

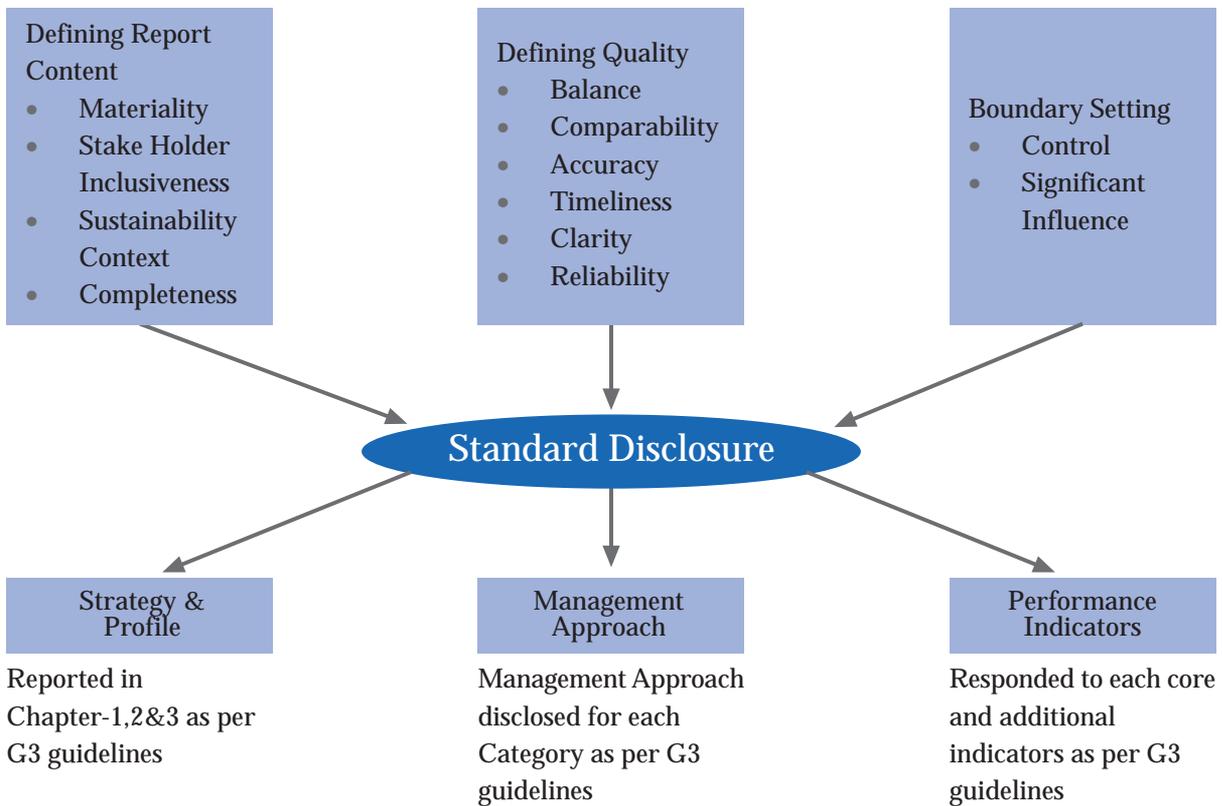
Corporate Sustainability Report 2007



Application Level

A

Report Externally Assured by PricewaterhouseCoopers



Dear Stakeholders,

Tata Steel's journey over the past hundred years is a fascinating saga of pioneering initiatives in steel making, responsible industrialisation with minimal impact on environment and the socio-economic empowerment of the community. Our continued license to operate is, we believe as a result of our responsible business practices. These practices focus on elements of sustainability – economic, social and environmental. We invest in the welfare of our people as well as for the communities that surround us and for the health of the environment.

The year under review was significant due to the announcement of several capacity expansion plans in Greenfield sites. The company showed commitment to address the sentiments and concerns of the people living in the vicinity of such sites and the families that may get displaced by the projects through its Tata Parivar programme.

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 with operations in four continents after completion of the expansion programme in Jamshedpur. 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.

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.

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.

As we grow and globalise in the new century of our existence, we have the opportunity to work with nations, diverse communities

and groups. Business practices established by us through good times and difficult ones reaffirm our faith that it will always drive sustainability and through it, profits.

I am pleased to present the Corporate Sustainability Report of Tata Steel for the year 2006-07 as per GRI:G3 guidelines. Tata Steel was one of the first Indian companies to adopt the stringent guidelines under the Global Reporting Initiatives. This is our seventh consecutive report.

Our Company, one of the founder signatories of the United Nations Global Compact has also made progress in several areas in implementing its ten principles this document also serves as Communication of Progress (COP) for the ten principles of the UNGC. They are invaluable guidelines and we are committed to them.

The report represents a balanced and reasonable presentation of our organisation's economic, environmental and social performance for evaluation by our esteemed stakeholders. We solicit feedback from all our stakeholders on this report.



B Muthuraman
Managing Director



STATEMENT OF TATA STEEL CORPORATE SUSTAINABILITY REPORT FOR 2006-07

To,
The Board of Directors,
Tata Steel Limited
Bombay House, 24 Homi Mody Street,
Mumbai – 400 001
India.

Objective of Review

PricewaterhouseCoopers (PwC) was retained by the management of Tata Steel Limited (Tata Steel) to provide limited review of select non-financial data (“subject matter”) included in the Company’s Corporate Sustainability Report (“Report”). The preparation of the Report is the sole responsibility of Tata Steel. The Report, which relates to the Company’s non-financial performance for the period of 1st April 2006 to 31st March 2007, covers the units of Tata Steel in India, as mentioned in the Report. Tata Steel has prepared the report in accordance with GRI 2003 guidelines, as mentioned in the Report.

This statement to Tata Steel provides PwC’s limited review on the subject matter presented in the Report, at two sample sites visited by us. However, this statement should not be taken as a basis for interpreting the Company’s performance across the scope of the issues covered in the Report.

Our responsibility in performing our review activities is to the management of Tata Steel only. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance any such third party may place on the Report is entirely at its own risk.

Responsibilities During Review

The Management of Tata Steel is responsible for the collection and presentation of the subject matter in the Report. Our responsibility, as agreed with the Management, is to provide a conclusion on the subject matter based on our evidence-gathering procedures in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Assurance Engagements other than Audits or Review of Historical Financial Information), approved December 2003 by the International Auditing and Assurance Standard Board (IAASB).

While the Report and its contents are the responsibility of the management of Tata Steel, the observations made under the Review Statement are the outcome of the professional work undertaken by PwC.

Scope and Approach of Review

The scope of the review covering sample sites and indicators included visits to the following sites :

- a. Tata Steel Main Works, Jamshedpur (Jharkhand)
- b. Iron Mines, Noamundi (Jharkhand)

Our evidence-gathering procedures included performing tests on a sample basis of evidence supporting select non-financial indicators, namely direct energy consumption by primary energy source, indirect energy consumption, total water withdrawal by source, total water discharge, NOx, SOx and other significant air emissions by type and weight, total weight of waste by type, total workforce and employee turnover, rates of injury, lost days, number of work related fatalities and occupational health check-ups, total number of incidents of discrimination and actions taken, practices related to customer satisfaction.

Scope Limitation

The evidence-gathering procedures, at the two sample sites reported against the indicators delineated under Scope and Approach of Review above, were planned to obtain a basis for our conclusions in accordance with an ISAE 3000 limited review engagement. The evidence-gathering procedures are more limited than for a reasonable engagement. We have not performed an audit according to International Standards on Auditing. Accordingly we do not express an audit opinion. The data and graphs on financial performance, as

specified in the Report under Economic indicators, as we understand, are derived from the audited 2006-07 financial statements of Tata Steel and were not within the scope of our Review.

Excluded from the scope of our work is information relating to :

- Units and indicators other than those mentioned above;
- Information presented in the Report but outside the defined reporting period of 1st April 2006 to 31st March 2007;
- Future looking statements and those relating to commitments, opinion, belief and/or aspiration

Basis for Review

We planned and performed our evidence gathering procedures in accordance with ISAE 3000 to obtain sufficient appropriate evidence for a limited level of review on which to base our conclusions. We sought all information and explanations that we considered necessary to provide sufficient evidence for us to ascertain that the above indicators were consistent with the activities in the two sample units for the reporting period.

Review Procedures Carried Out

Our evidence-gathering procedures included the following work :

- a. A desktop review of the Report;
- b. Understanding of the operations and system established at each of the two sample sites mentioned above with respect to the delineated indicators for the period of 1st April 2006 to 31st March 2007;
- c. An understanding of system for data generation, collection, analysis consolidation and reporting at business unit level based on evidence gathering procedures;
- d. Performing tests on a sample basis of evidence supporting the subject matter with regard to the reported data aggregation;
- e. Interviews with senior management at Tata Steel Jamshedpur and Corporate Office Kolkata, as well as relevant Tata Steel personnel at the two sample sites responsible for the subject matter.

Conclusions

On the basis of the work undertaken, and according to the information and explanations provided to us by the Tata Steel management, subject to the observations set out below, nothing has come to our attention that would cause us not to believe that the information for the indicators stated above (under Scope and Approach of Review) for the two sites visited by us has been stated in a fair and balanced manner.

Observation

- i. The sustainability report for a particular year should be prepared while it is recent relative to the reporting period (refer to GRI reporting principle of timeliness).
- ii. Tata Steel Management explained that as per The Water (Prevention and Control of Pollution) Act, 1974 & The Air (Prevention and Control of Pollution) Act, 1981, Jharkhand State Pollution Control Board (JSPCB) is supposed to either grant the consent or refuse within a period of four months. Tata Steel has not received any written communication from JSPCB with regard to the renewal of consent applications for calendar year 2006 and 2007 (refer to Section 6.8 of the Report). Tata Steel has received written emission and discharge consent under the Air and Water Act for Tata Steel Main Works for calendar year 2008.

Tapan Ray
Executive Director – PricewaterhouseCoopers Pvt. Ltd.

Place : Mumbai, India
Date : November 20, 2008

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CONSOLIDATED INDEX OF GRI INDICATORS

1. Strategy & Analysis

GRI INDICATORS

- 1.1 Statement from the most decision maker of the organization
- 1.2 Description of key impacts, risks, and opportunities

2. Organization Profile

GRI INDICATORS

- 2.1 Name of the Organization
- 2.2 Primary brands, products, and/or services
- 2.3 Operational structure of the organization
- 2.4 Location of organization's headquarters
- 2.5 Number of countries where the organization operates
- 2.6 Nature of ownership and legal form
- 2.7 Markets served
- 2.8 Scale of the reporting organization
- 2.9 Significant changes during the reporting period
- 2.10 Awards received during the reporting period

3. Report Parameters

GRI INDICATORS

Report Profile

- 3.1 Reporting period
- 3.2 Date of most recent previous report
- 3.3 Reporting cycle
- 3.4 Contact point for questions regarding the report or its contents

Report Scope & Boundary

- 3.5 Process for defining report content
- 3.6 Boundary of the report
- 3.7 State any specific limitations on the scope or boundary of the report
- 3.8 Basis for reporting on Joint Ventures, Subsidiaries, Leased Facilities, outsourced Operations and Other Entities
- 3.9 Data measurement techniques and bases of calculations
- 3.10 Explanation of the effect of any re-statements of information provided in earlier reports and the reasons for such re-statements
- 3.11 Significant changes from previous reporting periods in the scope, boundary or measurement methods applied in the report

GRI Content Index

- 3.12 Table identifying the location of the Standard Disclosures in the report

Assurance

- 3.13 Policy and current practice with regard to seeking external assurance for the report

4. Governance, Commitments, and Engagement

GRI INDICATORS

Governance

- 4.1 Governance structure of the organization
- 4.2 Indicate whether the Chair of the highest governance body is also an executive officer
- 4.3 Indicate the numbers of the highest governance body that are independent and/or non-executive members
- 4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the governance body
- 4.5 Linkage between compensation for members of the governance body, senior managers and executives with overall organization's performance

- 4.6 Process to avoid conflicts of interest by governance body
 - 4.7 Process for determining the qualifications and expertise of governance body
 - 4.8 Internally developed statements of mission or values, codes of conduct and principles and their implementation
 - 4.9 Managing risks & opportunities by governance body
 - 4.10 Process for evaluating the performance of governance body
- #### Commitments to External Initiatives
- 4.11 How the precautionary approach or principle is addressed by organization
 - 4.12 How organization address externally developed charters, principles or other initiatives
 - 4.13 Memberships in Associations
- #### Stakeholder Engagement
- 4.14 List of stakeholder groups engaged by the organization
 - 4.15 Basis for identification and selection of stakeholder with whom to engage
 - 4.16 Approaches to stakeholder engagement by type and group
 - 4.17 Key topics and concerns raised through stakeholder engagement and their respond by the organization

5. Economic Performance Indicators

GRI INDICATORS

Management Approach

Economic Performance

- EC1 (Core) Direct economic value generated and distributed, including revenues, operating costs, employees compensation, donations and other community investment, retained earnings, and payments to capital providers and governments
 - EC2 (Core) Financial implications and other risks and opportunities for the organization's activities due to climate change
 - EC3 (Core) Coverage of the organization's defined benefits plan obligations
 - EC4 (Core) Significant financial assistance received from government
- #### Market Presence
- EC5 (Add) Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operations
 - EC6 (Core) Policy, practices, and proportion of spending on locally based suppliers at significant locations of operation
 - EC7 (Core) Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operations

Indirect Economic Impacts

- EC8 (Core) Development and impact of infrastructure investments and Services provided primarily for public benefit through commercial, in-kind, or pro bono engagement
- EC9 (Add) Understanding and describing significant indirect economic impacts including the extent of impacts

6. Environmental Indicators

GRI INDICATORS

Management Approach

Materials

- EN1 (Core) Materials used by weight or volume
- EN2 (Core) Percentage of materials used that are recycled input materials

Energy

- EN3 (Core) Direct energy consumption by primary source
- EN4 (Core) Indirect energy consumption by primary source
- EN5 (Add) Energy saved due to conservative and efficiency improvements
- EN6 (Add) Initiatives to provide energy efficient or renewable energy based products & services, and reductions in energy efficiency
- EN7 (Add) Initiatives to reduce indirect energy consumption and reductions achieved

Water

- EN8 (Core) Total water withdrawal by source
- EN9 (Add) Water sources significantly affected by withdrawal of water
- EN10 (Add) Percentage and total volume of water recycled & reused

Biodiversity

- EN11 (Core) Location and size of land owned, leased, managed in or Protected and outside protected areas
- EN12 (Core) Impacts of activities in protected and outside protected areas
- EN13 (Add) Habitats protected or restored
- EN14 (Add) Strategies, current actions, and future plans for impacts on biodiversity
- EN15 (Add) List of species and habitats within operational areas

Emissions, Effluents and Waste

- EN16 (Core) Total direct and indirect greenhouse gas emissions by weight
- EN17 (Core) Other relevant indirect greenhouse gas emissions by weight
- EN18 (Add) Initiatives to reduce greenhouse gas emissions and reductions achieved
- EN19 (Core) Emissions of ozone-depleting substances by weight
- EN20 (Core) NO, SO, and other significant air emissions by type & weight
- EN21 (Core) Total water discharge by quality and destination
- EN22 (Core) Total weight of waste by type and disposal method
- EN23 (Core) Total number and volume of significant spills
- EN24 (Add) Weight of transported, imported, exported, or treated waste Under Basel Convention and percentage of transported waste
- EN25 (Add) Identify, size, protected status, and biodiversity value of water bodies and habitats significantly affected by discharges of water and runoff

Products & Services

- EN26 (Core) Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation

- EN27 (Core) Percentage of products sold and their packaging materials that are reclaimed by category

Compliance

- EN28 (Core) Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations

Transport

- EN29 (Add) Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce

Overall

- EN30 (Add) Total environmental protection expenditures and investments by type

7. Labour Practices and Decent Work

GRI INDICATORS

Management Approach

Employment

- LA1 (Core) Total workforce by employment type, contact and region
- LA2 (Core) Total employee number, rate, turnover by age group, gender and region
- LA3 (Add) Benefits provided to full-time employees that are not provided to temporary or part-time employee, by major operations

Labour/Management Relations

- LA4 (Core) Percentage of employees covered by collective bargaining agreements
- LA5 (Core) Minimum notice period(s) regarding operational changes

Occupational Health & Safety

- LA6 (Add) Total workforce represented in formal joint management – worker health and safety committees
- LA7 (Core) Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities by region

- LA8 (Core) Education, training, counseling, prevention, and risk control programs in place to assist workforce members, their families, or community members

- LA9 (Add) Health and safety topics covered in formal agreements with trade unions

Training and Education

- LA10 (Core) Average hours of training per year per employee by category
- LA11 (Add) Programs for skills management and learning that support the continued employability of employees and assist them in managing career endings
- LA12 (Add) Percentage of employees receiving regular performance and career development reviews

Diversity and Equal Opportunity

- LA13 (Core) Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity
- LA14 (Core) Ratio of basic salary of men to women by employee category

8. Human Rights Performance Indicators

GRI INDICATORS

Management Approach

Investment & Procurement Practices

HR1 (Core) Significant investment agreements including human rights clauses or that have undergone human rights screening

HR2 (Core) Significant suppliers and contractors that have undergone Screening on human rights and actions taken

HR3 (Add) Employees training on human rights that are relevant to Operations including the percentage of employees trained

Non-Discrimination

HR4 (Core) Total number of incidents of discrimination and actions taken

Freedom of Association and Collective Bargaining

HR5 (Core) Right to exercise freedom of association and collective bargaining and actions taken to support these rights

Child Labour

HR6 (Core) Measures taken to contribute to the elimination of child labour

Forced and Compulsory Labour

HR7 (Core) Measures taken to contribute to the elimination of forced or compulsory labour

Security Practices

HR8 (Add) Security personnel trained on human rights that are relevant to operations

Indigenous Rights

HR9 (Add) Total number of incidents of violations involving rights of Indigenous people and actions taken

9. Society Performance Indicators

GRI INDICATORS

Management Approach

Community

SO1 (Core) Nature, scope and effectiveness of programs and practices that assess and manage the impacts of operation on communities, including entering, operating and existing

Corruption

SO2 (Core) Percentage and total number of business units analyzed for risks related to corruption

SO3 (Core) Percentage of employees trained in organization's anti-corruption policies and procedures

SO4 (Core) Actions taken in response to incidents of corruption

Public Policy

SO5 (Core) Public policy positions and participation in public policy development and lobbying

SO6 (Add) Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country

Anti-Competitive Behaviour

SO7 (Add) Total number of legal actions for anti-competitive behaviour, anti-trust and monopoly practices and their outcomes

Compliance

SO8 (Core) Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations

10. Product Responsibility Performance Indicators

GRI INDICATORS

Management Approach

Customer Health & Safety

PR1 (Core) Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories

PR2 (Add) Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle

Product and Service Labeling

PR3 (Core) Type of product and service information required by procedure, and significant products and services.

PR4 (Add) Total number of incidents non-compliance with regulations and voluntary codes

PR5 (Add) Practices related to customer satisfaction

Marketing Communications

PR6 (Core) Programs for adherence to laws, standards, and voluntary codes related to marketing communications, advertising, promotion and sponsorship

PR7 (Add) Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, advertising, promotion and sponsorship

Customer Privacy

PR8 (Add) Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data

Compliance

PR9 (Core) Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services

CHAPTER 1

CHALLENGES, OPPORTUNITIES & STRATEGY

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1. CHALLENGES, OPPORTUNITIES & STRATEGY

1.1 Global Economy

In 2006, the global economy enjoyed one of its strongest periods of growth in last several years, with economic growth in real terms accelerating from 3.3% in 2005 to 3.9% in 2006. This was primarily due to the continuation of strong growth in developing and emerging economies as well as recovery in the Euro area in 2006 after five years of marginal growth. The Euro area registered an economic growth of 2.7% in 2006 as compared to 1.4% in 2005. The German economy which accounts for almost 30% of the region's output recorded 6% growth in industrial production as business confidence reached its highest level since last 15 years and activity in construction sector showed significant improvement. While the US economy grew by 3.3% in 2006 as compared to 3.2% in 2005, the economy began to slow down in the second half of 2006 due to tightening of monetary policy and slowdown in the housing market. Japan grew by 2.2% in 2006 due to increased public investment, private consumption and buoyant exports. The Chinese economy grew by 10.7% in 2006, and contributed about a tenth of global growth. This is the fourth consecutive year of growth of at least 10%. China led the world, with manufacturing growth of around 20% in 2006. The global manufacturing output grew by 4.5%, the best since 2000 due to increased investment and global trade. The global economy in 2006 remained resilient even in the face of continued high oil prices. In real terms, the oil price levels experienced in the year were the highest since the second oil shock of 1979-81.

1.2 Indian Economy

The Indian economy witnessed robust growth in FY 2006-07. India's GDP grew by 9.4% as compared to 9.0% in the previous year. India continues to be a high growth economy (second to China). The Indian economy grew at a stepped up rate for the consecutive fourth year from 3.8% in FY 2002-03 to 9.4% in FY 2006-07. The main drivers of growth were the manufacturing,

services and construction sectors which grew by 12.5%, 11.0% and 10.7% respectively as compared to 9.1%, 9.8% and 14.2% respectively in the previous year. The overall industrial sector recorded a growth of 10.9% as compared to 9.6% in the previous year. The savings and investment touched a new high of 32.4% and 33.8% of the GDP respectively. India's export grew by 23.9% to USD 124.6 billion, recording a strong growth rate of 20% plus for the fifth consecutive year. Imports grew by 29.4% to USD 181.4 billion, driven by increased imports of oil by 30.8% and non-oil imports by 28.7%. This resulted in an increase in India's trade deficit to USD 56.7 billion as compared to USD 39.8 billion in the previous year. India's fiscal position improved during the year and revenue deficit was estimated at 2.0% of GDP as compared to 2.6% in the previous year. The gross fiscal deficit constituted 3.7% of GDP as compared to 4.1% in the previous year. Indian corporates raised external commercial borrowings of around USD 25.3 billion, over 50% higher than the amount raised during the previous year. India's foreign exchange reserves increased to USD 199.2 billion by end March 2007.

Overall economic buoyancy, together with bullish domestic equity capital markets, boosted investor sentiments attracting robust capital inflows into the economy. FIIs were net investors in the Indian equity market and invested around Rs. 25,000 crores during the year. Domestic Mutual Funds also invested around Rs. 9,000 crores in the Indian equity market. The BSE Sensex crossed the 14,000 mark for the first time on 3rd January, 2007, reaching a peak of 14,652 on 8th February, 2007 before closing at 13,072 on 30th March, 2007, yielding a gain of 1,792 points (i.e. 16%) as compared to 11,280 on 31st March, 2006. Foreign Direct Investment (FDI) for the fiscal year ended 31st March, 2007 is estimated at around Rs. 70,000 crores (USD 15.9 billion), exceeding portfolio inflows, which were until recently the preferred means of participating in India's rapid economic growth.

CHALLENGES, OPPORTUNITIES & STRATEGY

1.3 Global Steel Industry Overview

Global crude steel output, which closely tracks demand, grew by 8.9% to 1,244 million tonnes in 2006 as compared to 1,142 million tonnes in 2005 mainly driven by strong growth of 18% in China. In 2006, the top five steel producing countries were China (422.7 million tonnes), Japan (116.2 million tonnes), USA (98.6 million tonnes), Russia (70.8 million tonnes) and South Korea (48.5 million tonnes). The finished steel consumption grew by 8.5% at 1,113 million tonnes in 2006 as compared to 1,026 million tonnes in 2005. China accounted for 33% of global steel consumption and 50% of global demand growth.

The global steel consumption increased both in developing and developed countries in 2006, with double digit growth in Europe, CIS, NAFTA and South and Central America. In Europe, the increase in demand was accompanied by a substantial increase in steel imports primarily from China, which emerged as a significant net exporter of steel in 2006. Construction was the key driver of demand across the EU in 2006, notably in Germany, which recovered very strongly.

The demand for raw materials viz. iron ore, coal, scrap, energy etc. have increased significantly due to robust growth in global crude steel production led by China. The shortages of raw materials and constraints of logistics, led to increase in prices of raw materials. Iron ore prices increased for the last five years consecutively. Iron ore fines prices increased by 19% in 2006, 71.5% in 2005, 18.6% in 2004 and 9% in 2003. In order to respond to the tightening supply-demand balance, major iron ore and coal producers are investing in new mines to increase production capacity. The hard coking coal prices decreased by 7% in 2006, after a steep increase by 117% in 2005 and 24% in 2004. The steel industry and all commodities related industries have witnessed an upward shift in their respective cost curves and hence prices for both raw materials and steel products are likely to settle at much higher levels than the average prices that prevailed in the past.

1.4 Domestic Steel Industry Overview

Indian Steel Industry registered a strong growth in steel consumption driven by strong growth in all steel consuming sectors viz. automotive (13.6%), capital goods (18.3%), construction (10.7%), consumer non-durables (10.5%) and consumer durables (9.1%) etc. During the fiscal year 2006-07, India's apparent steel consumption grew by 11.7% to 43.8 million tonnes. The flat products and long products consumption grew by 11.5% and 12.3% respectively. Domestic steel production grew by 11.1% to 49.4 million tonnes. Steel exports grew by 6.1% to 4.7 million tonnes and steel imports increased by 6.4% to 4.1 million tonnes.



CHALLENGES, OPPORTUNITIES & STRATEGY

1.5 Steel Industry Outlook for 2007-08

Driven by the continued growth in developing and emerging economies, global growth is likely to remain robust. World GDP is expected to grow by 3.4% in 2007. China and India are expected to continue its march towards high growth, though controlling inflationary pressures may be a challenge for the Indian Government.

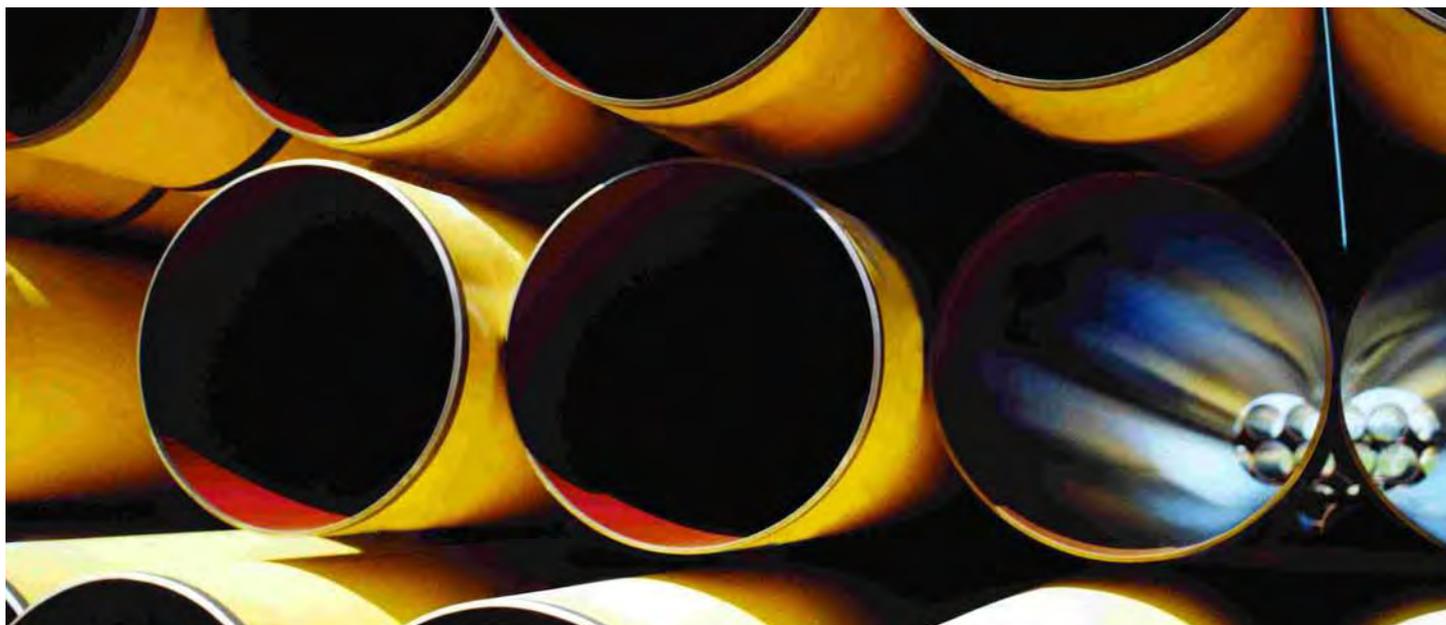
The International Iron and Steel Institute (IISI) forecasts global steel consumption to grow by 5.9% in 2007 and 6.1% in 2008, driven by strong demand from Asia, Africa and South America. The apparent steel demand is likely to increase by 65 million tonnes in 2007 and 72 million tonnes in 2008 to reach a level of 1,250 million tonnes in 2008. China is expected to remain the largest market with steel demand likely to increase by 13% (46 million tonnes) in 2007, which represents 71% of global steel consumption growth in 2007.

The Indian Steel Industry is now believed to be at an inflexion point. It is poised for a demand growth of 10% in FY 2007-08.

Demand for flat products and long products are expected to grow by 12% and 9% respectively.

Rise in personal disposable incomes and easy access to funds from banks has led to new housing projects in last 3-5 years. The Automotive sector also grew at a significant rate of over 15% due to easy availability of consumer finance, excise duty reduction and higher disposal income with households. Recent increase in interest rates is likely to dampen this sentiment somewhat, but the growth rate is likely to remain robust.

The Committee on Infrastructure in India constituted under the Chairmanship of the Prime Minister in August 2004 planned for an expenditure of approximately Rs. 14,50,000 crores (USD 320 billion) in the 11th Five Year Plan (2007-2012) on Irrigation, Urban Infrastructure, Power, Roads, Railways, Ports, Airports, Telecom projects, etc. This may lead to increase steel consumption in foreseeable future. India's steel consumption is expected to increase to 65 million tonnes by FY 2009-10 and over 125 million tonnes by FY 2014-15.



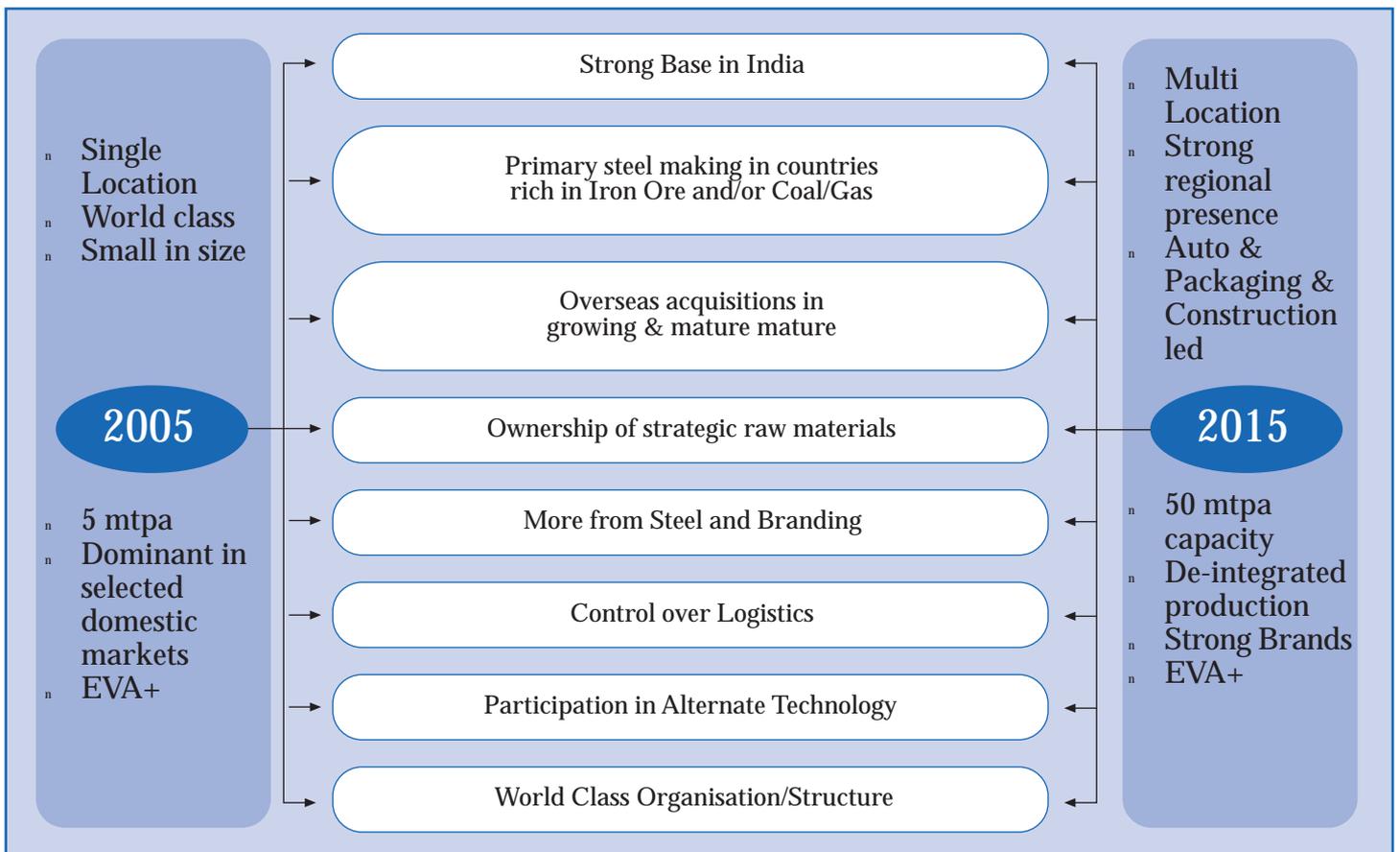
CHALLENGES, OPPORTUNITIES & STRATEGY

1.6 Tata Steel's Growth Strategy

During the 1990s, the Company re-engineered its business processes, established its cost leadership in a liberalized scenario and modernized its operations to become one of the most efficient steel producers in the world. After a period of recessionary conditions in the early part of the century, the steel industry scenario changed dramatically in 2003 led by the strong growth in China. The Company was prepared to participate in this opportunity and set out on the growth and globalization path in the 21st century.

As the Company globalises it will take across the Tata Values for

social, economic and environmental performance. In keeping the Tata Code of Conduct, it will respect the laws of the nation and will adhere to international standards such as the Un Global Compact Principles (Annexure 1). The Company realized the need to grow in size and regional diversity to match global players. In 2005, the Company made long term plans of becoming a 50 million tonne steel producer by 2015 having multi-locational manufacturing facilities with strong regional presence focusing mainly on auto, packaging and construction sectors across the global markets. The long-term growth plans of Tata Steel are focused on the following levers:



The Company plans to achieve these long-term objectives through various strategic initiatives, which are discussed as follows :

CHALLENGES, OPPORTUNITIES & STRATEGY

Strong Base in India

India is the seventh largest steel producer in the world and among the fastest growing steel producers globally. India is one of the best countries to produce steel at a competitive cost by virtue of availability of key raw materials viz. iron-ore, coal (to some extent) and skilled labour. Steel consumption in India is likely to increase at a rapid pace in the future due to large investments planned in infrastructure development, increased urbanization and growth in key steel consuming sectors viz. automotive, construction, capital goods and other manufacturing sectors. The per capita steel consumption in India is quite low compared to the world average and also compared to the countries like China, USA, Europe, Japan and others. Considering the future economic climate in India, the per capita consumption of steel in the next decade is expected to increase significantly from the current levels. As part of its strategy to retain its pre-eminent position in the Indian markets, the Company has drawn elaborate plans to significantly enhance its presence in India in the near future. The Company's plans for expanding its capacity are based on brown-field expansion in Jamshedpur and green-field projects as discussed in the following paragraphs.

Brownfield projects in India

After successful completion of the 1 million tonne steel expansion in Jamshedpur, the Company is currently expanding its crude steel making capacity from 5 million tonnes to 6.8 million tonnes,



which will be commissioned by June 2008. The current expansion will enhance the Company's capacity to produce billets and slabs by 1.5 million tonnes and 0.3 million tonnes respectively, which will be rolled into finished products in various finishing mills within the fold of the Company. The project cost is estimated at Rs. 45500 million. To leverage the potential of Jamshedpur further, the Company is planning to expand its crude steel production capacity from 6.8 million tonnes to 9.7 million tonnes by 2010. This expansion is likely to be cost competitive (both in terms of capital cost and operating cost) since the Company is planning to upgrade the capacity of its existing blast furnaces and other facilities. As part of this expansion, the Company will install a new Thin Slab Caster Rolling (TSCR) facility in Jamshedpur, which will increase Flat Products capacity by 2.9 million tonnes. The project cost is estimated at around Rs. 91000 million.

Greenfield Projects in India

The Company is planning to set up a 6 million tonne integrated steel project at Kalinganagar in the state of Orissa. This project will be executed in two phases of 3 million tonnes each, with the first phase to be commissioned by 2010. The Company has placed orders for major equipments viz. Blast Furnace and Steel Melting Shop and is in the process of completing land acquisition and rehabilitation of families residing on the land. The Company has made an application for fresh iron ore leases to the Government and the approval process is in progress. The Company is also pursuing setting up integrated steel plants in Chhattisgarh and Jharkhand in phases, in the future.

Other Projects in India

The Company is setting up a 1.6 million tonne metallurgical coke making facility in Haldia to support future enhanced coke requirement in Jamshedpur. The project cost is estimated at Rs. 11500 million and will be commissioned by March 2008. The Company has acquired requisite land, completed civil work and placed orders for major equipments.

CHALLENGES, OPPORTUNITIES & STRATEGY

Primary steel making in countries rich in Iron Ore / Coal / Gas

The Company believes in a de-integrated production philosophy to maximize value in the steel industry. The Company has identified possible locations to set up primary steel making facilities in the long term. These locations (including India) are attractive by virtue of competitive factors of production i.e. availability of raw material, energy sources etc. The Company intends to link low cost steel production facilities with the most favourable steel consuming markets, to maximize value creation across the entire value chain. The Company intends to have a balance between the growing markets of the developing countries and the mature markets with high end products and technology. Investments in NatSteel Asia Pte. Ltd. and Tata Steel (Thailand) Public Co. Ltd., (erstwhile Millennium Steel) were steps taken in this direction.

Overseas acquisitions in growing and mature markets

For long, the steel industry has been plagued with the issues of cyclicity, pricing and demand-supply gap. The steel industry is highly fragmented and the top five steel producers control less than 20% of market share in the world. However, the mining companies, who are suppliers of raw materials viz. iron ore and coal to the steel companies, and the automobile companies, who are the major customers of the steel companies, are highly consolidated in their respective sectors. Consolidation in the steel industry is likely to address the issues of price stability, foster further focus on technology and innovation to enable the industry to serve its customers better with new product offerings and better supply chain efficiencies. The global steel industry has started witnessing consolidation moves in the last few years but these were largely focused on regional consolidation (see chart below). It is expected that the industry would witness increased pace of cross border consolidation in the next few years.

Strategic Rationale for acquisition of Corus

The Company's investment in Corus Group plc (which was completed in April 2007) is consistent with the Company's stated objective of growth and globalization. Post Corus acquisition, Tata Steel is the sixth largest steel producing company in the world with a steel making capacity (crude) of around 28 million tonnes. Corus is Europe's second largest and the ninth largest steel producer in the world, and produced 18.3 million tonnes of crude steel in 2006. Corus has a crude steel production capacity of 21.2 million tonnes in UK and Netherlands. Corus also has downstream manufacturing facilities in Germany, France, Norway and Belgium. In the UK, Corus has a 14.4 million tonne capacity - Port Talbot (4.7 million tonnes), Scunthorpe (4.5 million tonnes), Teesside (3.9 million tonnes) and Rotherham (1.3 million tonnes). The IJmuiden plant in Netherlands has a crude steel capacity of 6.8 million tonnes and is also one of the lowest cost producers of steel in the Western Europe.

Corus is one of the leading suppliers of steel to the automotive, construction, packaging, engineering, rail, aerospace, metal goods, and oil and gas industries. Corus has a strong Research and Development capability, which focuses on continuous improvement in manufacturing processes and development of high value, added steel products. Through the acquisition of Corus, Tata Steel would also have a presence in the developed markets of Europe, have access to the strong product portfolio and research and development facilities in Corus.

The combined businesses of Tata Steel and Corus will be driven by a common vision and strategy to cater to the requirements of the global customers from its worldwide operations.

The steel industry is also undergoing structural changes and increased consolidation in the steel sector is likely to result in a re-rating of the industry in the near future.

CHALLENGES, OPPORTUNITIES & STRATEGY

Ownership of strategic raw materials

As part of its long-term strategy, the Company is focused on developing raw material sources for its global operations. In this regard, the Company has formed a Global Minerals Group, which is actively exploring various opportunities to secure access to iron ore and coal in various geographies. This will enable the Company to continue its competitive cost position in the global steel industry.

More from Steel and Branding

The Company remains focused on enriching its product mix and pursuing branding initiatives to move up the value chain. The Company has several well known brands in its portfolio i.e. Tata Steelium (India's first branded cold rolled steel), Tata Shaktee (galvanized corrugated sheets), Tata Tiscon (re-rolled bars), Tata Pipes, Tata Bearings, Tata Wiron (galvanized wire products), Tata Agrico (hand tools and implements) and most recently Tata Structura (steel hollow sections). Due to consistent efforts in the last few years, the Company's turnover from branded products increased from Rs. 13000 million in FY 2002-03 to Rs. 46040 million in FY 2006-07. The Company sold around 1 million tonnes of branded products and crossed the USD 1 billion marks in terms of branded products turnover in the last financial year. Currently, around 25% of the revenue of the Company comes from the sale of branded products in India.

In order to enter into new market segments, the Company entered into a 50:50 Joint Venture agreement with BlueScope Steel for Coated Steel and Building Solutions business in India and other SAARC countries. The JV Company has already set up building solutions facilities in its Pune, Bhiwadi and Chennai plants. The coated steel plant will be in Jamshedpur and currently site development work is in progress. This project is likely to be commissioned in 2009.

Control Over Logistics

With the proposed expansion of steel capacity in Jamshedpur,

Orissa and other green-field projects in India and overseas as well as manufacturing footprints in various countries across the world, the Company's import / export cargo will increase significantly. To meet the increased requirement and reduce the total logistics cost of sea bound cargo, the Company signed a Joint Venture agreement with Larsen and Toubro Limited to develop a deep-sea water port in Orissa, which will handle cape size vessels. This project will be commissioned by early 2010 at an estimated cost of Rs. 24500 million.

On 5th December 2005, Tata Steel and Nippon Yusen Kabushiki Kaisha (NYK Line) entered into a 50:50 Joint Venture agreement for setting up a shipping company to cater to dry bulk and break bulk cargo requirements. The Joint Venture Shipping Company - Tata NYK Shipping Pte. Ltd. has been incorporated in Singapore.



CHAPTER 2

ORGANIZATIONAL PROFILE

| SECTION | DESCRIPTIONS | PAGE NO. |
|---------|--|----------|
| 2.1 | Name of the Organization | 21 |
| 2.2 | Primary brands, products, and/or services | 21 |
| 2.3 | Operational Structure of the organization | 21 |
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2. ORGANIZATIONAL PROFILE

2.1 Reporting Organization: Tata Steel Limited

2.2 Primary Products & Services, including Brands

The Major Products & Services offered by Tata Steel are presented in Table 2.1.

