Directors' Report

To the Members,

The Board of Directors hereby present the 105th annual report on the business and operations of your company along with the standalone and consolidated summary financial statements for the year ended 31st March, 2012.

Figures in ₹ crores

	Tata Steel Standalone		Tata Steel Group	
	2011-12	2010-11	**2011-12**	2010-11
Net Sales/Income from Operations	**33,933.46**	29,396.35	**1,32,899.70**	1,18,753.12
Total expenditure before depreciation (net of expenditure transferred to capital)	**22,396.69**	17,914.06	**1,20,482.91**	1,02,006.45
Operating Profit	**11,536.77**	11,482.29	**12,416.79**	16,746.67
Add: Dividend and other income	**886.43**	528.36	**1,573.03**	679.98
Profit before finance costs, depreciation, exceptional items and tax	**12,423.20**	12,010.65	**13,989.82**	17,426.65
Less: Finance costs	**1,925.42**	1,735.70	**4,250.11**	3,955.78
Profit before depreciation, exceptional items and tax	**10,497.78**	10,274.95	**9,739.71**	13,470.87
Less: Depreciation	**1,151.44**	1,146.19	**4,516.65**	4,414.82
Profit before exceptional items and tax	**9,346.34**	9,128.76	**5,223.06**	9,056.05
Add/(Less): Restructuring, Impairment & Disposals	**–**	–	**–**	2,310.21
Add/(Less): Profit on sale of Long term Investments	**511.01**	648.09	**3,361.92**	735.69
Profit before tax	**9,857.35**	9,776.85	**8,584.98**	12,101.95
Less: Provision for current tax	**3,115.11**	2,857.00	**3,512.24**	2,910.34
Less: Provision for deferred tax	**45.82**	54.16	**124.22**	335.56
Profit after tax	**6,696.42**	6,865.69	**4,948.52**	8,856.05
Add: Share of profit of Associates	**–**	–	**268.11**	66.36
Less: Minority Interest	**–**	–	**(173.14)**	(60.28)
Profit after minority interest and share of profit of associates	**–**	–	**5,389.77**	8,982.69
Distribution on hybrid perpetual securities	**256.54**	6.79	**256.54**	6.79
Tax effect on distribution of hybrid perpetual securities	**(83.24)**	(2.25)	**(83.24)**	(2.25)
	6,523.12	6,861.15	**5,216.47**	8,978.15
Add: Balance brought forward from the previous year	**16,639.46**	12,772.65	**12,959.16**	7,010.48
Add: Profit and Loss account balance relating to acquisitions	**(0.87)**	–	**–**	–
Balance	**23,161.71**	19,633.80	**18,175.63**	15,988.63
Which the Directors have apportioned as under to:-				
(i) Dividend on Preference Shares	**–**	–	**0.21**	–
(ii) Proposed dividend on Ordinary Shares	**1,165.46**	1,151.06	**1,165.46**	1,150.25
(iii) Tax on dividends	**181.57**	156.71	**185.71**	163.22
(iv) General Reserve	**669.64**	686.57	**680.51**	703.42
(v) Debenture Redemption Reserve	**–**	1,000.00	**–**	1,007.26
(vi) Special Reserve	**–**	–	**11.77**	5.32
(vii) Capital Redemption Reserve	**–**	–	**6.55**	–
Total	**2,016.67**	2,994.34	**2,050.21**	3,029.47
Balance to be carried forward	**21,145.04**	16,639.46	**16,125.42**	12,959.16

DIVIDEND

The Board recommended dividend of ₹ 12 per Ordinary Share on 97,12,14,450 Ordinary Shares (Financial Year 2010-11: ₹ 12 per Ordinary Share on 95,92,14,450 Ordinary Shares of ₹ 10 each) for the year ended 31st March, 2012.

The dividend on Ordinary Shares is subject to the approval of the shareholders at the Annual General Meeting. The total dividend payout works out to 20% (Financial Year 2010-11: 19%) of the net profit for the standalone results and 25% (Financial Year 2010 -11: 15%) of the net profit of the consolidated results of the Company.

