

SCHEDULE M : NOTES ON BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

1. Accounting Policies

(a) Basis for Accounting

The financial statements are prepared under the historical cost convention on an accrual basis of accounting in accordance with the generally accepted accounting principles, Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 and the relevant provisions thereof.

(b) Revenue Recognition

- (i) Sales comprises sale of goods and services, net of trade discounts.
- (ii) Export incentive under the Duty Entitlement Pass Book Scheme has been recognised on the basis of credits afforded in the pass book.

(c) Employee Benefits

- (i) Short-term employee benefits are recognised as an expense at the undiscounted amount in the Profit and Loss Account of the year in which the related service is rendered.
- (ii) Post employment benefits are recognised as an expense in the Profit and Loss Account for the year in which the employee has rendered services. The expense is recognised at the present value of the amount payable towards contributions. The present value is determined using the market yields of government bonds, at the balance sheet date, as the discounting rate.
- (iii) Other long-term employee benefits are recognised as an expense in the Profit and Loss Account for the period in which the employee has rendered services. Estimated liability on account of long-term benefits is discounted to the current value, using the market yield on government bonds, as on the date of balance sheet, as the discounting rate.
- (iv) Actuarial gains and losses in respect of post employment and other long-term benefits are charged to the Profit and Loss Account.
- (v) Miscellaneous Expenditure

In respect of the Employee Separation Scheme (ESS), net present value of the future liability for pension payable is amortised equally over five years or upto financial year ending 31st March, 2010, whichever is earlier.

The increase in the net present value of the future liability for pension payable to employees who have opted for retirement under the Employee Separation Scheme of the Company is charged to the Profit and Loss Account.

(d) Fixed Assets

All fixed assets are valued at cost less depreciation. Pre-operation expenses including trial run expenses (net of revenue) are capitalised. Borrowing costs during the period of construction is added to the cost of fixed assets.

Blast Furnace relining is capitalised. The written down value of the asset consisting of lining/relining expenditure embedded in the cost of the furnace is written off in the year of fresh relining.

(e) Depreciation

- (I) Capital assets whose ownership does not vest in the Company is depreciated over their estimated useful life or five years, whichever is less.
- (II) In respect of other assets, depreciation is provided on a straight line basis applying the rates specified in Schedule XIV to the Companies Act, 1956 or based on estimated useful life whichever is higher. However, asset value upto Rs. 25,000 is fully depreciated in the year of acquisition. The details of estimated life for each category of assets is as under :
 - (i) Buildings — 30 to 62 years.
 - (ii) Plant and Machinery — 6 to 21 years.
 - (iii) Railway Sidings — 21 years.
 - (iv) Vehicles and Aircraft — 5 to 18 years.
 - (v) Furniture, Fixtures and Office Equipment — 5 years.
 - (vi) Intangibles (Computer Software) — 5 to 10 years.
 - (vii) Development of property for development of mines and collieries are depreciated over the useful life of the mine or lease period whichever is less, subject to maximum of 10 years.
 - (viii) Blast Furnace relining is depreciated over a period of 10 years (average expected life).
 - (ix) Freehold land is not depreciated.
 - (x) Leasehold land is amortised over the life of the lease.
 - (xi) Roads — 30 to 62 years.

(f) Foreign Currency Transactions

Foreign Currency Transactions (FCT) and forward exchange contracts used to hedge FCT (including firm commitments and forecast transactions) are initially recognised at the spot rate on the date of the transaction/contract. Monetary assets and liabilities relating to foreign currency transactions and forward exchange contracts remaining unsettled at the end of the year are translated at year end rates.

The company has opted for accounting the exchange differences arising on reporting of long term foreign currency monetary items in line with Companies (Accounting Standards) Amendment Rules 2009 relating to Accounting Standard 11 (AS-11) notified by

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Government of India on 31st March, 2009. Accordingly the effect of exchange differences on foreign currency loans of the company is accounted by addition or deduction to the cost of the assets so far it relates to depreciable capital assets and in other cases by transfer to "Foreign Currency Monetary Items Translation Difference Account" to be amortised over the balance period of the long-term monetary items or 31st March, 2011 whichever is earlier. Exchange difference recognised in the Profit & Loss Account up to last financial year ended 31st March, 2008 relating to said long term monetary items in foreign currency has been adjusted against opening revenue reserve as provided in the rules.

The differences in translation of FCT and forward exchange contracts used to hedge FCT (excluding the long term foreign currency monetary items accounted in line with Companies (Accounting Standards) Amendment Rules 2009 on Accounting Standard 11 notified by Government of India on 31st March, 2009) and realised gains and losses, other than those relating to fixed assets are recognised in the Profit and Loss Account. The outstanding derivative contracts at the balance sheet date other than forward exchange contracts used to hedge FCT are valued by marking them to market and losses, if any, are recognised in the Profit and Loss Account.

Exchange difference relating to monetary items that are in substance forming part of the Company's net investment in non integral foreign operations are accumulated in Foreign Exchange Fluctuation Reserve Account.

(g) Investments

Long term investments are carried at cost less provision for permanent diminution, if any, in value of such investments. Current investments are carried at lower of cost and fair value. When investment is made in partly convertible debentures with a view to retain only the convertible portion of the debentures, the excess of the face value of the non-convertible portion over the realisation on sale of such portion is treated as a part of the cost of acquisition of the convertible portion of the debenture.

(h) Inventories

Finished and semi-finished products produced and purchased by the Company are carried at lower of cost and net realisable value.

Work-in-progress is carried at lower of cost and net realisable value.

Coal, iron ore and other raw materials produced and purchased by the Company are carried at lower of cost and net realisable value.

Stores and spare parts are carried at cost. Necessary provision is made and charged to revenue in case of identified obsolete and non-moving items.

Cost of inventories is generally ascertained on the 'weighted average' basis. Work-in-progress and finished and semi-finished products are valued on full absorption cost basis.

(i) Relining Expenses

Relining expenses other than expenses on Blast Furnace relining are charged as an expense in the year in which they are incurred.

(j) Research and Development

Research and Development costs (other than cost of fixed assets acquired) are charged as an expense in the year in which they are incurred.

(k) Deferred Tax

Deferred Tax is accounted for by computing the tax effect of timing differences which arise during the year and reverse in subsequent periods.

2. Contingent Liabilities**(a) Guarantees**

The Company has given guarantees aggregating **Rs. 81.22** crores (31.03.2008 : Rs. 106.22 crores) to banks and financial institutions on behalf of others. As at 31st March, 2009, the contingent liabilities under these guarantees amounted to **Rs. 81.22** crores (31.03.2008 : Rs. 106.22 crores).

(b) Claims not acknowledged by the Company

| | As at 31.03.2009 Rs. crores | As at 31.03.2008 Rs. crores |
|------------------------------------|--|--|
| (i) Excise | 340.61 | 193.47 |
| (ii) Customs | 13.68 | 13.66 |
| (iii) Sales Tax | 456.01 | 446.89 |
| (iv) State Levies | 154.67 | 96.78 |
| (v) Suppliers and Service Contract | 70.52 | 81.35 |
| (vi) Labour Related | 34.63 | 32.98 |
| (vii) Income Tax | 176.60 | 57.83 |

(c) Claim by a party arising out of conversion arrangement - Rs. 195.82 crores (31.03.2008 : Rs. 195.82 crores). The Company has not acknowledged this claim and has instead filed a claim of **Rs. 139.65** crores (31.03.2008 : Rs. 139.65 crores) on the party. The matter is pending before the Calcutta High Court.

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- (d) The Excise Department has raised a demand of **Rs. 235.48** crores (31.03.2008 : Rs. 235.48 crores) denying the benefit of Notification No. 13/2000 which provides for exemption to the integrated steel plant from payment of excise duty on the freight amount incurred for transporting material from plant to stock yard and consignment agents. The Company filed an appeal with CESTAT, Kolkata and the order of the department was set aside. The department has filed an appeal in Supreme Court where the matter is pending.
- (e) The State Government of Orissa introduced "Orissa Rural Infrastructure and Socio Economic Development Act 2004" with effect from February 2005 levying tax on mineral bearing land computed on the basis of value of minerals produced from the mineral bearing land. The Company had filed a Writ Petition in the High Court of Orissa, challenging the validity of the Act. Orissa High Court held in November 2005 that State does not have authority to levy tax on minerals. The State Government of Orissa moved the Supreme Court against the order of Orissa High Court and the case is pending with Supreme Court. The liability, if it materialises, as at 31.03.2009 would be **Rs. 1,041.67** crores (31.03.2008 : Rs. 588.78 crores).
- (f) The Industrial Tribunal, Ranchi has passed an award on 20.10.1998 with reference to an industrial dispute regarding permanent absorption of contract labourers engaged by the Company prior to 1981, directing the Company to absorb 658 erstwhile contract labourers w.e.f. 22.08.1990. A single bench of the Patna High Court has upheld this award. The Company challenged this award before the division bench of the Jharkhand High Court which has set aside the order of the single bench of Patna High Court as well as the Tribunal and remanded back the case to the tribunal for fresh hearing on all issues in accordance with law. The Industrial Tribunal, Ranchi by its award dated 31.03.2006 pronounced on 13.06.2006, held that the contract workers were not engaged by the management of the Company in the permanent and regular nature of work before 11.2.1981 and they are not entitled to permanent employment under the principal employer. The Tata Workers Union has filed SLP against this award in the Supreme Court. The liability, if it materialises, would be to the tune of **Rs. 155.79** crores (31.03.2008 : Rs. 133.10 crores).
- (g) In terms of the agreements entered into between Tata Teleservices Ltd. (TTSL), Tata Sons Ltd. (TSL) and NTT DoCoMo, Inc. of Japan (Strategic Partner-SP), the Company was given by Tata Sons an option to sell 52,46,590 equity shares in TTSL to the SP, as part of a secondary sale of 25,31,63,941 equity shares effected along with a primary issue of 84,38,79,801 shares by TTSL to the SP. Accordingly, the company realised Rs. 60.91 crores on sale of these shares resulting in a profit of Rs. 49.77 crores.

If certain performance parameters and other conditions are not met, should the SP decide to divest its entire shareholding in TTSL, acquired under the primary issue and the secondary sale, and should TSL be unable to find a buyer for such shares, the Company is obligated to acquire the shareholding of the SP, at the higher of fair value or 50 percent of the subscription purchase price, in proportion of the number of shares sold by the company to the aggregate of the secondary shares sold to the SP, or if the SP divests the shares at a lower price pay a compensation representing the difference between such lower sale price and the price referred to above.

