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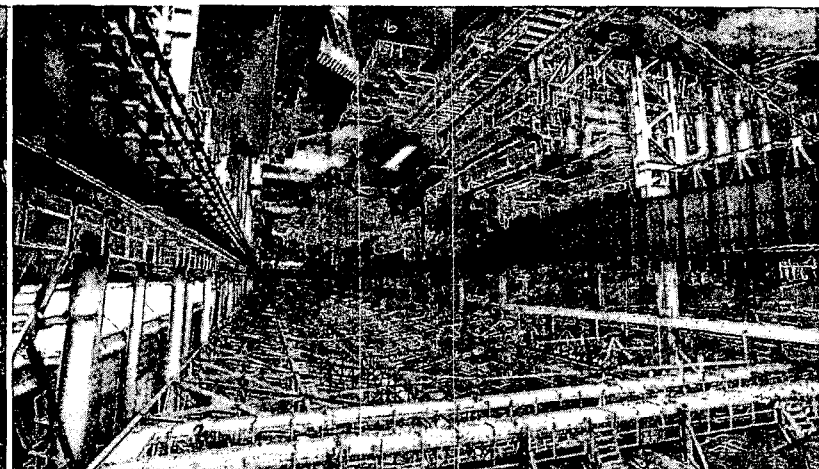
ANNUAL REPORT
1997-98

TATA STEEL

With modernisation, Tisco has practically re-built the entire plant. By 1998, the age of all Tisco plants will be less than 15 years."



Dr. Jamshed J. Ramji, M.D.

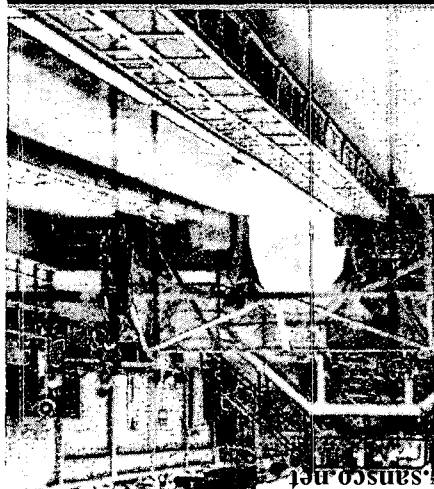
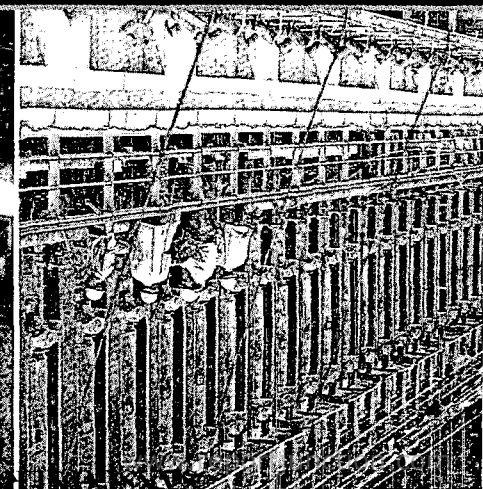


IMPACT OF NEW PROJECTS IN 1998-99

- HOT STRIP MILL COMPLEX TO BE COMPLETED IN MID 1998 (AHEAD OF SCHEDULE) RAISING CAPACITY FOR HOT ROLLED COIL TO 2.08 MILLION TONNES PER ANNUM (EXPECTED PRODUCTION 1.6 MILLION TONNES IN 1998-99).
- COKE OVEN BATTERY TO GO INTO PRODUCTION IN JUNE '98 RAISING STAMP CHARGED COKE PRODUCTION TO 75% OF TOTAL COKE MADE
- TOTAL CONCAST PRODUCTION IN '98-99 WILL INCREASE TO 83% OF TOTAL CRUDE STEEL.
- OLD MILLS (ROLLING MILL-1, NARROW STRIP MILL) TO BE SHUTDOWN.