Table 2.1 : Products & Services

| Products | Descriptions |
|------------------------------|---|
| Long Products | Wire Rods, Rebars |
| Flat Products | Hot & Cold Rolled Sheets, Hot & Cold Rolled Coils, Galvanized Coils & Sheets, Hot Rolled Plates |
| Semi Finished Steel Products | Billets, Slabs |
| Tubes | Standard pipes, Precision Tubes, Closed Structural |
| Bearings | Rolled Rings, Forged Rings, Machines Rings, Bearings Plain and Coated Steel Wires |
| Wires | Coal & Coke, Iron Ore, Dolomite, Chrome Ore & Chrome Concentrate |
| Minerals | Ferro Alloys |
| Others | Agriculture Implements, Services like project studies, design & engineering, personnel and technical training, automation, Information Technology, power and water. |
| Branded Products | Tata Shaktee GC Sheets, Tata Steelium Cold Rolled Steel, Tata Tiscon construction rods, Tata Pipes, Tata Bearings, Tata Wiron and Tata Agrico, Tata Structura |

2.3 Operational Structure

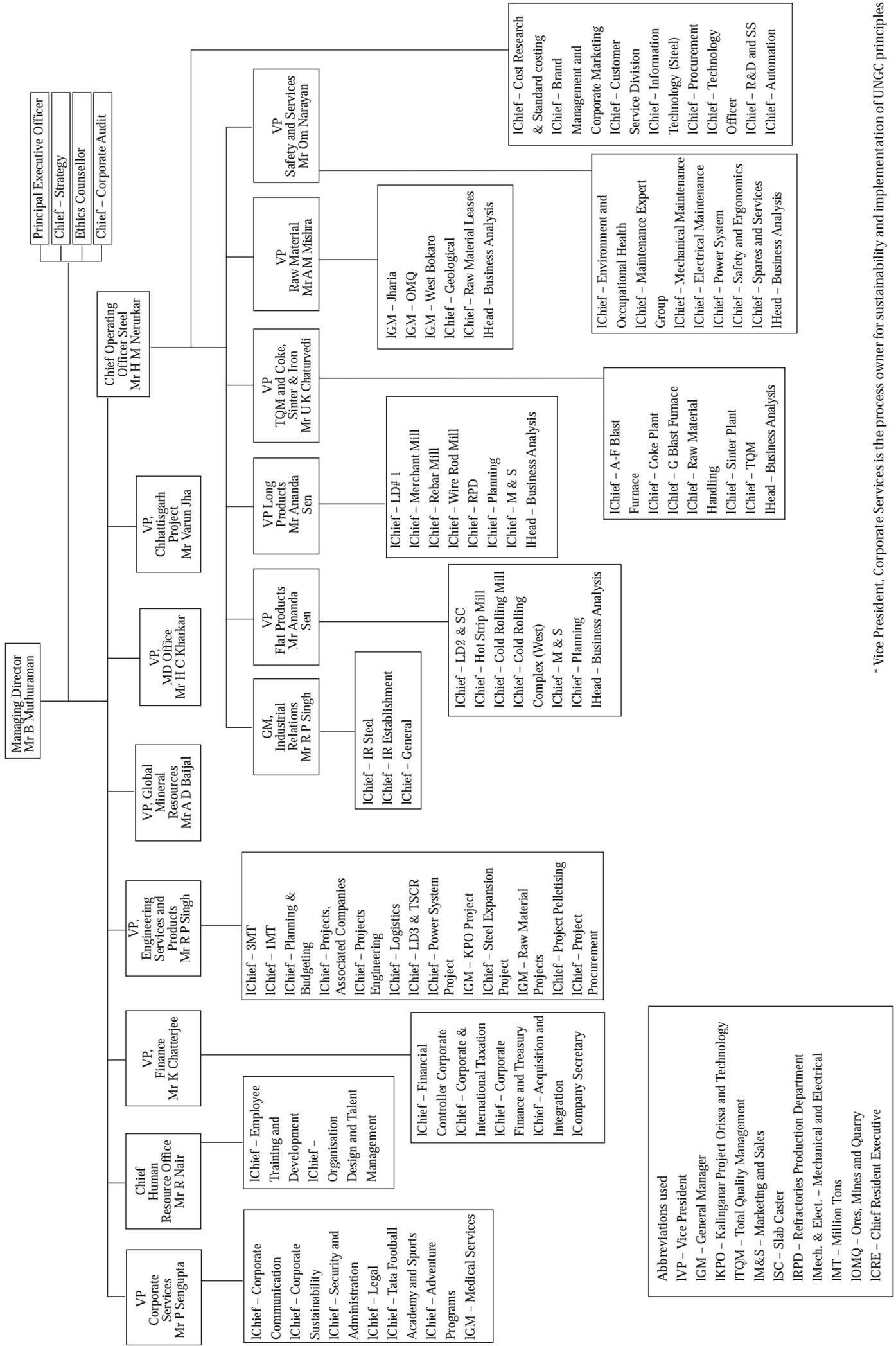
Board of Directors [as on Date (17.05.2007)]

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
 Dr. Anthony Hayward
 Mr. Philippe Varin
 Mr. B Muthuraman (Managing Director)
 Dr. T Mukherjee (Deputy M D - Steel)
 Mr. A N Singh (Deputy M D - 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 & Shared Services)
 Mr. H. C. Kharkar, Vice President (TQM & CSI)
 Mr. Radhakrishnan Nair, Chief Human Resource Officer

Figure: 2.1 Organisation chart of Tata Steel Ltd, India (Steel Business) (As on 1.12.2007)



* Vice President, Corporate Services is the process owner for sustainability and implementation of UNGC principles

ORGANIZATIONAL PROFILE

Major Divisions (10)

- n Main Steel Works, Jamshedpur, Jharkhand
- n Tubes Division, Jamshedpur, Jharkhand
- n Growth Shop, Jamshedpur, Jharkhand
- n Ferro Alloys & Mineral Division, Orissa
- n CRC (West), Tarapur, Maharashtra
- n Bearings Division, Kharagpur, West Bengal
- n Ore Mines & Quarries Division, Noamundi, Joda
- n West Bokaro Division, West Bokaro, Jharkhand
- n Jharia Division, Dhanbad, Jharkhand
- n Wire Division, Mumbai, Maharashtra

Subsidiary Companies (59)

- n Adityapur Toll Bridge Company Ltd., India
- n Bangla Steel & Mining Company Ltd., Bangladesh
- n Best Bar (VIC) Pty. Ltd., Australia
- n Best Bar Pty. Ltd., Australia
- n Burwill Trading Pte. Ltd., Singapore
- n Easteel Construction Services Pte. Ltd., Singapore
- n Easteel Services (M) Sdn. Bhd., Malaysia
- n Eastern Steel Fabricators Philippines, Inc., Philippines
- n Eastern Steel Services Pte. Ltd., Singapore
- n Eastern Wire Pte. Ltd., Singapore
- n Gopalpur Special Economic Zone Ltd., India
- n Hooghly MetCoke and Power Company Ltd., India
- n International Shipping Logistics FZE, UAE
- n Jamshedpur Utilities & Services Company Ltd., India
- n Kalimati Coal Company Pty. Ltd., Australia
- n Kalimati Investment Company Ltd., India
- n Lanka Special Steels Ltd., Sri Lanka
- n Materials Recycling Pte. Ltd., Singapore
- n N.T.S. Steel Group Public Company Ltd., Thailand
- n NatFerrous Pte. Ltd., Singapore
- n NatSteel (Xiamen) Ltd. (formerly known as Southern NatSteel [Xiamen] Limited), China
- n NatSteel Asia (S) Pte. Ltd., Singapore
- n NatSteel Asia Pte. Ltd., Singapore
- n NatSteel Australia Pty. Ltd. (formerly known as EW Reinforcement Pty. Ltd.), Australia
- n NatSteel Equity IV Pte. Ltd., Singapore

- n NatSteel Middle East FZE, UAE
- n NatSteel Trade International (Shanghai) Company Ltd., China
- n NatSteel Trade International Pte. Ltd., Singapore
- n NatSteel Vina Company Ltd., Vietnam
- n PT Materials Recycling Pte. Ltd., Indonesia
- n Rawmet Ferrous Industries Pvt. Ltd., India
- n Siam Construction Steel Company Ltd., Thailand
- n Siam Industrial Wire Company Ltd., Thailand
- n Siam Iron and Steel (2001) Company Ltd., Thailand
- n Sila Eastern Ltd., Thailand
- n Tata Incorporated, USA
- n Tata Korf Engineering Services Ltd., India
- n Tata Refractories Ltd., India
- n Tata Steel (KZN) (Pty) Ltd., South Africa
- n Tata Steel (Thailand) Public Company Ltd., (formerly known as Millennium Steel Public Company Limited), Thailand
- n Tata Steel Asia Holdings Pte. Ltd., Singapore
- n Tata Steel UK Ltd., United Kingdom
- n Indian Steel and Wire Products Ltd., India
- n Tata Pigments Ltd., India
- n TKM Overseas Transport (Europe) GmbH, Germany
- n TKM Transport Management Services Pvt. Ltd., India
- n TM International Logistics Ltd., India
- n TRL Asia Pvt. Ltd., Singapore
- n TRL China Ltd., China
- n TS Asia (Hong Kong) Pte. Ltd., Hong Kong
- n TS Resources Australia Pty. Ltd., Australia
- n Tata Steel Netherlands B.V., Netherlands
- n Tulip Netherlands (No. 1) B.V., Netherlands
- n Tulip Netherlands (No. 2) B.V., Netherlands
- n Tulip UK Holdings (No.1) Ltd., United Kingdom
- n Tulip UK Holdings (No. 2) Ltd., United Kingdom
- n Tulip UK Holdings (No. 3) Ltd., United Kingdom
- n Wuxi Jinyang Metal Products Company Ltd., China
- n Wuxi NatSteel Metal Products Company Ltd., China

Joint Ventures (4)

- n mjunction Services Ltd. (formerly known as Metaljunction Services Ltd.), India
- n Tata BlueScope Steel Ltd., India

ORGANIZATIONAL PROFILE

- n Tata Ryerson Ltd., India
- n The Dhamra Port Company Ltd., India

Associated Companies (24)

- n Adityapur Toll Bridge Company Limited
- n Almora Magnesite Limited
- n Indian Steel Rolling Mills Limited
- n Industrial Energy Limited
- n Jamshedpur Injection Powder Limited
- n Kalinga Aquatics Limited
- n Kumardhubi Fireclay & Silica Works Limited
- n Kumardhubi Metal Casting & Engineering Limited
- n Metal Corporation of India Limited
- n Tata Steel (Thailand) Public Company Ltd. (formerly known as Millennium Steel Public Company Limited)
- n Nicco Jubilee Park Limited
- n Rujuvalika Investments Limited
- n Southern Steel, Berhad
- n Srutech Tubes (India) Private Limited
- n Steel Asia Development and Management Corporation
- n Steel Asia Industries, Inc.
- n Steel Asia Manufacturing Corporation
- n Tata Construction & Projects Limited
- n Tata Metaliks Limited

- n Tata Sponge Iron Limited
- n Tayo Rolls Limited
- n The Tinsplate Company of India Limited
- n TKM Overseas Limited
- n TRF Limited

2.4 Location of Headquarters:

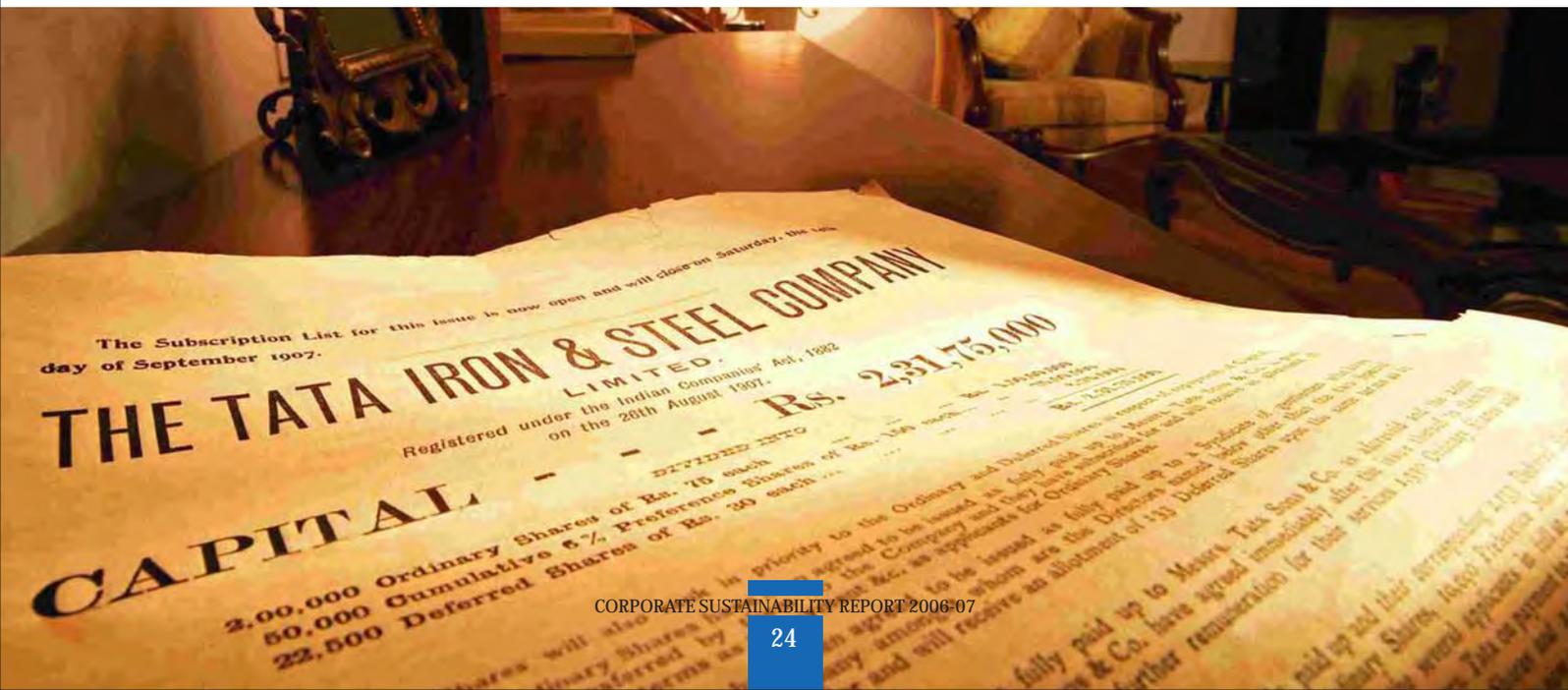
Bombay House, 24 Homi Mody Street, Mumbai, India

2.5 Countries in which we operate

India, USA, Sri Lanka, Thailand, Vietnam, Singapore, China, Australia, Malaysia, Indonesia, Philippines, Dubai, Vietnam, Iran, Bangladesh, South Africa, Netherlands, United Kingdom, Germany, China and Hong Kong.

2.6 Nature of Ownership and Legal Form

Tata Steel is a Public Limited Company. Its stock is listed on three stock exchanges in India – Bombay Stock Exchange, National Stock Exchange, and Calcutta Stock Exchange. Global Depository Receipts (GDRs) issued by the company in the international market have been listed on the Luxembourg Stock Exchange. The details of shareholding are given in Table 2.2, 2.3 & 2.4.



ORGANIZATIONAL PROFILE

Table 2.2 : Details of Shareholding

| Number of Ordinary Shares Held | Number of Shareholders | |
|--------------------------------|------------------------|----------------|
| | 31.03.2007 (%) | 31.03.2006 (%) |
| 1 to 100 | 60.47 | 52.30 |
| 101 to 500 | 31.62 | 38.14 |
| 501 to 1000 | 4.31 | 5.18 |
| 1001 to 10000 | 3.39 | 4.13 |
| Over 10000 | 0.21 | 0.25 |
| | 100.00 | 100.00 |

Table 2.3 : Category of Shareholders

| Category | Number of Shareholders | | Voting Strength (%) | | Number of Ordinary Shares Held | |
|---|------------------------|----------|---------------------|----------|--------------------------------|-------------|
| | 31.03.07 | 31.03.06 | 31.03.07 | 31.03.06 | 31.03.07 | 31.03.06 |
| Individuals | 666,583 | 534,053 | 25.32 | 25.19 | 146,997,477 | 139,441,726 |
| Unit Trust of India | 30 | 29 | 0.01 | 0.01 | 47,060 | 41,333 |
| Life Insurance Corporation of India | 11 | 9 | 12.01 | 11.88 | 69,725,863 | 65,753,593 |
| Govt. & Other Public Financial Institutions | 19 | 17 | 5.37 | 6.65 | 31,189,482 | 3,1297,858 |
| Tata Group Companies | 24 | 25 | 30.52 | 26.81 | 177,152,216 | 148,391,636 |
| Companies | 6,738 | 5,784 | 4.84 | 4.84 | 28,073,014 | 26,796,068 |
| Nationalized Banks, Mutual Funds & Trusts | 504 | 460 | 4.51 | 3.17 | 26,193,523 | 17,518,404 |
| Foreign Institutional Investors | 275 | 264 | 17.42 | 22.45 | 101,094,221 | 124,232,238 |
| TOTAL | 674,184 | 540,641 | 100.00 | 100.00 | 580,472,856 | 553,472,856 |

Table 2.4 : Top Ten Shareholders as on 31st March 2007

| S. N. | Name of the Shareholder | No. of shares held | % of holding |
|-------|--|--------------------|--------------|
| 1 | Tata Sons Limited | 139,763,040 | 24.08 |
| 2 | Life Insurance Corporation of India | 69,725,863 | 12.01 |
| 3 | Tata Motors Limited | 25,806,729 | 4.45 |
| 4 | HSBC Global Investment Funds A/c HSBC Global Investment Funds Mauritius Ltd. | 15,976,000 | 2.75 |
| 5 | The New India Assurance Company Limited | 9,866,937 | 1.70 |
| 6 | Janus Growth and Income Fund | 7,509,223 | 1.29 |
| 7 | Baytree Investments Mauritius Pte. Limited | 7,208,000 | 1.24 |
| 8 | National Insurance Company Limited | 7,203,450 | 1.24 |
| 9 | The Oriental Insurance Company Limited | 5,822,440 | 1.00 |
| 10 | Macquarie Bank Limited | 5,309,301 | 0.91 |

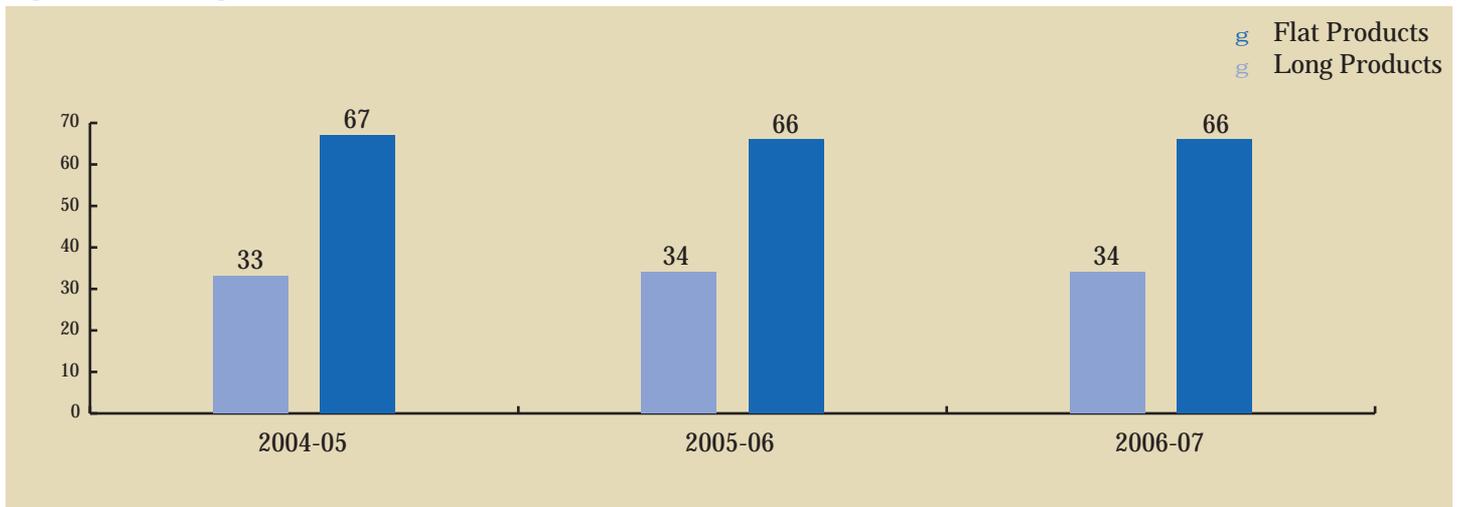
ORGANIZATIONAL PROFILE



2.7 Markets Served

The steel business Of Tata Steel falls under two broad categories – Flats and Longs. Flat Products include Hot Rolled Coils, Cold Rolled Coils, Galvanized Coils and Sheets. Long Products include Reinforcement Bars (Rebars) for construction industry, Wire Rods for making wires, etc. The product mix as a percentage of Flat and Long Products is shown in Figure 2.2

Fig. 2.2: % of Long & Flat Products



ORGANIZATIONAL PROFILE

Tata Steel's Main Customers are:

Flat Products: Tata Motors, Toyota, Maruti, Ford, Hyundai, Ashok Leyland, Bajaj, Hindustan Motors. Long Products: L&T, AFCONS, DLF, Gammon, HCC in the infrastructure projects segment; individual house builders in the infrastructure retail segment; and Bansal, Esab, Miki Wires and Wires Division in the wire rods segment. The domestic Flat Products business is well consolidated. The five big players cover 90% of the supplies. Tata Steel Flat Products have a share of 18% of the domestic market.

On the other hand, the domestic Long Products business is highly fragmented, with nearly 49% of the market catered to by small secondary producers. Integrated steel plants like SAIL, RINL & Tata Steel with captive raw material sources account for 35% of the market share. The other major producers such as JSPL, JSW, Adhunik, etc. constitute 16% of the market share.



2.8 Scale of Reporting Organization

Tata Steel falls in the large business organization category. The main domestic unit is an integrated iron and steel plant with a capacity of 5 million tonnes per annum of crude steel. The details of installed capacity and production are given in Table 2.5.



Table-2.5 : Installed Capacity & Production

| Class of Products | Installed Capacity (1) (Tonnes) | | Production (2) (Tonnes) | |
|---|---------------------------------|------------|-------------------------|------------|
| | 06-07 | 05-06 | 06-07 | 05-06 |
| Saleable Steel (Jamshedpur Works) | 4,808,000 | 4,808,000 | 4,928,548 | 4,552,136 |
| Cold Rolled Coils (Tarapur) | 100,000 | 100,000 | 137,038 | 128,157 |
| Wire Rods (Tarapur) | 265,000 | 265,000 | 260,748 | 278,647 |
| Wires (Borivali, Tarapur, Indore & Bangalore) | 238,400 | 205,700 | 195,661 | 184,349 |
| Cold Rolled Coils & Profiles (Sisodra) | 46,000 | 46,000 | 27,958 | 29,211 |
| Ferro Manganese & Silico Manganese (Joda) | 30,500 | 30,500 | 51,014 | 41,240 |
| Charge Chrome (Bamnipal) | 50,000 | 50,000 | 43,712 | 50,030 |
| Welded Steel Tubes (Jamshedpur) | 308,000 | 212,000 | 261,347 | 225,062 |
| Carbon and Alloy Steel Bearing Rings, Annular Forgings & Flanges (Jamshedpur) | 5,250 | 5,250 | 2,612 | 3,413 |
| Metallurgical Machinery (Jamshedpur) | - | - | 6,287 | 10,722 |
| Alloy Steel Ball Bearing Rings (Jamshedpur) | 20,500,000 | 20,500,000 | 12,167,121 | 12,430,223 |
| Bearings (Kharagpur) | 25,000,000 | 25,000,000 | 30,013,421 | 28,000,444 |

Installed capacity certified by the Managing Director and accepted by the Auditors.
Production includes production for works use and for conversion by the third parties into finished goods for sale.

ORGANIZATIONAL PROFILE

The financial parameters indicating the scale of the operation of the company are given in Table 2.6. Detailed financial information is provided in “Section-V: Economic Performance”.

Table 2.6 : Financial Performance

| Item | 2006-2007(Rupees Million) | 2005-2006(Rupees Million) |
|---------------------|---------------------------|---------------------------|
| Gross revenue | 201962.4 | 173989.8 |
| Profit before taxes | 62616.5 | 52399.6 |
| Profit after taxes | 42221.5 | 35063.8 |
| Capital employed | 253949.7 | 143638.9 |
| Net worth | 138936.2 | 95020.3 |
| Borrowings | 95453.3 | 25161.5 |

Number of employees as on 31.03.2007: 37,205
Number of employees as on 31.03.2006: 38,182

2.9 Significant changes during the reporting period

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. The acquisition formalities were completed on April 2, 2007. 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. Tata Steel and Corus are two separate entities as on date and both the companies are publishing individual Corporate Reports. Some details are included in this report for information.



2.10 Accolades received during the reporting period

- Best Steel Making Company in the world - study by World Steel Dynamics Inc, USA.
- Prime Minister’s Trophy for the Best Integrated Steel Plant.
- CII - ITC Sustainability Award 2006.
- Best Governed Company Award 2006 by the Asian Center for Corporate Governance.
- Most Admired Knowledge Enterprises (MAKE) – Asia by World Knowledge Forum.
- Greentech Safety Gold Award 2006 for West Bokaro Division
- Greentech Safety Gold Award 2006 for Noamundi Iron Mines
- Civil Society Award by UNAIDS, Kolkata
- IT User Category Award in IT Awards Competition organized by CII & Department of Information Technology, Government of Orissa
- Award for Corporate Social Responsibility in Public Health by US-India Business Council (USIBC), Population Services International (PSI) and The Center for Strategic and International Studies (CSIS)

ORGANIZATIONAL PROFILE

2.11 Brief details of significant Joint Ventures & Subsidiaries

TATA BLUESCOPE STEEL LIMITED

The 50:50 Joint Venture agreements between Tata Steel Limited and BlueScope Steel Limited to form Tata BlueScope Steel Limited became effective from 30th May 2006. The Building Solutions facilities at Pune, Bhivadi and Chennai have become operational since August 2006, December 2006 and January 2007, respectively. The construction of the Coated Steel manufacturing facility at Jamshedpur is in progress. The Joint Venture company offers a comprehensive range of branded steel products for building and construction applications, including the premium ZINCALUME steel, COLORBOND steel, LYSAGHT roll formed steel products and BUTLER metal building systems.

THE DHAMRA PORT COMPANY LIMITED

The Dhamra Port Company Limited ('DPCL'), a Joint Venture company between the Company and Larsen & Toubro Limited 'L&T' has been set up for developing an all weather modern deep-water port in the state of Orissa on the Eastern Coast of India. The bulk cargo berths are being designed to accommodate up to 180,000 (DWT) vessels. A 62.7 km (route distance) rail link connecting the Port to the nearest railway station at Bhadrak on Chennai-Howrah line is included in the project scope.

RAWMET FERROUS INDUSTRIES PRIVATE LIMITED

The Company acquired Rawmet Ferrous Industries Private Limited in Orissa, a Ferro Alloys plant with a capacity of 50,000 tpa of high carbon ferro chrome. This would supplement the Company's existing Ferro Chrome facility at Bamnibal, Orissa.

NATSTEEL ASIA

Overview

NatSteel Asia Pte. Ltd. (NSA) is a leading long-product player in the Asia Pacific region with operations and joint ventures in Singapore, Malaysia, Thailand, China, Australia, Philippines and Vietnam. Its Singapore-based operations serves as a hub for the NSA group providing engineering, logistics, sourcing information

technology and other support services. The Group is growing its downstream business in strategic markets such as Singapore and Australia by reducing wastages, increasing productivity and ensuring consistent quality.



Infrastructure

NSA Singapore has upstream facilities for billet making, rolling bars and wire rods. It also has downstream production facilities including cut-and-bend; bore pile, precast and welded mesh. In Xiamen, China, the Group has rolling operations, while in Australia manufacturing activities are focused on downstream production (cut & bend, mesh). In Thailand and China, the Group has manufacturing facilities for wire drawing.

ORGANIZATIONAL PROFILE

Products

The Group produces construction grade steel which includes rebars, cut-and-bend, mesh, precage, bore pile, PC wire & PC strand.



People

Numerous awards received by NSA indicate the group's commitment to people development and employee welfare. These include:

- The People Developer Standard recognizing organizations committed to bringing out the best in their people.
- The Work-Life Excellence Award conferred by the Singapore Ministry of Manpower.
- The Singapore Health Award (Gold) in recognition of commendable workplace health promotion.

Operational Highlights

- NSA increased its stake in the following companies during the year:
 - NatSteel (Xiamen) Limited, China, from 50% to 100%.
 - NatSteel Trade International Pte. Ltd., Singapore, from 60% to 100%.
 - NatSteel Vina Co. Limited, Vietnam, from 33.9% to 56.5%.
- In China, a new PC Strand line was commissioned in Wuxi Jinyang Metal Products Co.
- NSA launched the Total Operational Performance (TOP) programme to achieve cost-reduction targets through the implementation of ideas for improvement.
- The Tata Business Excellence Model (TBEM) was also launched to enhance focus on business excellence.

Production Highlights

Various improvement initiatives resulted in record high billet production and rolling in 2006-07. NSA Group including JVs produced an output of 1,540,000 tonnes in 2006-07 as against 1,311,000 tonnes in 2005-06.

In Singapore, billet production increased by 9% (2006-07: 633,000 t; 2005-06: 584,000 t) and rolling mill production went up by 21% (2006-07: 667,000 t; 2005-06: 550,000 t). During the year, NSA, Singapore invested in a new sidewall oxygen lance and carbon injection system for the electric arc furnace, which reduced the electricity consumption by 10%.

TATA STEEL (THAILAND)

Overview

Tata Steel (Thailand) Public Company Limited (TSTH) - the largest long steel producer in Thailand, established in 2002 as a holding company, consisting of NTS Steel Group (NTS), The Siam Iron and Steel Co. (SISC) and The Siam Construction Steel Co. (SCSC), - manufactures long steel products with an installed capacity of 1.7 million tonnes per annum.



Production Capacity & Expansion Plans

NTS plans to set up a mini blast furnace (MBF) with an annual production capacity of 500,000 tonnes at an investment of approximately Rs. 4550-4820 million (3,400-3,600 million Thai Baht). This project will be the first of its kind in Thailand. The project will be completed by the third quarter of 2008. At present, the company produces rebars, wire rods, small sections, special bars and cut and bend products. However, it is also examining the production of mesh bar and other downstream products and services to provide contractors and large scale project accounts with One-Stop Service, which can reduce their time and cost of construction.

ORGANIZATIONAL PROFILE

| Production capacity (tonnes per annum) | | | | |
|--|---------|---------|---------|-----------|
| | NTS | SISC | SCSC | Total |
| Rebars | 400,000 | - | 500,000 | 900,000 |
| Wire rods | 400,000 | 230,000 | - | 630,000 |
| Small Sections | | 170,000 | - | 170,000 |
| Total capacity | 800,000 | 400,000 | 500,000 | 1,700,000 |

Products

Rebars: The Company produces round bars and deformed bars in accordance with Thai Industrial Standards Institute (TISI) for the construction industry such as roads, bridges, buildings, houses, etc.

Low Carbon Wire rods (LCWR): They are used as construction parts such as binding wire, nails, wire mesh, galvanized wire, barbed wire, welding wire, cold draw wire, screws and nuts, etc.

High Carbon Wire Rods (HCWR): HCWR are used for manufacture of pre-stressed concrete wires and strands (PC wires and PC strands) and numerous grades of spring, such as compression, extension, torsion, slings, etc.

Small Sections: These sections are in various forms such as angles or channels. They are produced in accordance with Thai Industrial Standards Institute and are used in the construction industry such as roof structures, electricity poles, billboards, etc.

Special Bars: These round shaped bars are used for manufacture of machineries and equipments and auto parts for cars and motorcycles.

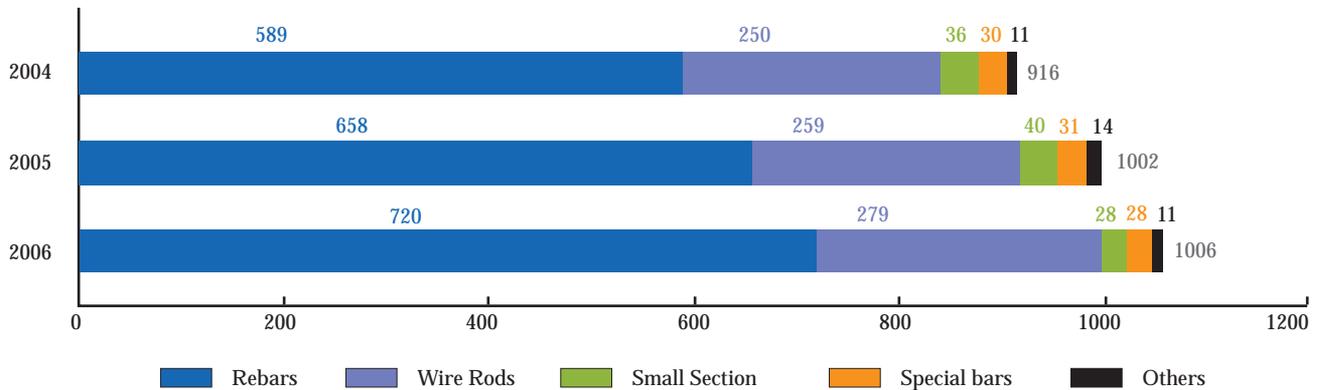


Operational Highlights

- Dividend paid for the first time since the establishment of the Company at 3% (Thai Baht 0.03 per share).
- Refinancing the existing loans, which resulted in debt reduction by Rs. 36 crores (Thai Baht 273 million) and also lower financing costs by at least Rs. 26 crores (Thai Baht 200 million) through the remaining debt payment period of seven years, between 2006 and 2013.
- The projects undertaken for the burner system in arc furnaces, fume plant improvement at SCSC and for improved production processes of high-quality wire rods at NTS and SISC were completed.
- The Company was classified in the category of "Very Good" companies in the Corporate Governance Report of Thai Listed Companies - 2006 with a total score of 88%, which was above the average total score of 71% of 402 listed companies.
- Reorganization by adding two new operating units and assigning senior executives to directly supervise its operations in the area of business analysis and engineering and product development.
- The Company adopted improvement initiatives, such as the Total Operational Performance (TOP) for reducing costs, Retail Value Management (RVM) for improving competitive intelligence and customer service and Supply Chain Management, etc.

ORGANIZATIONAL PROFILE

Production Highlights (in '000 tonnes)



Human Resources

TSTH regards its employees as its most valuable human capital. Therefore, TSTH seeks to develop the efficiency, knowledge of all its employees through its developmental programmes, such as On-the-job Training, In-house Training, External Training, Job Rotation, Special Assignments and any other programme deemed appropriate.



TATA NYK SHIPPING PTE. LIMITED

- Tata Steel has entered into a joint venture agreement with Nippon Yusen Kabushiki Kaisha (NYK Line) for setting up a shipping company to cater to dry bulk and break bulk cargo. Each promoter will hold a 50% stake in the joint venture company.
- This joint venture is in keeping with Tata Steel's growth plans. It will help address the company's growing need for transportation of large quantities of raw materials and finished steel.

TATA STEEL KZN, SOUTH AFRICA

- Construction has commenced at the plant site at Richards Bay of approximately Rs. 400 crores (ZAR 670 million) Ferro Chrome plant of Tata Steel (KZN) (Pty) Ltd.
- The plant is expected to be commissioned in the fourth quarter of 2007 and is expected to have virtually all employees from South Africa and a few from India.
- Tata Steel has committed to making the Richards Bay plant "the cleanest in the world" with state-of-the-art production processes.

CORUS

On April 2, 2007, Corus became a subsidiary of Tata Steel, creating the world's sixth largest steel company and securing a global presence with access to low-cost steel making and high growth markets.

Corus is Europe's second largest steel producer with annual revenues of Rs. 82,674 crores (£9.7 billion) and crude steel production of 18.3 million tonnes in 2006. Corus has a presence in nearly 50 countries, including its global network of offices and service centers. Corus' shares were listed (de-listed post the acquisition) on the London, New York and Amsterdam Stock Exchanges until the acquisition of Corus Group plc by Tata Steel in April 2007. Corus was formed on October 6, 1999 following the merger of Koninklijke Hoogovens and British Steel. Philippe Varin who was appointed as Chief Executive of Corus in May 2003 launched the "Restoring Success" programme, designed to deliver a Rs. 5,796 crores (£680 million) EBITDA improvement in Corus' financial performance. This programme, completed at the end of 2006, has underpinned the significant improvement in Corus' financial performance, delivering savings through cost reductions and improved operational efficiency. It has also delivered significant improvements in safety performance and customer service levels.

Corus operations

Corus' main steel making operations are located in the UK and the Netherlands, with other plants located in Germany, France, Norway and Belgium. Corus produces carbon steel by the basic oxygen steel making method at three integrated steelworks in the UK at Port Talbot, Scunthorpe and Teesside, and at one in the Netherlands at IJmuiden. Engineering steels are produced in the UK at Rotherham using the electric arc furnace method. Corus estimates that, as at 30 December 2006, it was the ninth largest steel producer in the world and produced 18.3 mt of crude steel in 2006 (equivalent to 18.8 mt of liquid steel). Corus has four main operating divisions; Strip Products, Long Products, Distribution & Building Systems and Aluminum, each being the responsibility of an individual Executive Committee member. The activities of each division are organized into individual



business profit centers, each of which has its own managing director who, with the respective management team, has responsibility for the performance of that business. Corus has sales offices, stockholders, service centers and joint venture or associate arrangements in a number of markets for distribution and further processing of steel products. These are supported by various agency agreements. There is an extensive network in the EU, while outside the EU Corus has sales offices in around 30 countries, supported by a worldwide trading network.

Market focus

Corus delivers innovative solutions, differentiated products, reliable service and sound technical advice to its customers around the world. Principal end markets for Corus' steel products are the construction, automotive, packaging, mechanical and electrical engineering, metal goods, and oil and gas industries.

Construction is the largest market sector for Corus, with a strong position in commercial and industrial construction. New opportunities are being explored in areas, which show growth potential such as residential, health and education. Corus is a leading supplier to the automotive sector and is the third largest supplier to this sector in Europe. Europe, principally the EU, is the most important market for Corus, accounting for 80% of total turnover in 2006. Corus' steel divisions accounted for 91% of total turnover in this period.

ORGANIZATIONAL PROFILE

Products & Services:

Strip Products Division

- Corus Strip Products IJmuiden and Corus Strip Products UK: Hot rolled steel strip and cold rolled and metallic coated steel
- Corus Packaging Plus: Light gauge coated steel for packaging and non-packaging applications
- Corus Tubes: Steel tubes, hollow sections, line pipe and pipeline project management
- Corus Colors: Pre-finished steels
- Corus Special Strip: Plated precision strip products with specialist finishes
- Cogent Power: Electrical steels and transformer cores

Long Products Division

- Corus Construction & Industrial: Plate, sections, wire rod and semi-finished steel, special profiles, railway products and services
- Corus Engineering Steels: Engineering billet, straight and cooled bar, turned, drawn or ground bar and hot rolled narrow strip
- Teesside Cast Products: Slab and bloom

Distribution & Building Systems Division

- Corus Distribution and Building Systems: Service centers, further material processing and building systems
- Corus International: Tailored product and service solutions for international projects and international trade
- Corus Consulting: Consultancy, technology, training and operational assistance to the steel and aluminum industry

Aluminum Division

- Corus Primary Aluminum: Extrusion billets, slabs and ingots

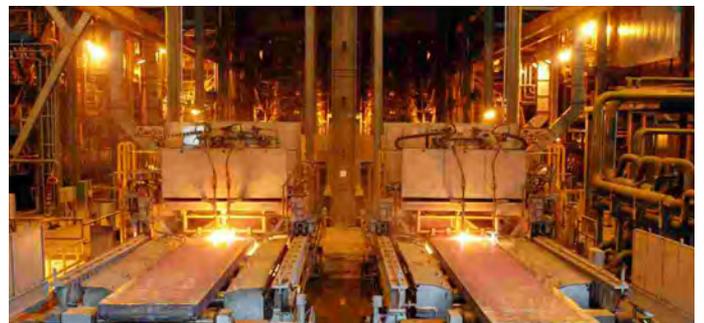
Innovation and expertise

Corus has a policy of collaborative product development with key customers in its principle markets and works with research institutes around the world to develop cutting edge, innovative technologies. Breaking new ground and collaborating with customers to develop new products and technologies is a field of proven expertise. The goal is to become the best supplier to the best customers. Proof of Corus' capabilities can be seen in some recent supply contracts such as:

- Heathrow Terminal 5, London
- Wembley Arch, London
- Network Rail, UK
- Dream Tower, Jeddah
- Wimbledon Center Court Stadium (Retractable roofing)
- Dubai Mall, Dubai
- Fusionpolis project, Singapore
- JCB Dieselmax speed project

Corus has had a business presence in India for many years, for trading and projects. Although Corus supplies only a small amount of steel to the Indian market, Corus Kalzip was recently contracted to supply aluminium roofing to a number of projects in India including:

- Infosys Bangalore Foodcourt
- NSCI Sports Stadium
- Mumbai Terminal T1B
- Infosys SDB5 Hyderabad
- Amritsar International Airport
- RMZ Infinity Bangalore – Software park
- Housing Development in Anna Nagar, Chennai



ORGANIZATIONAL PROFILE

Research & Development

Corus' R&D activities continue to generate new ways of responding to the challenges the automotive marketplace poses. The Company has over 950 employees at its research development centers in the UK and the Netherlands. To help automotive manufacturers reduce the weight of their vehicles in order to make them more fuel efficient, Corus is investing to further expand and enhance the Company's product range and capabilities, including the development of advanced high strength steels for use in lightweight automotive applications.

Technology developments for specific markets

Many development projects are aimed at tailoring product properties to the needs of specific markets and customers.

Construction

Following a programme of technical improvements at its Scunthorpe and Teesside plants, Corus introduced a new brand name, 'Advance', for its range of structural sections in September 2006. Corus was the first steel company to be allowed to use the CE mark on its sections, as proof of compliance, and all 'Advance' sections carry the mark.

Automotive and other transport

Automotive is a key market sector for Corus with a large potential for adding customer value, not only by supplying advanced steel grades, but also by collaborating with customers, aiming at early involvement in the design of new car models. An example of how Corus collaborates with key customers, using customer support tools developed over the past few years, is found in the development of Ford's new Galaxy model range. Corus has been working closely with Ford to help the carmaker implement the latest high strength steel grades. Corus has used its material expertise and simulation capabilities to help Ford identify areas where material selection can be optimized for a number of key parts for the rear structure of the new Galaxy.

Corus has also employed its unique materials simulation technique named 'Forming to Crash' to help Ford engineers evaluate the crash performance of key parts of a vehicle such as the rear

longitudinal made from dual phase material during the Galaxy's development process.

Packaging

Thinner packaging materials lead to reduced weight and thereby less waste and a lower burden on the environment. Though development potential is gradually decreasing as physical limits of the production processes are being approached, research into possibilities for down gauging continues. As a result of these efforts, at the end of 2005, Corus introduced a uniquely thinner material of 0.18 mm for easy-open, end food cans that delivered a 10% material saving.

Engineering

Chain partnerships are one way for Corus to focus development and ensure long-term supply relationships. One such partnership between Corus and Wigpool Ltd. for the development of high quality machined components is helping leading motorcycle manufacturer Triumph to stay ahead of its competitors. Corus has worked with Wigpool, one of the UK's leading contract machinists, to help it select the most appropriate high specification steel grades for its manufacturing process, thereby improving the performance of key components whilst reducing costs. For this purpose, Corus is supplying Wigpool with one of its Hiten speed easily machinable, high tensile steel grades.

Corus people

Corus is proud of its international workforce. The individual commitment and complete engagement of 100% of Corus employees in Continuous Improvement is key in translating the benefits of this programme into both operational and financial performance. Corus places the highest value on the health, safety and well being of all employees, on teamwork based on mutual trust and respect, on personal commitment and employee involvement and on conducting business with honesty, integrity and reliability. Corus is committed to the training and development of all its employees. For two years running, in the UK, Corus was included in "The Times Top 100" graduate employers, last issued in September 2006.

ORGANIZATIONAL PROFILE

Corporate Social Responsibility

Corporate responsibility is integral to the way that Corus does business and involves the integration of its financial and strategic goals with the following initiatives in the fields of:

Health and Safety

The most important priority for Corus is to ensure the health, safety and well being of its employees, contractors, visitors and communities. A positive health and safety culture is encouraged which does not tolerate unsafe behaviour. Its objective is to be world-class in health and safety performance.

- The frequency of lost time injuries measured in terms of million hours worked, reduced from 2.9 in 2005 to 2.5 in 2006
- 147 Executive Committee safety tours were carried out
- Improvement in sickness absence rate from 4.2% in 2005 to 3.8% in 2006

Environment

- Corus' businesses have systems in place that focus on managing and minimizing the effects of their operations. 100% of manufacturing operations have now been certified to the independently verified international environmental management standard, ISO 14001.
- Corus has a voluntary agreement with the Dutch government to benchmark its energy efficiency against world-best standards. In the UK, Corus has negotiated an agreement with the government to reduce total energy consumption by 14.7% in 2010 compared with 1997 levels.
- Corus is working with other steel makers in Europe on a major research and development project (ULCOS – Ultra Low CO₂ Steel making) to identify and priorities low CO₂ emission iron and steel making processes, with the ambitious objective of reducing carbon emissions by 50% by 2050.

- Corus' compliance with formal regulatory emission limits (emissions to air and water) improved again during the year and the target of 99% was met.
- Corus has established a high level Climate Change Task Force, which will develop the forward strategy in this area.
- Increasing attention is being focused on developing products that have a better environmental profile or that have inherent environmental advantages.
- Corus launched an environmental intranet site during 2006, to promote good practice exchange within the Company.

Community involvement

Corus recognizes that its operations influence the communities and societies within which it operates and it aims to play a positive role. The company promotes and encourages economic, environmental, social and educational development where possible, and supports employees involvement in various local initiatives.

Employment and economic development

At the end of 2006, Corus directly employed 41,200 people and many thousands more indirectly through contractors and suppliers. The company is also active in stimulating regional employment.

Regeneration – UK Steel Enterprise

Through UK Steel Enterprise, a wholly-owned Corus subsidiary, the company seeks to support the economic regeneration of communities affected by changes in the steel industry.

Sponsorships and charitable donations

Many of the Corus businesses have strong links to their neighbouring towns and surrounding regions. The company supports cultural, social, educational and sporting activities that contribute to the well being of residents, both in the immediate vicinity of its plants and elsewhere.

ORGANIZATIONAL PROFILE

Triathlon sponsorship

Corus Kids of Steel is a UK wide initiative to bring Corus' sponsorship of the Triathlon to the communities in which it operates. Corus Kids of Steel is a series of events designed to give children the chance to have a go at a triathlon in a safe, fun and non-competitive environment whilst encouraging activity and learning about healthy lifestyles. Corus employees are involved in triathlon by volunteering for events, encouraging local schools to become involved and helping to set up new local children's triathlon clubs. Over 5,000 children will take part in the first series, with this number set to grow in 2008.

Supporting local education

In addition to donations, Corus supports the educational development of its communities. Its primary purpose is to encourage interest in, and enthusiasm for, the study of materials science and its application. Corus' people are its ambassadors and it is their individual and collective efforts that continue to build and maintain the company's reputation.



Tata Steel and Corus: a compelling vision in steel

Corus' strategy is focused on carbon steel with a growing focus on value-added, differentiated products to further develop a strong and sustainable competitive position in its Western European markets. Beyond "Restoring Success", Corus has launched "The Corus Way", based on the principles of best supplier to best customers, World-class processes and Selective growth. Corus has increased capital expenditure to support the ambition of increasing the proportion of differentiated products sales and operational efficiency of its existing asset base in Western Europe. Two major investments in support of this are underway, namely:

- Rs. 1108 crores (£130million) investment at Scunthorpe in the UK to improve Corus' competitive position in the structural sections for the construction market, rail, and wire rod for the automotive markets is on track to be completed by the mid 2007.
- Four-year, Rs.1304 crores (£153million) investment at IJmuiden, in the Netherlands, in a new galvanizing line and cold mill at our lowest cost site, is also on track. This investment is designed to reinforce our existing market position in the automotive and construction markets, including the development of new advanced high strength steels.

The combination of Tata Steel and Corus will enable Corus to move towards the next level of strategic transformation through access to low cost steel production and high growth markets in Asia. The transaction creates the sixth largest steel producer in the world and Corus can now grow and compete on a global scale, whilst still pursuing its existing plans for Western Europe. Both companies also share a set of common, core values and the same approach to business performance. A similar commitment to continuous improvement augurs well for the future of the enlarged Group.

CHAPTER 3

REPORT PARAMETERS

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REPORT PARAMETERS

A. Report Profile

3.1 Reporting Period

1st April 2006 – 31st March 2007 (Financial Year)

3.2 Most recent previous report

Corporate Sustainability Report for the period 1st April '05– 31st March '06

3.3 Reporting Cycle

Reporting cycle is every financial year.

3.4 Contact Persons for the report

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Telephone : +91 657 2431142
Fax : +91 657 2425182
email: sanjay.choudhry@tatasteel.com

Additional information

Additional information on economic, environmental and social performance of the organization can be made available on request from the contact persons indicated above. This report is also available on Tata Steel's Internet website www.tatasteel.com.

The report is for our esteemed stakeholders, such as: shareholders, financiers, customers, community, suppliers, steel industry and other interested parties.

B. Report Scope & Boundary

3.5 Report content

The report contains the following:

- Managing Director's Statement
- Challenges, Opportunities & Strategy
- Organization Profile
- Report Parameters
- Governance, Commitments & Engagements
- Economic Performance Indicators
- Environmental Indicators
- Labour Practices and Decent Work
- Human Rights Performance Indicators
- Society Performance Indicators
- Product Responsibility Performance Indicators
- Annexures

3.6 Boundary of the report

Entities included in scope of report are all units of Tata Steel in India. Divisions included in scope of the report include Steel Division, Mines Division, Agrico, Tubes, and Bearings Division, Collieries at West Bokaro & Jharia, CRC West & Wire Division.

3.7 Limitations on scope and boundary of the report

Any limitation on reporting scope has been explained at appropriate places. It also includes brief details about JUSCO (Erstwhile Town Division, Jamshedpur), NatSteel Asia Pte. Ltd., Singapore and Tata Steel (Thailand) Public Company Ltd., (formerly known as Millennium Steel Public Company Limited), Thailand. All other associated companies, subsidiaries, ancillary industries, have been excluded. Economic performance of TIS Group Companies is furnished in Section-V: Economic Performance.

REPORT PARAMETERS

3.8 Basis for reporting on Joint Ventures, Subsidiaries, etc.

A list of the Company's Subsidiaries, Joint Ventures and Associated Companies is given in Chapter-2, Section 2.3 of this report. Brief details about the significant recent joint ventures and subsidiaries including International operations are provided in Chapter-2 only.

3.9 Data measurement techniques

Green House Gas (GHG) protocol guidelines of World Business Council for Sustainable Development are used for GHG emission reporting. Financial & Economic data are reported as per the guidelines provided in the Company Law of India and Indian GAAP Standards.

Monitoring, measurement and calibration is carried out as per relevant Indian standards. Documentation and communication are done as per the requirement of ISO-9001 & ISO-14001, OHSAS-18001 & SA-8000.

The norms and procedures prescribed for workplace Safety and Environment by Ministry of Environment, Ministry of Labour & Welfare (Factories Act) is followed in conducting business at Tata Steel.

3.10 Decision not to apply GRI principles

This report has been prepared in accordance with GRI - 2003 guidelines. It represents a balanced and reasonable presentation of our organization's economic, environmental and social performance. The deviations if any have been explained adequately at appropriate places.

3.11 Nature and effect of any re-statements of information

There is no restatement of any information provided in the previous report.

