

Corporate Governance Report for the year 2005-06

(as required under Clause 49 of the Listing Agreements entered into with the Stock Exchanges)

1. The Company's Corporate Governance Philosophy

The Company believes in adopting the best practices in the areas of Corporate Governance. Even in a fiercely competitive business environment, the Management and Employees of the Company are committed to uphold the core values of transparency, integrity, honesty and accountability which are fundamental to the Tata Group.

During the year, the Company has fine-tuned its corporate practices so as to bring them in line with the revised Clause 49 of the listing agreements. The Company adopted the Tata Code of Conduct for Non-Executive Directors and the Whistle Blower Policy as prescribed in the revised Clause.

The Company will continue to focus its resources, strengths and strategies for creation and safeguarding of shareholders' wealth and at the same time protect the interests of all its shareholders.

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 also the number of Directorships and Committee Memberships held by them in other companies are given below :

Name	Category	No. of Board Meetings attended during 2005-06	Whether attended AGM held on 27th July, 2005	No. of Directorships in other public companies		No. of Committee positions held in other public companies**	
				Chairman	Member	Chairman	Member
Mr. R.N. Tata (Chairman)	Promoter Not Independent Non-Executive	7	Yes	11	2	—	—
Mr. Keshub Mahindra (Ceased to be a Director w.e.f. 21.3.2006)	Independent Non-Executive	3	Yes	3	4	1	—
Mr. Nusli N. Wadia	-do-	5	Yes	5	4	—	—
Mr. S.M. Palia	-do-	7	No	1	4	4	1
Mr. P.K. Kaul Financial Institutions' Nominee *	-do-	5	Yes	1	9	2	3
Mr. Suresh Krishna	-do-	5	No	5	2	2	2
Mr. Kumar Mangalam Birla	-do-	1	No	8	4	—	1
Mr. Ishaat Hussain	Promoter Not Independent Non-Executive	6	Yes	2	10	2	3

Name	Category	No. of Board Meetings attended during 2005-06	Whether attended AGM held on 27th July, 2005	No. of Directorships in other public companies		No. of Committee positions held in other public companies**	
				Chairman	Member	Chairman	Member
Dr. J.J. Irani	Promoter Not Independent Non-Executive	7	Yes	4	7	—	3
Mr. B. Jitender Financial Institutions' Nominee* (Ceased to be a Director w.e.f. 22.3.2006)	Independent Non-Executive	4	No	1	4	—	2
Mr. B. Muthuraman Managing Director	Not Independent Executive	7	Yes	3	3	—	—
Dr. T. Mukherjee Dy. Managing Director (Steel)	-do-	6	No	2	4	—	1
Mr. A.N. Singh Dy. Managing Director (Corporate Services)	-do-	7	Yes	2	—	1	—

* Appointed by IDBI Bank Ltd. as the lead institution.

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

Seven Board Meetings were held during the year 2005-06 and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held were as follows :

19th May 2005, 27th July 2005, 23rd August 2005, 26th October 2005, 24th November 2005, 23rd January 2006 and 23rd March 2006.

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 information as required under Annexure IA to Clause 49 is being made available to 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 2005-06, 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. 30.67 lakhs. The Company, with the approval of the Department of Company Affairs has also paid Rs. 67.92 lakhs 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 period ended 31st March, 2006. Both the Codes are posted on the website of the Company.

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. P.K. Kaul, Chairman of the Audit Committee was present at the Annual General Meeting held on 27th July, 2005.

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 below :

Names of Members	Category	No. of Meetings attended during the year 2005-06
Mr. P.K. Kaul, Chairman	Independent, Non-Executive	4
Mr. Ishaat Hussain, Member Chartered Accountant	Promoter Not Independent, Non-Executive	5
Mr. S.M. Palia, Member	Independent, Non-Executive	6
Mr. B. Jitender*	Independent, Non-Executive	1

* Member of Audit Committee from 17.1.2006 to 22.3.2006.

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 2005-06. The dates on which the said meetings were held were as follows :

18th May 2005, 26th July 2005, 22nd August 2005, 25th October 2005, 23rd December 2005 and 20th January 2006.

The necessary quorum was present at the meetings.

