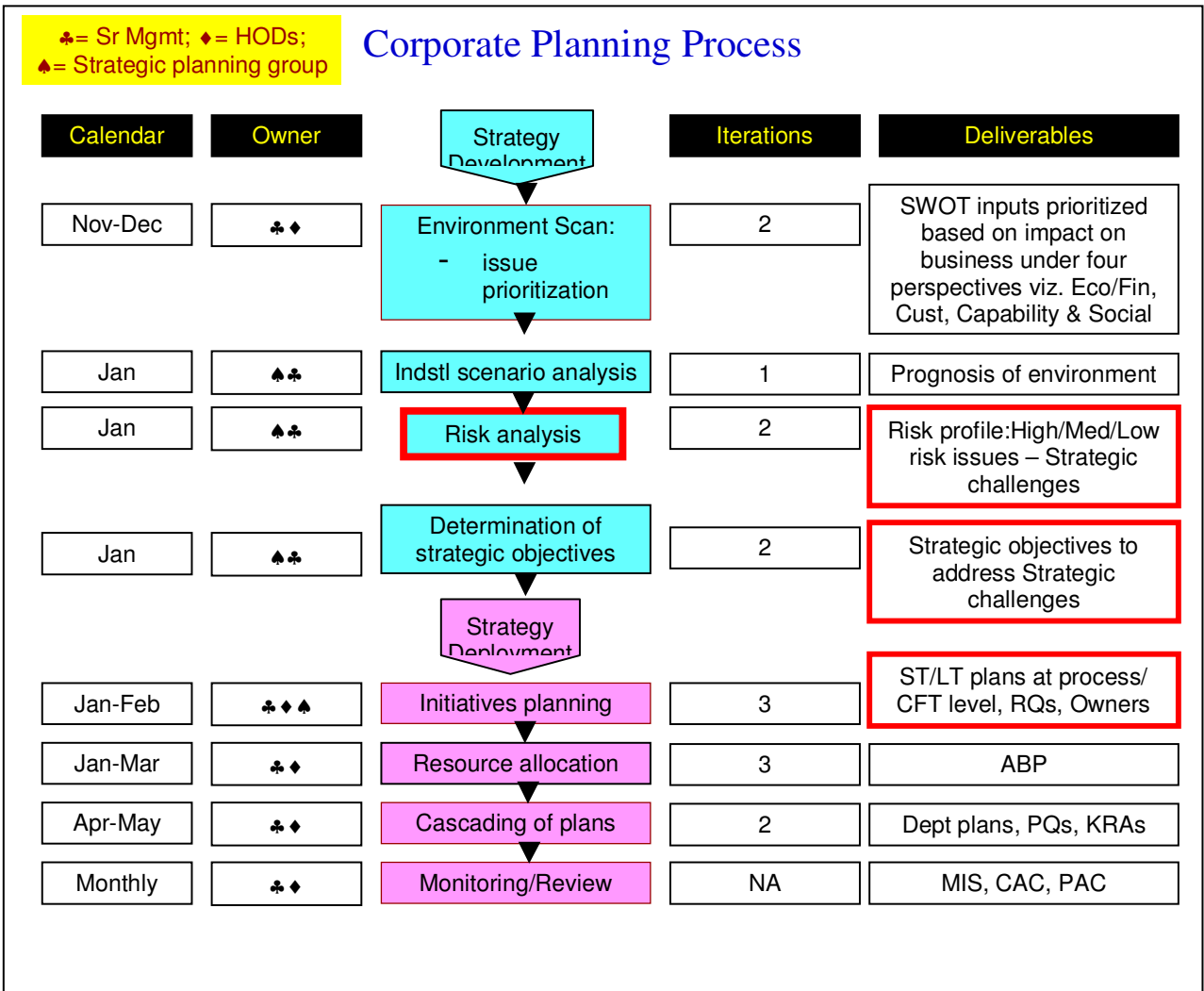


Table 1.2 Identifying business imperatives from stakeholders' concern areas and building strategies for long term sustainability

Stakeholders	Concern areas	Sustainability Driver	Business Imperative	Strategic support
Shareholders	Capital appreciation	Increase in market capitalisation	Influencing market sentiment by maintaining +EVA, growth initiatives– lateral and downstream	<ul style="list-style-type: none"> Maintain +EVA Volume led growth Value led growth
	Consistency in return (dividend payment)	Maintaining and improving profitability	Managing raw material cost (80% of product cost); Reducing processing cost	Raw material cost leadership
Customers	Frequency and volume of price increase	Improving value proposition to the customers by enhancing & enriching products & services' bouquet	# Giving technical service free of cost with pig iron: <ul style="list-style-type: none"> Improving customers' yield and coke rate – cost saving for the customer and resource conservation for the society Reducing pollution – enhancing Foundry's sustainability in partnership with WBPCB # Cost of technical services provided free of cost to be financed through savings in raw material cost leadership	Raw material cost leadership
	Compliance to pollution control norms	Controlling pollution in customers' cupola operation		Enhancing technical service to foundries
Suppliers	Growth in business volume	More business to select vendors	Identifying vendors of critical items with sound performance in terms of; inter-alias, quality, sustainability (complying environmental norms, child labour norms) for partnering to ensure uninterrupted supply	Covering 10% of the total vendor base as 'preferred vendors' for partnering
	Long term relationship	Partnering with eligible vendors		
Employees	Congenial working environment	Improvement in work-place health, safety & environment	Productivity improvement	<ul style="list-style-type: none"> Increase manpower productivity Improve SHE index
	Personal growth and career progression	Opportunities for skill enhancement, job enrichment	Multi-skilling, improving value addition per employee, innovative solutions, and building 2 nd line of leadership	Building HR capability through training, education, job rotation, fresh recruitment
Society	Employment generation	Capacity increase	Industry leadership	<ul style="list-style-type: none"> Volume led growth Value led growth
	Adding to national wealth	Profitable growth	Maintaining +EVA	<ul style="list-style-type: none"> Maintain +EVA
	Environmental improvement	Surpassing environmental norms; Availability of coal/ coke	<ul style="list-style-type: none"> Pig iron manufacturing is an environmentally sensitive process hence controlling pollution; Manage coke consumption 	Raw material cost leadership (use of coke alternatives, alternative iron making technologies which do not use coke)
	Community development	Health, education, infrastructure development activities	Stable law and order situation, supply of skilled labour	Improvement in CDI

The accomplishment of strategic plans leads to achieving of strategic objectives. Five guiding values provide overall framework of the policies in the areas that are important for the sustainability of the company as shown in Table 1.3.

These policies as well as TATA - CoC and Gift Policy influence the sustainability culture in the business processes of the

Table 1.3 Reinforcement of the values in TML's sustainability culture					
A. Five core values reinforce sustainability culture	Learning and Innovation	Speed and Agility	Integrity and Candour	Good Corp. Governance	Value Creation
B. Guidance provided by its values	Constantly update knowledge and innovate for tomorrow	Rapid response towards changing environment and reach the goal before competitors	Honesty, transparency in all stakeholder dealings and open environment	Stewardship towards long term and sustainable existence	Creating value for stakeholders by balancing their diverse needs and expectations
C. Policy framework embed (√) values and inflect culture into business processes:					
C.1. ESHQ Policy	√			√	√
C.2. HR Policy	√	√			√
C.3. TPM Policy	√	√			√
C.4. IT Policy	√	√	√		√
C.5. Suggestion Policy	√	√			√
C.6. Accounting Policies (to ensure true and fair accounting statements by complying to mandatory accounting standards)			√	√	√
C.7. Credit Policy (to determine credit worthiness of customers and credit exposure the business can take)			√		√
C.8 Whistle Blower Policy			√	√	√
D. Code of Conduct embed (√) values and inflect culture into business processes			√	√	√

company, which are instrumental in accomplishing its strategic plans and consequently achieving strategic objectives. Quality systems like ISO 9001:2000, ISO 14001:2004, OHSAS 18001, TPM, processes like PAPA, MBE and ERP SAP ensures compliances to these policies into day to day working. Hence its value system upholds the sustainability culture in day to day running of business as well as its strategic efforts towards elevating the business in the next higher level.

The **key challenges** faced by the Company relate to its operational aspects.

The key challenge evolves from the Company being a single-product company. Moreover, the dependence on raw materials, makes the Company's performance is entirely related to the market index. Also the raw material price being beyond the control of the Company, its margins are always under pressure. Consistency in plant performance is also another area of concern for the Company. These operational and consequently the financial key challenges impact the efficient running of the business and growth objectives towards running the business.

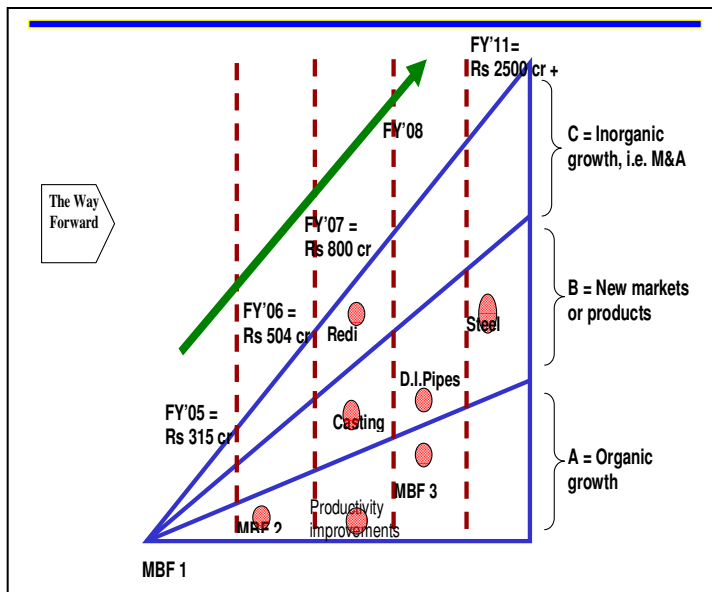
The fact that there is surplus capacity of FG Pig iron with new entrants coming into the market, also affects the criticality of operations of the Company.

The associated challenges facing the Company are the rising operating costs and the unavailability of key raw materials in perpetuity.

The company's sustainability depends on its ability to address issues grouped as:

- **Economical & Financial** : Contribution to national economy by creating shareholders' value through maintenance of positive EVA operations; contribution to regional economy by upgrading economic condition of local people; giving more value to the customers for the price they pay for pig iron through product customization and technical services and partnering with service providers & critical suppliers.

- **Market & Customer** : To enhance value proposition in terms of quality, matching price and relationships by improving the customer satisfaction index; increasing the no. of repeat customers; establishing one stop shop for customers and creating business opportunities for customers.
- **Capability** : To manage the operating cost and enhancing the HR skill base for operational efficiency and growth initiative.
- **Environmental** : Pig iron manufacturing is an environmentally sensitive operation. Therefore maintaining and improving environmental balance in our own area of operation, actively supporting the users of our pig iron to control pollution and conserving the natural resource through technical services are always within our strategic thrust. The response from our customers, are encouraging, as technical services have improved their yield thereby making them cost competitive. In regards to coal conversion we have partnered with select suppliers to develop captive cookerries on BOO basis in the vicinity of our plant, complying with all pollution control norms.
- **Social** : Creating congenial and high performance working condition for the employees and improving the quality of life of employees and key communities i.e. residents of villages surrounding the plant.



The Company has been performing well and has been meeting its targets. The overall financials have improved considerably along with the top-line. However the bottom-lines have continued to be under constant pressure due to rising input prices. Coal and iron ore both being scarce materials – their sourcing continues to be a major source of concern for the Company. As an alternative arrangement, the Company has been pro-actively engaging itself in raw material management – sourcing of high ash coal and subsequent conversion to coke. The Company has also concentrated on using carbonyx – an alternative source of raw material for Pig Iron manufacturing. Better utilisation of raw materials has also been one of the many actions that the company has taken to reduce raw material costs.

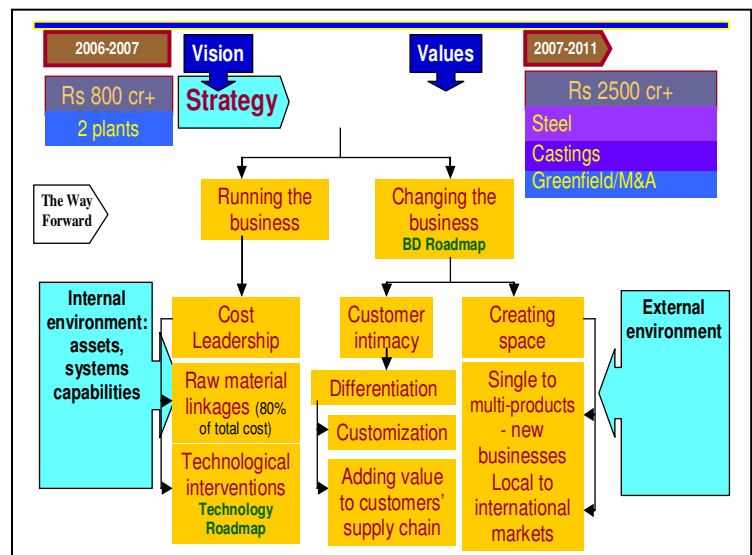
Better raw material management has also improved the corporate sustainability measures of the company – such as better utilisation of raw material thereby reducing requirements, lower emissions etc. (reported in detail in

relevant section).

To ward off these challenges, the Company should eye the strategic actions of growing in and inorganic fashion so as not to add to the already excess capacity of the industry. Moreover, the Company has also been eyeing to turn into a multi-product company and also resorted to value-added down-streaming. The Company has drawn up a strategy plan for growth that would help it mitigate the effects of the risks and challenges that it faces :

An explanation of the approach to prioritizing these challenges and opportunities

Strategic initiatives and plans are derived from strategic objectives to take care of issues grouped under corresponding strategic challenges. Strategic plans are primarily deployed to processes. Process owners along with process teams develop short-term action plans against each of the strategies at value creation and support process level. Departmental level action plans including cross function teams' action plans, are derived from process level action plans. They are finally cascaded to individual plans forming part of KRAs. Actions requiring mass involvement e.g. reduction in operational cost etc. are cascaded in the form of



organisational initiatives upto workers' levels (e.g. TPM, Knowledge Workers etc.) Wherever applicable, process level action plans are deployed to market intermediaries and partners/suppliers in the form of agreements and MOUs.

Key conclusions about progress in addressing these topics and related performance in the reporting period. This includes an assessment of reasons for underperformance or over performance

Efficiency and effectiveness measures for the strategic planning process itself is measured through

- a) extent of achievement of targets against strategic objectives
- b) compliance to time targets of strategic planning cycle; and
- c) feedback from the steering committee members

A description of the main processes in place to address performance and/or relevant changes. Section Two should focus on the impact of sustainability trends, risks, and opportunities on the long-term prospects and financial performance of the organization. This should concentrate specifically on information relevant to financial stakeholders or that could become so in the future.

2. Organizational Profile

2.1 Name of the reporting Organization : Tata Metaliks Limited

2.2 Primary Brands, Products and / or services

TML is primarily in the business of manufacturing and sale of pig iron. Pig iron is the primary input (say, 50-60% of input Metaliks) in the production of iron castings and pipes in iron foundries. Pig iron being primarily a commodity product, purchase decisions of our customers is largely influenced by price. In order, therefore, to become a preferred supplier, the Company also acts as a solutions provider rather than being a mere supplier of pig iron, and thus creates a positive impact on the customers' value chain. We capture unarticulated needs of our customers & convert them into value propositions viz.

- (a) `made to order' customized grades,
- (b) technical services, and,
- (c) improving customers' capacity utilization by procuring casting orders (Table 2.1).

The Company currently manufactures 12 standard grades for different types of castings and 30 derivative options thereto. Its technical services bouquet is now being extended to cover all domestic markets. With the above **differentiators**, it has endeavoured to enhance competitiveness of its customers; increase its share of pig iron in the foundry's charge-mix; increase cost of switching for customers; sustain premium over competition in its principal market and match the best in class in all other markets. Such superior offerings have helped the Company to sustain its command over the market and also in sustainability of the Tata brand in the market.

Although, presently, its pig iron is not a branded product, TML is consistently rated among the top companies in the Tata Group for excellence in its business models and business practices.

Customers' value chain	Our main Products/ Services	Customer segments	Delivery Mechanism
Procurement	Products	Based on manufacturing process (ref. segmentation in Figure 2.3)	
	FG - Foundry grade, FG - High silicon, FG - High manganese, FG - High phos, FG – Low phos	Grey iron casting producers including auto casting	All deliveries are direct to customers from plant and from stock points (CSA) at Ludhiana in truck loads; bulk supplies are in rake loads; exports to Bangladesh are in rake loads, and for other countries in sealed containers, ex-works.
	SG grade, SSG grade	Ductile iron auto casting & auto casting producers	
	Customized-Ultra high phos, Customized-Ultra high silicon	Aluminum smelting	
	Services	Based on geography	
One-stop-shop (Pig iron, coke and limestone) – to resume in FY'07	Existing domestic customers	Delivery in truck loads from plant to customers.	

Processing	Technical services: (a) Charge-mix related services (b) Moulding related services (c) Training (d) Trouble-shooting (e) Foundry consultancy viz. cupola design modification, raw material analysis, technical input about processes (from Helpdesk at Howrah)	Domestic cupola-based customers	Our engineers provide these services at customers' works (where melting of pig iron is done for subsequent manufacture of iron castings)
Distribution	Sourcing of casting produced by foundries for domestic and export casting customers	All domestic customers	From foundries direct to customers' works and for export in container loads, ex-foundries.

Table 2.1 Main products, services, customers and delivery mechanism

2.3 Operational Structure of the Organization & major divisions, operating companies, subsidiaries, and joint ventures

The organizational governance system consists of a Board of Directors and five specific purpose statutory board committees. Statutory board committees review and assess specific issues and recommend to the Board for approval. The Chairman, MD, and individual directors are accountable to the Board. Three non-executive directors, including Chairman, are some of the senior-most executives of Tata Steel Limited, who ensure uniformity with the group purpose and policies. The management system consists of management team and various process owners. The MD and most members of the management team are on deputation from Tata Steel Limited. The management system works both in a hierarchical as well as CFT. The management team members report to MD. A detailed operational structure of the organization is given in [Annexure – 1](#). TML is one company; the head office being located at Kolkata and its plants at KGP and Redi.