3.12 Significant changes in scope, boundary or measurement methods

In addition to domestic operations in India, a brief description of NatSteel Asia, Tata Steel (Thailand) and CORUS have been provided in this report.

3.13 Scope and Basis of External Assurance

Sustainability Performance Assurance

Tata Steel shall continue to get an independent assurance of its Corporate Sustainability Report. Accordingly, Tata Steel has appointed PricewaterhouseCoopers (P) Limited as independent assurance providers. Their independent assurance report has been included at the beginning of this report. Tata Steel has adopted the Tata Business Excellence Model (TBEM) based on the Malcolm Baldrige criteria. Sustainability Performance of Tata Steel is embedded in this model. TBEM requires, besides institution of systems and processes, performance monitoring and reporting as per the criteria delineated in the Model. The approach and extent of deployment, maturity of the system deployed and the consequent business results are required to be assessed by external assessors. The application is assessed by a group of experts appointed by TQMS. The tabletop assessment of the application is followed by (a) site visit and (b) discussions with concerned senior executives and shop floor employees about the issues covered in the application.

Economic Performance Assurance

Tata Steel's financial performance and risk management assurance is provided by an in-house Internal Audit function. The Internal Audit function has chartered accountant and professionals headed by Chief (Internal Audit), who reports to the Managing Director and the Audit Committee of the Board.

REPORT PARAMETERS

The Quarterly' Half Yearly and Annual books of account are audited by internal and external auditors. The external auditors appointed by the Audit Committee and approved by the shareholder are M/s. A F Ferguson & Co. and S B Billimoria & Co. M/s A F Ferguson & Co. are Chartered Accountants of global repute. The scope of external audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. The audit was done in accordance with auditing standards accepted in India.

Environment, Health & Safety

divisions certified to Environmental Management System, ISO 14001:2004 and Occupational Health and Safety Management System, OHSAS 18001:1999, once in a year.

Besides this, independent assessment is also conducted for legal Compliance and Safety by M/s. PricewaterhouseCoopers and Telos Consultancy Services, respectively.

Society Social audits are conducted once in every 10 years by a bench of external auditors comprising eminent personalities from the judiciary, social organizations and financial institutions appointed by Tata Steel's Board of Directors. The last audit was conducted in 2004.

Steel Works at Jamshedpur & Sukinda Chromite Mines were certified to SA-8000 in 2004. M/s. DNV and M/s RINA conduct the external audit of the system half-yearly at respective places.



CHAPTER 4

GOVERNANCE, COMMITMENTS & ENGAGEMENTS

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GOVERNANCE, COMMITMENTS & ENGAGEMENTS

A. GOVERNANCE

4.1 Governance Structure

4.1.1 The Company's Corporate Governance Philosophy

The Company has set itself the objective of expanding its capacities and becoming globally competitive in its business. As a part of its future growth strategy, the Company believes in adopting the 'best practices' that are followed in various geographies, in the area of Corporate Governance. The Company emphasises the need for full transparency and accountability in all its transactions, in order to protect the interests of its stakeholders. The Board considers itself a Trustee of its Shareholders and acknowledges its responsibilities towards them for creation and safeguarding Shareholder's Wealth. During the year under review, the Board continued its pursuit of achieving these objectives through the adoption and monitoring of corporate strategies, prudent business plans, monitoring of major risks of the Company's business and ensuring that the Company pursues policies and procedures to satisfy its legal and ethical responsibilities.

4.1.2 Board of Directors

The Company has a non-executive Chairman and the number of independent directors is more than one-third of the total number of Directors. The number of Non-Executive Directors (NEDs) is more than 50% of the total number of Directors.

None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49), across all the companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by the Directors.

The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting, as well as number of Directorships and Committee Memberships held by them in other companies are given in Table 4.1.



GOVERNANCE, COMMITMENTS & ENGAGEMENTS

Table 4.1 : Board Meetings of Board of Directors

| Name | Category | No. of Board Meetings attended in 06-07 | Whether attended AGM held on 05.7.06 | No. of Directorships in other public companies as on 31.03.2007 | | No. of Committee positions held in other public companies** as on 31.03.2007 | |
|--|--|---|--------------------------------------|---|--------|--|--------|
| | | | | Chairman | Member | Chairman | Member |
| Mr. R N Tata (Chairman) | Promoter, Non-Independent, Non Executive | 11 | Yes | 11 | 2 | - | - |
| Mr. Nusli N Wadia | Independent, Non Executive | 7 | No | 5 | 4 | - | - |
| Mr. S M Palia | | 10 | Yes | - | 8 | 3 | 2 |
| Mr. P K Kaul Financial Inst. Nominee* (Expired on 28.02.07) | | 1 | No | NA | NA | NA | NA |
| Mr. Suresh Krishna | | 6 | No | 5 | 2 | 2 | 2 |
| Mr. Kumar Mangalam Birla (Ceased to be a Director w.e.f. 14.08.06) | | - | No | NA | NA | NA | NA |
| Mr. Ishaat Hussain | | 11 | Yes | 2 | 10 | 3 | 5 |
| Dr. J J Irani | Professional, Non-Independent, Non-Executive | 9 | Yes | 4 | 6 | - | 2 |
| Mr. Subodh Bhargava (Appointed a Director w.e.f. 29.05.06) | Independent, Non Executive | 3 | No | 2 | 10 | 3 | 6 |
| Mr. B Muthuraman Managing Director | Non-Independent, Executive | 11 | Yes | 3 | 3 | - | 1 |
| Dr. T Mukherjee Dy. M.D. (Steel) | | 11 | Yes | 3 | 3 | - | 1 |
| Mr. A N Singh Dy. M.D. (Corporate Services) | | 11 | Yes | 2 | - | 1 | - |

* Appointed by IDBI Bank Limited as the lead Institution.

** Represents Chairmanships/Memberships of Audit Committee, Shareholders'/Investors' Grievance Committee.

GOVERNANCE, COMMITMENTS & ENGAGEMENTS

Eleven Board Meetings were held during the year 06-07 and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held were as follows:

18th May 2006, 13th June 2006, 5th July 2006, 21st July 2006, 31st August 2006, 12th October 2006, 20th October 2006, 30th October 2006, 23rd November 2006, 30th January 2007 and 22nd March 2007.

Dates for the Board Meetings in the ensuing year are decided well in advance and communicated to the Directors. Board Meetings are held at the Registered Office of the Company. The Agenda along with the explanatory notes are sent in advance to the Directors. Additional meetings of the Board are held when deemed necessary by the Board.

The Board periodically reviews compliance reports of all laws applicable to the Company. Steps are taken by the Company to rectify instances of non-compliance, if any.

During 2006-07, the Company did not have any material pecuniary relationship or transactions with Non Executive Directors, other than Dr. J J Irani, to whom the Company paid retiring benefits aggregating to Rs.31.20 lakhs. The Company, with the approval of the Department of Company Affairs has also paid Rs.11.96 Crores as transportation charges to M/s. Dimnar & Co., a firm, whose proprietor is related to Dr. J J Irani.

The Company has adopted the Tata Code of Conduct for Executive Directors, Senior Management Personnel and other Executives of the Company. The Company has received confirmations from the Executive Directors as well as Senior Management Personnel regarding compliance of the Code during the year under review. It has also adopted the Tata Code of Conduct for Non-Executive Directors of the Company. The Company has received confirmations from the Non-Executive Directors regarding compliance of the Code for the year under review. Both the Codes are posted on the website of the Company.

4.1.3 Audit Committee

The Company had constituted an Audit Committee in the year 1986. The scope of the activities of the Audit Committee is as set out in Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 292A of the Companies Act, 1956. The terms of reference of the Audit Committee are broadly as follows:

- a) To review compliance with internal control systems;
- b) To review the findings of the Internal Auditor relating to various functions of the Company;
- c) To hold periodic discussions with the Statutory Auditors and Internal Auditors of the Company concerning the accounts of the Company, internal control systems, scope of audit and observations of the Auditors/Internal Auditors;
- d) To review the quarterly, half-yearly and annual financial results of the Company before submission to the Board;
- e) To make recommendations to the Board on any matter relating to the financial management of the Company, including Statutory & Internal Audit Reports;
- f) Recommending the appointment of statutory auditors and branch auditors and fixation of their remuneration.

Mr. S M Palia, Chairman of the Audit Committee was present at the Annual General Meeting held on 05.07.2006. The composition of the Audit Committee is in line with the provisions of Clause 49 of the Listing Agreement and the details of meetings attended by the Directors are given in Table 4.2.

GOVERNANCE, COMMITMENTS & ENGAGEMENTS

Table 4.2: Meetings attended by the Directors of Board

| Name of Members | Category | Meetings attended in 2006-07 |
|---|--|------------------------------|
| Mr. S M Palia, Chairman w.e.f. 15.05.06 | Independent, Non-Executive | 6 |
| Mr. P K Paul (ceased to be Chairman w.e.f. 15.05.06 but continued as Member till his death on 28.02.07) | Independent, Non-Executive | 4 |
| Mr. Ishaat Hussain, Member, Chartered Accountant | Professional, Non Independent, Non-Executive | 6 |
| Mr. Nusli N Wadia, Member w.e.f. 23.11.06 | Independent, Non-Executive | 1 |
| Mr. Subodh Bhargava, Member w.e.f. 22.03.0 | Independent, Non-Executive | - |

Audit Committee meetings are attended by the Vice-President (Finance), Chief (Corporate Audit) and Chief Financial Controller (Corporate) and Representatives of Statutory Auditors. The Company Secretary acts as the Secretary of the Audit Committee.

Six Audit Committee Meetings were held during 2006-07 on 15.05.06, 20.07.06, 30.08.06, 26.10.06, 18.01.07, & 25.01.07. The necessary quorum was present at the meetings.

4.1.4 Whistle Blower Policy

The Audit Committee at its meeting held on 25.10.2005, approved a Whistle Blower Policy that provides a formal mechanism for all employees of the Company to approach the Ethics Counsellor / Chairman of the Audit Committee of the Company and make protective disclosures about the unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The Whistle Blower Policy as given in Annexure-VIII is an extension of the Tata Code of Conduct, which requires every employee to promptly report to the Management any actual or possible violation of the Code or an event he becomes aware of that could affect the business or reputation of the Company. This policy also addresses the spirit of UNGC principle 10. The disclosures reported are addressed in the manner and within the time frames prescribed in the Policy. Under the Policy, each employee of the Company has an assured access to the Ethics Counsellor/Chairman of the Audit Committee.

4.1.5 Remuneration Committee

The Company had constituted a Remuneration Committee in the year 1993. The broad terms of reference of the Remuneration Committee are as follows:

- Review the performance of the Managing Director and the Whole-time Directors, after considering the Company's performance.
- Recommend to the Board remuneration including salary, perquisites and commission to be paid to the Company's Managing Director and Whole-time Directors.
- Finalise the perquisites package of the Managing Director and Whole-time Directors within the overall ceiling fixed by the Board.
- Recommend to the Board, retirement benefits to be paid to the Managing Director and Whole-time Directors under the Retirement Benefit Guidelines adopted by the Board.

The Remuneration Committee also functions as the Compensation Committee as per SEBI guidelines on the Employees' Stock Option Scheme. The Company, however, has not yet introduced the Employees' Stock Option Scheme.

The composition of the Remuneration Committee and the details of meetings attended by the Directors are given in Table 4.3.

GOVERNANCE, COMMITMENTS & ENGAGEMENTS

Table 4.3 : Remuneration Committee Meetings

| Name of Members | Category | Meetings attended in 2006-07 |
|---|--|------------------------------|
| Mr. Suresh Krishna, Chairman w.e.f. 12.04.2006 | Independent, Non-Executive | 1 |
| Mr. R N Tata, Member | Professional, Non-Independent, Non-Executive | 1 |
| Mr. S M Palia, Member | Independent, Non-Executive | 1 |

One meeting of the Remuneration Committee was held on 18.05.2006. The Chairman of the Remuneration Committee, Mr. Suresh Krishna was present at the Annual General Meeting held on 05.07.2006. The Company has complied with the non-mandatory requirement of Clause 49 regarding the Remuneration Committee.

4.1.6 Remuneration Policy

The Company while deciding the remuneration package of the senior management members takes into consideration the following items:

- Employment scenario;
- Remuneration package of the industry; and
- Remuneration package of the managerial talent of other industries.

The annual variable pay of senior managers is linked to the performance of the Company in general and their individual performance for the relevant year measured against specific Key Result Areas, which are aligned to the Company's objectives.

The Non-Executive Directors (NEDs) are paid remuneration by way of Commission and Sitting Fees. In terms of the shareholders' approval obtained at the AGM held on 05.05.2006, the Commission is paid at a rate not exceeding 1% per annum of the profits of the Company (computed in accordance with Section 309(5) of the Companies Act, 1956). The distribution of Commission amongst the NEDs is placed before the Board. The Commission is distributed on the basis of their attendance and contribution at

the Board and certain Committee Meetings as well as time spent on operational matters other than at the meetings.

The Company pays sitting fees of Rs. 10,000 per meeting to the NEDs for attending the meetings of the Board, Executive Committee of the Board, Committees constituted by the Board from time to time and Audit Committee. The Board at its meeting held on 22.03.07 has increased the sitting fees of the Remuneration Committee from Rs.5,000 to Rs.10,000 w.e.f. 01.04.07. For other meetings, the Company continues to pay to the NEDs sitting fees of Rs.5,000 per meeting.

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and commission (variable component) to Managing and Whole-time Directors. Salary is paid within the range approved by the Shareholders. Annual increments effective 1st April each year, as recommended by the Remuneration Committee, are approved by the Board. The ceiling on perquisites and allowances as a percentage of salary is fixed by the Board. Within the prescribed ceiling, the perquisites package is approved by the Remuneration Committee. Commission is calculated with reference to net profits of the Company in a particular financial year and is determined by the Board of Directors at the end of the financial year, based on the recommendations of the Remuneration Committee, subject to overall ceilings stipulated in Sections 198 & 309 of the Companies Act, 1956. Specific amount payable to such directors is based on the performance criteria laid down by Board, which broadly takes into account the profits earned by the Company for the year.

GOVERNANCE, COMMITMENTS & ENGAGEMENTS

4.1.7 Shareholders Committee

An Investors' Grievance Committee was constituted on 23.03.2000 to specifically look into the redressal of Investors' complaints like transfer of shares, non-receipt of balance sheet and non-receipt of declared dividend, etc. No meeting of the Investors' Grievance Committee was held during 06-07. The composition of the Investors' Grievance Committee and details of the meeting attended by the Directors are given in Table 4.4:

Table 4.4: Investors' Grievance Committee

| Name of Members | Category |
|------------------------------|---|
| Mr. Ishaat Hussain, Chairman | Professional, Non-Independent, Non- Executive |
| Mr. Suresh Krishna, Member | Independent, Non-Executive |



The complaints received from shareholders comprises correspondence identified as investor complaints i.e. letters received through statutory/regulatory bodies and those related to loss of securities, Court/Consumer Forum matter, fraudulent and non-receipt of dividend amounts (where reconciliation of the payment was in progress at the time of receipt of the letters) are indicated in Table 4.5 & 4.6.

Table 4.5: Total Complaints received / resolved in 06-07

| | |
|--|------|
| Complaints pending as on 1st April 2006 | 7 |
| During the period 1st April 2006 to 31st March 2007, complaints identified as above and reported under Clause 41 of the Listing Agreements | 924 |
| Complaints disposed off during the year ended 31.03.2007 | 928 |
| Complaints unresolved to the satisfaction of shareholders as on 31.03.2007 | 3 |
| No. of pending share transfers as on 31.03.2007 | 125* |

* Transfers lodged in the last week of March 2007 and hence pending as on 31.03.2007.

GOVERNANCE, COMMITMENTS & ENGAGEMENTS

Table 4.6: Complaints handled in 2006-07 by type

| S. N. | Description | Nos. Received | Total Replied | Total Pending |
|-------|--|---------------|---------------|---------------|
| A) | Complaints Letters received from Statutory/Regulatory Bodies | | | |
| 1 | SEBI | 34 | 31 | 3 |
| 2 | DOCA | - | - | - |
| 3 | STOCK EXCHANGE | 13 | 13 | - |
| 4 | NSDL/CDSL | 10 | 10 | - |
| | Total Nos. | 57 | 54 | 3 |
| B) | Legal Matters | | | |
| | Court/Consumer Forum Matters | - | - | - |
| | Total Nos. | - | - | - |
| C) | Dividends | | | |
| 1 | Non-receipt of Dividend warrants (Pending at the time of receipt of letters) | 867 | 867 | - |
| 2 | Fraudulent Encashment of dividend warrants | - | - | - |
| | Total Nos. | 867 | 867 | - |
| D) | Letters in the nature of reminders/complaints | | | |
| | Total correspondence statistics (I) | 924 | 921 | 3 |

Note: The correspondence identified, as investor complaints are letters received through Statutory/Regulatory bodies and those related to Court/Consumer forum matters, (where the Company/Registrar is involved and is accused of deficiency in service) fraudulent encashment and non-receipt of dividend amounts, where reconciliation of the payment is in progress/ completed after the end of the Quarter.

4.1.8 Executive Committee of the Board (ECOB)

The terms of reference of the Executive Committee of the Board (ECOB) are to approve capital expenditure schemes and donations within the stipulated limits and to recommend to the Board, capital budgets and other major capital schemes, to consider new businesses, acquisitions, divestments, changes in organizational structure and also to periodically review the Company's business plans and future strategies. The composition of the ECOB and details of the meetings attended by the Directors are given in Table 4.7. Five ECOB Meetings were held during the year 2006-07. The said meetings were held on 17.05.06, 30.08.06, 21.11.06, 23.11.06 & 20.03.07.

GOVERNANCE, COMMITMENTS & ENGAGEMENTS

Table 4.7: Executive Committee of the Board

| Name of Members | Category | No. of meetings attended in 2006-07 |
|----------------------------|--|-------------------------------------|
| Mr. R N Tata, Chairman | Professional, Non Independent, Non-Executive | 5 |
| Mr. Nusli N Wadia, Member | Independent, Non-Executive | 2 |
| Mr. S M Palia, Member | Independent, Non-Executive | 5 |
| Dr. J J Irani, Member | Professional, Non Independent, Non-Executive | 5 |
| Mr. Isshat Hussain, Member | Professional, Non Independent, Non-Executive | 5 |
| Mr. B Muthuraman, Member | Non Independent, Executive | 5 |
| Dr. T Mukherjee, Member | Non Independent, Executive | 4 |
| Mr. A N Singh, Member | Non Independent, Executive | 4 |

4.1.9 Nomination Committee

This Committee was constituted on 18th May 2006 with the objective of identifying independent directors to be included to the Board from time to time and to take steps to refresh the constitution of the Board from time to time. The composition of the Nomination Committee is as follows:

Table 4.8: Nomination Committee of the Board

| Name of Members | Category |
|------------------------------|--|
| Mr. Suresh Krishna, Chairman | Independent, Non-Executive |
| Mr. R N Tata, Member | Professional, Not Independent, Non-Executive |
| Mr. Nusli N Wadia, Member | Independent, Non-Executive |
| Mr. S M Palia, Member | Independent, Non-Executive |

4.1.10 Committee of Directors

The Committee of Directors has been constituted to approve of certain routine matters such as Opening and Closing of Bank Accounts of the Company, to grant limited Powers of Attorney to the Officers of the Company, to appoint proxies to attend general meetings on behalf of the Company etc. The Members of this Committee are – Mr. R.N. Tata (Chairman), Mr. Ishaat Hussain and Dr. J.J. Irani. The business of the Committee is transacted by passing Circular Resolutions, which are placed before the Board at its next meeting.

GOVERNANCE, COMMITMENTS & ENGAGEMENT

4.1.11 Ethics and Compliance Committee

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended (the Regulations), the Board of Directors of the Company adopted the Tata Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices (the Code) to be followed by the Directors, officers and other employees. The Code is based on the principle that Directors, officers and employees of a Tata Company owe a fiduciary duty to, among others, the shareholders of the Company to place the interest of the shareholders above their own and conduct their personal securities transactions in a manner that does not create any conflict of interest situation. The Code also seeks to ensure timely and adequate disclosure of Price Sensitive Information to the investor community by the Company to enable them to take informed investment decisions with regard to the Company's securities. In terms of the said Code, an Ethics & Compliance Committee was constituted on 30.05.2002 called Ethics and Compliance Committee. The Ethics and Compliance Committee consists of Mr. Ishaat Hussain as Chairman and Mr. Suresh Krishna as Member.

The Board has also appointed Vice President (Finance) as the Compliance Officer to ensure compliance and effective implementation of the Regulations and also the Code across the Company. No meeting of the Ethics and Compliance Committee was held during 06-07. During the year under review, the Compliance Officer submitted Monthly Committee Reports of the Tata Code of Conduct for prevention of Insider Trading to the Board of Directors. This monthly report also covers Principle 10 of UNGC

Table 4.9: Annual General Meetings

| Financial year | Details of location | Date & Time |
|----------------|------------------------------------|-------------------------|
| 2005-2006 | Birla Matushri Sabhagar | 05.07.06 at 11.00 AM |
| 2004-2005 | 19, Sir Vithaldas Thackersey Marg, | 27.07.05 at 3.30 PM |
| 2003-2004 | Mumbai- 400020 | 22.07.04 at 3.30 PM |

4.1.12 General Body Meetings

- a) Location and time of last three Annual General Meetings (AGMs) are given in Table 4.9.
- b) No Extra-ordinary General Meeting of the shareholders was held during the year.
- c) No Postal Ballot was conducted during the year. None of the resolutions proposed for the ensuing Annual General Meeting need to be passed by Postal Ballot.
- d) Special Resolutions passed in previous 3 Annual General Meetings:
 - a. At the last Annual General Meeting held on 05.07.06, Special Resolutions were passed for
 - a) Commission to Directors other than the Managing and Whole-time Directors, b) Increase in the Authorised Share Capital, c) Alteration of the Articles of Association of the Company and d) Raising additional long term funds. The resolutions at items a), b) and c) were passed unanimously. The resolution at item (d) was passed by requisite majority.
 - b. At the Annual General Meeting held on 27.07.05, Special Resolution was passed for the Change of Name of the Company from "The Tata Iron and Steel Company Limited" to "Tata Steel Limited". The resolution was passed unanimously.
 - c. At the Annual General Meeting held on 22.07.04, Special Resolution were passed for a) increase in the Authorised Share Capital, b) Alteration of the Articles of Association of the Company, c) Issue of Bonus Shares, d) Appointment of Branch Auditors. The resolutions at items a), b), c) were passed unanimously and the resolutions at items d) and e) were passed by requisite majority.

GOVERNANCE, COMMITMENTS & ENGAGEMENTS

4.1.13 Disclosures

- (i) The Board has received disclosures from key managerial personnel relating to material, financial and commercial transactions where they and/or their relatives have personal interest. There are no materially significant related party transactions, which have potential conflict with the interest of the Company at large.
- (ii) The Company has periodically disclosed to the Audit Committee the uses/applications of funds raised during the year through preferential issue of shares and warrants to Tata Sons Ltd. The details of the proceeds and utilization of the same have been disclosed in the Notes to Accounts.
- (iii) The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchange, SEBI or other statutory authorities relating to the above.
- (iv) The Company has adopted a Whistle Blower Policy and has established the necessary mechanism for employees to report concerns about unethical behavior. No personnel have been denied access to the Ethics Counsellor/Chairman of the Audit Committee.
- (v) The Company has fulfilled the following non-mandatory requirements as prescribed in Annexure I D to Clause 49 of the Listing Agreement with the Stock Exchanges:
 - a. The Company has set up a Remuneration Committee.
 - b. A half-yearly declaration of financial performance, including a summary of the significant events in the six-month period, was sent to every shareholder.
 - c. The Company has moved towards a regime of unqualified financial statements.

4.1.14 Means of Communication

A half-yearly report sent to each household of shareholders, in addition to the results of the Company being published in the newspapers and posted on the website of the Company, half-yearly reports are sent to each household of the shareholders. The quarterly and annual results along with the Segmental Report are generally published in Indian Express, Nava Shakti, Free Press Journal and also displayed on the website of the Company (www.tatasteel.com) shortly after its submission to the Stock Exchanges. Official news releases and presentations made to Institutional Investors and analysts are posted on the Company's website.

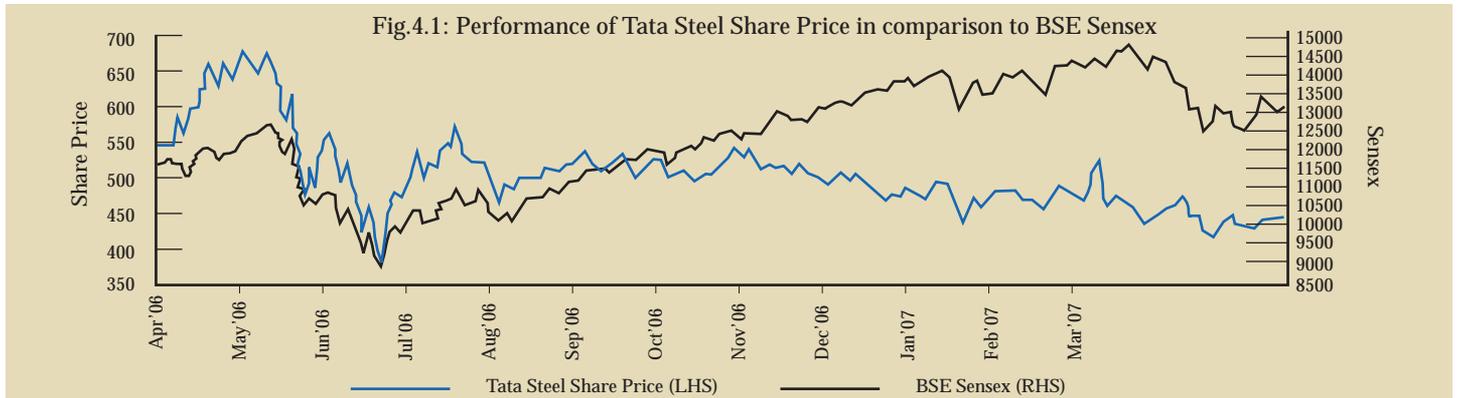
Management Discussion & Analysis (MDA) Report- The MDA Report forms a part of the Directors' Report. All matters pertaining to industry structure and developments, opportunities and threats, segment/product wise performance, outlook, risks and concerns, internal control and systems, etc. are discussed in the said report.

Company's Corporate Website- The Company's website is a comprehensive reference on Tata Steel's Management, Vision, Mission, policies, corporate governance, corporate sustainability, investor relations, sales network, updates and news. The section on "Investor Relations" seeks to inform the shareholders, by giving complete financial details, shareholding patterns, corporate benefits, information relating to stock exchange, registrars, share transfer agents and frequently asked questions. Investors can also submit their queries and get feedback through online interactive forms. The section of "Newsroom" includes all major press reports and release, awards, campaigns, etc.

4.1.15 Stock Information

Share holding details of the Company have been furnished in Chapter-II, Section-2.6. The performance of Tata Steel's share in comparison to the Bombay Stock Exchange Sensex is furnished in the Figure 4.1.

GOVERNANCE, COMMITMENTS & ENGAGEMENTS



4.2 Chairperson and his functions

The functions of Chairpersons of various committees of Board have been explained in Section 4.1 above.

4.3 Independent, Non-Executive Directors on the Board

The Independent Directors are those who apart from receiving director's remuneration do not have any material or pecuniary relationship or transaction with the Company, its promoters, its management or its subsidiaries, which may affect the independence of the director's judgment. A financial institution nominee is considered to be an independent director in all cases. The Company has a non-executive Chairman and the number of independent directors is more than one-third of the total number of Directors. The number of Non-Executive Directors (NEDs) is more than 50% of the total number of Directors. The details are provided in Section-4.1.1 above.

4.4 Mechanism for providing recommendations to the Board

Established communication channels such as MD Online, hot mail, meetings with joint bodies are used to capture the suggestions and recommendations from employees for consideration at the highest level. Any employee of the Company is free to give his suggestions in writing to the highest governance bodies of the Company.

4.5 Linking compensation with overall achievement

Executive compensation is based on the achievement of individuals on parameters included in Key Performance Measures, which include both financial and non-financial parameters. Some of the non-financial parameters include performance in the area of safety and environment, training, team development, employees moral building, etc. At the beginning of the year a performance contract is signed by each executive, which forms the basis for assessing the performance of individuals when establishing the compensation packages.

4.6 Managing conflicts of interest

Tata Code of Conduct adopted by all Directors, Senior Management and Employees of Tata Steel ensures that personal interest do not conflict with the interest of the Company. The system encourages disclosing conflicts or potential conflicts to higher management for guidance and appropriate action. Financial transactions, in which Directors are interested if any, are required to be placed before the Board for approval. The Company has a policy of prevention of insider trading in securities of the Company. Purchase or sales of shares of the Company by employees / senior management/directors who are likely to have price sensitive information about the Company are subject to various restrictions. Such designated persons are required to make disclosures on shares purchase/sold by them or their dependents.

GOVERNANCE, COMMITMENTS & ENGAGEMENTS

4.7 Selection of Board Members

The Board of Directors is guided by the organization's Vision, Mission and Values. The composition of the Board of Directors is a mix of full time executives and non-executives representing business houses and financial institutions, with requisite experience in handling economic, environmental & social issues. The Board members regularly review the compliance status of the organization on these issues. There is a guideline for selection of Board Members. The criteria broadly cover individual skills that would add to the composite perspective of the Board. Ability to contribute positively to Board Dynamics, Leadership skills, Contemporariness and ability to devote adequate time are some key elements taken into account in selecting Board members.

The Nomination Committee of the Board is responsible for identifying independent directors to be included to the Board from time to time and to take steps to refresh the constitution of the Board from time to time.

4.8 Internally developed Mission and Values, Code of Conduct and Guiding Policies

Internally developed principles and policies are inspired by the Founder's vision, Tata values, international treaties covering best business practices, principles of the UN Global Compact, etc.

Details are provided in Annexure.

4.9 Board Members involved in managing risks and opportunities

The agenda papers along with status report on economic, environment and social compliance are sent in advance to all the Board Members before the meeting for review, comments and suggestions during the meeting. The feedback from the Board Members is analyzed by the top management and considered for business decision-making.

4.10 Process for evaluating performance on the Board

The Board exercises control, reviews implementations of various policies and provides direction through various Board Committees. The detailed composition and role of these committees have been described earlier in this chapter. The reports from various committees of the Board are discussed in Board meetings as per the need and requirement.

B. COMMITMENTS TO EXTERNAL INITIATIVES

4.11 Following the path of Precautionary Approach

A precautionary approach is the underlying spirit of every policy or guideline formulated at Tata Steel. This is clearly visible in Clause#1 and Clause#8 of the Tata Code of Conduct, which deals with National Interest and Health, Safety & Environment respectively (refer Annexure-II).

The merit of every proposed activity, project or process is evaluated for financial performance, environmental and social performance before adoption. Environmental impact assessments are carried out for all projects to be implemented and necessary environmental management plans are integrated in the project to internalize the cost. Life Cycle Assessment was carried out for integrated iron and steel making route. The outputs on emissions, discharges, resource usage and global warming are analyzed; targets are taken for continual improvement under EHS system. Hence, only those proposals are selected which ensure compliance with these policies, ensuring the precautionary principle.

GOVERNANCE, COMMITMENTS & ENGAGEMENTS

4.12 Respecting the externally developed Charters and set of Principles

Tata Steel is a signatory to the United Nations Global Compact (in 1998) and abides by its ten principles. These principles of UN Global Compact address Human Rights, Labour Right, Environment and Anti-corruption and have been included as Annexure- I.

In 1999 Tata Steel became a signatory of the CORE BCSD (Corporate Round Table on Environment and Sustainable Development-Business Council for Sustainable Development) Charter initiated by the then Tata Energy Research Institute (TERI), New Delhi based on the guidelines provided in International Chamber of Commerce Charter on Sustainable Development. Details of the CORE Charter are given in Annexure-III. The requirements of these are integrated in business through various tools adopted by Tata Steel such as ISO-14001, ISO-9001, OSHAS-18001, SA-8000 and Tata Business Excellence Model.

4.13 Memberships in Associations

Tata Steel is a corporate member of many reputed professional bodies such as IISI, CII, Indian Institute of Metal, etc. Some of the partnership projects in collaboration with NGO's, Industry Associations and National / International advocacy organizations are with: The Global Business Council on HIV/AIDS London for awareness, prevention and rehabilitation activities; United Nations Global Compact Forum to promote good corporate practices in the areas of Human Rights, Labour, Environment and Anti-corruption; CARE International, USA to promote safe motherhood and infancy to reduce infant mortality rate and child mortality rate; Sir Ratan Tata Trust for rehabilitation and reconstruction work for the Orissa cyclone victims; Calcutta Samaritans for running a De-Addiction Center at Baridih, Jamshedpur.

C . STAKEHOLDER ENGAGEMENT

4.14 Identifying Stakeholders

The stakeholders of the organization are those who are affected by its products, services and activities or those whose concerns can affect the performance of business. The main stakeholder groups engaged by the Company are shareholders, financial community, customers, employees, suppliers and partners, government bodies, community and society.

4.15 Basis for Identification and Selection

The Vision statement clearly states that Tata Steel will continue to improve the quality of life of employees and the communities it serves. The Group purpose underscores the Tata Values on Nation building as "our heritage of returning to the society what we earn evokes trust among consumers, employees, shareholders and communities".

The Vision and the Group Purpose statement clearly delineate the basis for identification of stakeholders. Within each group of stakeholders, key stakeholders are identified based on strategic imperatives derived from the strategic objectives.

4.16 Approaches to Stakeholder Engagement

Input from stakeholders are taken through several structured / formal / informal engagement processes, and considered while setting strategic objectives of the Company. Investor surveys, customer satisfaction surveys, employee satisfaction surveys and community need analysis are also undertaken periodically. Table-4.10 & 4.11 indicate various forums and frequency of consultation with important stakeholders.

GOVERNANCE, COMMITMENTS & ENGAGEMENTS

Table 4.10: Stakeholder Consultation - External

| Stakeholder | Forum for Assessing Requirements, Communicating Directions & Receiving Feedback | Frequency |
|------------------------------------|---|---|
| Shareholders & Financial Community | Investors meet across the globe; Annual General Meetings; Quarterly and Half-Yearly reports to Shareholders; Updating major Shareholders / Shareholder Relations' Meets; | As per the plan Annual Quarterly / Half-yearly Annual |
| Customer | Customers' Meet, Visits to Customers, Customer Value Management | As per plan |
| Suppliers & Partners | Vendor Dialogues, Meetings with Key Suppliers; Vendor Meets & Recognition, SA 8000 Audits | Half-yearly; As per plan; Once a year |
| External Public/ Govt. / Media | Meetings with Govt./Steel Ministry/Trade Bodies, Industry Associations; NGOs, Ministry for Environment & Forests, Press Briefings & Releases, etc. | As per need Half-yearly, Yearly |
| Community & Society | Senior Citizens Forum; Spouses' Dialogue; Joint Community Meeting, Community Need Survey/Analysis | |

Table 4.11: Stakeholder Consultation - Internal

| Communication/ Forum | Freq. No./Yr | Issues Discussed |
|--|--------------|--|
| MD Online | 12 | Safety, Plant/Company performance, Common employees issues, etc. |
| Senior, General & Ladies Dialogues | 4 to 6 | Vision, values, empowerment, innovation, continuous improvement, performance. |
| Dialogue with Union Committee Members (JCCM, JWC, and JDC) | 3,6,2 | Performance expectations, values, employee services, market conditions, production, etc. |
| Departmental Communication Mtg. | 12 | Business Excellence, improvement, learning, training, customers' needs |
| BE Facilitators Meet | 6 | Developments in Business Excellence, innovative ideas, launch of new initiatives |
| Joint Works Quality Committee | 4 | House Keeping & Small Group Activities, Customer Satisfaction |

4.17 Key topics and concerns raised and subsequent response

Types of information generated by stakeholder consultation process from various stakeholders are summarized in Table-4.12.

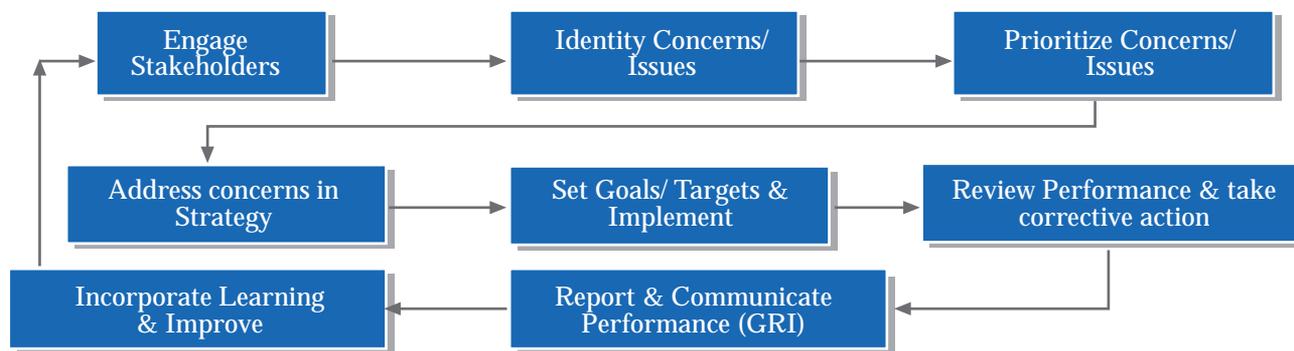
| Stakeholder | Information Generated |
|------------------------------|--|
| Shareholders | <ul style="list-style-type: none"> Overall performance and its implication on market capitalisation and creation of shareholder value. |
| Customers | <ul style="list-style-type: none"> User needs, customer satisfaction, product quality and functionality. |
| Supplier | <ul style="list-style-type: none"> Identification of areas with conflicting goals, payment, material rejects and supplier satisfaction. |
| Employees | <ul style="list-style-type: none"> Employee Satisfaction, suggestions for improvement in product quality, social welfare and business excellence, professional growth, health and safety and quality of life. |
| Community | <ul style="list-style-type: none"> The needs of community, women empowerment, employment generation, environment and quality of life. |
| External Public & Government | <ul style="list-style-type: none"> Requirement under statutes, compliance status, threats to business and license to operate. |

Listening to Shareholders

The suggestions, comments and feedback provided by the shareholders during the Annual General Meetings are carefully recorded and discussed in the Board Meetings. After reviewing the various points raised by shareholders, the Board directs the management to integrate the same in its business decisions. Besides the Annual General Meetings, Investor Satisfaction Surveys, meetings with investors and Investor Grievance Cell are other forums through which shareholders provide recommendations or direction to the Board.

The feedback received from stakeholders forms one of the significant inputs to the strategic plan development and the consequent strategic objective setting. Figure 4.2 indicates the process for utilization of information received from stakeholders.

Figure 4.2



The use of information provided by various stakeholders is shown in Table 4.13.

GOVERNANCE, COMMITMENTS & ENGAGEMENTS

Table 4.13: Use of Stakeholders Information

| Stakeholder | Use of Information |
|-----------------------------------|--|
| Shareholders & Financial Analysts | <ul style="list-style-type: none"> Objective & Target settings, investment decisions, diversifications/ merger /acquisition, company perception with analysis, emerging strategic issue identification. |
| Customers | <ul style="list-style-type: none"> Product improvement, product development, customer retention, market penetration, emerging demand scenario and price sentiments, development of short and long term business plans, identification of customer related issues. |
| Suppliers | <ul style="list-style-type: none"> Fine tuning of vendor rating and vendor evaluation procedure, vendor relationship management. |
| Employees | <ul style="list-style-type: none"> Employee Satisfaction Index, identification of employee related issues. |
| Community | <ul style="list-style-type: none"> Plan for development of community in the areas of forestry, irrigation, women empowerment, income generation, health, hygiene, etc. and identification of key societal issues, corporate citizenship index. |
| External Public & Government | <ul style="list-style-type: none"> Management programs for compliance and resource conservation, management programs for community development. |
| Media & Other | <ul style="list-style-type: none"> Company image building, identification of external business environment and issues. |



CHAPTER 5

ECONOMIC PERFORMANCE

| SECTION | DESCRIPTIONS | PAGE NO. |
|---------|---|----------|
| 5.1 | Management Approach | 65 |
| 5.2 | Economic Performance | 66 |
| 5.3 | Market Presence | 74 |
| 5.4 | Indirect Economic Impacts | 75 |
| 5.5 | R&D, Technology Adoption and Innovation | 75 |

ECONOMIC PERFORMANCE

5.1 MANAGEMENT APPROACH

Today, Tata Steel is an international steel major with a manufacturing and marketing presence all over the world. The strategy has been that of growth and globalization through organic and inorganic routes. The other strategies for sustainable financial performance are control on raw material resources, branding and being one of the lowest cost steel producer through adoption of energy efficient technology and based operating practices.

Considering the future economic climate in India, the per capita consumption of steel in the next decade is expected to increase significantly from the current levels. As part of its strategy to retain its pre-eminent position in the Indian markets, the Company has drawn elaborate plans to significantly enhance its presence in India in the near future. The Company's plans for expanding its capacity are based on brown-field expansion in Jamshedpur and green-field projects at Orissa, Chhattisgarh and Jharkhand. After successful completion of the 1 million tonne steel expansion in Jamshedpur, the Company is currently expanding its crude steel making capacity from 5 million tonnes to 6.8 million tonnes, which will be commissioned by June 2008. To leverage the potential of Jamshedpur further, the Company is planning to expand its crude steel production capacity from 6.8 million tonnes to 9.7 million tonnes by 2010. This expansion is likely to be cost competitive, both in terms of capital cost and operating cost.

The Company believes in a de-integrated production philosophy to maximize value in the steel industry. The Company has identified strategic locations across the globe for setting up primary steel making facilities, which are rich in raw material availability and energy resources. The Company intends to link low cost steel production facilities with the most favourable steel consuming markets, to maximize value creation across the entire value chain.

As part of its long-term strategy, the Company is focused on developing raw material sources for its global operations. In this regard, the Company has formed a Global Minerals Group, which is actively exploring various opportunities to secure access to iron ore and coal in various geographies. This will enable the

Company to continue its competitive cost position in the global steel industry.

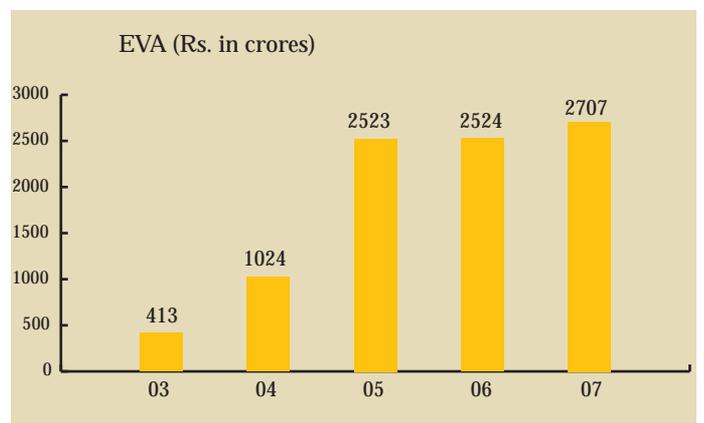
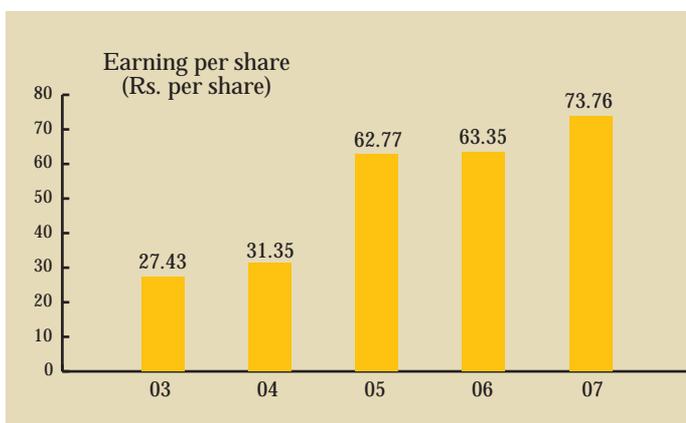
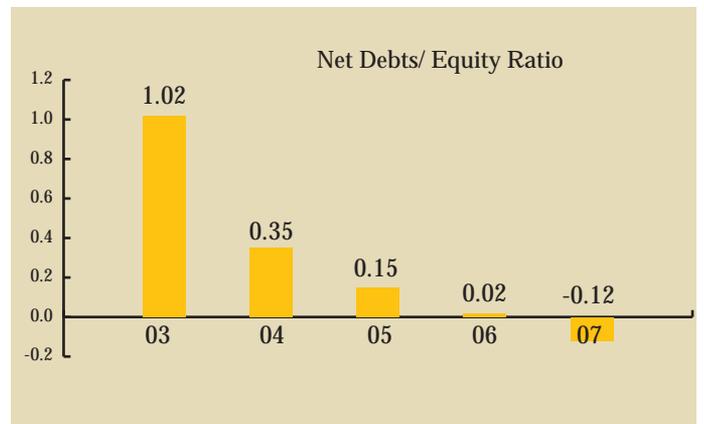
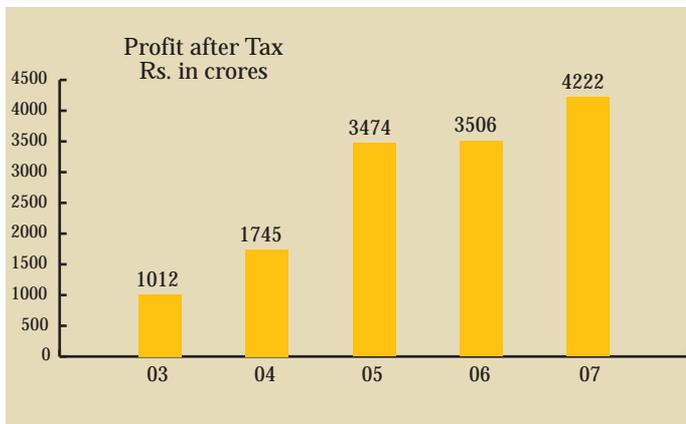
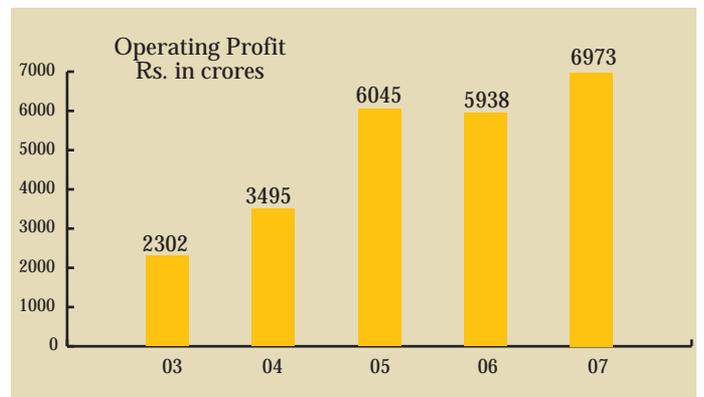
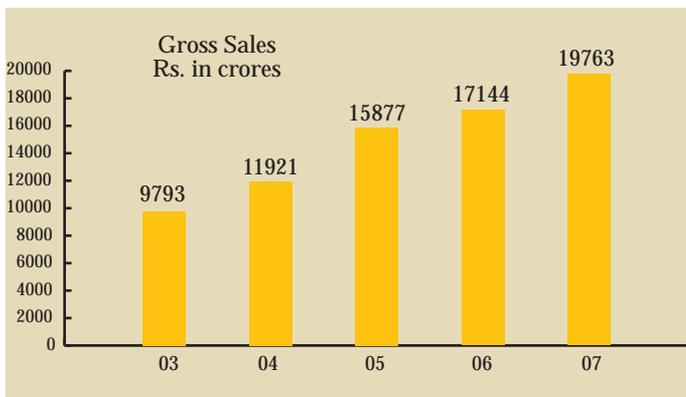
The Company has taken several strategic steps to keep a control over logistics. With the proposed expansion of steel capacity in India and overseas the companies' import/export cargo will increase significantly. To meet the increased requirement and reduce the total logistics costs of sea bound cargo, the Company signed a joint venture agreement with Larson & Tubro Limited to develop a deep-sea water port in Dhamra, Orissa. Tata Steel also entered into a 50:50 joint venture agreement with NYK Line, Japan, for setting up a shipping company to cater to dry bulk and break bulk cargo requirements.



