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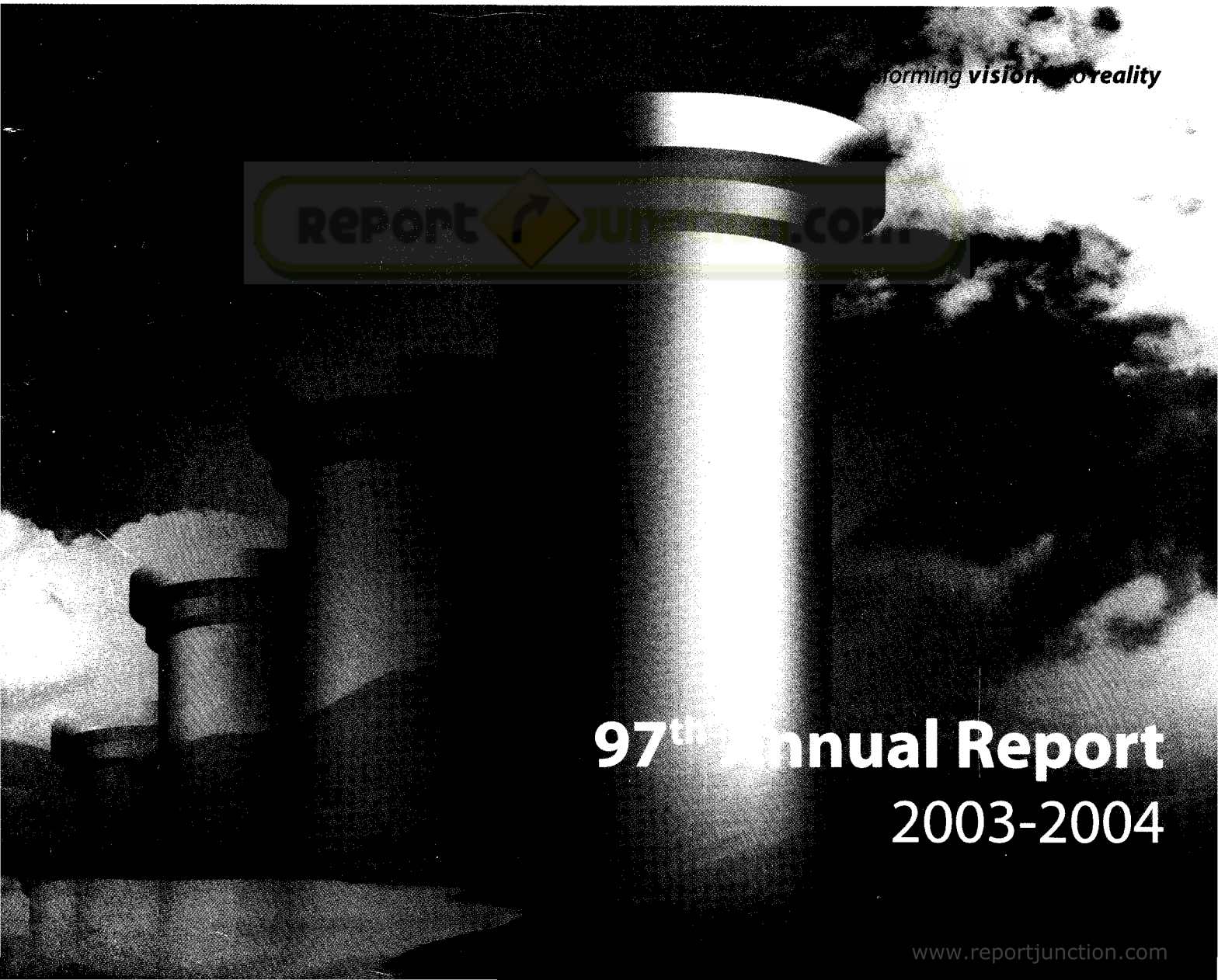
TATA

TATA STEEL



97th Annual Report
2003-2004

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Tata Steel Annual Report

2003-2004

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TATA

TATA STEEL

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Annual General Meeting on Thursday 22nd July, 2004 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 **Visit us at : www.tatasteel.com**

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Vision 2007

To seize the opportunities of tomorrow and create a future that will make us an EVA positive company

To continue to improve the quality of life of our employees and the communities we serve