Head Office:

Registered Office and Head Office:

Tata Centre, 10th Floor, 43 Jawaharlal Nehru Road, Kolkata – 700 071, India

Works:

Village: Gokulpur, P.O. Samraipur, Kharagpur, Dist- Midnapore, West Bengal – 721 301, India

Sindhudurg District, Terekhol Road, Redi – 416 517, Maharashtra, India

2.4 Location of organisation's headquarters

Registered Office and Head Office :

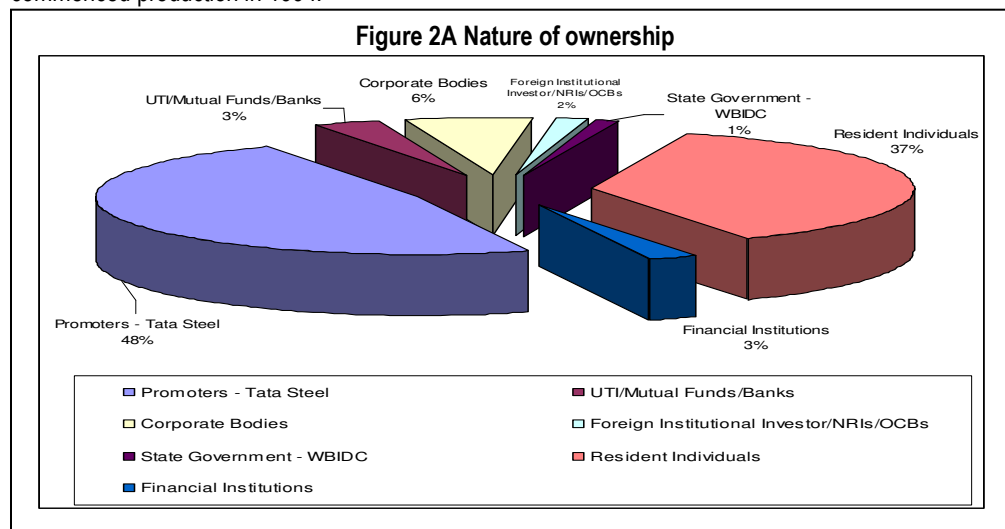
Tata Centre, 10th Floor, 43, J L Nehru Road, Kolkata 700071.

2.5 Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report

TML operates solely from India.

2.6 Nature of Ownership

TML is a public limited company. The promoter company, Tata Steel Limited, holds 46.66% of the shares, the balance being held by the Govt. of West Bengal [through the West Bengal Industrial Development Corporation (WBIDC)] UTI, mutual funds, banks, financial institutions, corporate bodies, FIIs/NRIs/OCBs and resident individuals. The details of ownership pattern are given in Fig 2.A. The company was incorporated in 1990 under the Companies Act, 1956 and commenced production in 1994.



2.7 Nature of market served

The domestic casting industry is characterized by small to medium sized foundries dispersed in regional foundry belts within the country. It operates on landed cost basis (freight being deciding factor) which normally prompts manufacturers to cater to their nearest market though interstate selling. This is also observed to maintain demand-supply balance in respective regional markets. TML is the only domestic player with presence in all major national foundry belts. It has footprint in several countries and is the only Indian foundry grade pig iron manufacturer other than SESA to have a significant presence in the international market.

TML primarily segments its markets based on –

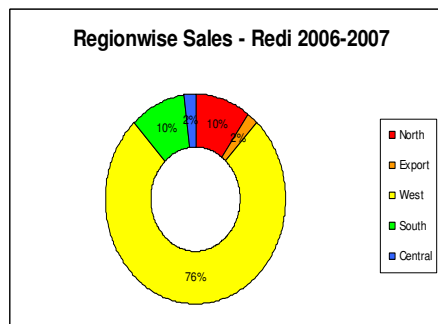
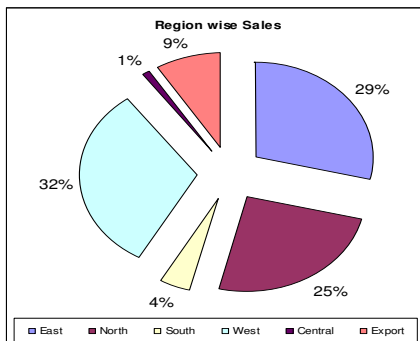
- geography, since our net realization (depending on freight), concentration of foundries and trading practices (intermediary dominated or otherwise) vary in different regions; and, within geographical locations, segment our customers based on
- nature of relationships i.e., direct or indirect through dealers.

Level 1: Geography	Domestic		Export	
Level 2: Relationship	Group A	Group B	Group A	Group B
Key Requirements	Consistency in Chemistry; price matches value proposition; delivery compliance; supply in small lots (for export markets)			
Key Expectations	Technical service			
Level 3: Customers' manufacturing process	Customers' end-use	TML's pig iron offerings	Key chemical requirements met by customized offerings	
Grey iron casting producers	General castings such as sanitary castings, etc.	FG - Foundry grade	Optimum carbon and silicon	
	Fan body castings	FG - High silicon	High silicon	
	High impact strength castings	FG - High manganese	High manganese	
	Spun pipes	FG - High phos	High phosphorus	
	Automobile parts	FG- Low phos	Low phosphorus	
Ductile iron casting producers	Special automobile spares for dynamic load resistance, other castings requiring high ductility	SG grade, SSG grade	Low sulphur, phosphorus and manganese	
Aluminium smelting	Rodding room applications	Cust.-Ultra high phos	Very high phosphorus	
		Cust.-Ultra high silicon	Very high silicon	

Table 2.2 Market Segment/Customer group – wise requirements and expectations

2.8 Scale of the reporting organisation:

- Total number of employees:** The Company had 765 people on rolls as on 31.03.2007 – 462 at Redi unit and 302 at Kharagpur, Head office and branch offices taken together
- Net Sales:** Details are given in Table 2.3. Contribution to sales from different regions (including export) and export to various countries are depicted in Fig 2.C and 2.D respectively. The region-wise sales are also presented in the following fig.
- Total Capitalisation** broken down in terms of debt and equity is shown in Table 2.4.
- Quantity of products and services provided:** During the year ended 31st March 2007, the Company sold 417,667 MT of pig iron. The quantity of pig iron exported was 35,883 MT.
- Total Assets :** Net assets of the Company has grown by 19% as compared to 2005-06, while the growth in gross assets has been at the rate of 21% as compared to 2005-06.



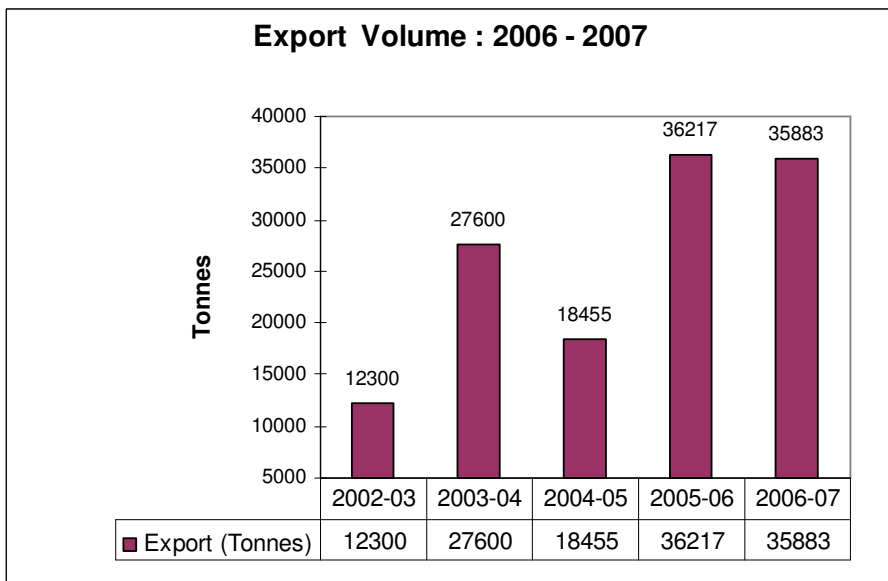
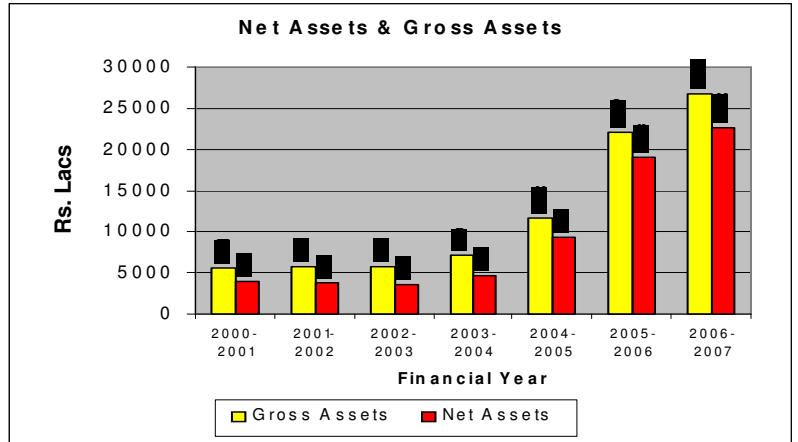
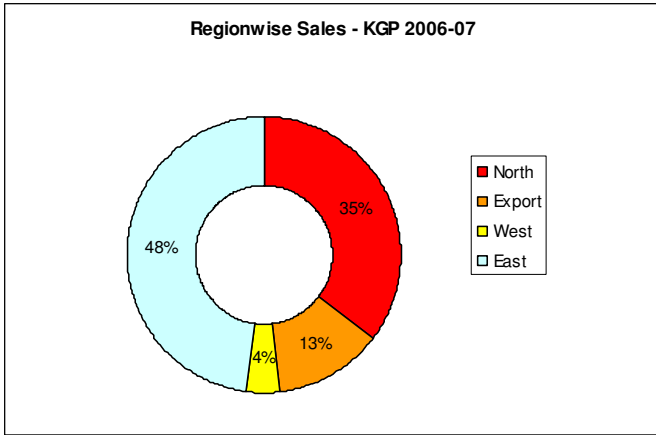


Table 2.3 Net Sales

Year	Net Sales (Rs. in million)
2006-07	7817.54
2005-06	5041.61
2004-05	3122.69

Table 2.4 Equity & Debt

Year	Equity (Rs. in million)	Debt (Rs. in million)
2006-07	252.88	1150
2005-06	252.88	950
2004-05	252.88	200

Top 10 Shareholders List (As on 31-03-07)

Name of Shareholder	No. of Share held	% of Share Capital
Tata Steel Limited	11799992	46.66
PATTON International Ltd	541569	2.14
Sanjay Budhia	352880	1.39
Kotak Contra Scheme	351299	1.38
General Insurance corporation of India	326451	1.29
The Oriental Insurance company Limited	265000	1.04
Birla Sunlife Trustee Company Pvt. Ltd	262248	1.03
Kalimati Investment Company Limited	250000	0.98
West Bengal Industrial Development Company Ltd.	250000	0.98
HSBC Financial Services Limited (Middle East)	155257	0.61

Categories of Shareholding as on 31st March, 2007

No. of ordinary shares held	No. of shareholders	%	No. of shares	%
Promoters Holding	10	0.02	12050000	47.65
UTI/Mutual Funds/Banks	11	0.02	863054	3.41
FIs	5	0.01	657551	2.60
Corporate Bodies	781	1.58	1635718	6.47
FIIIs / NRIs / OCBs	275	0.56	422789	1.67
State Government – WBIDC	1	0.00	250000	0.99
Resident Individuals	48332	97.81	9408888	37.21
Total	49415	100.00	25288000	100.00

Distribution of Shareholding as on 31st March, 2007

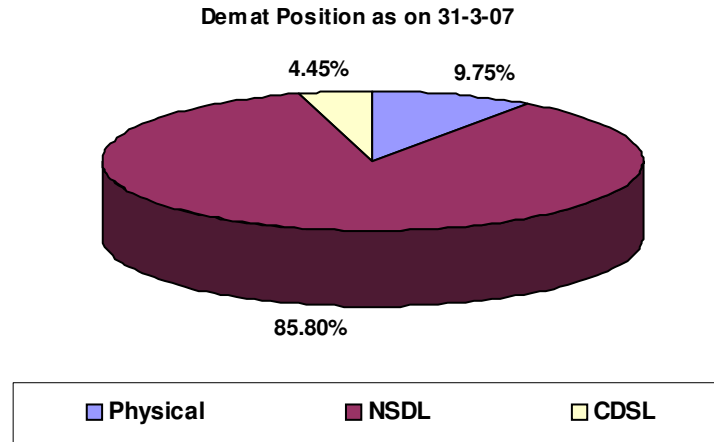
No. of ordinary shares held	No. of shareholders	%	No. of shares	%
1 – 500	47298	95.72	5832296	23.06
501 – 1000	1232	2.49	1006745	3.98
1001- 10000	806	1.63	2027281	8.02
10001 – 50000	61	0.12	1189142	4.70
50001 and above	18	0.04	15232536	60.24
Total	49415	100.00	25288000	100.00

Dematerialisation of Shares and Liquidity

The shares of the Company are compulsory traded in dematerialized form and are available for trading under both the Depository System in India – NSDL (National Securities Depository Limited) and CDSL (Central Depository Services Limited).

As on 31st March, 2007, a total of **22825076** shares of the Company, which forms **90.25%** of the total shares, stands dematerialized. The processing activities with respect to the requests received for dematerialisation are completed within 10 days from the date of receipt of request.

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's Shares is INE056C01010.



2.9 Significant changes during the reporting period regarding size, structure, or ownership including:

• The location of, or changes in operations, including facility openings, closings, and expansions;
 During the last year, TML also made significant capital investments. In order to facilitate transport of input material through rail movement, TML constructed an additional loop line (approx. cost of Rs.3.5 Crores), at the Sawantwadi station, Maharashtra, for its Redi plant. This has contributed to savings in road transportation cost and savings over private siding expenses. Besides these, an external desulphurisation unit has been constructed at the Kharagpur plant at a cost of Rs.3 Crores. The Company has also carried out a housing project (for its employees) at Kharagpur.

The Company also invested in relining of the MBF# 1 at the Kharagpur plant and refurbishing of MBF#3 (172 M³ capacity) at Redi at a combined cost of Rs. 47 Crores (Rs.16 Crores for MBF#1 at KGP and Rs.31 Crores for MBF#3 at Redi). During the last year, the Company did not make any other major changes regarding its operating processes. However, the Redi plant started functioning in full capacity.

Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations).

uring the last year, there was no major change in the status of shareholders except for the declaration of a dividend at 60%.

2.10 Awards received in the reporting period

Reported in SO1

3. Report Parameters

3.1 Reporting Period

The present Report covers the Financial Year from April 2006 to March 2007.

3.2 Date of most recent previous report (if any)

TML published its Corporate Sustainability Report 2005-06 in January 2007.

3.3 Reporting cycle

Annual

3.4 Contact point for the report, including e-mail and web addresses

The following persons may be communicated with for the Report :

1. Mr. Subhasis Dey, GM (Corp. Serv.) & Company Secretary ,

subhasisdey.cs@tatametaliiks.co.in

2. Dr. A K Mohanty, CHR (Corp.)

ashok.mohanty@tatametaliiks.co.in

3. Mr. S Shyam, CQH

s.shyam@tatametaliiks.co.in

Report Scope and Boundary

3.5 Process for defining report content :

- Determining materiality;
- Prioritizing topics within the report; and
- Identifying stakeholders the organization expects to use the report.
- Include an explanation of how the organization has applied the 'Guidance on Defining Report Content' and the associated Principles.

3.6 Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers) and any specific limitations on the scope

This report covers three locations of the Company, Head Office at Kolkata, and the Works of the Company at Kharagpur, West Bengal and Redi, Maharashtra.

The Company manufactures foundry grade pig iron and customised pig iron and provides technical support and services to foundry owners. TML does not have any joint ventures/ subsidiaries.

The reporting period is from April 2006 to March 2007.

3.7 State any specific limitations on the scope or boundary of the report

Please refer point 3.6.

3.8 Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations

The Company did not have any joint ventures, subsidiaries, leased facilities as on 31st March 2007. But it has outsourced the oxygen generating facility for the oxygen enrichment of its blast furnace operations. The Company has also outsourced some of the coke conversion process to Kalimati at Kharagpur. Some of the raw material handling process has also been outsourced to M/s NKCP. Subsequently, in July 2007, the Company has formed a Joint Venture – M/s Tata Metaliks Kubota Pipes Limited, with M/s Kubota Corporation, Japan and M/s Metal One, Japan for manufacturing Ductile Iron Pipes.

3.9 Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.

The source documents and information are captured from a computerized database named SAP. Now the Company is using MySAP, which is a revised and better version of SAP. Hence nothing is left for guess work and estimation of individuals and none of the data and/or source document being used is subjective in nature.

3.10 Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/ acquisitions, change of base years/periods, nature of business, measurement methods)

There has not been any re-statement of information provided in earlier report(s). However, issues related to corporate governance and strategies are regrouped and rearranged as per the requirement.

3.11 Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.

During the year, the following capital projects were undertaken by the Company :

- 1) In order to facilitate transport of input material through rail movement, TML constructed an additional loop line (approx. cost of Rs.3.5 Crores), at the Sawantwadi station, Maharashtra, for its Redi plant.
- 2) An external desulphurisation unit has been constructed at the Kharagpur plant at a cost of Rs.3 Crores. The Company has also carried out a housing project (for its employees) at Kharagpur.
- 3) The Company also invested in relining of the MBF# 1 at the Kharagpur plant and refurbishing of MBF#3 (172 M³ capacity) at Redi at a combined cost of Rs. 47 Crores (Rs.16 Crores for MBF#1 at KGP and Rs.31 Crores for MBF#3 at Redi).

During the last year, the Company did not make any other major changes regarding its operating processes.

3.12 Table identifying the location of the Standard Disclosures in the report. Identify the page numbers or web links where the following can be found:

Indicator parameter
Strategy and Analysis 1.1 – 1.2
Organizational Profile 2.1 – 2.10
Report Parameters 3.1 – 3.13
Governance, Commitments, and Engagement 4.1 – 4.17
Disclosure of Management Approach, per category
Core Performance Indicators
Any GRI Additional Indicators that were included
Any GRI Sector Supplement Indicators included in the report

3.13 Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).