ECONOMIC PERFORMANCE

5.2 ECONOMIC PERFORMANCE

FINANCIAL HIGHLIGHTS 2006-2007



ECONOMIC PERFORMANCE

Financial Highlights 2006

- Consolidated Turnover (excluding CORUS) up by 23% at Rs.274370 million (USD 6,311million).
- Consolidated EBITDA (excluding CORUS) up by 20% at Rs.78880 million (USD 1,815 million)
- Consolidated Profit After Tax (excluding CORUS) up by 12% at Rs.41770 million (USD 961 million)
- Highest ever Dividend: 130% + 25% special dividend
- Gross Steel sales up by 8% at 4.79 million tonnes
- Sales of Branded Products up by 13% at 0.99 million tonnes
- Turnover of Branded Products up by 20% at Rs.46040 million (USD 1,059 million) – crossed USD 1 billion for the first time.
- Sales to Automotive sector up by 29% at 0.86 million tonnes
- Domestic sales of Long Products increased by 27% over last year even as the market grew by only 8% in India.
- Global Supplier Approval received from Honda Engineering Services (Honda Car, Japan) for CRCA
- Consolidation of NatSteel Asia equity holding in Xiame, China and Vietnam



Production Highlights 2006-07

- Tata Steel crossed the 5 million tonne mark making the Jamshedpur works the single largest crude steel producer in the country.
- The best ever production of Hot Metal (5.55 mt), Crude Steel (5.05 mt) and Works Saleable Steel (4.93 mt) was recorded in FY 07.
- G blast furnace crossed 2 million tonnes production
- Highest ever annual production at HSM -3.24 million tonnes in FY 07 as against 3.086 million tonnes in FY 06.
- The Cold Rolling Mill produced a record 1.52 mt against a rated production capacity of 1.2 mtpa
- The new Bar Mill, the fastest of its kind in the world, achieved its rated capacity of 50,000 tpm.
- Wire Rod Mill (E), as per the BSE database, has been rated among the best long product plants in the world in terms of cost of production and availability.
- For the fourth consecutive year, 13 months' production was achieved in 12 months at the Precision Tube Mill.



ECONOMIC PERFORMANCE

Direct economic value generated and distributed:

Financial performance and Balance Sheet of the company is indicated in Table-5.1 & 5.2 respectively.

Table-5.1: Financial Performance

| | Rupees Million (06-07) | Rupees Million (05-06) |
|--|---------------------------|---------------------------|
| a) Net Sales Income | 175520.2 | 152155.0 |
| b) Total Expenditure | 105787.5 | 92779.2 |
| c) Operating Profit | 69732.7 | 59375.8 |
| d) Add: Dividend and Other Income | 4336.7 | 2547.6 |
| e) Profit before Interest, Depreciation, Exceptional items & Taxes | 74069.4 | 61923.4 |
| f) Less: Interest | 1739.0 | 1245.1 |
| g) Profit before Depreciation, Exceptional items and Taxes | 72330.4 | 60678.3 |
| h) Less: Depreciation | 8192.9 | 7751.0 |
| i) Profit before Exceptional items & Taxes | 64137.5 | 52927.3 |
| j) Less: Exceptional items | 1521.0 | 527.7 |
| k) Profit before Taxes | 62616.5 | 52399.6 |
| l) Less: Provision for Current Taxation | 20760.1 | 15790.0 |
| m) Less: Provision for Deferred Taxation | (525.1) | 1275.8 |
| n) Less: Provision for Fringe Benefits Tax | 160.0 | 270.0 |
| o) Profit after Taxes | 42221.5 | 35063.8 |
| p) Add: Balance brought forward from the previous year | 29761.6 | 17902.1 |
| q) Balance | 71983.1 | 52965.9 |
| Which the Directors have appropriated as under to: | | |
| i) Proposed Dividend | 9439.1 | 7195.1 |
| ii) Tax on Dividend | 1604.2 | 1009.2 |
| iii) General Reserve | 15000.0 | 15000.0 |
| TOTAL | 26043.3 | 23204.3 |
| Leaving a balance to be carried forward | 45939.8 | 29761.6 |

ECONOMIC PERFORMANCE

Table-5.2: Balance Sheet

Rs Million

| FUNDS EMPLOYED | | As on 31.03.07 | 31.03.06 |
|----------------------|--|----------------|---------------|
| | | 01 | Share Capital |
| | Share Warrants | 1470.6 | |
| | | 7277.3 | 5536.7 |
| 02 | Reserves and surplus | 133684.2 | 92016.3 |
| 03 | Total shareholders' funds | 140961.5 | 97553.0 |
| 04 | Secured Loans | 37589.2 | 21917.4 |
| | Unsecured Loans | 58864.1 | 3244.1 |
| | Total Loans | 96453.3 | 25161.5 |
| 05 | Deferred tax liability (net) | 7489.4 | 9570.0 |
| 06 | Provision for employee separation compensation | 11070.8 | 13887.1 |
| 07 | TOTAL FUNDS EMPLOYED | 255975.0 | 146171.6 |
| APPLICATION OF FUNDS | | | |
| | Fixed assets | | |
| 08 | a) Gross Block | 185269.3 | 165649.0 |
| | b) Less - Impairment | 1004.1 | 941.9 |
| | c) Less - Depreciation | 73859.6 | 66056.6 |
| | d) Net Block | 110405.6 | 98650.5 |
| 09 | Investments | 61061.8 | 40699.6 |
| | A. Current assets | | |
| | a) Stores and spares parts | 5054.4 | 4426.6 |
| | b) Stock-in-trade | 18275.4 | 17320.9 |
| | c) Sundry debtors | 6316.3 | 5394.0 |
| 10 | d) Interest accrued on investments | 2.0 | 2.0 |
| | e) Cash and Bank balance | 76813.5 | 2883.9 |
| | B. Loans and advances | 106461.6 | 30027.4 |
| | | 30557.3 | 12348.6 |
| | | 137018.9 | 42376.0 |
| | Less: Current Liabilities and Provisions | | |
| 11 | a) Current Liabilities | 35232.0 | 28359.9 |
| | b) Provisions | 19304.6 | 9727.3 |
| | | 54536.6 | 38087.2 |
| 12 | Net Current Assets | 82482.3 | 4288.8 |
| 13 | Miscellaneous expenditure - Employee Separation Compensation | 2025.3 | 2532.7 |
| 14 | TOTAL ASSETS (Net) | 255975.0 | 146171.6 |

ECONOMIC PERFORMANCE

Sources of earnings and distribution of revenue during the financial year 06-07 are depicted in Figure 5.1 & 5.2 respectively.

Figure 5.1: Earnings 06-07 (Rupees Million)

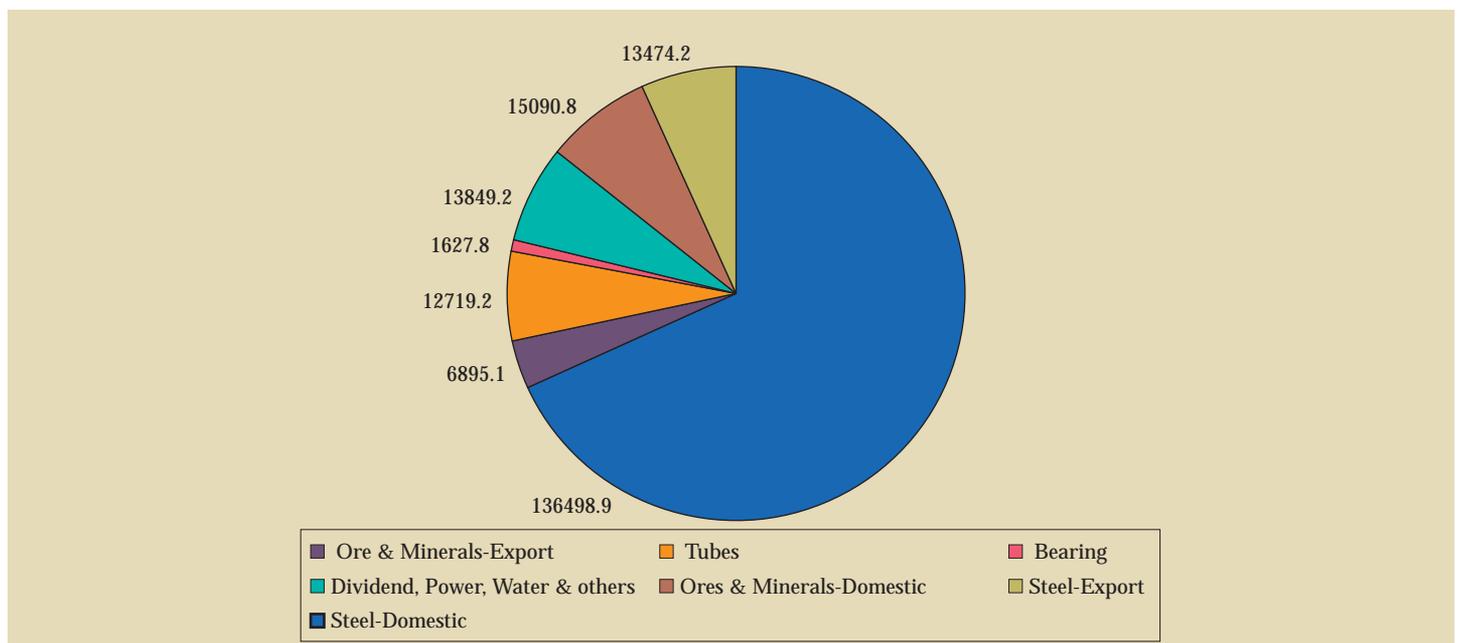
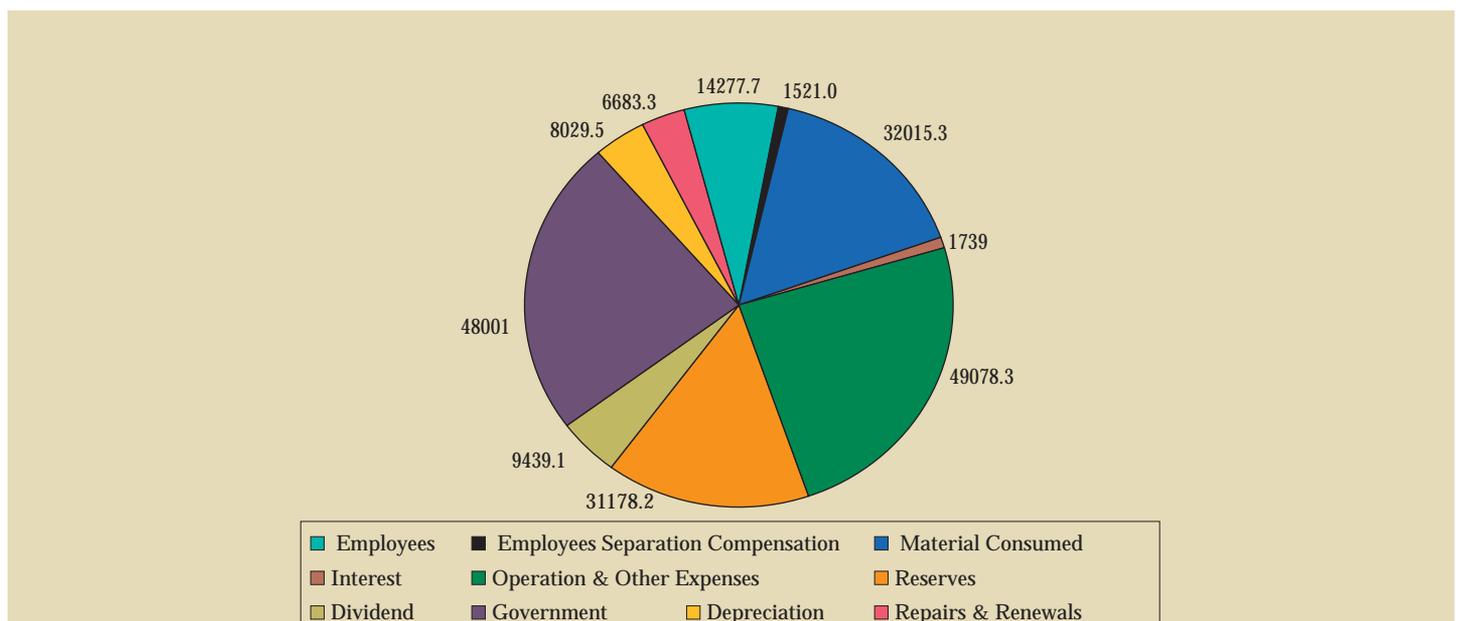


Figure 5.2: Distribution of Revenue 06-07 (Rupees Million)



ECONOMIC PERFORMANCE

Economic Value Added (EVA)

In pursuance of its Vision to create value for its shareholders, The Company has adopted the EVA based methodology for performance management and also for capital expenditure evaluation based on the recommendations of Stern Stewart & Co.

EVA is defined as the excess of Return On Invested Capital (ROIC) over Weighted Average Cost of Capital. The Cost of Equity is determined under the CAPM method, while the cost of debt is based on the actual cost of borrowings.

The EVA spread was 22.23% as compared to 23.54% in the previous year. The calculation of EVA spread is as follows:



Table-5.3: EVA

| Particulars | 2006-07 | 2005-06 | Change |
|----------------------------------|---------|---------|----------|
| Return on Invested Capital | 32.64 % | 34.99 % | (2.35) % |
| Weighted Average cost of Capital | 10.41 % | 11.45 % | (1.04) % |
| EVA Spread (%) | 22.23 % | 23.54 % | (1.33) % |
| EVA – Rs. Billions | 27.07 | 23.24 | 3.83 |

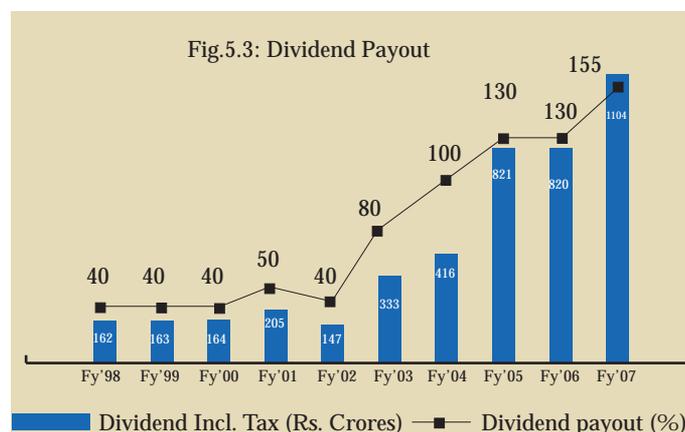
The Company generated EVA of Rs. 27.07 billion as compared to Rs. 23.24 billion in the previous year. The Return on Invested Capital was 32.64%. The Net Operating Profit after Tax (NOPAT) to Sales was 20.11% as compared to 20.15% in the previous year. Net operating profit after tax increased by 15% but the average capital employed increased by 23% in FY 2006-07.

The Weighted Average Cost of Capital decreased to 10.41% as compared to 11.45% for the previous year due to increase in proportion of debt in the total capital employed and reduction in the average cost of debt.

Dividend

The Board of Directors of the Company have recommended a dividend @ 155% (Rs. 15.5 per share) for the year ended 31st March 2007. The dividend cash-outgo (including tax on dividend)

was Rs. 11.04 billion. The dividend payout as % of Net Profit works out to 26% as compared to 23% in the previous year. The dividend payout during the last 10 years is illustrated in Figure-5.3.



ECONOMIC PERFORMANCE

Manufacturing and other expenses

Table 5.4: Manufacturing and other expenses (Rs. Millions)

| S. N. | Items | 06-07 | 05-06 |
|-------|--|---------|----------|
| 1 | Purchase of finished, semi-finished steel and other products | 4506.0 | 6560.8 |
| 2 | Raw materials consumed | 31214.6 | 23683.0 |
| 3 | Payments to and provisions for employees | 14548.3 | 13515.1 |
| 4 | Operation and other expenses | 46472.8 | 40326.4 |
| 5 | Freight and handling charges | 11174.5 | 10043.2 |
| 6 | Provision for doubtful debts and advances | 119.9 | 64.9 |
| 7 | Excise duty | 936.3 | 761.1 |
| 8 | Accretion/(reduction) in stocks of finished and Semi-finished products and work-in-progress (deducted) / added | 824.7 | (1049.1) |

Investments

During the year, the Company invested in Tata BlueScope Steel Limited, Tata Steel (Thailand) Public Company Ltd., Natsteel Asia Holdings Pte. Ltd., The Dhamra Port Company Ltd., Rawmet Ferrous Industries Pvt. Ltd. The Company has liquid funds of Rs. 35665.8 million as on 31st March 2007 as compared to Rs. 12919.8 million as on 31st March 2006. The Company has ring-fenced Rs. 32625.9 million out of liquid funds as on 31st March 2007 to provide cash confirmation in connection with the acquisition of Corus Group plc.



Table 5.5: Investments (Rs. Million)

| Items | 06-07 | 05-06 | Change | Change % |
|-------------------------------------|---------|---------|----------|----------|
| Trade investments | 10369.4 | 7758.4 | 261.10 | 34 |
| Investments in Subsidiary Companies | 13767.1 | 12585.3 | 118.18 | 9 |
| Other Investments | 89.6 | 89.6 | - | 0 |
| Investments in Mutual Funds | | | | |
| a) Income Funds | 1170.0 | 7346.5 | (6176.5) | - 84 |
| b) Liquid Funds | 35665.8 | 12919.8 | 22746.0 | 176 |
| Net Investments in Mutual Funds | 36835.8 | 20266.3 | 16569.5 | 82 |
| Total Investments | 61061.8 | 40699.6 | 20362.2 | 50 |

ECONOMIC PERFORMANCE

Donations to community, civil society and other groups

The total donations to the community, civil society and other groups during 2006-07 were Rs. 80.44 million against Rs.75.72 million during 2005-06.

Taxes paid to the Government

The total amount of taxes like sales tax, excise duty, wealth tax, etc. paid by the Company during 2006-07 was Rs.43.06 billion against Rs.37.39 billion during 2005-06.

Risks and opportunities due to climate change (Principle)

Tata Steel shares the global concerns for possible impacts of climate change. Its impact on Indian subcontinent may be quite serious such as water stress, threat to agriculture and food security, threat to bio-diversity, adverse impact on natural eco-systems, adverse impact in coastal areas due to sea level rise, increase in vector and water born diseases, etc.

Tata Steel has taken number of steps to reduce green house gases emission, which are the main cause of global warming and climate change. The approach to reduction of GHG emissions includes: Policy Initiative, Benchmarking, Closure of energy intensive and pollution prone processes, Adoption of energy efficient technology, Up-gradation of equipment and process, Waste heat recovery, Maximum utilization of by-product fuel, Monitoring &

measurement and Regular energy / environment audit. The approach also addresses environmental concerns expressed in Principle of the UN Global Compact.

Since India is a Non Annex-I country it doesn't have any GHG emission reduction targets in the first commitment period up to 2012. However, being a part of UNFCCC India is committed to participate in the Clean Development Mechanism under Kyoto Protocol. CDM has opened up new opportunities for getting revenue from carbon trading. Tata Steel is working on a number of CDM projects, which may contribute significantly to additional revenue earning. The on-going CDM projects have a potential of reducing about 1 million tonnes of CO₂ per annum, which will bring in substantial revenue by way of carbon trading in the future.

Defined benefit plans obligations

Payments and Provisions to Employees

The staff cost increased by 8% to Rs. 14548.3 million as compared to Rs. 13515.1 million in the previous year. The increase is mainly due to annual increments, dearness allowance and consequential increase in provisions for gratuity and leave salaries. However, these increases were partly offset by reduction in the manpower by 977 from 38,182 as on 31st March 2006 to 37,205 as on 31st March 2007.

Table 5.6: Provisions to Employees Payments (Rs. Million)

| | 2006-07 | 2005-06 | Change | Change % |
|--|---------|---------|--------|----------|
| Payments to and provisions for employees | 14548.3 | 13515.1 | 1033.2 | 8 |

Employee Separation Compensation

During the year, 440 employees were separated under the Employee Separation Scheme (ESS) of the Company, which resulted in increase in ESS charges by Rs. 119.2 million. There has been a decrease in the ESS charge to the extent of Rs. 40.2 million due

to reduction in the number of old ESS cases. Further, due to the change in the interest rate considered for discounting the provision for employee separation compensation, there was a net charge of Rs. 910 million, as compared to the previous year.

Table 5.7: Employee Separation Compensation (Rs. Million)

| | 2006-07 | 2005-06 | Change | Change % |
|----------------------------------|---------|---------|--------|----------|
| Employee separation compensation | 1521.0 | 527.7 | 993.3 | 188 |

ECONOMIC PERFORMANCE

Significant Financial assistance received from the government:

The Company has not received any government subsidy, tax break, duty drawback, etc. during the reporting period.

5.3 MARKET PRESENCE

Entry-level wage compared to local minimum wage

Tata Steel employees at entry levels are paid wages, which are amongst the best in the industry category it operates in. Most of the entry-level employees are income tax payers. In addition to the Company also ensures that the contractors engaged by the Company pay minimum guaranteed wages to their labour as per applicable government legislations.

System of spending on local suppliers

Procurement Division endeavors to understand the requirements of its customers and strives to fulfill them through knowledge based and value driven buying principles. Since procurement at the “right cost” and at the “right time” is fundamental to the existence of a business as well for its strategic growth, it is imperative that sourcing is done from across the globe. Nevertheless, buy from local vendors is significant.

The proportion of spending on locally (at City and within State) based vendors during 2006-07 are as follows:

- Jharkhand based vendors - 22.72% of the total buy.
- Jamshedpur based vendors - 18.63% of the total buy.

As a matter of practice, only local vendors are engaged in the services area except for the jobs requiring higher degree of specialisation & sophistication and the skill set which are not available locally. Additionally, a basket of items have been kept separately for sourcing from local NGOs such as AIWC, Seva Sadan, School of Hope, Bal Vihar, etc.

Local Hiring

The Company has a policy of hiring the best available talent in the country for a job. However, local candidates are considered favourably, if they possess the required qualification, skills and talent. Unskilled and semi-skilled workforce is primarily sourced from the local community in order to promote their well-being. At senior level (Officers and above) no distinction or categorization is made on the basis of region, state, etc.



ECONOMIC PERFORMANCE

5.4 Indirect economic impacts

Impact of community infrastructure development and services

The happy and prosperous community and work force in and around its operations is a living testimony to Tata Steel's corporate sustainability initiatives. It builds a lot of goodwill among the community and supports sustainable operations. The list is quite long. A few of the items are indicated below.

- Quality municipal services to Jamshedpur Township – clean and green city with improved quality of life.
- Educational infrastructure and services – best of the primary and secondary education.
- 850 beds Tata Main Hospital provides quality health services to employees and citizens of Jamshedpur.
- The Tata Steel Family Initiatives Foundation - offering health services for the betterment of the people in and around Jamshedpur.
- The JRD Sports Complex, an international stadium with an eight-lane polyurethane track, was inaugurated in 1991. The complex also houses facilities for handball, tennis, volleyball, hockey, basketball, boxing, table tennis and a modern gymnasium. The Keenan Stadium hosts international cricket matches.
- The Tata Archery Academy provides a platform for young archers to excel at the international level.
- India's first football academy, the Tata Football Academy established in 1987, imparts world-class training to budding footballers.
- The Tata Athletic Academy trains athletes for international events.
- The Tata Steel Adventure Foundation engages employees, their families and residents of Jamshedpur in adventure sports.
- TSRDS has been instrumental in the protection of over 2000 hectares of regenerated forests.
- At times of natural calamities, the Company has rushed immediate relief and offered long-term assistance to tsunami-hit Tamil Nadu, earthquake-torn Gujarat, flood ravaged Orissa and other such affected areas.



Indirect economic impacts of business

Tata Steel has not made any attempt to map and value its economic externalities, but recognises that by virtue of the nature of its operations there are several economic externalities. Tata Steel has created the township of Jamshedpur and various allied infrastructures, which have promoted the economic well-being of people through indirect employment and business opportunities.

There are several institutions and organizations in and around Tata Steel, which are supported by the Company both in terms of skilled manpower (employees as members, executives and directors), sourcing of goods and services and also financial support. These organisations employ thousands of people who are indirectly benefited by the organization's products and services.

Such organizations include Small Scale Industries, Rotary Clubs of Jamshedpur, Lions Clubs of Jamshedpur, Artificial Limb Fitting Centre, Arogya Bhawan, Hospitals, English Medium Schools, Transport Nagar, Jamshedpur Sports Association, Tata Steel Zoological Society (TSZS), Tata Steel Rural Development Society (TSRDS), Tribal Cultural Society (TCS), Credit Societies, Pay Roll Savings, RD Tata Technical Institute, etc.

5.5 R & D, Technology Adaptation and Innovation

Research & Development

Research was carried out in the areas of raw materials, including iron ore, coal, coke, ferro chrome and titania, blast furnace productivity, steelmaking, product development, process improvement and coatings.

Benefits derived

In order to address challenges, seven thrust area projects were taken up;

1. 8% ash in coal maintaining yield.
2. Complete beneficiation of iron ore.
3. Improving blast furnace productivity.
4. Lowering phosphorus in steelmaking.
5. Flat products for automobiles.
6. Ferro chrome – reduction in power cost.
7. Coatings.

Expenditure on R & D (Rs. Million)

| | | |
|-----|-----------|-------|
| (a) | Capital | 64.0 |
| (b) | Recurring | 268.5 |
| (c) | Total | 332.5 |

Technology Adaptation and Innovation in 2006-07

Raw Materials

- Pilot plant trials of pneumatic flotation of fine fraction coals of West Bokaro and Jamadoba indicate that there is considerable reduction in ash percentage with good improvement in overall yield.
- Development of new frother chemical bears good promise for high yield at low ash level in coal washeries. A newly developed chemical leaching process is found to give consistently low levels of ash without the loss of carbon during the treatment of coal rejects and middling.
- Pilot Plant studies using Log Washers and Counter current attritors show reduction in alumina in iron ore to the level of 0.5%.

Iron Making

- Work was carried out to model burden distribution and gas flow pattern in blast furnace with change in burdens. The nomogram developed between the liquidus temperature and the slag viscosity has helped in reducing the BF slag volume and also achieving the optimized slag composition with high sulphur bearing capacity.

- There was a reduction in coke rate from 511 to 488 kg/thm. There was increase in injection of coal and tar from 63 to 91 kg/thm.
- Reduction in CaO of sinter from 9.36 to 9.0 resulted in considerable saving of limestone. Use of BF dust in sinter making helped in recycling of waste material.

Steel Making

- New configuration of bottom tuyers and differential flow pattern of the inert gas have been developed to achieve low turn down P in BOF vessel.
- The trials with the modified design of the slab caster tundish have been successful. The modified tundish can hold up to 34 t.
- Caster 2 of LD-1 shop stabilized during the year. It could achieve the rate of one million tonne in the eleventh month from the start up.
- Use of Magcarb brick for the BOF lining has helped in improving the lining life to beyond 3000 heats.
- LD-1 shop eliminated the use of hot metal mixers and switched over to receipt of hot metal by only torpedoes.
- Converter 1 of LD2 shop was upgraded to 160 t capacity. The job of upgrading the other two converters will be completed by October 2007. Use of Magcarb brick improved the converter lining life to over 3000 heats. In one campaign, the lining life was 3415 heats.

Rolling

- Online flaw detector was installed in wire rod mill for continuous feedback on surface quality.
- New rebar mill achieved the rated capacity in the first year of commercial production. It attained the rolling speed of 36 m/min, which is the highest for a slit rolling mill. The mill achieved good surface quality and 100% negative weight tolerance in a close band.
- To improve the performance of merchant mill, bar alignment rolls in cooling bed; temperature measuring system in roughing stand; and bar counter in cold shear were installed.

ECONOMIC PERFORMANCE

Product Development – Long Product

- Obtained approval as global vendor from ESAB international for the supply of WR3 (M) for CO2 welding application.
- 36 mm FE-500 Tiscon rebars were rolled for the first time in merchant mill.
- Successfully produced high carbon steel with low nitrogen (less than 60 PPM).
- Commercialized super ductile rebar for earthquake applications and galvanized rebars for improved corrosion life.

Product Development – Flat Product

A. IF and IFHS grades

- Increased overall strike rate in IF from 64% to 73%.
- Reduction in rework – As Cast IF.
- Development of super EDD (Equivalent of SPCX for Side Outer).
- Development of IFHS-350 grade with improved R bar (1.8 min) and low planar anisotropy (known as isotopic steel).
- Development of IFHS-390 for applications in Tata Motor.
- Reduction in chemistry diversion and carbon pick up in IF grades by through process measures.
- Increase in secondary cooling water in segment '0' and '1' to improve the surface quality of IF steel.

B. EDD grade

- By through process improvements, internal rejection of EDD on account of mechanical property was brought down from 205% to 0.25%.

C. High Strength Steel

- Development of BG 180 and 220 with good shelf life and bake hardening property.

- Development of Rephosphorized steels with Tensile 350 MPa and 390 MPa. They have higher R bar value than normal IFHS grades.
- Development of HS 800 grade with good fatigue and stretch flange ability for the long member of Truck of Future. This is hot rolled steel with nano size carbide precipitates.
- ATM grade with high tensile (700 MPa) for Godrej.
- Development of HSLA 240 grade for structural members.
- Resolution of spring back problem in E46 by reduction of the YS value.
- Reduction in edge silvers in Yst 38 grade.
- Use of nitrovan to improve the mechanical properties of thin gauge hot rolled steel.
- Reduction of mould cooling water in peritectic composition to reduce the cracks.

D. Electrical Steel

- Development of process for steel with low core loss and high permeability for electrical application – ultra low carbon steel containing antimony.

E. Coated Steel

- By proper characterization of the coating, excess powdering arising out of over alloying was reduced.
- Development of T coat, which was essential for the approval of critical large size components such as Door Inner. The coating improves the formability, reduces the powdering and corrosion performance. The product has been patented.
- Development of GPSP for applications such as bus body panel and drum.
- In-house passivation chemical to reduce the fretting corrosion and also to improve the corrosion resistance.
- Steel with Magni coat was developed. The coating is being assessed for weldability and corrosion life. The product will be tried for four wheeler fuel tanks for the first time in India.

ECONOMIC PERFORMANCE

Customer Approval/Accolade

- HMIL approved 25 sizes of GA. T coat panel also was approved.
- SPCEN and SPRC 35 approvals for skin panels have come from HMIL.
- Overall rejection at HMIL was brought down to 1700 PPM against the previous year figure of 3200 PPM.
- The rejection at Whirlpool was brought down to 35ppm by product solution at the customer place.
- Honda R&D, Japan, has approved our IF grade for external and internal application after a rigorous testing of steel for mechanical properties, weldability and paintability.
- Received the best supplier award for the second year in succession from Honda.

CHAPTER 6

ENVIRONMENTAL PERFORMANCE

| SECTION | DESCRIPTIONS | PAGE NO. |
|-------------------|--------------------------------------|----------|
| A. Report Profile | | |
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ENVIRONMENTAL PERFORMANCE

6.1 MANAGEMENT APPROACH

Approach to Environmental management is guided by Clause-8 of Tata Code of Conduct Environmental Policy of the Company and Principles 7, 8 and 9 of UN Global Compact. UN Global Compact requires businesses to support precautionary approach to environmental challenges, understanding initiatives to generate environmental responsibility and to encourage investments in environment friendly technologies.

Tata Code of Conduct commits the company to provide a safe and healthy working environment and comply with all relevant environmental regulations. It also emphasises on prevention of wasteful use of natural resources and minimisation of any hazardous impact of its operations, products and services on the ecological environment. The Tata Code of Conduct is provided in Annexure-II.

Environmental Policy of the Company includes efficient use of natural resources and energy reduction and prevention of pollution and promoting waste reduction. It is committed to continual improvement in environmental performance and going beyond compliance. The Environmental Policy of the Company is available in the public domain. Key performance parameters are identified, monitored and reported to various stakeholders in a transparent manner, addressing the requirements of GRI and UN Global Compact.

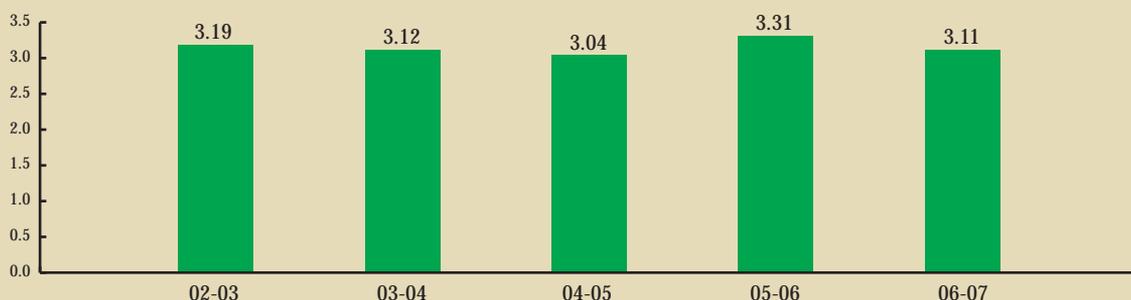
The Company has adopted an Environment policy, the Tata Code of Conduct and the ISO 14001 based Environmental Management System, to achieve excellence in environmental performance and ensure continual improvement. The divisional /departmental heads are responsible for implementation of Environmental Management System in their respective areas. Top Management reviews the performance periodically and provides necessary guidance and resources for implementation of various initiatives. Training and awareness is an integral part of the system, which covers all the employees, contractors and others concerned. Tata Steel is certified to ISO 14001:2004 by M/s. IRQS. Surveillance audits are conducted by IRQS annually to ensure compliance to the prescribed standards. The outcome for the above management approach are visible in the environmental performance parameter as detailed in the subsequent sections.

6.2. MATERIALS

Materials used

The single most important indicator for material consumption is specific raw material consumption in producing one tonne of finished steel. This is calculated by adding all kinds of raw materials used in iron and steel making divided by saleable steel production. The main contributors for containing specific raw material consumption during 2006-07 were reduction in ash content to <15% in West Bokaro coal, improvements in iron ore beneficiation at the mines, and increase in process efficiency.

Fig.6.1 Specific Raw Material Consumption at Steel Works (t/tss)



ENVIRONMENTAL PERFORMANCE

Table 6.1: Raw Materials Consumption at Steel Works

| Raw materials consumed (Tonnes) | 05-06 | 06-07 |
|--|----------|----------|
| Iron Ore | 7807221 | 8332936 |
| Thermal Coal | 690227 | 326084 |
| Coking Coal / Coke | 3982639 | 4548048 |
| Limestone, Dolomite, Pyroxenite, Soapstone & Quartzite | 2216365 | 2041647 |
| Manganese Alloys | 23281 | 41640 |
| Zinc and Zinc Alloys | 18039 | 13911 |
| Spelter, sulphur, fluxes, alloys etc | 235728 | 16115 |
| Others | 20181 | 12155 |
| Total | 14973500 | 15332536 |
| Saleable Steel Production-tpa | 4524407 | 4928547 |

Fig.6.2: Specific Refractory Consumption at Steel Works (kg/tss)

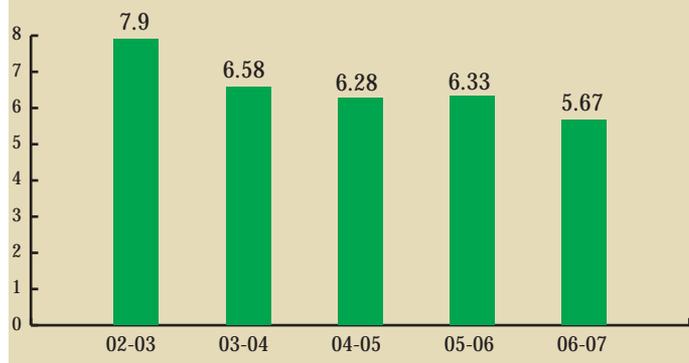


Fig.6.3: Specific Lubricant Consumption at Steel Works (kg/tss)

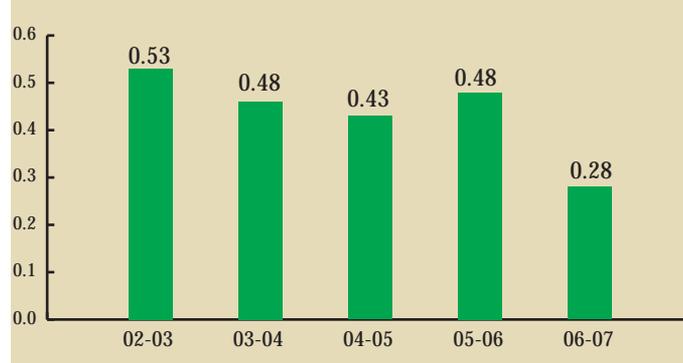
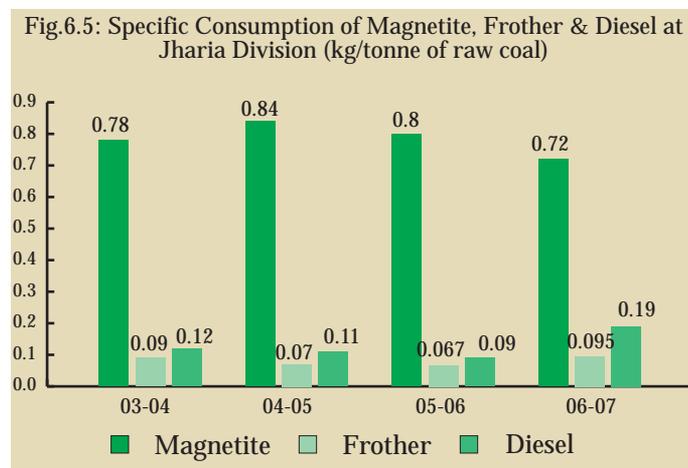
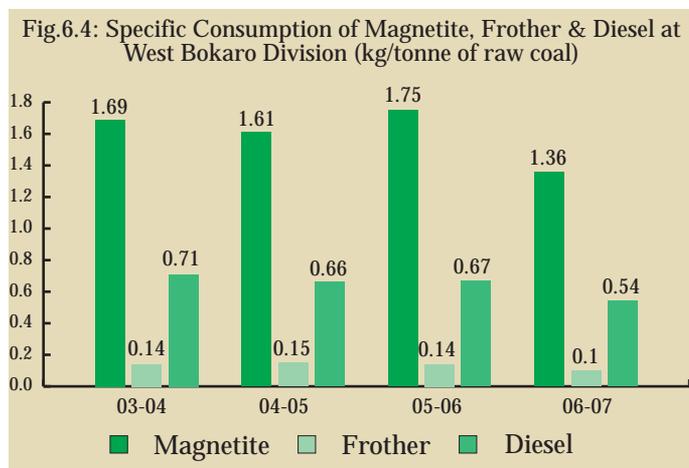


Table 6.2: Raw Material consumption at Ferro Alloys & Mineral Division

| Year | Ferro Manganese | | Ferro Chrome | |
|-------|-----------------|-------------------|--------------|-------------------|
| | Prodn. (t) | Raw Mat. Con. (t) | Prodn. (t) | Raw Mat. Con. (t) |
| 04-05 | 44201 | 128180 | 41405 | 135154 |
| 05-06 | 41243 | 125850 | 50025 | 155152 |
| 06-07 | 42000 | 128000 | 43420 | 98790 |

ENVIRONMENTAL PERFORMANCE



Recycled input materials

The main waste material from external source that is used by Tata Steel is iron/steel scrap. This is used at Steel Melting Shops. During the year 2006-2007, no scrap was purchased from outside.

Internally, many process wastes are reused/ recycled in the steel works such as mill scale, flue dust, and various kinds of sludges. The details are provided in Table 6.3

Table 6.3: Waste Reuse/Recycling at Steel Works

| Item | Usage Details | 05-06 | | 06-07 | |
|----------------------|---------------|--------|-----------------|---------|-----------------|
| | | Tonnes | % of generation | Tonnes | % of generation |
| L D Slag | Sinter making | 700559 | 61.63 | 1046073 | 77.18 |
| L D Sludge | Sinter making | 146334 | 114.00 | 184927 | 136.80 |
| Mill Scale | Sinter making | 68822 | 110.29 | 65106 | 96.41 |
| Flue Dust | Sinter | 27979 | 27.55 | 76536 | 81.36 |
| Lime Fines | Sinter making | 112138 | 100 | 101747 | 100 |
| Dolo Dust | Sinter making | 24041 | 100 | 9947 | 100 |
| Tar Sludge | Coke making | 7900 | 100 | 4507 | 100 |
| BOD Sludge | Coke making | - | - | 248 | 100 |
| Undersize Lime Stone | Sinter making | 24513 | 100 | 12730 | 100 |
| Mill Sludge | Sinter making | 12631 | 100 | 11193 | 100 |

6.3 ENERGY

Direct and indirect energy consumption by primary energy source (EN3 & EN 4)

Details of energy consumed in Tata Steel Jamshedpur are exhibited in Table 6.4. Consumption per unit of production is indicated in Table 6.5 for Steel Works and other units.

ENVIRONMENTAL PERFORMANCE

Table 6.4: Energy consumption at Tata Steel

| Particular | | 05-06 | | 06-07 | |
|-----------------------------------|--|----------|----------------------------|----------|----------------------------|
| | | Quantity | Joules (10 ¹⁵) | Quantity | Joules (10 ¹⁵) |
| Power and Fuel Consumption | | | | | |
| 1. | Electricity | | | | |
| a) | Purchased Units (M.KWH) | 1871.27 | 2.220 | 1210.80 | 13.816 |
| b) | Own Generation | | | | |
| i) | Through Diesel Generator Units (MKWH) | 12.96 | 0.163 | 21.339 | 0.268 |
| ii) | Through steam turbine/generator Units (M.KWH) | 1018.88 | 12.798 | 861.910 | 10.826 |
| 2. | Coal | | | | |
| a) | Coking Coal (Million Tonnes) | 3.65 | 103.448 | 3.102 | 87.916 |
| b) | Blast Furnace Injection Coal Quantity (Million Tonnes) | 0.38 | 9.546 | 0.444 | 11.531 |
| c) | Middling Coal & ROM (Million tonnes) | 0.64 | 11.892 | 0.336 | 6.243 |
| d) | Petroleum Coke | - | - | 0.747 | - |
| 3. | Furnace oil (Kilo Litres) | 11160.68 | 0.437 | 12079.17 | 0.473 |
| 4. | Others | | | | |
| | LDO (Kilo Litres) | 7093.81 | 0.258 | 6366.73 | 0.231 |
| | LPG (Tonnes) | 3387.25 | 0.436 | 3835.40 | 0.494 |
| | Purchased Oxygen (t) | 537561 | 2.537 | 664220 | 3.135 |

Table 6.5: Energy consumption at various units

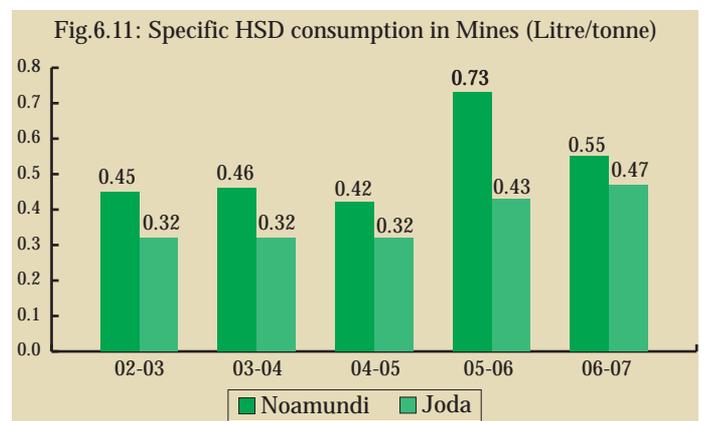
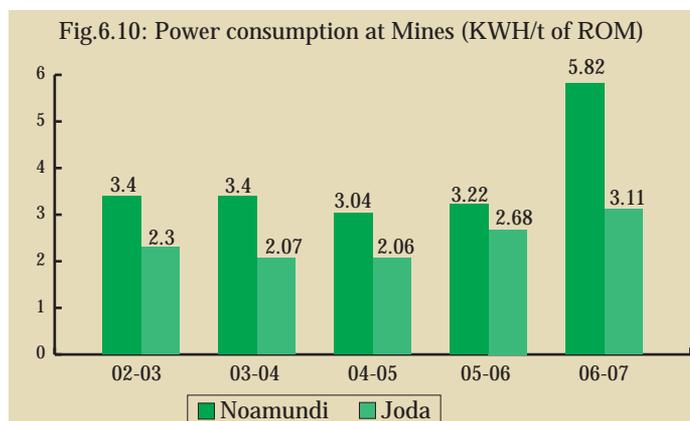
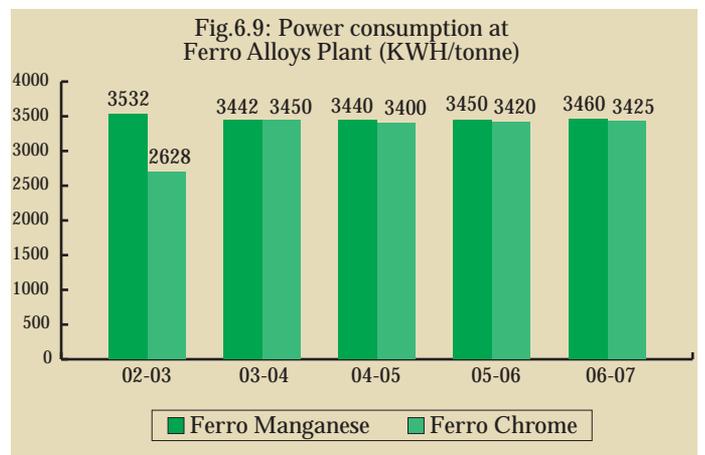
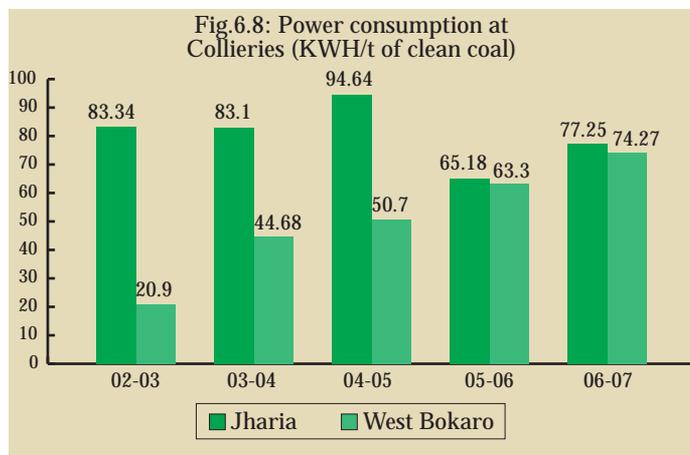
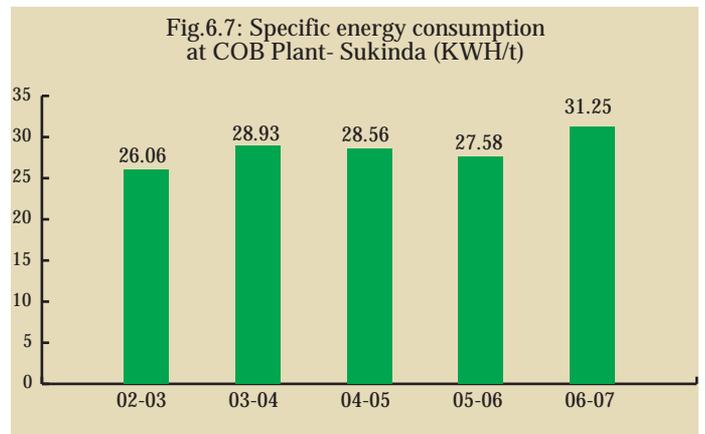
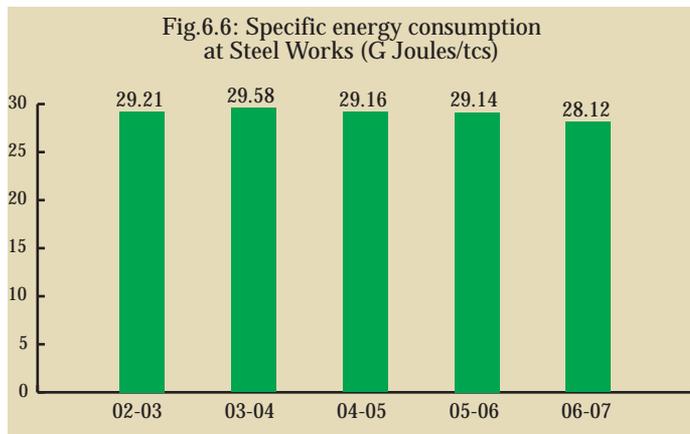
| Particular | Steel (per tonne) | Tubes (per tonne) | Bearing (per no.) | Ferro Alloys (per tonne) | Rings & Agrico (per no.) | Growth Shop (per tonne) | CRC West (per tonne) | Wire Div. (per tonne) | CRM Sisodra (per tonne) |
|---------------------------------|----------------------|----------------------|----------------------|-----------------------------|--------------------------------|-------------------------------|-------------------------|--------------------------|-------------------------------|
| Electricity -KWH | 398.52 (425.00) | 97.00 (96.00) | 0.73 (0.72) | 3632.90 (3698.07) | 1.23 (1.20) | 457.32 (813.02) | 124.23 (159.97) | 220.71 (211.94) | 349.95 (323.23) |
| Furnace Oil -Litres | - | - | - | - | - | 15.68 (16.24) | - | 23.09 (23.58) | - |
| Coking Coal -Tonnes | 0.72 (0.82) | - | - | - | - | - | - | - | - |
| Others | | | | | | | | | |
| Light Diesel Oil - Litres | 1.29 (0.71) | - | - | - | - | - | - (9.00) | 8.02 (8.19) | 53.65 (44.69) |
| LPG -Kgs | - | - | - | - | - | - | 13.23 (13.05) | 10.29 (9.23) | 0.35 (1.07) |
| Natural Gas -Kgs | - | - | - | - | - | - | - | 24.54 (25.26) | - |

Note: Figures in brackets are for the year 2005-06 and are modified wherever necessary

ENVIRONMENTAL PERFORMANCE

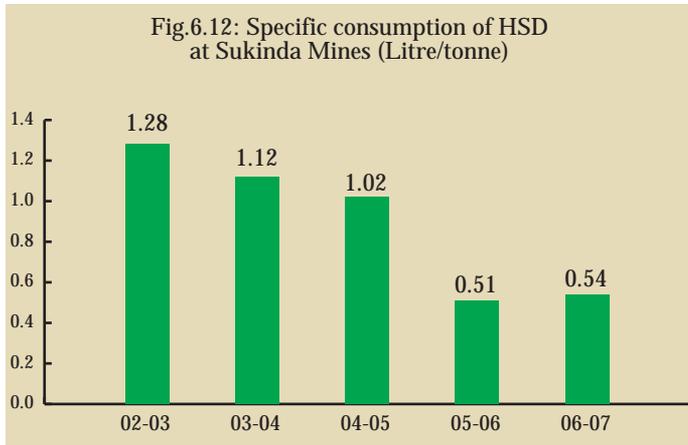
The specific energy consumption of integrated iron & steel works at Jamshedpur was 28.12 GJoule/tonne of crude steel during 06-07, which was 3.5 % less than that of previous year.

