



TATA STEEL

A Century of Trust



100th Annual Report

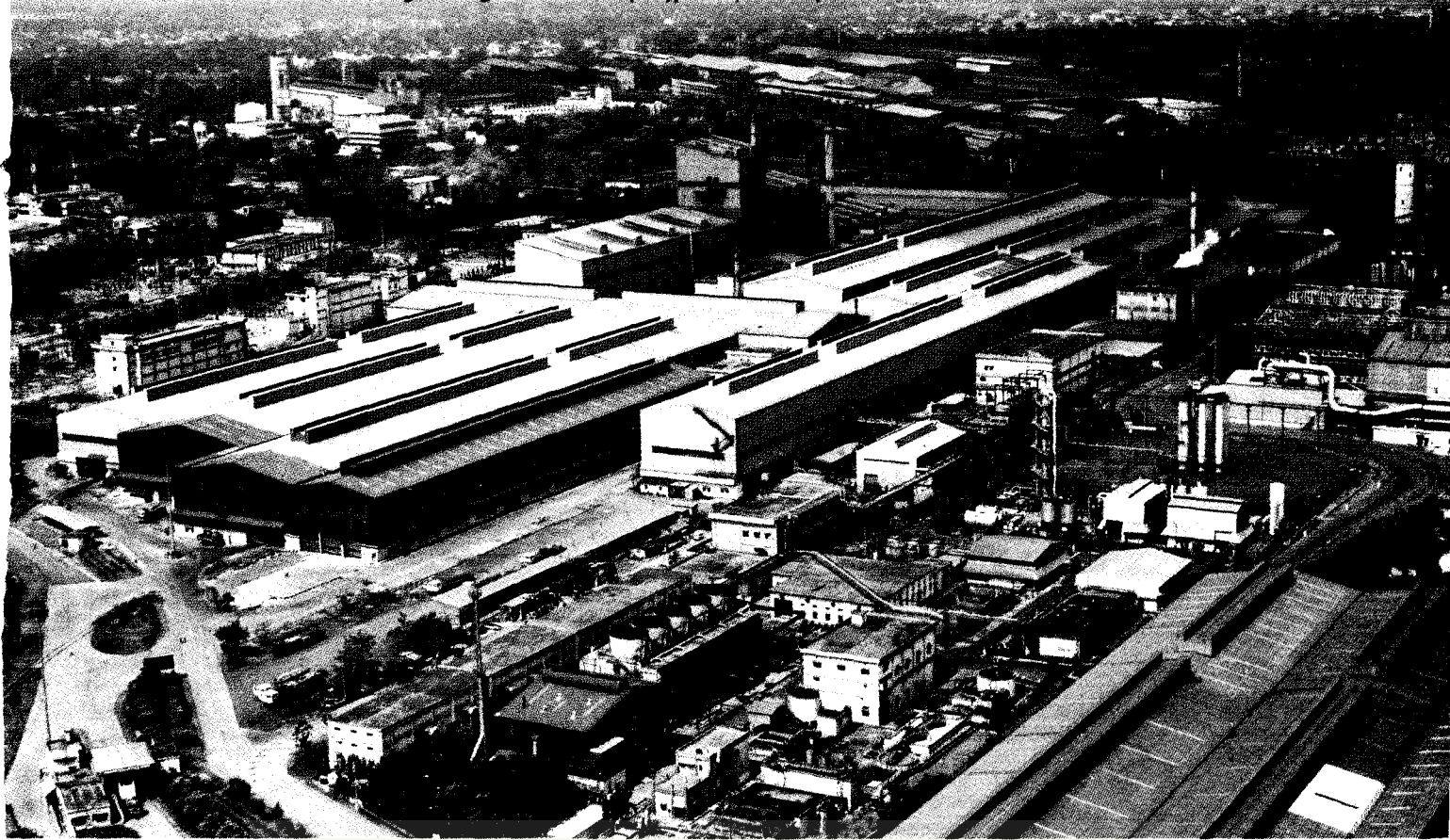
2006-2007



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"We think we started on sound and straightforward business principles, considering the interests of the shareholders our own and the health and welfare of the employees, the sure foundation of our success."

- Jamsetji N Tata, Founder



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A Century of Trust

One Indian. One vision. One century.

Over a hundred years ago, Jamsetji Tata envisaged a self-reliant India. He aspired to improve the quality of life of Indians. He foresaw industrial progress and national prosperity.

One century later, his timeless vision and futuristic foresight still drive Tata Steel.

Tata Steel has over the years, vindicated and lived up to the ideals of its founder by building schools, hospitals and playgrounds while expanding the horizons of operations, markets and organisational growth. Today, Jamsetji's vision has manifested into a global conglomerate that has aligned itself to the progress and prosperity of India.

Every stakeholder of Tata Steel has a bond of trust with the company.

Trust that prevails over changing paradigms. Trust that helps navigate challenges.