Whistle Blower Policy

The Audit Committee at its meeting held on 25th October, 2005, approved framing of 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 behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The Whistle Blower Policy 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. 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. 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 :

- a) Review the performance of the Managing Director and the Whole-time Directors, after considering the Company's performance.
- b) Recommend to the Board remuneration including salary, perquisites and commission to be paid to the Company's Managing Director and Whole-time Directors.
- c) Finalise the perquisites package of the Managing Director and Whole-time Directors within the overall ceiling fixed by the Board.
- d) 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 below :

Names of Members	Category	No. of Meetings attended during the year 2005-06
Mr. Keshub Mahindra, Chairman*	Independent, Non-Executive	—
Mr. R. N. Tata, Member	Promoter Not Independent, Non-Executive	1
Mr. S. M. Palia, Member	Independent, Non-Executive	1

* Ceased to be Chairman of Remuneration Committee w.e.f. 21st March, 2006.

One meeting of the Remuneration Committee was held on 19th May, 2005.

The Chairman of the Remuneration Committee, Mr. Keshub Mahindra was present at the Annual General Meeting held on 27th July, 2005.

The Company has complied with the non-mandatory requirement of Clause 49 regarding the Remuneration Committee.

Remuneration Policy

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

- a) employment scenario
- b) remuneration package of the industry and
- c) 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 19th July, 2001, 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, Committee of the Board and Audit Committee. 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 and 309 of the Companies Act, 1956. Specific amount payable to such directors is based on the performance criteria laid down by the Board which broadly takes into account the profits earned by the Company for the year.

Details of remuneration for 2005-06

Non-Wholetime Directors

(Rs. lakhs)

Name of the Director	Commission*	Sitting Fees
1. Mr. R. N. Tata	30.80	1.35
2. Mr. Keshub Mahindra	2.80	0.30
3. Mr. Nusli N. Wadia	11.70	0.90
4. Mr. S.M. Palia	26.90	2.05
5. Mr. P.K. Kaul	9.70 **	0.90
6. Mr. Suresh Krishna	4.75	0.60
7. Mr. Kumar Mangalam Birla	0.90	0.10
8. Mr. Ishaat Hussain	28.20	1.50
9. Dr. J.J.Irani	29.50 @	1.50
10. Mr. B. Jitender	4.75 **	0.50 ***
Total	150.00	9.70

* Payable in 2006-07.

** Amount payable to IDBI Bank Ltd.

*** Amount paid to IDBI Bank Ltd.

@ Excluding retirement benefits of Rs. 30.67 lakhs.

Managing and Whole-time Directors

Name	Salary Rs. lakhs	Perquisites & Allowances Rs. lakhs	Commission@ Rs. lakhs	Stock Options
Mr. B. Muthuraman Managing Director	62.78	37.36	120.00	Nil
Dr. T. Mukherjee Dy. Managing Director (Steel)	54.71	30.19	90.00	Nil
Mr. A.N. Singh Dy. Managing Director (Corporate Services)	45.61	23.49	65.00	Nil

@ Payable in 2006-07.

Service Contracts, Severance Fees and Notice Period

Period of Contract of MD	: 5 Years from 22.7.2001.	The Contract may be terminated by either party giving the other party six months' notice or the Company paying six months' salary in lieu thereof. There is no separate provision for payment of severance fees.
Period of Contract of Dy. MD (Steel)	: 1.8.2005 to 31.10.2007.	The Contract may be terminated by either party giving the other party six months' notice or the Company paying six months' salary in lieu thereof. There is no separate provision for payment of severance fees.
Period of Contract of Dy. MD (Corporate Services)	: 5 years from 1.8.2005.	The Contract may be terminated by either party giving the other party six months' notice or the Company paying six months' salary in lieu thereof. There is no separate provision for payment of severance fees.

During the year, there was a revision, subject to the approval of the shareholders, in the terms of remuneration of the Managing Director/Dy. Managing Directors, details of which have been provided in the Explanatory Statement to the Notice.

Shareholding of the Directors in the Company as on 31st March, 2006.