CONVERSION OF WARRANTS

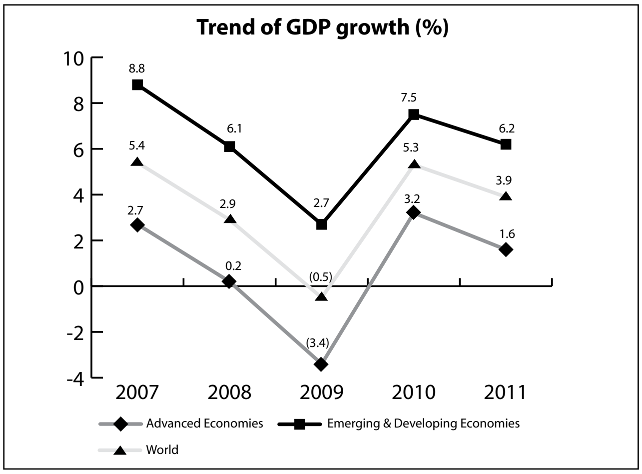
1,20,00,000 Warrants were allotted to Tata Sons Limited (TSL) on Preferential basis on 23rd July, 2010, where each Warrant entitled TSL to subscribe for one Ordinary Share of the Company at a price of ₹ 594/- per share.

On 20th January, 2012, TSL exercised its option to convert 1,20,00,000 Warrants into Ordinary Shares at a price of ₹ 594/- per share. Accordingly, 1,20,00,000 Ordinary Shares of ₹ 10 each were allotted to TSL on 20th January, 2012 at a premium of ₹ 584/- per share aggregating to ₹ 712.80 crores.

After the preferential issue, the paid-up share capital of the Company stands at ₹ 971.21 crores comprising of 97,12,14,450 Ordinary Shares of ₹ 10 each.

GLOBAL ECONOMY

The world GDP, as reported by the International Monetary Fund, witnessed a moderate growth of 4.0% in 2011 as compared to a growth of 5.0% in 2010. The growth in the advanced economies slowed to 1.6% in 2011 in comparison to 3.2% in 2010, while the emerging and developing economies grew at 6.2% in 2011 compared to 7.5% in 2010. The year also saw supply-side disruptions from the earthquake and tsunami in Japan and the floods in Thailand. The future of economic and monetary environment of the European Union has become uncertain, as the sovereign debt crisis in the Eurozone has affected the confidence of the underlying economy.



US: After a weak start, the economic activity in the US gained strength through the year with the quarterly growth rate rising each quarter to finish at 1.7% for the full year. The United States has seen a spate of encouraging economic news, including fall in unemployment rates. Risks in the outlook are more balanced though with downside bias, given the fiscal uncertainty, weakness in the housing market, and potential spillovers from Europe.

Europe: GDP in the Euro zone increased by 1.4% in 2011 over 2010. Germany and France posted growth of 3% and 2% respectively while Italy and Spain posted an increase of only 0.4% and 0.7% respectively. Europe tipped back into recession, resulting from renewed escalation of perceived Euro zone crisis risks in late 2011. The Euro area crisis is the outcome of several underlying forces. These factors include mispriced risk, prolonged liquidity fed macroeconomic policies over many years and weak prudential banking norms. While the overall public and external debt levels of the euro area are lower than those of the United States and Japan, the crisis has exposed flaws in the governance of the European Monetary Union. While cross-border bank lending markets became increasingly integrated, the supervision and regulation remained at national level.

India: As reported in the Economic Survey of 2011-12, GDP grew by 6.9% in 2011-12 as compared to the growth of 8.4% in 2010-11. The inflation (WPI) at 9.1% in Financial Year 2011-12 led to consistent interest rate hikes, affecting demand adversely. The agricultural output is expected to grow by 2.5%, lower than expected as compared to a high growth of 7% in 2010-11. It is a matter of concern that the agricultural growth is characterised by fluctuations due to the vagaries of nature. The manufacturing sector grew by 3.9% during the year as compared to 7.6% during 2010-11. The fragile economic recovery in the US and Europe and moderately subdued expectations at home affected the growth of the industrial sector in the current year. Growth in services was around 9.4% as compared to a growth of 9.3% in 2010-11. Amongst the key macroeconomic indicators, fiscal deficit was around 5.9% of GDP in 2011-12 as compared to 4.8% in 2010-11. Export and import grew positively by 23.5% and 29.4% compared to 2010-11 despite difficult conditions in the global economy.

