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TATA

TATA STEEL

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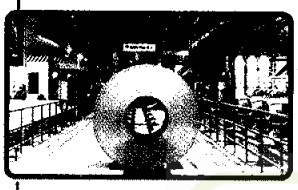
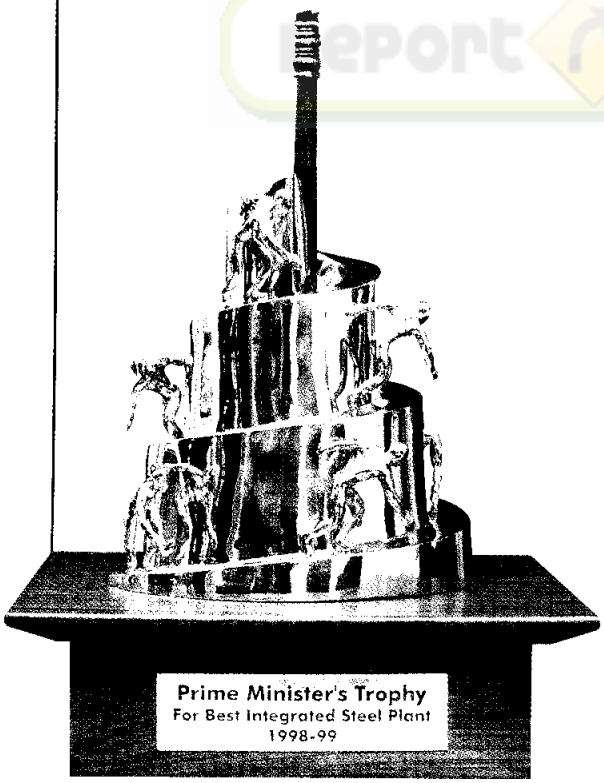
Excellence

The quest for excellence at Tata Steel is not just a process, but a way of life. A determination to move up the value chain - in process, in products and performance - has resulted in Tata Steel being acknowledged for its excellence.

PRIME MINISTER'S AWARD

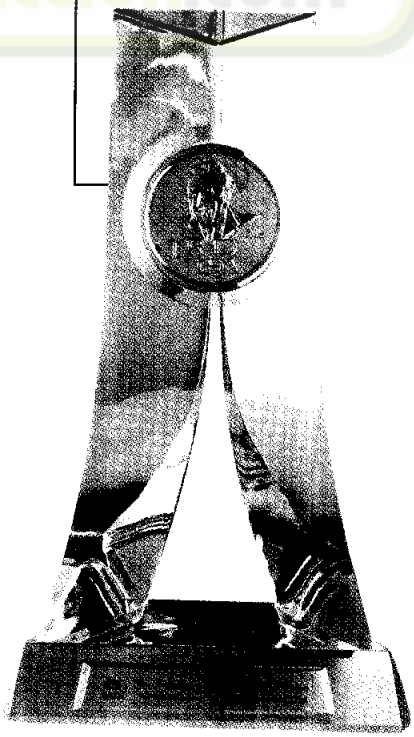
For the second time, Tata Steel has been adjudged India's best performing steel plant in the country by the Ministry of Steel, Government of India.
The Company has been conferred with the coveted 'Prime Minister's Trophy for the year 1998-99'.





THE JRD QV AWARD

Tata Steel achieved a score of more than 600 on a maximum marks of 1000.
The JRD QV evaluation covered corporate areas like leadership, strategic planning, customer and market focus, process management and business results. It is for the first time that a Tata Group Company has won the JRD QV Award.



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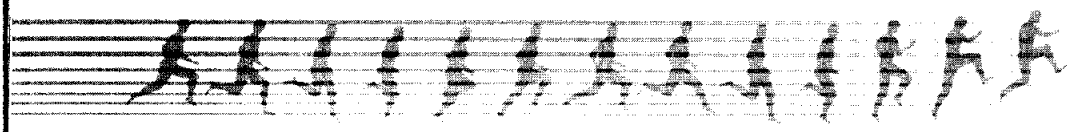