Director	No. of Ordinary Shares of Rs. 10/- each held singly and/or jointly
Mr. R.N. Tata (Chairman)	16680
Mr. Nusli N. Wadia	Nil
Mr. S.M. Palia	450
Mr. P.K. Kaul	Nil
Mr. Suresh Krishna	Nil
Mr. Kumar Mangalam Birla	Nil
Mr. Ishaat Hussian	1614
Dr. J.J. Irani	5431
Mr. B. Muthuraman	2186
Dr. T. Mukherjee	Nil
Mr. A.N. Singh	Nil
Total	26361

5. Shareholders' Committee

An Investors' Grievance Committee was constituted on 23rd March, 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.

One meeting of the Investors' Grievance Committee was held on 23rd March, 2006.

The composition of the Investors' Grievance Committee and details of the meeting attended by the Directors are given below :

Names of Members	Category	No. of Meetings attended during the year 2005-06
Mr. Ishaat Hussain, Chairman	Promoter	1
	Not Independent Non-Executive	
Mr. Suresh Krishna, Member	Independent	1
	Non-Executive	

Name, designation & address of Compliance Officer :

Mr. J.C. Bham
 Company Secretary
 Bombay House,
 24, Homi Mody Street,
 Fort, Mumbai 400 001.
Phone : (022) 6665 8282 Extn. 7279
Fax : (022) 6665 7724
E-mail : cosectisco@tata.com

Name, designation & address of Investor Relations Officer :

Mr. Sanjay Khattry
 Head (Financial Planning & Investor Relations)
 Bombay House,
 24, Homi Mody Street,
 Fort, Mumbai 400 001.
Phone : (022) 6665 8282 Extn. 7289
Fax : (022) 6665 8113 / 18
E-mail : skhattry@tata.com

Shareholder/Investor Complaints

Complaints pending as on 1st April, 2005	:	6
During the period 1st April, 2005 to 31st March, 2006, complaints identified and reported under Clause 41 of the Listing Agreements	:	1789
Complaints disposed off during the year ended 31st March, 2006	:	1788
Complaints unresolved to the satisfaction of shareholders as on 31st March, 2006	:	7
No. of pending share transfers as on 31st March, 2006	:	266*

* Transfers lodged in the last two weeks of March 2006 and hence pending as on 31st March, 2006.

Sr. No.	Description	Nos. Received	Total Replied	Total Pending
A	Complaints			
	Letters received from Statutory/Regulatory bodies			
1.	SEBI	69	63	6
2.	DOCA	—	—	—
3.	STOCK EXCHANGES	23	23	—
4.	NSDL/CDSL	17	17	—
	Total Nos.	109	103	6
B	Legal Matters			
	Court/Consumer Forum Matters	—	—	—
	Total Nos.	—	—	—
C	Dividends			
1.	Non-receipt of Dividend warrants (pending recon. at the time of receipt of letters)	1679	1679	—
2.	Fraudulent Encashment of dividend warrants	1	—	1
	Total Nos.	1680	1679	1
D	Letters in the nature of reminders/complaints	—	—	—
	Total Correspondence Statistics	1789	1782	7

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.

Committees

In addition to the above Committees, the Board has constituted 3 more Committees, viz. Committee of the Board, Committee of Directors and the Ethics and Compliance Committee.

The terms of reference of the **Committee of the Board (COB)** 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 organisational structure and also to periodically review the Company's business plans and future strategies.

The composition of the COB and details of the meetings attended by the Directors are given below :

Names of Members	No. of Meetings attended during the year 2005-06
Mr. R. N. Tata, Chairman	6
Mr. Nusli N. Wadia, Member	4
Mr. S.M. Palia, Member	7
Mr. Ishaat Hussain, Member*	3
Dr. J.J. Irani, Member	8
Mr. B. Muthuraman, Member	8

* Appointed as the Member of the Committee of Board w.e.f. 26.10.2005.

Eight COB Meetings were held during the year 2005-06. The dates on which the said meetings were held were as follows :

17th May 2005, 25th July 2005, 22nd August 2005, 24th October 2005, 22nd November 2005, 19th January 2006, 10th February 2006 and 21st March 2006.

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.

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 Code of Corporate Disclosure Practices (the Code) to be followed by 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, a Committee has been constituted on 30th May, 2002, called Ethics and Compliance Committee.