South East Asia: The GDP of Association of South East Asian Nations (ASEAN) (Indonesia, Malaysia, Philippines, Thailand and Vietnam) grew at 4.5%. The Thailand economy grew at 0.1% while that of Singapore by 4.9% and Vietnam by 5.9% in 2011. As the pace of economic activity in the region has slowed and capital flows have diminished, inflation pressure has waned and credit flows have slowed.

TATA STEEL GROUP PERFORMANCE

Gross steel deliveries were at par with previous year in line with the underlying market conditions. Tata Steel India deliveries were higher by 3% while Tata Steel Europe and Tata Steel Thailand deliveries declined by 5% and 12% respectively. Deliveries of NatSteel Holdings were at par with the previous year.

Tata Steel India's turnover increased by 15% due to better market conditions and enhanced product mix. Higher revenues from sale of automotive and branded products and increased sale of long products in the retail segment, contributed to the increased turnover. The turnover of Tata Steel Europe and NatSteel increased by 3% and 4% respectively while there was a reduction in the turnover of Tata Steel Thailand by 2% (in their respective reporting currencies).

Earnings before interest, taxes and depreciation (EBIDTA) of the group was ₹13,533 crores in Financial Year 2011-12 compared to ₹ 17,116 crores in Financial Year 2010-11.

Indian operations: Tata Steel completed the year 2011-12 with an all-round increase in the production levels. The production of hot metal (7.75 mt), crude steel (7.13 mt) and saleable steel (6.97 mt) are the highest milestones for the Company till date. The production from the larger furnaces was maximised with better productivity and lower coke consumption while increased vessel life in the steel melting area enhanced the liquid steel production levels.

The deliveries during Financial Year 2011-12 were 6.63 million tonnes compared to 6.42 million tonnes in the previous year. There were several best ever performances recorded by many units of the Company during Financial Year 2011-12.

The special improvement initiative, the 'Kar Vijay Har Shikhar' programme launched in India, has resulted in savings of ₹945 crores in Financial Year 2011-12. The program is an operations transformation exercise implemented through a focused methodology to de-bottleneck processes in order to increase throughput and reduce costs across functions, notably marketing, mining and production. Application of 'Theory of Constraints' in the Marketing function has led us to leverage our retail network to push unique value propositions to customers, replenishing stocks at dealer levels on a predetermined basis, resulting in robust retail sales and better margins.

The Ferro Alloys and Minerals Division (FAMD) registered total sales volume of 1,351k tonnes in Financial Year 2011-12 as against 1,464k tonnes in Financial Year 2010-11. Lower sales of Chrome concentrate and Pyroxenite resulted in lower overall FAMD sales. Sales of Ferro alloys (Chrome and Manganese Alloys) registered an increase of 17% (Financial Year 2011-12: 309 k tonnes; Financial Year 2010-11: 264k tonnes) and dolomite sales registered an increase of 15% (Financial Year 2011-12: 480k tonnes; Financial Year 2010-11: 417 k tonnes). FAMD continues to supplement profits of the Steel division, in spite of weakness in international demand witnessed in the second half of the financial year.

The Tubes division recorded sales of 377k tonnes in Financial Year 2011-12 compared to 366k tonnes in Financial Year 2010-11, an increase of 3% over the previous year. This was due to improved demand in the irrigation and infrastructure segments and increasing order book of Tata Structura. The year also marked the unveiling of the 'CHARKHA' at Oval Maidan, Mumbai – a symbol of the innovative and futuristic applications of the Tata Structura hollow section.

The Bearings division registered sales of 34.54 million numbers in Financial Year 2011-12 compared to 32.95 million numbers in Financial Year 2010-11, signifying growth of 5%, driven primarily by robust demand from the auto segment.

European operations: Sales volume in Europe remained flat through the year at around 3.5 million tonnes per quarter. The liquid steel production for the year was 14 million tonnes. Higher demand driven by restocking resulted in a sharp increase of 12% in the first quarter of Financial Year 2011-12, before weakening demand and stabilising raw material costs saw average revenue per tonne fall steadily each quarter through the year. The fourth quarter average revenue per tonne was 9% lower than the first quarter.