MAJOR MILESTONES AT STEEL WORKS

- COKE OVENS BATTERY # 8 LIGHT UP
- BILLET CASTER NO. 2 IN LD SHOP # 1
- RH DEGASSER IN LD SHOP # 2
- CAPACITY ENHANCEMENT OF HOT STRIP MILL
- TAR INJECTION IN 'E' BLAST FURNACE
- CAPTIVE SOURCE OF DESULPHURISATION COMPOUND COMMISSIONED
- OXYGEN AVAILABILITY ENHANCED



THE TATA IRON AND STEEL COMPANY LIMITED

Notice

THE NINETY-FIRST ANNUAL GENERAL MEETING OF THE TATA IRON AND STEEL COMPANY LIMITED will be held at the Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020, on Thursday, the 23rd July, 1998, at 3.30 p.m., to transact the following business :

1. To receive and adopt the Directors' Report and Audited Profit and Loss Account for the year ended 31st March, 1998 and the Balance Sheet as at that date.
2. To declare a Dividend on Ordinary Shares.
3. To appoint a Director in the place of Mr. N. A. Palkhivala who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in the place of Mr. Nusli N. Wadia who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in the place of Mr. S. M. Palia who retires by rotation and is eligible for re-appointment.
6. **Revision in terms of Remuneration of Managing Director/Executive Director**

To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution : -

"RESOLVED that in partial modification of Resolution No. 8, passed at the Annual General Meeting of the Company held on 31st July, 1997 for the re-appointment of Dr. J. J. Irani, Managing Director of the Company, and Resolution No. 9, passed at the Annual General Meeting of the Company held on 25th July, 1996 in respect of the remuneration payable to Mr. Ishaat Hussain, Executive Director of the Company, and in accordance with the provisions of Sections 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves of the change in salary scale applicable to Dr. J. J. Irani and Mr. Ishaat Hussain (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of their respective appointments) with authority to the Board of Directors to fix their salaries within their respective scales, increasing thereby, proportionately, all benefits related to the quantum of salary, with effect from 1st April, 1998, for the remainder of the tenure of their contracts as set out in the respective draft Agreements submitted to this meeting and initialled by a Director for the purpose of identification which Agreements are hereby specifically sanctioned."

7. **Amendments to the Articles of Association**

To consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution :-

"RESOLVED that pursuant to Section 31 and all other applicable provisions, if any, of the Companies

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Act, 1956, the Articles of Association of the Company be altered in the following manner :

(A) Insert the following Article as Article 11A after Article 11 :

'Buy Back of Shares 11A Notwithstanding anything contained in these Articles, in the event it is permitted by law for a company to purchase its own shares or securities, the Board of Directors may, when and if thought fit, buy back such of the Company's own shares or securities as it may think necessary, subject to such limits, upon such terms and conditions, and subject to such approvals, as may be permitted by the law.'

(B) Insert the following Article as Article 18A after Article 18 :

'Issue of Shares without voting rights 18A In the event it is permitted by law to issue shares without voting rights attached to them, the Directors may issue such shares upon such terms and conditions and with such rights and privileges annexed thereto as thought fit and as may be permitted by law.'

(C) Insert the following Heading and Article as Article 66A after Article 66 :

'Dematerialisation of Securities

Definitions 66A (1) For the purpose of this Article :-

'Beneficial Owner' means a person or persons whose name is recorded as such with a depository;

'SEBI' means the Securities & Exchange Board of India;

'Depository' means a company formed and registered under the Companies Act, 1956, and which has been granted a certificate of registration to act as a depository under the Securities & Exchange Board of India Act, 1992; and

'Security' means such security as may be specified by SEBI from time to time.

Dematerialisation of Securities (2) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996.

Options for Investors (3) Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, and

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the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates of Securities.

If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

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| Securities in Depositories to be in fungible form | (4) All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners. |
| Rights of Depositories and Beneficial Owners | <p>(5) (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.</p> <p>(b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.</p> <p>(c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.</p> |
| Service of Documents | (6) Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs. |
| Transfer of Securities | (7) Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository. |
| Allotment of Securities dealt with in a Depository | (8) Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities. |
| Distinctive numbers of Securities held in a Depository | (9) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository. |

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Register and Index
of Beneficial
Owners

(10) The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles’.”