The composition of the Ethics and Compliance Committee is given below :

Names of Members	Category	No. of Meetings attended during the year 2005-06
Mr. Ishaat Hussain, Chairman	Promoter, Not Independent, Non-Executive	1
Mr. Suresh Krishna, Member	Independent, Non-Executive	1

The Board has also appointed the Vice President (Finance) as the Compliance Officer to ensure compliance and effective implementation of the Regulations and also the Code across the Company.

One meeting of the Ethics and Compliance Committee was held on 23rd March, 2006.

During the year under review, the Compliance Officer submitted Monthly Committee Report of the Tata Code of Conduct for Prevention of Insider Trading to the Board of Directors.

6. General Body Meetings

a) Location and time, where last three Annual General Meetings (AGMs) were held :

Financial Year	Details of Location	Date & Time
2004-05	Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020	27th July, 2005 at 3.30 p.m
2003-04		22nd July, 2004 at 3.30 p.m.
2002-03		23rd July, 2003 at 3.30 p.m.

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:

At the last Annual General Meeting of the Company held on 27th July, 2005, 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.

At the Annual General Meeting held on 22nd July, 2004, the Company passed Special Resolutions 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 Auditors and e) Appointment of Branch Auditors. The resolutions at items a), b) and c) were passed unanimously and the resolutions at items d) and e) were passed by requisite majority.

At the Annual General Meeting held on 23rd July, 2003, Special Resolutions were passed for a) Voluntary Delisting of the Company’s Ordinary Shares from certain Stock Exchanges b) Appointment of Auditors and c) Appointment of Branch Auditors. The resolutions at items a) and c) were passed unanimously and at item b) by requisite majority.

7. 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 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.

iii) The Company has adopted a Whistle Blower Policy and has established the necessary mechanism in line with clause 7 of the Annexure I D to Clause 49 of the Listing Agreement with the Stock Exchanges, for employees to report concerns about unethical behaviour. No personnel has been denied access to the Ethics Counsellor/Chairman of the Audit Committee.

iv) 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. Please see para 4 for details.

b) A half-yearly declaration of financial performance including a summary of the significant events in the six-months period was sent to every shareholder.

c) The Company has moved towards a regime of unqualified financial statements.

Secretarial Audit

A qualified practicing Company Secretary carried out a secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

8. Means of Communication

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.

Results –

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.

Presentation to Institutional Investors or to analysts –

Official news releases and presentations made to Institutional Investors and analysts are posted on the Company's website.

Management Discussion & Analysis Report –

The MD & A 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' serves to inform the shareholders, by giving complete financial details, shareholding patterns, corporate benefits, information relating to stock exchanges, registrars, share transfer agents and frequently asked questions. Investors can also submit their queries and get feedback through online interactive forms. The section on 'Newsrooms' includes all major press reports and releases, awards, campaigns.

9. General Shareholder Information

AGM : Date, time and venue – 5.7.2006 at 11.00 a.m
Birla Matushri Sabhagar,
19, Sir Vithaldas Thackersey Marg,
Mumbai 400 020.

As required under Clause 49 IV(G)(i), particulars of Directors seeking reappointment are given in the Explanatory Statement to the Notice of the Annual General Meeting to be held on 5th July, 2006.

Financial Calendar –	Year ending	March 31
	AGM	July
	Dividend Payment	Generally in July

Date of Book Closure – 30.5.2006 to 19.6.2006 (both days inclusive)

Dividend Payment Date – The dividend warrants will be posted on or after 5.7.2006.

Unclaimed Dividend –

- All unclaimed/unpaid dividend amounts upto the financial year ended 31.3.1995 have been transferred to the General Revenue Account of the Central Government. Shareholders, who have not yet encashed their dividend warrant(s) for the said period are requested to forward their claims in prescribed Form No. II to The Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978 to :-
Office of Registrar of Companies
Central Government Office Bldg., 'A' Wing,
2nd floor, Next to Reserve Bank of India,
CBD, Belapur 400 614.
- All unclaimed/unpaid dividend amounts for the financial years 1995-96 to 1997-98 have been transferred to Investor Education & Protection Fund and no claims will lie against the Company or the Fund in respect of the unclaimed amounts so transferred.
- All unclaimed/unpaid dividend amounts for the financial year ended 31.3.99 are due for transfer to the Investor Education & Protection Fund on 8th September, 2006. Members are requested to make their claims accordingly.