The Company's European operations were impacted on account of excess steel capacity in the Eurozone and weak underlying demand. Each quarter witnessed steeper decline in steel price compared to raw material prices, resulting in cost/price squeeze. Management continued its efforts to restructure Long Products business at Scunthorpe, aligned business operations to current and projected demand in Speciality business, infused capital to improve asset quality and energy efficiency while simultaneously implemented cost reduction program titled 'Step Up and Save'.

In order to enhance customer service, Tata Steel Europe (TSE) is implementing a 'Supply Chain Transformation' project, aimed at allocating customer demand to the production hubs in the most efficient and cost-effective manner. This is expected to reduce inventory levels, improve delivery compliance and strengthen customer relationships. During the financial year 2011-12, TSE's customer orientation was much appreciated. The Company was selected as the preferred supplier of choice for select automakers and was shortlisted for a prestigious Annual Quality Improvement award.

South East Asian operations: NatSteel marginally increased its sales level in Financial Year 2011-12 (1.81 million tonnes) over Financial Year 2010-11 (1.80 million tonnes) resulting in increase of turnover by 4%. NatSteel Singapore increased its sales volume from 844k tonnes in Financial Year 2010-11 to 893k tonnes in Financial Year 2011-12, a 6% growth in volume on the back of strong construction demand. Singapore operations are focused to add higher proportion of value added products to their existing range of products. In China, the sales volumes reached 540k tonnes in Financial Year 2011-12 compared to 495k tonnes in Financial Year 2010-11. NatSteel is setting up in China a Downstream Reinforcements Solutions operation to add depth to its product portfolio. Operations in Australia suffered on account of poor demand, rapidly accelerating costs and disproportionate supply in the market place.

Tata Steel Thailand (TSTH) recorded crude steel production of 1.18 million tonnes in Financial Year 2011-12 compared to 1.30 million tonnes in Financial Year 2010-11. Sales during the year was lower at 1.14 million tonnes compared to 1.29 million tonnes registered in Financial Year 2010-11. Thailand's economy suffered on account of unprecedented floods which impacted construction activity country wide. Low capacity utilization coupled with elevated imported scrap prices led to reduction in rebar scrap spread, impacting margins of TSTH. In spite of tough market conditions TSTH continued to be a market leader in rebars and high end wire rods. Tata TISCON a prominent brand in India was launched for the first time internationally in Thailand. TSTH diversified its product portfolio by producing

Special Bar Quality product, for applications in the automotive segment and doubled its efforts to reduce costs, optimize product-mix and improve yield of mills.

EXPANSION PROJECTS

Brownfield Projects:

The 2.9 mtpa brownfield expansion at Jamshedpur would enhance the crude steel making capacity to 9.7 mtpa and the Flat Steel production capacity will increase by 2.54 mtpa. The trial production and testing has started for Pellet plant, I Blast furnace, LD#3, first stream of Thin Slab Caster (TSC) and fines circuit of Noamundi iron ore mines. All balance facilities under this project are scheduled to be completed in Financial Year 2012-13.

The implementation of the 0.6 mtpa Continuous Annealing and Processing Line project at Jamshedpur for the production of automotive cold rolled flat products is progressing as per schedule for commissioning in end 2013. The above project is being undertaken as part of the JV between Nippon Steel Corporation and Tata Steel. The above Joint Venture will serve the growing needs of the Indian automotive customers for high end cold rolled coils and sheets.

These projects, along with other sustenance and improvement projects, are being implemented to support the Company's current operations and its growth aspirations.

Greenfield Project:

The greenfield project in Odisha to produce Flat Steel products with 6 mtpa capacity in two phases of 3 mtpa each, has made considerable progress on all fronts during the year. Contracts for major technology packages for Blast Furnace, Sinter Plant, Coke Plant, Steel Melting Shops (SMS) and Hot Strip Mill have been finalised and orders for civil and structural packages have been placed. The construction work at the site is progressing, with major piling and nearly 1.3 lakh cubic metres of concreting work, having been completed. Structural erection for Sinter Plant, Blast Furnace and SMS has commenced. Equipments for major facilities have been received and ordering of imported equipments for Coke Plant and Hot Strip Mill is in progress.

