

Corporate Governance Report for the year 2001-02

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

1. A brief statement on Company's philosophy on Code of Governance

The Company, while conducting its business has been upholding the core values of **Tata's** i.e. transparency, integrity, honesty, accountability and compliance of laws. In continuation of its efforts towards improving performance, the Company intends to seize opportunities of tomorrow and create a future that will make it an EVA positive Company. This in turn will help to improve the quality of life of the communities it serves, e.g. customers, suppliers, Government, shareholders, local committees, etc. The Company remains committed to laying strong emphasis on Corporate Governance in all its dealing which is an important instrument for the shareholders' protection.

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 except Mr. Mantosh Sondhi who is Chairman of six Committees and has since resigned from one of the Committees. 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 2001-02 | Whether attended AGM held on 19th July, 2001 | 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 | 8 | Yes | 10 | 3 | — | 3 |
| Mr. Keshub Mahindra | Independent Non-Executive | 7 | Yes | 3 | 6 | 3 | 3 |
| Mr. N.A. Palkhivala [Ceased to be a Director w.e.f. 19.7.2001] | Promoter Not Independent Non-Executive | — | No | NA | NA | NA | NA |
| Mr. S.A. Sabavala | -do- | 9 | Yes | — | 1 | — | — |
| Mr. Mantosh Sondhi | Independent Non-Executive | 6 | Yes | — | 7 | 5 | 3 |
| Mr. Nusli N. Wadia | -do- | 8 | Yes | 7 | 4 | 1 | 2 |
| Mr. S.M. Palia | -do- | 8 | No | 1 | 6 | 3 | 2 |
| Mr. P.K. Kaul Financial Institutions' Nominee * | -do- | 6 | Yes | 2 | 8 | 2 | — |
| Mr. Suresh Krishna | -do- | 6 | Yes | 6 | 2 | 2 | 2 |
| Mr. Kumar Mangalam Birla | -do- | — | Yes | 7 | 3 | — | — |
| Mr. Ishaat Hussain | Promoter Not Independent Non-Executive | 8 | Yes | 3 | 10 | 2 | 4 |

| Name | Category | No. of Board Meetings attended during 2001-02 | Whether attended AGM held on 19th July, 2001 | No. of Directorships in other public companies | | No. of Committee positions held in other public companies | |
|---|--|---|--|--|--------|---|--------|
| | | | | Chairman | Member | Chairman | Member |
| Mr. S.K. Kapur Financial Institutions' Nominee* # | Independent Non-Executive | 4 | No | — | — | — | — |
| Dr. J.J. Irani [Ceased to be MD w.e.f. 21.7.2001] | Promoter Not Independent Non-Executive | 9 | Yes | 3 | 9 | 1 | 8 |
| Mr. B. Muthuraman Managing Director [w.e.f. 22nd July 2001] | Not Independent Executive | 9 | Yes | 2 | 2 | — | 1 |
| Dr. T. Mukherjee Dy. Managing Director (Steel) | -do- | 9 | Yes | 1 | 8 | 2 | 3 |
| Mr. F.A. Vandrevala Dy. Managing Director (New & Allied Businesses) [relinquished charge w.e.f. 1.11. 2001.] | -do- | 4 | Yes | 1 | 5 | 1 | 2 |
| Mr. A.N. Singh Dy. Managing Director (Corporate Services) | -do- | 8 | Yes | 2 | 1 | 1 | 1 |

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

IDBI has appointed Mr. B. Jitender as their Nominee Director in place of Mr. S.K. Kapur, w.e.f. 10th May 2002.

Nine Board Meetings were held during the year 2001-02 and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held were as follows:

1st June 2001, 18th July 2001, 30th August 2001, 30th October 2001, 29th November 2001, 24th January 2002, 30th January 2002, 4th March 2002 and 28th March 2002.

The information as required under Annexure I to Clause 49 is being made available to the Board.

The Company did not have any pecuniary relationship or transactions with NEDs during 2001-02.

3. **Audit Committee**

The Company had constituted an Audit Sub-Committee in the year 1986. The broad terms of reference of the Audit Sub-Committee were to review reports of the Internal Audit Department and discuss the same with the internal auditors periodically. To meet Statutory Auditors to discuss their findings, suggestions and other related matters. To review weaknesses in internal controls reported by internal and Statutory Auditors. The scope of the activities of the Audit Sub-Committee include the areas prescribed by Clause 49 II(D). The Audit Sub-Committee has been granted powers as prescribed under Clause 49 II (C).