Revitalize the core Business for a sustainable future

Uphold the spirit & values of TATAs towards nation building

Venture into New Businesses that will own a share of our future

Strategic Goals

Move from commodities to Brands

EVA Positive Core Business

Continue to be Lowest Cost Producer of Steel

Value creating Partnerships with Customers & Suppliers

Enthused & Happy employees

Sustainable growth

Strategy

Manage Knowledge

Outsource Strategically

Encourage Innovation and Allow the Freedom to Fail

Excel at TBEM

Unleash people's potential and create leaders who will build the future

Invest in attractive new businesses

Ensure Safety & Environmental Sustainability

Divest, Merge, Acquire

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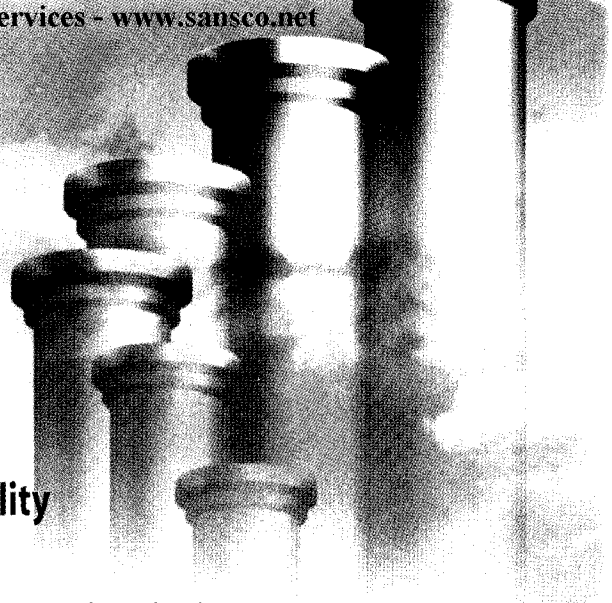

transforming **vision** into **reality**

Tata Steel, India's first steel plant was set up almost a hundred years ago. This pioneering spirit endures. Today, Tata Steel is one of Asia's largest integrated steel plants.

Anticipating the trends of the future, we have charted a growth route to achieve our Vision 2007. To transform this Vision into reality we have, year after year, repositioned paradigms, redefined benchmarks and revisited our core competence. This has accelerated the continuous change and improvement that we are endeavouring to bring about in our operations, in our work culture and in our efficiencies.

This is our real achievement. One that will enable us to sustain *what we have aspired for and build further upon it. So that* we continue to be an EVA+ company and create greater stakeholder value.