RAW MATERIAL PROJECTS

Tata Steel continued to implement its long-term strategy to secure ownership of assets to enhance raw materials self-sufficiency. During Financial Year 2011-12, the Company continued to focus on expediting implementation of its existing overseas ventures.

Coal Projects:

Benga Coal Project, Mozambique:

In November 2007, Tata Steel entered into definitive agreements with Riversdale Mining Limited (RML), an Australian listed company for purchasing 35% stake in Riversdale's Mozambique Coal project at Benga and Tete tenements located in Moatize basin of Mozambique. The Company had also acquired 27.1% stake in RML.

In April 2011, the British-Australian mining company, Rio Tinto took over Riversdale Mining Limited (RML). The Company divested 27.1% of its stake in Riversdale Mining Limited (RML) for a consideration of ₹ 5,017 crores (US$ 1,104 million) to Rio Tinto and continues to hold 35% equity stake in the Benga project.

In Phase1, the project is expected to produce 5.3 mtpa Run of Mine (ROM) coal (1.5 mtpa coking coal and 0.9 mtpa thermal coal) and in Phase2 production is expected to increase to 10.6 mtpa ROM (3mtpa coking coal and 1.8 mtpa thermal coal). The Benga coal project has commenced production from March 2012 and the first shipment of coal is expected to be dispatched in June 2012.

Coal Mining Project in Australia, Carborough Downs Joint Venture:

The existing Carborough Downs Joint Venture in Australia is operating at 1.8 mtpa capacity. The Company has 5% equity stake with 20% off-take rights.

Iron Ore Projects in Canada:

In September 2008, the Company entered into a Heads of Agreement with New Millennium Iron Corporation, Canada (NML), a Canadian listed mining company, to develop iron ore projects in northern Quebec and Newfoundland and Labrador and gradually acquired 27.16% stake in NML through its wholly-owned subsidiary Tata Steel Global Minerals Holdings Pte. Ltd. NML owns Direct Shipping Ore (DSO) project, having estimated proven and probable reserves of 64.1 million tonnes and Taconite projects, namely Labmag and Kemag with a combined resource size of 5.65 billion tonnes. Subsequently, a joint venture company, Tata Steel Minerals Canada (TSMC), was formed in October 2010 for development of DSO project. The Company holds 80% equity stake in TSMC and the balance 20% equity stake is held by NML.

TSMC has obtained the required permits for camp, site levelling and construction. The Camp in Schefferville was inaugurated in January 2012. Site levelling is underway and frame supported Dome is under construction to house the beneficiation facility. Orders have been placed for major part of the processing facility and civil work at the site has commenced. Production from the mine is expected to commence by Q3 Financial Year 2012-13.

On 6 March, 2011, the Company signed a binding Heads of Agreement with NML to develop iron ore deposits under Taconite projects. Feasibility study of the project is currently under progress and is expected to be completed by the end of calendar year 2012.

HEALTH AND SAFETY

The Company's safety and occupational health responsibilities are expressed in its policy and is driven by an absolute commitment to ensure zero harm to employees, contract workforce and society at large and are integral to the way the business is carried out. The group vision has a target of 0.4 Lost Time Injury Frequency Rate (LTIFR) and zero fatality by end CY 2012. In pursuance of this policy, the management is committed to continue with their efforts to strengthen safety excellence journey in the Company. Over the last three years, extensive efforts in order to address premature mortality on account of occupational health and medical illness have been undertaken. An initiative named 'Wellness @ Workplace' was launched in 2010 to control lifestyle-related diseases. Workplace hazards were minimised through the implementation of the Industrial Hygiene Programme and workplace ergonomics issues were addressed through Industrial Ergonomics.

In 2011-12, Tata Steel Europe and NatSteel received the World Steel Association's recognition awards for their improvements in health and safety. Tata Steel group companies have won an award every year for the last four years. Tata Steel India was awarded the best SHE (Safety, Health and Environment) award for the first time by CII, Eastern Region.