The trends of specific energy consumption at various units are shown below:



ENVIRONMENTAL PERFORMANCE

Fig.6.12: Specific consumption of HSD at Sukinda Mines (Litre/tonne)



Energy saved due to conservation and efficiency improvements

Energy conservation measures taken in 2006-07:

- Conversion of coal-fired boiler no. 5 & 6 at Power House-3 to by-product gas firing.
- Commissioning of 2nd LD Gas holder to enhance LD Gas Recovery.
- Phasing out of old and inefficient coal fired boilers at Boiler House-1.
- Measures for reducing electrical power consumption.
- Up-gradation of E blast furnace to high top pressure operation thereby reducing blast furnace fuel rate.

Initiatives under implementation for reduction of energy consumption:

- Modification of remaining two coal fired boilers at Power House-3 into by-product gas firing to reduce boiler coal consumption.
- Installation of Top recovery turbine at 'G' & 'H' Blast Furnace.
- Recovery of sensible heat of coke by installation of Coke Dry Quenching system in Batteries 5, 6 & 7 at Coke Plant.
- Replacement of old and inefficient Blast Furnace blowers.
- Use of lean by-product gaseous fuel at HSM re-heating furnace by adopting regenerative burner technology.

Impact of energy conservation measures during 2006-2007:

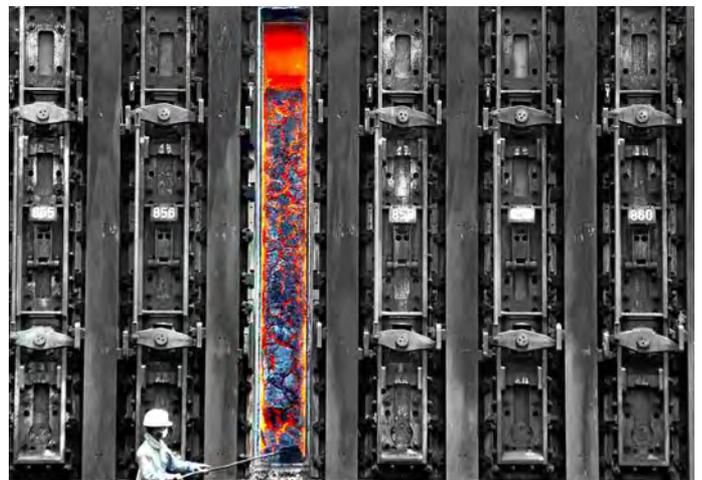
- Lowest ever Plant Specific Energy Consumption of 6.717 Gcal/tcs.
- Lowest ever boiler coal consumption of 66.77 kg/tcs.
- Lowest ever Plant Power Rate of 398.52 kwh/tcs.
- Higher LD Gas Recovery of 55.51 NM³/tcs. Higher combine boiler efficiency of 81.48%.

Renewable energy initiatives

Tata Steel has so far not embarked upon the use of renewable energy due to the nature of processes adopted in the iron and steel making. Also low potential of generation in the areas where it operates and technological constraints are important reasons for not using the renewable energy in the Plant. However, Tata Steel encourages the use of renewable energy in the form of solar electricity, biogas, etc at the nearby communities.

Initiatives to reduce indirect energy consumption and reductions achieved

Indirect energy usage and reductions such as travel, etc are not captured at present due to the large size of the organisation and accounting complexities associated with the same.



ENVIRONMENTAL PERFORMANCE

6.4 WATER

Water withdrawal by source

Water for industrial and domestic usage at Jamshedpur and other units is mainly drawn from surface water resources as presented in Table 6.6. The Company does not use any groundwater source

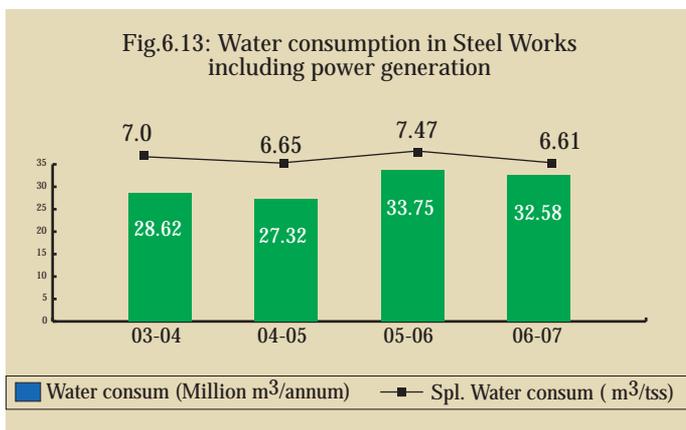
for either industrial or domestic use at Jamshedpur. The other source of water at Jamshedpur is a captive reservoir at Dimna having capacity of 34.224 million m³ covering 92.6 sq. km. It is situated on the northeastern side of the Jamshedpur at a distance of about 10 kms, which is meant for emergency water supply during lean season.

Table 6.6: Details of Water Sources

| Name of location | Water source | Purpose | Remarks (Dry season flow) |
|------------------------|----------------------------|-----------------------|---|
| Steel Works Jamshedpur | Subarnaekha river/ Dimna | Industrial & Domestic | Adequate |
| Noamundi | Baitarni River | Industrial | Source is about 20km away from Mines (51246 m ³ /hr)* |
| | Jojo Nalla | Domestic | Source is about 3 km away from Mines |
| Joda | Kundra Nalla | Industrial & Domestic | Source is about 5 km away from Mines (2977 m ³ /hr)* |
| Gomardih | Nakati Nalla | Domestic | Source is about 5 km away from Mines-not available |
| | Ground water | Industrial | Ground water is available in the active mining area-not available |
| Jharia | Damodar River | Industrial & Domestic | One km from site. |
| Sukinda | Mines Drainage | Industrial & Domestic | Mines drainage treated & used. |
| West Bokaro | Mines drainage + Raw River | Industrial & Domestic | Water is treated before use. |

* A study of pollution load on River Baitarani prepared by M/s. ECOMEN, Lucknow in August 1996

There is an increased emphasis on water re-circulation and conservation in all process units. Specific water consumption including power generation is given in Fig.6.13.



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In addition, the entire domestic consumption of the city of Jamshedpur, that is 59.82 million m³/annum of water (60.26 million m³/annum in 05-06), is supplied and managed by JUSCO (a100% subsidiary of Tata Steel).

Water consumed for industrial and domestic purposes at the other units is indicated in Table 6.7. The water consumption at the remaining units within the scope is insignificant and hence not reported.

Water sources affected

The water for industrial and domestic usage at Jamshedpur and other units is mainly drawn from surface water resources as presented in Table 6.6. These rivers are perennial in nature and water abstraction does not have any significant adverse impact on the eco-system.

Table 6.7: Water Consumption in million m³

| Units | Industrial | | Domestic | |
|-----------------|--------------|--------------|--------------|--------------|
| | 05-06 | 06-07 | 05-06 | 06-07 |
| Jharia | 1.03 | 1.04 | 3.96 | 4.1 |
| West Bokaro | 3.45 | 2.79 | 2.9 | 3.03 |
| Sukinda | 1.36 | 1.38 | 0.6 | 0.58 |
| Noamundi | 2.13 | 1.41 | 0.87 | 0.73 |
| Joda East | 1.42 | 1.39 | - | - |
| Gomardih | 0.011 | 0.10 | 0.08 | 0.08 |
| CRC West | 0.111 | 0.156 | - | - |
| Wire - Borivali | 0.20 | 0.17 | 0.048 | 0.049 |
| Wire - Tarapur | 0.25 | 0.25 | 0.015 | 0.015 |
| TOTAL | 9.962 | 0.576 | 8.473 | 8.614 |

The flow of river at the water abstraction point, which is 500 meters downstream from the confluence of Rivers Subarnarekha and Kharkai at Jamshedpur, is given in Table 6.8.

Table 6.8: Details of River flows

| Water Abstraction from River Subarnarekha | Post Monsoon | Winter | Summer |
|---|--------------|--------|--------|
| River flows at Jsr. cum/sec | 9.40 | 4.50 | 5.93 |
| Water pick up, cum/sec | 2.494 | 2.608 | 2.423 |
| Percentage of river flows | 26.53 | 57.96 | 40.86 |

Source: Regional Environmental Impact Assessment Study Report for Jamshedpur Region by NEERI, Nagpur

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The river water analysis is given in Table-6.9.

Table 6.9: River Water Quality

| Parameter | Class (B) Norms | Subarnarekha | | Kharkai | |
|---------------------|-----------------|--------------|--------|---------|--------|
| | | 05-06 | 06-07 | 05-06 | 06-07 |
| Cd | 0.01 mg/l | NT | NT | NT | NT |
| Cr +6 | 0.5 mg/l | 0.005 | 0.0055 | 0.006 | 0.0065 |
| Cu | 1.50 mg/l | 0.04 | 0.065 | 0.06 | 0.10 |
| Fe | 0.30 mg/l | 0.04 | 0.05 | 0.07 | 0.085 |
| Zn | 15 mg/l | 0.13 | 0.12 | 0.08 | 0.13 |
| Ni | NA | 0.07 | 0.06 | 0.12 | 0.13 |
| Mn | 0.50 mg/l | 0.07 | 0.12 | 0.04 | 0.10 |
| NO ₃ (N) | 20 mg/l | 3.5 | 4.4 | 3.6 | 2.1 |
| Pb | 0.10 mg/l | 0.028 | 0.03 | 0.024 | 0.02 |
| pH | 6.5 – 8.5 | 7.5 | 7.75 | 7.5 | 7.9 |
| Total Hardness | 300 mg/l | 141 | 81 | 154 | 98 |
| DO | 6 mg/l | 4.7 | 4.7 | 4.2 | 4.45 |
| TSS | NA | 43 | 42 | 44 | 40.5 |
| BOD ₃ | 2 mg/l | 6.5 | 5.0 | 5.5 | 4.0 |

NA – Not Applicable; NT – No Trace

Recycling & reuse of water (EN10)

Gross make-up water requirement for Steel Works was 89,422 cum/day (avg) during the reporting period. Approx 900,000 cum/day of water remain in circulation in steel manufacturing processes through the close circuit system and cooling ponds. The make-up water accounts for nearly 10% of the total water in circulation.



ENVIRONMENTAL PERFORMANCE

6.5. BIO-DIVERSITY

Land owned, leased or managed

The Steel Works is situated at Jamshedpur in the state of Jharkhand, India. The lease area for various units and the details of forest and non-forest land are furnished in the Table 6.10. The mine leases are areas rich in biodiversity.



Table 6.10: Land owned, leased or managed

| Unit | Lease area (hectare) | Forest area in lease (hectare) | Non-forest area in lease (hectare) |
|-------------|----------------------|--------------------------------|------------------------------------|
| Jamshedpur | 5093.95 | Nil | 5093.95 |
| West Bokaro | 1740 | 910 | 830 |
| Jharia | 2230 | Nil | 2230 |
| Noamundi | 1160.06 | 762.430 | 397.630 |
| Joda East | 671.093 | 521.622 | 149.471 |
| Gomardih | 372.796 | Nil | 372.796 |
| Khondbond | 978.000 | 836.757 | 141.243 |
| Katamati | 403.32 | 199.17 | 204.15 |
| Sukinda | 331.00 | 73.697 | 257.303 |
| CRC WEST | 10.09 | 2.4 | 3.6 |
| WIRE DIV | 32.32 | - | 32.32 |

Impact on protected and sensitive areas

Areas of operation of the Company do not have any World Heritage sites, sensitive areas, Biosphere Reserves or Protected areas. However, at a distance of 10 km from Jamshedpur, Dalma Wildlife Sanctuary is situated which is a protected area. The Regional EIA and carrying capacity study conducted by NEERI in May 1995 and 2000, and EIA studies conducted in 2005-06, indicate that there is no significant environmental impact on Dalma Wild Life Sanctuary. The Environment Protection Act 1986 in India defines (sensitive areas) Taj Mahal, Doon Valley, Dahanu, Mahabaleshwar and Coastal Regulatory Zones, etc. as sensitive areas. None of

these fall within a 10 km radius of the Company's operations.

No reportable changes to natural habitats have occurred from the Company's activities as indicated by Environmental Impact Assessment Studies conducted for various units, including mines and collieries.

Habitats protected or restored

Tata Steel takes adequate measures to ensure least damage to the nearby habitats. In additions Tata Steel has developed a zoo at Jamshedpur to protect the wild life and create awareness among citizens of Jamshedpur and nearby community.

ENVIRONMENTAL PERFORMANCE

Managing the impacts on biodiversity

Reclamation & Afforestation Measures:

- More than 3.85 million saplings were planted covering more than 450 hectares at the mines between 1997 & March 2004. More than 240 hectares of mined out areas have been reclaimed with plantations so far.
- Survival rates have been improved from 30% to 85% (in past 10 years) by providing protection to the saplings planted and watering them during dry periods.

- The Company has total capacity of raising 0.4 million saplings every year across various locations.
- Sir Dorabji Botanical Parks have been developed at Jamshedpur, West Bokaro, Dhanbad, Noamundi and Joda during the last 8-10 years. These parks house ornamental plants, fruit trees, more than 300 varieties of cacti, 100 varieties of roses, rare flowering plants, rock gardens, spices, condiments and medicinal plants.
- Reclamation of Jugsalai Muck dump at Jamshedpur.
- Massive plantation in all the units of Tata Steel is detailed in Table 6.11.

Table 6.11 Tree Plantation at various locations

| Location | Green Millennium Count-down 97-2K | 02-03 | 03-04 | 04-05 | 05-06 | 06-07 |
|------------------------|-----------------------------------|---------------|---------------|---------------|---------------|---------------|
| Jamshedpur | 204969 | 28155 | 11488 | 9845 | 5500 | 9676 |
| Mines Division | 717500 | 24300 | 37000 | 47000 | 37000 | 35970 |
| Collieries | 435555 | 125111 | 110287 | 156700 | 157254 | 123000 |
| FAMD-Sukinda/Bamnipal | 48250 | 22000 | 43568 | 48000 | 75000 | 129500 |
| Gopalpur | 62043 | - | - | 962 | - | - |
| Bearings Division | 2653 | 500 | - | - | - | - |
| CRC West | 1063 | 125 | 115 | 85 | - | - |
| TOTAL (numbers) | 1472033 | 200191 | 202458 | 262592 | 269254 | 295646 |

Red List species within operational areas

Noamundi & Joda mining lease areas have the following species

from Schedule-I & II of the Wildlife Protection Act 1972

Schedule-1 – Sloth Bear

Schedule-2 – Indian Python

(Note-There is some stray incidents of elephants passing by)

Data on IUCN Red list species have not been collected.

6.6. EMISSIONS, EFFLUENTS & WASTES

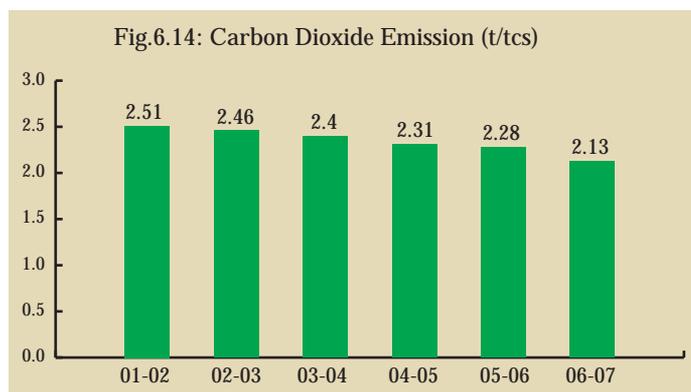
Approach to reduce GHG Emission

- Policy Initiative – Energy Policy, Environment Policy
- Benchmarking
- Closure of energy intensive and pollution prone processes
- Adoption of energy efficient technology
- Up-gradation of equipment and process
- Waste heat recovery
- Maximum utilisation of by-product fuel
- Waste Management – Reduce, Recycle & Reuse
- Monitoring and measurement
- Regular energy / environment audit and review

ENVIRONMENTAL PERFORMANCE

Recent initiatives to reduce green house gas emissions

- Waste heat recovery from BF stoves at G Blast Furnace
- Conversion of all Coal Fired Boilers to By-product Gas Fired Boilers (12 Nos.)
- Retrofitting of Coke Dry Quenching facility at existing Coke Batteries - 5, 6 & 7 (Under construction)
- Top Recovery Turbine for G and H Blast furnaces (Under construction)
- Installation of Variable Frequency drives at various places in the plant



Emission of Green House Gases

The Fig.6.14 shows the trend in specific CO₂ emission from Steel Works. CO₂ emissions calculations are based on GHG protocol guidelines and are reported in Table 6.12.



Table 6.12: CO₂ emission as per GHG protocol

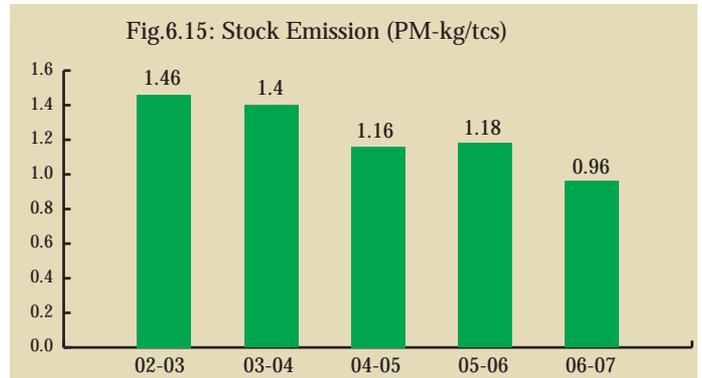
| Emmissions | Unit | 04-05 | 05-06 | 06-07 |
|--|-------|-------------|----------|----------|
| Process + Stationary Combustion | t | 10972384 | 12685398 | 12748927 |
| Mobile Emissions | t | 17489.50 | 18722 | 21092 |
| HFC Emissions | t | 1489.20 | 1358 | 1436 |
| Total Emissions | t | 10991371.72 | 12705479 | 12771455 |
| Crude Steel Production | t | 4103715 | 4730592 | 5045795 |
| Specific CO ₂ emission | t/tcs | 2.68 | 2.68 | 2.53 |
| Slag credit | t | 745767.15 | 922970 | 1130104 |
| Emission including slag credit | t | 10245204.57 | 11782509 | 11641351 |
| Specific CO ₂ emission including slag credit | t/tcs | 2.50 | 2.49 | 2.31 |
| Total emissions (Imported Elect.+ Mobile +HFC) | t | 738359.55 | 1001586 | 936688 |
| Total emissions excluding (Imported Elect.+ Mobile +HFC) | t | 9472234.79 | 11703891 | 10727190 |
| Specific CO ₂ emission excluding imported Elect.+ Mobile +HFC | t/tcs | 2.31 | 2.28 | 2.13 |

Indirect GHG emissions

The indirect GHG emissions are emitted from sources like refrigerators and air conditioners supplied by the organisation or owned by the employees at their residences, GHG emission on account of purchase of oxygen, etc. It is extremely difficult for a large entity like Tata Steel to compile data for such emissions.

Significant emissions

Tata Steel has undertaken several initiatives, which have resulted in a considerable reduction in stack emission as seen in the Figure 6.15.



Indian norms for SO₂, NO_x, & PM emissions from stacks in steel plants are furnished in Table 6.13 along with actual values monitored during the reporting period.

Table 6.13: Emissions from process stacks

| Sl. No. | Process Stacks Attached to | Air Pollutant | Indian Standard | Actual Value (05-06) | Actual Value (06-07) |
|---------|---|-----------------|------------------------|----------------------|----------------------|
| 1 | Blast Furnace Stoves | PM | 150 mg/Nm ³ | 18.4-20.9 | 17.2-20.5 |
| | | SO ₂ | No Standard | 78-122 | 89-156 |
| | | NO _x | No Standard | 122-172 | 112-186 |
| 2 | Sinter Plant | PM | 150 mg/Nm ³ | 96.6-143.9 | 88.4-151.9 |
| | | SO ₂ | No Standard | 121-235 | 165-268 |
| | | NO _x | No Standard | 32-488 | 28-578 |
| 3 | Refractories Production Department | PM | 150 mg/Nm ³ | 42.8-72.4 | 32.5-62.6 |
| | | SO ₂ | No Standard | 6-285 | 10-235 |
| | | NO _x | No Standard | 68-345 | 66-402 |
| 4 | Steel Melting Shops | PM | 150 mg/Nm ³ | 83.8-101.7 | 58.2-112.6 |
| 5 | Coke Plant Waste Gas | PM | 50 mg/Nm ³ | 18.1-84.1 | 19.3-88.1 |
| | | SO ₂ | 800 mg/Nm ³ | 28-385 | 77-262 |
| | | NO _x | 500 mg/Nm ³ | 93-438 | 174-368 |
| 6 | Captive Power Plants | PM | 350 mg/Nm ³ | 33.5-122.4 | 16.1-63.2 |
| 7 | Captive Power Plant-West Bokaro | PM | 350 mg/Nm ³ | 97-146 | 99.2-117 |
| | | SO ₂ | No Standard | 63-124 | 61-130 |
| | | NO _x | No Standard | 3.6-8.2 | 3.5-9.0 |
| 8 | Aquatherm Stack (Pickling & Cleaning Line) Tarapore | SPM | 150 mg/Nm ³ | 17.42 | 18.00 |
| | | SO ₂ | 228 kg/day | 33.00 | 31.00 |
| 9 | Pickling Scrubber, Tarapore | HCl Mist | 35 mg/Nm ³ | 12.5 | 12.10 |

ENVIRONMENTAL PERFORMANCE

Total emission load from Steel Works

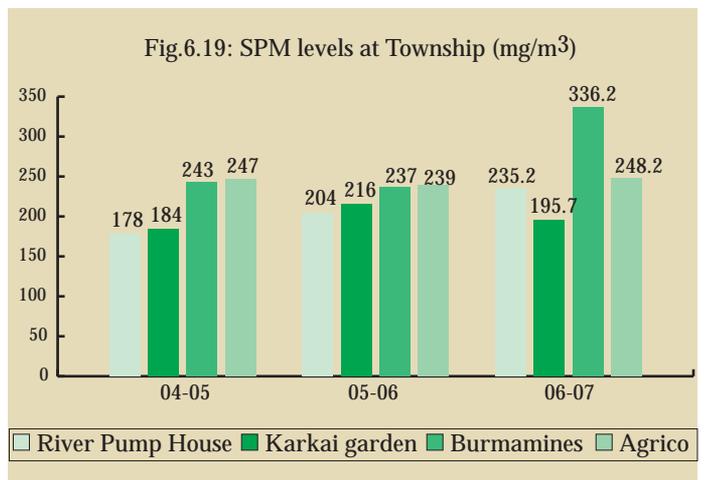
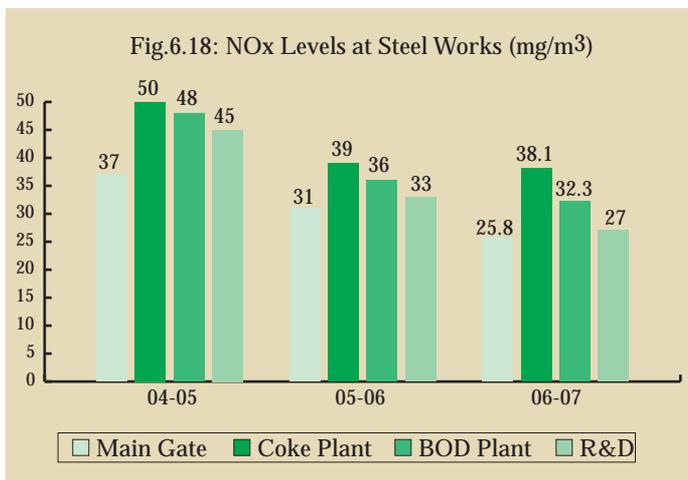
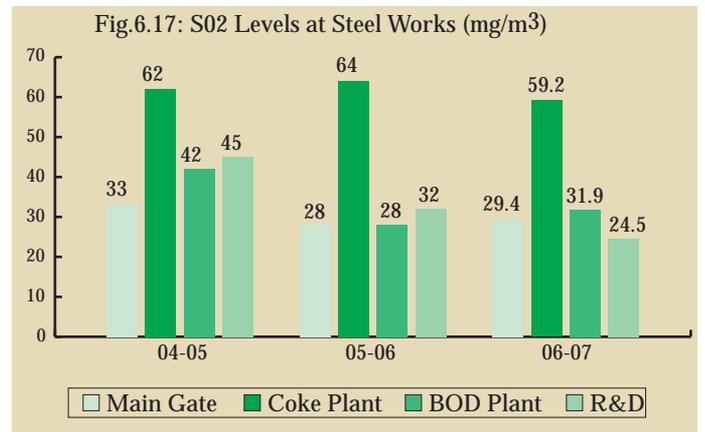
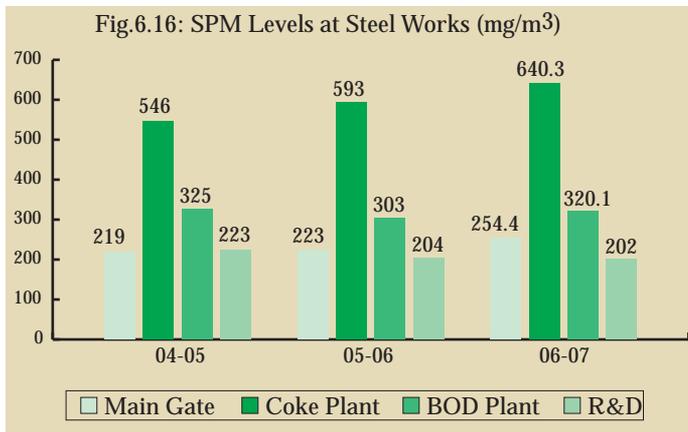
Total emission load from Steel Works at Jamshedpur is furnished in Table 6.14.

Table 6.14: Emission load from Steel Works at Jamshedpur (tonnes)

| Parameter (tpa) | 04-05 | 05-06 | 06-07 |
|--------------------|-------|-------|-------|
| Particulate Matter | 4777 | 5570 | 4666 |
| Sulphur dioxide | 8173 | 7287 | 6639 |
| Oxides of Nitrogen | 6538 | 6215 | 8264 |

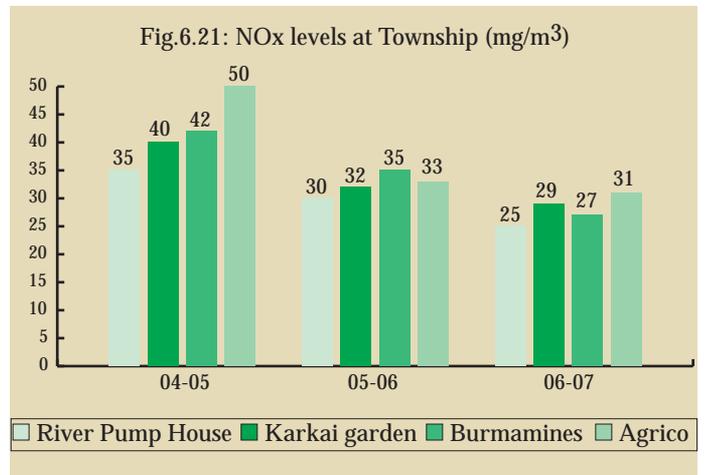
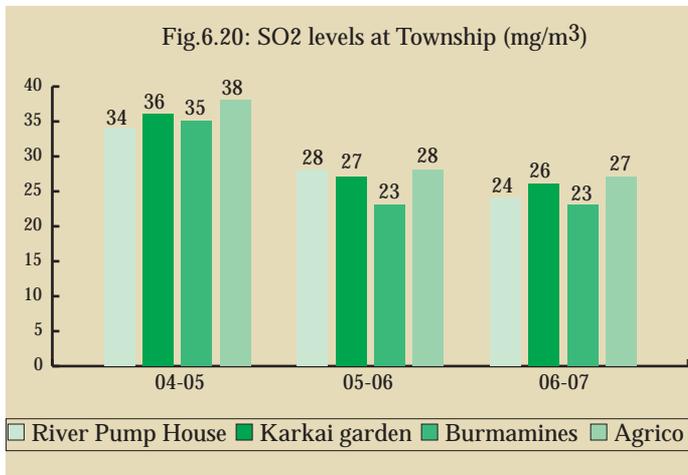
The Emission loads do not include fugitive emissions.

Ambient Air Quality at Jamshedpur

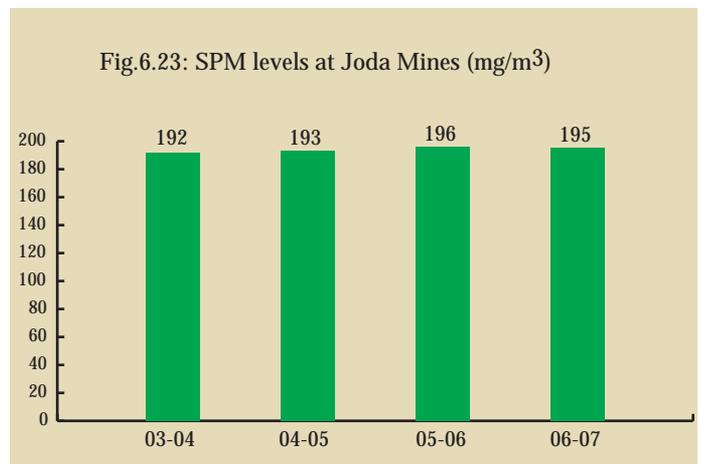
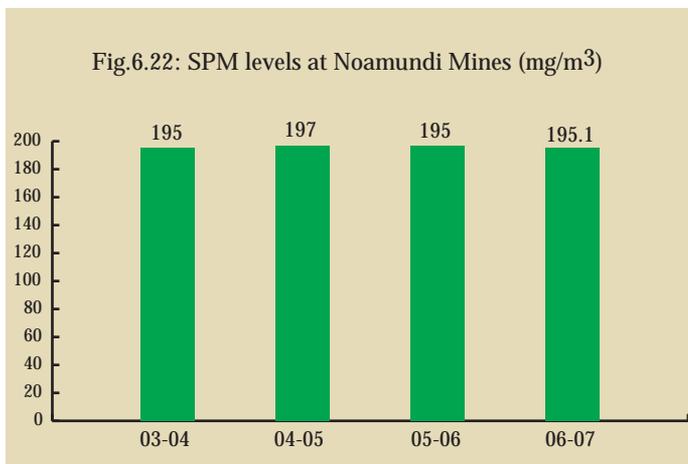


ENVIRONMENTAL PERFORMANCE

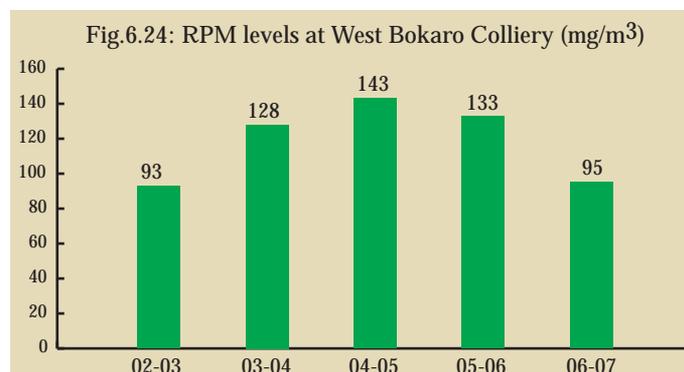
Ambient Air Quality at Jamshedpur



Ambient Air Quality at Mines



Ambient Air Quality at Collieries

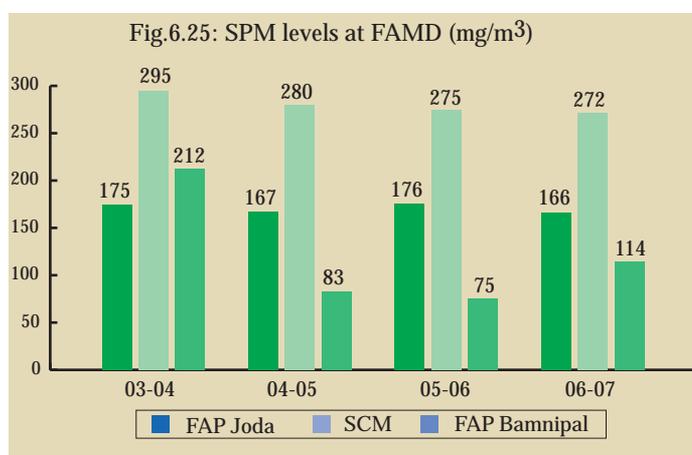


ENVIRONMENTAL PERFORMANCE

Table 6.15: AAQ at Collieries (06-07)

| Norms | RPM (mg/Nm ³) 250 | TPM (mg/Nm ³) 500 | SO ₂ (mg/Nm ³) 80 | NO _x (mg/Nm ³) 80 |
|------------------------|----------------------------------|----------------------------------|---|---|
| Jamadoba | 172.15 | 380.36 | 12.36 | 8.89 |
| 6&7 Pits | 179.24 | 360.5 | 13.17 | 9.11 |
| Digwadi | 178.36 | 399.36 | 13.69 | 7.84 |
| Sijua | 163.57 | 371.23 | 18.42 | 21.38 |
| Bhelatand | 167.16 | 362.19 | 18.4 | 10.52 |
| Jamadoba Coal Washery | 301.02 | 699.02 | 20.32 | 13.95 |
| Bhelatand Coal Washery | 197.7 | 430.96 | 18.93 | 10.35 |
| FBPP | 178.72 | 400.00 | 16.05 | 9.08 |

Ambient Air Quality at FAMD Division



Ambient Air Quality at Sukinda Chromite Mines

Table 6.16: AAQ at Sukinda (mg/m³)

| Station | 05-06 | | | | 06-07 | | | |
|----------------|--------|-----------------|-----------------|-------|-------|-----------------|-----------------|------|
| | SPM | SO ₂ | NO _x | RPM | SPM | SO ₂ | NO _x | RPM |
| COB Plant | 155.22 | 2.00 | 13.40 | 71.85 | 149.3 | 2.00 | 14.2 | 73.9 |
| Stack Yard | 175.57 | 2.00 | 15.67 | 82.34 | 167.4 | 2.00 | 16.6 | 82.0 |
| Laboratory Top | 88.82 | 2.00 | 10.62 | 37.30 | 96.5 | 2.00 | 11.0 | 48.3 |
| Hospital | 73.67 | 2.00 | 9.93 | 36.11 | 73.9 | 2.00 | 11.1 | 36.5 |

Ambient Air Quality at CRC West

Table 6.17: AAQ at CRC West (mg/m³)

| | 05-06 | | | | 06-07 | | | |
|----------------|-------|-----------------|-----------------|------|--------|-----------------|-----------------|-------|
| | SPM | SO ₂ | NO _x | HCL | SPM | SO ₂ | NO _x | HCL |
| Norm | 500 | 120 | 120 | 75 | 500 | 120 | 120 | 75 |
| Near Aquatherm | 208 | 23.2 | 17.5 | 15.2 | 278 | 33.92 | 25.97 | 20.7 |
| Near ET Plant | 180.2 | 26.1 | 23.3 | 17.9 | 261.42 | 32.52 | 24.88 | 17.64 |
| Near Scrubber | 177 | 29.7 | 23.4 | 31.2 | 184.57 | 25.27 | 25.18 | 33.74 |

Ambient Air Quality at Wire Division, Mumbai

Table 6.18: AAQ at Wire Division (mg/m³)

| | 05-06 | | | | | 06-07 | | | | |
|----------|-------|-----------------|-----------------|------|------|-------|-----------------|-----------------|-----|------|
| | SPM | SO ₂ | NO _x | HCL | Lead | SPM | SO ₂ | NO _x | HCL | Lead |
| Norm | 500 | 80 | 80 | 70 | 0.15 | 500 | 80 | 80 | 70 | 0.15 |
| Borivili | 273 | 33.3 | 29.8 | 17.8 | 0.02 | 276 | 32 | 27 | 15 | Nil |
| Tarapore | 325 | 41.2 | 32.2 | 24.3 | Nil | 251 | 34 | 28 | 16 | Nil |

WORK AREA ENVIRONMENT

Table 6.19: Visible Fugitive Emission from Coke Oven Batteries at Coke Plant

| Parameters | Applicable Legal norms | Batt#3 | | Batt#5 | | Batt#6 | | Batt#7 | | Batt#8 | | Batt#9 | |
|------------------------------------|------------------------|--------|-------|--------|-------|--------|-------|--------|-------|--------|-------|--------|-------|
| | | 05-06 | 06-07 | 05-06 | 06-07 | 05-06 | 06-07 | 05-06 | 06-07 | 05-06 | 06-07 | 05-06 | 06-07 |
| Percentage Leaking Doors (PLD) | 10% | 3.9 | 2.8 | 2.9 | 2.5 | 3.0 | 3.0 | 3.2 | 3.3 | 3.3 | 2.5 | 2.7 | 2.7 |
| Percentage Leaking Off Takes (PLO) | 4% | 1.3 | 0.59 | 1.3 | 1.0 | 0.9 | 1.37 | 1.2 | 1.8 | Nil | Nil | Nil | Nil |
| Percentage Leaking Lids (PLL) | 1% | Nil | 0.01 | 0.1 | 0.07 | 0.1 | 0.27 | 0.3 | 0.31 | Nil | Nil | Nil | Nil |
| Charging Emission (Sec/Charge) | 75 Sec. | 69 | 68 | NA | NA | NA | NA | NA | NA | NA | NA | NA | Nil |

NA – Not Applicable

Table 6.20: PAH (BaP) values at Coke Plant

| Parameters | Legal Norms (mg/m ³) | Stamp Charge Batteries | | Top Charge Batteries | |
|----------------------|----------------------------------|------------------------|--------------|----------------------|--------------|
| | | 05-06 | 06-07 | 05-06 | 06-07 |
| Oven Top | 5 | 0.456 | ND (DL-0.01) | 0.08 | ND (DL-0.01) |
| Ram side of Battery | 2 | 0.090 | ND (DL-0.01) | 0.27 | ND (DL-0.01) |
| Coke side of Battery | 2 | 0.035 | ND (DL-0.01) | 0.11 | ND (DL-0.01) |

ENVIRONMENTAL PERFORMANCE

Table 6.21: Work Area Environment at Dust Prone Units at Steel Works (SPM-mg/m³)

| Area | 2005-06 | 2006-07 |
|---|-----------|-----------|
| A-F Blast Furnaces Cast House | 0.52-2.87 | 2.57-4.75 |
| “G” Blast Furnace Cast House | 2.42-2.58 | 1.92-2.32 |
| Sinter Plants Machine Floor | 4.62-8.6 | 3.96-6.32 |
| Coke Plant Primary Crusher, Battery#5,6&7 | 2.34-2.65 | 2.28-2.42 |
| LD#1, Vessel Area 9m level | 1.12-1.25 | 1.22-1.32 |
| LD#2, Vessel Area 9m level | 0.95-1.15 | 1.05-1.28 |
| Raw Material Yard | 2.60-2.81 | 2.28-2.38 |
| Refractories Production, Machine Discharge Platform | 1.98-2.32 | 1.78-2.40 |
| Waste Recycling Plant, Slag Pit Area | 2.52-2.58 | 1.66-1.72 |

Ozone-Depleting Substances

The Steel Works used 4.723 tonnes of refrigerant during the reporting period compared to 5.747 tonnes of refrigerant used during previous year. The organisation has replaced R11 & R12 by R134 and vapour absorption systems.

Total water discharge

The Company discharges its treated effluent from the Works and treated domestic sewage from the township of Jamshedpur to the rivers Subarnarekha and Kharkai. Two Sewage Treatment Plants provided in the township of Jamshedpur and maintained by JUSCO have adequate capacity to treat the entire sewage of the town. Studies carried out by NEERI in the year 1993 & 2000 at Jamshedpur to assess impact on eco-systems/habitats of rivers found no significant impact on the aquatic eco-system. Noamundi and Joda Mines, West Bokaro, Jharia Collieries,

Sukinda Mines have achieved zero discharge. The domestic effluent is discharged through the septic tank – soaking pit route at the mines and collieries.

Wastewater from process is treated with best available physio-chemical methods and recycled in the process. Wastewater from the coke plant is treated biologically where organic pollutants are oxidized and decomposed by microorganisms. The absolute effluent quantities and pollution loads from the Steel Works are furnished in Table-6.22. Specific water pollutant discharge from Steel Works is shown in the Fig.6.26. Specific pollutant discharge is calculated based on total mass of ammonia, TSS, cyanide, phenol and oil & grease in kg discharged divided by total crude steel produced. Quality of effluents discharged from Steel Works is furnished in Table 6.23.

Noamundi and Joda Iron Mines and the West Bokaro Collieries and Jharia do not discharge any overflow from the Slime/Tailing Dams. The quality of the treated effluent discharged from the Jharia Group of Collieries is presented in Table 6.24

Table 6.22: Effluents & Pollutants discharged from Steel Works

| Parameter | Unit | 04-05 | 05-06 | 06-07 |
|-------------------|------------------------|--------|--------|--------|
| Effluent Quantity | Million m ³ | 11.10 | 11.20 | 13.56 |
| TSS | Tonnes | 721.30 | 726.20 | 690.60 |
| Oil & Grease | Tonnes | 21.13 | 23.98 | 19.28 |
| Ammonia | Tonnes | 94.94 | 103.98 | 64.59 |
| Cyanide | Tonnes | 1.05 | 1.20 | 1.33 |
| Phenol | Tonnes | 1.15 | 1.24 | 1.38 |

ENVIRONMENTAL PERFORMANCE

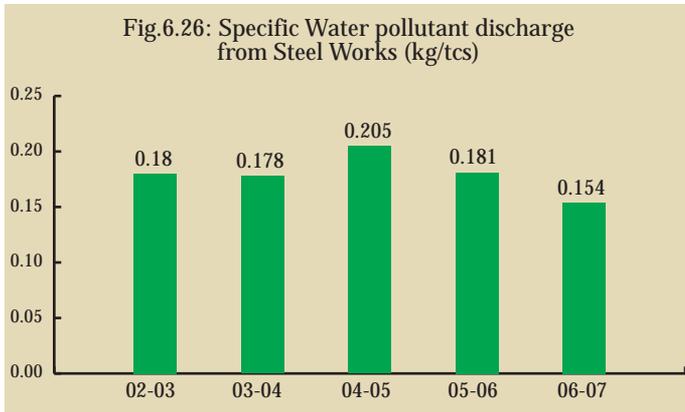


Table 6.23: Quality of Effluents in Steel Works Drains

| Works Drain | Parameter | Norms (mg/lit) | 04-05 | 05-06 | 06-07 |
|-------------------|-----------|----------------|-------|-------|-------|
| Susungharia Drain | TSS | 100 | 72.0 | 67.0 | 57.0 |
| | Cyanide | 0.2 | 0.12 | 0.11 | 0.13 |
| | Ammonia | 50 | 11.1 | 9.2 | 6.6 |
| Garam Nala Drain | TSS | 100 | 36.0 | 33.0 | 31.0 |
| HSM Drain | TSS | 100 | 33.0 | 48.0 | 42.0 |

Table 6.24: Quality of treated effluent discharged from Jharia Group of Collieries (06-07)

| Colliery | pH (5.5-9.0) | TSS (Max. 100 mg/lit) | DO (>5) | BOD (Max. 30 mg/lit) | COD (Max. 250 mg/lit) | Oil & Grease (Max. 10 mg/lit) |
|-----------------------|--------------|-----------------------|---------|----------------------|-----------------------|-------------------------------|
| Jamadoba -2 Pit | 8 | 28 | 7.2 | 1.33 | 45 | 1.01 |
| Jamadoba -3&4 Pits | 8 | 33.5 | 7.2 | 2.39 | 51.38 | 1.13 |
| Jamadoba -2 Incline | 8 | 11.66 | 7.08 | 1.22 | 30.33 | 0.74 |
| 6&7 Pits | 8 | 22.95 | 7.2 | 1.45 | 36.72 | 1.14 |
| Digwadi | 8 | 37.2 | 7.24 | 1.1 | 28.08 | 1.08 |
| Sijua -15 Pit | 7 | 28.7 | 7.14 | 2.5 | 47.03 | 1.66 |
| Sijua -8 Pit | 7 | 20.3 | 7.18 | 1.14 | 42.03 | 0.8 |
| Sijua -2 Pit | 7 | 8 | 7.0 | 1.2 | 60 | 0.48 |
| Bhelatand Amalgamated | 8 | 27 | 7.19 | 1.5 | 46.58 | 1.31 |

Effluent Management at CRC (West)

Wastewater from the pickling and cleaning line process is treated with the best available physio-chemical method. Some portion of treated water is used for gardening. Details are shown in Table 6.25.