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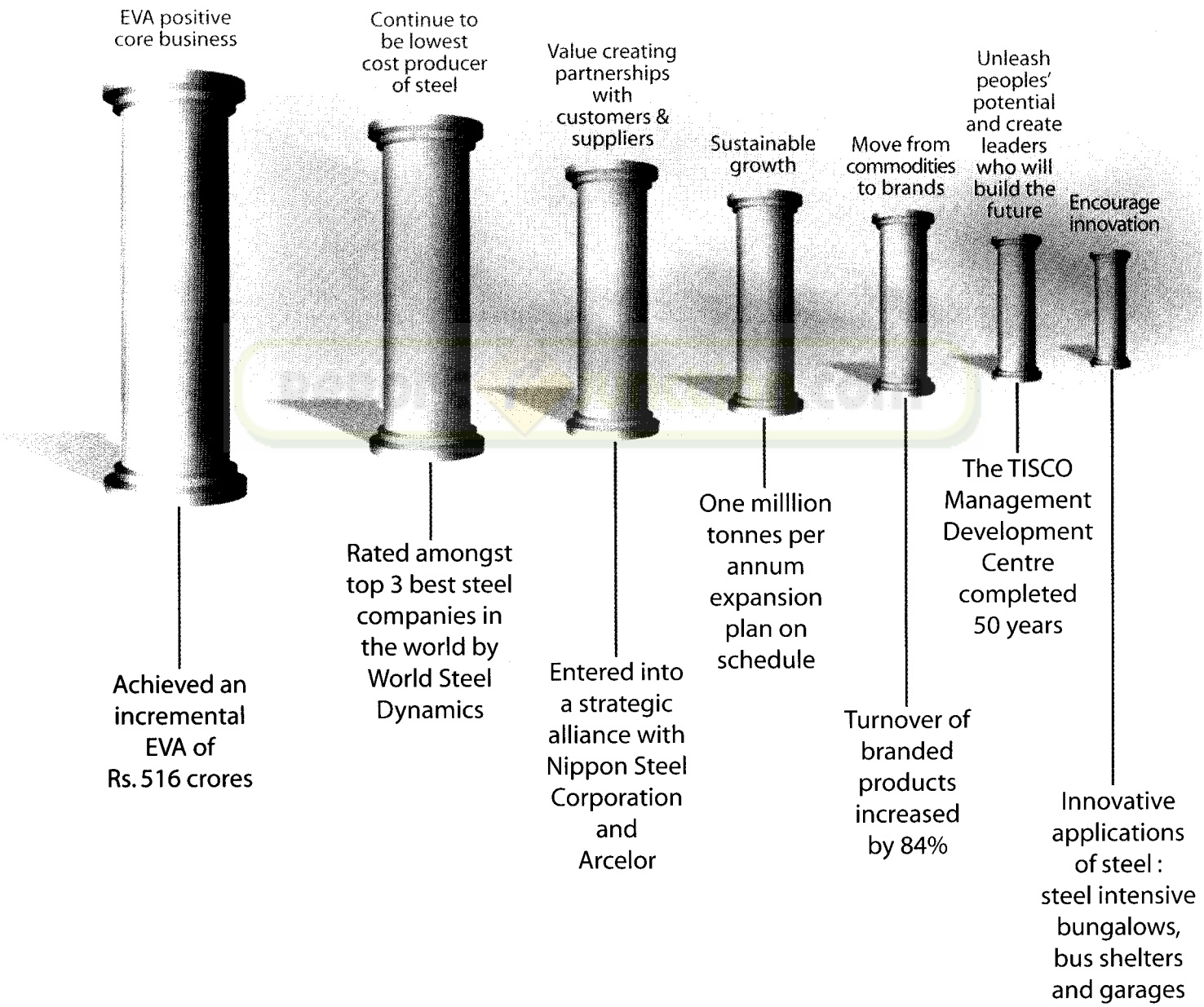
TATA STEEL : HIGHLIGHTS AT A GLANCE



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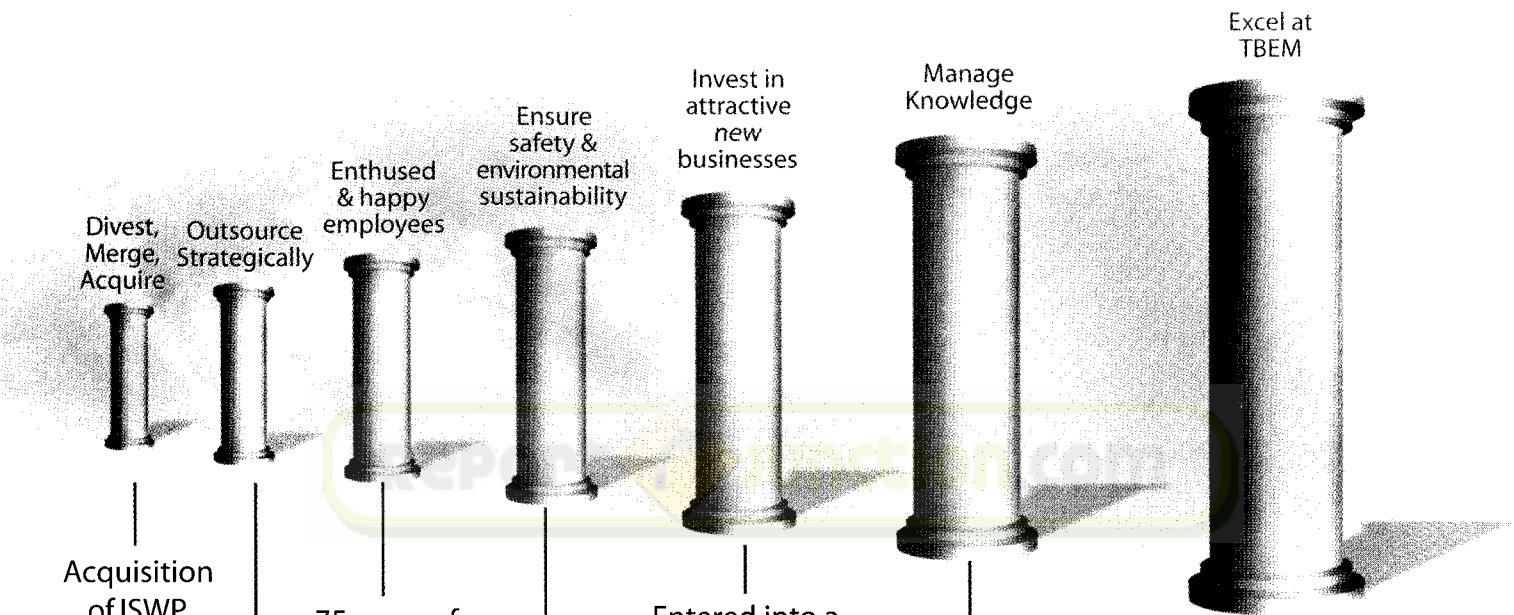
2003-2004