Further, in the event of breach of the representations and warranties (other than title and tax) and covenants not capable of specific performance, the Company is liable to reimburse TSL, on a pro rata basis, upto a maximum sum of Rs. 78.75 crores. The exercise of the option by SP being contingent on several variables the liability, if any, is remote and indeterminable.

- (h) The Company has been paying royalty on coal extracted from its quarries pursuant to the judgement and order dated 23.07.2002 passed by the Jharkhand High Court. However, the State Government demanded royalty on processed coal at rates applicable to processed coal. Though the Company has contested the above demand, it has started paying, under protest, royalty on processed coal from November 2008. The incremental royalty, paid under protest, during November 2008 to March 2009 of **Rs. 4.07** crores has been charged off to Profit and Loss Account. The incremental amount, if payable, for the period till October 2008 works out to **Rs. 232.57** crores (31.03.2008 : Nil) and has been considered as a contingent liability.
- (i) Uncalled liability on partly paid shares and debentures **Rs. 0.01** crore (31.03.2008 : Rs. 0.01 crore).
- (j) Bills discounted **Rs. 472.14** crores (31.03.2008 : Rs. 434.52 crores).
- (k) Cheques discounted : Amount indeterminate.

3. The Company has given undertakings to (a) IDBI Bank Ltd. and IFCI not to dispose of its investment in The Tinplate Company of India Limited, (b) ICICI Bank Ltd. (formerly ICICI), IFCI and IIBI not to dispose of its investment in the Indian Steel Rolling Mills Ltd. (ISRM). The ISRM is under liquidation, (c) IDBI not to dispose of its investment in Wellman Incandescent India Ltd., (d) IDBI and ICICI Bank Ltd. (formerly ICICI) not to dispose of its investment in Standard Chrome Ltd., (e) SBI, State Bank of Indore, State Bank of Hyderabad, State Bank of Patiala and WBIDC Ltd., not to dispose of its investment in Hooghly Met Coke and Power Co. Ltd., (f) State Bank of India not to dispose of its investment in Tata BlueScope Ltd. (g) Standard Chartered Bank and Hong Kong and Shanghai Banking Corporation, not to dispose of majority stake in Tata Steel (KZN) (Pty) Ltd., (h) Mizuho Corporate Bank Limited, not to dispose of its investments in Tata NYK Shipping Pte. Limited, (minimal stake required to be able to provide a corporate guarantee towards long term debt), without the prior consent of the respective financial institutions/banks so long as any part of the loans/facilities sanctioned by the institutions/banks to these eight companies remains outstanding.

The Company has furnished a Security Bond in respect of its immovable property to the extent of Rs. 20 crores in favour of the Registrar of the Delhi High Court and has given an undertaking not to sell or otherwise dispose of the said property.

The Promoters' (i.e. L & T Infrastructure Development Projects Ltd. and Tata Steel Ltd.) combined investments in The Dhamra Port Company Ltd., (DPCL) representing 51% of DPCL's paid-up equity share capital are pledged with IDBI Trusteeship Services Ltd.

The Promoters' (i.e. The Tata Power Company Limited. and Tata Steel Ltd.) combined investments in Industrial Energy Limited., (IEL) representing 51% of IEL's paid-up equity share capital are pledged with Infrastructure Development Corporation Limited (IDFC).

The Company has provided a financing commitment to the extent of £ 425 million to Tata Steel Europe Limited, an indirect wholly-owned subsidiary of the Company, to enable it to meet the financial covenants of the Senior Facilities Agreements with its Lenders.

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4. The Company had, on 20th August, 2005, signed an agreement with the Government of Jharkhand to participate in a special health insurance scheme to be formulated by the Government of Jharkhand for the purpose of providing medical facilities to the families of the people below poverty line. The state government would develop a suitable scheme and the Company has agreed to contribute to such scheme, when operational, a sum of Rs. 25.00 crores annually for a period of 30 years or upto the year of operation of the scheme whichever is less. The scheme is yet to be formed and no contribution has been made till 31st March, 2009.
5. The Board of Industrial and Financial Reconstruction (BIFR) sanctioned a scheme for rehabilitation of The Indian Steel and Wire Products Limited (ISWP), a sick Company in FY 2003-04. In terms of the scheme, the Company –
(a) took management control of ISWP; (b) acquired 4,74,130 Equity Shares from the existing promoters at Re. 1/- per share; (c) converted Rs. 5.00 crores of dues into 50,00,000 fully paid Equity Shares at Rs. 10 each and Rs. 10.88 crores into unsecured loan to be repaid by ISWP in 8 annual installments starting from FY 2004-05; (d) has an advance of **Rs. 19.47** crores as at 31.03.2009 (31.03.2008: Rs. 27.12 crores) with ISWP towards one time settlement with financial institutions for capital expenditure and margin for working capital.
6. The Company had issued during 1992-93, 1,15,50,000 Secured Premium Notes (SPN) of Rs. 300 each aggregating to Rs. 346.50 crores with Warrants attached for subscribing to one ordinary share of Rs. 10 each per SPN at a premium of Rs. 70 per share. The warrant holders have exercised their option in respect of 1,11,61,201 Detachable Warrants. For the balance of 3,88,799 Detachable Warrants for which option has not been exercised, the option is deemed to have lapsed except in respect of approximately 12,446 Detachable Warrants applicable to matters which are in dispute and for which the option is deemed to be kept alive for the time being. In terms of issue of SPNs, they have been redeemed on 24.08.1999.
7. Estimated amount of contracts remaining to be executed on Capital Account and not provided for : **Rs. 10,152.99** crores (31.03.2008 : Rs. 6,633.20 crores).
8. The Company has taken on lease Plant and Machinery, having an aggregate cost of **Rs. 3.79** crores (31.03.2008 : Rs. 3.79 crores). The element of the lease rental applicable to the cost of the assets has been charged to the Profit and Loss Account over the estimated life of the asset and financing cost has been allocated over the life of the lease on an appropriate basis. The total charge to the Profit and Loss Account for the year is **Rs. 0.73** crore (2007-08 : Rs. 0.73 crore). The break up of total minimal lease payments due as at 31st March, 2009 and their corresponding present value are as follows :

| Period | Rs. crores | | | |
|---|------------------------|---------------|------------------------|---------------|
| | As at 31.03.2009 | | As at 31.03.2008 | |
| | Minimum Lease Payments | Present Value | Minimum Lease Payments | Present Value |
| Not later than one year | 0.46 | 0.42 | 0.72 | 0.66 |
| Later than one year but not later than five years | – | – | 0.48 | 0.40 |
| Later than five years | – | – | – | – |
| Total | 0.46 | 0.42 | 1.20 | 1.06 |

9. Profit and Loss Account

- a)
 - i) Provision for employee separation compensation has been calculated on the basis of net present value of the future monthly payments of pension and lump sum benefits under the scheme including **Rs. 76.93** crores (31.03.2008 : Rs. 57.31 crores) in respect of schemes introduced during the year.
 - ii) The amounts payable within one year under the ESS aggregates to **Rs. 199.93** crores (31.03.2008 : Rs. 204.73 crores).
 - iii) The amount shown under Miscellaneous Expenditure on ESS account, represents the balance amount to be amortised over five years or the financial year ending 31st March, 2010, whichever is earlier.
- b) The manufacturing and other expenses and depreciation shown in the Profit and Loss Account include **Rs. 37.65** crores (2007-08 : Rs. 34.47 crores) and **Rs. 2.05** crores (2007-08 : Rs. 1.90 crores) respectively in respect of Research and Development activities undertaken during the year.
- c) The company has opted for accounting the exchange differences arising on reporting of long term foreign currency monetary items in line with Companies (Accounting Standards) Amendment Rules 2009 relating to Accounting Standard 11 (AS-11) notified by Government of India on 31st March, 2009.

As a result of this change in the accounting, the exchange difference of **Rs. 529.15** crores (net of tax) recognised in the Profit & Loss Account up to last financial year ended 31st March, 2008 relating to long term monetary items in foreign currency has been adjusted against opening revenue reserve. As on 31st March, 2009, **Rs. 471.66** crores remains to be amortised in the "Foreign Currency Monetary Items Translation Difference Account" after taking a charge of **Rs. 30.79** crores in the Profit & Loss Account and **Rs. 32.54** crores (net of deferred tax Rs. 16.76 crores) adjusted against Securities Premium Account during the current financial year on account of amortisation. Consequently the Depreciation for the year ended 31st March, 2009 is higher by **Rs. 2.04** crores and the Profit before taxes for the year ended 31st March, 2009 is higher by **Rs. 889.47** crores.

10. Other Significant Disclosures

- a) The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises as at 31st March, 2009 are as under:

| | | Rupees |
|---------|---|-------------|
| Sl. No. | Description | 2008-09 |
| 1. | The principal amount remaining unpaid to supplier as at the end of accounting year [included in Item (a)(i) to Schedule K – Page 168] | 1,35,960.00 |
| 2. | The interest due thereon remaining unpaid to supplier as at the end of accounting year | 21,593.95 |
| 3. | The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointment day during the year 2008-09 | – |
| 4. | The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act | 13,259.95 |
| 5. | The amount of interest accrued during the year and remaining unpaid at the end of the accounting year [included in Item (a)(i) to Schedule K – Page 168] | 34,853.90 |

The previous year's figures are not given, as there were no reported Micro and Small Enterprises upto 31st March, 2008.

- b) No amount is paid/payable by the Company under Section 441A of the Companies Act, 1956 (cess on turnover) since the rules specifying the manner in which the cess shall be paid has not been notified yet by the Central Government.
- c) Disclosure as per clause 32 of the Listing Agreement.