Refer Statement on Corporate Sustainability Report issued by the external assurance agency – M/s Price Water House Coopers

4. Governance, Commitments, and Engagement

Governance

4.1 Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.

Describe the mandate and composition (including number of independent members and/or non-executive members) of such committees and indicate any direct responsibility for economic, social, and environmental performance.

4.2 Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).

4.3 For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.

State how the organization defines 'independent' and 'non-executive'. This element applies only for organizations that have unitary board structures.

See the glossary for a definition of 'independent'.

4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body. Include reference to processes regarding:

- The use of shareholder resolutions or other mechanisms for enabling minority shareholders to express opinions to the highest governance body; and
- Informing and consulting employees about the working relationships with formal representation bodies such as organization level 'work councils', and representation of employees in the highest governance body.

Identify topics related to economic, environmental, and social performance raised through these mechanisms during the reporting period.

4.5 Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).

4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided.

4.7 Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.

4.8 Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation. Explain the degree to which these:

- Are applied across the organization in different regions and department/units; and
- Relate to internationally agreed standards.

4.9 Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.

Include frequency with which the highest governance body assesses sustainability performance.

4.10 Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.

Commitments to External Initiatives

4.11 Explanation of whether and how the precautionary approach or principle is addressed by the organization.

Article 15 of the Rio Principles introduced the precautionary approach. A response to 4.11 could address the organization's approach to risk management in operational planning or the development and introduction of new products.

4.12 Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.

Include date of adoption, countries/operations where applied, and the range of stakeholders involved in the development and governance of these initiatives (e.g., multi-stakeholder, etc.). Differentiate between non-binding, voluntary initiatives and those with which the organization has an obligation to comply.

4.13 Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization:

- Has positions in governance bodies;
- Participates in projects or committees;
- Provides substantive funding beyond routine membership dues; or
- Views membership as strategic.

This refers primarily to memberships maintained at the organizational level.

Stakeholder Engagement

The following Disclosure Items refer to general stakeholder engagement conducted by the organization over the course of the reporting period. These Disclosures are not limited to stakeholder engagement implemented for the purposes of preparing a sustainability report.

4.14 List of stakeholder groups engaged by the organization.

Examples of stakeholder groups are:

- Communities;
- Civil society;
- Customers;
- Shareholders and providers of capital;
- Suppliers; and
- Employees, other workers, and their trade unions.

4.15 Basis for identification and selection of stakeholders with whom to engage.

This includes the organization's process for defining its stakeholder groups, and for determining the groups with which to engage and not to engage.

4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.

This could include surveys, focus groups, community panels, corporate advisory panels, written communication, management/union structures, and other vehicles. The organization should indicate whether any of the engagement was undertaken specifically as part of the report preparation process.

4.17 Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.

4. GOVERNANCE, COMMITMENT & ENGAGEMENT

Governance

4.1 Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight

Describe the mandate and composition (including number of independent members and/or non-executive members) of such committees and indicate any direct responsibility for economic, social, and environmental performance.

The detailed description of the organizational structure and key individuals responsible for oversight, implementation, and audit of economic, environmental, social, and related policies has been provided in **Annexure – 1** (Organisation Structure).

However, there is no specific committee for the sustainability parameters and the Board of Directors oversees these functions. The MD reports all social activities at periodical intervals. For overseeing the economic parameters, the Company has constituted an Audit Committee and Investment & Borrowing Committee. For addressing the shareholders' grievances, the Company has constituted a Shareholders'/Investors' Grievance Committee. All the share transfers and other share related matters are approved and decided by the Share Transfer Committee. The Remuneration of the Directors is decided by the Remuneration Committee, subject to the shareholders' approval wherever that is required statutorily.

The Corporate Governance Policy of TML is based on the following parameters required under Clause 49 of the Listing Agreement with the Stock Exchanges:

- A) Board Composition
 - B) Board Meetings
 - C) Board Committees
 - D) Risk Management
- A. BOARD COMPOSITION

1. Size and composition of the Board

The Board of Directors of the Company is at the core of our corporate governance practice. But we are not top-heavy in our approach. Rather, we believe in a right-sized, flat structure, with a healthy culture of dissent. The Board conceptualizes the focus of our corporate governance policy based on the need of the hour, and oversees its implementation thereafter, remaining vigilant to ensure that the long-term interests of the stakeholders are met.

The Company has a judicious mix of Executive and Non-Executive Directors. At present, there are ten directors on the Board, with one Executive Director. The Chairman is a Non-Executive Director and more than one-third of the Board consists of Independent Directors. The directors are experts in their chosen fields, with rich industrial experience, technical and leadership skills.

2. Board Membership Criteria

Technical and Professional expertise, specialisation in the respective fields, experience, leadership skills are some of the attributes of the Board membership. The members of the Board are competent to provide leadership, strategic guidance, objective judgement of management and control over the company while remaining accountable to shareholders.

3. Induction of new Directors

The Governing Council, which comprises the Chairman and some Directors, can select new Directors, as and when necessary. This council recommends the induction of new Directors to the Board. The council also advises the Board on reappointment of the Directors who are due to retire by rotation at the Annual General Meeting.

4. Retirement Policy

As per the guidelines of the Company's Board, the maximum age of retirement for Executive Directors is 60 years, which is the age of superannuation of the employees of the Company, and according to TATA group guidelines, 70 years in the case of Non-Executive Directors. The continuation of Executive Directors as members of the Board upon superannuation or retirement is determined / decided by the Governing Council based on stipulations of the Listing Agreement and the provisions of the TATA Group Guidelines.

5. Membership term

The Board constantly evaluates the contribution of its members and recommends their re-appointment to the shareholders. An Executive Director is appointed by the shareholders for a maximum period of five years at a time, but is eligible for reappointment upon the completion of his term. Non-Executive Directors do not have a specified term but they retire by rotation as per the provisions of the Companies Act, 1956.

6. Board Compensation

The Remuneration Committee decides the remuneration and performance linked bonus, if any, for the Executive Directors/MD, and also for the Non-Executive Directors in terms of the shareholders' approval obtained at the Annual General Meeting. The commission is paid at a rate not exceeding 1% of the Net Profit of the Company computed in accordance with Section 309(5) of the Companies Act, 1956. The Non-Executive and Independent Directors, except the Nominee Director from WBIDC, are eligible to receive sitting fees. Performance linked bonus for attending Board Meetings and other Committee Meetings is distributed on the basis of their attendance and contribution at the Board and Committee Meetings as well as time spent on the operational matters other than at the meetings.

The Company did not grant any Stock Option to Executive/Non-Executive Directors during the year.

7. Membership of other boards

Executive Directors are excluded from serving on the Board of any other entity, unless these are Corporate or Government Bodies, whose interests are relevant to the future of iron and steel business or are key economic institutions of the nation, or whose primary objective is of benefiting the society as a whole.

Independent Directors are not expected to serve on the Board of the competing companies. There is no other limitation on them save those imposed by law and good corporate governance practices.

B. BOARD MEETINGS

1. Scheduling and selection of agenda items for Board Meeting

During the F.Y 2006 – 07, 7 (seven) Board Meetings were held. The notice of the meeting specifying the day, date, time and full address of the venue of the meeting was given at least seven days before the meeting to all the Directors at the address provided by them or at their usual address in India. The agenda along with the notes, draft resolution of the items to be approved were sent well in advance, so that the Directors come prepared to offer advice and guidance during the meeting. The agenda was finalised after consultation with the Managing Director as well as the Senior Management Team Members.

Partial presence of the departmental and operational heads is sometimes requested by the Board to provide additional insights into the items being discussed. The quorum was maintained in all the Board Meetings held during the year.

2. Information placed before the Board of Directors during the year includes:

The Board has easy and direct access to any information within the Company and to any employee of the Company. At the meetings of the Board, the managers who can provide useful insight into the items being discussed are invited as and when considered necessary.

The following information is regularly supplied to the Board along with the specific item agenda:

1. Annual operating plans and budgets, capital budgets and any updates;
2. Quarterly audited results of the company and its operating divisions or business segments;
3. Minutes of meetings of Audit, Remuneration, Shareholders'/Investors' Grievance and Investment & Borrowing Committee, as well as abstracts of circular resolution passed;
4. General notices of interest and any updates;
5. Notices under Section 274(1)(g) of the Companies Act, 1956;
6. Status of safety, security & legal compliance.
7. Status of business risk exposures, its management and related action plans presented before the Audit Committee.
8. Internal Audit findings & reports through the Audit Committee.
9. Information on recruitment and remuneration of senior officers just below the board level including appointment or removal of CFO, Company Secretary, Vice President (Project) and Chief Financial Controller;
10. Materially important litigation, show cause, demand, prosecution, and penalty notices;
11. Company's management development processes and succession of senior management;
12. Fatal or serious accidents, dangerous occurrences, any material effluents or pollution problems;
13. Any material default in financial obligations to and by the company or substantial non-payment for goods sold by the company;
14. Any issue, which involves possible public or product liability claims of a substantial nature;
15. Details of any joint ventures or collaboration agreement;
16. Transactions that involve substantial payment, if any, towards brand equity or intellectual property, etc;
17. Significant developments on the human resources front;
18. Sale of material nature, of investments, subsidiaries, assets, which is not in the normal course of business;
19. Quarterly details of foreign exchange exposure and the steps taken by the management to limit the risks of adverse exchange rate movement, if material;
20. Non-compliance of any regulatory, statutory or listing requirements and shareholders' services such as non-payment of dividend, delays in share transfer, repayment of the principal amount of debentures, etc;
21. Transfer of unpaid/unclaimed dividend/debenture interest/shareholders' refund, pending for more than 7 years, to Investors' Education and Protection Fund of the Central Government;
22. Related Party Transactions;
23. Risk Analysis Report;
24. Make Good Reports on completed CAPEX schemes; and
25. Social/Community Initiatives.
26. Progress of creating effective communication with the Govt. of West Bengal & Maharashtra for the development & growth of our Industry and its surrounding areas.
27. Sustainability Report.

C. BOARD COMMITTEES

The terms of reference of the Board Committees are determined by the Board from time to time. Presently, the Company has five committees, viz.

- Audit Committee,
- Remuneration Committee,
- Shareholders'/Investors' Grievance Committee,
- Borrowing & Investment Committee and
- Share Transfer Committee.

Each committee has an appropriate combination of Non-Executive and Independent Directors.

The Board decides the membership criteria of the committees and its selection policy at regular intervals. The Chairman of the Board, in consultation with the Chairman of the concerned committees along with the General Manager (Corporate Services) and Company Secretary, decide the frequency and duration of the meetings.

1. AUDIT COMMITTEE

On 26 June 1995, the Audit Committee was constituted to provide and monitor financial accuracy, adequacy, disclosure and transparency for ensuring that the Financial Statements furnished by the Management, including reports of the Internal Auditor, Statutory Auditors and Secretarial Auditor are correct, sufficient and credible. It also oversees the effectiveness of the External and Internal Audit systems to assist the Board in providing useful supervision of the overall financial reporting process.

1.1 General Objectives

The Audit Committee oversees the work carried out in the Financial Reporting process furnished by the Management, including Internal Auditor, Statutory Auditors and the Secretarial Auditors of the Company.

To perform this objective, the Internal Audit function has a two-fold, "shared" role as follows:

1. Basic Internal Control (Compliance Role)
2. Business Advisory Role:

1.2 Composition of Audit Committee

The Committee consists of 3 directors, out of which 2/3rd of the total consists of independent directors. The Board of Directors elects the members of the Committee. The duties and responsibilities are in addition to those assigned to the members of the Board.

Composition of Audit Committee as on 31st March 2007:

Mr. A.C. Wadhawan	Chairman
Mr. P.K. Jha	Member
Mr. Dipak Banerjee	Member

2. REMUNERATION COMMITTEE

The Remuneration Committee of the Company was constituted on November 21, 1994 with an objective of determining the remuneration packages for the Managing Director and the Non-Executive Directors.

Following are the terms of reference of the Remuneration Committee of the Company:

1. Approving of the annual increment in the remuneration payable to the MD within the salary scale as sanctioned by the shareholders
2. Varying, altering or widening the terms of remuneration of the MD within the limits sanctioned by the shareholders
3. Determining commission/performance linked remuneration payable to the MD and the Non-Executive Directors within the limits specified by shareholders
4. Sanctioning retirement benefits within the limits as informed to shareholders

The recommendations of the Remuneration Committee are considered and approved by the Board subject to the shareholders' approval.

The Remuneration Committee comprises four Non-Executive Directors. Three of them, including the Chairman of the Committee, are independent.

Composition of Remuneration Committee as on 31st March 2007:

Mr. A.C. Wadhawan	Chairman (Non-Executive, Independent)
Dr. T Mukherjee	Member ((Non-Executive)
Mr. P.K. Jha	Member (Non-Executive)
Mr. Dipak Banerjee	Member (Non-Executive, Independent)

3. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

The Shareholders'/Investors' Grievance Committee of the Company was formed on April 28, 2000. The Committee looks into and monitors the redressal of complaints made by shareholders and investors. Complaint areas include:

- Share transfer
- Non-receipt of Annual Report
- Non-receipt of declared dividend

The Shareholders'/Investors' Grievance Committee comprises of three Directors with two Non-Executive & Independent Directors, including the Chairman of this Committee and one Executive Director. The General Manager (Corporate Services) and Company Secretary of the Company acts as the Compliance Officer.

Composition of Shareholders'/Investors' Grievance Committee

Mr. Manish Gupta	Non-Executive
Mr. Harsh K Jha	Executive
Mr. Ajoy Kumar Roy	Non-Executive Independent

4. SHARE TRANSFER COMMITTEE

The Share Transfer Committee was formed in April 1993 to approve transfer/ transmission of share and reject transfer/ transmission applications according to law. The Transfer Committee is also empowered to issue duplicate share certificates.

Composition of Share Transfer Committee

Mr. Harsh K Jha	Executive – MD
Mr. Subhasis Dey	GM (Corp. Serv.) & Company Secretary
Mr. Ajoy Kumar Roy	Non-Executive & Independent

5. INVESTMENT AND BORROWING COMMITTEE

The Investment and Borrowing Committee was formed on April 30, 1996 to approve the investments made by the company at a given period of time and for borrowing purposes. The Committee consists of one Non-Executive and one Executive Managing Director. The Vice-President (Finance & Accounts) is also a member of the Committee.

Composition of Investment & Borrowing Committee as on 31st March 2007:

Mr. Harsh K Jha	Executive – Managing Director
Mr. P.K Jha	Non-Executive
Mr. Amit Ghosh	Vice – President (Finance & Accounts)

6. COMMITTEE OF BOARD

The Committee of Board (COB) comprising of 4 members, was constituted on 23rd May, 2006, for the purpose of deciding on the investment matters of the Company.

D. RISK MANAGEMENT FRAMEWORK

The Company has established a robust risk assessment and minimization procedure. This is reviewed regularly by the Board of Directors. The Risk Assessment Committee comprising senior executives of the management is responsible for identifying and evaluating various risks and empowering the internal control systems to reduce or mitigate them. An elaborate Risk Management Process, as contemplated by the revised Clause 49 of the Listing Agreement is followed at the Company.

Risk management covers all the processes involved in identifying, assessing and judging risks, assigning ownership, taking actions to mitigate or anticipate them, and monitoring and reviewing progress. The management of risk is not a linear process; rather it is the balancing of a number of interwoven elements which interact with each other and which have to be in balance with each other.

The impact of challenging business environment prevailing over the past one year, since acquiring a unit in the West, has been felt very significantly by the Company. It is indeed in such time that the Company's ability to anticipate and respond in time is put to test. Even in difficult times, the Company has performed better than most of its competitors, to sustain both the top-line and the bottom-line.

a) Risk Management Policy

TML follows the following process for its risk management. The figure below shows the main steps in the Company's risk management cycle.



Risk Management Flow-Chart

b) Types of risks

The risk parameters of the Company remain the same as indicated during the earlier years.

- ✓ **Inherent Risk :** The original risk attached to any factor without considering any existing mitigation measure or strategy instituted by the Company.
- ✓ **Residual Risk :** The resultant risk after considering the effectiveness of any existing strategy/measure/control instituted by the Company; i.e. Inherent Risk Rating minus Effectiveness of Control.
- ✓ **Target Risk :** These are the intended risk level of residual risk areas after instituting strategic action(s).
- The risks are assessed and prioritised according to their importance and the score awarded to each individual risk parameter. The scores are awarded based on the likely impact of the risk parameters on the financial performance

and reputation of the Company and their probability of occurrence. Risks related to same issue are grouped together and are classified as follows :

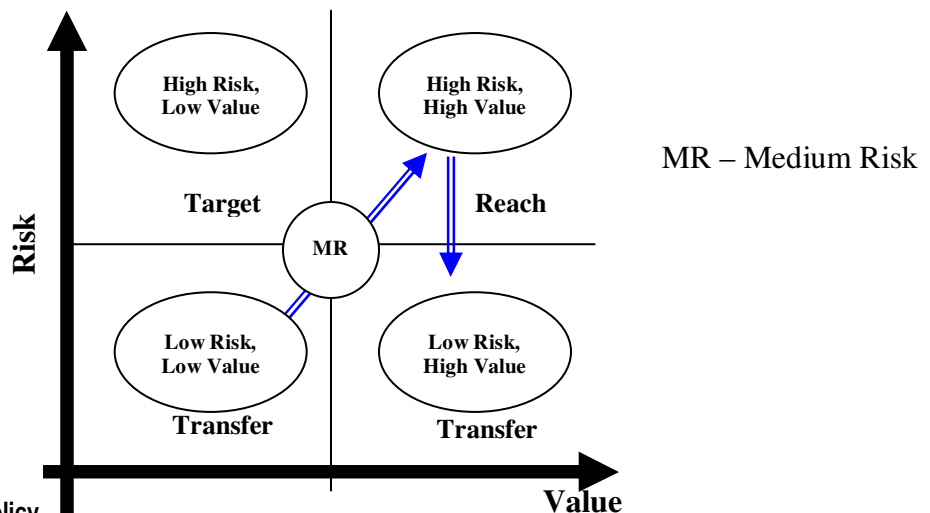
- High Risk (Score ≥ 11)
 - Medium (Score 7 -11)
 - Low risk (Score ≤ 7)
- } Based on Tata Group Guidelines

- The inherent risks are reduced to residual risks after taking into account the adequacy (or otherwise) of the mitigation controls already in existence. Thereafter the Company treats the risks in the following manner

- (a) High Risks – Mitigate/ manage through strategic initiatives at corporate level
- (b) Medium – Mitigate / manage through strategic initiatives at corporate level or operational plan at functional level depending on relative importance
- (c) Low – monitor or maintain through functional level plan

c) Risk Goal of the Company

Realising the higher rates of returns associated with the higher degrees of risk, the Company wishes to voluntarily place itself in the “high risk – high value” zone on the risk matrix. It consciously places itself in a “High Risk” area with a score of ≥ 11 to reap benefits of high value associated with high risks. The Company eyes to place itself in the entire upper half of the risk matrix and more so in the “high risk – high value” zone. Thereafter, the Company moves itself to the Low Risk, High Value zone, the most desirable spot on the risk matrix. While defining the central zone as the “Medium Risk – Medium Value” zone, the Company always maintains a constant vigil on the lower half of the risk matrix i.e. the comparatively low-risk zone.



d) Risk Monitoring Policy

The Risk monitoring processes in TML ensure that risks do not exceed tolerable limits set by the Company policies.