Acquisition of ISWP, MASCON, merger of Tata SSL, divestment of TCPL

Formation of JUSCO to improve Town Services

75 years of industrial harmony and 85 years of the Tata Workers' Union

Exemplary work in energy conservation recognised by PCRA, Ministry of Petroleum and Natural Gas, Government of India

Entered into a Joint Venture in Thailand to secure limestone - a key raw material

The only steel company in the world to have won the MAKE (Most Admired Knowledge Enterprise) Asia Award for 2003

Awarded the Prime Minister's Trophy for the Best Integrated Steel Plant for the fourth time

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TATA STEEL : FINANCIAL HIGHLIGHTS 2003-2004

Highest ever **production** : 4.06 million tonnes

•

Steel **sales** : 3.96 million tonnes
(2002-03 : 3.90 million tonnes)

•

Exports turnover increased by 14% to Rs. 1,496.56 crores
(2002-03 : Rs. 1,313.23 crores)

•

Record turnover of Rs. 12,069.62 crores

•

Profit After Tax increased by 72% to Rs. 1,746.22 crores
(2002-03 : Rs. 1,012.31crores)

•

Net Working Capital reduced to Rs. 84.22 crores
(2002-03 : Rs. 957.52 crores)

•

Return on Equity : 46.3%
(2002-03 : 35.9%)

•

EVA spread of 8.98% at Rs. 847 crores
(2002-03 : Rs. 331 crores)

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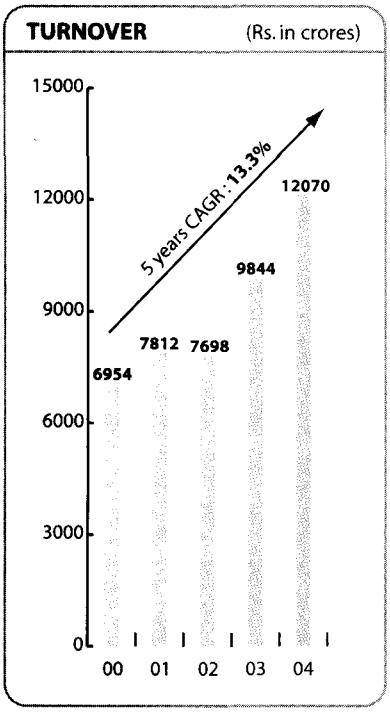
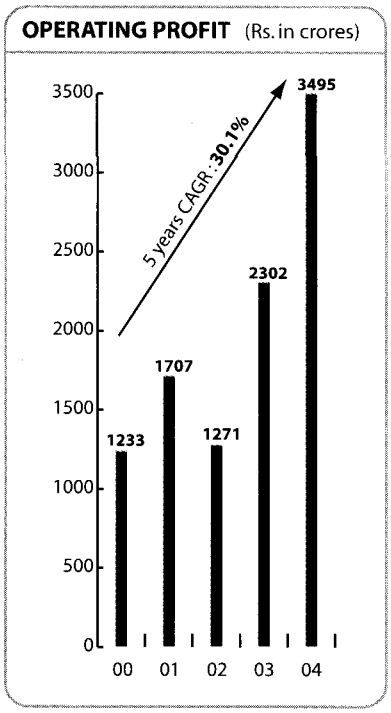
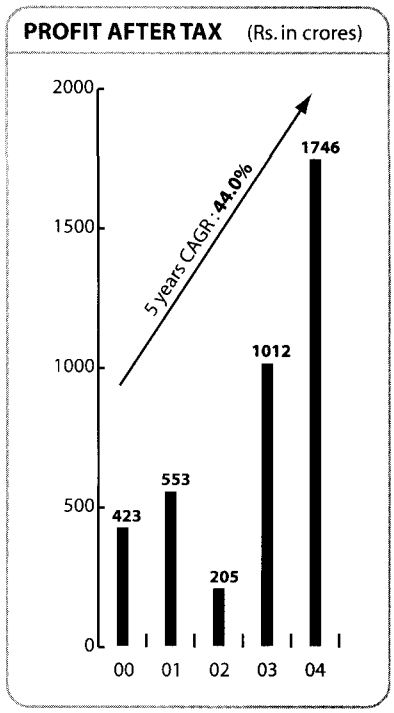