Loans and Advances in the nature of Loans given to Subsidiaries, Associates and Others :

| Name of the Company | Relationship | Amount outstanding as at 31.03.2009 Rs. crores | Maximum balance outstanding during the year Rs. crores | Investment in Shares of the Company No. of Shares |
|--|--------------|---|---|--|
| Tata Korf Engineering Services Ltd. | Subsidiary | 0.80 0.76 | 0.80 0.76 | – – |
| The Indian Steel and Wire Products Ltd. | Subsidiary | 19.47 30.34 | 31.96 32.26 | – – |
| Kalimati Investment Co. Ltd. | Subsidiary | – – | – 20.00 | 6,71,455 6,71,455 |
| NatSteel Asia Pte. Ltd. | Subsidiary | – 298.68 | 338.08 298.68 | – – |
| Tata Steel (KZN) (Pty.) Ltd. | Subsidiary | 128.01 101.38 | 136.80 116.45 | – – |
| Rawmet Ferrous Industries Ltd. | Subsidiary | – 5.00 | 8.00 5.00 | – – |
| Jamshedpur Utilities & Services Co. Ltd. | Subsidiary | – 18.00 | 18.00 18.00 | – – |
| Tayo Rolls | Subsidiary | – – | 10.00 – | – – |
| Industrial Energy Ltd. | Associate | 15.07 60.15 | 79.16 60.15 | – – |
| The Tinsplate Company of India Ltd. | Associate | 180.00 70.00 | 180.00 70.00 | – – |

11. Employee Benefits

- a) The Company has recognised, in the Profit and Loss Account for the year ended 31st March, 2009, an amount of **Rs. 147.20** crores (31.03.2008 : Rs. 118.34 crores) expenses under defined contribution plans.

| | Rs. crores | |
|--|---------------|---------------|
| Benefit (Contribution to) | 2008-09 | 2007-08 |
| Provident Fund | 94.72 | 73.22 |
| Superannuation Fund | 25.03 | 20.38 |
| Employees Pension Scheme/Coal Mines Pension Scheme | 16.90 | 16.58 |
| TISCO Employees Pension Scheme | 10.55 | 8.16 |
| Total | 147.20 | 118.34 |

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The Company's Provident Fund is exempted under Section 17 of Employees' Provident Fund Act, 1952. Conditions for grant of exemption stipulates that the employer shall make good deficiency, if any, in the interest rate declared by Trust over statutory limit. Having regard to the assets of the Fund and the return on the investments, the Company does not expect any deficiency in the foreseeable future.

b) The Company operates post retirement defined benefit plans as follows:

- a. Funded
 - i. Post Retirement Gratuity
- b. Unfunded
 - i. Post Retirement Medical Benefits
 - ii. Pensions to Directors
 - iii. Farewell Gifts
 - iv. Packing and Transportation Costs on Retirement

c) Details of the post retirement gratuity plan are as follows:

| Description | 2008-09 | 2007-08 |
|---|-------------------|-------------------|
| Rs. crores | | |
| 1. Reconciliation of opening and closing balances of obligation | | |
| a. Obligation as at the beginning of the year | 761.17 | 694.99 |
| b. Current Service Cost | 35.26 | 30.17 |
| c. Interest Cost | 57.97 | 54.84 |
| d. Actuarial (Gain)/Loss | 272.27 | 41.74 |
| e. Benefits paid | (73.05) | (60.57) |
| f. Obligation as at the end of the year | 1,053.62 | 761.17 |
| 2. Change in Plan Assets (Reconciliation of opening & closing balances) | | |
| a. Fair Value of Plan Assets as at beginning of the year | 709.14 | 645.68 |
| b. Expected Return on Plan Assets | 57.14 | 52.34 |
| c. Actuarial Gain/(Loss) | 33.35 | (6.02) |
| d. Contributions | 83.35 | 77.72 |
| e. Benefits Paid | (73.05) | (60.57) |
| f. Fair Value of Plan Assets as at the end of the year | 809.93 | 709.14 |
| 3. Reconciliation of fair value of assets and obligations | | |
| a. Fair Value of Plan Assets as at the end of the year | 809.93 | 709.14 |
| b. Present Value of Obligation as at the end of the year | 1,053.62 | 761.17 |
| c. Amount Recognised in the Balance Sheet | (243.69) | (52.03) |
| 4. Expense recognised in the period | | |
| a. Current Service Cost | 35.26 | 30.17 |
| b. Interest Cost | 57.97 | 54.84 |
| c. Expected Return on Plan Assets | (57.14) | (52.34) |
| d. Actuarial (Gain)/Loss | 238.92* | 47.76 |
| e. Expense Recognised during the year | 275.01 | 80.43 |
| *Includes impact on account of wage settlement, provision for which was earlier included under wages and salaries, including bonus. | | |
| 5. Investment Details | % invested | % invested |
| | 31.03.2009 | 31.03.2008 |
| a. GOI Securities | 15.07 | 16.45 |
| b. Public Sector Unit Bonds | 36.28 | 37.81 |
| c. State/Central Guaranteed Securities | 11.79 | 8.91 |
| d. Special Deposit Schemes | 11.49 | 27.11 |
| e. Private Sector Bonds | 5.65 | 4.80 |
| f. Others (including bank balances) | 19.72 | 4.92 |
| | 100.00 | 100.00 |
| 6. Assumptions | 31.03.2009 | 31.03.2008 |
| a. Discount Rate (per annum) | 7.75% | 8.00% |
| b. Estimated Rate of Return on Plan Assets (per annum) | 8.00% | 8.00% |
| c. Rate of Escalation in Salary (per annum) | 6 to 10% | 5 to 10% |

The long term estimate of the expected rate of return on the fund assets have been arrived at based on the asset allocation and prevailing yield rates on such assets. The major portions of the assets are invested in PSU bonds and Special Deposits. Assumed rate of return on assets is expected to vary from year to year reflecting the returns on matching Government Bonds.

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12. Information about Primary Business Segments

| Particulars | Business Segments | | | Unallocable Rs. crores | Eliminations Rs. crores | Total Rs. crores |
|--|---------------------|--|----------------------|---------------------------|----------------------------|---------------------|
| | Steel Rs. crores | Ferro Alloys and Minerals Rs. crores | Others Rs. crores | | | |
| Revenue : | | | | | | |
| Total External Sales | 20,455.98 | 2,323.64 | 1,536.15 | | | 24,315.77 |
| | 16,539.72 | 1,807.37 | 1,343.94 | | | 19,691.03 |
| Inter segment sales | 1,210.69 | 257.14 | 30.08 | | (1,497.91) | – |
| | 959.08 | 197.95 | 16.14 | | (1,173.17) | – |
| Total Revenue | 21,666.67 | 2,580.78 | 1,566.23 | | (1,497.91) | 24,315.77 |
| | 17,498.80 | 2,005.32 | 1,360.08 | | (1,173.17) | 19,691.03 |
| Segment result before interest, exceptional items and tax | 7,391.31 | 1,233.94 | (29.54) | (127.41) | | 8,468.30 |
| | 6,736.51 | 832.48 | 6.10 | (153.12) | | 7,421.97 |
| Less : Net finance charges (See Schedule 3, Page 152) | | | | | | 1,152.69 |
| | | | | | | 786.50 |
| Profit before Exceptional items and tax | | | | | | 7,315.61 |
| | | | | | | 6,635.47 |
| Exceptional items | | | | | | |
| Contribution for Sports Infrastructure | | | | | | – |
| | | | | | | (150.00) |
| Exchange Gain/(Loss) | | | | | | – |
| | | | | | | 580.89 |
| Profit before Taxes | | | | | | 7,315.61 |
| | | | | | | 7,066.36 |
| Taxes | | | | | | 2,113.87 |
| | | | | | | 2,379.33 |
| Profit after Taxes | | | | | | 5,201.74 |
| | | | | | | 4,687.03 |
| Segment Assets | 18,423.27 | 664.31 | 408.21 | 5,023.91 | | 24,519.70 |
| | 15,853.20 | 532.22 | 409.10 | 1,895.32 | | 18,689.84 |
| Segment Liabilities | 5,692.86 | 238.80 | 129.54 | 2,912.85 | | 8,974.05 |
| | 3,960.05 | 235.53 | 130.75 | 2,442.45 | | 6,768.78 |
| Total cost incurred during the year to acquire segment assets | 2,735.75 | 19.56 | 30.97 | | | 2,786.28 |
| | 2,416.90 | (0.79) | 42.86 | | | 2,458.97 |
| Segment Depreciation | 931.00 | 21.87 | 20.53 | | | 973.40 |
| | 793.20 | 23.42 | 17.99 | | | 834.61 |
| Non-Cash Expenses other than depreciation | 25.74 | 1.46 | 3.02 | 32.81 | | 63.03 |
| | 45.20 | 1.32 | 1.26 | 57.99 | | 105.77 |

Information about Secondary Segments : Geographical

| | 2008-09 Rs. crores | 2007-08 Rs. crores |
|---|-----------------------|-----------------------|
| Revenue by Geographical Market | | |
| India | 20,914.02 | 17,492.15 |
| Outside India | 3,401.75 | 2,198.88 |
| | 24,315.77 | 19,691.03 |
| Additions to Fixed Assets and Intangible Assets | | |
| India | 2,786.28 | 2,458.97 |
| Outside India | – | – |
| | 2,786.28 | 2,458.97 |
| | As at | As at |
| | 31.03.2009 | 31.03.2008 |
| | Rs. crores | Rs. crores |
| Carrying Amount of Segment Assets | | |
| India | 24,518.54 | 18,688.86 |
| Outside India | 1.16 | 0.98 |
| | 24,519.70 | 18,689.84 |

SCHEDULE M : NOTES ON BALANCE SHEET AND PROFIT AND LOSS ACCOUNT :- continued

Notes :

- (i) The Company has disclosed Business Segment as the primary segment. Segments have been identified taking into account the nature of the products, the differing risks and returns, the organisational structure and internal reporting system. The Company's operations predominantly relate to manufacture of Steel and Ferro Alloys and Minerals business. Other business segments comprise Tubes and Bearings.
- (ii) Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis. The expenses, which are not directly relatable to the business segment, are shown as unallocated corporate cost. Assets and liabilities that cannot be allocated between the segments are shown as unallocated corporate assets and liabilities respectively.
- (iii) Total Unallocable Assets exclude :

| | As at 31.03.2009 Rs. crores | As at 31.03.2008 Rs. crores |
|--|--|--|
| Investments | 42,371.78 | 4,103.19 |
| Advance against Equity/Shareholders' Loan | 247.61 | 30,896.16 |
| Foreign Currency Monetary Item Translation Difference Account..... | 471.66 | - |
| Miscellaneous Expenditure | 105.07 | 155.11 |
| | <u>43,196.12</u> | <u>35,154.46</u> |
| Total Unallocable Liabilities exclude : | | |
| Secured Loans | 3,913.05 | 3,520.58 |
| Unsecured Loans | 23,033.13 | 14,501.11 |
| Provision for Employee Separation Compensation | 1,033.60 | 1,071.30 |
| Deferred Tax Liability (Net) | 585.73 | 681.80 |
| | <u>28,565.51</u> | <u>19,774.79</u> |

- (iv) Transactions between segments are primarily for materials which are transferred at market determined prices and common costs are apportioned on a reasonable basis.

