



TATA STEEL



95th Annual Report

2001-2002



Enhancing Shareholder Value

Over 6,00,000 shareholders have placed their trust in us. It is a responsibility that we have accepted with humility, pride and in earnestness. Along the decades of our existence, we have focussed on our strengths to deliver value.

It has been our endeavour to blend corporate goals with corporate sustainability, a hard-core professional approach with a warm personal touch and to synergise the energies of talent and technology. Our efforts have reaped rich dividends. They have driven us further in our pursuit of enhancing shareholder value. Value that shows in our bottomline and your trust in us. Value that will translate into progress, prosperity and promise. And we will spare no opportunity to make Tata Steel an EVA positive company.



TATA STEEL

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.

Report  Junction.com

Vision 2017

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

Rekindle 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

Enthusied & 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

enhancing *shareholder value* through
Cost Reduction

- ▶ Tata Steel has launched several **improvement initiatives to reduce costs** on all fronts - right from the mining of coal to the purchase of raw materials and from the cost of conversion to the fuel rate in the blast furnace.
- ▶ With the costs being brought down, Tata Steel has emerged as one of the **lowest operating cost producers** of Hot Rolled Coils at US \$ 150-160 per tonne.
- ▶ Tata Steel has focussed on reducing raw material consumption, eliminating the usage of petroleum products and reducing operation costs, increasing savings by strategic sourcing and increasing the utilisation of plant wastes.

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"We have invested in Tata Steel because it has world class steel manufacturing facilities. It is the cheapest steel producer in the world with self sufficiency in raw materials and one of the best managed companies with excellent labour relations."

Kiran Gordhandas Gupta, *High Networth Investor*





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Ninety fifth annual report 2001-02

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Annual General Meeting on Wednesday, 24th July, 2002 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**

TATA STEEL

Ninety fifth annual report 2001-02

Board of Directors

(As on 30th May, 2002)

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

Management

(As on 30th May, 2002)

Mr. B. Muthuraman Managing Director
 Dr. T. Mukherjee Dy. Managing Director (Steel)
 Mr. A. N. Singh Dy. Managing Director (Corporate Services)
 Mr. R. C. Nandrajog VP (Finance)
 Mr. H.M. Nerurkar Executive-in-Charge (Flat Products)
 Mr. D. Sengupta Executive-in-Charge (Shared Services)
 Mr. A.D. Baijal Executive-in-Charge (Raw Materials & Iron Making)
 Mr. Niroop Mahanty VP (Human Resources Management)
 Mr. U.K. Chaturvedi Executive-in-Charge (Long Products)
 Mr. R.P. Singh Executive -in-Charge (Engineering, Services & Products)

Mr. J.C. Bham 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.

Chairman's Statement

The Global Challenge

This has been a year of crisis for the world steel industry. Recessionary conditions in several countries induced stagnancy or reduced demand in many steel-consuming sectors. The consumption of steel world-wide was only 80% of global capacity, resulting in curtailed output from steel plants worldwide, along with a significant reduction in steel prices. The situation has been so critical that even the U.S., one of the world's largest consumer of steel, imposed unprecedented trade barriers to protect its domestic steel producers against imports.

The continued economic slow-down in India, exacerbated by the global steel glut, also impacted the Indian steel industry in terms of demand and price erosion. In this difficult environment, Tata Steel performed well. Although domestic steel consumption in India grew marginally, the Company was able to increase its domestic sales volumes by 7%. Tata Steel's major focus during the year has been on building its market position in high-end Cold Rolled Steel products, and establishing its branded products in the market place, in order to distinguish itself from

other commodity steel producers. Unfortunately, while the Company was able to increase its sales volumes and market share, its margins came under enormous pressure due to the substantial erosion of steel prices, which were at a five year low. Ongoing initiatives in the areas of cost reduction, productivity increases and market development enabled the Company to retain its competitive position.

Signs of Better Times

Despite the uncertainties arising from the acts of global terrorism and the tensions on India's borders, there have recently been some promising signs of recovery in the steel industry both globally and in India. With the rationalisation of capacity, steel prices have begun to firm up during the first quarter of 2002-03. The domestic demand for flat products in India has also been showing some growth in the past 3 months, based on an upturn in the demand for consumer durables, automobiles and capital goods. Government expenditure on major infrastructure projects like roadways should also increase the demand for long products, and it is accordingly estimated that domestic

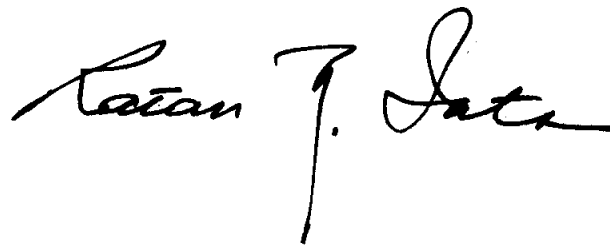
steel consumption could grow by around 5 to 7% during the current year. Tata Steel will be well positioned to take advantage of this recovery. The added-value products from its newly-commissioned Cold Rolling Mill will meet the growing sophisticated demands of the automotive and consumer durable sectors in India and overseas. The Company will be paying particular attention to technically supporting customers in finding solutions to meet their needs in its increasing endeavour to differentiate itself from the rest of the Indian steel industry, while at the same time retaining its position as one of the lowest cost steel producers in the world.

Strength is in the Spirit

The first year of the new top management team in Tata Steel has, without doubt, been a challenging one. However, the greatest strength of Tata Steel has been the spirit of its people and their ability to face unbelievable challenges – and overcome them! It is this spirit and this commitment of the entire work force that has enabled the Company to even maintain a profitable position while other steel producers have not been able to do so.

Throughout the years, the support, understanding and leadership shown by the Tata Workers' Union has been a major factor in enabling the Company to achieve its goals. 2001-02 was no exception, as in such difficult times it is teamwork, harmony and the pursuit of a common purpose which sustain an enterprise.

The encouraging signs of recovery in the steel industry seen in the past two or three months will hopefully continue. Such a recovery will result in Tata Steel reaching new heights, both in India and overseas. The Company's modernised facilities and its global competitiveness, coupled with the commitment and dedication of its people, will enable Tata Steel to be a successful player in the steel industry in the coming years.



Chairman

Mumbai, 14th June, 2002.