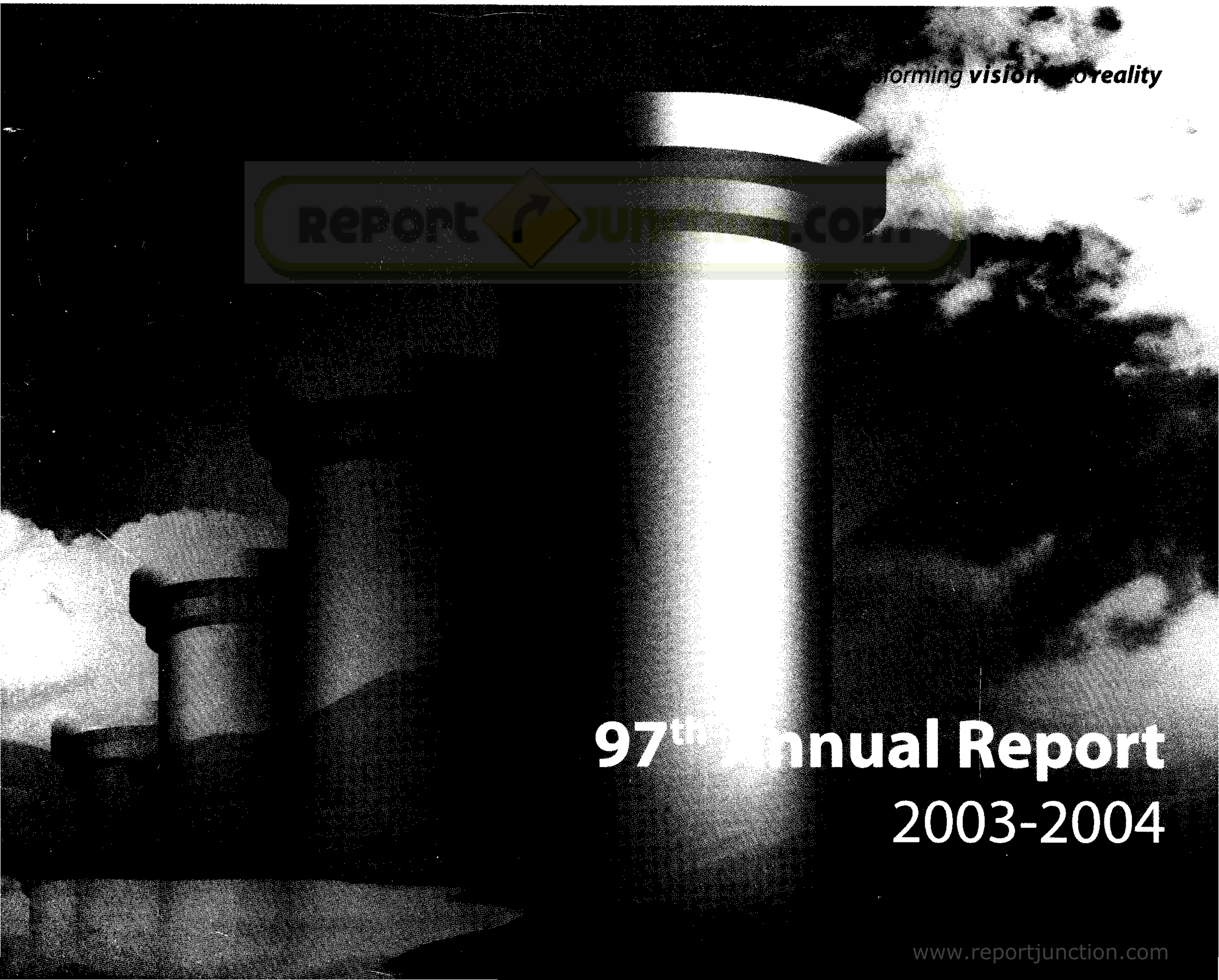
TATA

TATA STEEL



Tata Steel Annual Report

2003-2004

TATA

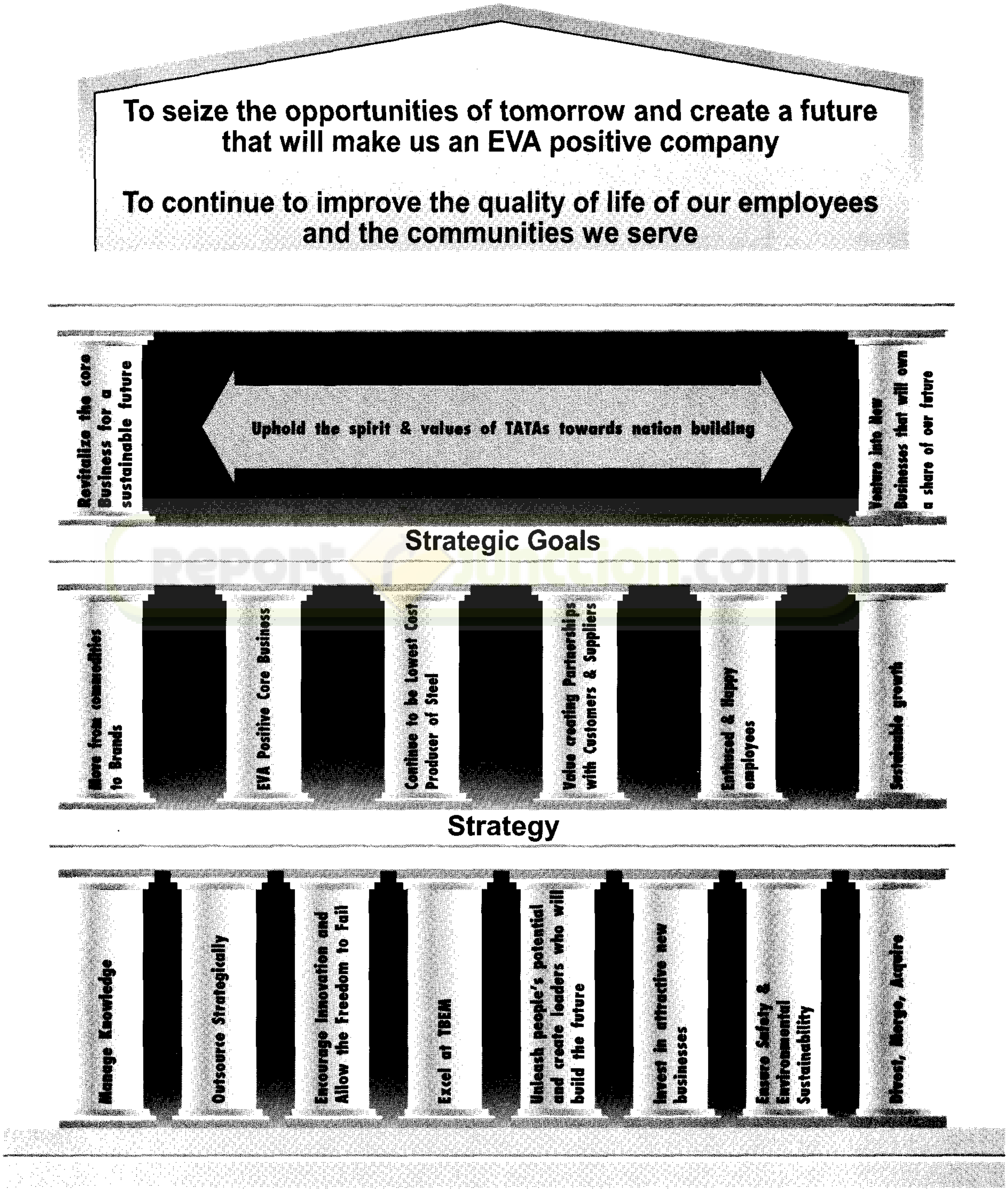
TATA STEEL