13. Related Party Disclosures

(a) List of Related Parties and Relationships

| Name of the Party | Country | Name of the Party | Country |
|---|------------|--|--------------|
| A. Subsidiaries | | xiii) Tata Refractories Ltd. | India |
| i) Adityapur Toll Bridge Company Ltd. | India | 1. TRL Asia Pvt. Limited | Singapore |
| ii) Gopalpur Special Economic Zone Ltd. | India | 2. TRL China Limited | China |
| iii) Hooghly Met Coke & Power Company Ltd. | India | xiv) Tayo Rolls Ltd.* | India |
| iv) Jamshedpur Utilities & Services Company Ltd. | India | xv) Tata Steel (KZN) (Pty) Ltd. | South Africa |
| 1. Haldia Water Management Limited * | India | xvi) Tata Steel Holdings Pte. Ltd. | Singapore |
| 2. Naba Diganta Water Management Ltd. | India | a) Tata Steel Global Holdings Pte Ltd.* | Singapore |
| 3. SEZ Adityapur Ltd. | India | I Corus International (Singapore) Holding Pte. Ltd. | Singapore |
| v) Kalimati Investment Company Ltd. | India | 1. Corus Asia Limited | Hong Kong |
| 1. Bangla Steel & Mining Co. Ltd. | Bangladesh | 2. Corus Holdings (Thailand) Ltd. | Thailand |
| vi) Lanka Special Steels Ltd. | Sri Lanka | 3. Corus International (Guangzhou) Ltd. | China |
| vii) NatSteel Asia Pte. Ltd. | Singapore | 4. Corus International (Shanghai) Ltd. | China |
| 1. NatSteel Iranian Private Joint Stock Company | Iran | 5. Corus International Trading Limited | Hong Kong |
| 2. NatSteel Middle East FZE | UAE | 6. Corus Metals (Malaysia) Sdn. Bhd. | Malaysia |
| 3. Tata Steel Asia (Hong Kong) Ltd. | Hongkong | 7. Corus Metals (Thailand) Limited | Thailand |
| 4. Tata Steel Resources Australia Pty. Ltd. | Australia | 8. Corus South East Asia Pte Limited | Singapore |
| 5. Wuxi NatSteel Metal Products Co. Ltd.* | China | II NatSteel Holdings Pte. Ltd.* | Singapore |
| viii) Rawmet Ferrous Industries Ltd. | India | 1. Best Bar (Vic) Pte. Ltd. | Australia |
| ix) Sila Eastern Ltd. | Thailand | 2. Best Bar Pty. Ltd. | Australia |
| x) Tata Incorporated | USA | 3. Burwill Trading Pte. Ltd. | Singapore |
| xi) Tata Korf Engineering Services Ltd. | India | 4. Easteel Construction Services Pte. Ltd. | Singapore |
| xii) Tata Metaliks Ltd. | India | | |
| 1. Tata Metaliks Kubota Pipes Ltd. | India | | |

SCHEDULE M : NOTES ON BALANCE SHEET AND PROFIT AND LOSS ACCOUNT :- continued

| | Name of the Party | Country | | Name of the Party | Country |
|-----|---|----------------|-----|--|-------------------|
| | 5. Easteel Services (M) Sdn. Bhd. | Malaysia | 32 | British Tubes Stockholding Ltd. | UK |
| | 6. Eastern Steel Fabricators Phillipines, Inc. | Phillipines | 33. | Bs Quest Trustee Limited | UK |
| | 7. Eastern Steel Services Pte. Ltd. | Singapore | 34. | Bskh Corporate Services (UK) Limited | UK |
| | 8. Eastern Wire Pte. Ltd. | Singapore | 35. | Burgdorfer Grundstuecks GmbH | Germany |
| | 9. Materials Recycling Pte. Ltd. | Singapore | 36. | Business Park Ymond B.V. * | Netherlands |
| | 10. Natferrous Pte. Ltd. | Singapore | 37. | C V Benine | Netherlands |
| | 11. NatSteel (Xiamen) Ltd. | China | 38. | C Walker & Sons (Steel) Ltd. | UK |
| | 12. NatSteel Asia (S) Pte. Ltd. | Singapore | 39. | C Walker & Sons Ltd. | UK |
| | 13. NatSteel Australia Pty. Ltd. | Australia | 40. | Catnic GmbH | Germany |
| | 14. NatSteel Equity IV Pte. Ltd. | Singapore | 41. | Catnic Limited | UK |
| | 15. NatSteel Trade International (Shanghai) Company Ltd. | China | 42. | Cbs Investissements SAS | France |
| | 16. NatSteel Trade International Pte. Ltd. | Singapore | 43. | Cladding & Decking (UK) Limited | UK |
| | 17. NatSteel Vina Co. Ltd. | Vietnam | 44. | Cogent Power Inc. | Canada |
| | 18. PT Materials Recycling Indonesia | Indonesia | 45. | Cogent Power Inc. | Mexico |
| | 19. Siam Industrial Wire Company Ltd. | Thailand | 46. | Cogent Power Inc. | USA |
| | 20. Wuxi Jinyang Metal Products Co. Ltd. | China | 47. | Cogent Power Limited | UK |
| III | Orchid Netherlands (No.1) B.V. * | Netherlands | 48. | Cold Drawn Tubes Ltd. | UK |
| IV | Tata Steel Europe Ltd. | UK | 49. | Color Steels Limited | UK |
| | 1. Almana Steel Dubai (Jersey) Limited | Jersey | 50. | Corbeil Les Rives SCI | France |
| | 2. Aluminium Delfzijl B.V. * | Netherlands | 51. | Corby (Northants) & District Water Co. | UK |
| | 3. Apollo Metals Ltd. | USA | 52. | Cordor (C& B) Limited | UK |
| | 4. Ashorne Hill Management College | UK | 53. | Corus - Sistemas Constructivos E Revestimentos Metalicos, Lda | Portugal |
| | 5. Augusta Grundstuecks GmbH | Germany | 54. | Corus Aerospace Service Centre Suzhou Co Ltd * | China |
| | 6. Automotive Laser Technologies Limited | UK | 55. | Corus Aluminium Beheer B.V. | Netherlands |
| | 7. Automotive Tailored Blanks B.V. * | Netherlands | 56. | Corus Aluminium Limited | UK |
| | 8. B S Pension Fund Trustee Ltd. | UK | 57. | Corus Aluminium Verwaltungsgesellschaft Mbh | Germany |
| | 9. Bailey Steels Limited * | UK | 58. | Corus Aluminium Voerde GmbH * | Germany |
| | 10. Beheermaatschappij Industriële Produkten B.V. | Netherlands | 59. | Corus America Holdings Inc. | USA |
| | 11. Belfin Beheermaatschappij B.V. | Netherlands | 60. | Corus America Inc. | USA |
| | 12. Bell & Harwood Limited | UK | 61. | Corus Batiment Et Systemes SAS | France |
| | 13. Blastmega Limited (United Steel Forgings Ltd.) | UK | 62. | Corus Belgium Bvba | Belgium |
| | 14. Blume Stahlservice GmbH | Germany | 63. | Corus Benelux B.V. | Netherlands |
| | 15. Blume Stahlservice Polska Sp. Z.O.O | Poland | 64. | Corus Beteiligungs GmbH | Germany |
| | 16. Bore Samson Group Ltd. | UK | 65. | Corus Brokers Limited | UK |
| | 17. Bore Steel Ltd. | UK | 66. | Corus Building Systems Bulgaria AD * | Bulgaria |
| | 18. British Guide Rails Ltd. | UK | 67. | Corus Building Systems N.V. | Belgium |
| | 19. British Steel Holdings B.V. | Netherlands | 68. | Corus Building Systems SAS | France |
| | 20. British Steel Nederland International B.V. | Netherlands | 69. | Corus Byggesystemer A/S | Denmark |
| | 21. British Steel Benelux B.V. | Netherlands | 70. | Corus Byggsystem AB | Sweden |
| | 22. British Steel Corporation Ltd | UK | 71. | Corus Byggsystemer A/S | Norway |
| | 23. British Steel De Mexico S.A. de C.V. | Mexico | 72. | Corus Central Europe S.R.O. | Czech Republic |
| | 24. British Steel Directors (Nominees) Limited | UK | 73. | Corus Cic Holdings Inc. | Canada |
| | 25. British Steel Employee Share Ownership Trustees Ltd. | UK | 74. | Corus Cic Inc. | Canada |
| | 26. British Steel Engineering Steels (Exports) Limited | UK | 75. | Corus CNBV Investments | UK |
| | 27. British Steel International B.V. | Netherlands | 76. | Corus Coatings Usa Inc. | USA |
| | 28. British Steel Samson Limited | UK | 77. | Corus Cold Drawn Tubes Limited | UK |
| | 29. British Steel Service Centres Ltd. | UK | 78. | Corus Construction Products (Thailand) Limited | Thailand |
| | 30. British Steel Tubes Exports Ltd. | UK | 79. | Corus Consulting And Technical Services B.V. | Netherlands |
| | 31. British Transformer Cores Ltd. | UK | | | |