Trust that reinforces business. This trust, a true inheritance of Tata Steel, will pave the way for the future.

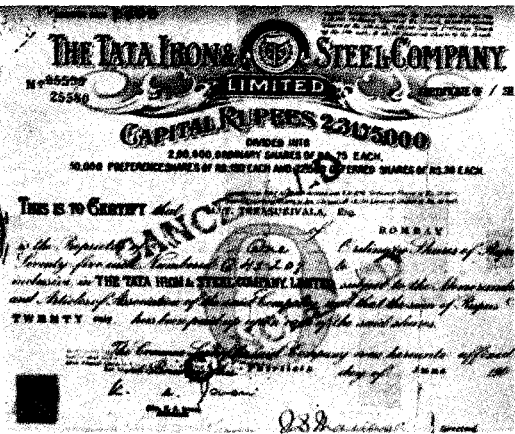
Milestones
in time



Creating an enthused
workforce



Enhancing
shareholder value



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Annual General Meeting on
Wednesday, 18th July, 2007 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.

Visit us at : www.tatasteel.com
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Disclaimer: Consolidated financial results
of Tata Steel for the year 2006-07 do not
include the financial performance of
Corus as the acquisition was completed
after 31st March, 2007.

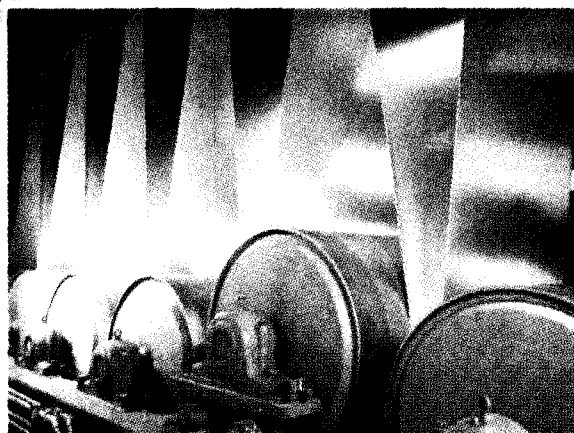
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Redefining steel with
world-class products



Improving the
quality of life



Growth and
globalisation

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Chairman's statement



Dear Shareholder,

The year has seen a continued strong demand for steel. The global consumption of steel crossed 1100 million tonnes, with China producing over 400 million tonnes (almost 34% of the world's production capacity). 2006 was also a year of consolidation. The world's largest steel conglomerate, Mittal Steel, acquired the global number two, Arcelor, to create by far, history's largest steel conglomerate named Arcelor Mittal with a total capacity of 118 million tonnes per annum. (The next largest global steel company has a production capacity of only 34 million tonnes per annum). Consolidation in this otherwise highly fragmented industry will provide a new dimension to global scale and new pressures on the availability of iron ore and related raw materials. The mineral-rich countries and independent iron ore, coal and other key mineral mine-owners will therefore have a significant bearing on steel prices going forward.

The year for Tata Steel

This has been a momentous year for Tata Steel. It has been a year of record performance and growth with

significant progress in the expansion programme to raise capacity from 5 to 6.8 million tonnes in Jamshedpur. But undoubtedly the most notable event during the year was the company's public offer to acquire 100% of the shares of Corus Group plc, a 21 million tonne capacity steel producer with plants in the United Kingdom and the Netherlands. Together, Tata Steel and Corus will be a 30 million tonne steel enterprise, (after completion of the expansion programme in Jamshedpur), and the sixth largest steel company in the world, with operations in four continents. The acquisition of Corus has transformed Tata Steel from a domestic steel producer to an international steel company with global scale. It is a fitting tribute to the vision of our Founder, Jamsetji N. Tata, that this very major transformation has taken place in the centenary year of the Company's operations.

The synergies that will be derived from Tata Steel and Corus coming together will be of tremendous strategic value to both organisations. The leveraging of low cost intermediate products from India with further processing at Corus to produce high-end finished products, along with several operation-related initiatives will improve the competitiveness of Corus in the European markets while India will benefit from high-value, sophisticated finished products developed in Corus' R&D facilities. Further, the combined entity will foster cross fertilisation of Research & Development personnel, and domain expertise in the automotive, packaging and construction sectors, in addition to the exchange of technology, best practices and expertise. An integration team is in place, which will drive the operations as one single virtual enterprise. The enthusiasm, support and acceptance of the acquisition by employees on both sides has been very heartening.

The financing of the Corus acquisition has been structured

in a manner that ring-fences the Company's balance sheet and protects our shareholders' interests. The Company has satisfied itself that the acquisition of Corus in no way jeopardises long-term shareholder value or the dividend paying capacity of the Company. Although there was a rise in market price of the Corus shares and while there was a competitive bid which further raised the acquisition price of Corus, I believe that when one looks back at this acquisition – even at this price, it will be seen as a bold visionary move.