- As part of the monitoring process, Performance Indicators, Targets, Timeframe and Responsibility (deployment) are identified for each Strategic Plan. The tolerance line is set for the project by agreement between the Executive and Project Manager. Monthly reviews are scheduled and held as part of the monitoring system. Plans, targets are modified, appended and/or revised on a case to case basis. As risks are reviewed, any changes to their impact or probability which cause them to move above and to the right of the ‘risk tolerance line’ need to be considered carefully and referred upwards for a management decision on the action to take. The extent of achievement of the plans and targets serve as guidelines for formulating the next years’ strategy plans of the Company.
- The monitoring process is also carried out through various third party certifications.

e) Risk Mitigation Policy

TML's risk management policy endeavours to improve the corporate governance in the Company by understanding and managing the key business risks associated. It is a part of the Company's strategic planning. The risk mitigation policies followed by the Company try and ensure that the risks are reduced to minimal levels.

- The Company continuously upgrades its internal control systems in line with best international practices.
- The top management, together with the HoD's and the strategic planning group carry out environment scanning and industrial scenario analysis (SWOT analysis), followed by determination of strategic objectives. The entire process is placed before the Audit Committee for its guidance and advice. The senior management identifies the challenges and objectives that the Company faces and prioritises the risks using a 5 point scale (5 –critical to 1-not important).
- The risk mitigation strategies and measures are then identified. Critical, very important and important issues are used for risk analysis.
- Monitoring progress of such plans and course correction – Responsibility is placed on the senior management jointly at the PMS, other corporate levels and at the review fora and on the respective process/functional heads individually at the process/ functional level for their own areas of responsibility.
- High importance is placed on selecting the approaches to be used with regard to the risk appetite, risk impact and risk portfolio of the Company.

4.2 Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).

The Chairman is a Non-Executive director in the Company.

4.3 For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive directors

As per the revised Clause 49 I(A) of the Listing Agreement with the Stock Exchanges, an "Independent Director" is a Non – Executive Director of the company who: -

- a. apart from receiving director's remuneration, does not have any material pecuniary relationships or transactions with the company, its promoters, its directors, its senior management or its holding company, its subsidiaries and associates which may affect the independence of the director;
- b. is not related to promoters or persons occupying management positions at the board level or at one level below the board;
- c. has not been an executive of the company in the immediately preceding three financial years;
- d. is not a partner or an executive or was not a partner or an executive during the preceding three years, of any of the following:
 - (i) the statutory audit firm or the internal audit firm that is associated with the company, and
 - (ii) the legal firm(s) and Consulting firm(s) that have a material association with the Company.
- e. is not a material supplier, service provider or customer or lessor or lessee of the company, which may affect the independence of the director; and
- f. is not a substantial shareholder of the company, i.e. owning two percent or more of the block of voting shares.

The Company has adopted the guidelines of Tata Sons in letter and spirit, while drawing up its Corporate Governance theory. As per the guidelines, a director is considered as an Independent Director, if, apart from receiving Director's Remuneration, he does not have any pecuniary relationship or transactions with the Company, its promoters, its management or its subsidiaries that may affect the independence of director's judgment. Institutional Directors on the Board of the Company shall be considered as Independent Directors.

TML practises the best corporate governance by holding meeting of independent directors at regular interval of six months with the Chairman. In such meetings, only independent directors are present. This facilitates the independence of the Board to take any decision. The percentage of independent directors is 50% other than nominee directors from WBIDC, constituting 10%.

4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.

This procedure has been described in Section 4.1.

The Company has in place a system of collecting feedback from various stakeholders, which includes the shareholders and the employees.

Shareholders' feedback is captured through a survey conducted by an independent agency. The findings from such surveys are contemplated by the senior management and the shareholders' / investors' grievance committee and suitable actions are taken. This survey was conducted in 2004-05 and the follow up actions are being put into place.

Employees' Satisfaction Survey is also conducted periodically and placed before the Review Committee consisting of senior management leaders. The Talent Review Forum holds its meetings thrice every year to assess the feedback and also to chalk out plans for succession planning in the Company.

4.5 Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).

In the beginning of the financial year, a performance contract in the form of MOU is signed between the Divisional Heads, the Company Secretary and the MD. The responsibilities as per MOU are cascaded down depending on the area covered by each executive. The executive compensation is based on the achievements of each individual both in financial and non-financial areas. The Chairman of the Board along with an Independent Directors in a meeting formally assess the performance, achievements and growth of the senior executives including MD to arrive at compensation packages.

For the compensation of the senior executives, the Chairman of the Board and the independent Directors assess their performances, achievements and growth potential in a formal meeting. The Managing Director also participates in this evaluation process.

4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided

All the members of the Board are required to give disclosures to the Company as and when they take up directorship in any new Company/organization or resign from any previously held position. These disclosures are put up before the Board members during the next Board Meeting held after such disclosure for the purpose of discussion and approval, in case there is any possibility of a conflict of interest. All such proposals are vetted by the joint decision of the other Board members along with the consent of the Chairman of the Board.

Further, all the independent directors refrain themselves from getting involved in any activity which may not be in consonance with the concept of "independence" as defined in Clause 49 of the Listing Agreement, along with the internal guidelines issued by Tata Sons.

Further the contracts, if any, made with any parties wherein the Directors may have some interest, are entered in the statutory register maintained by the Company, as per the requirements of the Companies Act, 1956. These disclosures are also audited by the Statutory Auditors at the end of each financial year.

4.7 Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics

As far as qualifications of the Board members are concerned, technical and professional expertise, specialisation in the respective fields, experience, leadership skills are some of the attributes of the Board members. Members who have proven their expertise in economic, environment and social areas in other renowned corporate houses in and outside India and are aware of the Tata style of functioning to maintain the spirit of TCoC at the highest levels are recommended for selection to the Board. Members of the TML's Board of Directors are competent to provide leadership, strategic guidance, objective judgement of management and control over the Company, while remaining accountable to shareholders. The members of the Board are competent to provide leadership, strategic guidance, objective judgement of management and control over the company while remaining accountable to shareholders.

4.8 Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.

The vision and the guiding principles of TML are evolved internally based on the environment scan and its business impact, based on which the business strategy is also evolved. An undying passion to excel, to become first in whatever it does, ethical business practices, innovation, improvement orientation, teamwork, participative management, and responsiveness towards all stakeholders' expectations, are the core of its organisational culture. Its culture is derived from its vision 'Reaching Tomorrow First', and five values viz.,

- Value Creation,
- Speed and Agility,
- Learning, and Innovation,
- Integrity and Candour and
- Good Corporate Governance.

The culture influences the organisational and employee behaviour, which are guided by a set of articulated policies, code of conduct and principles of corporate sustainability management.

Besides, the Company also puts its guiding principles in writing and thus it follows the Tata Code of Conduct (TCoC), which is handed over to the employees at the time of joining the Company to make them aware of the Code. An independent External Ethics Counsellor (EEC) also reviews periodically, the implementation of the TCoC (TCoC is available at the Company's website at www.tatametaliks.co.in).

The Company has also framed and adopted a Whistle Blower Policy whereby any employee may raise and bring to the notice of the management any instance of mismanagement, unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy from time to time. The Audit Committee of the Company and the Systems Assurance Department has within the purview of their activities overview and review of the functioning of the Whistle Blower mechanism.

The Company has constituted a "Whistle Blower Protection Committee" as a part of its Whistle Blower Policy. The Committee has been constituted under the Chairmanship of the Vice President (Finance & Accounts). The other members of the Committee include senior officials of the Company. Whistle Management is determined to give appropriate protection to the genuine Whistle Blower. At the same time, the employees are advised to refrain from using this facility for furthering their own personal interests. If proved, such cases may be referred to the Whistle Blower Protection Committee for disciplinary actions.

The Company regularly complies with the SEBI (Prohibition of Insider Trading) Regulations, 1992. Whenever any Price Sensitive Information (PSI) is taken up for discussion at any Board Meeting, the Company closes its "Trading Window", by adhering to the Insider Trading norms stipulated by the SEBI. As per the recent amendments of SEBI (Prohibition of Insider Trading) Regulations, 1992, for presentation of PSI, Directors/ Partners/Employees are not to pass on PSI to any person directly or indirectly for purchase or sale of securities.

Other than the aforesaid, the Company has also developed the following policies on major issues to be adopted and used suitably by various stakeholders :

- IT Policy;
- ESHQ (Environment, Safety, Health & Quality) Policy;
- HRM Policy; and
- TPM Policy

4.9 Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles. Include frequency with which the highest governance body assesses sustainability performance.

The Board members regularly review the performance on Economic, Environment, Social and Community services but major thrust has been put on the organisation's desire to meet the stakeholders' needs. The Board Meeting agenda paper along with the explanatory note and the supporting details on Economic, Environment & Social performance including legal compliance are sent well in advance to all the Board members so that the feedback from the Board members is either discussed in the Board Meeting or analysed by the Top Management for future business effectiveness.

The Company's top management team along with process owners keeps in mind all the risks (inherent risks, residual risks and target risks) at the time of strategy planning. The Managing Director reports all additional endeavours in his reports to the Board of Directors every three months, on the basis of which the Board assesses the performance of the Company.

The Company's top management also oversees the production facilities at regular monthly intervals through the Performance Management Systems (PMS).

4.10 Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.

The Company does not have any defined written process for evaluating the highest governance body's own performance, however, the Chairman on the basis of the number of meetings attended by the Directors, evaluates the performance and contribution in discussions related to operational matters and matters covering economical, social and environmental performance. Moreover, the performance of the senior executives, one level below the Board and the independent directors themselves is assessed and evaluated by the Board.

Commitments to External Initiatives

4.11 Explanation of whether and how the precautionary approach or principle is addressed by the organization

Precautionary approach is engrained in all the guidelines and policies formulated by TML. Its commitment to all stakeholders includes no wasteful use of natural resources and proactively managing the impact of its products, services and operations on environment, safety and health aspects of impacted stakeholders. Application of Business Impact Principles for formulating strategies and action plans is carried out within the broad framework of its policies / guidelines where safety, health and environmental concerns get equal weightage as that of financial concerns.

TML identifies, measures and manages the risks associated with its present and future products, services and their impact on overall environment. The entire process takes place through ESHQ management system in a proactive manner (covering all the standards i.e. ISO 9001/14001, OHSAS 18001 and applicable legal requirements).

The Company identifies the various risks associated with its various processes through a well-defined process of identifying and addressing sustainability issues. The needs and expectations of various stakeholder groups are sought to be addressed through a multi-pronged strategy approach :

- For Customer – customer-focus and market-focus
- For Suppliers – value-proposition
- For Shareholders – Financial and Economic perspective
- For Employees – Capability perspective
- For Society – environmental and social perspective

The business impact principles of TML are given here-in-below :

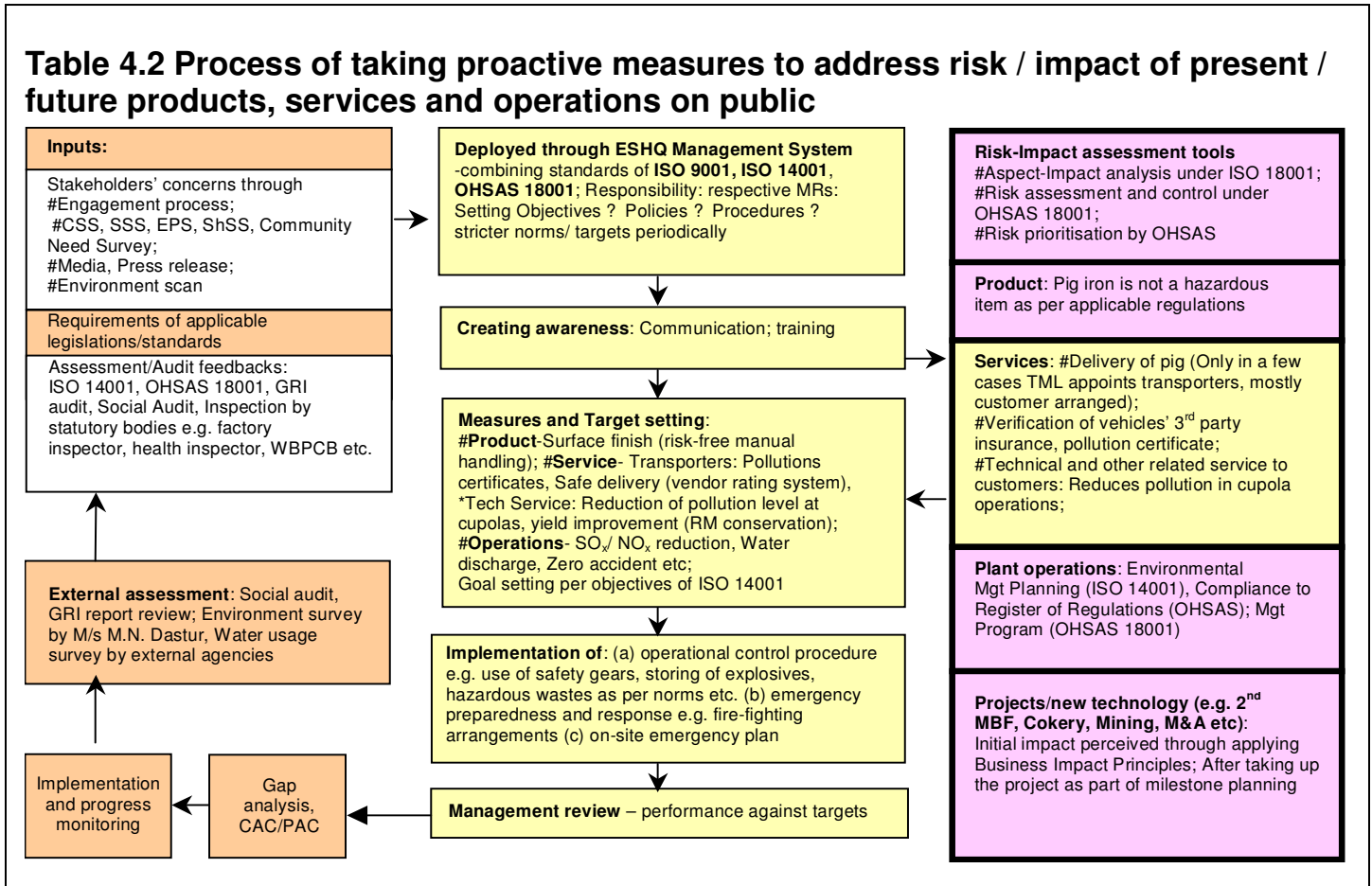
Business Impact principles:

- How many stakeholder categories are benefited
- Financial Impact
- Social Impact
- Implication of not taking such action in case of adverse social impact
- Time-frame for taking such action

Table 4.2 below includes examples of actions taken by the Company to manage the risks associated with its products, services and/or operations. Prior to the application and/or implementation of any kind of technological innovation or upgradation, the Company ensures that all the new projects are subjected to ESHQ management system. All necessary environmental improvement measures are in place and are strictly monitored under ESHQ management norms.

4.12 Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.

Include date of adoption, countries/operations where applied, and the range of stakeholders involved in the development and



governance of these initiatives (e.g., multi-stakeholder, etc.). Differentiate between non-binding, voluntary initiatives and those with which the organization has an obligation to comply.

TML is a signatory to the mandatory TATA-CoC (TCoC). The values and ethical norms enunciated in the Code are binding on the Company and all of its employees, thus reinforcing the values upheld in the UN Global Compact. These standards pertain to Corporate Conduct, National Interest (clause 1), Competition (clause 3), Equal Opportunity Employer (clause 4), Health, Safety and Environment (clause 8), Quality of Products and Services (clause 9), Corporate Citizenship (clause 10), Public Representation of the Company & the Group (clause 12) Employees' Conduct, Ethical Conduct (clause 1), Regulatory Compliance (clause 2).

TATA group has also adopted **United Nations Global Compact** (declared on 31 January 1999) in July 2002. TML, being part of TATA group of companies, abides by ten principles of the Compact pertaining to Human Rights, Labour, Environment and Anti-corruption. The Company ensures compliance to these principles through ESHQ Management System and various contracts e.g. Purchase Orders (of service purchase and declaration by service providers regarding non-deployment of child labours), wage contract (collective bargaining through Charter of Demand).

TML (a Tata Group Company) being a conscious corporate citizen has also initiated all necessary actions towards abatement of Green House Gas emissions through the implementation of energy efficiency improvement schemes such as the **Clean**

Development Mechanism (CDM) – 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.

Besides, TML has implemented and has been actively pursuing various other models which integrates the standards for economic, environmental and social excellence, viz. ISO 9001:2000, ISO 14001:1996, OSHAS 18001, TPM (Total Productive Maintenance), TBEM (TATA Business Excellence Model based on Malcom Baldrige model), EFQM through CII-EXIM Bank Excellence Model.

The Tata-CoC, ISO 9001:2000, ISO 14001:1996, OSHAS 18001 and the TBEM are all obligatory initiatives whereas the remaining are all voluntary initiatives.