SCHEDULE M : NOTES ON BALANCE SHEET AND PROFIT AND LOSS ACCOUNT :- continued

| Name of the Party | | Country | Name of the Party | | Country |
|-------------------|---|-------------|-------------------|---|-------------|
| 80. | Corus Consulting B.V. | Netherlands | 130. | Corus Perfo B.V. | Netherlands |
| 81. | Corus Consulting Limited | UK | 131. | Corus Polska Sp.Z.O.O. | Poland |
| 82. | Corus Consulting Romania SRL | Romania | 132. | Corus Primary Aluminium B.V. | Netherlands |
| 83. | Corus Degels GmbH | Germany | 133. | Corus Properties (Germany) Limited | UK |
| 84. | Corus Denmark A/S | Denmark | 134. | Corus Property | UK |
| 85. | Corus Deutschland GmbH | Germany | 135. | Corus Quest Trustee Limited | UK |
| 86. | Corus Distribution Europe BV | Netherlands | 136. | Corus Rail Consultancy Limited | UK |
| 87. | Corus Electrical Limited | UK | 137. | Corus Rail France S.A | France |
| 88. | Corus Engineering Limited | UK | 138. | Corus Rail Limited | UK |
| 89. | Corus Engineering Steels (UK) Limited | UK | 139. | Corus Republic Of Ireland Subsidiaries Pension Scheme Trustee Limited | Ireland |
| 90. | Corus Engineering Steels Holdings Limited | UK | 140. | Corus Schweiz AG | Switzerland |
| 91. | Corus Engineering Steels Limited | UK | 141. | Corus Service Center Milano Spa | Italy |
| 92. | Corus Engineering Steels Overseas Holdings Limited | UK | 142. | Corus Service Centre Maastricht B.V. | Netherlands |
| 93. | Corus Finance Limited | UK | 143. | Corus Services Nederland B.V. | Netherlands |
| 94. | Corus Finland Oy | Finland | 144. | Corus Sheet & Tube Inc. | USA |
| 95. | Corus France SAS | France | 145. | Corus Special Strip Asia Limited | Hong Kong |
| 96. | Corus Group Limited | UK | 146. | Corus Staal B.V. | Netherlands |
| 97. | Corus Holdings Ltd. | UK | 147. | Corus Stahl GmbH | Germany |
| 98. | Corus Holdings SA | France | 148. | Corus Stainless Limited | UK |
| 99. | Corus Hungary Trading Limited Liability Company | Hungary | 149. | Corus Stainless NI B.V. | Netherlands |
| 100. | Corus India Ltd. | India | 150. | Corus Stainless UK Ltd. | UK |
| 101. | Corus International (India) Pvt. Limited | India | 151. | Corus Star-Frame B.V. | Netherlands |
| 102. | Corus International (Overseas Holdings) Limited | UK | 152. | Corus Steel Limited | UK |
| 103. | Corus International Bulgaria Limited * | Bulgaria | 153. | Corus Steel Usa Inc. | USA |
| 104. | Corus International Deutschland GmbH | Germany | 154. | Corus Sverige AB | Sweden |
| 105. | Corus International Limited | UK | 155. | Corus Technology B.V. | Netherlands |
| 106. | Corus International Nigeria * | Nigeria | 156. | Corus Trico Holdings Inc. | USA |
| 107. | Corus International Representacoes Do Brasil Ltda. | Brazil | 157. | Corus Tubes B.V. | Netherlands |
| 108. | Corus International Romania SRL | Romania | 158. | Corus Tuscaloosa Corp. | USA |
| 109. | Corus International Services N.V | Belgium | 159. | Corus UK Healthcare Trustee Limited * | UK |
| 110. | Corus International Trading Limited | UK | 160. | Corus UK Limited | UK |
| 111. | Corus International Trading Limited | USA | 161. | Corus Vlietjonge B.V. | Netherlands |
| 112. | Corus Investment B.V. | Netherlands | 162. | Corus Yasan Metal Sanayi Ve Ticaret AS | Turkey |
| 113. | Corus Investments Ltd. | UK | 163. | Cpn 85 Limited | UK |
| 114. | Corus Ireland Ltd. | Ireland | 164. | Crucible Insurance Company Ltd. | I of Man |
| 115. | Corus Italia SRL | Italy | 165. | Demka B.V. | Netherlands |
| 116. | Corus Laminacion Y Derivados, S.L. | Spain | 166. | Dsrn Group Plc. | UK |
| 117. | Corus Large Diameter Pipes Limited | UK | 167. | Ees Group Services Limited | UK |
| 118. | Corus Liaison Services (India) Limited | UK | 168. | Ees Nederland B.V. | Netherlands |
| 119. | Corus Management Limited | UK | 169. | Eric Olsson & Soner Forvaltnings AB | Sweden |
| 120. | Corus Met B.V. | Netherlands | 170. | Esmil B.V. | Netherlands |
| 121. | Corus Metal Iberica S.A | Spain | 171. | Euro-Laminations Limited | UK |
| 122. | Corus Metals Limited | UK | 172. | European Electrical Steels Limited | UK |
| 123. | Corus Middle East FZE | UAE | 173. | European Profiles Limited * | UK |
| 124. | Corus Multi-Metals Limited | UK | 174. | Europressings Limited | UK |
| 125. | Corus Nederland B.V. | Netherlands | 175. | Firststeel Coated Strip Limited * | UK |
| 126. | Corus New Zealand Limited | New Zealand | 176. | Firststeel Cold Rolled Products Limited * | UK |
| 127. | Corus Norge A/S | Norway | 177. | Firststeel Group Limited | UK |
| 128. | Corus Packaging Plus Belgium N.V | Belgium | 178. | Firststeel Group Pension Trustee Limited | UK |
| 129. | Corus Packaging Plus Norway A/S | Norway | 179. | Firststeel Holdings Limited | UK |
| | | | 180. | Firststeel Resources Limited * | UK |
| | | | 181. | Firststeel Steel Processing Limited | UK |

SCHEDULE M : NOTES ON BALANCE SHEET AND PROFIT AND LOSS ACCOUNT :- continued

| Name of the Party | Country | Name of the Party | Country |
|--|-------------|--|-------------|
| 182. Firsteel Strip Mill Products Limited | UK | 231. Ore Carriers Ltd. | UK |
| 183. Fischer Profielen NV | Belgium | 232. Oremco Inc. | USA |
| 184. Fischer Profil GmbH | Germany | 233. Plated Strip International Limited | UK |
| 185. Gamble Simms Metals Ltd. | Ireland | 234. Precision Metal Forming Limited | UK |
| 186. Grant Lyon Eagre Ltd. | UK | 235. Precoat International Limited | UK |
| 187. H E Samson Ltd. | UK | 236. Precoat Limited | UK |
| 188. Hadfields Holdings Ltd. | UK | 237. Rafferty-Brown North Carolina Co. * | USA |
| 189. Hammermega Limited | UK | 238. Rafferty-Brown Steel Co Inc Of Conn. | USA |
| 190. Harrowmills Properties Ltd. | UK | 239. Richard Thomas And Baldwins 1978 Limited | New Zealand |
| 191. Hille & Muller GmbH | Germany | 240. Richard Thomas And Baldwins (Australia) Pty Ltd. | Australia |
| 192. Hille & Muller Italia SRL. | Italy | 241. Round Oak Steelworks Ltd. | UK |
| 193. Hille & Muller Usa Inc. | USA | 242. Runblast Limited | UK |
| 194. Holorib GmbH | Germany | 243. Runmega Limited | UK |
| 195. Hoogovens (UK) Limited | UK | 244. S A B Profiel B.V. | Netherlands |
| 196. Hoogovens Aluminium UK Limited | UK | 245. S A B Profil GmbH | Germany |
| 197. Hoogovens Finance B.V. | Netherlands | 246. SA Intertubes | Belgium |
| 198. Hoogovens Technical Services Coahuila B.V. | Netherlands | 247. Sacra-Nord SAS | France |
| 199. Hoogovens Technical Services Mexico De S. De R.L. De C.V. | Mexico | 248. Scrap Processing Holding B.V. | Netherlands |
| 200. Hoogovens Technical Services Monclova B.V. | Netherlands | 249. Seamless Tubes Ltd. | UK |
| 201. Hoogovens Tubes Poland Spolka Z.O.O | Poland | 250. Sia Corus Building Systems | Latvia |
| 202. Hoogovens Usa Inc. | USA | 251. Simiop Investments Ltd. | UK |
| 203. Huizenbezit "Breesaap" B.V. | Netherlands | 252. Simiop Ltd. | UK |
| 204. Ickles Cottage Trust | UK | 253. Simms Steel Holdings Ltd. | UK |
| 205. Immobiliere De Construction De Maubeuge Et Louvroil SAS | France | 254. Skruv Erik AB | Sweden |
| 206. Industrial Steels Limited | UK | 255. Societe Europeenne De Galvanisation (Segal) Sa | Belgium |
| 207. Inter Metal Distribution SAS | France | 256. Staalverwerking En Handel B.V. | Netherlands |
| 208. K&S Management Service Limited | UK | 257. Steel Company (N.I.) Ltd. | UK |
| 209. Kalzip Asia Pte | Singapore | 258. Steel Stockholdings Ltd. | UK |
| 210. Kalzip GmbH | Austria | 259. Steelstock Ltd. | UK |
| 211. Kalzip GmbH | Germany | 260. Stewarts & Lloyds Of Ireland Ltd. | Ireland |
| 212. Kalzip Guanzhou Limited | China | 261. Stewarts And Lloyds (Overseas) Ltd. | UK |
| 213. Kalzip Inc | USA | 262. Stocksbridge Cottage Trust | UK |
| 214. Kalzip Limited | UK | 263. Strata-Color (Coated Steels) Limited * | UK |
| 215. Kalzip Spain S.L.U. | Spain | 264. Surahammar Bruks AB | Sweden |
| 216. Lister Tubes Ltd. | Ireland | 265. Swinden Housing Association | UK |
| 217. London Works Steel Company Ltd. | UK | 266. Tata Steel Netherlands B.V. | Netherlands |
| 218. Midland Steel Supplies Ltd. | UK | 267. Tata Steel UK Ltd. | UK |
| 219. Mistbury Investments Limited | UK | 268. Telmag (Holdings) Limited | UK |
| 220. Montana Bausysteme AG | Switzerland | 269. Telmag Magnetic Components Limited | UK |
| 221. Myriad Deutschland GmbH | Germany | 270. The Newport And South Wales Tube Company Ltd. | UK |
| 222. Myriad Espana Sl | Spain | 271. The Stanton Housing Company Ltd. | UK |
| 223. Myriad Nederland B.V. | Netherlands | 272. The Steel Company Of Ireland Limited | Ireland |
| 224. Myriad SA | France | 273. The Templeborough Rolling Mills Ltd. | UK |
| 225. Myriad United Kingdom Limited | UK | 274. Thomas Processing Company | USA |
| 226. Namascor B.V. | Netherlands | 275. Thomas Steel Strip Corp. | USA |
| 227. Nationwide Steelstock Limited | UK | 276. Tinsley Trailers Limited | UK |
| 228. Nebam Nedelandse Bevrachting En Agentuur Maatschappij B.V. | Netherlands | 277. Toronto Industrial Fabrications Ltd. | UK |
| 229. Oostflank B.V. | Netherlands | 278. Trierer Walzwerk GmbH | Germany |
| 230. Orb Electrical Steels Limited | UK | 279. Tulip Netherlands (No. 1) B.V. | Netherlands |
| | | 280. Tulip Netherlands (No. 2) B.V. | Netherlands |