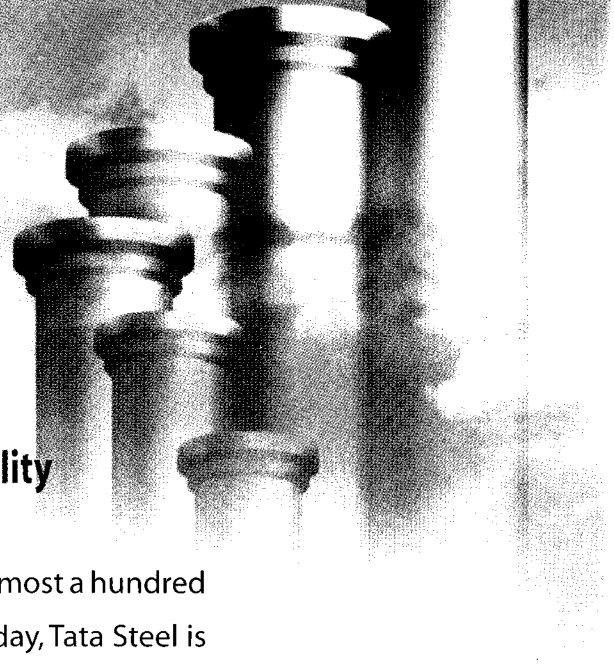
Contents

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**

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
More 