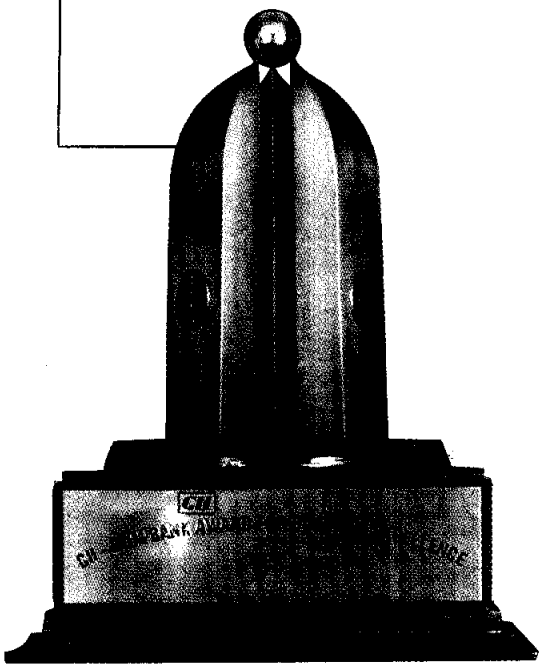
This has found expression in a series of awards Tata Steel has won through the year. Awards that stand witness to its ongoing quest for perfection in every last detail.

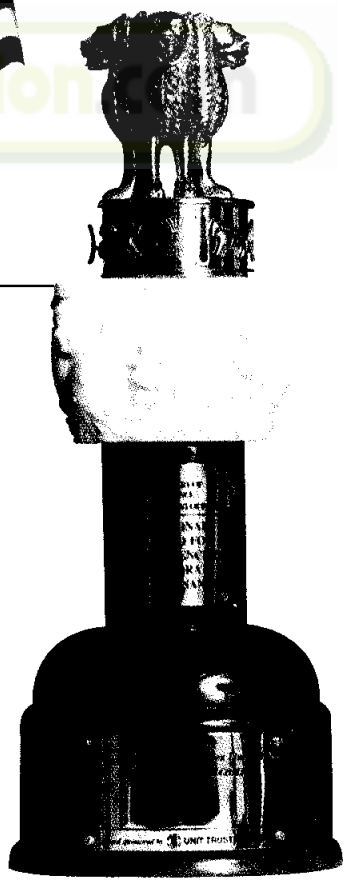
THE CII-EXIM AWARD

Tata Steel has been awarded the CII-EXIM Award 2000 - one of the most prestigious Awards for Corporate Excellence. This Award is modelled on the lines of the EFQM (European Foundation for Quality Management) Award. Tata Steel is only the third company to win this Award.

THE CORPORATE GOVERNANCE AWARD

Tata Steel has won the National Award for Excellence in Corporate Governance for the year 2000. The Award, instituted by the Union Finance Ministry is aimed at strengthening investor confidence in the capital markets by encouraging Indian companies to follow internationally accepted practices of corporate governance.





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production

economies

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- All previous production **records were surpassed – capacity utilisation, production** and **market leadership.**

Crude steel production reached **3.57 MT** as against **3.43 MT in the previous year.**

- **Tata Steel** is emerging as the **world's lowest-cost producer** of **hot-rolled coils (HRC).**

- Use of **petro-fuel** in the steel making process has been **eliminated completely.**

- **Labour productivity** has almost **doubled** in the last five years.

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exchequer

- Excellence
- Profitability
- Production • Economies
- E-Commerce
- Exchequer
- Knowledge Management
- Employee focus • Empowerment
- Social Welfare
- Eco-Consciousness
- Effectiveness

[illegible] of Tata Steel's revenue

was d[illegible]ed to the Government in

2000-2001, amounting to

Rs. 1206.84 crores,

including :

* **Rs. 920.83 crores** as Excise Duty,
* **Rs. 70.52 crores** as Income Tax,
* **Rs. 52.18 crores** as Custom Duties and
* **Rs. 103.87 crores** as Cess and Royalties.

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TATA

TATA STEEL

Ninety fourth annual report 2000-01

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Annual General Meeting on Thursday, 19th July, 2001 at Birla Matushri Sabhagar at 3.30 p.m.
As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting.
Shareholders are requested to kindly bring their copies to the meeting.

The Tata Iron and Steel Company Limited

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Board of Directors
(As on 1st June, 2001)

Mr. R. N. Tata (Chairman)
Mr. Keshub Mahindra
Mr. N. A. Palkhivala
Mr. S. A. Sabavala
Mr. Mantosh Sondhi
Mr. Nusli N. Wadia
Mr. S. M. Palia
Mr. P. K. Kaul (Financial Institutions' Nominee)
Mr. Suresh Krishna
Mr. Kumar Mangalam Birla
Mr. Ishaat Hussain
Mr. S. K. Kapur (Financial Institutions' Nominee)
Dr. Jamshed J. Irani (Managing Director)
Mr. B. Muthuraman (Whole-time Director)
Dr. T. Mukherjee (Whole-time Director)
Mr. F.A. Vandrevala (Whole-time Director)
Mr. A.N. Singh (Whole-time Director)

Management
(As on 1st June, 2001)