The Company has complied with the requirements of Clause 49 II(A) as regards composition of the Audit Committee.

The Chairman of the Audit Sub-Committee, Mr. Mantosh Sondhi was present at the Annual General Meeting held on 19th July 2001.

The composition of the Audit Sub-Committee and the details of meetings attended by the Directors are given below:

| Names of Members | Category | No. of Meetings attended during the year 2001-02 |
|--|--|--|
| Mr. Mantosh Sondhi, Chairman | Independent, Non-Executive | 7 |
| Mr. P.K. Kaul, Member | -do- | 7 |
| Mr. Ishaat Hussain, Member (Chartered Accountant) | Promoter Not Independent, Non-Executive | 7 |
| Mr. S.M. Palia*, Member | Independent, Non-Executive | 3 |

*** Appointed as a Member of the Audit Sub-Committee effective 29.10.2001**

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

Eight Audit Sub-Committee Meetings were held during 2001-02.

The dates on which the said meetings were held were as follows:

20th April 2001, 1st June 2001, 18th July 2001, 29th August 2001, 30th October 2001, 28th November 2001, 23rd January 2002 and 27th March 2002.

The necessary quorum was present at the meetings.

4. Remuneration Committee

The Company had constituted a Remuneration Committee in the year 1993. The broad terms of reference of the Remuneration Committee are to recommend to the Board salary (including annual increments), perquisites and commission to be paid to the Company's managing/whole-time directors (MD/WTDs), to finalise the perquisites package within the overall ceiling fixed by the Board, to recommend to the Board retirement benefits to be paid to the MD and WTDs under the Retirement Benefit Guidelines adopted by the Board. The Remuneration Committee also functions as the Compensation Committee as per the SEBI Guidelines on Employees' Stock Option Scheme. The Company, however, has not yet introduced 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 2001-02 |
|-------------------------------|--|--|
| Mr. Keshub Mahindra, Chairman | Independent, Non-Executive | 2 |
| Mr. R.N. Tata, Member | Promoter Not Independent Non-Executive | 2 |
| Mr. Mantosh Sondhi, Member | Independent Non-Executive | 2 |
| Mr. S.M. Palia, Member | -do- | 1 |

Two meetings of the Remuneration Committee were held during 2001-02. The dates on which the said meetings were held were as follows:

1st June 2001 and 18th July 2001

The Chairman of the Remuneration Committee, Mr. Keshub Mahindra was present at the Annual General Meeting held on 19th July 2001.

To the extent stated above, 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.

For the last few years, effort has also been made to link the annual variable pay of senior managers with 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 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 payable 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 broadly on the basis of Board Meetings and various Committee Meetings attended by the NEDs. The Commission payable to the Chairman is decided by other members of the Board, keeping in mind the greater contribution made by the Chairman at every Board and Committee Meetings of which he is the Chairman.

The Company pays sitting fees of Rs. 5,000 per meeting to NEDs.

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and commission (variable component) to MD and WTDs. 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. 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 2001-02

Non-Wholetime Directors

| Name of the Director | Commission* Rs. lakhs | Sitting Fees Rs. |
|------------------------------|--------------------------|---------------------|
| 1. Mr. R. N. Tata | 3.50 | 85,000/- |
| 2. Mr. Keshub Mahindra | 0.90 | 45,000/- |
| 3. Mr. N.A. Palkhivala | 0.15 | — |
| 4. Mr. S.A. Sabavala | 1.40 | 75,000/- |
| 5. Mr. Mantosh Sondhi | 1.95 | 75,000/- |
| 6. Mr. Nusli N. Wadia | 1.30 | 70,000/- |
| 7. Mr. S.M. Palia | 1.90 | 90,000/- |
| 8. Mr. P.K. Kaul | 1.80** | 65,000/- |
| 9. Mr. Suresh Krishna | 0.80 | 40,000/- |
| 10. Mr. Kumar Mangalam Birla | 0.15 | — |
| 11. Mr. Ishaat Hussain | 2.10 | 85,000/- |
| 12. Dr. J.J. Irani | 1.05 | 55,000/- |
| 13. Mr. S.K. Kapur | 0.50** | 20,000/-*** |
| | 17.50 | 7,05,000/- |