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



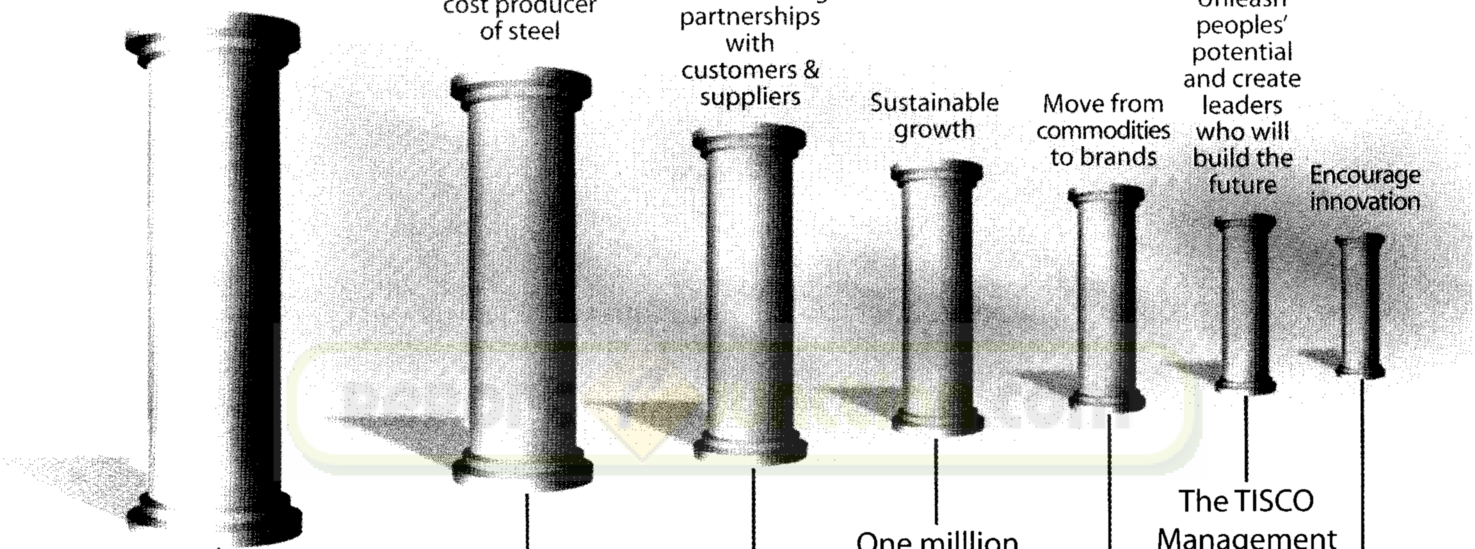
transforming **vision** into **reality**

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.