8. Buy-Back of Shares/Securities

To consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution :-

“RESOLVED that if and when permitted by the law and subject to all applicable provisions of the law and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors of the Company (hereinafter referred to as the “Board” which expression shall also include a Committee thereof), or as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to or accepted by the Board, the consent of the Company be and is hereby accorded to the Board, to purchase such number of Ordinary Shares or other Securities specified by the Government, of the Company, as may be thought fit, from the holders of the Ordinary Shares or other Securities of the Company in such proportion and manner as may be permitted by the law, not exceeding 10% of the present paid-up capital of the Company, from such funds of the Company as are permitted to be used for this purpose or out of the proceeds of any issue made by the Company, on such terms and subject to such conditions as may be prescribed by the law.

“RESOLVED FURTHER that for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts and things and give such directions as may be necessary or desirable and to settle all questions or difficulties whatsoever that may arise with regard to the said purchase of Ordinary Shares or other Securities.

“RESOLVED FURTHER that nothing herein above contained shall confer any right on any shareholder to offer or any obligation on the Company or the Board to buy back any Ordinary Shares or Securities.”

9. Employees’ Stock Option Scheme

To consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution :-

“RESOLVED that in accordance with the provisions of Section 81 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof) and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors of the Company (hereinafter referred to as the “Board” which expression shall also include a Committee thereof), or as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed

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to or accepted by the Board in its sole discretion, the consent of the Company be and is hereby accorded to the Board to create, offer, issue or allot, in one or more tranches, to such persons as are in the permanent employment of the Company at the time the issue is made and to the Managing/Whole-time Directors of the Company, as may be decided solely by the Board, such number of Ordinary Shares of the Company of the face value of Rs. 10/- each, not exceeding 5% or such higher percentage, if permitted by law, not however exceeding 10% of the Subscribed Ordinary Shares of the Company at that time, as the Board may deem fit, for subscription for cash or allocated as an option to subscribe, on such terms and at such price as may be fixed and determined by the Board prior to the issue and offer thereof in accordance with the applicable guidelines and provisions of law and otherwise ranking pari passu with the Ordinary Shares of the Company as then issued and in existence and on such other terms and conditions and at such time or times as the Board may, in its absolute discretion and in the best interest of the Company deem fit; Provided that the aforesaid issue of Ordinary Shares may instead be in the form of fully or partly Convertible Debentures, Bonds, Warrants or other securities as may be permitted by the law, from time to time and the issuance of such securities in the aggregate will result in not more than 5% or such higher percentage, as may be permissible, not however exceeding 10% of the Subscribed Ordinary Shares of the Company at that time.

“RESOLVED FURTHER that the Board be and is hereby authorised to issue and allot such number of Ordinary Shares as may be required in pursuance of the above issue, and that the Ordinary Shares so allotted shall rank in all respects pari passu with the existing Ordinary Shares of the Company save and except that such Ordinary Shares which may be with or without voting rights, if permitted by the law, shall carry the right to receive either the full dividend or a pro-rata dividend from the date of allotment, as may be decided by the Board, declared for the financial year in which the allotment of the Shares shall become effective.

“RESOLVED FURTHER that the consent of the Company be and is hereby granted in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 and subject to all necessary approvals to the Board to secure, if necessary, all or any of the above mentioned securities to be issued, by the creation of mortgages and/or charges on all or any of the Company's immovable and/or movable assets, both present and future in such form and manner and on such terms as may be deemed fit and appropriate by the Board.

“RESOLVED FURTHER that for the purpose of giving effect to the above, the Board be and is hereby authorised to determine the form and terms of the Issue, the Issue price and all other terms and matters connected therewith including the creation of mortgages and/or charges and to make and accept any modifications in the proposal as may be required by the authorities involved in such issues and to settle any questions or difficulties that may arise in regard to the Issue.”