* Payable in 2002-03

** Amount payable to IDBI

*** Amount of Rs. 15,000/- paid to IDBI

Managing and Whole-time Directors

| Name | Salary Rs. lakhs | Perquisites & Allowances Rs. lakhs | Commission@ Rs. lakhs | Stock Options |
|--|---------------------|--|--------------------------|---------------|
| Dr. J.J. Irani [ceased to be MD w.e.f. 21st July 2001] | 14.71 | 42.91* | 15.00 | Nil |
| Mr. B. Muthuraman Managing Director w.e.f. 22nd July 2001 | 19.26 | 8.94 | 18.00 | Nil |
| Dr. T. Mukherjee Dy. Managing Director (Steel) | 17.60 | 8.27 | 16.00 | Nil |
| Mr. F.A. Vandrevala Dy. Managing Director (New & Allied Businesses) relinquished charge w.e.f. 1.11. 2001. | 10.26 | 7.89 | 9.00 | Nil |
| Mr. A.N. Singh Dy. Managing Director (Corporate Services) | 17.60 | 8.15 | 16.00 | Nil |

@ Payable in 2002-03

* Figure shown above excludes the Retirement Benefits of Rs. 34 lakhs.

| | |
|---|---|
| Period of Contract of MD Period of Contract of Dy. MD (Steel) Period of Contract of Dy. MD (New & Allied Businesses) Period of Contract of Dy. MD (Corporate Services) | : As a Whole-time Director from 1.8.2000 to 21.7.2001. As the MD, for a period of 5 years w.e.f. 22.7.2001. Severance fees - Nil 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. Severance fees - Nil 5 years from 1.8.2000 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. Severance fees - Nil |
|---|---|

5. Shareholders Committee

An Investors' Grievance Committee was constituted on 23.3.2000 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. Two meetings of the Investors' Grievance Committee were held during the year 2001-02. The dates on which the said meetings were held were as follows: 30th August 2001 and 24th January 2002.

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

| Names of Members | Category | No. of Meetings attended during the year 2001-02 |
|------------------------------|--|--|
| Mr. Ishaat Hussain, Chairman | Promoter Not Independent Non-Executive | 2 |
| Mr. Suresh Krishna, Member | Independent Non-Executive | 2 |

Name, designation & address of Compliance Officer : Mr. J.C. Bham
 Company Secretary
 Bombay House, 24, Homi Mody Street, Fort, Mumbai 400 001.

Phone : (022) 2049131 Extn. 7279
Fax : (022) 2049522
E-mail : cosectisco@tata.com

| | |
|--|--------|
| No. of complaints received from the Investors from 1.4.2001 to 31.3.2002 comprising Non- receipt of dividend/interest warrants, non-receipt of securities sent for transfer, demat queries etc | 30,258 |
| No. not solved to the satisfaction of the investors as on 31.3.2002 | 19 |
| No. of pending share transfers as on 31.3.2002 | 470* |

* Transfers lodged in the last 2 weeks of March 2002 and hence pending as on 31.3.2002.

During the year, the Company launched its Investor Care Programme under which it conducted an investor survey with the objective of finding out the profile of the Company's Investors mainly shareholders, to serve as a platform for the shareholders to express their opinion, views, suggestions, etc., to understand the influencing factors in their investment decision making process, to gauge the communication gap, if any, and to build and strengthen the relationship between the Company and its shareholders.

The findings of the survey indicate that the Company's shareholders are satisfied with the investor service provided by the Company, the Annual Report and the newspapers are still a popular source of information on the Company. The small shareholder is a responsive and loyal audience and also information-sensitive. The Web is a growing medium of information for the small shareholder. Majority of the shareholders believe that the Company information will help tremendously in investment decision-making and would like periodic information from the Company. The Company

proposes to use the findings of this survey and take such steps as may be necessary to fulfil the expectations of its shareholders.

In addition to the above Committees, the Board has constituted 2 more Committees, viz. Committee of the Board and Committee of Directors.

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 meeting attended by the Directors are given below:

| Names of Members | No. of Meetings attended during the year 2001-02 |
|----------------------------|--|
| Mr. R.N. Tata, Chairman | 7 |
| Mr. S.A. Sabavala, Member | 6 |
| Mr. Nusli N. Wadia, Member | 6 |
| Mr. S.M. Palia, Member | 6 |
| Dr. J.J. Irani, Member | 6 |
| Mr. B. Muthuraman, Member | 5 |

Seven COB Meetings were held during the year 2001-02. The dates on which the said meetings were held were as follows: 31st May 2001, 17th July 2001, 29th August 2001, 29th October 2001, 27th November 2001, 22nd January 2002 and 26th March 2002.