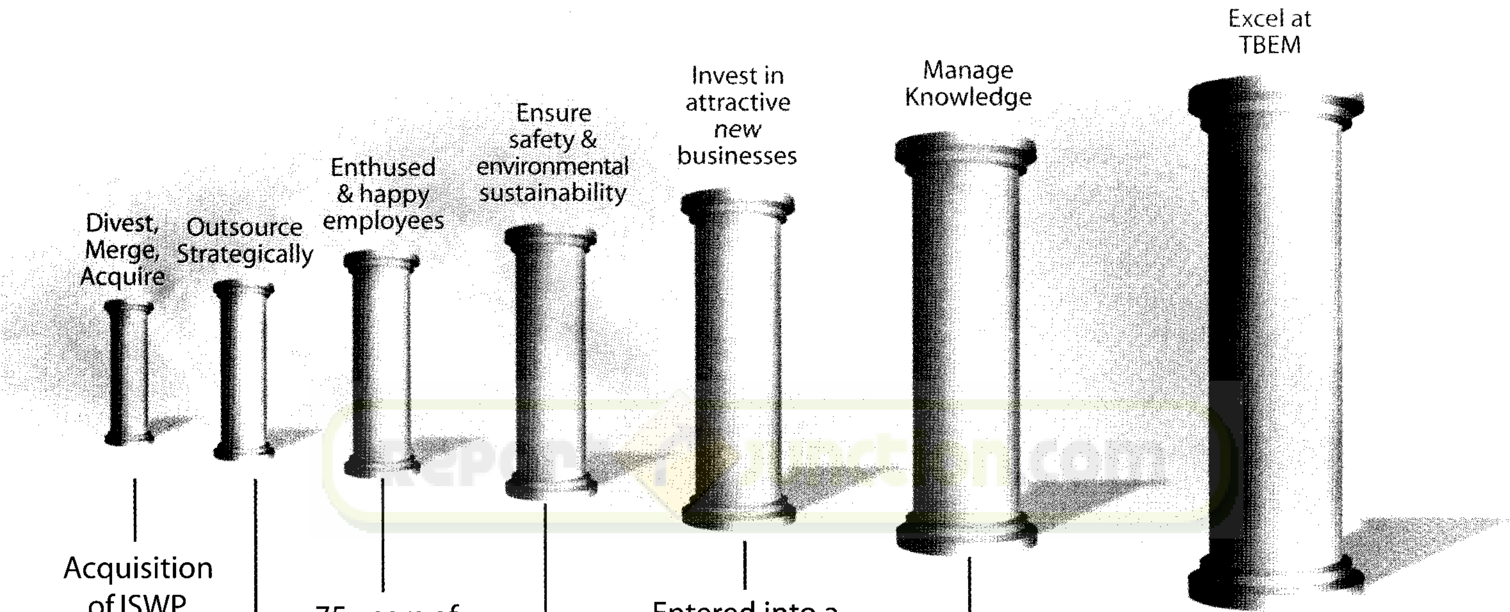
Anticipating the trends of the future, we have charted a growth route to achieve our Vision 2007. To transform this Vision into reality we have, year after year, repositioned paradigms, redefined benchmarks and revisited our core competence. This has accelerated the continuous change and improvement 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.

TATA STEEL : HIGHLIGHTS AT A GLANCE



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

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)

•

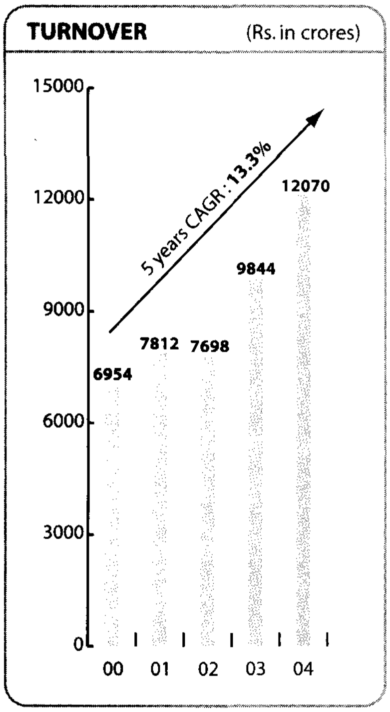
Net Working Capital reduced to Rs. 84.22 crores
(2002-03 : Rs. 957.52 crores)

•

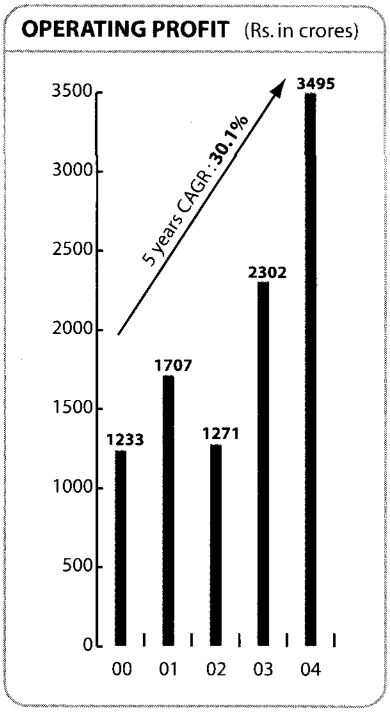
Return on Equity : 46.3%
(2002-03 : 35.9%)