SCHEDULE M : NOTES ON BALANCE SHEET AND PROFIT AND LOSS ACCOUNT :- continued

| Name of the Party | | Country | Name of the Party | | Country |
|------------------------------|---|--------------|-------------------|--|--------------|
| | 281. Tulip UK Holdings (No. 2) Ltd. | UK | 9. | Tata Sponge Iron Ltd. | India |
| | 282. Tulip UK Holdings (No. 3) Ltd. | UK | 10. | Tayo Rolls Ltd.* | India |
| | 283. U.E.S. Bright Bar Limited | UK | 11. | Tinplate Company of India Ltd. | India |
| | 284. UK Steel Enterprise Ltd. | UK | 12. | TRF Ltd. | India |
| | 285. Ukse Fund Managers Limited | UK | vi) | Tata Steel Holdings Pte. Ltd. | |
| | 286. Ukse Fund Mangers (General Partner) Limited | UK | a) | Tata Steel Global Holdings Pte Ltd. | |
| | 287. United Steels Co (N Z) Ltd. | New Zealand | I | Corus International (Singapore) Holding Pte. Ltd. | |
| | 288. Unitol SAS | France | 1. | European Profiles Malaysia (M) Sdn.Bhd. | Malaysia |
| | 289. Walker Manufacturing And Investments Ltd. | UK | II | NatSteel Holdings Pte. Ltd. | |
| | 290. Walkersteel (Ni) Ltd. * | UK | 1. | Southern Steel, Berhard | Malaysia |
| | 291. Walkersteelstock Ireland Limited | Ireland | III | Tata Steel Europe Ltd. | |
| | 292. Walkersteelstock Ltd. | UK | 1. | Ab Norskstal AS | Norway |
| | 293. Westwood Steel Services Ltd. | UK | 2. | Albi Profils SRL | France |
| | 294. Whitehead (Narrow Strip) Ltd. | UK | 3. | Altos Hornos De Mexico S.A. de C.V. | Mexico |
| V | Tata Steel Global Minerals Holdings Pte Ltd. | Singapore | 4. | Antheus Magnesium B.V. * | Netherlands |
| 1. | Al Rimal Mining LLC | Oman | 5. | Appleby Frodingham Cottage Trust Limited | UK |
| 2. | Black Ginger 461 Proprietary Ltd | South Africa | 6. | Combulex B.V. | Netherlands |
| 3. | Kalimati Coal Company Pty. Ltd. | Australia | 7. | Cv Gasexpansie Ijmond | Netherlands |
| 4. | Tata Steel Cote D' Ivoire S.A.*# | Ivory Coast | 8. | Danieli Corus Canada Inc. | Canada |
| VI | Tata Steel (Thailand) Public Company Ltd. | Thailand | 9. | Danieli Corus Asia B.V. | Netherlands |
| 1. | NTS Steel Group Plc | Thailand | 10. | Danieli Corus B.V. | Netherlands |
| 2. | The Siam Construction Steel Co. Ltd. | Thailand | 11. | Danieli Corus Braseq Ltda. | Brazil |
| 3. | The Siam Iron And Steel (2001) Co. Ltd. | Thailand | 12. | Danieli Corus Construction Services B.V. | Netherlands |
| xvii) | TM International Logistics Ltd. | India | 13. | Danieli Corus Construction Services Usa Inc. | USA |
| 1. | International Shipping Logistics FZE | UAE | 14. | Danieli Corus Do Brasil Ltda. | Brazil |
| 2. | TKM Global China Ltd.* | China | 15. | Danieli Corus Inc. | USA |
| 3. | TKM Global GmbH | Germany | 16. | Danieli Corus Services Usa Inc. | USA |
| 4. | TKM Global Logistics Ltd. | India | 17. | Danieli Corus South Africa Pty. Ltd. | South Africa |
| xviii) | The Indian Steel and Wire Products Ltd. | India | 18. | Danieli India (PVT) Ltd * | India |
| xix) | The Tata Pigments Ltd. | India | 19. | Endex European Energy Derivates Exchanges N.V. | Netherlands |
| B. Associates through | | | 20. | European Profiles (Marketing) Sdn. Bhd. | Malaysia |
| i) | Kalimati Investment Company Ltd. | | 21. | Galvpro LP. | USA |
| 1. | Rujuvalika Investments Ltd. | India | 22. | Gietwalsonderhoudcombinatie B.V. | Netherlands |
| ii) | NatSteel Asia Pte. Ltd. | | 23. | Hoogovens Court Chrome Vof | Netherlands |
| 1. | Steel Asia Development and Management Corp. | Singapore | 24. | Hoogovens Gan Multimedia S.A. De C.V. | Mexico |
| 2. | Steel Asia Industries Inc. | Singapore | 25. | Isolation Du Sud SA | France |
| 3. | Steel Asia Manufacturing Corp. | Singapore | 26. | Issb Limited | UK |
| iii) | Tata Incorporated | | 27. | MDC Sublance Probe Technology * | Shanghai |
| 1. | TKM Overseas Ltd. | India | 28. | Regionale Ontwikkelingsmaatschappij Voor Het Noordzeekanaalgebied N.V. | Netherlands |
| iv) | Tata Refractories Ltd. | | 29. | Richard Lees Steel Decking Asia Snd. Bhd. | Malaysia |
| 1. | Almora Magnesite Ltd. | India | 30. | Rsp Holding B.V. | Netherlands |
| v) | Tata Steel Ltd. | | 31. | Schreiner Fleischer AS | Norway |
| 1. | Indian Steel Rolling Mills Ltd. | India | 32. | Shanghai Bao Yi Beverage Can Making Co Ltd. | China |
| 2. | Industrial Energy Ltd. | India | | | |
| 3. | Jamipol Ltd. | India | | | |
| 4. | Kalinga Aquatics Ltd. | India | | | |
| 5. | Kumardhubi Fireclay & Silica Works Ltd. | India | | | |
| 6. | Kumardhubi Metal Casting & Engineering Ltd. | India | | | |
| 7. | Nicco Jubilee Park Ltd. | India | | | |
| 8. | Tata Construction & Projects Ltd. | India | | | |

SCHEDULE M : NOTES ON BALANCE SHEET AND PROFIT AND LOSS ACCOUNT :- continued

| Name of the Party | | Country | Name of the Party | | Country |
|-------------------|---|-------------|-------------------|--|-------------|
| | 33. Sms Mevac UK Limited | UK | 7. | Corus Celik Ticaret AS | Turkey |
| | 34. Stuwadoorsbedrijf Velserkom B.V. | Netherlands | 8. | Corus Cogifer Switches And Crossings Limited | UK |
| | 35. Thoresen & Thorvaldsen AS | Norway | 9. | Corus Kalpinis Simos Rom SRL. | Romania |
| | 36. Trico LLC | USA | 10. | Danieli Corus Technical Services B.V. | Netherlands |
| | 37. Weirton/Hoogovens GP | USA | 11. | Framing Solutions Plc. * | UK |
| | 38. Workington Cottage Trust | UK | 12. | Grantrail Group Ltd. * | UK |
| | 39. Wupperman Staal Nederland B.V. | Netherlands | 13. | Hks Scrap Metals B.V. | Netherlands |
| vii) | The Indian Steel and Wire Products Ltd. | | 14. | Ijzerhandel Geertsema Staal B.V. | Netherlands |
| | 1. Metal Corporation of India Ltd. | India | 15. | Industrial Rail Services Ijmond B.V. | Netherlands |
| C. | Joint Ventures of | | 16. | Laura Metaal Holding B.V. | Netherlands |
| i) | Jamshedpur Utilities & Services Company Ltd. | | 17. | Norsk Stal AS | Norway |
| | 1. Haldia Water Management Limited* | India | 18. | Norsk Stal Tynnplater AS | Norway |
| ii) | Tata Steel Ltd. | | 19. | Ravenscraig Limited | UK |
| | 1. Bhubaneshwar Power Pvt. Ltd.* | India | 20. | Tata Elastron SA | Greece |
| | 2. mjunction services ltd. | India | 21. | Tata Elastron SA Steel Service Center* | Greece |
| | 3. S & T Mining Company Pvt. Ltd.* | India | 22. | Texturing Technology Limited | UK |
| | 4. Tata Bluescope Steel Ltd. | India | II | Tata Steel Global Minerals Holdings Pte. Ltd. | |
| | 5. Tata NYK Shipping Pte Ltd. | Singapore | 1. | Riversdale Energy (Mauritius) Ltd. | Mauritius |
| | 6. Tata Ryerson Ltd. | India | | | |
| | 7. The Dhamra Port Company Ltd. | India | D. | Promoters holding together with its Subsidiary is more than 20% | |
| iii) | Tata Steel Holdings Pte. Ltd. | | 1. | Tata Sons Ltd. | |
| | a) Tata Steel Global Holdings Pte Ltd. | | E. | Key Management Personnel - Whole Time Directors | |
| | I Tata Steel Europe Ltd. | | 1. | Mr. B. Muthuraman | |
| | 1. Afon Tinplate Company Limited | UK | F. | Relatives of Key Management Personnel - (Disclosure will be given only if there have been transactions) | |
| | 2. Air Products Llanwern Limited | UK | 1. | Ms. Sumathi Muthuraman | |
| | 3. B V Ijzerleew | Netherlands | | | |
| | 4. Bsr Pipeline Services Limited | UK | | | |
| | 5. Caparo Merchant Bar Plc | UK | | | |
| | 6. Cindu Chemicals B.V. | Netherlands | | | |

* Part of the year

By virtue of management control

SCHEDULE M : NOTES ON BALANCE SHEET AND PROFIT AND LOSS ACCOUNT :- continued
13. (b) Related Party Transactions