ENVIRONMENTAL PERFORMANCE

Table 6.25 : Effluent details at CRC (West)

| | 04-05 | 05-06 | 06-07 |
|--|--------|-------|-------|
| Total quantity (m ³ /year) | 19071 | 20531 | 21806 |
| Specific quantity m ³ /tonne of pickling production | 0.128 | 0.122 | 0.145 |
| Waste water from cleaning line process | | | |
| Total quantity (m ³ /year) (figure corrected)* | 27590* | 44685 | 47277 |
| Specific quantity m ³ /tonne of cleaning pond | 0.48 | 0.66 | 0.665 |

Discharge water quality at Wire Division, Mumbai

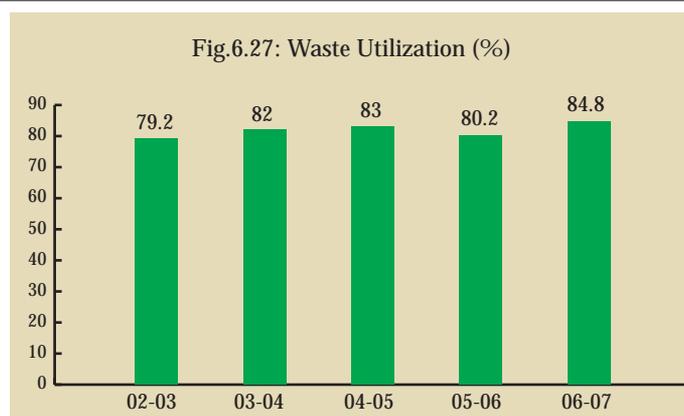
The Division ensures that only treated water is discharged into outlets. Results are shown in Table 6.26. The operations at the Wire Rod Mill involve no water discharge.

Table 6.26 : Effluent details at Wire Division

| Plant | Year | pH (5.5-9.0) | TSS (Max. 100 mg/l) | COD (Max. 250 mg/l) | BOD (Max. 100 mg/l) | Fe (Max. 5 mg/l) |
|---------------------|-------|-----------------|------------------------|------------------------|------------------------|---------------------|
| Borivili Wire Plant | 04-05 | 7.06 | 13.8 | 72 | 16 | 1.36 |
| | 05-06 | 7.1 | 12 | 55 | 10 | 1.32 |
| | 06-07 | 7.0 | 11 | 47 | 11 | 1.16 |
| Tarapore Wire Plant | 04-05 | 7.08 | 13.6 | 91 | 14 | 1.28 |
| | 05-06 | 7.0 | 19 | 58 | 10 | 1.31 |
| | 06-07 | 7.2 | 18 | 49 | 10 | 1.29 |

Solid Waste Management

Tata Steel generates around 672 kg of various kinds of solid wastes (excluding fly ash) to produce one tonne of crude steel. About 85% of these wastes are utilised either through recycling and reuse in own processes or sold as input materials to other industries. Remaining wastes are sent for safe land filling. The overall solid waste utilisation trend is shown in Figure-6.27.



The detail of various types of wastes and its utilisation are shown in Table-6.27. Waste generation is measured wherever practical, otherwise estimated. Among various types of wastes improving the utilisation of LD slag remains a challenge, which accounts for major portion of the non-utilised solid wastes.

ENVIRONMENTAL PERFORMANCE

Table 6.27: Waste Utilization at Jamshedpur

| Item | Usage Details | 05-06 | | 06-07 | |
|----------------|--------------------|----------------|-----------------|----------------|-----------------|
| | | Tonnes | % of generation | Tonnes | % of generation |
| B F Slag | Cement making | 1351619 | 91.07 | 1307719 | 84.92 |
| L D Slag | Sinter making | 700059 | 61.63 | 1046073 | 77.18 |
| B F Sludge | Domestic fuel | 40064 | 87.05 | 46465 | 90.60 |
| L D Sludge | Sinter making | 146334 | 114.00 | 184927 | 136.80 |
| Mill Scale | Sinter making | 68822 | 110.29 | 65106 | 96.41 |
| Flue Dust | Sinter & dom. fuel | 27979 | 27.55 | 76536 | 81.36 |
| Lime Fines | Sinter making | 112138 | 100 | 101747 | 100 |
| Dolo Dust | Sinter making | 24041 | 100 | 9947 | 100 |
| Ref. Waste | Sale | 10689 | 100 | 8326 | 100 |
| Tar Sludge | Coke making | 7900 | 100 | 4507 | 100 |
| BOD Sludge | Coke making | - | - | 248 | 100 |
| U/S Lime Stone | Sinter making | 24513 | 100 | 12730 | 100 |
| Mill Sludge | Sinter making | 12631 | 100 | 11193 | 100 |
| TOTAL | | 2526789 | 80.2 | 2875524 | 84.77 |

Hazardous Wastes & Bio-Medical Wastes

The details of hazardous wastes and bio-medical wastes at Jamshedpur Steel Works are furnished in Table 6.28.

Hazardous wastes generated at the mines and collieries were auctioned to registered recyclers and oily waste/sludge is land filled in secured landfills. Table 6.29 indicates the hazardous waste generated at Mines.

Table 6.28: Hazardous Waste Generation & Utilization

| Sl. No. | Waste | Class/Category (Indian Law) | Quantity | | Method of disposal |
|--|---------------------------------------|-----------------------------|----------|----------|------------------------------------|
| | | | 05-06 | 06-07 | |
| 1 | Tar Sludge | 1.8 | 5404 t | 2951 t | Recycled to Coke Plant |
| 2 | BOD Sludge | 1.9 | - | 248 t | Recycled to Coke Plant |
| 3 | Cyanide Sludge (at Ring Plant) | 11.1 | 19.2 t | 2.75 t | Treated in BOD Plant |
| 4 | Zinc Dross | 16.3 | 1447 t | 1554 t | Sold to authorized agencies |
| 5 | Chrome Sludge | 17.1 | 5.6 t | 8.05 t | Protected landfill |
| 6 | Lube oil sludge/ Coolant oil sludge | 37.1 | 2735 t | 2237 t | Recycled to Coke Plant/Power Plant |
| 7 | Lead acid batteries | 41.3 | 749 nos. | 817 nos. | Auctioned to registered recycler |
| 8 | Used lube oil/ grease | 44.1 | 260 kl | 286 kl | Recycled to Blast Furnace |
| Bio-Medical Wastes (Tata Main Hospital) Generation & Disposal | | | | | |
| 1 | Human anatomical wastes | 1 | 5935 kg | 7950 kg | Incineration – 100% |
| 2 | Micro-biological/bio-technology waste | 3 | 169 kg | 286kg | Autoclaving – 100% |
| 3 | Waste sharps | 4 | 5991 kg | 7575 kg | Incineration – 100% |
| 4 | Solid Waste (Infective Waste) | - | 5388 kg | 8793kg | - |

ENVIRONMENTAL PERFORMANCE

Table 6.29: Hazardous Wastes Generated at Iron Ore Mines

| Process | Waste | 05-06 | 06-07 |
|------------------------|---|-------|-------|
| Maint. and repair work | Oil sludge/ Emulsion/ Soaked cotton (m ³) | 25.41 | 30.34 |
| Lubricant | Used oil, Nos. barrels | 352 | 546 |
| Batteries | Used battery, Nos. | 177 | 197 |

Significant spills

There was no reported incidence of any oil spill or chemical spillage in the organisation during the reporting period.

Water bodies and related habitats significantly affected by discharges of water and run-off

As described earlier in this chapter, impacts on the water bodies and nearby habitats are not significant.

6.7. PRODUCTS & SERVICES

Initiatives to mitigate environmental impacts

Steel products are 100% recyclable in their life cycle. Tata Steel recycles all scrap, steel, generated in the plant. As a product it does not have any adverse environmental impacts as it forms the raw material for the value added products downstream.

Percentage of products sold and their packaging materials that are reclaimed

Tata Steel has sold 100% of its production during the reporting period. Most of the products are despatched without any packing material. Small quantity of gunny bags, wooden blocks, steel straps, etc. are used in packaging and transportation wherever essential or desired by the customer. These packing materials are not recycled by Tata Steel as the quality is insignificant.

6.8. ENVIRONMENTAL COMPLIANCE

During the reporting period no monetary penalty, fines or non-

monetary sanctions were imposed for non-compliance to Environmental Laws & Regulations.

6.9. TRANSPORT

Significant environmental impacts of transporting products and other goods

Diesel and Petrol consumed for transport of raw materials and by in-house vehicles are accounted for in the calculation of CO₂ emission as per GHG protocol. Company is promoting the use of fuel-efficient vehicles and even contractors are encouraged to use fuel efficient and safe vehicles.

Company vehicles including locomotives are monitored for vehicular emission (CO, HC for Petrol and smoke density for Diesel vehicles) every six months. All the contractors' and suppliers' vehicles are checked for Pollution Under Control Certificates at the Factory's entry gate.

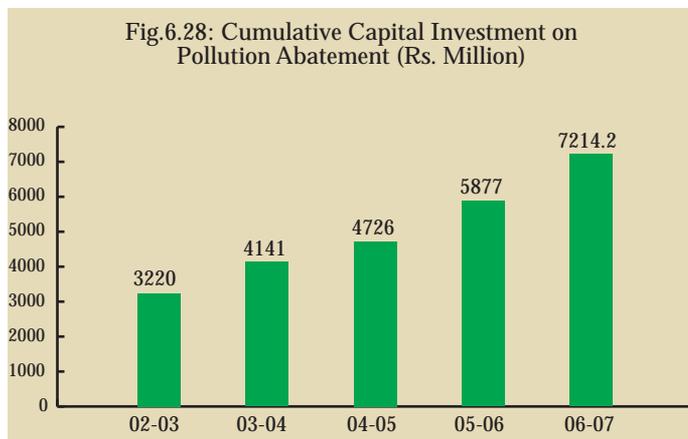
6.10. ENVIRONMENTAL PROTECTION EXPENDITURE

Capital Investment on Pollution Abatement

Under different phases of modernisation, several state-of-the-art pollution control systems have been installed to prevent and control pollution. Fig.6.28 provides details of the capital expenditure over the years, on pollution abatement. Expenditure during the reporting year on pollution abatement also includes facilities being provided in 6.8 mtpa growth plan at Jamshedpur Works.

ENVIRONMENTAL PERFORMANCE

Fig.6.28: Cumulative Capital Investment on Pollution Abatement (Rs. Million)



Operating Cost of Environmental Protection

The operating costs include expenditure on power consumption, consumable chemicals and spares, Water cess paid, and the revenue expenditure like cost of chemicals, glassware, etc. The operating expenditure at Steel Works Jamshedpur is shown in Table 6.30.

Table 6.30: Environmental Expenditure

| Cost Element | 02-03 | 03-04 | 04-05 | 05-06 | 06-07 |
|-------------------------------------|--------------|--------------|--------------|------------|------------|
| Power Consumption | 350 | 347 | 419 | 428 | 434 |
| Consumables | 300 | 300 | 216 | 277 | 281 |
| Revenue Expenses | 10 | 12.0 | 16.0 | 17 | 18 |
| Water Cess & Other Charges | 7.5 | 11 | 15.0 | 16 | 17 |
| Total Costs | 667.5 | 670.0 | 666.0 | 738 | 750 |
| Total Crude Steel production (mtpa) | 4.10 | 4.224 | 4.104 | 4.730 | 5.046 |
| Operating Costs, Rs./tcs | 163 | 159 | 162 | 156 | 149 |

CHAPTER 7

LABOUR PRACTICES

| SECTION | DESCRIPTIONS | PAGE NO. |
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| 7.2 | Employment | 108 |
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7.1 MANAGEMENT APPROACH

Employees at Tata Steel are treated with dignity and respect. Human Resource policies promote diversity and equity in the workplace, as well as comply with all labour laws, UN Global Compact Principles and international best practices. Tata Steel provides equal opportunities to all its employees and all qualified applicants for employment without regard to their race, caste, religion, colour, ancestry, marital status, sex, age and nationality. Employee policies and practices are administered in a manner that ensures that in all matters equal opportunity is provided to those eligible and the decisions are merit-based. Tata Steel aims at ensuring transparency, fairness and equity in all its interactions with its employees to create an enthused and happy workforce.

Tata Steel's Human Resource policy recognises its people as the primary source of its competitiveness. It focuses on constantly updating and challenging intellectual capabilities to enable them to excel in performance. Special efforts are made for enhancing strategic thinking skills and analytical abilities of its managers and workers. It ensures that employees' full potential is realised by designing work system and processes conducive to achievement orientation, providing opportunities to employees for development and career growth, motivating through recognition and reward catering to different employee segments.

Tata Steel strives to provide a safe and healthy working environment for its people and ensures compliance to all health, safety and environmental regulations in each area it operates. Safety and occupational health responsibilities are driven by the commitment to ensure zero harm to the people and society at large. It has policies and processes in place to address issues of safety, health and environment. Tata Steel has adopted and is certified to ISO-14001 and OHSAS-18001 guidelines in order to ensure continual improvement in safety, health and environment at work place. Safety improvement initiatives are being implemented with the help of DuPont, a world Leader in safety performance.

Tata Steel is a pioneer in the area of Joint Consultation in India. A system of Joint Consultation has been in place in Tata Steel for the last 50 years. The discussions include all labour related issues. This is a unique system in which both management and employee representatives consult each other at all levels on matters relating to the progress and prosperity of the organisation. It is a three-tier system, which fulfills the need for self-expression of employees. Employees discuss various issues related to production, productivity, quality, safety, welfare, training etc. Tata Steel has an impeccable record of industrial harmony. In the year 2003, Tata Steel celebrated 75 years of industrial harmony and mutual co-operation, coordination and understanding between the Management and the Union.

Pioneering Employee Welfare measures taken by Tata Steel:

- 1915 Free Medical Aid to all employees and dependent family members
- 1917 Welfare Department set up
- 1956 Joint Consultation instituted with Union Management Agreement
- 1989 Workplace Intervention for HIV/AIDS Awareness
- 1990 Incentive for Higher Technical Education

This Millennium began with the Company implementing several path breaking measures as well:

- 2001 Family Benefit Scheme
- 2003 R D Tata Technical Training & Education Centre
- 2003 Completed 75 years of Industrial Harmony
- 2004 Inserted clause against Sexual Harassment in the Works Standing Order
- 2005 SA 8000 certified for employee welfare
- 2007 Whistle Blower Policy

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7.2 EMPLOYMENT

Workforce Details

The men on roll in the Company, as on 31st March 2007 were 32,205 as compared to 38,182 as on 31st March 2006. The break up of workforce is furnished in the Table 7.1. Majority of the workforce is located in the State of Jharkhand & Orissa in India. Female workforce percentage is 4.71.

Table 7.1: Details of Workforce

| Location | Officers | Non-Officers | Total |
|--------------------|----------|--------------|-------|
| Tata Steel Limited | 3930 | 33275 | 37205 |

Details of contract labourers will be reported next year

Employee Turnover

During the reporting period attrition rate of officers was 5.6%, which is not significant. Attrition rate of non-officers is negligible.

Special benefits provided to Employees

Some of the special benefits given to the full time employees are given below.

Medical facilities:

Free medical facilities for self and family. Free medical facilities for self and spouse after retirement.

Housing facilities:

Subsidised electricity, water and housing facilities to all employees and preferential house allotment to working couples.

Higher studies:

Monetary incentives to employees acquiring higher qualification in related field. Study leave, scholarships etc.

Early Separation Scheme:

A monthly pension of 1 to 1.20 times of an employee's salary depending upon his age and length of service, till the time the employee would have attained the age of 60 is given on separation.

Family Benefit Scheme:

In case of fatality in the Works, a monthly pension equal to the amount of the last drawn salary of the deceased is given to the

legal heir until the time the deceased would have attained the age of 60.

Special leave to women:

15 days of additional leave is given to women executives, with children of less than 5 years of age, to take care of their children in case of sickness.

Holiday Home:

Tata Steel has four Holiday homes for the benefits of workers, supervisors and their families. These holiday homes are located at different places - Puri (17 double bedded room & 3 four bedded rooms), Haridwar (5 double bedded rooms & 1 four bedded rooms), Gangtok (6 double bedded rooms), Jamshedpur (4 double bedded rooms).

Tata Steel Officers' Beach Club:

All officers of Tata Steel are eligible to be a member of the Beach Club. The Beach Club offers "Tata Executive Holiday Plan" that includes selected Taj Group of Hotels, ITDC Hotels, Sterling Resorts and other branded hotels across the country. Besides this, Beach Club also provides a Horse Riding School and water sports facilities at Jamshedpur.

7.3 Labour-Management relations

Tata Steel has an impeccable record of industrial harmony. In the year 2003, Tata Steel celebrated 75 years of industrial harmony and mutual co-operation, coordination and understanding

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between the Management and the Union. During the reporting period, industrial relations remained normal at all locations.

Percentage of employees covered by collective bargaining agreements

Tata Steel has a firm belief that a healthy union is an asset for the company. Trade Unions are there at all locations. 100% of employees (other than officers) are represented by independent Trade Unions. The officers do not have any association or union. Collective bargaining issues are discussed with the recognized unions at different locations on a regular basis.

Employee's participation in decision-making

Tata Steel is a pioneer in the area of Joint Consultation in India. A system of Joint Consultation has been in place in Tata Steel for the last 50 years. This is a unique system in which both management & employee representatives consult each other at all levels on matters relating to the progress & prosperity of the organization. It is a three-tier system, which fulfills the need for self-expression of employees. Employees discuss various issues related to production, productivity, quality, safety, welfare, training, etc. excluding issues of collective bargaining & individual grievances. The three-tier system is made up of the Joint Consultative Council of Management, Joint Works Council & Joint Departmental Councils, supported by various sub-committees as shown in Figure 7.1.

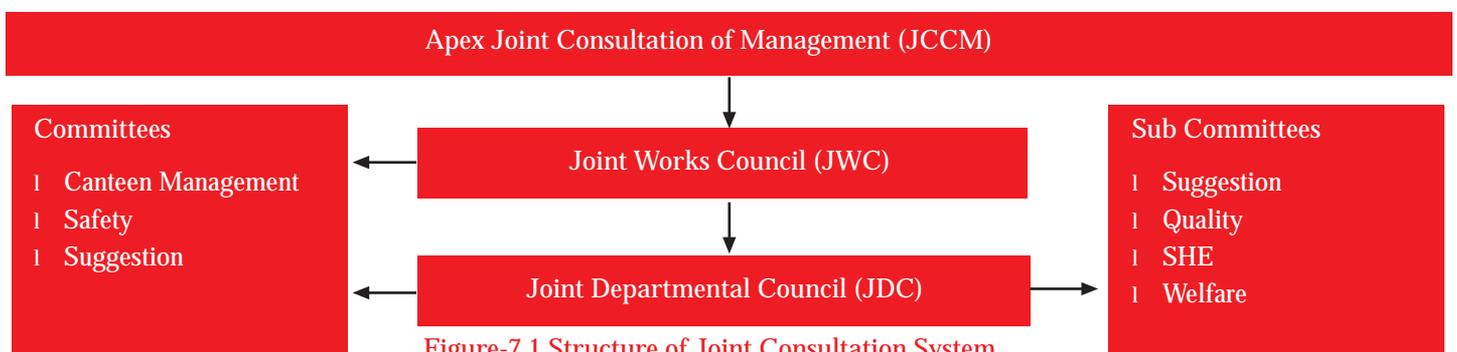


Figure-7.1 Structure of Joint Consultation System

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Office Bearers of respective unions are members of Joint Consultative Committees of Management and it is in this forum that they discuss issues except those concerned with of collective bargaining.

In the JCCM, JWC, JDC and other Sub-Committee meetings, issues related to operational performance, safety and environment, welfare of the employees and future directions for sustainable growth are discussed.

Minimum notice period(s) regarding operational changes
The organisational changes are in line with the policies of the company, agreements with the various Unions and Works Standing Orders. In all the cases, basic requirement such as, minimum notice period as specified (minimum one week) is given and the employee is also rehabilitated through new assignments through standardised procedure of training and awareness.

7.4 OCCUPATIONAL HEALTH & SAFETY

Workforce represented in formal joint management-worker health and safety committees

The senior management constitutes the Apex Safety Council in which the Managing Director of the Company is the Chairman and Members are Management and Workers Union representatives.

The Apex Safety Council is supported by nine Apex Safety Sub-Committees on Training, Safety Standards, Incident Investigation, Observation, Occupational Health, Isolation Policy and Procedures, Communication, Contractor Safety Management and Road and Rail Safety. Each Sub-committee has representation from the Workers Union as well as management.

Safety Performance

Tata Steel initiated a safety excellence journey under the guidance of DuPont resources, a world-class leader in safety. The safety programmes, which began at Steel Works, have been rolled out across all locations including Mines. These initiatives have led to a perceptible change in behaviour of employees including that of contractors, and outside the place of work. The Company aspires to become world-class in safety.

During the year, the organisation continued to focus on inculcating safe behaviour among employees through the “Will” of the top management. “Knowledge” among middle level and “Skill” among frontline employees. Well known company Du-Pont was hired as consultant for implementing the Safety Management System in Tata Steel. Besides strengthening the implementation of OHSAS-18001 management system, top management clearly indicated its commitment to improve safety, by documenting and communicating its safety philosophy in terms of “Safety Principles”. The safety organisation was restructured under three-tier system – the first layer comprises the Apex Safety Council headed by MD and supported by 10 Apex Safety Subcommittees on specific elements. Each one of these is headed by one Vice President and acting as policy and strategic committee; the second one working at business division level headed by concerned Vice President, supported by seven subcommittees to plan the implementation and the third one at departmental (Area) level, functioning for actual implementation of all strategies and plans. It further goes down to sectional levels for empowerment and involvement of people from down the line. All the safety committees are “joint” committees with union representation. They have a defined charter and a documented plan of action. Their functioning is reviewed periodically at an appropriate level.

The three-tier system involves all the line functions in carrying out safety observation visits with the objective to identify and correct unsafe acts. The observation process involves people from top management to frontline supervisors. All such observations are being tracked through an online “Safety Excellence Management System”. All the frontline employees are being trained to develop skills on action to be taken when they see any unsafe act.

Specific emphasis is being given to improve contractor safety management due to a concern on skill, literacy and knowledge level of hazard among contractor’s employees and also due to increase in construction activity arising out of expansion activity. Besides specifying criteria for award of contracts, a system to communicate and clarify the requirement on compliance to safety standards, as well as that for reward and penalty for non-compliance

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has been instituted. The system provides for continuous monitoring, evaluation and giving feedback for improvement to contracting patterns, in terms of “Severity Index” – a parameter that indicates severity of consequences in the event of safety violation. Orientation and training is an integral part of contract management and no contract employee is allowed to enter the plant unless he/she is trained at training center. A specific training on job safety analysis, safety inductions are also imparted at site. Effort is also made to ensure that only physically fit persons attend the job. These initiatives have improved safety standards at project sites to a level comparable to any world-class project sites.

System to capture near-miss cases has been put in place and a reward system has been introduced for reporting such incidents. Through online safety incident reporting system, all such reported incidents are communicated to all. They are analysed through a laid down procedure at the appropriate level based on the severity of the incident. The analysis is followed through until the cause is eliminated. This demonstrates the level of the commitment of the top management.

In order to provide specific direction on critical safety issues, 32 new safety standards (in addition to the 22 standards rolled out last year) were rolled out during the year applicable across the organisation. All the departments and divisions have identified the standards applicable to them and have upgraded their SOPs in line with the safety standards. A scheme to recognise these efforts has also been put in place.

A system has been laid to implement positive isolation of all the energy sources through individual and group locking arrangements to address the potentially serious incidents. It has been implemented

at some of the hazardous operation sites on a pilot basis and will be horizontally extended across the organisation.

Initiatives such as providing separate path for cyclists, one way traffic movement, track maintenance, insisting on three way mirrors and fail safe brakes in all heavy vehicles, etc. have been undertaken to improve road and rail safety by reducing the hazardous conditions. Several new PPEs have been introduced to strengthen the last line of defense. The mandatory use of eyewear in the plant area is the most salient of them all. Safety prescription glasses are also provided as per the individual requirement.

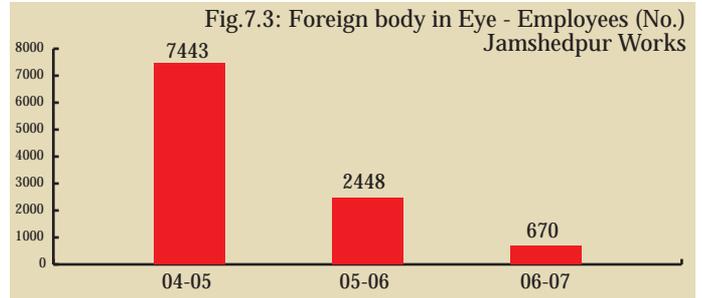
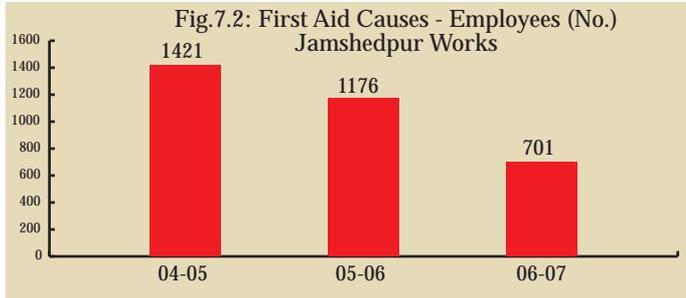
In order to improve ownership towards safety, line functions have been made “accountable” for safety performance. The safety performance features in the individual KRA and 20% of the variable pay for all executives depends exclusively upon the achievement of the safety targets. Monthly safety performance listing is being circulated indicating Departmental and Divisional safety performance. All these efforts are intended to drive in the safety principle and change the workforce behaviour.

Having experienced visible change in human behaviour at Steel Works, Safety Excellence journey has been rolled out at Jharia Coal Mines, West Bokaro, OMQ, FAMD, Tubes, TGS, Wire Division, CRC West, Bearings and CRM-Sisodra. Though changing human behaviour is a slow process, visible change noticeable across the organisation is reassuring, that indicates that the effort is in the right direction.

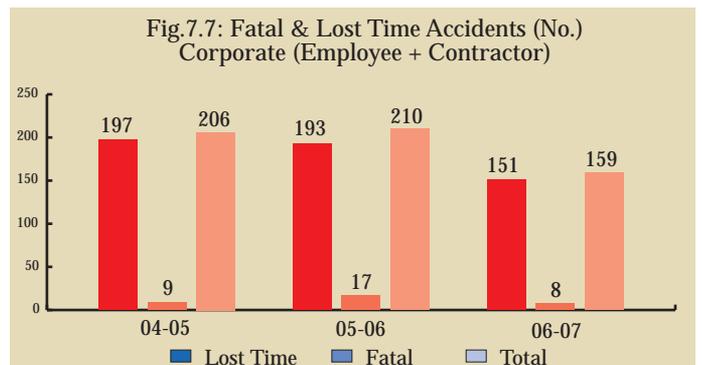
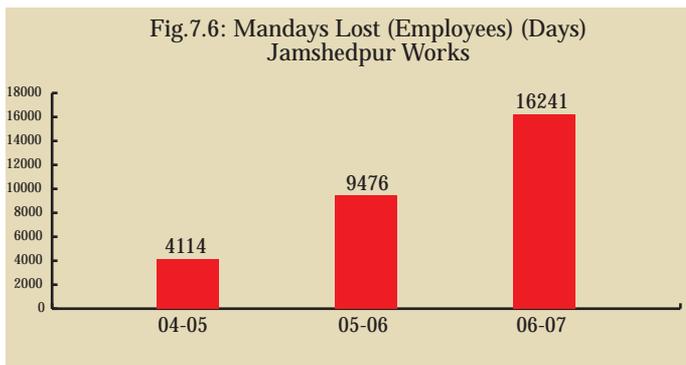
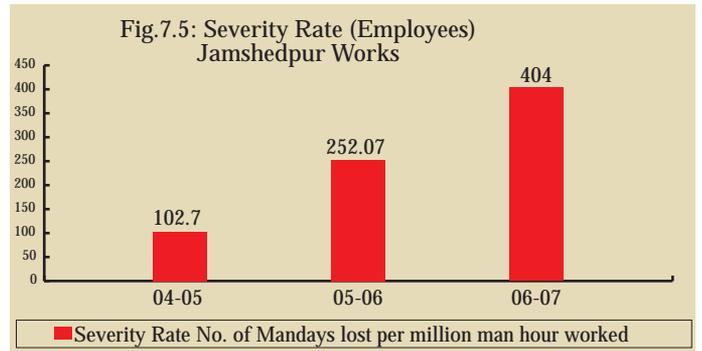
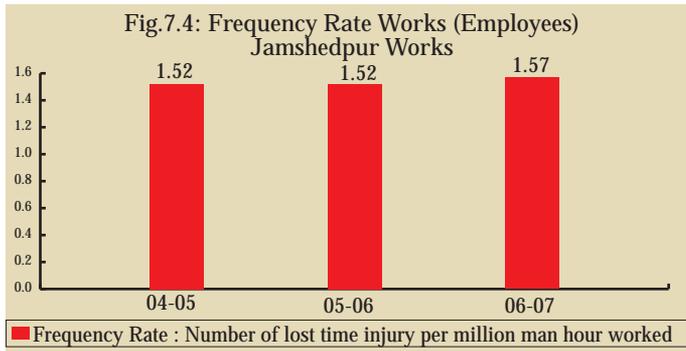
Overall effects of these initiatives at Jamshedpur Works are depicted in Figure 7.2 & 7.3

10 new safety standards

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Trends of lost time injury cases / Frequency Rate / Severity Rate / Man days Lost are given in Fig. 7.4, 7.5, 7.6 & 7.7. For each fatal accident, 6000 man-days loss is considered for calculation.

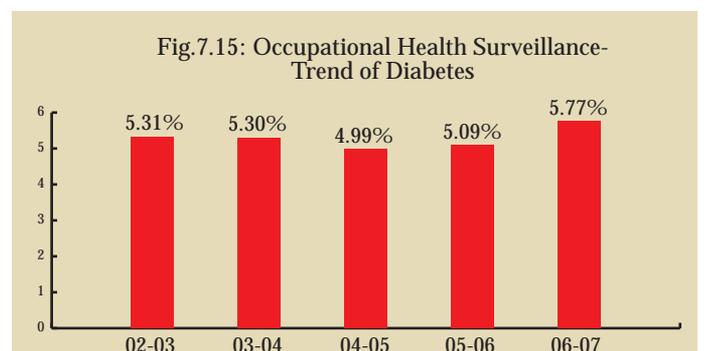
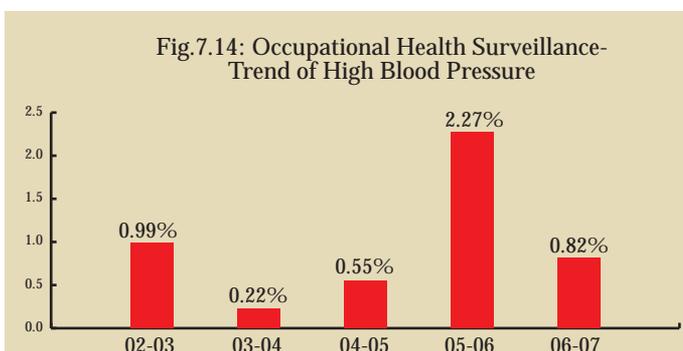
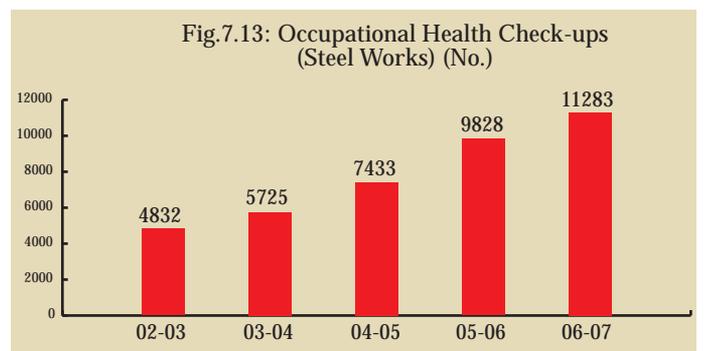
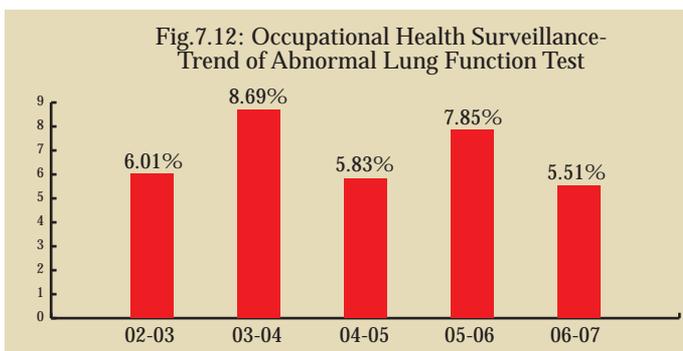
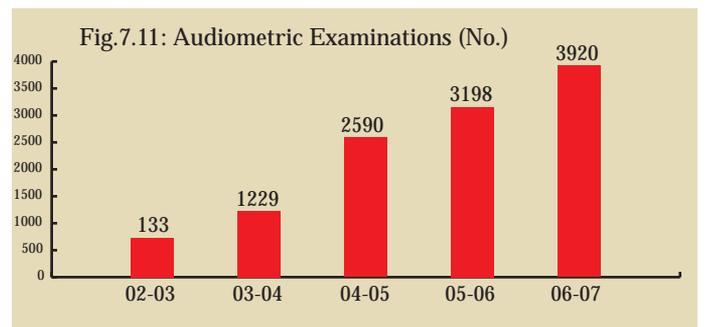
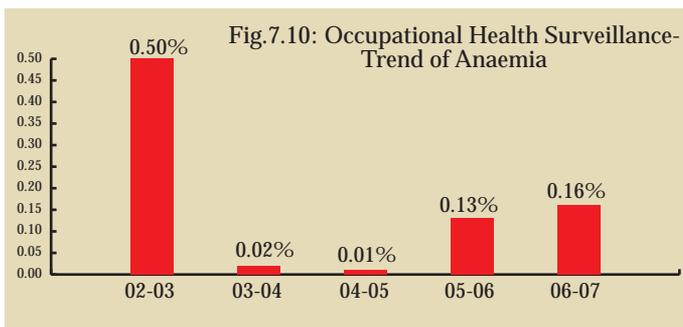
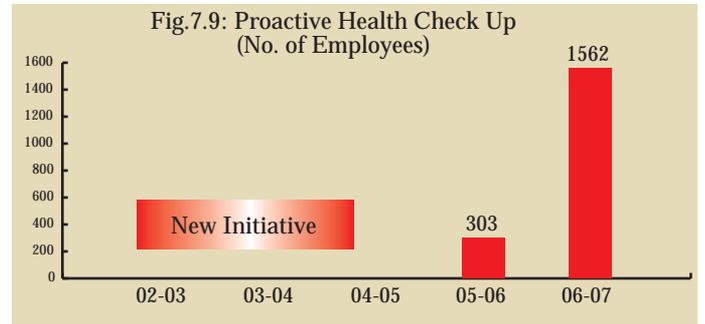
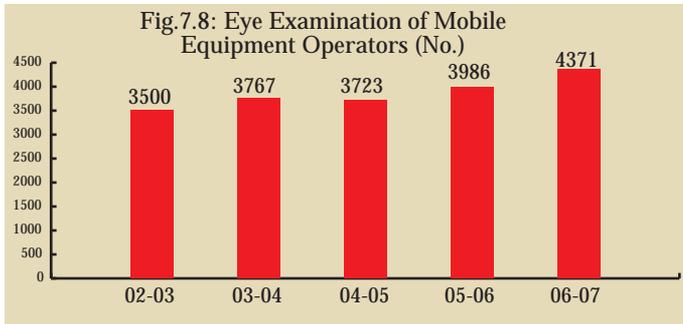


OHS Performance

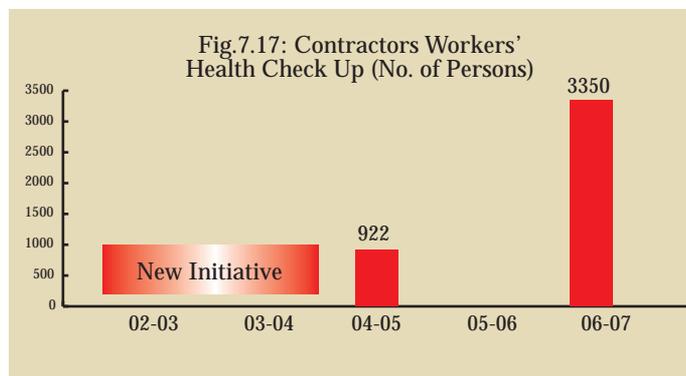
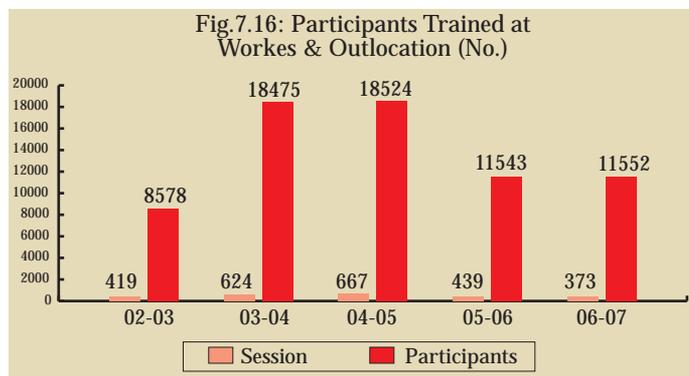
Tata Steel aims at the promotion and maintenance of the highest degree of physical, mental and social well being of workers. The main objective of Occupational Health Services is to protect the health of workers against the stress and potential health hazards of the work environment and to place the employees in work commensurate with their physical and emotional capacities.

The health of the workers is maintained and promoted through awareness, individual and group counselling and other preventive health measures including fitness or wellness programs, and periodic clinical reviews of health status. The trends related to health monitoring, health status and awareness programs for Jamshedpur Steel Works are given in Figure 7.8 to 7.15.

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Education, Training, Counseling & Prevention

Health education and awareness is one of the major preventive tools for improving the occupational health status of employees. Table 7.2 indicates the various training modules and number of employees covered by Occupational Health Services.

Table 7.2 : Training & Awareness on OHS

| Sl. No. | Topics | 2006-07 | |
|---------|-------------------------------|----------------|-------------------|
| | | Sessions taken | Employees Covered |
| 1 | CPR & First Aid | 153 | 3483 |
| 2 | CPR through 'Safety on Wheel' | 52 | 4716 |
| 3 | Health & Healthy lifestyle | 64 | 1315 |
| 4 | AIDS Awareness | 17 | 319 |
| 5 | Counseling | 28 | 457 |
| 6 | Occupational Health | 15 | 263 |
| 7 | Noise Hazards | 17 | 377 |
| 8 | Cardiac Risk Reduction | 7 | 194 |
| 9 | Stress Management | 2 | 38 |
| 10 | Dengue Fever | 2 | 77 |
| 11 | Ergonomics | 2 | 38 |
| 12 | Burn Safety & Eye Care | 3 | 62 |
| 13 | Diabetes & Hypertension | 4 | 82 |
| 14 | Occupational Lung Diseases | 1 | 17 |
| 15 | OHSAS-18001 | 2 | 39 |
| 16 | Physical Fitness | 2 | 37 |
| 17 | Stress Management | 2 | 38 |
| | Total | 373 | 11552 |

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In addition to the above, during 06-07, health educative programme for working women was organised to bring behavioral change towards health of self and family. Modular training programme of 3 days duration was organised to groom Occupational Health Coordinators and WSEI to facilitate OH related activities in their departments. Technique of Cardio-Pulmonary Resuscitation to revive unconscious patients was organised on large scale through Safety on Wheel. 8199 (4716 Safety on Wheels + 3483 Shop Floor) employees were trained by our doctors. The effectiveness was assessed by conducting mock drills at Works departments.

Risk Control Programmes related to Health

Occupational Health Surveillance

Employees were subjected to routine clinical examination and investigations like lung function test, X-ray examination of chest and blood examination for haemoglobin, blood urea, blood sugar, total and differential white blood cell count.

Hearing Conservation

Audiometric examination of employees conducted with state of the art Madsen make Computerized Audiometer in sound treated room. 3130 employees exposed to high noise level from 30 works department were examined, Counseled and motivated to wear PPE. 15 sessions of Awareness Programme on 'Noise Hazard Prevention and Hearing Conservation' organised in 17 departments with high noise areas. Workplace Visit done by OHS team to control Noise Hazard and create awareness.

Preventive Health screening of food handlers 100% coverage of 257 Food handlers of our Works and Tubes Division Canteen for Special Medical examination.

Proactive Health screening

Proactive Cardiac risk assessment by Cardio Profilor, which measures the atherosclerotic process in blood vessels, was done for 1385 Officers / employees. They were counseled and educated to lead regulated life style to prevent most common killer diseases – Heart disease and Stroke.

High tech health screening

Epidemiological study of Oven top workers and control group of Coke Plant consisting of bio-toxicological analysis was conducted to assess the impact of hazards.

Counseling

Individual and group counseling for Diabetic and Hypertensive employees detected during Routine health surveillance was done to ensure proper medication and life style modification.

Community Health Promotion

Programs like health check ups and awareness creation about life style diseases, proper nutrition and communicable diseases were organised in schools and other community centres. Initiatives on HIV & AIDS

It was the Founder, J N Tata's belief that, "a healthy worker is a productive worker". At Tata Steel, all our health initiatives aim to provide optimum health services to our employees and their families for mental, social and physical well being. This concern is also extended to all stakeholders. In economic terms too, healthy and happy workers are more productive; absenteeism and employee replacement/re-training costs are very low.

The Company has a stated policy on HIV/AIDS signed by the Managing Director. In 1994, Core Group-AIDS was formed under the Chairmanship of the then Deputy MD (Corporate Services) to focus on this grave threat and formulate strategies for its control and prevention. The Core Group-AIDS members are drawn from the existing staff of departments such as Social Services, Community Development, Personnel, Public Health, local health institutions and the Government-run Voluntary Counselling and Testing Center.

All initiatives on HIV/AIDS are integrated into the ongoing social and welfare programmes for the employees at the workplace at all locations, as well as the community residing in and around Jamshedpur. Tata Steel has a very strong culture of social responsibility, which is imbibed and practiced by employees and the citizens of Jamshedpur, resulting in a large army of social volunteers and social entrepreneurs.

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The activities of the Core Group-AIDS, include identification of target groups/areas, conducting AIDS Awareness Programs, developing peer leaders, developing and implementing a Health Information Management System at the District Civil Surgeon's office, organising sensitisation and skill building workshops on HIV/AIDS for doctors, para-medics and grass-root level staff, and helping prevent Parent to Child Transmission by facilitating safe delivery of the baby in a hygienic environment. Apart from this the Core Group-AIDS focuses on counselling of STD/HIV/AIDS patients and their family members, prepares teaching materials, distributes condoms through six condom vending machines and has a help line.

The Company also believes in networking to help create synergy in activities and ensure better utilisation of resources. It's partners include WHO, NACO and Jharkhand SACS, CII Indian Business Trust, Tata Council on Community Initiatives, ILO, Global Business Coalition on HIV/AIDS, Global Compact, Rotary International, British Council, Xavier Labour Relations Institute, Ladies Core Group – AIDS, Jharkhand AIDS Prevention Consortium, Jharkhand Health Society and other regional NGOs.

Addressing health and safety at workplace jointly with trade unions

The Joint Consultation agreement with the trade union was signed in 1956 to enhance the participation of the workforce in managing the operation of the organisation including Health and Safety aspects. The Joint Committees as explained above have been formed under these agreements at all locations with equal participation of employees and management. The representatives from the Union are duly elected members of the workforce of the Company.

7.5 Training and Education

The Human Resource Policy reaffirms the commitment of the Company to focus on people development and leverage their maximum potential to effectively and efficiently achieve the business objectives. Tata Steel believes that the foundation of a robust management system and effective processes to deliver customer value and achieve superior financial results lies in its ability to develop a continuously learning human resource base and through leveraging technology.

Table 7.3

| Subject | 02-03 | 03-04 | 04-05 | 05-06 | 06-07 |
|---|----------|----------|----------|----------|-----------|
| Average number of employees on roll | 45629 | 42511 | 40508 | 38182 | 37205 |
| No. of employees trained | 43248 | 36262 | 39648 | 37952 | 15088 |
| Training man days | 583848 | 561995 | 533085 | 468286 | 429767 |
| Man days per employee per annum | 13.5 | 13.22 | 13.16 | 11.93 | 11.36 |
| Total man hours for non-officer at SNTI | 1734275 | 1997356 | 1851144 | 1436525 | 12,66,322 |
| Total man hours for officers at TMDC | 75344 | 90156 | 65325 | 59806 | 9531 |
| Programme days | 18230 | 18080 | 18090 | 15833 | 13687 |
| Total number of new programmes | 58 | 45 | 51 | 47 | 54 |
| Programme Quality index (5 point scale) | 4.65 | 4.68 | 4.66 | 4.68 | 4.68 |
| Faculty Quality index (5 point scale) | 4.52 | 4.65 | 4.79 | 4.75 | 4.71 |
| Training expenditure per employee | Rs. 4114 | Rs. 4338 | Rs. 4473 | Rs. 5134 | Rs.4596 |
| No. of summer trainees | 979 | 1217 | 1193 | 658 | 343 |
| No. of officers nominated for external training programme | 745 | 804 | 830 | 611 | 452 |
| No. of participants in one year Foremanship programme | 45 | 52 | 55 | 55 | 55 |

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Human resource objectives and strategies are formulated through a systematic planning process and are aligned to the Company's business objectives and strategies.

Training of employees

The Table 7.3 contains additional data with regard to employee training in Tata Steel:

Programmes for skills management in employees Unionised employees in the Company are organised into clusters in the departmental hierarchy. Departments may have 3-4 clusters depending on the operational needs. Each cluster is a combination of jobs, necessitating multi-skilling of employees. Employees move up within and between clusters on attaining the requisite skill. While the Technical Training Institute imparts vocational and basic skills; the departments impart on-the-job training. Technical training programmes run by Technical Training Institute of the Company are indicated in Annexure-IX.

Skill enhancement is a continuous process. Skill training to an employee, which begins at the time of joining the Company, continues throughout his career. Reinforcement takes place by way of his promotion within and between clusters in a department.