•

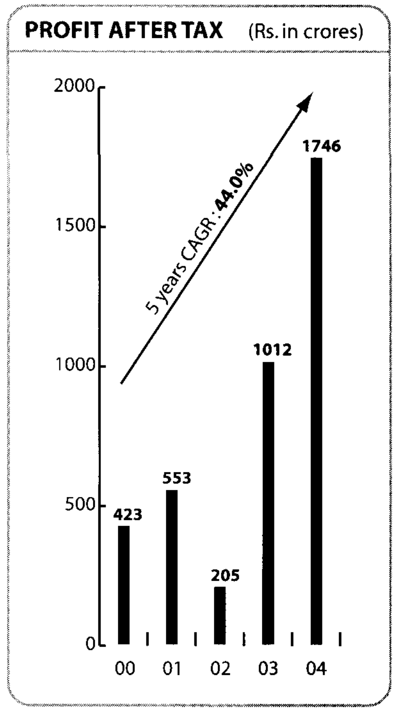
EVA spread of 8.98% at Rs. 847 crores
(2002-03 : Rs. 331 crores)

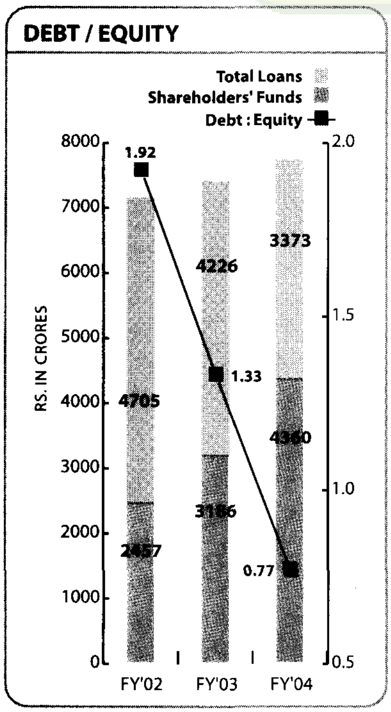


Turnover = Sales of Products & Services + Other Income

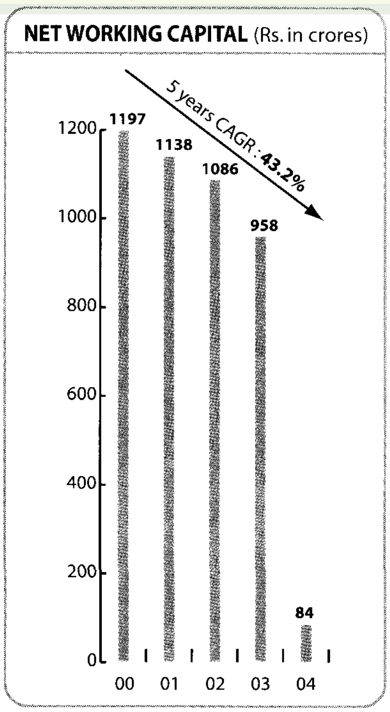


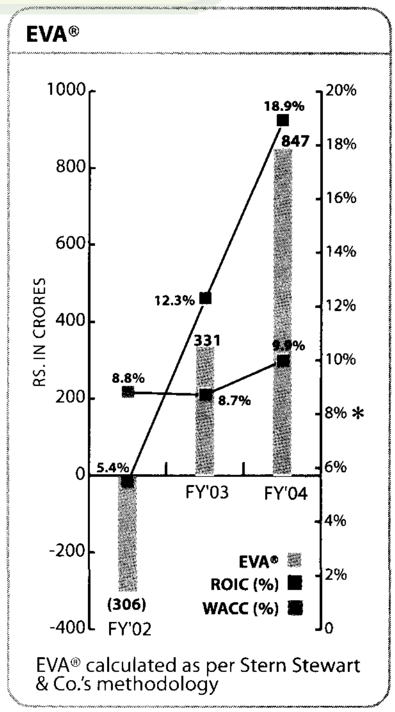
Operating Profit = Sales of Products & Services – Excise Duty – (Mfg. & Other Expenses – Expenditure transferred to Capital and Other Accounts)