4.13 Memberships in associations (such as industry associations) and/or national/ international advocacy organizations in which the organization:

TML has membership of various industry bodies and national organisations for promoting economic, environmental, social and business excellence concerns and addressing these issues. Table 3.4 carries the details of business associations with few of such organisations.

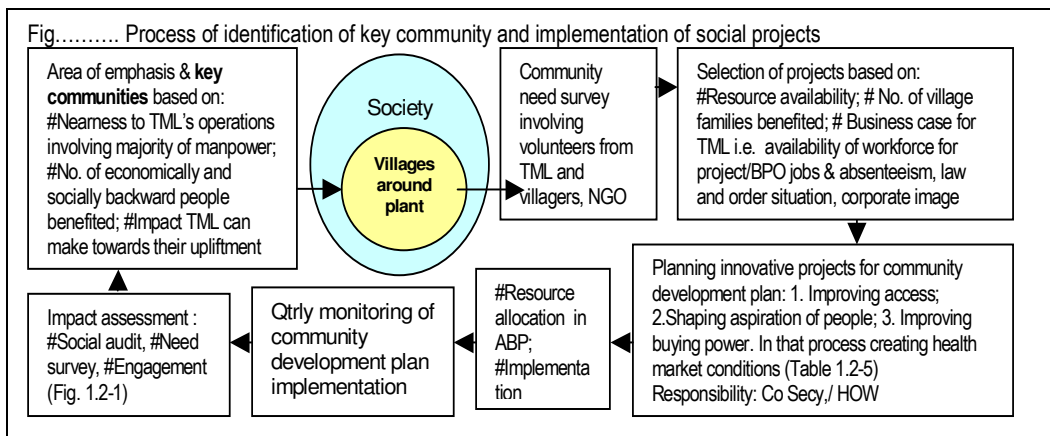
Table 3.4 Principal membership and areas of partnership	
Organisations	Areas of partnerships
CII, ASSOCHAM, BCC, ICC	Economic, social, environmental, industry-related issues, sharing of best practices
PIMA	Business, industry, economic issues, environmental concerns
CII TPM Club	Operational excellence
TBEM Eastern Regional Council	Addressing approaches to manage economic, social, environmental and governance related stakeholders' concerns, other business excellence aspects, sharing of best practices
TCCI	Contribution to and participation in social welfare programmes beyond TML's areas of impact (i.e. surrounding villages to Plant)

4.14 List of stakeholder groups engaged by the organisation

TML has identified the following five major groups as its key stakeholders:

- i. Shareholders
- ii. Customers
- iii. Suppliers
- iv. Employees
- v. Society

4.15 Basis for identification and selection of stakeholders with whom to engage



TML is a frontrunner in Community Development. TML identifies its key stakeholders based on those who are affected by its products, services and operations. Key Communities are identified based on nearness to TML plant

(within a radius of 10 Kms) involving majority of manpower and number of economically backward people that can benefit. Such identification is followed by Community Need Survey to determine the areas of emphasis and locality. Key Communities for TML

consist of villages around plant and their needs are health, education, self-employment & infrastructure development. The Process of identification of Key Community and implementation of Social Projects is shown in the Figure below.

4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group

The primary mode for consulting various stakeholder groups is a two-way communication or stakeholder engagement calendar through various fora detailed in Table 4.1. Besides, there are several surveys and feedback mechanism using internal and external agencies to identify satisfaction and/or dissatisfaction aspects of different stakeholders. Stakeholders' concerns are identified through the process of engagement, surveys and feedback mechanism.

Table 4.1 Various modes of stakeholders surveys				
Stakeholder	Modes	Frequency	Agency engaged	Coverage / Feedback on
Shareholders	<ul style="list-style-type: none"> ▪ Shareholders' Satisfaction Survey ▪ Shareholders' Perception Survey 	Annual / as per plan	External Agency - IMRB Internally done by Secretarial dept.	<ul style="list-style-type: none"> • Promptness and accuracy in managing physical transfer of certificates • Promptness in revalidating dividend warrant • Speed in grievance handling
Customers	Customer Satisfaction Survey	Annual	External Agency - IMRB	<ul style="list-style-type: none"> • Price, quality, delivery performance • Ethical standard
Suppliers	Suppliers Satisfaction Survey	Annual	External Agency - IMRB	<ul style="list-style-type: none"> • Payment performance • Business volume • Ethical standard
Employees	<ul style="list-style-type: none"> ▪ Employee Satisfaction Survey ▪ Employees' Perception Survey ▪ Feedback 	Every 18 months Continuous	External Agency – MAFOI EEC	<ul style="list-style-type: none"> • Career, compensation, job rotation • Self-development • Leadership style, behavioural aspect • Ethical issues • Feedback on effectiveness of Mgt action w.r.t above
Community	Community Need Survey (covering surrounding villages to the Plant)	Annual	Internally by own employees accompanied by Panchayat members	<ul style="list-style-type: none"> • Needs w.r.t. health, education, infrastructure • Satisfaction w.r.t. TML's initiatives

Stakeholder engagement calendar

4.17 Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting

The stakeholders, through interactions and surveys, communicate their performance expectations from the company, their present and future concerns, and level of satisfaction with regard to actions taken by the company to address their concerns / performance expectations.

The information/feedback gathered from various stakeholders are used as input to strategic planning process through environmental scan to formulate short and long term strategies and also in the performance management system for monitoring progress and making correction (by corrective and preventive action plans), if required.

Points raised through the sustainability report are placed before the senior management and the chief of works to enable suitable actions in the PMS meeting.

Stakeholders	Areas of concern	Sustainability Drivers	Business Imperatives	Strategic Support
Shareholders	Create sustainable and aggressive growth	Growth in turnover	Influencing market sentiment by maintaining positive EVA & growth initiatives – both lateral and downstream	<ul style="list-style-type: none"> Maintenance of Positive EVA Volume led growth Value led Growth Raw material cost leadership Enhancement in NR Regular dividend payment
	Consistency in shareholder return	Improvement and Maintenance of profitability	Improvement and Maintenance of profitability	
Customers	Frequency and volume of price increase	Enhancing value proposition to the customers by enhancing and enriching products & services bouquet	# Giving technical service free of cost with Pig Iron <ul style="list-style-type: none"> Improving customers' yield and coke rate – cost saving for customers and resource conservation for the society Reducing pollution – enhancing Foundry's sustainability in partnership with WBPCB # Cost of technical services provided free, to be financed through savings in raw material cost leadership	<ul style="list-style-type: none"> Raw Material Cost Leadership Enhancement in NR
	Compliance to Pollution Control Board	Controlling pollution in customers' cupola operation		Enhancement technical services to foundries
Suppliers	Growth in business volume	More business to selected vendors	Identifying vendors of critical items with sound performance in terms of quality, sustainability (complying to environmental norms) for partnering to ensure uninterrupted supply	Covering 10% of the total vendor base as preferred vendors for partnering
	Long-term relationship	Partnering with eligible vendors		
Employees	Congenial working environment	Improvement in workplace health, safety & environment	Productivity improvement	<ul style="list-style-type: none"> Increase manpower productivity Improvement in SHE Index
	Personal growth and career progression	Opportunities for skill enhancement, job enrichment	Multi-skilling, improving value addition per employee, innovative solutions and building second line of leadership	Building HR capability through training, education, job rotation, fresh recruitment
Society	Employment Generation	Capacity Enhancement	Industry Leadership	<ul style="list-style-type: none"> Volume led growth Value led growth
	Adding to national wealth	Profitable growth	Maintaining + EVA	<ul style="list-style-type: none"> Maintain + EVA
	Environmental Improvement	Surpassing environmental norms Availability of coal / coke	<ul style="list-style-type: none"> Pig iron manufacturing is an environmentally sensitive process, hence controlling pollution Managing coke consumption 	Raw material cost leadership (use of coke alternatives, alternative iron-making technologies which do not use coke)
	Community Development	Health, Education, infrastructure development activities	Stable law and order situation, supply of skilled labour	Improvement in CDI

The stakeholders, through interactions and surveys, communicate their performance expectations from the company, their present and future concerns, and level of satisfaction with regard to actions taken by the company to address their concerns / performance expectations.

The information/feedback gathered from various stakeholders are used as input to strategic planning process through environmental scan to formulate short and long term strategies and also in the performance management system for monitoring progress and making correction (by corrective and preventive action plans), if required.

Performance Indicators – Economic

Tata Metaliks Limited posted yet another year of good performance as its turnover for the financial year 2006-07 clocked Rs. 781 Crores, a 55% hike over its turnover of Rs.504 Crores during 2005-06. With its five blast furnaces, the Company performed better than the past financial year. The brown-field acquisition at Redi, Maharashtra has completed one year and yielded a production of 180,845 tons during the last fiscal. A third blast furnace has been installed at Redi during the first quarter of the 07-08 fiscal. Despite having made major investments for enhancing its asset base, the Company has managed to maintain its debt to shareholders' funds ratio at 1.28 : 1 and the Company paid a dividend of 60% to its shareholders.

EC1 Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.

The Company reported an Economic Value Added (EVA) of Rs. 1751 Lakhs in F.Y.2006-07. During 2006-07, Tata Metaliks Limited demonstrated a year of sustained performance. The total production of hot metal grew by 41% over the previous financial year while the total sales volume increased by 37%. The turnover too increased by 55% over 2005-06, while the revenue (inclusive of other income) enhanced by 56%.

However, the EVA of the Company took a dip due to the shutdown of MBF#1 at Kharagpur for relining. Besides, there has been an 81% increase in the depreciation charges and the interest cost has also gone up considerably. Although the Company has made considerable investments for its Redi unit, however the assets at the said unit could not be sweated to the full extent as the third blast furnace at the Redi unit has started functioning very recently in F.Y. 07-08. However, the Company still ended up with a positive EVA.

With the Company's production being at full capacity and the capital investments at Redi, starting to give positive returns with the third blast furnace at Redi also being operational, the EVA would improve in the coming financial years. The combined effects of these developments will augment the positive EVA.

It may be worthwhile to note that the Company has maintained the same rate of benefit to the shareholders i.e. 60%, same as for the F.Y.2005-06 and 2004-05.

Net Sales & Other Financial Indicators	2006-07 (Rs. Million)	2005-06 (Rs. Million)	2004-05 (Rs. Million)
a) Gross Income from Operations (*)	6962.52	4457.85	2860.42
b) Profit on sale of surplus raw material	0.69	0.9	1.012
c) Operating costs	6097.712	3542.88	1718.19
d) Employee compensation	172.39	112.93	79.59
e) Profit before Interest, Depreciation, Extra-ordinary items and taxes	693.11	802.94	1063.63
f) Less: Interest	141.85	43.33	11.76
g) Profit before Depreciation, Extra-ordinary items and taxes	551.26	759.613	1051.87
h) Less: Depreciation	129.52	71.67	34.69
i) Profit before Extra-ordinary items	421.75	687.95	1017.18
j) Less: Extra-ordinary items	0	0	2.8

k) Profit before taxes	421.75	687.95	1014.38
l) Less: Provision for taxes including deferred taxes	126.59	228.8	374.35
m) Profit after taxes	295.16	459.15	640.02
n) Less: Transfer to Debenture Redemption Reserve	0	0	0
o) Add: Transfer from Debenture Redemption Reserve	0	0	0
p) Profit and loss credit balance brought forward	603.5	367.36	100.35
Balance	898.66	826.51	740.37
Balance which the Directors have appropriated, to:			
i) Proposed Dividend on ordinary Shares	151.73	151.73	151.73
ii) Taxes on Dividend	25.79	21.28	21.28
iii) General Reserve	50	50	200
Total	227.52	223.01	373.01
Balance to be carried forward	671.14	603.5	367.361

(*) Incl. Sales Tax remision (Net of Excise Duty)

Retained earnings:

TML recorded an increase in retained earning 67.64 million in the year 2006-07.

Payment to providers of capital:

The ratio of payment made to financiers and providers of capital works out to 1.28 : 1.

	Unit	2006-07	2005-06	2004-05
Interest on debts and borrowings	Rs.	141.85	43.33	11.76
Dividends (including dividend tax)	Mn.	177.52	173.00	173.00

Payment to government:

The total sum of taxes like sales tax, excise duty paid by the company is given here in below :

(Rs. In Millions)

	UNIT	2006-07	2005-06	2004-05
Excise duty	Rs. Million	663	673	298
Sales tax		333	158	89
Direct tax		88	156	372
Total		1084	987	760

EC2 Financial implications and other risks and opportunities for the organization's activities due to climate change.

During the last fiscal, the Company actively worked on the CDM project. Right after the end of the last fiscal, the Company has received the host country approval for the CDM project. However, the Company is yet to start trading in carbon.

Further details about this project have been provided in EN 18.

EC 3 Coverage of the organisation's defined benefit pension plan obligations

As all the employees of TML are covered under the Pension Scheme, 1995 of the Central Government, hence this is not applicable.

EC4 Significant financial assistance received from government

TML had applied to the West Bengal Industrial Development Corporation (WBIDC) for State Capital Investment Subsidy. WBIDC, vide its letter dated 23rd September 2005, had admitted Rs.105.62 Lakhs to the Company on account of the same. Subsequently, the Company has received the said amount of subsidy in May 2007.

EC5 Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation

Kharagpur & Redi

At Kharagpur, the minimum wages as per the revised Govt. Notification

At Redi, the minimum wages as per Government notification (applicable for Sindhudurg district)

E6 Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation

A total amount of Rs. 5250.83 million was paid to suppliers during the reported period. One of the major payments includes :

Table EC11	UNIT	2006-07	2005-06	2004-05	2003-04
Tata Steel Limited (India) (Purchase of Raw Materials)	Rs. Million	720	739	749	224

EC7 Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation

Employees at the worker level are recruited from among the local people at the plant sites. They are recruited after conducting a written test followed by a personal interview. For recruitments at the supervisor level, though preference is given to people belonging to the local areas, they may also be recruited from outside. However, recruitments at the officer level are open to people from all regions of the country.

Senior management in Tata Metaliks Limited comprises of members at or above the Assistant General Manager level and below the Board level. Any executive in charge of any special business unit can be considered as senior management (may or may not be at the AGM level). Local members mean members posted near the plants of the Company.

Among senior management, about 65% and 68% belong to the local community (Redi and Kolkata-Kharagpur respectively).

E8 Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement

Not Applicable.

E9 Understanding and describing significant indirect economic impacts, including the extent of impacts

TML's operation in Paschim Midnapore at West Bengal and Redi at Maharashtra has resulted in various indirect contributions to the development of the surrounding villages. Its production facilities at both the places have contributed to create indirect employment for jobs like transportation, loading, unloading, security, canteen, courier, guest house and administrative activities like photocopying and telephone facility. A number of local labour are employed in its production operations who are hired by the local contractors in the given area. In addition, due to outsourcing of jobs for various production activities, there has been an increase in the indirect employment by suppliers and outsourcing agents.

Its ATM facility adjoined to the works premises at both Kgp and Redi have helped in bringing modern-day banking to the interior rural locality.

At Redi, the Company is providing water facilities to the adjoining villages.

PERFORMANCE INDICATORS

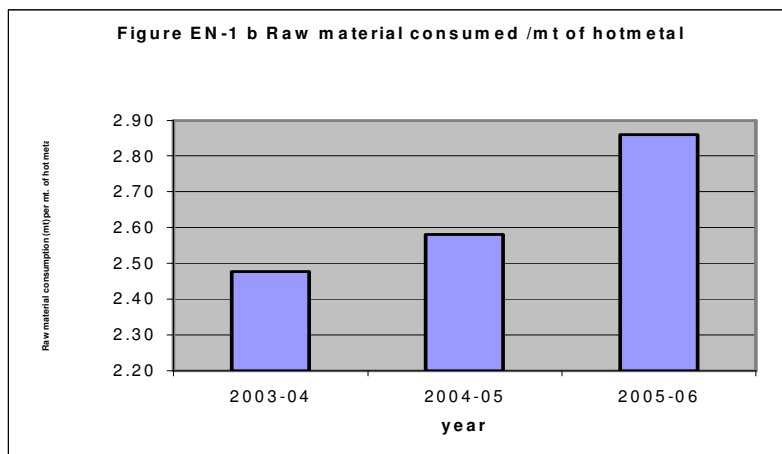
ENVIRONMENTAL

TML is engaged in the process of manufacturing Pig Iron through Mini Blast Furnace where various types of materials like Iron ore, Coke, Fluxes, Oxygen (from oxygen plant) and Hot air are used as major raw materials for the reduction process in the Blast Furnace. Iron is extracted from the iron ore in the blast furnace through a chemical reaction inside the furnace where coke is used for giving heat input and to maintain thermal balance. Flux (Dolomite, Limestone, Manganese, Quartzite) is used to extract gangue material from the iron ore. Hot air is required for supplying oxygen in the combustion and to help the reduction process within the Blast Furnace.

EN1 Materials used by weight or volume

The amount of raw material used are given in the table EN-11 and the consumption pattern in figure EN-12:

Quantity of raw materials used in MBF at TML					
Raw Materials (Consumed)	2006-2007		2005-2006		2004-2005
	KGP	Redi	KGP	Redi	
Iron Ore (MT)	423870	330,504	495809	26142	243025
Coke (MT)	224,972	147,826	255319	10866	130485
Flux (MT): -					
Dolomite	5,342	17,647	2413	1439	9822
Limestone	59653	22,750	69562	1654	29357
Manganese Ore	6869	4,201	8967	258	3995
Quartzite	15353	6,755	13098	794	6069



Note : 1) *The 2nd M B F has been commissioned during the FY :2004-2005, So production & raw material consumption were high.

2) The raw material input per THM is high because of more use of high ash coke instead of low ash coke compared to last year. It was a strategic decision based on global market scenario of availability and cost of low ash coke in 2004-2005. In 2005-2006 total hot metal production is less (19862 MT) than the ABP as MBF # 1 had taken more shut down for carrying out preventative maintenance as furnace is due for relining (planned in 2006-2007)

3) Due to commissioning of 2nd M B F, L D O and H S D consumption were high for running the D G sets and initial heating of the HBS in 2004-2005 and shut down of MBF in 2005-2006

EN2 Percentage of materials that are recycled input materials

LD slag of Steel plant is used, this LD slag is a waste material for them

Generally steel plant produces LD slag, which is a by-product of Blast Furnace process. This LD slag is (up to certain extent) used in the process of manufacturing of Pig Iron for the following reason:

- LD slag is used as a flux for partial replacing of limestone to economize the flux input cost (table EN-2).
- Iron % in LD slag reduces the consumption of iron ore.
- Calcite Lime in LD slag helps in reducing coke rate.