Rs. crores

| Transactions | Subsidiaries | Associates & JVs # | Key Management Personnel | Relatives of Key Management Personnel | Promoter | Grand Total |
|--|-----------------------------|-----------------------------|--------------------------|---------------------------------------|-------------------------|-----------------------------|
| Purchase of Goods | | | | | | |
| TS Resources Australia Pte Ltd | 3,065.56 666.24 | – | – | – | – | 3,065.56 666.24 |
| Others | 165.73 120.90 | 136.66 181.64 | – | – | – | 302.39 302.54 |
| | 3,231.29 787.14 | 136.66 181.64 | – | – | – | 3,367.95 968.78 |
| Sale of Goods | | | | | | |
| TS Asia (Hongkong) Pte. | 1,072.31 819.62 | – | – | – | – | 1,072.31 819.62 |
| Tata Ryerson Ltd. | – | 773.31 | – | – | – | 773.31 |
| Others | – | 795.12 | – | – | – | 795.12 |
| Others | 510.49 294.95 | 454.59 428.58 | – | – | – | 965.08 723.53 |
| | 1,582.80 1,114.57 | 1,227.90 1,223.70 | – | – | – | 2,810.70 2,338.27 |
| Receiving of Services | | | | | | |
| Jamshedpur Utilities & Services Co. Ltd. | 229.82 227.26 | – | – | – | – | 229.82 227.26 |
| T M International Logistics Ltd. | 178.69 242.66 | – | – | – | – | 178.69 242.66 |
| Tinplate Company of India Ltd. | – | 358.63 | – | – | – | 358.63 |
| Hoogly Metcoke & Power Co. Ltd. | – | 222.73 | – | – | – | 222.73 |
| Others | 165.07 8.66 | – | – | – | – | 165.07 8.66 |
| Others | 222.20 180.77 | 112.51 112.93 | – | – | 53.83 0.69 | 388.54 294.43 |
| | 795.78 659.35 | 471.14 335.66 | – | – | 53.83 0.69 | 1,320.75 995.74 |
| Rendering of Services | | | | | | |
| The Indian Steel & Wire Products Ltd. | 13.68 10.89 | – | – | – | – | 13.68 10.89 |
| Tinplate Company of India Ltd. | – | 45.19 | – | – | – | 45.19 |
| Hoogly Metcoke & Power Co. Ltd. | – | 35.83 | – | – | – | 35.83 |
| Others | 14.14 1.01 | – | – | – | – | 14.14 1.01 |
| Others | 33.76 19.37 | 23.14 28.01 | – | – | 0.24 0.14 | 57.14 47.52 |
| | 61.58 31.27 | 68.33 63.84 | – | – | 0.24 0.14 | 130.15 95.25 |
| Purchase of Fixed Assets | | | | | | |
| TRF Ltd. | – | 17.10 | – | – | – | 17.10 |
| Others | – | 43.25 | – | – | – | 43.25 |
| Others | 0.91 0.32 | 0.06 | – | – | – | 0.97 0.32 |
| | 0.91 0.32 | 17.16 43.25 | – | – | – | 18.07 43.57 |
| Dividend expense | | | | | | |
| Tata Sons Ltd. | – | – | – | – | 333.07 | 333.07 |
| Others | – | – | – | – | 260.81 | 260.81 |
| Others | 1.08 1.04 | – | * | ** | – | 1.08 1.04 |
| | 1.08 1.04 | – | * | ** | 333.07 260.81 | 334.15 261.85 |

SCHEDULE M : NOTES ON BALANCE SHEET AND PROFIT AND LOSS ACCOUNT :- continued
13. (b) Related Party Transactions

| | | | | | | Rs. crores |
|---|-----------------|--------------------|--------------------------|---------------------------------------|--------------|-----------------|
| Transactions | Subsidiaries | Associates & JVs # | Key Management Personnel | Relatives of Key Management Personnel | Promoter | Grand Total |
| Dividend income | | | | | | |
| Tata Steel (Thailand) Public Co. Ltd. | 18.56 | — | — | — | — | 18.56 |
| | 6.66 | — | — | — | — | 6.66 |
| Tata Metaliks Ltd. | 8.26 | — | — | — | — | 8.26 |
| | 7.08 | — | — | — | — | 7.08 |
| Tata Refractories Ltd. | 5.21 | — | — | — | — | 5.21 |
| | 5.21 | — | — | — | — | 5.21 |
| Others | 5.20 | 8.43 | — | — | — | 13.63 |
| | 4.83 | 9.31 | — | — | — | 14.14 |
| | 37.23 | 8.43 | — | — | — | 45.66 |
| | 23.78 | 9.31 | — | — | — | 33.09 |
| Interest Income | | | | | | |
| Tinplate Company of India Ltd. | — | 17.22 | — | — | — | 17.22 |
| | — | 0.65 | — | — | — | 0.65 |
| Tata Steel KZN Pty Ltd. | 15.81 | — | — | — | — | 15.81 |
| | 9.37 | — | — | — | — | 9.37 |
| Industrial Energy Ltd. | — | 6.10 | — | — | — | 6.10 |
| | — | 1.76 | — | — | — | 1.76 |
| Others | 6.93 | 0.17 | — | — | — | 7.10 |
| | 13.77 | — | — | — | — | 13.77 |
| | 22.74 | 23.49 | — | — | — | 46.23 |
| | 23.14 | 2.41 | — | — | — | 25.55 |
| Management contracts including deputation of employees | | | | | | |
| Tata Sons Ltd. | — | — | — | — | 50.00 | 50.00 |
| | — | — | — | — | 42.79 | 42.79 |
| | — | — | — | — | 50.00 | 50.00 |
| | — | — | — | — | 42.79 | 42.79 |
| Finance Provided | | | | | | |
| Tata Steel Asia Holdings Pte. Ltd. | 4,718.30 | — | — | — | — | 4,718.30 |
| | 28,802.75 | — | — | — | — | 28,802.75 |
| Others | 158.88 | 400.53 | — | — | — | 559.41 |
| | 919.04 | 267.15 | — | — | — | 1,186.19 |
| | 4,877.18 | 400.53 | — | — | — | 5,277.71 |
| | 29,721.79 | 267.15 | — | — | — | 29,988.94 |
| Unsecured advances/Deposits given | | | | | | |
| T M International Logistics Ltd. | 15.20 | — | — | — | — | 15.20 |
| | 4.84 | — | — | — | — | 4.84 |
| The Indian Steel & Wire Products Ltd. | 14.00 | — | — | — | — | 14.00 |
| | — | — | — | — | — | — |
| Others | 2.96 | — | — | — | — | 2.96 |
| | 5.88 | — | — | — | — | 5.88 |
| | 32.16 | — | — | — | — | 32.16 |
| | 10.72 | — | — | — | — | 10.72 |
| Unsecured advances/Deposits accepted | | | | | | |
| Tinplate Company of India Ltd. | — | — | — | — | — | — |
| | — | 0.95 | — | — | — | 0.95 |
| Others | — | — | — | — | — | — |
| | **** | — | — | — | — | **** |
| | — | — | — | — | — | — |
| | **** | 0.95 | — | — | — | 0.95 |
| Remuneration Paid | | | | | | |
| Mr. B. Muthuraman | — | — | 5.07 | — | — | 5.07 |
| | — | — | 3.66 | — | — | 3.66 |
| Dr. T. Mukherjee (upto 31.10.2007) | — | — | — | — | — | — |
| | — | — | 1.91 | — | — | 1.91 |
| Mr. A. N. Singh (upto 30.09.2007) | — | — | — | — | — | — |
| | — | — | 1.27 | — | — | 1.27 |
| | — | — | 5.07 | — | — | 5.07 |
| | — | — | 6.84 | — | — | 6.84 |

SCHEDULE M : NOTES ON BALANCE SHEET AND PROFIT AND LOSS ACCOUNT :- continued
13. (b) Related Party Transactions

Rs. crores

| Transactions | Subsidiaries | Associates & JVs # | Key Management Personnel | Relatives of Key Management Personnel | Promoter | Grand Total |
|---|-----------------|--------------------|--------------------------|---------------------------------------|--------------|-----------------|
| Bad Debts Recovered | | | | | | |
| The Indian Steel & Wire Products Ltd. | 2.16 | – | – | – | – | 2.16 |
| | – | – | – | – | – | – |
| | 2.16 | – | – | – | – | 2.16 |
| | – | – | – | – | – | – |
| Guarantees and collaterals given | | | | | | |
| Tinplate Company of India Ltd. | – | 25.00 | – | – | – | 25.00 |
| | – | – | – | – | – | – |
| | – | 25.00 | – | – | – | 25.00 |
| | – | – | – | – | – | – |
| Guarantees outstanding | | | | | | |
| Others | – | – | – | – | – | – |
| | – | 25.00 | – | – | – | 25.00 |
| | – | – | – | – | – | – |
| | – | 25.00 | – | – | – | 25.00 |
| Outstanding Receivables | | | | | | |
| Tata Steel Asia Holdings Pte. Ltd. | 237.61 | – | – | – | – | 237.61 |
| | 30,326.12 | – | – | – | – | 30,326.12 |
| Tinplate Company of India Ltd. | – | 191.18 | – | – | – | 191.18 |
| | – | 115.48 | – | – | – | 115.48 |
| Tata Steel KZN Pty. Ltd. | 153.39 | – | – | – | – | 153.39 |
| | 131.00 | – | – | – | – | 131.00 |
| Others | 183.55 | 49.30 | – | – | 4.01 | 236.86 |
| | 1,068.98 | 140.54 | 0.01 | 0.01 | 3.36 | 1,212.90 |
| | 574.55 | 240.48 | – | – | 4.01 | 819.04 |
| | 31,526.10 | 256.02 | 0.01 | 0.01 | 3.36 | 31,785.50 |
| Outstanding Payables | | | | | | |
| TS Resources Australia Pte Ltd | 1,231.91 | – | – | – | – | 1,231.91 |
| | – | – | – | – | – | – |
| Others | 126.21 | 68.10 | – | – | 55.68 | 249.99 |
| | 115.74 | 81.50 | – | – | 46.95 | 244.19 |
| | 1,358.12 | 68.10 | – | – | 55.68 | 1,481.90 |
| | 115.74 | 81.50 | – | – | 46.95 | 244.19 |

Notes:

| | |
|-------|-----------|
| * | 43,389.30 |
| ** | 20,828.81 |
| *** | 33,883.00 |
| **** | 19,995.00 |
| ***** | 30,000.00 |

Transactions with Joint Ventures have been disclosed at full value.