Dr. Jamshed J. Irani ..... Managing Director
Mr. B. Muthuraman ..... Managing Director Designate
Dr. T. Mukherjee ..... Dy. Managing Director (Steel)
Mr. F. A. Vandrevala ..... Dy. Managing Director (New & Allied Businesses)
Mr. A. N. Singh ..... Dy. Managing Director (Corporate Services)
Mr. N. P. Sinha ..... VP (Raw Materials)
Mr. S. Pandey ..... VP (Human Resources Management)
Mr. R. C. Nandrajog ..... VP (Finance)

Mrs. S.S. Kudtarkar ..... Company Secretary

REGISTERED OFFICE	Bombay House, 24 Homi Mody Street, Fort, Mumbai 400 001.
BANKERS	State Bank of India
LEGAL ADVISORS	Messrs Mulla & Mulla and Craigie Blunt & Caroe
AUDITORS	Messrs A. F. Ferguson & Company Chartered Accountants Messrs S. B. Billimoria & Company Chartered Accountants
SHARE REGISTRARS	Tata Share Registry Limited, Army & Navy Building, 148, Mahatma Gandhi Road, Fort, Mumbai 400 001.

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product innovation. The initiatives of Tata Steel over the past several years to modernize its facilities, focus on high-end products, substantially reduce its manufacturing costs and to enhance its customer orientation will, I believe, enable our Company to face the global challenges ahead, both within India and in overseas markets. In fact, Tata Steel can already boast that it is one of the most modern facilities for flat products and that it is amongst the lowest cost steel producers in the world.

People – Our Greatest Strength

The spirit of the people at Tata Steel has always been the Company's greatest strength. The year under review has been a momentous year for Tata Steel. Its new facilities enable it to derive benefit from the extensive investments in modernization which have taken place over the years. It has been able to increase its sales and market penetration and it has reduced its costs through improved processes and operating improvements along with fixed costs reduction, to offset increases in input costs. As a result, the Company has turned in one of the best financial performances in its history. The credit for this clearly goes to the management team and the workforce whose commitment have made this possible. The Company's unions have also, as always, played a very important role in maintaining industrial harmony, and supporting various initiatives undertaken by the Company.

Dr. Jamshed J. Irani, who has been with Tata Steel for 33 years and has led the Company as its Managing Director over the past 9 years, deserves a special tribute as he has been one of the main driving forces which have made the Company what it is today. He retires this year at the age of 65 and the operational leadership will pass to Mr. B. Muthuraman, ably supported by Dr. T. Mukherjee, Mr. Firdose Vandrevala and Mr. A.N. Singh. The entire team have vast collective experience in Tata Steel. Therefore, while Tata Steel will see this change in its top management, the institutions ingrained in the Company over the years will continue. We are therefore confident that a modernized, lean and globally competitive Tata Steel will enthusiastically face the challenges of the coming years.

Ratan N. Tata

Chairman

Mumbai, 4th June, 2001.

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Chairman's Statement

The signs of revival of the Indian economy in the early part of the last year were not sustained throughout the year. The demand for goods in several sectors declined, and the general level of economic activity was lower than the year before, and, in particular, the growth in the index of industrial production dropped significantly over the previous year.

Contrary to this backdrop, the apparent domestic consumption of steel grew by 10%, driven by increased demand from the construction sector as also increased activity in the area of consumer durables, particularly in the first half of the year. Tata Steel continued to operate throughout the year at its full capacity and in fact once again achieved record levels of output. During the year, the Company commissioned its new Cold Rolling Mill and its first galvanizing line, marking a major milestone in the fulfillment of its program of modernization and product focus on high-end flat products. After both the galvanizing lines are in place and the Cold Rolling Mill reaches its rated capacity, Tata Steel will become a predominant producer of sophisticated cold rolled products to meet India's future demand for such steel in the engineering, construction, automobile and consumer durables sectors.

While demand has continued to be encouraging for the Company, overcapacity amongst steel manufacturers and the progressive downturn in global demand during the year in major user industries like automobiles and commercial vehicles, have increased the pressure on margins. This trend could continue till such time that the investments in infrastructure announced by the Government of India fructify.

The Challenge Before Indian Industry

As India progressively moves to a free market environment, international producers will have increased access to the Indian market either through the establishment of manufacturing bases in India or from overseas. Indian manufacturers in all sectors will face the challenge of dramatically increased competition from world-class, world-scale manufacturers with established brand equity, who will each be seeking a share in the Indian market. Indian manufacturers therefore would urgently need to re-engineer themselves, wherever possible, to compete in this environment in terms of costs, quality and

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