'Health and Safety' is reviewed at all Board meetings of the Company with a Safety, Health and Environment Committee established to carry out more detailed reviews. The integrated and systemic Health and Safety Management System, introduced in Tata Steel Europe in 2008 with a governance process for improvement actions and regular safety tours by the Board and executive members, has been developed for Tata Steel Group-wide application in the current year.

During the year, Tata Steel Group operations recorded a LTIFR of 0.68 against 0.78 in 2010-11, a 13% improvement over the last year. However, during the year there were 8 fatalities across the Group. Each of these has been thoroughly investigated, the lessons communicated and corrective actions taken across the group. The Board expresses its sincere regret at these tragic fatalities.

The implementation of process safety management, to reduce the occurrence of high consequence but very low frequency events has continued across the group. This will help the sustainability of the operations by assuring safety to the community and achievement of operational excellence.

ENVIRONMENT

Overall, the Tata Steel Group continues to lay emphasis on minimising the environmental impact of its operations and its products through the adoption of sustainable practices and continuous improvements in environmental performance. Furthermore, the Company aims to contribute positively to the communities around or near its operations, participating actively in community initiatives, encouraging biodiversity and nature conservation.

Tata Steel products are part of the solution to climate change as steel has inherent environmental advantages by being durable, adaptable, reusable and recyclable. As a result, CO_2 emissions in steel production are offset by reductions in emissions through the life cycle of steel products, achieved through effective product design and through end of life recycling. One of the key corporate objectives for your company is to reduce CO_2 emissions per tonne of crude steel (tcs) produced. The current targets are provisional and are under review pending regulatory developments in both Europe and India.

The Group continues to invest substantially in short to medium term CO_2 emissions reduction and energy efficiency programmes. In addition to these improvements, Tata Steel Europe is also working with other steelmakers in Europe on a longer term major research and development project, ULCOS (ultra low CO_2 steelmaking), which aims to develop breakthrough technologies to significantly reduce CO_2 emissions per tonne of steel produced.

Tata Steel maintains proactive approach towards environment management and has adopted ISO 14001 for mining and manufacturing operations. Tata Steel is examining means to reduce energy consumption and CO_2 emissions to retain its position as the Indian benchmark in steelmaking through Blast Furnace-Basic Oxygen Furnace (BF-BOF) route by increasing process efficiency, scrap utilisation, reduction of Alumina in Iron Ore and Ash in Coal through beneficiation.

In Jamshedpur Steel Works CO_2 emissions during Financial Year 2011-12 were 2.5 tCO_2/tcs, similar to emission levels in Financial Year 2010-11. Specific make-up water consumption in Financial Year 2011-12 at 5.84 m^3/tcs was lower by 3.3% than 6.04 m^3/tcs recorded in Financial Year 2010-11 due to more than normal rainfall and increased recycling of effluents. The recycling of treated effluent increased to 4.3 MGD[1] in Financial Year 2011-12 from 3.4 MGD in Financial Year 2010-11. Solid waste utilisation[2] was 75% in Financial Year 2011-12 compared to 78% in Financial Year 2010-11.

In Tata Steel Europe, CO_2 emissions during Financial Year 2011-12 were at 1.9 tCO_2/tcs. Compliance with environmental permit conditions continued to be at a very high level across TSE during the financial year.

Tata Steel Europe met its environmental obligations in Phase 1 (2005 to 2007) of the EU ETS and expects to do the same in Phase 2 (2008 to 2012). As a result of generally lower production levels since October 2008, TSE now expects to be in surplus carbon credits in Phase 2. Excess rights can either be sold in the market or retained for future compliance purposes. Whilst TSE continues to invest to reduce CO_2 emissions, current proposals by the EU Commission for Phase 3 (2013 to 2020) of the scheme could, as they currently stand, have a negative impact on production levels post 2012 for European steelmakers in general. However, these proposals are continuing to evolve and no final decisions have been made at this stage.

TSE currently participates in a voluntary agreement with the Dutch government regarding energy efficiency improvements over the period 2009 to 2012. The primary requirement of the agreement is an energy efficiency improvement of 2% per annum, covering both energy used within the manufacturing process and energy saved across the product life cycle. The total energy efficiency improvement in 2011 was 3.4%.