Percentage of LD Slag used is 0.41%

Table EN-2 Raw material used (Which are waste for other plant)	Quantity of LD slag use			
	2003-2004	2004-2005	2005-2006	2006-2007
L.D Slag (MT)	5278	1635	8246	2988

TML, Redi is not using LD slag

ENERGY

EN3 Direct Energy consumption by primary energy source

TML does not purchase power from outside. Power is being produced through a captive power generation plant. Fuels like diesel, LDO, coke are used as the direct energy source. Diesel and LDO are supplied by Hindustan Petroleum Corporation Ltd and IOCL respectively and are used in DG sets, when boiler is not under normal operation. Coke is used in blast furnace as a fuel to reduce iron ore. The details of direct energy consumption are given in table EN 3. BFG, output of the MBF process, is used for the generation of power and to preheat the cold air in the Hot Blast Stoves. In normal conditions, the production of BFG is 1.40 times of intake cold air (volume by volume). BFG is rich in CO (calorific value; 750 Kcal / Nm³). In addition to the existing 2.76 MW captive power plant, another plant of capacity 4.00 MW has been commissioned in the year 2005-06. TML is also having 2 nos. (capacity 1 MW each) and 1 no 250 KVA DG sets for supplying power in emergency condition.

Use of Direct Energy for Kharagpur			
Direct Energy used	2004-2005	2005-2006	2006-2007
Diesel (In G-Joule)	31396	48619	10979
LDO (In G- Joule)	14175	40074	22141
Coke (In G-Joule)	4165081	8496625	6344209

Use of Direct Energy for Redi	
Direct Energy used	2006-2007
Diesel (In G-Joule)	124351.019
LDO (In G- Joule)	22202.615
Coke (In G-Joule)	4336674.879

EN4 Indirect Energy consumption by primary source

TML does not use power from GRID neither buys power from any other source. It has its own captive power plant to meet all its operational requirements. The captive power plant utilizes BFG. From the year 2007-08, we are planning to have grid power to compensate the shortfall of power at Kgp.

At Redi, we use grid power for producing pig iron, which is in addition to the power generation through power house where BF gas is used.

EN 5 Energy saved due to conservation and efficiency improvements

In MBF 1, for last 2 years, 2 pumps were used for returning shell cooling to the cooling tower. Now a modification has been carried out to redirect the store valves cooling water directly to the cooling tower. Earlier it used to come to the sump of shell cooling water. By doing this – we have reduced the amount of water getting accumulated at the tank of shell cooling water thereby reducing requirement of another pump to handle the extra accumulation of water.

This modification has helped in saving 900 units of power worth Rs. 3150 per day in addition to saving in maintenance cost. This would be 3240000 Joule.

At Redi, Energy Audit of the plant was carried out by Certified Energy Auditor in the month of Feb, 2007 and action will be taken in the next financial year.

EN 6 Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.

Currently no initiatives are being taken.

EN7 Initiatives to reduce indirect energy consumption and reductions achieved

TML is not using any sources of renewable energy for its operations. However, various activities are already being undertaken to minimize the energy losses and to increase the efficiency of the system. Some of the examples are:

- Car pull – Raw materials trucks are used for dispatch of finished goods.
- Reduction of oil consumption through various initiatives like the common ring header for BFG for boiler 1 & 2 in captive power plant
- Installation of low energy – high efficiency pump in cooling water circuit.
- Installation of FRP blade in cooling tower fan
- Installation of HT capacitor in HT line
- Utilization of gravity in transferring water from venturi to thickner without using pumps
- Reduction of dust levels in BFG to increase the efficiency of boiler and reduce the duration of shutdown per year
- Installation of HT capacitor bank to reduce power distribution losses
- Installation of coke drying system to reduce coke moisture by 5%

WATER

EN 8 Total water with drawl by source

TML uses ground water to run its processes, principally in Gas Holder and Thickener, for cooling purpose in MBF and powerhouse and to meet the total requirement inside the plant.

From this year, from December 2007, we have put meters to find out how much water is being drawn. The water meters have been installed at Borewell discharge point to know how much water is being drawn. However for the consumption of water during manufacturing process is measured through Flow meter at consumption point. Water consumed in manufacturing process is given for both Kharagpur and Redi.

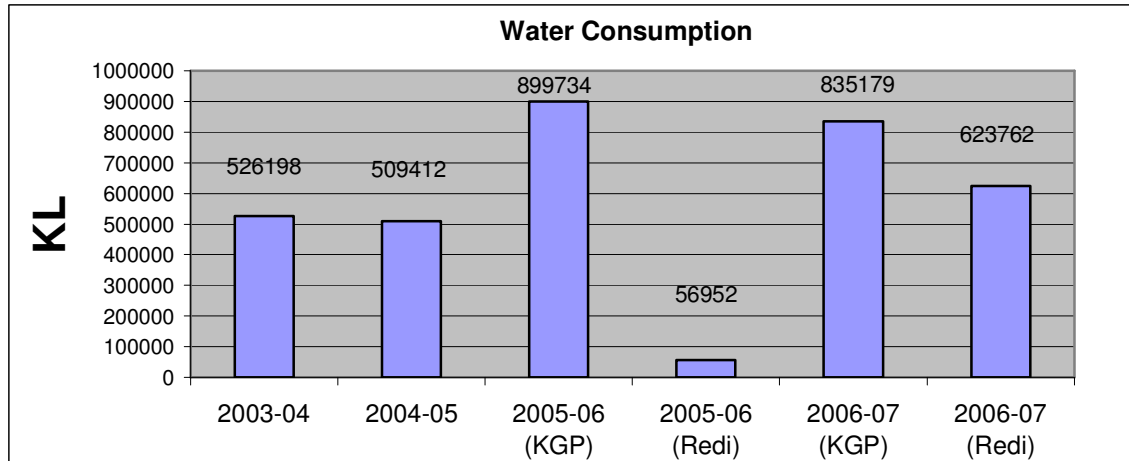
Total Water Consumption at KGP in 2006 – 07 is 837045 m³ / annum (estimated)

Total Water Consumption at Redi in 2006 – 07 is 623762 m³ / annum

EN 9: Water sources significantly affected by withdrawal of water

TML uses ground water and recycles waste water also.

TML tries to replace ground water on the basis of loss in the process. Some ground water is used in Gas Holder, Thickener, for cooling purpose in MBF and powerhouse and to meet the total requirement inside the plant. Approx water consumption pattern is given in Figure EN-9.



Water Harvesting Project was studied by Experts from IIT Kharagpur. They suggested to install borewells at 3 locations, the borewell has been installed at one location so far.

TML has also sought the advice of specialist to carry forward the project

However, TML has not faced any situation of scarcity of ground water till date.

A comprehensive study about effluent recycling will be carried out in January 2008. The study aims to know the amount of process water that comes to waste water pump which we are reusing for slag pond and pig cooling in SPCM.

No study has been carried out to see if there is any effect of ground water use on eco system

EN 10 Percentage and total volume of water recycled and reused

TML is in the process to understand the volume of water being recycled and reused.

BIODIVERSITY

EN 11 Location and size of land owned, leased or managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.

TML is situated at Gokulpur, KGP, within Paschim Midnapore district of West Bengal. The land used by TML is industrial land and does not constitute rich biodiversity.

Redi is situated in the Sindhudurg district of Maharashtra. It is in the Industrial area. Though it is nearer to the Sea, its operations do not affect the environment.

EN 12 Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.

TML does not have any world heritage site, forest or sensitive area near its area of operation. The activity of the mines and the mining of Iron ore, coal and others, which might be having, some impact on biodiversity of the environment, however information for this is currently not available. However we shall try to incorporate the same in the next report.

EN 13 Habitats protected or restored.

No reportable changes to natural habitats have been noticed or reported out of the company's process and its activities. This is further monitored through regular environmental monitoring and "complaint register" under ISO 14001 and OHSAS 18001: 1999.

EN 14 Strategies, current actions, and future plans for managing impacts on biodiversity

Not applicable as per the description in EN 12.

EN 15 Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction list

Not applicable.

EMISSION, EFFLUENTS AND WASTE

EN 16 Total direct and indirect greenhouse gas emissions by weight

Table EN16 GHG emissions at TML (on estimation basis)			
Year	Total GHG emission (ton of CO ₂ equivalent)	Total Hot Metal Production (MT)	GHG emission (ton CO ₂ / THM)
2003-04	296337.52	127901	2.32
2004-05	351338.48	166030	2.12
2005-06	645758.95	314138	2.06

EN 17 Other relevant indirect greenhouse gas emissions by weight

Not applicable.

EN 18 Initiatives to reduce greenhouse gas emissions and reductions achieved

Carbon emission project has been taken up to increase the hot blast temperature in the blast furnace from 750 C to 1050 C and thereby reduce the coke consumption in proportion to the additional heat generated. This in turn will reduce the equivalent carbon dioxide. The Company is extending and delivering financial support and services to customers in their foundry operating practice by which improvement is observed in coke rate that cascaded in the reduction of greenhouse gas in customers' premises. As of now, we have not quantified the above mentioned reduction.

EN 19 Emissions of ozone-depleting substances by weight

Since the scope of using ozone-depleting substances is limited to window air conditioners only, we are replacing window air conditioners gradually with more suitable substitutes.

EN 20 Nox, Sox and other significant air emissions by type and weight

TML has under taken several initiatives to reduce the stack emission (table EN-19 and figure EN-19a, EN-19b, EN-19c) level from its own process. Initiatives, like optimization in boiler operation and Hot Blast Stove, reduction of power consumption at demand side to stop the DG running in normal condition, modification of the gas cleaning system to reduce the load in BFG, common ring header for BFG at boiler end, etc., help in reduction of pollutants load in atmosphere, which is below the stipulated norms as determined in the consent by WBPCB. The effect is observed through ambient air quality.

Emission of SPM has reduced due to improved performance of Gas Cleaning system. Also the dust content in clean BFG has reduced from 13 mg/Nm³ to 10 mg/Nm³. SO₂ emission has reduced for using more BF Gas (in which SO₂ content is negligible) in boiler instead of fossil fuel.

Table EN-19 Summary of stack Emission and source for Redi					
Year	Description	Equipment			
		BOILER	MBP/STOVES	ALL DG SET	TOTAL
2006-2007	Equipment				
	SPM (microgram/Nm ³)	5.4	5	N.A.	10.5
	SO _x („)	15.02	12.81	N.A.	27.83
	NO _x („)	N.A.	N.A.	N.A.	N.A.
All the results are far below the limits prescribed by the MPCB					

Table EN-19 Summary of stack Emission and source for Kharagpur					
Year	Description	Equipment			
2003-2004	Equipment	BOILER	MBP/STOVES	ALL DG SET	TOTAL
	SPM (Tonnes)	3.84	2.4	0.276	6.52
	SO _x (, ,)	20.98	12.06	0.733	33.77
	NO _x (, ,)	65.1	30.95	0.228	96.28
2004-2005	Equipment	BOILER	MBP/STOVES	ALL DG SET	TOTAL
	SPM (Tonnes)	3.11	4.10	0.718	7.92
	SO _x (, ,)	18.35	12.05	1.787	32.19
	NO _x (, ,)	51.158	33.41	1.066	85.62
2005-2006	Equipment	BOILER	MBP/STOVES	ALL DG SET	TOTAL
	SPM (Tonnes)	5.4	4.94	0.66	11.14
	SO _x (, ,)	24.42	11.63	1.60	37.66
	NO _x (, ,)	69.72	29.73	0.98	100.44
2006-2007	Equipment	BOILER	MBP/STOVES	ALL DG SET	TOTAL
	SPM (Tonnes)	5.45	4.98	.55	10.98
	SO _x (, ,)	36.75	28.74	1.008	66.50
	NO _x (, ,)	54.94	45.45	.26	100.67
All the stack emission parameter are below the WBPCB norms Based on single time monitoring data.					

EN 21 Total water discharges by quality and destination

TML is using the total wastewater inside the plant for supporting the other processes in normal condition. However, during abnormal condition, heavy rain and process failure, etc., (which is very rare) wastewater is discharged outside the factory with the compliance of WBPCB norms as stipulated. Lab testing report of the discharge water is shown in table EN-21.

Table EN-21 Discharge Effluent Quality for Kharagpur				
Parameters	Unit	2004-2005	2005-2006	2006-2007
PH	—	7.76	7.38	7.46
TSS	mg/L	34	29	28
COD	mg/L	79	168	32.51
BOD	mg/L	16	24	7.38
Oil & Grease	mg/L	5	5	3.75

For Redi

The Industrial Effluent Discharge at Redi is nil. No effluent is discharged outside the factory premise. Total recirculation has been provided for.

N 22 Total weight of waste by type and disposal method

E Most of the waste generated in the process (Table EN-11a, EN-11b) of manufacturing of pig iron is being sold. Since it cannot be reused or recycle in manufacturing processes. However, some of the waste like sludge from Gas Cleaning Plant, iron ore fines are used in the plant for filling of low land and construction of road base respectively. Liquid waste like oil and oil sludge are sold to the statutory approved party. During the F.Y.2003-04, the GCP efficiency had improved, so the dust contained in BF gas is reduced and the dust are arrested in the thickener system. The thickener system is effectively taken care the above load and makes sludge. The extra sludge is used for filling of low lands inside the TML factory premises as per state PCB guideline.

ETP slurry – 5389 tonnes (includes sludge from GCP and dust from dust catcher)

Iron Ore fines – 42164 tonnes (soft ore hence the quantity is large, 20% fines in iron ore as compared to 5% in Kharagpur)

Most of the waste generated in the process (estimated figures are provided in Table EN 22 a and 22 b) of manufacturing of pig iron is sold, since it cannot be reused or recycled in manufacturing processes. However wastes like sludge (from Gas Cleaning Plant) and iron ore fines are used to till low-lying land and construct a road base, respectively. Liquid waste like oil and oil sludge are sold to statutory approved parties.

For Kharagpur

Specific Waste Generation (Approx)		
Year	Iron ore fines/ thm	Sludge / thm
2006-2007	.099	.073
2005-2006	.07	.034
2004-2005	0.073	0.040
2003-2004	0.047	0.038

Description of waste and its use for Redi				
SI No	Description of waste Generated	Unit	2006-2007	Disposal method
1	Iron ore fines	Metric tonne (app)	42164	Iron ore fines below 10mm size are collected and sold in market
2	Coke fines		7426	Coke fines below 10 mm size are collected and sold in market.
3	Sludge from GCP and Dust from dust catcher		5389	Used for land filling within plant premises
4	Scraps (miscellaneous)		1279	
5	Granulated slag		20651	Authorized agency
6	Waste oil & Oil Sludge	Lt./Yr (app)	1500	Used for lubrication of plant machinery

EN 23 Total number and volume of significant spill

Using the TPM concept, TML has achieved and maintained zero spillage of chemicals, oils and fuels since FY 2000 thereafter no significant abnormalities are reported in this area. (Abnormality means total system failure & failure of material handling process)

EN 24 Weight of transported, imported or exported or treated waste deemed hazardous under the terms of Basel Convention Annex I, II, III and VIII, and percentage of transported waste shipped internationally

We are not importing or exporting any hazardous product. To run the plant we are using the following hazardous materials as per the guidelines of West Bengal Pollution Control Borad norms. The data that is being reported here, is as per Form 4 for **Kharagpur**

EN 25 Identify size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff

For KGP	2005 - 06	2006 - 07
Thickener Sludge(Contains coke, Iron ore and flux dust)	7890 ton	19140 ton
Waste Oil	8400 kg	12190 kg
For Redi	2005 - 06	2006 - 07
ETP Slurry		5389 MT
Wate Oil		1500 lts

TML under normal condition does not discharge any wastewater outside the plant. All the wastewater is used

inside the plant in different area where water quality is not important like in PCM, SGP, Scrap cooling process and domestic wastewater is treated in the septic tank-soak pit and the overflow water is used for the green belt development.

PRODUCTS AND SERVICES

EN 26 Initiatives to mitigate environmental impacts of product and services & extent of impact mitigation

Pig iron, which is the only product of TML, is used as intermediate raw material for production of casting material in foundry or other industries. The chemical and physical characteristics have no significant impact in the environment.

EN 27 Percentage of the products sold and their packaging material that are reclaimed by category.

Pig iron is 100 % recyclable/reusable in their life cycle. However it is difficult to keep track after the products are dispatched from the factory and hence information is not available as so far.

COMPLIANCE

EN 28 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations

TML follows and obeys all relevant statutory norms of state as well as central government in view of Environment and all required parameters are monitored by the WBPCB approved agency or state pollution control board. So far no abnormalities were reported / observed by them. Moreover the company received ISO 14001 certificate, Golden Peacock Environmental Award (Runner and Winner), second prize of cleaner Environmental Award, Green tech Winner Award, which shows the consistent performance of the organization in the environment management.

TRANSPORT

EN 29 Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce

Company vehicles are checked for vehicle emission as per vehicle monitoring guidelines by the third party at every six months. Also all the contractors and supplier's vehicles are checked for the valid pollution certificate as per the vehicle emission act before entry in the company premises

OVERALL

EN 30 Total environmental protection expenditures and investments by type

Under the several improvement projects/initiatives actions have been taken for minimizing and controlling the pollution in the process of manufacturing pig iron and power generation. So far the expenditure made to prevent and control of the pollution are stated in table EN 30.

Table EN-30 Expenditure on account of Environment	
Year	Expenditure incurred on Environment (Rs. Millions)
	Revenue (For Maintenance of Plant)
2006-2007	2.79
2005-2006	2.5
2004-2005	1.83

For Redi

Table EN-30 Expenditure on account of Environment	
Year	Expenditure incurred on Environment (Rs. Millions)
	Revenue (For Maintenance of Plant)
2006-2007	6.6

SOCIAL PERFORMANCE INDICATORS – LABOUR PRACTICES AND DECENT WORK

Employment

LA 1 Breakdown of total workforce by employment type and region

As on March 31, 2007, TML had a total permanent workforce of 765 employees whereas in 2005-06 it was 748. The break up is furnished in Table LA1. There were approximately 896 contractors / suppliers employees working on various sub-contracted / out-sourced jobs at KGP unit and 445 in the Redi unit in the year 2006-2007.