Listing on Stock Exchanges –

The Company's securities are listed on the following 3 Stock Exchanges in India :

Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001.

National Stock Exchange of India Ltd.
Exchange Plaza,
Bandra-Kurla Complex,
Bandra East,
Mumbai 400 051.

The Calcutta Stock Exchange Assn. Ltd.
7, Lyons Range,
Kolkata 700 001.

(The application for delisting from The Calcutta Stock Exchange Assn. Ltd. is still pending)

Global Depository Receipts (GDRs) issued by the Company in the International Market have been listed on the Luxembourg Stock Exchange.

The Company has paid annual listing fees to each of the above Stock Exchanges for the financial year 2005-06.

Stock Codes/Symbols –

Bombay Stock Exchange Limited -			
Ordinary Shares (demat form)	500470
National Stock Exchange of India Ltd.	TATA STEEL

Privately Placed Debentures

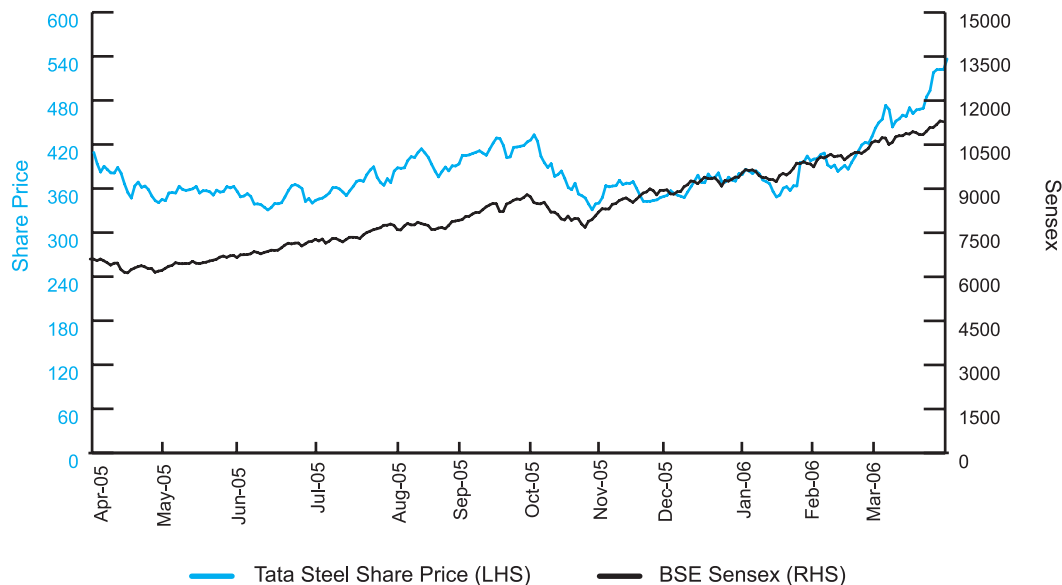
Privately Placed Debentures issued by the Company are listed on the Whole-Sale Debt Market Segment of the National Stock Exchange of India Ltd.

Market Information –

Market Price Data : High, Low (based on the closing prices) and average volume, average number of trades and average value of shares traded during each month in last financial year.

Month	High (Rs.)	Low (Rs.)	Avg. Volume per day (No. of Shares)	Avg. No. of Trades per day	Avg. Value per day (Rs. lakhs)
April 2005	409.25	340.80	2245013	16002	8307
May 2005	363.15	343.45	1827526	13524	6508
June 2005	365.45	330.80	1778747	11767	6238
July 2005	389.60	343.95	1946801	11656	7092
August 2005	414.10	364.45	1555181	11839	6062
September 2005	428.85	393.45	1214495	9442	5018
October 2005	433.15	330.95	2033267	15569	7696
November 2005	371.30	340.20	1857256	15621	6602
December 2005	381.35	347.70	1517654	14007	5583
January 2006	404.25	348.45	1378507	12263	5179
February 2006	430.70	383.40	1520466	14224	6157
March 2006	536.40	442.30	1668376	17363	7982

Performance of Tata Steel Share price in comparison to BSE Sensex



Registrar and Transfer Agents :

The name of Tata Share Registry Limited is changed to TSR Darashaw Limited w.e.f. 12th January, 2006.