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. N.A. Palkhivala (upto 19th July, 2001), Mr. S.A. Sabavala, Mr. Ishaat Hussain and Dr. J.J. Irani (w.e.f. 31st August, 2001). The business of the Committee is transacted by passing Circular Resolutions which are placed before the Board at its next meeting.

6. General Body Meetings

Location and time, where last three AGMs were held:

The last three AGMs were held on – 19.7.2001, 20.7.2000 and 29.7.1999 at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020, at 3.30 p.m.

Whether Special Resolutions –

- | | |
|--|----|
| (a) Were put through postal ballot last year – | No |
| Details of voting pattern – | NA |
| Person who conducted the postal ballot exercise – | NA |
| (b) Are proposed to be conducted through postal ballot – | No |
| Procedure for postal ballot – | NA |

7. Disclosures

Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of company at large.

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.

Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

Nil.

8. Means of Communication

| | |
|---|--|
| Half-yearly report sent to each household of shareholders | Yes |
| Quarterly Results – | |
| Which newspapers normally published in | The Economic Times, Maharashtra Times |
| Any website, where displayed | www.tatasteel.com |
| Whether it also displays official news releases; and the presentations made to institutional investors or to analysts | Yes |
| Whether MD&A is a part of annual report or not | Yes |

9. General Shareholder Information

| | |
|------------------------------|--|
| AGM : Date, time and venue – | 24.7.2002 at 3.30 p.m. at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020. |
|------------------------------|--|

As required under Clause 49 VI(A) , particulars of Directors seeking reappointment are given in the Explanatory Statement to the Notice of the Annual General Meeting to be held on 24th July, 2002.

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

Date of Book Closure – 3.7.2002 to 23.7.2002

Dividend Payment Date – At the Board Meeting held on 16th May, 2002, the Directors had approved payment of an Interim Dividend of 40% (Rs. 4/- per share). The Warrants will be dated 12th June 2002 and despatched before that date.

Listing on Stock Exchanges – The Company's securities are listed on the following 9 Stock Exchanges in India :

| | | |
|--|--|---|
| The Stock Exchange, Mumbai Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001. | Cochin Stock Exchange Ltd. 36/1565, 4th Floor, MES Buildings, Judges Avenue, Kaloor, Kochi 682 017. | Magadh Stock Exchange Assn. 9th Floor, Ashiana Plaza, Budh Marg, Patna 800 001. |
| The Calcutta Stock Exchange Assn. Ltd. 7, Lyons Range, Kolkata 700 001. | The Delhi Stock Exchange Assn. Ltd. DSE House, 3/1, Asaf Ali Road, New Delhi 110 002. | The Stock Exchange, Ahmedabad Kamadhenu Complex, Opp. Sahajanand College, Panjarapole, Ahmedabad 380 015. |
| Pune Stock Exchange Ltd. Shivleela Chambers, 752 Sadashiv Peth, R.B. Kumthekar Marg, Pune 411 030. | The Uttar Pradesh Stock Exchange Assn. Ltd. Padam Towers, 14/113, Civil Lines, Kanpur 208 001. | National Stock Exchange of India Ltd. Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051. |

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 2001-02.

Stock Code –

Stock Exchange Mumbai :

| | | | |
|---------------------------------|-----|-----|--------|
| Ordinary Shares (physical form) | ... | ... | 470 |
| (demat form) | ... | ... | 500470 |

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) |
|----------|-------------|------------|---|----------------------------------|--------------------------------------|
| Apr-2001 | 145.95 | 114.55 | 1,146,187 | 5,926 | 1,498 |
| May-2001 | 145.70 | 127.35 | 1,519,175 | 5,507 | 2,121 |
| Jun-2001 | 140.70 | 115.80 | 1,236,417 | 4,921 | 1,590 |
| Jul-2001 | 119.85 | 89.90 | 924,643 | 5,000 | 928 |
| Aug-2001 | 92.85 | 80.00 | 243,371 | 1,846 | 215 |
| Sep-2001 | 84.25 | 67.15 | 451,656 | 3,095 | 348 |
| Oct-2001 | 80.00 | 69.65 | 314,296 | 2,223 | 239 |
| Nov-2001 | 94.40 | 75.10 | 490,774 | 2,712 | 427 |
| Dec-2001 | 96.85 | 80.40 | 332,732 | 2,126 | 305 |
| Jan-2002 | 113.60 | 85.80 | 495,880 | 3,353 | 504 |
| Feb-2002 | 113.15 | 98.15 | 588,449 | 3,524 | 638 |
| Mar-2002 | 109.70 | 96.80 | 397,281 | 2,520 | 409 |

Performance of Tisco Share price in comparison to BSE SENSEX.