LA1 Break up of workforce			
Category	Location		
	KGP	Kolkata	Redi
Officers	72	40	71
Supervisors	54	0	137
Workers	136	1	254

LA 2 Total number and rate of employee turnover broken down by age group and gender

In the financial year 2006 – 07, 19 employees left from Kharagpur and Kolkata. The turnover rate was 6.4%. The employee turnover rate for Redi was 2.6%

32 new employees joined at Kgp and Kolkata while 23 numbers of new employees joined at Redi.

LA 3 Minimum benefits provided to full time employees, which are not provided to temporary or part time employees

The benefits given to employees beyond legal mandate is summarized below:

- Employees are covered by Insurance in case of death in harness during their tenure at TML.
- Educational sponsorship for higher education in reputed institutes is also facilitated for selected employees by management.
- Celebrations like Yearly Picnic, Quarterly Maha-Bhoj, Annual Function for all employees' children are organized to bring out a feeling of togetherness among employees.
- The Company provided an ATM-cum-debit with 'zero' balancing near its plant at KGP & Redi.

Examples of other benefits (non-work related) include open gymnasium, club facility at Kharagpur.

Labour / Management Relations

LA 4 Percentage of employees represented by independent trade union organizations or covered by collective bargaining agreements

At KGP, 100% employees (other than officers and supervisors) are represented by TML Workers Union, which is affiliated to a national level trade union called CITU and at Redi, workers are represented by TMLWUR, Redi affiliated to BMS, a national trade union. The management recognises and has a harmonious relationship with the union at both its units.

LA 5 Minimum notice period and consultation and negotiation practices with employees and/or their representatives regarding operational changes

TML has direct consultation system that ensures free flow of dialogue, interaction and participation of employees at all levels. HR department of TML is entrusted with the responsibility of sharing all the relevant information amongst the employees through ISO procedure (controlled), Notice Board, Notice copy to union office through IP message on Intranet and Internet. The senior management and the union officials meet in a structured forum every month with agenda on employee productivity, safety and welfare.

LA 6 Percentage of workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs

TML's corporate governance structure does not have workers' representation in decision-making process at Board level. However, there are joint decision-making bodies at operational levels like:

- Union management meeting. (Involving all 14 executives of union at KGP and 12 executives of union at Redi.)
- Suggestion Committee (2 from TMLWU and 2 from TMLWUR).
- SHE Committee (9 from Workmen TMLWU and 4 from Workmen TMLWUR).
- Canteen Committee (2 from TMLWU and 2 from TMLWUR).

in which union executives are members. Besides the company has a policy to encourage "whistle blowing" by any employee of the organization including Union members in case of any issue against the purpose of business or TATA CoC.

Health And Safety

LA 7 Rates of injuries, occupational diseases, lost days, absenteeism and number of work-related fatalities

The highlights of the safety performance during the year are given in Table 7. Loss of man days due to accident are not accounted for, if a person becomes fit for duty within 48 hours from the time of accident. However, if the duration of absence from duty exceeds 48 hours, the entire duration starting from the time of accident (8 hours of working period per man-day) is considered.

There have been 2 fatal accidents of contract labours in the said reporting period. They have nor been included in the table below as the persons were employed by the Contractor. The total man-days lost were 12,000 days for 2 fatalities.

Table LA 7 Safety performance (KGP)						
SI No	Description	2006-07		2005-06		2004-05
		KGP	Redi	KGP	Redi	
1	Total no. of reportable accidents of employees	3	1	2	0	0
2	Total no. of reportable accidents of contract labour & trainees	2	0	1	0	7
3	Man-days lost due to employee accident	265	14	92	8	0
4	Man-days lost due to labour & trainees' accident	206	0	34	0	736
5	Safety Index			.998	-	78.9

Occupational disease: No such incidence of occupational diseases has been detected so far. Regular yearly health checkups are conducted by the Medical Dept at both Kharagpur and Redi

The occupational check ups relevant to our factory are the following

- Physical Examination
- Blood test (Hb%TC DC, Blood sugar)
- Pulmonary Function test (Spirometry)
- Audiometry
- eye check up
- Chest X Ray

All of the above are done once a year excepting for chest x-ray which is done once in every three years . As per our records till date, no employee has been found suffering from any occupational related disease.

Absenteeism: Kharagpur 0.61% and Redi 0.73%. This refers to unauthorized absenteeism only.

[LA 8 Education, training, counseling, prevention and risk control programs in place for assisting workforce members, their families or community members affected by HIV / AIDS or other serious communicable diseases](#)

HIV/AIDS Awareness Camp (for employees, contract labours and security personnels) on 24.09.2007 at Anchal Pradhan Office No. 4 Kalaikunda, Amba.63 villagers attended.

At Redi posters to create AIDS Awareness were displayed at the Material gate, the area that is frequented by the drivers and khalasees

[LA 9 Health and safety topics covered in formal agreements with trade unions](#)

Works safety and health perspective is covered through medical facility schemes and procedures and safety practices through implementation of various acts and modifications are carried out through visits to different Organizations. [meaning?](#)

SHE Committee: Safety health and Environment Committee

This Committee has 24 members. 10 members are nominated by the Union. The Chairman of the Committee is the Chief of the plant, at present it is the Chief of Manufacturing Services. Along with this, all the Head of Depts are members of the Committee. Special Invitees are also there is the committee. The Special are those who have either worked in such committees previously or have knowledge in this area.

Training And Education

LA 10 Average hours of training per year per employee by category of employee

The details of the status of hours of training per year per employee are summarized below in Table LA11a & b (table is only for KGP and Kolkata)

Table LA11a Training Man-hours from April'06 – Mar'07

For KGP and Kolkata

Employee Grade	Total no of Employee	Training manhrs (External)	Training manhrs (Internal)	Training manhrs (Induction)	Total Training Man hrs
Officers	112	1448	2598	3864	7910
Sup	54	224	120	1176	1520
Wrk	137	88	253	0	341
Total	303	1744	2971	5040	9771
				Ave manhrs/emp	32.25

For Redi

Employee Grades	Total no of Employee	Training manhrs (External)	Training manhrs (Internal)	Training manhrs (Induction)	Total Training Man hrs
Officers (Senior Associates)	71	603	2975.75	266	3844.75
Supervisors (Associates)	137	48	1183.8	34	1265.8
Workers (Junior Associates)	254	--	1026.5	32	1058.5
Total	462	651	5186.05	332	6169.05
				Ave manhrs/emp	13.35

Table LA11 Training programme						
Sl. No.	Description	Status 06-07		Status 05-06		Status 04-05
		KGP and Kolkata	Redi	KGP	Redi	
1	Avg man-hrs of training per employee	32.25	13.35	100.37	3.86	203.74
2.	Total man-hrs of training by category of employees					
i.	Officers	7910	3844.75	8015	705	29536
ii.	Supervisors	1520	1265.8	1018.5	444	4304
iii.	Workers	341	1058.5	20174.5	616	20304

LA 11 Programms for skill management and lifelong learning that support the continued employability of employees and assist them in managing career endings

TML had run a programme at Kharagpur wherein Officers from the plant were trained by faculty from IIT Kharagpur. This was done so that they can update their knowledge about their subject, helping them keeping abreast with the latest in their area of work.

LA 12 Percentage of employees receiving regular performance and career development reviews.

100% employees receive. Yearly performance review is carried out in the month of April and May for the previous years performance and the feedback on the same id given to the employee.

Diversity And Opportunity

LA 13 Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity

The male - female ratio at TML is:

KGP & Kolkata - 32:1.

Redi - 75:1.

Presently there are no women on the board of directors or in the top ten executives of the Company. As a policy no bias / prejudice is there during the time of employment, this is very well communicated to all through printed ads etc.

LA 14 Ratio of basic salary of men to women by employee category

The company is an equal opportunity employer; there is no variation between the salaries of men and women.

Management Practices

HR 1 Percentage of total number of significant investment agreements that include human rights clauses or that underwent human rights screening

No incident that falls under the purview or scanning of human rights commission has happened in Tata Metaliks. All investment agreements of the company include human rights clause, especially with respect to child labour, sexual harassment at work place and gender-based treatment of employees. An External Ethical Counselor is appointed to collate any ethical issue pertaining to an employee, customer, supplier or the Company and reports to the MD for addressing those issues.

HR 2 Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken

At present, TML does not have a structured system to assess human rights performance of out location suppliers under supply chain. However the contractors working in the premises of the organization are required to follow the employees benefit schemes, policy of not employing child labour on jobs and follow human right policy of the organization including

- Payment of minimum wages,
- Deduction of provident fund.

HR 3 Total hours of employee training on policies and procedures concerning aspects of human rights relevant to operations, including number of employees trained

TML's vision is 'Reaching Tomorrow First'. The Company's leadership acknowledges the importance of 'Human Resource Strength', which is reflected in the HR vision and policy linked to the Company's vision, guiding principles and strategy. It structures its work systems to promote teamwork and develop employees through training and education and to improve the quality of life of the employees and the communities served.

Human Rights issues are covered under "TATA-CoC". Training is given on the Code of Conduct to improve the awareness of all employees about it. This training is given to all the employees during Induction programme by the EEC himself. Last year 60 hours were spent in imparting training on TCoC to the newly joined employees. Though 32 new employees had joined, 30 employees were trained during the financial year 2006 – 07.

Non-Discrimination

HR 4 Total number of incidents of discrimination and actions taken.

TATA-CoC emphasizes on equal opportunity and non-discrimination. The organisation is committed to equal employment opportunities for attracting the best available talent. Improving the quality of life of its employees, developing their talent and maximising their potential is a part of the HR policy at TML. There have been few cases pertaining to behaviour which were appropriately dealt with. Stated below are details for Kharagpur. There were no such cases at Redi during the said period. The Ethics Counsellor for Redi was appointed during the next financial year.

		BEHAVIOURAL ISSUES			ETHICAL ISSUES		
Year		Employee behaviour	Management (individual related)	Affecting customers	Affecting suppliers	Affecting shareholders	Affecting community
2004-05	Received	NIL	2	2	NIL	NIL	NIL
	Resolved	NIL	2	2	NIL	NIL	NIL
	Pending	NIL	NIL	NIL	NIL	NIL	NIL
2005-06	Received	2	2	NIL	NIL	NIL	NIL
	Resolved	2	2	NIL	NIL	NIL	NIL
	Pending	NIL	NIL	NIL	NIL	NIL	NIL
2006-07	Received	3	2	NIL	NIL	NIL	NIL
	Resolved	3	2	NIL	NIL	NIL	NIL
	Pending	NIL	NIL	NIL	NIL	NIL	NIL

Freedom of Association

HR 5 Operations identified in which the right to exercise freedom of association or collective bargaining may be significant risk, and actions taken to support these rights

TATA-CoC emphasises on Freedom of Association. Accordingly all employees except Officers and supervisor of the organization are the members of TML Workers' Union at both KGP and Redi.

There has been no incidence of violation during the year.

Child Labour

HR 6 Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour

As per Standing Orders of TML, the minimum age required for the employment is 18 years and hence, the Company engages no child labour. The recruitment process requires furnishing of appropriate proof of age to ensure the age bar.

Forced and Compulsory Labour

HR 7 Operations identified as having significant risk for incidents of forced or compulsory labour, and measures taken to contribute to the elimination of forced or compulsory labour

There is no forced and compulsory labour in TML. Legally it is prohibited in India. There is no recorded violation pertaining to force and compulsory labour during the reporting year.

Disciplinary Practices

HR 8 Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations

All security personnel are trained for handling offenders without violating basic human rights. Training is given by the security agency during their induction for 15 days. All security personnel are also given training with respect to organization's policies / procedures concerning human rights. Some of the aspects of human rights relevant for security personnel include no child labour employment, no sexual harassment at workplace and no gender-based variation in treatment to employees.

HR 9 Total number of incidents of violations involving rights of indigenous people and actions taken

Not relevant to TML

Product Responsibility Performance Indicators

Aspect: Customer Health and Safety

PR1 Life cycle stages in which health and safety impacts of products and services are assessed for improvement and percentage of significant products and services categories subject to such procedures.

TML has not instituted any specific procedure for preserving customer health and safety during the use of its products. Primary reason for this is that the products are environment friendly and does not pose any health or safety hazard during its use.

TML is used to address the environment issues by controlling its Charge-mix in the production process and by "improving the melt rate of foundries". These activities have resulted in improving productivity and reducing pollution in the customers' processes.

To enhance health and safety of the workers, weight of the Pig Iron billets have been reduced from 10-14 kgs to 7-8 kgs.

PR2 Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.

There has been no instance of non-compliance with regulations related to health and safety aspects of the Company's product nor have any fines / penalties been imposed.

Product and Service Labeling Core

PR3 Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements

There are no regulations on product information and labelling applicable to the products of TML. Test certificates are issued along with the deliveries to the customers on demand.

PR4 Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes

There has been no instance of non-compliance with regulations related to product and service information of the Company's product nor have any fines / penalties been imposed.

PR5 Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.

TML regularly monitors the customer satisfaction index through an annual survey conducted by IMRB.

Marketing Communications

PR6 Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.

TML advertises for its corporate image and product promotion. The advertising campaigns have been governed by the Ethical standards advocated by Advertising Council of India and TATA group Corporate Communication guidelines.

PR7 Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.

There had been no breaches of regulations concerning marketing communications during the reporting year.

Customer Privacy

PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data

No such instance has been recorded so far.

Compliance

PR9 Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services

No such instance has been recorded so far.

SOCIAL PERFORMANCE – SOCIETY PERFORMANCE INDICATORS

Community

SO1 Nature, scope and effectiveness of any programmes and practices that assess and manage the impacts of operations on communities, including entering, operating and exiting

TML has identified its key communities as:

Employees

Families of Employees

Community that stays in the radius of 10 kms from its plants at both Kharagpur and Redi

TML's Environment and Quality policy addresses the responsibility of the Company for society. TML is an ISO 14001 certified company.

Monitoring of the Community related activities is done through a well-established system of "PMS", which is reviewed by MD every month.

No impact on the above three has been noticed. The gas emitting from Blast furnace is used to generate power, no waste water is discharged outside plant. During various medical camps undertaken, no incidence of diseases etc caused due to the plant operations were found; also no case was found during health checkup of employees that is carried out every year

Bribery And Corruption

SO2 Percentage and total number of business units analyzed for risks related to corruption

All employees of TML have signed the TATA-CoC. It has a specific clause (Clause 9) pertaining to bribery and corruption. The Company has an EEC to ensure all the issues pertaining to TATA-CoC and ethical business practices are followed religiously. During the year, there has been no adverse reporting related to bribery and corruption.

SO3 Percentage of employees trained in organization's anti-corruption policies and procedures

All the employees at the time of joining attend a session conducted by the External Ethics Counselor on Tata Code of Conduct. Clause 5 of TCoC clearly states that – "A Tata Company and its employees shall neither receive nor offer or make, directly or indirectly, any illegal payments, remuneration, gifts, donations, or comparable benefits, which are intended to or perceived to obtain business or un-competitive favours for the conduct of its business and shall participate in efforts to eliminate such forms of bribery, fraud and corruption ..."

Political Contributions

SO4 Actions taken in response to incidents of corruption

There has been no reporting related to bribery and corruption

SO5 Public policy positions and participation in public policy development and lobbying

TML is member of Pig Iron Manufacturing Association (PIMA), we however are not involved in political lobbying.

Competition and Pricing

SO6 Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country

TML has not paid any money to political parties during the reporting year in accordance with its commitment to TATA-CoC (Clause 7).

SO7 Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes

The organization follows the TATA-CoC and monitors the compliance related to various clauses of the same. There has been no instance of legal action for anti-competitive behaviour, anti-trust and monopoly practices during the reporting year.

SO8 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.

No such fines were imposed.
Environment

Tata Metaliks is in the business of making pig iron. It is one of the basic and an age old industry. When we decided to sow the seeds of social responsibility, we knew that environment would be a major issue for us, for one simple reason only – manufacturing of pig iron poses severe challenges to the environment. Scarce resources like iron-ore, coal and coke are used, effluents get released during the manufacturing process, needless to mention, in all this operation lot of noise is also generated. For every tonne of hot metal, 1.4 tonnes of iron ore and 0.72 tonnes of coke are used.

Reduction of waste during manufacture and re-using of by-products is something on which the Organization focuses upon. The company is also working upon the inevitable forms of pollution – especially gaseous and solid wastes, polluted water and noise pollution. The gas released from blast furnaces are used for generating power, which is used within plant. Waste water is reused after recycling and not discharged outside plant at all. The Organization has also worked towards reducing the noise that emanates due the the running of the plant. A project called Dream TML has been initiated. Dream TML aims to create the plant within garden. It plans to make the workplace a fun to work at. The initiative addresses issues like – noise, ambience, greenery (especially planting trees that would reduce noise pollution as well as air pollution by trapping dust), much beyond the PCB norms. This project is being actively pursued within the Organization.

In Tata Metaliks, the Aspect Impact Analysis (AIA) refers to a thorough scrutiny of all areas of manufacturing to check environmental hazards. Each department probes into its processes and systems, rates the importance of findings and remedies flaws through an Operational Control Procedure (OCP)

Labour Practices and Decent Work

Tata Metaliks is a value-based organization guided by the high ethical and human values espoused by the founders of Tata Group, and codified in the form of the Tata Code of Conduct. The Company policies shall at all time place the organization before individuals, the Tata values before the organization and the interest of the nation where it operates above everything else.

The company is an equal opportunity employer, does not follow discrimination while employing or during promotions etc.

It believes in open communication with all. The communication fora as stated below clearly shows the policy of open communication that is followed in the Organization.