Address for correspondence is as below :

TSR Darashaw Limited
Army & Navy Bldg.,
148, Mahatma Gandhi Road,
Fort, Mumbai 400 001.

Tel : (022) 6656 8484

Fax : (022) 6656 8494 / 66568496

E-mail : csq-unit@tsrdarashaw.com

website : <http://www.tsrdarashaw.com>

For the convenience of shareholders based in the following cities, transfer documents and letters will also be accepted at the following branches/agencies of TSR Darashaw Limited :

Branches of TSR Darashaw Limited

- | | |
|---|--|
| 1. TSR Darashaw Limited
503, Barton Centre, 5th floor,
84, Mahatma Gandhi Road,
Bangalore 560 001.
Tel : 080 - 25320321
Fax : 080 - 25580019
E-mail: tsrlbang@tsrdarashaw.com | 2. TSR Darashaw Limited
Bungalow No.1, 'E' Road,
Northern Town, Bistupur,
Jamshedpur 831 001.
Tel : 0657 - 2426616
Fax : 0657 - 2426937
E-mail : tsrljsr@tsrdarashaw.com |
| 3. TSR Darashaw Limited
Tata Centre, 1st floor,
43, Jawaharlal Nehru Road,
Kolkata 700 071.
Tel : 033 - 22883087
Fax : 033 - 22883062
E-mail : tsrlcal@tsrdarashaw.com | 4. TSR Darashaw Limited
Plot No. 2/42, Sant Vihar,
Ansari Road, Darya Ganj,
New Delhi 110 002.
Tel : 011 - 23271805
Fax : 011 - 23271802
E-mail : tsrldel@tsrdarashaw.com |

Agent of TSR Darashaw Limited

Shah Consultancy Services Limited
1, Sumatinath Complex, 2nd Dhal,
Pritamnagar, Ellisbridge,
Ahmedabad 380 006.
Telefax : 079 - 26576038
E-mail : shahconsultancy@hotmail.com

Share Transfer System : Share Transfers in physical form can be lodged with TSR Darashaw Limited at the above mentioned addresses. The Transfers are normally processed within 10-12 days from the date of receipt if the documents are complete in all respects. Certain Directors and the Company Secretary are severally empowered to approve transfers.

Distribution of Shareholding

Number of Ordinary shares held	Number of Shareholders	
	31-3-2006 %	31-3-2005 %
1 to 100	52.30	50.22
101 to 500	38.14	39.79
501 to 1000	5.18	5.34
1001 to 10000	4.13	4.35
Over 10000	0.25	0.30
	100.00	100.00

Categories of Shareholders

Category	Number of Shareholders		Voting strength %		Number of Ordinary Shares held	
	31-3-2006	31-3-2005	31-3-2006	31-3-2005	31-3-2006	31-3-2005
Individuals	5,34,053	5,67,214	25.19	28.30	139,441,726	156,627,404
Unit Trust of India	1	1	0.01	0.35	41,333	1,912,384
Life Insurance Corporation of India	1	1	11.88	11.59	65,753,593	64,139,375
Govt. & Other Public Financial Institutions	14	63	5.65	6.39	31,297,858	35,401,473
Tata Group Companies	15	14	*26.81	*26.56	148,391,636	147,009,416
Companies	5711	6535	4.84	6.48	26,796,068	35,881,412
Nationalised Banks, Mutual Funds and Trusts	377	331	3.17	4.97	17,518,404	27,503,656
Foreign Institutional Investors	264	210	22.45	15.36	124,232,238	84,997,736
TOTAL	5,40,436	5,74,369	100.00	100.00	553,472,856	553,472,856

* This includes 6,71,455 (as on 31st March, 2005 - 14,04,055) shares allotted to Kalimati Investment Company Limited pursuant to the Bombay High Court Order dated 3rd April, 2003, approving the Scheme of Amalgamation of Tata SSL Limited with the Company. These shares do not carry any voting rights.