In order to promote self-learning the Company has introduced e-learning whereby employees can access e-learning courses from their departmental e-learning centers. Many of the unionised employees, by virtue of their technical skill and experience, find gainful engagement after their retirement from the Company

Percentage of employees receiving regular performance and career development reviews

Tata Steel has in-house training facilities both for technical and managerial training. The training needs of all officers are identified through Personal Development Plans (PDP) in the SAP-HR portal on the intranet, and for all other employees by Training Need Surveys (TNS). Delivery of technical training by the Company's

Technical Training Institute and managerial training by the Tata Management Development Center (TMDC) enables the Company to enrich the mix of its workforce in terms of its managerial and technical competence. Higher end training requirements for both technical and managerial needs are met through external programs.

Officers trained on the managerial topics find them useful for their career growth as well as continued employability even after superannuating. Many employees manage career endings as a faculty in Management Institutes or assignments on contract with local companies. Equipped with managerial and technical skills some entrepreneur employees also start their own consultancy firms.

7.6 Diversity and Equal Opportunity

Equal opportunity practices

Tata Steel is an equal opportunity employer and doesn't discriminate on the basis of race, caste, religion, colour, ancestry, marital status, sex, age and nationality. Employee policy and practices are administered in a manner which ensures that in all matters equal opportunity is provided to those eligible, and decisions are merit based. Tata Steel has a belief that employees from different background bring unique set of capabilities for improved performance of the team and encourages the formation of a cosmopolitan workforce. It provides discrimination free workplace conducive to growth and happiness of the people. Violation of the equal opportunity policy is redressed through the grievance redressal mechanism and Ethics Counsellor.

Ratio of basic salary of men to women

Tata Steel's compensation philosophy does not differentiate between male and female employees. The remuneration is linked to responsibility levels and performance. For the same work or work of similar nature male and female employees are paid equal remuneration.

CHAPTER 8

HUMAN RIGHTS

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8.1. MANAGEMENT APPROACH

The Company is conscious of the fact that high standards for human rights enhance the Company's reputation and builds its brand equity. It gives confidence to various stakeholders that they are dealing with a value driven company.

Tata Steel upholds the spirit of human rights, as enshrined in various international conventions and declarations such as; United Nations Universal Declaration of Human Rights and its Protocols, United Nations Convention on Civil and Political Rights, ILO Declaration of 1998 on Fundamental Principles, Rights at Work, and principles of the UN Global Compact, etc. It is committed to conduct business in a manner that reflects highest ethical and moral standards. The Company expects all its employees and business partners to subscribe and adhere to this philosophy. All investment decisions integrate human rights considerations into the decision making process. Clause-17 of Tata Code of Conduct on Ethical Conduct clearly states that every employee of a Tata Company shall preserve the human rights of every individual and shall strive to honour commitments.

Tata Steel provides equal opportunities to all its employees and all qualified applicants for employment without regard to their race, caste, religion, colour, ancestry, marital status, sex, age, nationality, disability and veteran status. Employees of the Company are treated with dignity and in accordance with the Tata policy to maintain a work environment free of sexual harassment, whether physical, verbal or psychological. Employee policies and practices are administered in a manner which ensures that in all matters equal opportunity is provided to those eligible and the decisions are merit-based.

Tata Steel ensures protection of Fundamental Rights provided by the Constitution of India. It has a well-established Employee Grievance Redressal System, which is described in Annexure-IV. To avoid any harassment to the employees who raise concerns, a Whistle Blower Protection Policy has been implemented in the Company as described in Annexure-VIII.

8.2. INVESTMENT & PROCUREMENT PRACTICES

Tata Steel's commitment to human rights extends to all its significant investment decisions. Investments are made keeping in mind adequate performance in the area of safety, health, environment, human rights and good labour practices. Expenditure incurred on machinery and technology form a significant portion of total capital investment. These are sourced from reputed technology and equipment suppliers, who follow internationally accepted norms and standards on human rights.

The Procurement Division of Tata Steel has designed and deployed a robust process for ensuring human rights by suppliers and contractors:

- A comprehensive Vendor Registration format ensures that the information related to suppliers and contractors on various parameters including finance, environment, and registration details with various statutory authorities like Sales Tax, PF, Excise, PAN No. etc. are furnished before registration of the vendor.
- Financial status is verified by the bankers, if required.
- Independent vigilance report is obtained before registration to verify the credentials of the vendor, if required.
- Acceptance of Tata Steel's Code of Conduct is a pre-requisite for dealing with Tata Steel.
- Submission of compliance against various clauses of SA-8000 standard is mandatory for all vendors.
- Sample audits are done at vendors' premises to check the compliance against various requirements.
- Vendor performance is monitored on human rights, Labour laws, safety etc. besides price, quality, and delivery parameters. A system is being designed to capture the scores of SA 8000 compliance, which incorporates the principles of the UN Global Compact, during the social assessment by the Company or through the help of external agencies. This score will appear along with other parameters in the vendor performance evaluation.

HUMAN RIGHTS

In order to sustain the relationship with vendors, the following actions have been taken:

- Training of vendors on safety and environment.
- Refresher training on SA 8000 to contractors.
- Vendor Meet, chaired by the Senior Management Team.
- Training on safety/environment to labour/supervisors/contractors.
- Safety audit for contractors.
- Supplier Value Management programme ensures value creating partnerships with vendors.

The Procurement Division has created a “single window” system to address concerns of vendors. The Ethics Counsellor and Procurement Division closely monitor adherence to the Tata Code of Conduct by suppliers. Defaulters are penalised as per the norms laid out.

Steps taken by Tata Steel towards social organisations and SSI units for sustainability-

In case of social organisations and small-scale industry units, raw materials are issued on ‘conversion’ basis for the supply of finished goods, spares, and consumables. This reduces the burden of ‘working capital’ management of these small units. As a social responsibility initiative, social organisations and small-scale industries are patronised by giving them preference when placing orders, which otherwise can be serviced by larger units.

Employee training on relevant aspects of human rights
The Jamshedpur Works and FAMD Unit of Tata Steel are certified to SA-8000. Human Rights issues are covered during the training on Tata Code of Conduct and SA-8000. 175 employees were trained in SA 8000 programme during 2005-06. The employees so trained facilitate implementation of SA 8000 and related human right aspects in the Company.

8.3. NON-DISCRIMINATION

Tata Code of Conduct emphasises equal opportunities and non-discrimination. The Human Resource Policy of Tata Steel lays stress

on recognising people as the primary source for its competitiveness. The organisation is committed to equal opportunities for attracting best available talent and ensuring a cosmopolitan workforce. Improving the quality of life of its employees, developing their talent and maximising their productivity, and also ensuring transparency, fairness and equity in all its dealings with the employees, is another component of the organisation’s HR Policy. Tata Steel does not engage in or support direct or indirect discrimination in recruitment, compensation, access to training, promotion, termination or retirement based on cast, religion, disability, gender, age, race, color, ancestry, marital status or affiliation with a political, religious, or union organisation or a minority group. These also indicate its commitment to the principles of the UNGC.

Tata Steel has a position of an Ethics Counsellor to monitor any discrimination in its activities, services and products. The number of concerns submitted formally related to equal opportunity employer are given below;

- 2003-2004 - 17
- 2004-2005 - 12
- 2005-2006 - 13
- 2006-2007 - 08

8.4. FREEDOM OF ASSOCIATION & COLLECTIVE BARGAINING

Collaborative relationships and high employee engagement is an integrated part of Tata Steel’s culture. Tata Steel respects the employees’ right to exercise freedom of association and collective bargaining and provides necessary support for the same. There is a well-laid system of joint working and collective bargaining, which ensures that every employee is able to exercise this right without any fear. The issues for collective bargaining with union are clearly identified. Many other welfare measures are identified, discussed and implemented at various joint-working committees. Worker representatives are respected at all levels and are encouraged to discuss various issues concerning production, productivity and welfare of people.

8.5. CHILD LABOUR

Tata Steel engages no child labour. The minimum age required for employment in Tata Steel is 18 years. The recruitment process requires furnishing appropriate proof of age to ensure compliance.

The Social Accountability (SA 8000) clause on Child Labour guides communication and reinforcement to stakeholders on Tata Steel's expectations of their conduct in this regard. The Company's SA 8000 Manual expressly states that, no persons below the age of 18 years may be engaged by contractors, suppliers or vendors at any point, within or outside the company premises, and in the event of discovery of such a case, liabilities for the education of the child until completion of high school would accrue to the defaulting party. This guideline precedes Government of India rulings restricting the hours of work and kinds of jobs where child labour may be engaged. With the strengthening of the Child Labour Abolition and Control Act of 1986, the penalties stipulated by the State will additionally be upheld. To this effect, information is being disseminated to all our stakeholders.

The Company communicates from time to time with its employees not to engage Child Labour as domestic help and to actively discourage it. Several programmes are supported in the community to educate the children of domestic staff residing in Company accommodation so that they are able to seek a better future. The Company also promotes several social initiatives to discourage child labour in line with Principle 5 of the UN Global Compact.

8.6. FORCED & COMPULSORY LABOUR

There is no forced and compulsory labour in Tata Steel. The Grievance Redressal Committee and Ethics Counsellor adequately monitor violations of this requirement.

There is an established three tier Grievance Management System in Tata Steel, which ensures that grievances are resolved in a fair and transparent manner. The system also ensures that there is no retaliation by any party after the resolution of grievances. The details of grievance redressal procedure are furnished in Annexure-IV.

8.7. SECURITY PRACTICES

Tata Steel ensures that Human Rights abuses are not committed by Security agencies engaged by it in line with Principle 1 and 2 of UN Global Compact. There is a special Training Center dedicated to the training of security personnel on issues such as security practices and human rights. Trained security and district administration professionals impart training to the security personnel. Human rights aspects and various other important aspects on security procedures are covered under the following topics during training:

- Right of search
- Right of arrest according to CRPC Sec. 43
- Safety
- Weapon handling
- Rescue (Fire fighting)
- Domestic enquiry
- Motivation & positive attitude
- OSHAS & SA 8000
- Customer orientation
- Works Standing Order

8.8. INDIGENOUS RIGHTS

In line with the Group Purpose and Tata Code of Conduct, Tata Steel returns a fair share of what it earns to society. This evokes trust among consumers, employees, shareholders and the community it serves. Tata Steel has a Community Development and Social Welfare Department to serve the communities in Jamshedpur. In 1979, Tata Steel established Rural Development Society to address the needs of the rural communities in and around our sites of operations. In addition, there is a Tribal Culture Society, promoted and support by Tata Steel. These organisations have established community grievance management systems. Local representatives from the community including senior citizens are involved in the Sr. Citizen Forum, Spouses Dialogue, and Joint Community Meeting & Community Need Analysis. The concerns of the members of the society are discussed, prioritised and suitably addressed.

CHAPTER 9

SOCIETY PERFORMANCE

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9.1 MANAGEMENT APPROACH

Tata Steel has been most steadfast in upholding the vision provided by its founder, Jamsetji N. Tata over a hundred years ago. 'What comes from the people should go back many times over' - has been practiced at Tata Steel most resolutely. This belief is the key to its sustainability. Tata Steel aims to touch more lives through its principles of corporate sustainability as it continues to grow and globalise.

The leadership at Tata Steel believes that is not just about the creation of wealth, it is about the creation of a better world for tomorrow.

According to its Corporate Social Responsibility Policy, Tata Steel believes that the primary purpose of a business is to improve the quality of life of people. It is committed to volunteer its resources, to the extent it can reasonably afford, to sustain and improve a healthy and prosperous environment and improve the quality of life of the people of the areas in which it operates.

Tata Steel also has a Social Accountability Policy, which re-emphasises that it will continue to improve the quality of life of its employees and the communities it serves. It is committed to conducting its business ever mindful of its social accountability, respecting applicable laws and with regard for human dignity. It will also try to positively impact and influence its partners in fostering a sense of social commitment for their stakeholders.

Regarded globally as a benchmark in Corporate Social Responsibility, Tata Steel's commitment to its employees and the community remains the bedrock of continued sustainability. Its mammoth social outreach programme covers the city of Jamshedpur and over 800 villages in and around its manufacturing and raw materials operations through initiatives in the areas of income generation, health and medical care, education, sports, etc.

In 1970, Tata Steel formally incorporated its commitment to stakeholder concerns, including those of the nation and

environment in its Articles of Association. In 1980, much before the emergence of any global framework for reporting or voluntary disclosures on its operations to address stakeholder concerns, Tata Steel invited an independent panel to undertake a social audit. The first Social Audit was conducted in 1981 – a first in India.

Tata Steel is a founder member of the United Nations' Global Compact and Jamshedpur has been chosen to participate in the UN Global Compact Cities Pilot Programme.

9.2 COMMUNITY

Tata Steel's journey over the past hundred years is a fascinating saga of pioneering initiatives in steel making, responsible industrialisation with minimal impact on environment and the socio-economic empowerment of the community. In pursuit of its Vision, of improving the quality of life of its employees and of the community it operates in, including its ore mines and collieries, Tata Steel carried out numerous activities in the area of social development. The year under review was significant due to the announcement of several capacity expansion plans in greenfield sites. The Company showed commitment to address the sentiments and concerns of the people living in the vicinity of such sites and the families that may get displaced by the projects through its Rehabilitation & Resettlement and Tata Parivar programmes.

Rural development and income generation

In an effort to encourage long-term benefits and sustainable livelihoods through agriculture, the Company has been taking steps to strengthen agricultural development in the region. This year, 1,504 acres of wasteland were brought under single cultivation, while 412 acres of land under single cropping were brought under two crop rotations. An additional income of Rs. 103.55 lakhs was generated, benefiting 1,748 farmers. Apart from agricultural improvements, 128 beneficiaries have been supported to take up their own livestock enterprises including poultry, piggery, pisciculture as well as floriculture to make them self-

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particularly women, Tata Steel encouraged the development of community self-help groups. In the reporting year, 218 new groups were formed while 450 existing groups were sustained. Rs. 75 lakh savings were generated through bank linkages of the self-help groups. In addition, self-help groups received training in making jute and stone products and a candle and paper artifacts unit was established at the Tribal Cultural Center.

Population management

Tata Steel, in the period under review, focused on popularising its numerous reproductive health programmes. Its adolescent reproductive health project covered over 50,000 people during the year providing counselling on adolescent sexual health. About 10,000 couples adopted various spacing and permanent methods of family planning in this period. The Company organised camps at block levels, which enabled about 7500 women to undergo sterilisation (tubectomy). It also trained doctors to provide non-scalpel vasectomy (NSV) services.

Education

Under the Jyoti Fellowship, Rs. 25 lakhs was distributed among 430 tribal students, including two students who qualified for the Indian Institute of Technology (IIT). Similarly, under the Moodie Endowment programme, 59 science students were awarded scholarships worth Rs. 12 lakhs, this year. In addition to this, Project Sahyog covered 2,500 children through basic education. It conducted Bal Vikas classes for 1,300 children who were given primary education. Under the Shaksar Samaj project, 8,790 people were made functionally literate. Apart from this, vocational training was provided for aspiring community health providers, pathology technicians and for advance software management, office management, electrical welding, computer hardware, refrigerator repairing, etc.

Empowerment

To take the process of development beyond the creation of economic wealth, Tata Steel Rural Development Society (TSRDS) sought to galvanise entire villages towards a better quality of life. The mechanisms used by the Society to sow the seeds of opportunity included Self Help Groups, Early Childhood Educational

programmes, Youth Leadership Programmes, Camp Schools for dropout tribal girls, Farm Level Training, Training of Rural Artisans, Marketing Rural Handicrafts, Promotion of Sporting Talents, etc. The primary tools used by TSRDS to encourage its target groups to earn a better livelihood were: Irrigation projects, Agri Extension projects, Animal Husbandry, Kruiler Farming, Floriculture, Vocational Training etc. The Company also took up promotion of economically viable industries, including rural handicrafts and other cottage Industries among the rural people.

Community health

The Company sponsored the Lifeline Express, a unique hospital on rails, in the states of Chhattisgarh and Orissa and reached out to over one lakh people with diagnostic, surgical and post-surgery consultation on Orthopaedic and ENT disease, and vision and hearing impairment. The Company through a private-public partnership programme launched a project that focused on tuberculosis eradication through early detection and treatment. DOT Centers (Directly Observed Treatment Short Course) were set up across the city of Jamshedpur for referral, diagnosis and medicine distribution, which covered nearly 600 cases of Tuberculosis. The Sneh Kendra set up by the Company in Jamshedpur continued to provide pre and post-test counseling to people living with HIV/AIDS victims. It provided vocational training to HIV/AIDS affected women to help them become economically independent.

Furthering its partnership with the Jharkhand Government and its people, Tata Steel is committed to contribute Rs. 25 crores every year, for the next 30 years, to a government-run Health Insurance Scheme for the State's Below Poverty Line (BPL) families, who would be able to avail a medical insurance umbrella at zero cost.

Civic and municipal facilities

In order to further improve the quality of life of the citizens of Jamshedpur, 75% of who are non-employees, Tata Steel extended its water supply network in the peripheral areas. The treated effluent discharge exceeded the requirements of the State Pollution Control Board. A part of the effluent is reused inside the Tata Steel Works. Jamshedpur's drinking water quality exceeds the norms

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set by the World Health Organisation and Bureau of Indian Standards.

Sports and adventure

Cadets coached at the Tata Archery Academy and Tata Athletic Academy won two bronze medals at the Doha Asian Games. Two cadets trained at the Tata Football Academy were selected to join the national football team. The Tata Steel Adventure Foundation organised the first expedition consisting of Indian women to cross the Thar Desert. The Jharkhand basketball team, which won a Gold Medal in the Special Olympics National Basketball Championship, consisted of six physically and mentally challenged children trained at the JRD Tata Sports Complex. This year, trainees from Tata Steel coaching centers won a total of 373 medals at state and national level competitions.

Adventure Programme

In order to build their confidence, promote self belief and develop a “Can Do Attitude”, Tata Steel Adventure Foundation has been conducting adventure programmes from time to time for the visually challenged, the hearing impaired, mentally challenged and the rural people. Regular programmes are conducted for employees, corporates and special children annually.

Art & culture

The Tribal Cultural Society (TCS) of Tata Steel continued to support and inculcate the culture and heritage of various tribes of the region among the tribal youth and urbanised tribal communities. It organised important tribal festivals with their traditional zeal. Local cultural events like the “Chhau Mahotsava”, “Ho Mahasabha” and “Sarna Jhanda Julus” were organised at the Tribal Culture Center set up by Tata Steel. The “Gram Shree Mela” organised by Tata Steel in association with CAPART, India enabled artisans from all over India to showcase and sell products worth more than Rs 58 lakhs directly to the public.

Disaster relief by Tata Relief Committee

TRC took up massive relief operations that spread over five districts in tsunami ravaged Tamil Nadu. It distributed family kits, engine boats and nets to fishermen. It also set up a water desalination

plant for supply of safe drinking water, helped in the construction of 1,104 houses each of 400 sq.ft., constructed five community-cum-rain shelters each of 5,000 sq.ft. to accommodate a marriage hall, a panchayat office and a Village Knowledge Center. It also helped set up infrastructure for electrification, water distribution, sewer network and roads.

Tata Steel Parivar

The Company’s Rehabilitation & Resettlement (R&R) initiative is designed to adopt all families affected by its green-field projects under its ‘Tata Parivar’ programme. It is committed to increasing their income level and creating opportunities for sustainable livelihood, improving their quality of life and also preserving and promoting their culture. The programme includes tracking of each affected family, vis-à-vis their income and quality of life for at least five years. Nearly 100 youth nominated from such families, affected by Tata Steel’s project in Orissa and Chhattisgarh, were given vocational training under a tailor made programme called ‘Prerana’.

Affirmative Action

Tata Steel fully supports the need for growth and development of Scheduled Castes and Scheduled Tribes (SC/ST) in a spirit of Affirmative Action through its Policy on Affirmative Action and adoption of the Code of Conduct for Affirmative Action. In income generation, Tata Steel is creating entrepreneurship by supporting the development of two enterprise centers and empowering SC/ST women through the development of self-help groups. The Company is providing education to 100 SC/ST children through the Sarva Shiksha Abhiyan programme at Tata Steel Community Centres, supporting 2500 children in seven peripheral schools in life-skills development and financing 60 SC/ST youth through a residential coaching programme. Apart from the Jyoti Fellowship and the Moodie Endowment described above, 29 candidates from SC/ST are also availing funds in educational pursuits under the Millennium Scholarship and the V. G. Gopal Scholarship. In the area of sports development, Tata Steel is successfully supporting a number of SC/ST sportspersons with twenty-seven such candidates performing well at national and international meets. A major investment of Tata Steel in Affirmative Action occurs through the Tribal Cultural Society, which works to preserve and

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celebrate the cultural heritage of tribal communities and develop growth opportunities through an adult literacy programme, vocational training, scholarships and self-help groups, all targeted specifically at Scheduled Tribes and Scheduled Castes.

9.3 CORRUPTION

Management of Ethics

The Tata Code of Conduct and corporate values have been deployed in the Company through Management of Business Ethics (MBE). All the officers of Tata Steel have signed the Tata Code of Conduct. Tata Code of Conduct has a specific clause pertaining to bribery and corruption, which also addresses Principle 10 of the UNGC. The organisation has issued a Gift Policy, which clearly articulates the Gift Exchange procedures, values, etc. The Policy is presented in Annexure-VII. The Company has an Ethics Counselor to ensure that all the issues pertaining to ethics are dealt with as per the Code of Conduct. During the year 94 concerns were received, out of which about an average of only 25% concerns are valid. A summary is presented in Table 9.1.

With regard to bribery and corruption. The organisation has taken very strict actions against 14 Officers, 12 Non-Officers and 25 Vendors. The Vigilance Group of the company deals with bribery and corruptions issues. The focus, this year, was on re-enforcement of Code of Conduct among all the stakeholders by the process of stakeholder involvement.

In order to enhance employees' involvement in the process, many activities including, ethics quiz contest were organised during the Ethics Month – July 06. The understanding on Code of Conduct was re-enforced through a story based e-learning module which was prepared in Hindi as well as English and was put on our Company's Intranet and is being used by all employees. The interaction with the shop-floor employees with the Ethics Group was enhanced through Business Ethics Manthan programme organised through Knowledge Group. In order to generate confidence in the system, the importance of whistle blowing was emphasised and employees were encouraged to report any misconduct they observe, without any fear of retribution. A major step in employees' involvement was taken by involving the office-bearers of Tata Workers' Union in the MBE process.

Table 9.1 : Concerns received against TCOC Clauses

| COC Clause No. | TCOC Clause | Concerns | | | |
|----------------|--|----------|---------|---------|---------|
| | | (03-04) | (04-05) | (05-06) | (06-07) |
| 1 | National Interest | Nil | Nil | Nil | Nil |
| 3 | Competition | Nil | Nil | Nil | Nil |
| 4 | Equal Opportunity Employer | 17 | 12 | 13 | 8 |
| 5 | Bribery & Corruption | 1 | 2 | 1 | Nil |
| 13 | Co-operation of Tata Companies | Nil | Nil | Nil | Nil |
| 13 | Third Party Representation | 7 | 8 | 16 | 30 |
| 17 | Ethical Conduct (including Vendor Redressal) | 65 | 15 | 33 | 40 |
| 18 | Regulatory Compliance | Nil | 0 | 1 | 1 |
| 19 | Concurrent Employment | NIL | 2 | 4 | Nil |
| 20 | Conflict of Interest | Nil | 1 | 4 | Nil |
| 22 | Protecting Companies Assets | 14 | 6 | 3 | 12 |
| Others | Other clauses (2,8,14,16,19,21,24,25) | 22 | Nil | 6 | 3 |
| | TOTAL | 125 | 44 | 81 | 94 |

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The other stakeholders like vendors, dealers and distributors were also included in MBE process by involving them in various dialogues and workshops. A uniform policy for penalty for vendors was prepared for dealing with vendors' misconducts. In order to involve the community for the success of MBE, a workshop was organised with eminent representatives of the various fields of the society to formulate a presentation module for MBE to take it to various levels of community.

In order to uniformly deploy various policies like Whistle Blower Policy and Gift Policy in their companies necessary support was extended to the Associate companies of Tata Steel. Eastern Region Ethics Conference was organised with CEOs and Ethics Counselors of the Tata Companies of Eastern Region in order to share and learn various aspects of MBE. Eminent speakers in this field were invited to share their knowledge. MBE process was initiated in the new companies such as Tata BlueScope and Tata Steel (Thailand) Public Company Limited.

The senior leadership team reinforces the ethical behaviour through various fora like the General Dialogue, Senior Dialogue, MD On-line etc. and encourages employees to bring to their notice instances of unethical behaviour. Punitive actions were taken against employees for unethical conduct, where necessary. The effectiveness of the process is periodically evaluated by the number of concerns received during that period and various assurance surveys conducted by internal and external agencies. These results are analysed and the necessary steps are taken to improve the system and processes.

Tata Steel takes a very serious view of involvement of its employees in bribery and corruption. The Vigilance Group of the Company deals with bribery and corruptions issues. Employees involved in such cases are immediately removed from the company.

9.4 PUBLIC POLICY

Engagement in Public Policy

Tata Steel refrains from political alignment and lobbying and does not participate actively in public policy development. However, it is a member of many respectable industry associations

and supports a number of social service groups. On case-to-case basis it does provide necessary technical inputs to the government for policy development in national interest.

Political Contribution

Tata Steel doesn't encourage any political lobby or offers contributions to political parties as per the Clause#7 of Tata Code of Conduct. However, as per the group initiative, Tata Steel contributes to Tata Group Trust, which makes contribution to political parties. During the reporting period Tata Steel did not contribute any amount to the Trust.

9.5 ANTI-COMPETITIVE BEHAVIOUR

The organisation follows the Tata Code of Conduct and monitors the compliance related to various clauses of the Code of Conduct (Annexure-II). There is no case pending in any Court pertaining to violation of anti-trust and monopoly regulations. In line with Clause-3 of the Tata Code of Conduct, Tata Steel is committed to fully supporting the development and operation of competitive open markets and promote the liberalisation of trade and investment in each country and market it operates in. It does not engage in restrictive and unfair trade practices. The Company markets its products and services on its own merits and does not make unfair and misleading statements about competitors' products and services. Any collection of competitive information is made only in the normal course of business and is obtained only through legally permitted sources and means.

9.6 COMPLIANCE

The Company has a well-established system, procedures and review mechanisms to identify and comply with various applicable laws and regulations concerning its operations, products and services. During the reporting period, no fines or non-monitoring sanctions were imposed for non-compliance with laws and regulations.

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PRODUCT RESPONSIBILITY

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PRODUCT RESPONSIBILITY

10.1 MANAGEMENT APPROACH

Tata Steel follows the Tata Code of Conduct and ensures the compliance related to various clauses of the Code of Conduct (Annexure-II). Clause-9 of Tata Code of Conduct deals with quality of products and services which says,

“A Tata Company shall be committed to supply goods and services of the highest quality standards backed by efficient after-sales service consistent with the requirements of customers to ensure their total satisfaction. The quality standards of the Company’s goods and services should meet the required national standards and the Company should endeavour to become world-class.

A Tata Company shall illustrate adequate labels, caveats and other necessary health and safety information on its product packaging.”

A responsive marketing organisation ensures that customer complaints with regard to product quality are properly investigated in the shortest possible time and are resolved to the customer’s satisfaction.

The main Steel Works at Jamshedpur is certified to ISO-9000, ISO-14000 and SA-8000. The manufacturing process is designed in a robust manner to deliver consistent quality products that meet the required specifications.

In line with Clause-3 of the Tata Code of Conduct, Tata Steel markets its products and services on its own merits and does not make unfair and misleading statements about competitors’ products and services. Any collection of competitive information is made only in the normal course of business and is obtained only through legally permitted sources and means.



PRODUCT RESPONSIBILITY

10.2 CUSTOMER HEALTH & SAFETY

Steel products are environment friendly and do not pose any health or safety hazard as a result of their use. There was no instance of non-compliance with regulations related to health and safety of its products nor any fines/penalties have been imposed. There were no complaints in this area during the reporting period.

Life Cycle Assessment

Tata Steel participated in a Life Cycle Assessment (LCA) study for steel sector, which was sponsored by the Ministry of Environment & Forests, Government of India in 2002-2003. Life Cycle Assessment (LCA) provides a holistic approach to evaluate the performance by considering the potential impacts of all stages of manufacture, product use and end-of-life stages; commonly known as “cradle-to-grave” approach. A life cycle inventory was carried out to quantify resources used, energy and environmental emissions associated with the various processes of steel manufacturing up to the steel factory gate. Steel is a commodity product and it is almost impossible to track the end use of the steel. Steel is also a 100% recyclable material. Therefore, the study was limited to the factory gate.

Based on the various inputs of the study and its analysis with the help of National Metallurgical Laboratory, Jamshedpur, Tata Steel has benchmarked several issues related to raw material consumption, energy consumption, solid waste utilisation and green house gas emissions. The improvements in the performance of various parameters with the implementation of the

recommendations from the above study are seen through various indicators in this report.

10.3 PRODUCT SERVICING AND LABELLING

Product Information & Labelling

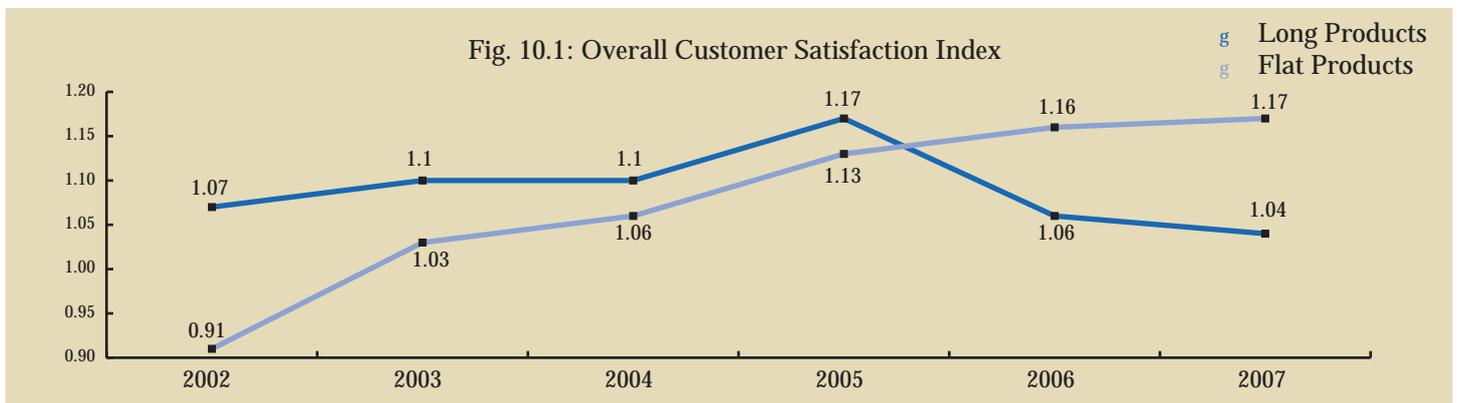
There are no regulations on product information and labelling other than the standards on physical dimensions and chemical composition on various products manufactured by Tata Steel. Test certificates are issued at the time of delivery to the customers.

Incidents of Non-Compliance

No instance of non-compliance with regulations concerning product information and labelling, including any penalties or fines assessed for these breaches occurred in the reporting period.

Measuring Customer Satisfaction

Our key processes for determining satisfaction of customers and building relationships for retention are done through “Manage Customer Accounts” and “Measure Customer Satisfaction” processes. Specific customer acquisition plans are drawn up on annual basis during ABP formulation, which is reviewed periodically. The determination of customer satisfaction is done segment-wise using products/ service attributes as parameters. This is achieved by conducting annual surveys. The overall results of the customer satisfaction survey are furnished in the Fig. 10.1.



10.4 MARKETING COMMUNICATIONS

Tata Steel markets its products and services on its own merits and does not make unfair and misleading statements about competitors' products and services. Any collection of competitive information is made only in the normal course of business and is obtained only through legally permitted sources and means. Tata Steel advertises for its corporate image during the reporting year as well as for and product promotion.

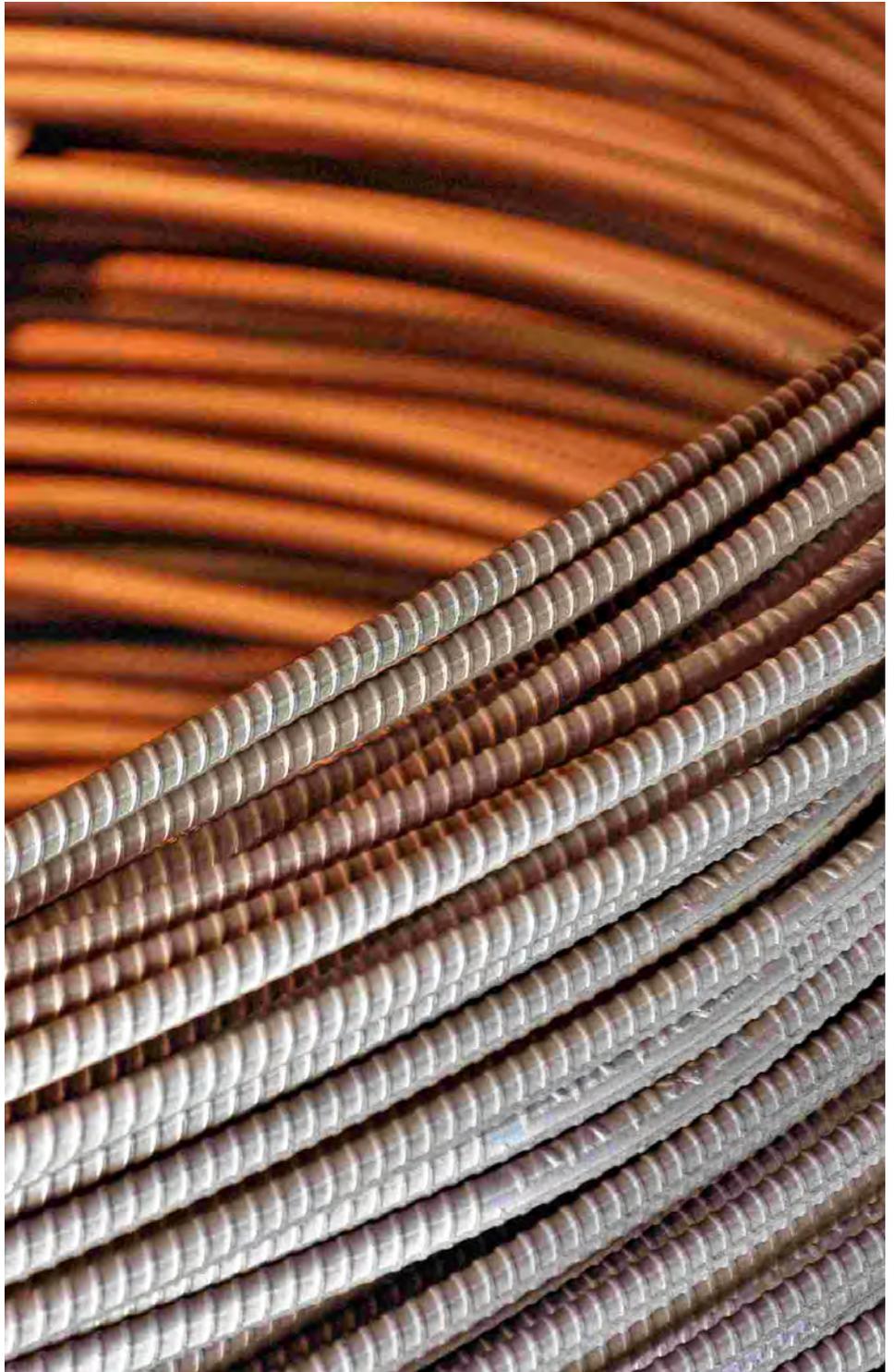
The advertising agencies subscribe to the ethical standards advocated by Advertising Standard Council of India. No breach of advertising and marketing regulations was brought to the notice of Tata Steel during the reporting period.

10.5 CUSTOMER PRIVACY

Privacy related to consumer information, such as, specifications of special products developed for specific consumers are protected through confidentiality agreements. There was no substantiated complaint regarding breach of consumer privacy against Tata Steel during the reporting period.

10.6 COMPLIANCE

No monetary fines were imposed on Tata Steel during the reporting period for non-compliance with laws and regulations concerning the use of products and services.



CHAPTER 11

ANNEXURES

| ANNEXURE NO. | DESCRIPTIONS | PAGE NO. |
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| I | Global Compact - the ten principles | 141 |
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Annexure-I

GLOBAL COMPACT (UNGC) - THE TEN PRINCIPLES

At the World Economic Forum, Davos, on January 31, 1999, UN Secretary-General Kofi A. Annan challenged world business leaders to “embrace and enact” the Global Compact, both in their individual corporate practices and by supporting appropriate public policies. These principles now cover human rights, labour, environment and anti-corruption.

Human Rights

The Secretary-General asked world business to:

- 1 support and respect the protection of international human rights within their sphere of influence; and
- 2 make sure their own corporations are not complicit in human rights abuses.

Labour

The Secretary-General asked world business to uphold;

- 3 freedom of association and the effective recognition of the right to collective bargaining;
- 4 the elimination of all forms of forced and compulsory labour;
- 5 the effective abolition of child labour, and
- 6 the elimination of discrimination in respect of employment and occupation.

Environment

The Secretary-General asked world business to:

- 7 support a precautionary approach to environmental challenges;
- 8 undertake initiatives to promote greater environmental responsibility; and
- 9 encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

The Secretary General stressed that the business should work against all forms of corruption, including extortion and bribery.

ANNEXURES

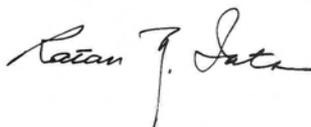
Annexure II

TATA CODE OF CONDUCT 2008

Foreword

The values and principles which have governed the manner in which the Tata Group of Companies and their employees have conducted themselves were first formally articulated as the Tata Code of Conduct in 1998. This Code was intended to serve as a guide to each employee on the values, ethics and business principles expected of him or her in personal and professional conduct. It is however important to consider the effect of the rapidly increasing footprint of Tata Group Companies across nationalities and geographical boundaries on the Code, whilst retaining the ethos of the Tata brand and reputation. This emergent global presence requires an appropriate modification of the Code to ensure that it addresses and encompasses diverse cultural, business and related issues universally across our Group.

I urge each employee to read the current version of the Tata Code of Conduct and take pride in upholding the high standards of corporate and personal behaviour on which the Tata Group's reputation and respectability have been built over the past 130 years.



Ratan N. Tata
Chairman

Clause 1: National Interest

The Tata Group is committed to benefit the economic development of the countries in which it operates. No Tata Company shall undertake any project or activity to the detriment of the wider interests of the communities in which it operates. A Tata Company's management practices and business conduct must benefit the country, localities and communities served to the extent possible and affordable, and shall be in accordance with the laws and economic development policies of the government of each country.

A Tata Company, in the course of its international business activities, shall respect the culture, customs and traditions of each country and region in which it operates. It shall conform to international trade procedures, including licensing, documentation, and other necessary formalities as applicable.

Clause 2: Financial Reporting and Records

A Tata Company shall prepare and maintain its accounts fairly and accurately in accordance with the accounting and financial reporting standards which represent the generally accepted guidelines, principles, standards, laws and regulations of the country in which the company conducts its business affairs. Internal accounting and audit procedures shall reflect, fairly and accurately, all of the company's business transactions and disposition of assets, and shall have internal controls to provide assurance to the Company's Board and shareholders that the transactions are accurate and legitimate. All required information shall be accessible to company auditors and other authorised parties and government agencies. There shall be no willful omissions of any company transactions from the books and records, no advance income recognition and no hidden bank account and funds.

Any willful, material misrepresentation of and / or misinformation on the financial accounts and reports shall be regarded as a violation of the Code apart from inviting appropriate civil or criminal action under the relevant laws. No employee shall make, authorise or collude in an improper payment, commission or bribe.

Clause 3: Competition

A Tata Company shall fully support the development and operation of competitive open markets and shall promote the liberalisation of trade and investment in each country and market it operates in. Specifically, a Tata Company shall not engage in restrictive trade practices and activities that generate or support the formation of monopolies, dominant market positions, cartels and similar unfair trade practices.

A Tata Company shall market its products and services on its own merits and shall not make unfair and misleading statements about competitors' products and services. Any collection of competitive information shall be made only in the normal course of business and shall be obtained only through legally permitted sources and means.

Clause 4: Equal-Opportunities Employer

A Tata Company shall provide equal opportunities to all its employees and all qualified applicants for employment without regard to their race, caste, religion, colour, ancestry, marital status, sex, age, nationality, disability and veteran status. Human Resource policies should promote diversity and equity in the workplace, as well as comply with all labour laws and international best practices. Employees of a Tata Company shall be treated with dignity and in accordance with the Tata policy to maintain a work environment free of sexual harassment, whether physical, verbal or psychological. Employee policies and practices shall be administered in a manner that would ensure that in all matters equal opportunity is provided to those eligible and the decisions are merit-based.

Clause 5: Gifts and Donations

A Tata Company and its employees shall neither receive nor offer or make, directly or indirectly, any illegal payments, remuneration, gifts, donations, or comparable benefits, which are intended to or perceived to obtain business or un-competitive favours for the conduct of its business and shall participate in efforts to eliminate such forms of bribery, fraud and corruption. However, a Tata Company and its employees may accept and offer nominal gifts which are customarily given and are of commemorative nature for special events.

ANNEXURES

Clause 6: Government Agencies

A Tata Company and its employees shall not offer or give any company funds or property as donation to any government agencies or their representatives, directly or through intermediaries, in order to obtain any favourable performance of official duties. A Tata Company shall comply with government procurement regulations, and shall be transparent in all its dealings with government agencies as applicable.

Clause 7: Political Non-Alignment

A Tata Company shall be committed to and support functioning democratic constitutions and systems with transparent and fair electoral systems. A Tata Company shall not support directly or indirectly any specific political party or candidate for political office. The Company's conduct shall preclude any activity that could be interpreted as mutual dependence / favour with any political body and shall not offer or give any company funds or property as donations, directly or indirectly, to any specific political party, candidate or campaign.

Clause 8: Health, Safety and Environment

A Tata Company shall strive to provide a safe, healthy and ergonomic working environment for its people. It shall comply with all health, safety and environmental regulations in each jurisdiction, in which it operates.

A Tata Company shall be committed to best practice in minimising its impact on the environment, prevent the wasteful use of natural resources, and properly and safely control any hazardous aspects of its business.

A Tata Company shall have policies and processes in place to address issues of safety, health and environment, and shall also have a disaster management system to address any natural calamities or business contingencies that may arise. A Tata Company, in the process of production and sale of its products and services, shall strive for economic, social and environmental sustainability.

Clause 9: Quality of Products and Services

A Tata Company shall be committed to supply goods and services of the highest quality standards backed by efficient after-sales service consistent with the requirements of customers to ensure their total satisfaction. The quality standards of the Company's goods and services should meet the required national standards and the Company should endeavour to become world-class. A Tata Company shall illustrate adequate labels, caveats and other necessary health and safety information on its product packaging.

Clause 10: Corporate Citizenship

A Tata Company shall be committed to be a good corporate citizen not only in compliance with all relevant laws and regulations but also by actively assisting in the improvement of the quality of life of the people in the communities, in which it operates with the objective of making them self reliant. Such social responsibility would comprise, to initiate and support community initiatives in the field of community health and family welfare, water management, vocational training, education and literacy and encourage application of modern scientific and managerial techniques and expertise. This will be reviewed periodically in consonance with national and regional priorities. The Company would also not treat these activities as optional but would strive to incorporate them as an integral part of its business plan. The Company would also encourage volunteering amongst its employees and collaboration with community groups. Tata Companies are encouraged to develop social accounting systems, carry out social audit of their operations, and support public policies that promote social and economic development.

Clause 11: Cooperation of Tata Companies

A Tata Company shall cooperate with other Tata Companies by sharing knowledge, physical, human and management resources as long as this does not adversely affect its business interests and shareholder value. In the procurement of products and services, a Tata Company shall give preference to another Tata Company, as long as it can provide these on competitive terms, relative to third parties.

Clause 12: Public Representation of the Company and the Group

The Tata Group honours the information requirements of the public and its stakeholders. In all its public appearance with respect to disclosing company and business information to public constituencies such as the media, the financial community, employees and shareholders, a Tata Company or the Tata Group shall be represented only by specifically authorised directors and employees. It will be the sole responsibility of these authorised representatives to disclose information on the Company.

Clause 13: Third Party Representation

Parties which have business dealings with the Tata Group but are not members of the Group such as consultants, agents, sales representatives, distributors, contractors, suppliers, etc shall not be authorised to represent a Tata Company, if their business conduct and ethics are known to be inconsistent with the Tata Code. The third parties are expected to abide by the Code in their interaction with the company.

Clause 14: Use of the Tata Brand

The use of the Tata name and trademark owned by Tata Sons shall be governed by manuals, codes and agreements to be issued by Tata Sons. The use of the Tata Brand is defined in and regulated by the Tata Brand Equity and Business Promotion Agreement. No third party is expected to use the Tata brand to further its interests without specific authorisation.

Clause 15: Group Policies

A Tata Company shall recommend to its Board of Directors the adoption of policies and guidelines periodically formulated by Tata Sons.

Clause 16: Shareholders

A Tata Company shall be committed to enhance shareholder value and comply with all regulations and laws that govern shareholders' rights. The Board of Directors of a Tata Company shall duly and fairly inform its shareholders about all relevant aspects of the Company's business and disclose such information, in accordance with the respective regulations and agreements.



Clause 17: Ethical Conduct

Every employee of a Tata Company, which shall include whole-time directors and the chief executive, shall deal on behalf of the Company with professionalism, honesty, integrity as well as high moral and ethical standards. Such conduct shall be fair and transparent and be perceived to be as such by third parties. Every employee of a Tata Company shall preserve the human rights of every individual and shall strive to honour commitments. Every employee shall be responsible for the implementation of and compliance with the Code in his / her professional environment. Failure to adhere to the Code could attract the most severe consequences including termination of employment.

Clause 18: Regulatory Compliance

Every employee of a Tata Company, in his / her business conduct, shall comply with all applicable laws and regulations, both in letter and in spirit, in all territories in which he or she operates. If the ethical and professional standards set out in the applicable laws and regulations fall short of the Code, then the standards of the Code shall prevail.

Clause 19: Concurrent Employment

An employee of a Tata Company shall not, without the prior approval of the chief executive of the Company accept employment or a position of responsibility (such as a consultant or a director) with any other company, nor provide "free-lance" services to anyone. In the case of a whole-time director or the chief executive such prior approval must be obtained from the Board of Directors of the Company.

ANNEXURES

Clause 20: Conflict of Interest

An employee or director of a Tata Company shall not accept a position of power / responsibility / board nomination in any other non Tata Company or not for profit organisation. The above will not apply to-

- Nominations to the Boards of Tata Companies, joint ventures or associate companies
- Memberships / positions of responsibility in professional bodies wherein such association will benefit the employee / Tata Company.
- Nominations / memberships in Government committees / bodies or organisations.
- Exceptional circumstances as determined by the competent authority.

Competent authority in case of an employee shall be the chief executive who in turn shall report all such exceptional cases to the Board of Directors on a quarterly basis. In case of the chief executive and directors, the Group Corporate Center shall be the competent authority.

An employee of a Tata Company shall not engage in any business, relationship or activity which might detrimentally conflict with the interest of his / her Company or the Group. A conflict of interest, actual or potential, may arise where, directly or indirectly, (a) an employee of a Tata Company engages in a business, relationship or activity with anyone who is party to a transaction with his / her Company, (b) an employee is in a position to derive a personal benefit or a benefit to any of his / her relatives by making or influencing decisions relating to any transaction, and (c) an independent judgment of the Company's or Group's best interest cannot be exercised.