As in the case of others, raw material security is a significant imperative for the long-term sustainability of the Company's success. Focused efforts are therefore being made by the Company to achieve higher levels of raw material security to meet its increased needs in line with its further growth aspirations. Tata Steel is actively exploring operations in resource-rich countries for iron ore and coal, as also seeking fresh leases for iron ore and coal at various locations in India.

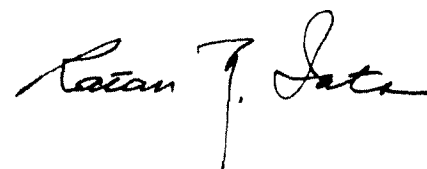
Two years ago, Tata Steel had initiated steps to establish three green field steel plants with captive iron ore mines in Orissa, Chattisgarh and Jharkhand, which would add an additional capacity of 23 million tonnes. As and when these additional capacities come on-stream, hopefully by 2015, Tata Steel will have a total annual capacity of 56 million tonnes.

As we celebrate the hundredth year of existence of the Company in 2007, it is a matter of great pride to reflect on and recognise the enormous progress made by Tata Steel over the years. There have been good times and difficult times over its history, but the Company has managed to reduce its costs, improve its productivity and has now been recognised as one of the lowest cost and most cost-efficient steel companies in the world.

The modernisation programme that the Company completed seven years ago has converted Tata Steel into a highly competitive modern steel producer. This could never have happened without the total support and commitment of all employees in meeting the challenges of change.

As one looks into the future, one continues to see demand for steel as the principal base material for most industrial products. Within India itself the country's growing prosperity will inevitably result in a dramatic increase in the demand for steel to meet the needs of large infrastructure programmes which India will have to undertake in order to sustain the high level of economic growth which it enjoys today. Tata Steel and Corus will undoubtedly need to work together to build a highly successful and viable combined enterprise which will leave a worthy legacy for future generations of stakeholders. The embedded spirit and commonness of purpose of the employees in each company will overcome the challenges of the combining of two cultures, and the breaking down of territorial boundaries, to create a truly competitive international steel enterprise.

The years ahead will have great challenges. However the rewards will also be great. The new Tata Steel and Corus now takes its place in the global steel arena as an important player in the global steel industry, which can no longer be termed as a "sunset industry".



Chairman

Mumbai, 31st May, 2007

Board of Directors

as on 17th May, 2007

Mr. R. N. Tata *(Chairman)*

Mr. James Leng *(Deputy Chairman)*

Mr. Nusli N. Wadia

Mr. S. M. Palia

Mr. Suresh Krishna

Mr. Ishaat Hussain

Dr. Jamshed J. Irani

Mr. Subodh Bhargava

Mr. Jacobus Schraven

Dr. Anthony Hayward

Mr. Philippe Varin

Mr. B. Muthuraman *(Managing Director)*

Dr. T. Mukherjee *(Deputy Managing Director – Steel)*

Mr. A. N. Singh *(Deputy Managing Director – Corporate Services)*

Senior Management

Mr. B. Muthuraman *Managing Director*

Dr. T. Mukherjee *Deputy Managing Director (Steel)*

Mr. A. N. Singh *Deputy Managing Director (Corporate Services)*

Mr. H. M. Nerurkar *Vice President (KPO & Technology)*

Mr. A. D. Baijal *Vice President (Global Mineral Resources)*

Mr. U. K. Chaturvedi *Vice President (Long Products)*

Mr. R. P. Singh *Vice President (Engineering Services & Products)*

Mr. Koushik Chatterjee *Vice President (Finance)*

Mr. Anand Sen *Vice President (Flat Products)*

Mr. Varun Jha *Vice President (Chhattisgarh Project)*

Mr. Abanindra M. Misra *Vice President (Raw Materials)*

Mr. Avinash Prasad *Vice President (Industrial Relations)*

Mr. Om Narayan *Vice President (Safety & Services)*

Mr. H. C. Kharkar *Vice President (TQM & CSI)*

Mr. Radhakrishnan Nair *Chief Human Resource Officer*

COMPANY SECRETARY

Mr. J.C. Bham

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Amarchand & Mangaldas & Suresh. A. Shroff & Co.
Herbert Smith LLP
Mulla & Mulla and Craigie Blunt & Carve

AUDITORS

Messrs Deloitte Haskins & Sells

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6-10, Haji Moosa Patrawala Industrial Estate,
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E-mail : csg-unit@tsrdarashaw.com
Website : <http://www.tsrdarashaw.com>

Board of Directors



Mr. R. N. Tata
Chairman



Mr. James Leng
Deputy Chairman



Mr. Nusli N. Wadia



Mr. S. M. Palia



Mr. Suresh Krishna



Mr. Ishaat Hussain



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Vice President
(TQM & CSI)



Mr. Radhakrishnan Nair
Chief Human
Resource Officer