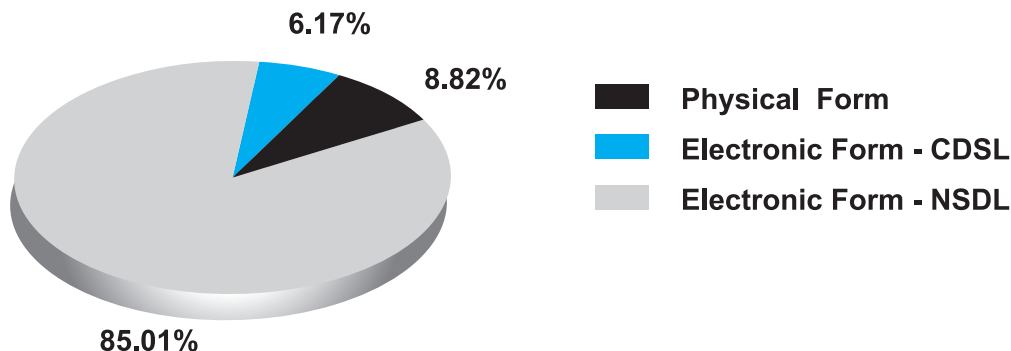
Top Ten Shareholders of the Company as on 31st March, 2006

Sr. No.	Name of the Shareholder	No. of shares held	% of holding
1.	Tata Sons Limited	110893040	20.04
2.	Life Insurance Corporation of India	65753593	11.88
3.	Tata Motors Limited	25806729	4.66
4.	HSBC Global Investment Funds A/c HSBC Global Investment Funds Mauritius Limited	18872545	3.41
5.	Janus Overseas Fund	12191285	2.20
6.	Genesis Indian Investment Company Limited A/c General Sub Fund	11191500	2.02
7.	The New India Assurance Company Limited	10166937	1.84
8.	Janus Contrarian Fund	7661452	1.38
9.	National Insurance Company Limited	7253450	1.31
10.	The Oriental Insurance Company Limited	6463967	1.17

Dematerialisation of shares as on 31st March, 2006 and Liquidity

The Company's shares are compulsorily traded in dematerialised form and are available for trading on both the Depositories in India – National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL). 50,46,84,254 Ordinary Shares of the Company representing 91.18% of the Company's share capital is dematerialised as on 31st March, 2006.

The Company's shares are regularly traded on Bombay Stock Exchange Limited, Mumbai, as is seen from the volume of shares indicated in the Table containing Market Information.



Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE 081A01012.

Outstanding GDRs/ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity : 3867 GDRs (each GDR representing 1 Ordinary share of the Company)
The Company had issued detachable warrants (alongwith Secured Premium Notes) for subscribing to 1 Ordinary Share of Rs. 10 each at a premium of Rs. 70 per share. In respect of approximately 12,446 detachable warrants applicable to matters which are in dispute, the option to get the shares is kept alive for the time being.

Plant Locations : Company's Steel Works and

Tubes Division	..	Jamshedpur (Jharkhand)
Bearings Division	..	Kharagpur (West Bengal)
Ferro Manganese Plant	..	Joda (Orissa)
Charge Chrome Plant	..	Bamnipal (Orissa)
Cold Rolling Complex	..	Tarapur (Maharashtra)
	..	Sisodra (Gujarat)
Mines, Collieries & Quarries	..	States of Jharkhand, Orissa, and Karnataka
Wire Division	..	Borivli (Mumbai)
	..	Tarapur (Maharashtra)
	..	Bangalore (Karnataka)

Address for correspondence : Tata Steel Limited
Bombay House, 24, Homi Mody Street,
Fort, Mumbai 400 001.
Phone : (022) 6665 8282
Fax : (022) 6665 8113 / 6665 7725
E-mail : cosectisco@tata.com
Website : www.tatasteel.com

10. Other information to the shareholders

Dividend History for the Last 10 years

Financial Year	Dividend Date	Rate
2004-05	27.7.05	130%
2003-04	23.7.04	100%
2002-03	24.7.03	80%
2001-02	12.6.02	40%
2000-01	20.7.01	50%
1999-00	23.5.00	40%
1998-99	30.7.99	40%
1997-98	24.7.98	40%
1996-97	01.8.97	45%
1995-96	26.7.96	45%

Bank Details

Shareholders holding in the physical form are requested to notify/send the following to TSR Darashaw Limited to facilitate better servicing :-

- i) any change in their address/mandate/bank details, and
- ii) particulars of the bank account in which they wish their dividend to be credited, in case have not been furnished earlier.