The main areas of such actual or potential conflicts of interest would include the following:

- Financial interest of an employee of a Tata Company or his / her relatives including the holding of an investment in the subscribed share capital of any company or a share in any firm which is an actual or potential competitor, supplier,

customer, distributor, joint venture or other alliance partner of the Tata company. (The ownership of up to 1 per cent of the subscribed share capital of a publicly held company shall not ordinarily constitute a financial interest for this purpose.)

- An employee of a Tata Company conducting business on behalf of his / her Company or being in a position to influence a decision with regard to his / her Company's business with a supplier or customer of which his / her relative is a principal officer or representative resulting in a benefit to him / her or his / her relative
- Award of benefits such as increase in salary or other remuneration, posting, promotion or recruitment of a relative of an employee of a Tata Company where such an individual is in a position to influence the decision with regard to such benefits.
- Acceptance of gifts, donations, hospitality and / or entertainment beyond the customary level from existing or potential suppliers, customers or other third parties which have business dealings with the Company.

Notwithstanding that such or other instances of conflict of interest exist due to any historical reasons, adequate and full disclosure by the interested employees should be made to the Company's management. It is also incumbent upon every employee to make a full disclosure of any interest which the employee or the employee's immediate family, which would include parents, spouse and children, may have in a company or firm which is a supplier, customer, distributor of or has other business dealings with his / her Company.

Every employee who is required to make a disclosure as mentioned above shall do so, in writing, to his / her immediate superior who shall forward the information along with his / her comments to the person designated for this purpose by the chief executive and / or the Board of Directors / executive committee appointed by the Board and, upon a decision being taken in the matter, the

employee concerned will be required to take necessary action as advised to resolve / avoid the conflict.

If an employee fails to make a disclosure as required therein and the management of its own accord becomes aware of an instance of conflict of interest that ought to have been disclosed by the employee, the management would take a serious view of the matter and consider suitable disciplinary action against the employee.

Clause 21: Securities Transactions and Confidential Information

An employee of a Tata Company and his / her immediate family shall not derive any benefit or assist others to derive any benefit from the access to and possession of information about the Company, Group or client which is not in the public domain and thus constitutes insider information.

An employee of a Tata Company shall not use or proliferate information which is not available to the investing public and therefore constitutes insider information for making or giving advice on investment decisions on the securities of the respective Tata Company on which such insider information has been obtained.

Such insider information might include the following:-

- Acquisition and divestiture of businesses or business units
- Financial information such as profits, earnings and dividends
- Announcement of new product introductions or developments
- Asset revaluations
- Investment decisions / plans
- Restructuring plans
- Major supply and delivery agreements
- Raising finances

An employee of a Tata Company shall also respect and observe the confidentiality of information pertaining to other companies, their patents, intellectual property rights, trademarks and inventions; and strictly observe a practice of non-disclosure.

Clause 22: Protecting Company Assets

The assets of a Tata Company should not be misused but employed primarily for the purpose of conducting the business for which they are duly authorised. These include tangible assets such as equipment and machinery, systems, facilities, materials, resources as well as intangible assets such as information technology and systems, proprietary information, intellectual property rights, relationships with customers and suppliers, etc.

Clause 23: Citizenship

An employee of a Tata Company shall in his / her private life be free to pursue an active role in civic or political affairs as long as it does not adversely affect the business or interests of the Company or the Group.

Clause 24: Integrity of Data Furnished

Every employee of a Tata Company shall ensure at all times, the integrity of data or information furnished by him to the Company.

Clause 25: Reporting Concerns

Every employee of a Tata Company shall promptly report to the Management when she / he becomes aware of any actual or possible violation of the Code or an event of misconduct, act of misdemeanour or act not in Company's interest, which could affect the business or reputation of his / her or any other Tata Company.

Any employee can make a protected disclosure under the Whistle Blower Policy. The Protected Disclosure should be forwarded under a covering letter, which shall bear the identity of the Whistle Blower.

ANNEXURES

Annexure-III

CORE SUSTAINABILITY CHARTER

Objective of the Charter:

To express supports publicly for these principles and to provide a basis for pursuing environmental improvements at the corporate level.

Principles:

Corporate Priority:

To recognise environmental management as among the highest corporate priorities and as a key determinant to sustainable development; to establish policies, programs and practices for conducting operations in an environmentally sound manner.

Process of Improvement:

To continue to improve corporate policies, programs and environmental performance, taking into account technical development, scientific understanding, consumer needs and community expectations with legal regulations as a starting point.

Integrated Management:

To integrate these policies, programs and practices into each business as an essential element of management in all its functions.

Employee Education:

To educate, train and motivate employees to conduct their activities in an environmentally responsible manner.

Prior Assessment:

To assess environmental impacts before starting a new activity or project and before decommissioning a facility or leaving a site.

Products and Services:

To develop and provide products or services, those have no undue environmental impacts and are safe in their intended use, that are efficient in their consumption of energy and natural resources, and that can be recycled, reused, or disposed of safely.

Customer Advice:

To advise and where relevant educate, customers, distributors and the public in the safe use, transportation, storage and disposal of products provided and to apply similar considerations to the provision of services.

Facilities and Operations:

To develop, design and operate facilities and conduct activities taking into consideration the efficient use of energy and materials, the sustainable use of renewable resources, the minimisation of adverse environmental impact and waste generation, and the safe and responsible disposal of residual wastes.

Research:

To conduct or support research on the environmental impacts of raw materials, products, processes, emissions and wastes associated with the enterprise and on the means of minimising such adverse impacts.

Precautionary Approach:

To modify the manufacture marketing or use of products or services or the conduct of activities, consistent with scientific and technical understanding, to prevent serious or irreversible environmental degradation.

Contractors and Suppliers:

To promote the adoption of these principles by contractors acting on behalf of the enterprise, encouraging and, where appropriate, requiring improvements in their practices to make them consistent with those of the enterprise, and to encourage the wider adoption of these principles by suppliers.

Emergency Preparedness:

To develop and maintain, where significant hazards exist, emergency preparedness plans in conjunction with the emergency services, relevant authorities and the local community, recognising potential trans-boundary impacts.

Transfer of Technology:

To contribute to the transfer of environmentally sound technology and management methods throughout the industrial and public sectors.

Contributing to the common effort:

To contribute to the development of public policy and to business, governmental and inter-governmental programs and educational initiatives that will enhance environmental awareness and protection.

Openness to concerns:

To foster openness and dialogue with employees and the public, anticipating and responding to their concerns about the potential hazards and impacts of operations, products, wastes or services, including those of trans-boundary or global significance.

Compliance and Reporting:

To measure environmental performance; to conduct regular environmental audits and assessments of compliance with company requirements, legal requirements and these principles; and periodically to provide appropriate information to the Board of Directors, shareholders, employees, the authorities and the public.

{Drawn from ICC's (International Chamber of Commerce) Business Charter for Sustainable Development}

Annexure-IV

Grievance Redressal Procedure

- The Grievance Procedure aims at settlement of grievances of permanent employees, other than supervisors and fresh employees on probation, in the shortest possible time and at the lowest possible level. It is a three-stage procedure with an appropriate grievance form for each stage.

- Individual grievances and complaints shall not be discussed at any level other than that specified in this procedure except that, if the Trade Union so desires, such cases may be put up for discussion at the Central Works Committee.
- Policy matters and their interpretation shall not be discussed at any level except with the top management. The Union, however, can take up such matters at the Central Works Committee.
- Representations for the redressal of grievances from employees to the various authorities either directly or through the Union, when their cases are pending with any Works Committee, are not conducive to the working of those committees. Hence, no representation will be entertained for discussion at any level of the management if the case is already referred to and pending with any Works Committee, until the same is either disposed of or withdrawn from the Works Committee.
- In exceptional cases, however, involving grievances of a number of workmen other than routine grievances or questions of principle or policy or any other important matter where immediate action is necessary, the Union may take up the case with the appropriate level of management. In cases of importance the President or the General Secretary of the Union may ask the management for a joint enquiry.

ANNEXURES

The following subjects come under the purview of this procedure;

- Acting
- Amenities and/or facilities
- Continuity of service
- Compensation
- Discharge/dismissal
- Fines
- Increment
- Leave
- Medical
- Misconduct
- Nature of job
- Promotion (excluding selection by interview)
- Safety appliances
- Suspension
- Transfer
- Victimization
- Warning letter

Stage One:

If an employee has a grievance, he should meet his shift-in-charge or equivalent and talk it over with him. In case of appeal against punishments excluding suspension, discharge or dismissal, the employee should meet his General Foreman or equivalent. If necessary he should obtain a copy of Grievance Form-I. This should be filled in and submitted within one week of the date on which he knew the facts, on the basis of which the grievance has arisen, except that in the case of promotions a time limit of six weeks from the date of the promotion in question will be allowed.

- The grievance form should be handed over to the shift-in-charge, General Foreman or equivalent, as the case may be, who will arrange to issue an acknowledgement receipt. He will make the necessary enquiries and return the form to the employee concerned with his remarks in the space provided for this purpose or, with the remarks of the head of the department (where the matter is beyond the jurisdiction of the General Foreman

or the shift-in-charge or equivalent), within the next two working days from the receipt of the form. In cases requiring reference to higher authorities this time limit will be relaxed. If necessary, the employee can discuss the case further with the supervisor concerned in the light of his remarks. If so desired, the employee can take the help of the Union representative in presenting or discussing the case at this and/or the next stage.

Stage Two:

- If the employee is not satisfied with the reply at stage one, he may obtain from the General Foreman or the shift-in-charge or equivalent, as the case may be, a copy of Grievance Form-II, enter therein the reasons for reconsideration of the case, and submit this form to the head of his department within three working days of the receipt of the reply at Stage One and obtain an acknowledgement receipt thereof.
- Appeals against suspension should be addressed to the head of the department on Grievance Form-II or on ordinary paper, within seven days of the receipt of orders or after the last date of suspension, whichever is later, and these will be considered at Stage Two, in the first instance. If the appeal is time-barred, it must be clearly mentioned in the reply.
- The head of the department will discuss the issue with the employee and the supervisor concerned and return this Form with his remarks within three working days of receipt of the Form. In cases requiring reference to higher authorities or to another department this time limit will be relaxed.

Stage Three:

- If the employee is still not satisfied with the reply, he may appeal to the Chairman of the Zonal Works Committee concerned, on Grievance Form-III, within seven working days of the receipt of the reply at stage two.

- Appeals against orders of discharge or dismissal should be addressed to the Chairman of the Zonal Works Committee concerned, on Grievance Form-III (copies of which are available at the Employment Bureau), or on ordinary paper, and these will be considered at Stage Three, in the first instance. This should be done within six weeks of the receipt of the orders, except that in cases where employees discharged or dismissed are out of Jamshedpur at the time the order is issued, the time limit should be three months from the date of issue of such orders.
- The decision reached by the Management after due consideration of the recommendations of the Zonal Works Committee will be communicated to the employee on Grievance Form-III through proper channels. The Zonal Works Committee's unanimous recommendations, to which the Management or the Union raises no objection within 10 days of the receipt of such recommendations, shall be final.
- Where such recommendations are not unanimous or have not been accepted by the Management or the Union, the Zonal Works Committee will refer the case to the Central Works Committee or the Special Central Works Committee for consideration.

Grouping of Zonal Works Committees:

| | |
|-----------------------------|--|
| Zonal Works Committee # I | Blast Furnace (A-F), Coke Plant, "G" Blast Furnace, Improvement Group, Raw Material Handling and Sinter Plant |
| Zonal Works Committee # II | CRM, Rings & Agrico, FPTG, FP Planning, HSM, LD#2 & SC, Ring Plant, R&D, Scientific Services (Chemical Lab/ Met Lab/ Physical Lab, CRMT & Stewards) & RTG. |
| Zonal Works Committee # III | LD Shop #1, LPTG, Merchant Mill, Re- Bar Mill, Refractories Production Department, WRM, Canteen Services & Supply Management Department. |
| Zonal Works Committee # IV | Automation, Environment (Works Garden), Blower & Pump House, PH#3, PH#4, PH#5, Electrical Power (T&D), IGD, MSG (Elect.), MED (Elec.), Fuel Mgmt., Telecom, MTG, Occupational Health, Gas Safety, Works General Office, SMD, Spare Planning & Outsourcing, MED (Mech.), MSG (Mech.), Equipment Maintenance Services, Engineering Services (including CMG), WRP (including SGDP) & Services Pool. |
| Zonal Works Committee # V | ST Mills, PT Mills, Shared Services, & Tube Services. |

ANNEXURES

Annexure-V

ABBREVIATIONS & GLOSSARY

| | | | |
|----------|---|---------|--|
| ABP | Annual Business Plan | LD | Linze Donawitz |
| AGM | Annual General Meeting of Shareholders | LD#2&SC | Steel Melting Shop#2 and Slab Caster |
| AIWC | All Indian Women's Conference | LDO | Light Diesel Oil |
| AQUIP | Annual Quality Improvement Plan | LIC | Life Insurance Corporation |
| ASSOCHAM | Associated Chamber of Commerce | LP | Long Products |
| BE | Business Excellence | MAKE | Most Admired Knowledge Enterprise |
| BIS | Bureau of Indian Standards | M&S | Marketing & Sales |
| BOD | Biological Oxidation Demand | MGD | Million Gallon Per Day – 4.54 Million Liters/day |
| CAPEX | Capital Expenditure | MNC | Multinational Companies |
| CFI | Center for Family Initiatives | MM | Merchant Mill |
| CGL | Continuous Galvanizing Line | MOR | Men on Roll |
| CII | Confederation of Indian Industry | MOU | Memorandum of Understanding |
| CIP | Continuous Improvement Project (part of AQUIP document) | MR | Management Representative |
| CMR | Child Mortality Rate | MTPA | Million Tonnes Per Annum |
| CO | Carbon Monoxide | NA | Not Applicable |
| COB | Committee of Board | NEDO | New Energy and Industrial Technology Development Organization, Japan |
| COC | Tata Code of Conduct | NEERI | National Environmental Engineering Research Institute |
| CoRE | Corporate Round Table on Environment & Sustainable Development | NGO | Non Governmental Organisation |
| CRC (W) | Cold Rolling Complex (West) | NOx | Oxides of Nitroge |
| CRM | Cold Rolling Mill | NT | Not Traceable |
| Crore | One Crore is ten Million | NTTF | Nettur Technical Training Federation |
| CS | Corporate Services | OM&Q | Ore Mines & Quarries |
| CSD | Customer Service Division | P/E | Price to Earning Ratio (Market price Per Share Earning per Share) |
| CSI | Customer Satisfaction Index | PAN | Permanent Account Number (related to Income Tax Payment) |
| CVM | Customer Value Management | PAT | Profit after Tax |
| DMD | Deputy Managing Director | PDP | Personal Development Plan |
| DO | Dissolved Oxygen (in water, mg/l) | PH | Power House |
| Dy. | Deputy | PLD | Percent Leaking Door |
| EAF | Electric Arc Furnace | PLL | Percent Leaking Lids |
| EHS | Environment Health & Safety | PLO | Percent Leaking Offtakes |
| EIC | Executive Incharge | PM | Particulate Matter |
| EMS | Environmental Management System | PPM | Parts Per Million |
| Engg. | Engineering | QMS | Quality Management System |
| EP Act | Environment Protection Act | QIP | Quality Improvement Projects |
| EVA | Economic Value Addition defined as the excess of return on invested capital (ROIC) over weighted average cost of capita | R&A | Rings & Agrico |

ABBREVIATIONS & GLOSSARY

| | | | |
|---------|--|----------|--|
| FAMD | Ferro Alloys & Minerals Division | R&D | Research & Development |
| FAP | Ferro Alloys Plant | RM | Raw Material |
| FICCI | Federation of Indian Chamber of Commerce & Industry | RMH | Raw Material Handling |
| FP | Flat Product | RPD | Refractories Production Department |
| GAAP | General Accounting & Audit Protocol | SBU | Steel Business Unit |
| GDR | Global Depository Receipt | SC/ST | Scheduled Cast / Scheduled Tribe |
| GHG | Green House Gas (CO ₂ , Methane, CFCs, N ₂ O, etc.) | SHE | Safety Health Environment |
| GM | General Manager | SIS | Safety Information System |
| HRC | Hot Rolled Coils | SMS | Steel Melting Shops |
| HRM | Human Resource Management | SNTI | Shavak Nanavati Technical Institute |
| HR | Human Resource | SPM | Skin Pass Mill / Suspended Particulate Matter |
| HSM | Hot Strip Mill | SS&FI | Social Services & Family Initiatives |
| IDBI | Industrial Development Bank of India | ST/LT | Short Term / Long Term |
| IFC | International Finance Corporation | tcs | tonnes of crude steel |
| IISI | International Iron & Steel Institute | Tata SSL | Tata Special Steel Limited |
| ILO | International Labour Organisation | TBEM | Tata Business Excellence Model |
| IMTG | Iron Making Technology Group | TCCI | Tata Council for Community Initiatives |
| IR | Industrial Relations | TCTF | Thermal Coal Task Force |
| IRQS | Indian Register Quality Shipping | TERI | The Energy Research Institute |
| ISO | International Standards Organisation | TMDC | Tata Management Development Center |
| IT | Information Technology | TMH | Tata Main Hospital |
| ITD | International Trade Division | TFA | Tata Foot ball Academy |
| JAMIPOL | Jamshedpur Injection Power Limited | TQMS | Tata Quality Management System |
| JCCM | Joint Consultative Committee of Management | TPD | Tonnes Per Day |
| JDC | Joint Departmental Council | TPM | Total Productivity Management |
| JRDQV | JRD Tata Quality Value | tss | tonnes of saleable steel |
| JWC | Joint Works Council | TQM | Total Quality Management |
| JWQC | Joint Works Quality Council | TRF | Tata Robinson Fraser |
| KM | Knowledge Management | TRL | Tata Refractories Limited |
| KPM | Key Performance Measures | TSRDS | Tata Steel Rural Development Society |
| KRA | Key Results Area (the performance contract signed by individuals related to the commitment for the financial year) | UN | United Nations |
| KWH | Kilo Watt Hours | UNGC | UN Global Compact |
| Lakh | Ten Lakhs equal to One Million | UNIDO | United Nations Industrial Development Organization |
| LCA | Life Cycle Assessment | UTI | Unit Trust of India |
| | | VP | Vice President |
| | | WRM | Wire & Rod Mill |
| | | WHO | World Health Organisation |

ANNEXURES

Annexure-VI

| Corporate Citizenship Index | | | | | |
|--|--|--|---------------------------------|-----------|--------------|
| Area | Initiatives | Measures | Agency | Weightage | Target Index |
| Health Care | Immunization of children in areas where the Company operates | % of children | JUSCO | 10% | 1 |
| | Rural immunization program | No. of children covered | SS&FI | 10% | 1 |
| Training for gainful employment | Employment oriented training | % Employed (post training) | SS&FI (TCS / TSRDS) CD&SW | 10% | 1 |
| Promoting economic growth in rural & urban areas | Savings generated through SHG Bank linkage | Rs. Lakhs | SS&FI | 10% | 1 |
| Sports & Adventures | Beneficiaries under community based and sports programs | Nos. | CD&SW | 10% | 1 |
| EMS beyond compliance | Recycling of wastes at Jubilee Park | % | JUSCO | 10% | 1 |
| Promoting Art & Culture | Children/Adults trained at Jamshedpur School of Arts | Nos. | CD&SW | 5% | 0.5 |
| Civic amenities | Rural area pani panchayat | Screage brought under 2nd crop | SS&FI | 10% | 1 |
| Education | Scholarships | | | | |
| | For High School Students | Number of students | TCS | 5% | 0.5 |
| | For college students | Number of students | TCS | 5% | 0.5 |
| | Excellence in education | No. of schools facilities at Jamshedpur | SE | 5% | 0.5 |
| Natural Calamities | Relief work | Construction of 11 school buildings for flood victims of Orissa/ Tsunami relief / rebuilding of homes after hailstorm in Jamshedpur | TRC | 10% | 1 |
| TOTAL | | | | | 10 |

Annexure-VII

GIFT POLICY

Tata Steel recognises that exchange of gifts with people with whom we do business with is not unusual and is considered acceptable. The receipt and giving of gifts is part of normal social exchange. Such exchange is neither irregular nor is it unusual.

However, the need is recognised for a stated policy setting caps on the value of such gifts and for defining circumstances under which it would be acceptable or not acceptable to retain gifts. The cardinal principle would be that gifts should not be given or received either to obtain favours / preferential treatment or in return for favours/ preferential treatment.

The policy will apply to all employees of Tata Steel as well as its subsidiary and associate companies.

1. Gifts could be either solicited or unsolicited. The Company, regardless of the circumstances, does not permit the soliciting of gifts. This policy defines the circumstances under which unsolicited gifts received either in India or abroad can be accepted and retained.
2. The circumstances under which gifts might be received fall into various categories.
 - a. Gifts received on New Year and other festive occasions.
 - b. Gifts received only on occasions of wedding of self or children.
 - c. Gift vouchers / gift cheques received in recognition of a professional contribution made by the recipient, such as for making a presentation, conducting a training programme/workshop for a professional and academic institution etc.
 - d. Gifts received on the occasion of a terminal event such as a transfer or on cessation of employment.
 - e. Gifts of any value received for any other reason (not stated in [i] to [iv], approval to be taken from Ethics Counsellor or PEO.

3. Declaration regarding receipt of gift:

In all instances, the recipient of a gift of more than the approved value, will make a declaration stating the description of the gift that has been received, the estimated value of the gift and the circumstances under which the gift was received and particulars of donor. Such declaration should be submitted in the office of Ethics Counsellor within 15 days of the receipt.

4. Kind of Gift

- a. List of the kinds of gifts that might be received is provided below:
- b. Articles of only an edible nature for festive occasions in item 2 [i].
- c. Articles of use in an office such as table clocks, stationery, desk accessories on New Year only with company's logo in item 2 [i].
- d. Gift worth up to Rs.1000/- for wedding only in item 2[ii].
- e. Gift vouchers / Gift cheques only in the case of professional contribution in item 2[iii].

5. Circumstances under which gifts can be accepted:

- a. Receipt of Cash Gift: Only in the case of retirement or cessation of employment. Cash gift of Rs.1000/- and more can be retained by employees.
- b. However, in the case of transfers, collective gift in kind can be received. The value limit is not applicable in such cases.

6. Gifts received in recognition of a professional contribution made by the recipient, such as for making a presentation, conducting a training programme/workshop for a professional and academic institution etc.

ANNEXURES

Where the receipt of gift is in gift vouchers and gift cheque and more than Rs.1,000/-, the recipient will be permitted to retain the full amount received, if prior permission is taken from the company. However, information to the Ethics Counsellor should be given. No cash to be received.

Where the Company has borne expenses, such as travel or lodging, related to the event and such expenses are reimbursed by the organisers, all such reimbursements will be surrendered to the Company.

7. Receipt of gift from parties having business relationship with the Company including gifts from subordinates Gifts received from a donor where the donor has a business relationship with the Company and could derive benefits from the recipient should only be of a value up to Rs.1,000/- . Illustrative categories of parties with business relationships with the Company would be vendors, dealers, contractors, consultant and customers etc. However, all such gifts should have donor's Company's logo or business identity.
8. No gifts should be accepted from any person or party who is in default of the Company in any manner. By way of illustration, parties in default would be parties from whom monies are overdue or parties with whom the Company is engaged in litigation and parties against whom disciplinary action has been taken.

It is desirable that the recipient should check the status of the parties from Chief (Procurement) and Chief Financial Controller (Corporate) to make sure that the provisions of the above clause are not contravened.

9. It is recognised that at times gift exceeding the value caps contained in this policy are to be received as the return of these gifts may cause embarrassment. This situation may occur special during overseas visit of our officers where sometimes expensive gifts are given by the overseas hosts. In this situation the recipient should surrender the gift at the earliest. The company will decide the procedure for utilisation of such gifts.

10. The company considers it good practice to share gifts of a nature, which an employee is permitted to receive, such as gifts of an edible nature, with fellow employees. The nature of the gift permitting, it would also be good practice to use gifts in the office.
11. Where an employee received gifts exceeding the value caps contain in this policy, it would be advisable to return the gift to donor with a covering letter thanking the donor for the same and quoting the relevant provision of this policy. The draft of the letter as and when required may be obtained from the office the Ethics Counsellor.
12. In case of any clarification / interpretation of this policy the employee should contact the office of Ethics Counsellor, Tata Steel.
13. The policy will become effective with immediate effect.



B Muthuraman,
Managing Director

Annexure-VIII

Whistle Blower Policy

Ref no: AO/2066/05, Dated: 31 Dec. 2005

1. Preface

a) The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. Towards this end, the Company has adopted the Tata Code of Conduct ("the Code"), which lays down the principles and standards that should govern the actions of the Company and their employees. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the employees in pointing out such violations of the Code cannot be undermined. There is a provision under the Code requiring employees to report violations, which states:

"25. Reporting Concerns every employee of a Tata Company shall promptly report to the management any actual or possible violation of the Code or an event he becomes aware of that could affect the business or reputation of his or any other Tata Company."

b) Clause 49 of the Listing Agreement between listed companies and the Stock Exchanges has been recently amended which inter alia, provides for a non-mandatory requirement for all listed companies to establish a mechanism called 'Whistle Blower Policy' for employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy.

c) Accordingly, this Whistle Blower Policy ("the Policy") has been formulated with a view to provide a mechanism for employees of the Company to approach the Ethics Counsellor / Chairman of the Audit Committee of the Company.

2. Definitions

The definitions of some of the key terms used in this Policy are

given below. Capitalised terms not defined herein shall have the meaning assigned to them under the Code.

a) "Audit Committee" means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 292A of the Companies Act, 1956 and read with Clause 49 of the Listing Agreement with the Stock Exchanges.

b) "Employee" means every employee of the Company (whether working in India or abroad), including the Directors in the employment of the Company.

c) "Code" means the Tata Code of Conduct

d) "Investigators" mean those persons authorised, appointed, consulted or approached by the Ethics Counsellor/Audit Committee and include the Vigilance Dept, auditors of the Company and the police.

e) "Protected Disclosure" means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.

f) "Senior Management" means personnel of the company who are members of its management/ operating council (i.e. core management team excluding independent directors). This would also include all members of management one level below the executive directors.

g) "Subject" means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.

h) "Whistle Blower" means an Employee making a Protected Disclosure under this Policy.

i) "Whistle Blower Protection Committee" means a Committee constituted under the Chairmanship of Dy. Managing Director (Corporate Services) to examine the grievances of Whistle Blower about the victimisation allegedly suffered by him/her.

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3. Scope

a) This Policy is an extension of the Tata Code of Conduct. The Whistle Blower's role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case. Whistle Blowers provide initial information related to a reasonable belief that an improper or unethical practice has occurred.

b) Whistle Blowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Ethics Counsellor or the Audit Committee or the Investigators.

c) Protected Disclosure will be appropriately dealt with by the Management / Ethics Counsellor / Audit Committee, as the case may be.

4. Eligibility

a) All Employees of the Company are eligible to make Protected Disclosures under the Policy. The Protected Disclosures may be in relation to matters concerning the Company.

5. Disqualifications

a) While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.

b) Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle Blower knowing it to be false or bogus or with a malafide intention.

c) Whistle Blowers, who make three or more Protected Disclosures, which have been subsequently found to be mala fide, frivolous, baseless, malicious, or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy. In respect of such Whistle Blowers, the Company/Audit

Committee would reserve its right to take/recommend appropriate disciplinary action.

6. Procedure

a) All Protected Disclosures concerning financial / accounting matters should be addressed to the Chairman of the Audit Committee of the Company for investigation.

b) In respect of all other Protected Disclosures, those concerning the Ethics Counsellor and employees at the levels of Vice Presidents and above should be addressed to the Chairman of the Audit Committee of the Company and those concerning other employees should be addressed to the Ethics Counsellor of the Company.

c) The contact details of the Chairman of the Audit Committee and of the Ethics Counsellor of the Company are as under: Mr. P.K. Kaul, House No. 225, Sector 15-A, Noida (UP) 201 301. Mrs. Rekha Seal, Ethics Counsellor, Tata Steel Ltd. Jamshedpur 831 001 E-mail adds: ethics.counsellor@tatasteel.com, and mail@ethics.com

d) If a protected disclosure is received by any executive of the company/Vigilance Group of the Company other than Chairman of Audit Committee or Ethics Counsellor, the same should be forwarded to the Company's Ethics Counsellor for further appropriate action. They must take appropriate care so that the identity of the Whistle Blower does not get divulged in the process.

e) Protected Disclosures should preferably be reported in writing so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English, Hindi or in the regional language of the place of employment of the Whistle Blower.

f) If the protected disclosure is received by the Chairman of the Audit Committee, he shall detach the covering letter and forward only the Protected Disclosure to the Ethics Counsellor of the Company for investigation.

g) Protected Disclosures should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern and the urgency of a preliminary investigative procedure.

h) The Whistle Blower must disclose his/her identity in the covering letter forwarding such Protected Disclosure.

7. Investigation

a) All Protected Disclosures reported under this Policy will be thoroughly investigated by the Ethics Counsellor/Audit Committee of the Company in accordance with the normal procedure. The Ethics Counsellor/Audit Committee may at its discretion, consider the involvement of any investigators/Vigilance group of the Company for the purpose of investigation.

b) The decision to conduct an investigation is not an accusation and is to be treated as a neutral fact-finding process. The outcome of the investigation may not support the conclusion of the Whistle Blower that an improper or unethical act was committed.

c) The identity of a Subject will be kept confidential to the extent possible given the legitimate needs of law and the investigation.

d) Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.

e) Subjects shall have a duty to co-operate with the Ethics Counsellor / Audit Committee or any of the Investigators during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.

f) Subjects have a right to consult with a person or persons of their choice, save and except Ethics Counsellor / Investigators and/or the Audit Committee and/or the Whistle Blower. This may involve representation including legal representation. Subjects shall be free at any time to engage counsel at their own cost to

represent them in the investigation proceedings.

g) Subjects have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated by the Subjects. If he is found indulging in any such actions will make themselves liable for disciplinary action. Under no circumstances, subjects should compel investigator to disclose the identity of the Whistle Blower.

h) Unless there are compelling reasons not to do so, Subjects will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.

i) Subjects have a right to be informed of the outcome of the investigation. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.

j) The investigation shall be completed normally within 45 days of the receipt of the Protected Disclosure

8. Protection

a) No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under this Policy. The Company, as a policy, condemns any kind of discrimination, harassment, victimisation or any other unfair employment practice being adopted against the Whistle Blowers. Complete protection will be given to the Whistle Blowers against any unfair practice. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. Thus, if the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistle Blower to receive advice about the procedure, etc.

ANNEXURES

b) The Whistle Blower shall be protected from any retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties/functions including making further Protected Disclosure.

c) The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. Whistle Blowers are cautioned that their identity may become known for reasons outside the control of the Ethics Counsellor /Audit Committee (e.g. during investigations carried out by Investigators).

d) Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

Whistle Blower Protection Committee

The Company has constituted the Whistle Blower Protection Committee under the Chairmanship of Dy. Managing Director (Corporate Services) as under:

- Mr. A N Singh
Dy. Managing Director (Corp. Services) Chairman
- Mr. D Sengupta VP (Shared Services) Member
- Mr. A D Baijal VP (RM & IM) Member
- Mr. Abanindra M. Mishra VP (HRM) Member
- Mrs. Rekha Seal Ethics Counsellor Convener

In case a Whistle Blower feels that he/she has been victimised in employment related matters because of reporting about the violation of the Code, he/ she can submit a 'Grievance' to the Ethics Counsellor, giving specific details of nature of victimisation allegedly suffered by him/her. All such grievances will be examined by the aforesaid committee. The Committee will meet at regular intervals and examine the grievances on their merits. The Committee will also conduct necessary investigation of the concern and recommend appropriate action as the case may be.

While Management is determined to give appropriate protection to the genuine Whistle Blower, the employees at the same time are advised to refrain from using this facility for furthering their own personal interest. If proved, such cases may be referred to the Whistle Blower Protection Committee for disciplinary action.

9. Investigators

a) Investigators are required to conduct a process towards fact-finding and analysis related to alleged improper or unethical activities. Investigators shall derive their authority and access rights from the Company/Audit Committee when acting within the course and scope of their investigation.

b) Technical and other resources may be drawn upon as necessary to augment the investigation. All Investigators shall be independent and unbiased both in fact and as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior, and observance of legal and professional standards.

c) Investigations will be launched only after a preliminary review, which establishes that:

- i. the alleged act constitutes an improper or unethical activity or conduct, and
- ii. either the allegation is supported by information specific enough to be investigated, or matters that do not meet this standard may be worthy of management review, but investigation should not be undertaken as an investigation of an improper or unethical activity.

10. Decision

If an investigation leads the Ethics Counsellor/ Audit Committee to conclude that an improper or unethical act has been committed, the Ethics Counsellor/Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as they deem fit. It is clarified that any disciplinary or corrective action initiated against the Subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.

11. Reporting

The Ethics Counsellor shall submit a report on a quarterly basis to the Audit Committee regarding total number of disclosures received in previous quarter, nature of complaint, outcome of investigation, actions recommended by the Ethics Counsellor/Audit Committee and implementation of the same. The EC should also report to the AC the concern raised for victimization for employment related matters by the Whistle Blower and action taken by the Whistle Blower Protection Committee. Such Reports on the above shall be reviewed and recorded by the Audit Committee.

12. Retention of documents

All Protected Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by the Company for a minimum period of seven years.

13. Amendment

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the Employees unless the same is notified to the Employees in writing.

This supersedes our earlier Whistle Blower Policy (Ref. no. AO/2725/04 dated 11.01.2004)

ANNEXURES

Annexure-IX

Training programmes run by the Technical Training Institute of the Company.

| | | |
|---|---|---|
| <p>Automobiles</p> <ul style="list-style-type: none"> • Training on safe driving for contractors' employees <p>Cluster manning</p> <ul style="list-style-type: none"> • Digital drive • I.E. Rules • Induction motor protection and trouble shooting • Maintenance of EOT cranes • Electrical protection & protective device • Shop floor management • Computer training • EMS at shop floor • Operation & maintenance of air compressor • Gear box maintenance • Vibratory screens & Feeders • Limits, Fits & Tolerance • Alignment of fluid coupling & maintenance • Balancing of blowers and fans • Lubrication system • Levelling, Alignment, Plumbing & Balancing • Maintenance of screw compressors • MIG/MAG (CO₂) welding • Distortion control in welding • TIG welding • Air & water pollution • Water treatment • Pump performance & characteristics • Electrical safety for non electrical employees • Electrical safety for electrical employees | <ul style="list-style-type: none"> • Centrifugal blowers and fans • PT fuel system • Engine trouble shooting • Belt conveyor maintenance • Valve operation and maintenance • Heavy Mobile equipment operation • Earthing • Atlas Copco compressor(screw type) • Maintenance & operation of centrifugal pumps • Reading of drawings • Lubrication types & selection • Welding joints and symbols • Electrodes & Maintenance of gas cutting equipment • Dismantling & rectification of simple faults in equipment related work • Welding machines and welding defects • Electric cables and insulator • Shutdown procedures • Trouble shooting and failure analysis of electrical equipment • Instrumentation & process control • Protection of electrical equipment • Basics of AC/DC drives <p>Computer</p> <ul style="list-style-type: none"> • Office automation • Operation of e-mail, Intranet & Internet • MS Word & Excel • Preliminary course on MS access • Power point presentation • Visual Basics with data base • Visual Basics • Overview of C language | <p>Electrical General and switch gear</p> <ul style="list-style-type: none"> • EOT crane operation (cabin control) • EOT crane operation (remote control) • Motpro relay • Operation & maintenance of power transformer • Earthing practices • Orientation programme (electrical power module) <p>Electronics & Process control</p> <ul style="list-style-type: none"> • Modern power devices • LAN & connectivity • SMART Transmitters • Instrumentation for integrated circuits • TDC-3000 operation • TDC-3000 implementation • Allen Bradley PLC • Electronic earthing • Allen Bradley HMI RS View 32 • Simatic S7-300 PLC • Siemens HMI software WINCC • Modicon PLC (Premium series) • Controllogix PLC with Rsllogix <p>Failure based programme</p> <ul style="list-style-type: none"> • Failure analysis of motors • Failure analysis of LD-1 vessel tilting drive • Failure analysis of bearings • Failure analysis of gear boxes • Failure analysis of pumps <p>Fluid power (Hydraulics)</p> <ul style="list-style-type: none"> • Industrial hydraulics • Hands-on hydraulic circuits • Electro hydraulics • Advance hydraulics • Hydraulics for operators |
|---|---|---|

Training programmes run by the Technical Training Institute of the Company.

| | | |
|---|--|---|
| <ul style="list-style-type: none"> • Circuit breaker • Panel maintenance • Maintenance welding • Safety (Electrical) • Electrical drawings • Lubrications • Planning, Distribution, Coordination, Service records & Spares • Fitting, Assembly and Failure analysis • Basics of Fluid power • CNC PART programming • Precision measurement, Limit, Fit, Tolerance and mating components • Mechanical drawings • Manuals, Service records and Reports • Dismantling assembly and fault findings • Welding theory • Arc welding • Gas cutting • Leveling & alignment • Fitting and maintenance of coupling • Bearing fundamentals • Overhauling of centrifugal pumps • Maintenance of centrifugal pumps • Maintenance of pipe lines • Industrial hydraulics • Cummins engine | <ul style="list-style-type: none"> • Know your computer • Advance MS-Excel • Awareness programme on e-learning • Computer net working • Oracle with D2K <p>Electrical drives</p> <ul style="list-style-type: none"> • ADD 32 digital drive regulator • AVTRON drive Module I • AVTRON drive Module II • AVTRON drive Module III • Direct torque control AC drives Mod. I • Direct torque control AC drive Mod. II • Awareness of AC drive • Fundamentals of modern electrical drive - Module I to IV • Siemens DC digital Module I & II • Drives on ABB DTC • Siemens master drive • AC drive maintenance • IEM drives module for supervisors • Preparatory training on electrical drives <p>Environ management</p> <ul style="list-style-type: none"> • Awareness on pollution control • EMS at Shop floor • Environmental legislation & hazards and waste management | <p>Fluid power (Pneumatics)</p> <ul style="list-style-type: none"> • Industrial pneumatics • Electro – pneumatics • Pneumatics for operators <p>Refractory</p> <ul style="list-style-type: none"> • Refractory brick cutting and laying practices • Fundamental principal of bricks <p>Safety, Hazard prevention and First Aid</p> <ul style="list-style-type: none"> • Incident analysis – Du Pont • Safety observation programme for workers • Safety observation programme for line supervisors • First Aid certification programme <p>SAP</p> <ul style="list-style-type: none"> • SAP project system (PS refresher module) • SAP project system (PS advance module) • SAP overview <p>Trade testing</p> <ul style="list-style-type: none"> • Use of precision measuring instruments (basics) <p>Quality management</p> <ul style="list-style-type: none"> • Half day workshop on problem solving and decision making |
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ANNEXURES

Annexure-X

TATA STEEL'S MISSION, VALUES & POLICIES

TATA STEEL MISSION

Consistent with the vision and values of the founder Jamsetji Tata, Tata Steel strives to strengthen India's industrial base through the effective utilisation of staff and materials. The means envisaged to achieve this are high technology and productivity, consistent with modern management practices.

Tata Steel recognises that while honesty and integrity are the essential ingredients of a strong and stable enterprise, profitability provides the main spark for economic activity.

Overall, the Company seeks to scale the heights of excellence in all that it does in an atmosphere free from fear, and thereby reaffirms its faith in domestic values.

TATA STEEL VALUES

- Trusteeship
 - Integrity
 - Respect for the individual
 - Credibility
 - Excellence
-

TATA STEEL KEY ENTERPRISE PROCESSES

- Leadership
 - Strategic Planning & Risk Management
 - Market Development
 - Investment Management
 - Human Resources
 - Improvement & Change Management
 - Order Generation
 - Operation & Fulfillment
 - Supply Management
 - Research & Development
 - Information Management
 - Social Responsibility & Corporate Services
-

TATA STEEL QUALITY POLICY

Consistent with the Group purpose, Tata Steel shall constantly strive to improve the quality of life of the communities it serves through excellence in all facets of its activities.

We are committed to creating value for all our stakeholders by continually improving our systems and processes through innovation, involving all our employees.

This policy shall form the basis of establishing and reviewing the Quality Objectives and shall be communicated across the organisation. The policy will be reviewed to align with business direction and to comply with all the requirements of the Quality Management Standard.



April 17, 2002

TATA STEEL ENVIRONMENTAL POLICY

Tata Steel's Environmental responsibilities are driven by our commitment to preserve the environment and are integral to the way we do business.

1. We are committed to the efficient use of natural resources and energy; reducing and preventing pollution; promoting waste avoidance and recycling measures and product stewardship.
 - We will identify, assess and manage our environmental impact.
 - We will regularly monitor, review and report publicly our environmental performance.
 - We shall develop and rehabilitate abandoned sites through afforestation, landscaping and shall protect & preserve the biodiversity in the areas of our operations.
 - We will enhance awareness, skill and competence of our employees and contractors so as to enable them to demonstrate their involvement, responsibility and accountability for sound environmental performance.
2. We are committed to continual improvement in our environmental performance.
 - We will set objectives-targets, develop, implement and maintain management standards and systems, and go beyond compliance with relevant industry standards, legal and other requirements.
3. We will truly succeed when we sustain our environmental achievement and are valued by the communities in which we work.



B Muthuraman

May 21, 2005

ANNEXURES

TATA STEEL SAFETY & OCCUPATIONAL HEALTH POLICY

Tata Steel's safety and occupational health responsibilities are driven by our desire to ensure zero harm to people we work with and society at large and is integral to the way we do business.

1. Our fundamental belief is that all injuries can be prevented. This responsibility starts with each one of us.
 - We will identify, assess and manage our Safety & OH hazard/risks.
 - We will regularly monitor, review the progress and report.
 - We will ensure WILL & SKILL buildup among employees/ contractors partner to demonstrate their involvement, responsibility and accountability to achieve sound Safety & OH performance.
2. We are committed to continual improvement in our Safety & OH performance.
 - We will set objectives – targets, develop, implement and maintain management standards and systems, and go beyond compliance with relevant industry standards, legal and other requirements.
3. We will truly succeed when we achieve our Safety & OH goals and are valued by the communities in which we work.



B Muthuraman
Managing Director

May 21, 2005

TATA STEEL ENERGY POLICY

Tata Steel reaffirms its commitment to conserve scarce energy resources and shall endeavour to

- Comply with national and international regulations.
- Adopt best available technology for energy efficiency.
- Implement world-class operating practices.
- Conduct regular Energy Audit for continual improvement.
- Promote energy efficiency through mass awareness.



B Muthuraman

April 1, 2004

TATA STEEL HUMAN RESOURCE POLICY

Tata Steel recognises that its people are the primary source of its competitiveness.

It is committed to equal employment opportunities for attracting the best available talent and ensuring a cosmopolitan workforce.

It will pursue management practices designed to enrich the quality of life of its employees, develop their potential and maximize their productivity.

It will aim at ensuring transparency, fairness and equity in all its dealings with its employees.

Tata Steel will strive continuously to foster a climate of openness, mutual trust and teamwork.



B Muthuraman
Managing Director

October 1, 2001

TATA STEEL CORPORATE SOCIAL RESPONSIBILITY POLICY

Tata Steel believes that the primary purpose of a business is to improve the quality of life of people. Tata Steel will volunteer its resources, to the extent it can reasonably afford, to sustain and improve a healthy and prosperous environment and to improve the quality of life of the people of the areas in which it operates.



B Muthuraman

February 1, 2003

TATA STEEL SOCIAL ACCOUNTABILITY POLICY

Tata Steel, in accordance with its founding principles, will continue to improve the quality of life of its employees and the communities it serves.

Tata Steel will conduct its business ever mindful of its social accountability, respecting applicable laws and with regard for human dignity.

Tata Steel will positively impact and influence its partners in fostering a sense of social commitment for their stakeholders.



B Muthuraman
Managing Director

December 20, 2003

TATA STEEL HIV (+) & AIDS CONTROL POLICY

Tata Steel is committed to contribute to the global effort towards halting and reversing the course of HIV/AIDS. The Company would take measures to actively disseminate information and education regarding HIV/AIDS within our workplace and surrounding communities, with the objective to reduce its transmission.

The Company would ensure a safe working environment, confidentiality and non-discrimination of affected employees, if any.

The Company would provide appropriate medical management for all affected employees and their families.



B Muthuraman
Managing Director

September 1, 2005

ANNEXURES

TATA STEEL ALCOHOL AND DRUGS POLICY

Tata Steel believes that the loyalty and commitment of its employees depend upon the quality of life they are offered at work and at home.

We recognise that indiscriminate use of alcohol and drugs is injurious to the well being of individuals, their families and the community as a whole. We acknowledge that the misuse of these psychoactive substances is a major health and safety hazard. Tata Steel, is therefore, committed to creating an alcohol and drug-free environment at the work place. This would be achieved through the involvement of all employees and the Joint Departmental Councils in spearheading appropriate initiatives.

The initiatives would include:

- Raising awareness, through the dissemination of information, education and training and by promoting healthy life styles among our employees and their families.
- Motivating those employees who have an alcohol/drug problem, to seek assistance, while maintaining confidentiality about such cases.



B Muthuraman
Managing Director

October 1, 2001

TATA STEEL AFFIRMATIVE ACTION POLICY

Tata Steel recognises that diversity in the workplace positively impacts business. The Company will ensure equal employment opportunities and provide training to develop the socially disadvantaged.

Tata Steel will volunteer its training resources to the extent possible to improve employability of disadvantaged sections of society. The Company will encourage business entrepreneurs from socially disadvantaged communities through monitoring and inclusion in supply chain on the basis of equal merit.

Tata Steel will assist in upward mobility of talented youth from marginalized communities by increasing their access to quality higher education.

Tata Steel will report Affirmative Action initiatives in its annual sustainability report.



B Muthuraman
Managing Director

November 21, 2006

TATA STEEL RESEARCH POLICY

Tata Steel believes that research provides the foundation for sustained, long-term, stakeholder delight. Tata Steel shall nurture and encourage innovative research in a creative ambience to ensure that the competitive advantage in its overall business is retained and surpassed. Towards this goal, the Company commits itself to providing all necessary resources and facilities for use by motivated researchers of the highest caliber. Research in Tata Steel shall be aligned to the technological initiatives necessary to evolve and fulfill the overall business objectives of the Company.



B Muthuraman
Managing Director

January 1, 2002

Annexure-VI

Tata Group Corporate Sustainability Policy



Corporate Sustainability (Group Policy)

We continue to encourage our Companies to:

Demonstrate responsibility and sensitivity to bio-diversity and the environment in which they operate by being proactive to conserve, restore and enrich it systematically and continuously.



Comply with regulation relating to environment, constantly upgrade technology and apply state-of-the-art processes and practices with institutional arrangements that will comprehensively address larger issues and goals on climate change and global warming.



Continually illustrate performance in preventing pollution, ensure the optimum use of resources and minimize harmful impacts of products and production processes, materials movement and its delivery throughout its supply chain



Create sustainable livelihoods and build community through social outreach programmes in Health, Education, Empowerment of Women & Youth, Employee Volunteering that can be measured in terms of their having more lasting benefits, serving a larger national or regional purpose, and also making it more meaningful to all involved in the endeavour.



Find ways to enhance human, social, natural capital as complementing financial growth of the enterprise with explicit goals and processes to sustain the effort



For this purpose the Companies shall adhere to our core values, deploy appropriate approaches demonstrate leadership, train and position key professionals and create consciousness among employees, suppliers, contractors, customers and the community at large through a process of continuous dialogue, initiatives and collaboration.

29 July, 2007

Kishore A Chaukar
Chairman

Tata Council for Community Initiatives
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