Registrar and Transfer Agents : Tata Share Registry Ltd.
 Army & Navy Bldg.,
 148, Mahatma Gandhi Road,
 Fort, Mumbai 400 001.
Tel : (022) 2873831
Fax : (022) 2844160
E-mail : csg.unit@tatashare.com
website : <http://www.tatashare.com>

Share Transfer System : Share Transfers in physical form can be lodged with Tata Share Registry Ltd. at the above mentioned address or at their branch offices, addresses of which are available on their website.

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.

The Company also offers transfer-cum-demat facility for the convenience of the investors.

Distribution of Shareholding :

| Number of Ordinary Shares Held | Number of Shareholders | |
|--------------------------------|------------------------|----------------|
| | 31-3-2002 % | 31-3-2001 % |
| 1 to 100 | 72.65 | 73.67 |
| 101 to 500 | 21.74 | 21.11 |
| 501 to 1000 | 3.20 | 3.02 |
| 1001 to 10000 | 2.31 | 2.10 |
| Over 10000 | 0.10 | 0.10 |
| | 100.00 | 100.00 |

Categories of Shareholders

| Category | Number of Shareholders | | Voting Strength % | | Number of Ordinary Shares Held | |
|---|------------------------|----------------|-------------------|---------------|--------------------------------|--------------------|
| | 31-3-2002 | 31-3-2001 | 31-3-2002 | 31-3-2001 | 31-3-2002 | 31-3-2001 |
| Individuals | 704,258 | 728,388 | 32.78 | 37.07 | 120,542,241 | 136,330,177 |
| Unit Trust of India | 1 | 1 | 5.41 | 7.54 | 19,905,109 | 27,726,284 |
| Life Insurance Corporation of India | 1 | 1 | 15.08 | 12.21 | 55,469,959 | 44,904,509 |
| Govt. & Other Public Financial Institutions | 70 | 67 | 6.74 | 6.84 | 24,794,870 | 25,170,266 |
| Tata Group Companies | 17 | 14 | 26.41 | 26.22 | 97,118,796 | 96,433,179 |
| Companies | 6,423 | 5,569 | 4.61 | 2.80 | 16,957,418 | 10,296,251 |
| Nationalised Banks, Mutual Funds and Trusts | 94 | 139 | 2.03 | 3.76 | 7,476,345 | 13,815,814 |
| Foreign Institutional Investors | 82 | 79 | 6.94 | 3.56 | 25,507,163 | 13,095,421 |
| TOTAL | 710,946 | 734,258 | 100.00 | 100.00 | 367,771,901 | 367,771,901 |

Dematerialization of shares and liquidity : The Company has arrangements with National Securities Depository Ltd. (NSDL) as well as the Central Depository Services (India) Ltd. (CDSL) for demat facility. 77.63% of the Company's share capital is dematerialised as on 31.3.2002.

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

**Outstanding GDRs/ADRs/
Warrants or any Convertible
instruments, conversion date
and likely impact on equity** : 2578 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 .. Bamnival (Orissa)
Cold Rolling Complex (West) .. Tarapur (Maharashtra)
Mines, Collieries & Quarries .. States of Jharkhand, Orissa and Karnataka.

Address for correspondence : The Tata Iron and Steel Company Limited
Bombay House, 24, Homi Mody Street,
Fort, Mumbai 400 001.
Tel : (022) 2049131, Fax : (022) 2049522 / 2870840
Email : tatasteelho@tata.com. Website : www.tatasteel.com

CERTIFICATE

**To the Members of
THE TATA IRON AND STEEL COMPANY LIMITED**

We have examined the compliance of conditions of Corporate Governance by The Tata Iron and Steel Company Limited, for the year ended on 31st March, 2002, 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 the certificate 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, except in case of a director, who is chairman of six committees.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that while the Shareholders/Investor Grievance Committee has not maintained records to show the investor grievances pending for a period of one month against the Company, the Registrars of the Company have maintained the records of investor grievances and certified that as at 31st March, 2002 there were no investor grievances remaining unattended/pending for more than 30 days.

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

Y.H. MALEGAM
Partner

Mumbai : 30th May, 2002