The UK government announced in the 2011 budget their intention to introduce a 'carbon price floor' with effect from

[1] MGD - Million Gallons per Day
[2] As per revised Utilisation concept & calculation

2013-14. This is an additional UK-only tax on electricity generation related to the carbon intensity of the generation fuel used, which would come into effect if the price of carbon in the EU ETS does not reach certain thresholds. The impact of the tax for consumers, if triggered, will be to raise the wholesale price of electricity in the UK. European steelmakers already face significantly higher emission costs under Phase 3 of the EU ETS and the carbon price floor will impose additional cost specifically on the UK steel industry. However, in response to concerns being raised in relation to the effects that this and other policy decisions would have on international competitiveness, a compensation package for energy intensive industries has been announced in principle by the UK Government, although the scope and extent of the package are still being determined.

SUBSIDIARIES

The consolidated financial statements presented by the Company include financial information of its subsidiaries prepared in compliance with applicable Accounting Standards. The Ministry of Corporate Affairs, Government of India vide its Circular No. 5/12/2007-CL-III dated 8th February, 2011 has granted general exemption under Section 212(8) of the Companies Act, 1956, from attaching the balance sheet, profit and loss account and other documents of the subsidiary companies to the balance sheet of the Company, provided certain conditions are fulfilled. Accordingly, annual accounts of the subsidiary companies and the related detailed information will be made available to the holding and subsidiary companies' investors seeking such information at any point of time. The annual accounts of the subsidiary companies will also be kept for inspection by any investor at its Head Office in Mumbai and that of the subsidiary companies concerned.

Details of major subsidiaries of the Company are covered in this Annual Report.

DIRECTORS

Mr. Suresh Krishna stepped down as a Director of the Company on 24th December, 2011 on reaching the age of 75 years. The Directors would like to place on record their sincere appreciation of the contributions made by Mr. Suresh Krishna during his tenure on the Board since 1994.

In April 2012, Mr. B. Muthuraman, Vice Chairman of the Company was conferred with the prestigious Padma Bhushan Award by the Honourable President of India, in the trade and industry category.

In accordance with the provisions of the Companies Act, 1956, and the Company's Articles of Association, Mr. B. Muthuraman, Mr. Ishaat Hussain and Mr. Andrew Robb retire by rotation and are eligible for re-appointment.

Mr. Cyrus Pallonji Mistry, Executive Deputy Chairman of Tata Sons Limited and Mrs. Mallika Srinivasan, Chairman & Chief Executive Officer of Tractors and Farm Equipment Limited were appointed as Additional Directors by the Board with effect from 21st May, 2012.

Mr. Cyrus Pallonji Mistry and Mrs. Mallika Srinivasan will hold office till the date of the forthcoming Annual General Meeting and notices have been received from a Member proposing the candidatures of Mr. Mistry and Mrs. Srinivasan for being appointed as Directors of the Company.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

Details of energy conservation and research and development activities undertaken by the Company along with the information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are given in Annexure 'A' to the Directors' Report.

PARTICULARS OF EMPLOYEES

The information required under Section 217(2A) of the Companies Act, 1956 and the Rules there under, in respect of the employees of the Company, is provided in the Annexure forming part of this Report. In terms of Section 219(1)(b)(iv) of the Act, the Report and Accounts are being sent to the Members, excluding the aforesaid Annexure. The Annexure is available for inspection by Members at the Registered Office of the Company during business hours on working days up to the date of the ensuing AGM, and if any Member is interested in obtaining a copy thereof such Member may write to the Company Secretary, whereupon a copy would be sent.

COPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement executed with the Stock Exchanges, a Management Discussion and Analysis, Corporate Governance Report, Managing Director's and Auditors' Certificate regarding compliance of conditions of Corporate Governance are made a part of the Annual Report. A Business Responsibility Report on the Company's corporate sustainability initiatives is also included.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors, based on the representations received from the Operating Management, confirm that :

1. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
2. they have, in the selection of the Accounting Policies, consulted the Statutory Auditors and have applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
3. they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. they have prepared the annual accounts on a going concern basis.

On behalf of the Board of Directors

RATAN N. TATA
Chairman

Mumbai, 22nd May, 2012