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10. Issue of Securities in the International Market

To consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution :-

“RESOLVED that in accordance with provisions of Section 81 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof) and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors of the Company (hereinafter referred to as the “Board” which expression shall also include a Committee thereof), or as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to or accepted by the Board, the consent of the Company be and is hereby accorded to the Board to issue, in one or more tranches, in the international market to Foreign Financial Institutions, Foreign Investors/Companies and/or Foreign Investment Institutions operating in India, whether shareholders of the Company or not (hereinafter collectively referred to as “Investors”) through a public issue and/or on private placement basis and/or on preferential allotment basis, Ordinary Share related instruments, including Convertible Bonds or Bonds with Share Warrants attached (hereinafter collectively referred to as “Securities”) as may be thought fit, upto an amount not exceeding US\$ 150 million inclusive of such premium as may be payable on the Ordinary Shares, at such time or times, on such terms and at such price or prices as the Board in its absolute discretion deems fit.

“RESOLVED FURTHER that the Board be and is hereby authorised to issue and allot such number of additional Ordinary Shares as may be required in pursuance of the above issue, and that the Ordinary Shares so allotted shall rank in all respects pari passu with the existing Ordinary Shares of the Company save and except that :

- (i) if prior to the issue of any of the Securities hereinabove mentioned, the Company is enabled as a result of any legislative changes or enactments, to issue Ordinary Shares without voting rights attached to them (such shares hereinafter being referred to as the “Non-voting Shares”) the Board may, at its discretion issue the whole or any part of such Shares without voting rights upon such terms and conditions and with such rights and privileges annexed thereto as may be permitted by the relevant law and,
- (ii) such Ordinary Shares, which may be with or without voting rights, shall carry the right to receive either the full dividend or a pro rata dividend from the date of allotment, as may be decided by the Board, declared for the financial year in which the allotment of the Shares shall become effective.

“RESOLVED FURTHER that the consent of the Company be and is hereby granted in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 and subject to all necessary

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approvals to the Board to secure, if necessary, all or any of the above mentioned securities to be issued, by the creation of mortgages and/or charges on all or any of the Company's immovable and/or movable assets, both present and future in such form and manner and on such terms as may be deemed fit and appropriate by the Board.

"RESOLVED FURTHER that for the purpose of giving effect to the above, the Board be and is hereby authorised to determine the form and terms of the Issue, the Issue price and all other terms and matters connected therewith including the creation of mortgages and/or charges and to make and accept any modifications in the proposal as may be required by the concerned authorities in India and abroad and to settle any questions or difficulties that may arise in regard to the Issue."

11. Appointment of Auditors

To consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution :-

"RESOLVED that pursuant to the provisions of Section 224A and other applicable provisions, if any, of the Companies Act, 1956, Messrs A. F. Ferguson & Company and Messrs S. B. Billimoria & Company, the retiring Auditors of the Company, be and are hereby re-appointed auditors of the Company to hold office from the conclusion of this meeting upto the conclusion of the next Annual General Meeting of the Company and to examine and audit the accounts of the Company at Mumbai for the financial year 1998-99.

"RESOLVED FURTHER that Messrs A. F. Ferguson & Company and Messrs S. B. Billimoria & Company be authorised to examine and audit the accounts of the Company at Jamshedpur, of the Camps, Collieries, the Bearings Division, the Tubes Division and other Divisions for the financial year 1998-99, such audit to be carried out by the two firms of auditors by mutual arrangement.

"RESOLVED FURTHER that the Auditors be paid for the financial year 1998-99 such remuneration as may be mutually agreed upon between the Board of Directors and the Auditors, plus out-of-pocket, travelling and living expenses."

NOTES :

- (a) The relative Explanatory Statements, pursuant to Section 173 of the Companies Act, 1956, in respect of the business under Item Nos. 6 to 11 above, are annexed hereto.
- (b) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.

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- (c) The Register of Members and Transfer Books of the Company are closed from Friday, 22nd May, 1998 and will remain closed till Friday, 12th June, 1998, both days inclusive.
- (d) If a dividend on shares as recommended by the Directors is passed at the meeting, payment of such dividend will be made on and after 24th July, 1998 to those members whose names are on the Company's Register of Members on the 12th June, 1998.
- (e) Shareholders desiring any information as regards the Accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready.

By Order of the Board of Directors

S. A. SABAVALA
Director

Mumbai, 28th May, 1998.

Registered Office :

Bombay House,
24, Homi Mody Street,
Mumbai 400 001.