Turnover = Sales of Products & Services + Other Income



Operating Profit = Sales of Products & Services – Excise Duty – (Mfg. & Other Expenses – Expenditure transferred to Capital and Other Accounts)



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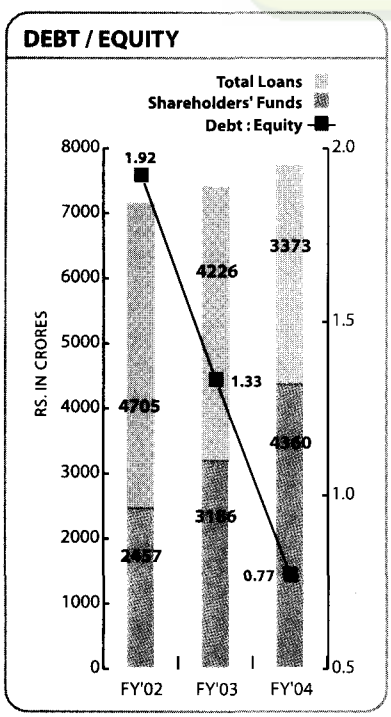
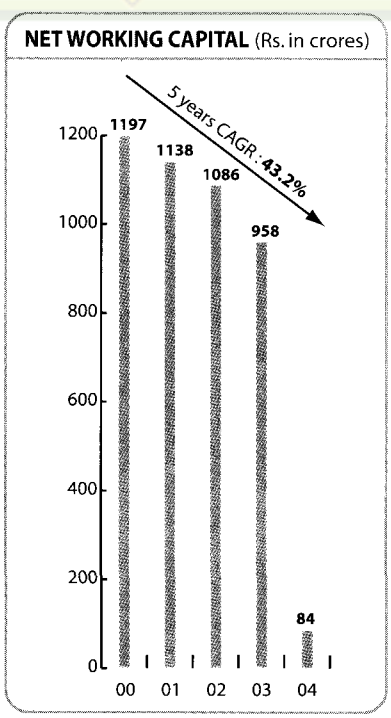
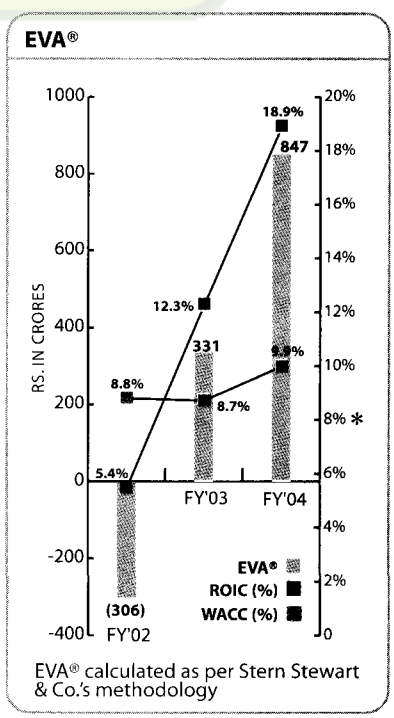


Debt = Secured loans + Unsecured loans
Equity = Share Capital + Reserves & Surplus – Expenditure (to the extent not w/o or adjusted)