Communication fora

LA5 Communication fora with Employees				
Forum	Chaired by	Attended by	Coverage	Frequency
Communication and Feedback:				
MD's Dialogue with Officers / Supervisors / Workmen	MD	All employees at respective locations	Vision, Values, ST & LT Strategies, Performance Expectations, Customer Needs, Market Conditions, Productions issues, Learning, Training, Development in BE, New Initiatives/ Suggestion.	Quarterly
All Employee Meetings – Maha Bhoj (Celebration of Success)	MD	All employees	Success Stories, Areas requiring improvement, Ideas to prevent recurring problems	On events (Redi) & Quarterly (KGP).
Suggestion Award / Instant Recognition Ceremony	MD	CMS / VP (P&T), Secretary (TML WU) Suggestion Management Committee Members,	Innovative Ideas, Learning, Recognition	Quarterly

LA5 Communication fora with Employees				
Forum	Chaired by	Attended by	Coverage	Frequency
		HOD s, general employees		
Community Development Review	GM (CS) & CS	CMS, CHR (C), Committee members	Community's concern areas, areas requiring improvement & development	Monthly

Regarding health and safety -

Factories Act, 1948 and Maharashtra Factory Rules, 1963 guidelines are followed to record and notify accidents and occupational health hazards in TML. Any occupational accident occurring is reported immediately to the Medical section, manned round the clock, which is described in an ISO procedure on IOD/IOW (*).

* IOD/IOW: Injured on duty resulting loss of man-hour (any injury during duty hours, while doing jobs) / Injured on work (injury during coming to work or going away from work after duty hour) resulting loss of man-hour on work.

There is one first aid station inside works, equipped with well-maintained ambulance and trained staff, to take care of any emergency situations. This holds true for contractor's employees also.

After receiving information about any accident, the shift safety Stewards rush to the site of accident/incident for investigation, observe the site, record the statements of various persons present, report immediately to seniors for information and move to the first aid station or hospital for recording statement of the injured person(s). The safety department sends cause of accident in the prescribed format. These reports also include minor accidents, dangerous occurrences and "near miss" cases. Depending upon nature of injury to the persons like unfit for less than 48 hours or more than 48 hours, the report is sent to Inspector of Factories. In case of any fatal accident, written information is sent to Chief of Operation (who is Chairman, General Safety Committee), Inspector of Factories and local government officials on the day of such an incident. The operations are stopped till it is cleared by Inspector of Factories after site verification. Within 48 hours of accident an enquiry committee is constituted to investigate into the root cause/s of accident, and to recommend action to prevent such incidence in future. The finding with recommendation(s) is discussed in monthly meetings of the Safety Committee and is circulated to all Departmental Heads/Chiefs to take necessary preventive actions to prevent such occurrences. TML's approaches for workplace improvements are shown in Table below

TML complies with norms of hygienic food and drinking water through periodic monitoring under the supervision of the committee

Work environmental factors	Area (human element)	Preventive action	Monitoring	Target
Noise Level	Blower house, Powerhouse, RMHS, Cast house, project area (ear)	Ear plug/ muff, Entry restricted, Noise reduction	Noise level. Health check up (100%),fuguai	90 dba
BF gas, Fumes	Cast house, SPCM area, HBS, stack, DG set, QA Lab, RMHS, S&D, new projects Respiratory)	Gas Mask (PPE), Ventilated environment, Dust/ Nose Mask, Safety Goggles	Gas %, Air quality, Dust/ fume analysis, MPs,	0 ppm
SPM Level (stack)	S&D, new projects, RM yard	Ventilated environment Dust/Nose Mask, Safety Goggles	Dust/fume analysis, Health check up, MPs	10 mg/nm3
Sox/NOx Emissions	Cast house, SPCM area, HBS, stack, DG set	Ventilated environment	Ventilated environment	120 micro gms/m3
Safety (Accidents, frequency)	All (body)	TPM –SHE pillar deployment, fire safety alarms, near miss	Accidents, fuguai, OPL, Kaizens	Zero accident
Chemical	QA Lab, Pump house, DM Plant (Skin)	Apron, gloves, safety shoe, mask	Health check up	Zero accident
Health Check up	Health, sickness (body)	Proactive health checkup	100 % employees	100 % coverage of people in plant
Ergonomics (KGP)	Health disorder	Proactive health check up,QMS, OSHAS audit	100 % employees, fuguai, kaizens	Qtrly audit of OSHAS
Human preparedness	Works and non-works area (mental preparedness)	Safety induction to all who enters plant and non-works area	Feedback on safety, mock trials awareness, Near miss accidents	Zero NC in QMS audit

formed by SHE committee. This committee periodically reviews the actions plan and suggest improvements at the work place (e.g. creation of an open gymnasium for employees is made to address the physical fitness of the employees). The cast-house area has been increased in height to avoid fumes and dust. A bigger control room facilitates better operations.

TML has a system for occupational health monitoring at regular intervals. The occupational health checkups are designed on the basis of health database after establishing co-relation with specific work areas. Unhealthy work zone are identified based on which improvement actions are taken (e.g. Distribution of anti-dehydrating compound to employees working in heat and supply of nutritious food for employees on regular basis, who work in high temperature zones.)

Few examples of medical service systems and practices provided by TML are:

- Health Education and Awareness
- First Aid Training
- Curative and preventive activities like running of First Aid Stations, Toxoid Immunisation.
- Statutory Medical / Health Examination (Details of the medical examination given in Table 7.4)

The Company practises “Rehabilitation of employees” that are found unfit in a department.

Description	2006-07		2005-06		2004-05
	KGP	Redi	KGP	Redi 20.01.03 to 31.03.06	
Total No. of Patients Visited	7937	10673	7628	2376	14536
Total No. of Statutory Medical Examinations done	830	894	917	-	711
Pre-employment Medical Examinations	31	483	29	462	17
Immunisation against Tetanus	21	149	393	In progress	-

Safety: Safe working practice is one of the main areas of focus in TML. TML’s commitment to safety is reflected as follows:

- SHE committee consisting of employees from all levels meet every month to review the safety status of the plan, identify unsafe practices as “Near MISS” and preparing of CAPA for the same
- Safety stewards in shifts develop safety visuals at all required locations inside plant with colour codes
- Marking of noise prone areas and reducing noise by installing sound absorbers near the blower house
- Safety officer allows contractor labours to work only after getting safety training.

SHE status is reported during the daily morning meetings. TML organises safety awareness programmes for all employees, and contractors’ employees. Yearly safety audits, safety inspection, and mock drills are carried out as per the on-site emergency action plan’ to mitigate any emergency situations inside the plant. Zero accident targets are one of the main targets of the SHE committee, which is converted into detailed action plans (as shown in Table).

Employee Well Being Improvement Goals		
Method	Measures / Indicators	Target
<i>Health For All Employees (KGP & Redi)</i>		
-Pre-employment check-up -Health education for all employees	-No. of employees covered -Absenteeism	-100% employees and target group
<i>Safety For All Employees (KGP & Redi)</i>		
-Training on safety awareness to employees and non-employees -Mock Trials -Safety Audits -Safety Meetings	-“Fuguai” identification, removal, Near MISS status -Accidents/month -Compliance to use of safety appliances	-100% adherence to schedule -As per plan

-Machine Health Survey through TPM -Accident Monitoring	-Man-days lost / month -Mock Drills	
<i>Ergonomics (KGP)</i>		
-Reduction in operator fatigue/ -New office building with adequate natural light -Smelter's rest room in MBF-2	-One point lesson -Kaizens -Suggestions	-OPL Kaizen - Suggestion

Ergonomic and Environmental Factors

Ergonomic factors related to stress, strain, fatigue and environment are also brought up through "Fuguai" identification process during Manager Model and Jishu-Hozen and actions are taken accordingly. The plant has been built with state-of-the-art technology taking care of environment and ergonomics e.g. auto-tilting of PCM moulds, auto lime spray. In addition to this, TML's Environment Management System includes significant aspect and impact analysis on half yearly basis for developing EMPs and operational control procedures. A green belt has been developed to minimise dust, smoke and heat in surrounding locations of the plant. Employee inputs on the safety, ergonomic issues through the suggestion scheme are encouraged and recognised.

Training and education

TML has in-house training facilities with a purpose to enhance technical skills. Job rotations and cross-functional team structure provide career growth opportunities to employees through acquisition of higher skills. Some of the programmes in this direction are:

General

- TPM methodology at KGP, at Redi the TPM methodology is under implementation
- Knowledge Worker programme

Safety, Hazard Prevention and First Aid

- Gas safety for all employees
- Managing safety on shop floor
- Maintaining safety on shop floor both at Kgp and Redi

IT / Computers

- Computer literacy for all employees
- SAP - all modules (KGP as well as Redi)

The training and development of employees through skill enhancement and diversification contributes to continued employability of employees. Accordingly, TML has in-house facilities of technical as well as managerial training. The training needs of all the employees are identified through 'Training Need Identification' forms as described in ISO procedure for training. The list of various programmes for training are as follows:

- Change Management
- Knowledge Worker (WIN)
- Computer Literacy
- Customer Orientation
- Financial Management
- General Management
- People Development
- Planning and Organising Skills
- Problem Solving and Decision Making
- Project Management
- CCPM

Human Rights

The values and principles, which have governed the manner, in which the Tata Group of Companies and their employees should conduct themselves is articulated in the Tata Code of Conduct.

Respect for people is one of the core beliefs of TML as indicated in the TATA-CoC. Any violation to this effect is dealt with the established disciplinary procedure described in the Company's Works Standing Order.

An EEC is appointed to collate any ethical issue pertaining to employees, customer, suppliers or the Company and reports to the MD for addressing those issues. The company has appointed the EEC (for both Kharagpur / Kolkata and Redi operations). The EEC monitors any discrimination in its activities, services and products. A notice is given when the counselor comes to facilitate employees by meeting and discussing their ethical problems with him. The problems are kept confidential and the results are monitored and reviewed by the MD. There has been no recorded case of human rights violation during the reporting year.

TATA CoC emphasizes on Freedom of Association. Accordingly all employees except Officers and Supervisors of the Organization are the members of TML Workers Union at both Kharagpur and Redi. There has been no violation during the year that is under review.

As per Standing Orders at TML, the minimum age required for the employment is 18 years and hence, the Company engages no child labour. The recruitment process requires furnishing of appropriate proof of age to ensure compliance to age bar. The Company also ensures that no child labour is employed by providing in terms of agreements with contractor/suppliers and on being found so the contractor would be suspended from providing services to the company.

There is no forced and compulsory labour in TML. It is prohibited in India.

The investment agreements of the company include human right clause, especially with respect to child labour, sexual harassment at work place and gender-based treatment of employees. Any company dealing with TML has to declare that it does not practice child labour or discrimination of any kind.

The security personnel are trained to handle offenders without violating the basic human rights. This training is given by the security agency during their induction for 15 days. They are also given training with respect to organization's policies / procedures concerning human rights.

The Tata Code of Conduct, which guides the employees, as well as Organization is prominently displayed at all notice boards, significant places and offices.

Society

Tata Metaliks has identified villages in radius of 10 kms, around its area of operation to implement various community development schemes. TML has identified 10 kms of area for conducting its community activities. TML draws its indirect labour market from this area, this area is its area of operation therefore the Organization would like to give back to this community what it is actually drawing from it. We at Tata Metaliks understand that the solution to poverty and hunger is not charity but opportunity. While the organization has provided opportunity of employment to lot of people, it has continuously strived to involve itself in endeavours that would create opportunity for work. The community development programmes of TML thrust upon education, employment and infrastructure development. This in turn would help in increasing employability of people.

The community development help in generating rural employment. One such project is the Pot – making Project. The earthen pots are made by the ladies from the village of Kunjachak. The ladies were first trained by TML, they were then given equipments required for the job. These pots are used to collect pig, which gets spilled over during pouring of hot metal into mold. This pig is later on sold in the market.

Approach to Social Development:

- **Leadership and Policy Support:** The Company has drafted an annual social plan with budgetary allocation for 2006-07.
- **Strategy on Corporate Social Responsibility:** The Company has annual programmes as per the Tata Council for Community Initiatives (TCCI) Guidelines.
- **Allocating resources and system of accounting:** TML recognizes that social expenditure is a development cost and it is budgeted separately. It is earmarked under administration budget and is distinct from employee welfare.

- **Assigning key responsibilities:** The management has key persons deployed for this work and its management representatives have annual goals by means of KRAs.
- **Communication Strategy:** To keep employees and public at large informed about the Company's work on social responsibility, TML publishes its reports through newsletters, in-house magazines i.e. Metalogue and Director's Annual Report.

TML follows the TCCI guidelines. The declaration of the council on Social Responsibility made on 14.06.2002 is presented below:

- The community is an integral part of the core values we adhere to in the TATA Group
- The community programme help to develop trust and improving the quality of life.
- TATA programmes facilitate sustainable change.
- We derive benefit from community service, which gives us valuable opportunity to learn.
- Social responsibility is an explicit commitment in every TATA Company.
- Our core competence to empower communities is tied up through network.
- TATA volunteers are committed to the spirit of service. In view of the increasing environmental and social consciousness and positioning of the brand and to be a responsible corporate citizen is a minimum requirement for market interventions. TML ensures serving the nation through sustainable and profitable operation.

This indirectly has an influence on economic value creation, and overall improvement in quality of life of the surrounding rural community. Some of these initiatives have been given under the heading of improvement in the communities.

(a) Relationships with relevant authorities

- Regular interaction with Dist. Magistrate, Special Additional SP, GM (Telephone), BDO, SDO, Panchayat Pradhan, Dy. Labour Commissioner, Div. Railway Manager, Air Commander (Kalaikunda), Sabadhipati Zila Parisad, Savapati Panchayat Samity, President CITU, Director of IIT, KGP.
- Senior Officers go for formal meetings with the above for continued relationship with local governance.

(b) Involvement in the communities where it operates

- Involvement in education and training
- Books donated to the local school at Gokulpur and Sishu Siksha Niketan
- Pump Machine Maintenance Training
- General Safety Awareness Training
- Gas Safety Training
- Use of Gas Safety Appliances
- First Aid Fire Fighting Training

TML also undertook following activities during the year 2006 - 07: HIV/AIDS Awareness Camp (for employees, contract labours and security personnels) on 24.09.2007 at Anchal Pradhan Office No. 4 Kalaikunda, Amba.63 villagers attended.

Health Checkup (Diabetes and Hypertension detection) camp for villagers was organised at the Anchal Pradhan Office No 04 Kalaikunda, Amba on 29.01.07. 148 patients were examined, out of which; 15 patients were found to be suffering from hypertension and 10 nos of DM (Type – 2) pt detected.

Nutritional Survey camp (for School Children) on 24.2.2007 at following schools: Maheshpur Primary School (137), Latibpur Sishu Siskha Kendra (56), Maheshpur Madrasa (06) and Kalapatna Primary School (06) at the Maheshpur Primary School. Nutritional suppliment and medicines were also distributed.

Eye Check up and treatment camp (for villagers) on 29.03.07 and 30.03.07 at Anchal Pradhan Office, Kalaikunda, Amba - 416 nos, Blood Donation camp on 31.03.2007 at TML Premises-72 nos

At Redi

School Health Programme for students at Redi in July 2006. 366 nos. of students attended. Medical Camp for children from Labour Colony Redi in the month of August 2006. 79 children attended. A need survey was conducted which was attended by 280 ladies, subsequently 102 ladies attended the camp that was organized in May 2007. Posters regarding "Awareness against AIDS" were displayed at Raw Material unloading yard and truck parking area in the month of March 2007.

Health Related Activities For Employees (For both KGP & Redi)

A. Periodical Occupational Health Check-Up Of Employees

Sl.No.	Examination	Frequency
1	Chest X-Ray	Once in 3 year
2	Pulmonary Function Test (P.F.T)	Once in a year
3	Blood Test	Once in a year
4	Audiometry	Once in a year
5	Eye Test	Once in a year (If otherwise not indicated earlier)
6	Physical Health Check-Up	Once in a year

B. Other Health Related Services Provided

Sl. No	Examination	Frequency
1	Distribution of ORS Powder	Summer season (April to July)
2	Physical health check-up of canteen workers.	Once in a month
3	Giving dewormin to canteen workers	Every six month
4	Treatment and clinical advice to contract workers	Continuous process

In addition to the above, other efforts to improve health are as follows –

a. Support for sport and leisure

- Donations of football to surrounding villages
- Gymnasium inside the plant

b. **Voluntary work and philanthropy** - People who do appreciable volunteering jobs are awarded with "SEVA RATNA" medal on Independence Day

Tree Plantation (Vriksha Jivan Hai)

Development of greenery inside the factory premises is given considerable importance with well-manicured lawns and landscaping.

Year		No. of trees planted (plan)	No. of trees planted (actual)
2006-07	KGP	5000	5000
	Redi		1187
2005-06	KGP	2000	2400
	Redi	500	19
2004-05		2000	2500
2003-04		2000	2000

Civic amenities

Road –

KGP - With a view to enhance quality of life and road access for smooth passage for 10 villages, the Company has contributed towards the upkeep of the main road from NH6 to Plant at KGP. In the reporting year TML spent Rs 7 lakhs for maintenance of this road.

Redi - The Company is also involved in repairing of the village road (Terekhol Road) in Redi, which will help in improving accessibility of road transport.

Solar powered Street Light

KGP – The Company is involved in the maintenance of 52 previously installed solar powered streetlights around the plant premises and in public places like Gokulpur Station, Gokulpur Hospital, Panchayat Office and at Porapara Primary School.

The community development activity is looked after by the Chief of Human Resources (Corporate) and is reviewed in the PMS by the MD. Volunteers run the activity. The Organization actively supports the Community development activity, in fact the employees who act as volunteers are given weight age in their performance appraisal as well. They all volunteer after their duty hours.

The Tata Code of Conduct states that, "A Tata Company and its employees shall neither receive nor offer or make, directly or indirectly, any illegal payments, remuneration, gifts, donations, or comparable benefits, which are intended or perceived to obtain or un-competitive favours for the conduct of its business and shall participate in efforts to eliminate such forms of bribery, fraud and corruption." As per the TCoC, an employee is bound to follow the above. No body was found to have violated the above Code (clause 5 – Gifts and donations)

The TCoC also clearly states that - "A Tata Company shall market its products and services on its own merits." It will not give misleading or wrong information about its competitors; it will not form cartels etc and will support the development and operation of competitive open markets. (TCoC, clause – 3)

The Tata Code of Conduct is prominently displayed, widely circulated for all.

End of Report