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

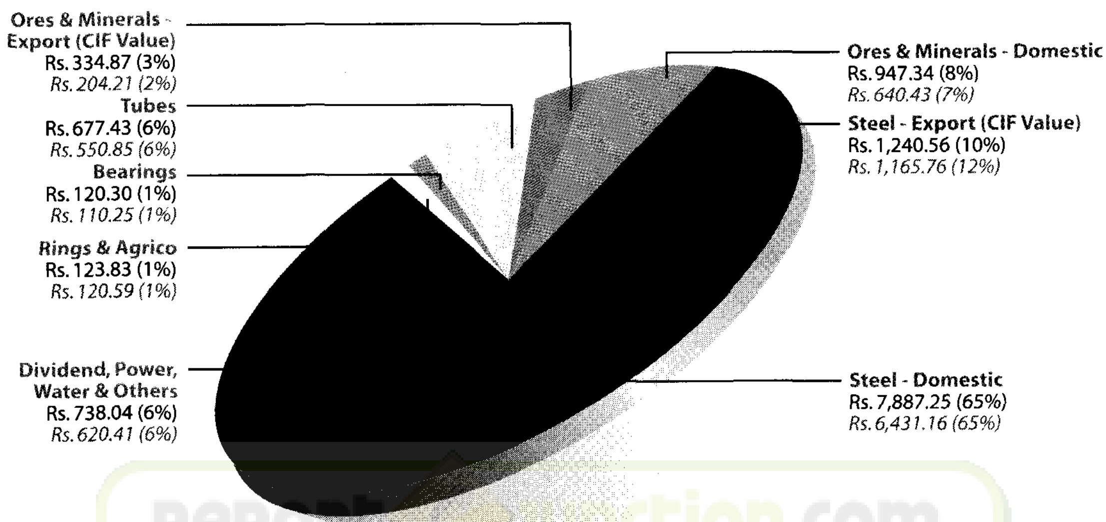




EVA® = ROIC - WACC
ROIC = Return On Invested Capital
WACC = Weighted Average Cost of Capital

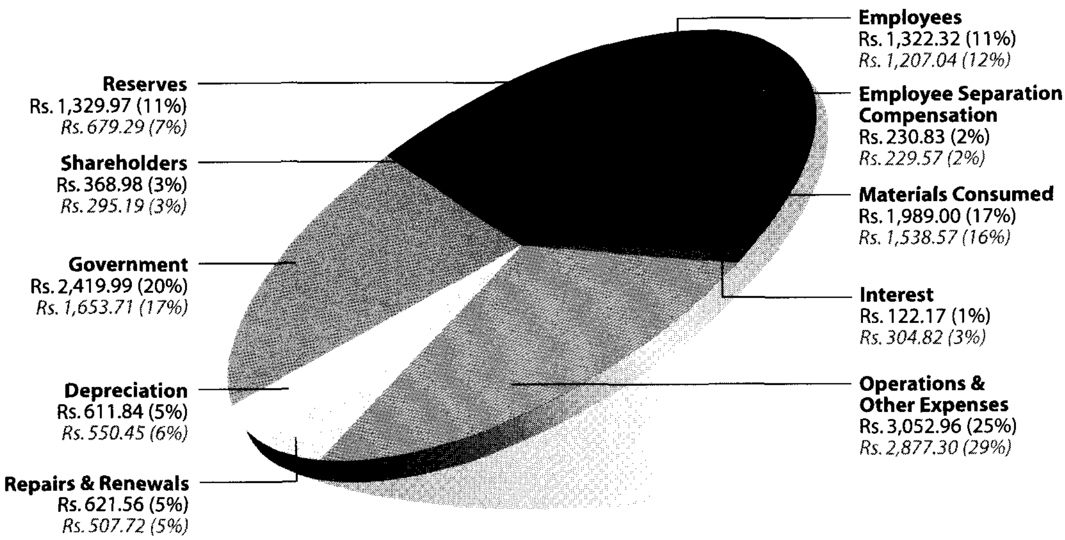
Rupee Earned 2003-2004

Rs. in crores



Distribution of Revenue 2003-2004

Rs. in crores



• Figures in italics represent Previous Year