Shareholders are advised that respective bank details and address as furnished by them or by NSDL/CDSL to the Company, for shares held in the physical form and in the dematerialised form respectively, will be printed on their dividend warrants as a measure of protection against fraudulent encashment.

Nomination Facility

Shareholders who hold shares in the physical form and wish to make/change a nomination in respect of their shares in the Company, as permitted under Section 109A of the Companies Act, 1956, may submit to TSR Darashaw Limited the prescribed Form 2B. The Form can be downloaded from the Company's website www.tatasteel.com under the section 'Investor Relations'.

Shares held in electronic form

Shareholders holding shares in electronic form may please note that :

- Instructions regarding bank details which they wish to have incorporated in future dividend warrants must be submitted to their Depository Participants (DP). As per the regulations of NSDL and CDSL, the Company is obliged to print bank details on the dividend warrants, as furnished by these depositories to the Company.
- Instructions already given by them for shares held in physical form will not be automatically applicable to the dividend paid on shares held in electronic form.
- Instructions regarding change of address, nomination and power of attorney should be given directly to the DP.

Electronic Clearing Service (ECS) Facility

The Company, with respect to payment of dividend to shareholders, provides the facility of ECS at the following cities :

Ahmedabad, Bangalore, Bhubaneshwar, Chandigarh, Chennai, Coimbatore, Delhi, Guwahati, Hyderabad, Jaipur, Kanpur, Kolkata, Lucknow, Mumbai, Nagpur, Patna, Pune, Surat, Thiruvananthapuram and Vadodara.

Shareholders holding shares in the physical form, who wish to avail the ECS facility, may send their ECS mandate in the prescribed form to the Company, in the event they have not done so earlier. The ECS mandate form can be downloaded from the Company's website www.tatasteel.com under the section 'Investor Relations'.

Depository Services

Shareholders may write to the respective Depository or to TSR Darashaw Limited for guidance on depository services. Address for correspondence with Depository are as follows :-

National Securities Depository Limited
Trade World, 4th floor,
Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai 400 013.
Telephone : 022-2499 4200
Facsimile : 022-2497 2993/2497 6351
E-mail : info@nsdl.co.in
website : www.nsdl.co.in

Central Depository Services (India) Limited
Phiroze Jeejeebhoy Towers,
16th floor,
Dalal Street,
Mumbai 400 023
Telephone : 022-2272 3333
Facsimile : 022-2272 3199/2272 2072
E-mail : investor@cdslindia.com
website : www.cdslindia.com

Odd Lot Facility

Having regard to the difficulties experienced by shareholders in disposing of the shares held by them in physical form, TSR Darashaw Limited, Registrars of the Company has framed a Scheme for the purchase of such shares. Interested shareholders may contact TSR Darashaw Limited for further details.

- Shareholders holding shares in the dematerialised form should address their correspondence to their respective DPs, other than for dividend, which should be addressed to TSR Darashaw Limited.
- Shareholders are requested to provide their e-mail address, telephone/fax numbers and quote their account numbers/DP ID and Client ID numbers in all correspondence with TSR Darashaw Limited to facilitate prompt response.

Certificate

**To the Members of
TATA STEEL LIMITED**

We have examined the compliance of conditions of Corporate Governance by Tata Steel Limited, for the year ended on 31st March, 2006, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **A.F. FERGUSON & CO.**
Chartered Accountants

For **S.B. BILLIMORIA & CO.**
Chartered Accountants

A.K. MAHINDRA
Partner
Membership No : 10296

UDAYAN SEN
Partner
Membership No : 31220

Mumbai : 18th May, 2006