EVA® calculated as per Stern Stewart & Co.'s methodology

EVA® = ROIC - WACC
ROIC = Return On Invested Capital
WACC = Weighted Average Cost of Capital

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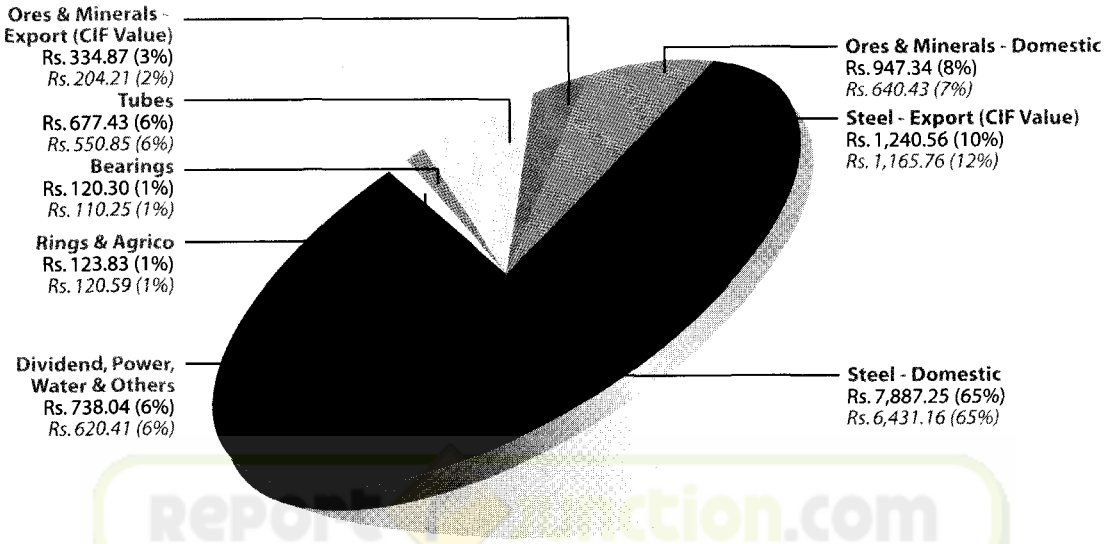
Rupee Earned 2003-2004

Rs. in crores



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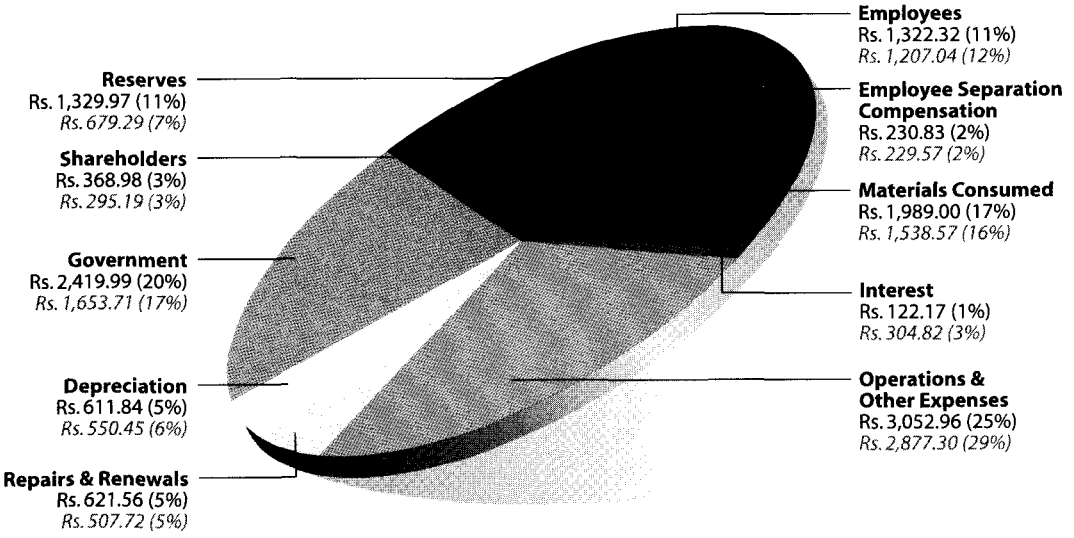
Distribution of Revenue 2003-2004

Rs. in crores



• Figures in italics represent Previous Year

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