SCHEDULE M : NOTES ON BALANCE SHEET AND PROFIT AND LOSS ACCOUNT :- continued

14. The Company has the following Joint Ventures as on 31st March, 2009 and its proportionate share in the Assets, Liabilities, Income and Expenditure of the Joint Venture Companies is given below :

Rs. crores

| Name of the Joint Venture Company | Country of Incorporation | Percentage of Holding | As at 31st March, 2009 | | | | For the year ended 31st March, 2009 | |
|-----------------------------------|--------------------------|-----------------------|------------------------|-------------|------------------------|--------------------|-------------------------------------|-------------|
| | | | Assets | Liabilities | Contingent Liabilities | Capital Commitment | Income | Expenditure |
| Tata Ryerson Ltd. | India | 50% | 234.34 | 118.28 | 30.49 | 10.21 | 649.00 | 641.94 |
| | | | 253.27 | 143.39 | 30.40 | 18.10 | 640.83 | 620.55 |
| mjunction services Ltd. | India | 50% | 60.29 | 30.24 | 0.32 | - | 34.14 | 24.08 |
| | | | 38.62 | 18.63 | 0.29 | - | 33.00 | 24.53 |
| The Dhamra Port Company Ltd. | India | 50% | 750.93 | 593.10 | - | 432.99 | - | 0.09 |
| | | | 343.27 | 220.34 | - | 518.20 | - | 0.05 |
| Tata BlueScope Steel Ltd. | India | 50% | 380.73 | 109.89 | 13.36 | 172.37 | 178.87 | 206.32 |
| | | | 308.60 | 47.31 | 7.91 | 135.96 | 143.57 | 151.50 |
| Tata NYK Shipping Pte. Ltd. | Singapore | 50% | 138.71 | 5.75 | - | 439.44 | 250.59 | 249.35 |
| | | | 32.58 | 7.47 | - | - | 145.94 | 140.76 |
| Bhubaneswar Power Private Ltd. | India | 26% | 0.96 | 0.70 | 1.00 | - | - | - |
| | | | - | - | - | - | - | - |
| S & T Mining Company Private Ltd. | India | 50% | 0.45 | 0.10 | 0.25 | - | - | 0.17 |
| | | | - | - | - | - | - | - |

15. Earnings Per Share (EPS)

| | 2008-09 Rs. crores | 2007-08 Rs. crores |
|---|-----------------------|-----------------------|
| (i) Profit after tax..... | 5,201.74 | 4,687.03 |
| Less : Preference dividend including tax thereon..... | 128.05 | 25.96 |
| Profit attributable to ordinary shareholders..... | 5,073.69 | 4,661.07 |
| Profit attributable to ordinary shareholders – for Diluted EPS..... | 5,464.58 | 4,642.31 |
| | Nos. | Nos. |
| (ii) Weighted average No. of Ordinary Shares for Basic EPS..... | 73,05,84,834 | 69,77,48,601 |
| Add : Adjustment for 8,750 (2007-08 : 8,750) Convertible Alternative Reference Securities (See Note 27, Page 192)..... | 6,27,16,057 | 3,59,84,623 |
| Adjustment for Options relating to 12,446 (2007-08 : 12,446) Detachable Warrants (See Note 6, Page 172)..... | 7,613 | 11,010 |
| Adjustment for 54,72,66,011 (2007-08 : 54,72,51,605) Cumulative Convertible Preference Shares (See Note 2 to Schedule A, Page 155)..... | 9,12,08,752 | 2,36,74,364 |
| Weighted average no. of Ordinary Shares for Diluted EPS..... | 88,45,17,256 | 75,74,18,598 |
| (iii) Nominal value of Ordinary Shares..... | Rs. 10.00 | Rs. 10.00 |
| (iv) Basic Earnings per Ordinary Share..... | Rs. 69.45 | Rs. 66.80 |
| (v) Diluted Earnings per Ordinary Share..... | Rs. 61.78 | Rs. 61.29 |

16. Deferred Tax Liability (Net) (Item No. 5, Page 148)

| | Deferred Tax (Asset)/Liability as at 1.04.2008 Rs. crores | Current year charge/(credit) Rs. crores | Deferred Tax (Asset)/Liability as at 31.03.2009 Rs. crores |
|---|--|--|---|
| Deferred Tax Liabilities | | | |
| (i) Difference between book and tax depreciation..... | 1,606.35 | 254.29 | 1,860.64 |
| (ii) Prepaid Expenses..... | 38.54 | (6.88) | 31.66 |
| (iii) Revaluation of Foreign Currency Loans..... | 248.37 | (248.37) | - |
| | 1,893.26 | (0.96) | 1,892.30 |
| Deferred Tax Assets | | | |
| (i) Employee Separation Compensation..... | (503.69) | (0.52) | (504.21) |
| (ii) Wage Provision..... | (65.28) | (4.19) | (69.47) |
| (iii) Provision for doubtful debts & advances..... | (33.03) | (2.93) | (35.96) |
| (iv) Disallowance under Section 43B..... | (111.97) | (53.89) | (165.86) |
| (v) Provision for Leave Salary..... | (135.69) | (7.54) | (143.23) |
| (vi) Provision for Employee Benefits..... | (70.52) | - | (70.52) |
| (vii) Other Deferred Tax Assets/Liabilities..... | (12.76) | (5.10) | (17.86) |
| | (932.94) | (74.17) | (1,007.11) |
| | 960.32 | (75.13) | 885.19 |
| (viii) Deferred Tax Assets adjusted against Securities Premium Account (See Note 27, Page 192)..... | (278.52) | (20.94) | (299.46) |
| Deferred Tax Liability (Net) | 681.80 | | 585.73 |

SCHEDULE M : NOTES ON BALANCE SHEET AND PROFIT AND LOSS ACCOUNT :- continued

| 17. Licensed and installed capacities and production : ⁽¹⁾ | Installed capacity ⁽²⁾ | Production ⁽³⁾ |
|---|-----------------------------------|--|
| | Tonnes | Tonnes |
| Class of Products | | |
| (i) Saleable Steel (Jamshedpur, Jharkhand) | 58,40,000 48,08,000 | 53,74,939 48,58,401 ⁽⁴⁾ |
| (ii) Cold Rolled Coils (Tarapur, Maharashtra) | 1,00,000 1,00,000 | 1,60,209 1,53,488 |
| (iii) Wire Rods (Tarapur, Maharashtra) | 2,65,000 2,65,000 | 2,53,410 2,45,370 |
| Wires (Borivali, Tarapur, Indore; Maharashtra) & (Bengaluru, Karnataka) | 2,38,400 2,38,400 | 1,94,073 2,11,001 |
| (iv) Ferro Manganese & Silico Manganese (Joda, Orissa) | 30,500 30,500 | 46,974 50,230 |
| (v) Charge Chrome (Bamnipal, Orissa) | 50,000 50,000 | 45,010 55,251 |
| (vi) Welded Steel Tubes (Jamshedpur, Jharkhand) | 2,84,000 3,08,000 | 2,56,199 * 2,68,698 ⁽⁵⁾ |
| (vii) Metallurgical Machinery (Jamshedpur, Jharkhand) | — ⁽⁶⁾ — | 14,148 12,994 |
| | Numbers | Numbers |
| (viii) Bearings (Kharagpur, West Bengal) | 2,50,00,000 2,50,00,000 | 2,72,89,212 2,63,55,459 |

* FM mill was discontinued from December 2008 onwards but the actual production has been included in the above figure.
Licensed capacity is not applicable in terms of the Government of India's Notification No. S.O. 477 (E) dated 25th July, 1991.

(1) Excluding items intended for captive consumption.

(2) As certified by the Managing Director and accepted by the Auditors.

(3) Including production for works use and for conversion by the third parties into finished goods for sale.

(4) Including semi-finished steel produced **8,32,695** tonnes (2007-08 : 3,86,251 tonnes) and steel transferred for manufacture into Tubes/C.R. Strips at the Company's Tubes Division **3,31,550** tonnes (2007-08 : 3,37,987 tonnes) / steel transferred for manufacture of Cold Rolled Coils at the Company's Cold Rolling Mill Division (West) **1,62,270** tonnes (2007-08 : 1,71,942 tonnes) and steel transferred for manufacture of Wire Rods **2,26,475** tonnes (2007-08 : 2,08,973 tonnes) at the Company's Wire Rod Mill (West) division.

(5) Including Tubes used in manufacture of Tubular Steel Structures and Scaffoldings.

(6) There is no separate installed capacity.

(7) Previous years figures have been recast wherever necessary.

SCHEDULE M : NOTES ON BALANCE SHEET AND PROFIT AND LOSS ACCOUNT :- continued
18. Turnover, Closing and Opening Stocks

| Class of Products | Turnover | | Closing Stock | | Opening Stock | |
|--|--------------------|------------------|------------------|-----------------|------------------|-----------------|
| | Tonnes | Rs. crores | Tonnes | Rs. crores | Tonnes | Rs. crores |
| (i) Saleable Steel (Finished) ⁽¹⁾ | 47,60,572 | 19,313.42 | 3,25,699 | 671.38 | 3,39,546 | 646.63 |
| | 44,75,886 | 16,010.10 | 3,39,546 | 646.63 | 3,86,455 | 683.64 |
| Agrico Products..... | | 116.21 | | 6.33 | | 9.67 |
| | | 111.23 | | 9.67 | | 5.07 |
| | | 19,429.63 | | 677.71 | | 656.30 |
| | | 16,121.33 | | 656.30 | | 688.71 |
| (ii) Semi-finished Steel and Scrap..... | 4,46,069 | 1,004.86 | 5,10,653 | 488.25 | 2,80,630 | 230.57 |
| | 2,54,959 | 571.68 | 2,80,630 | 230.57 | 2,57,121 | 217.73 |
| (iii) Welded Steel Tubes ⁽²⁾ | 2,27,156 | 1,130.92 | 18,680 | 51.67 | 19,861 | 48.21 |
| | 2,33,413 | 1,018.47 | 19,861 | 48.21 | 24,508 | 57.19 |
| (iv) Carbon and Alloy Steel Bearing Rings | — | — | — | — | — | — |
| | 417 | 1.99 | — | — | 417 | 3.46 |
| (v) By-products, etc. | | 166.07 | | 1.51 | | 3.09 |
| | | 95.25 | | 3.09 | | 4.15 |
| (vi) Raw Materials : | | | | | | |
| (a) Ferro Manganese | 34,515 | 290.73 | — | — | — | — |
| | 40,631 | 219.29 | — | — | — | — |
| (b) Charge Chrome/Ferro Chrome ⁽³⁾ ... | 1,77,029 | 1,251.47 | — | — | — | — |
| | 1,86,384 | 978.24 | — | — | — | — |
| (c) Other Raw Materials..... | — | 1,879.93 | — | — | — | — |
| | — | 1,661.38 | — | — | — | — |
| (vii) Other Products ⁽⁴⁾ | | 465.52 | | 119.59 | | 96.44 |
| | | 379.69 | | 96.44 | | 65.03 |
| (viii) Alloy Steel Ball Bearing Rings ⁽⁵⁾ | Numbers | 0.07 | Numbers | — | Numbers | 0.90 |
| | 2,280 | 8.56 | 4,89,680 | 0.90 | 4,89,680 | 11.34 |
| | 13,77,379 | | | | 17,51,468 | |
| (ix) Bearings..... | 2,63,39,660 | 144.00 | 39,68,430 | 22.97 | 28,39,692 | 13.14 |
| | 2,76,12,219 | 149.90 | 28,39,692 | 13.14 | 40,39,790 | 19.85 |
| (x) Metallurgical Machinery | Tonnes | 165.17 | Tonnes | — | Tonnes | — |
| | 14,148 | 172.70 | — | — | — | — |
| | 12,994 | | — | — | — | — |
| (xi) Sale of Purchased Materials | | | | | | |
| (a) Saleable Steel (finished/converted) | 2,017 | 10.67 | 21 | 0.15 | 6,945 | 25.62 |
| | 1,516 | 6.91 | 6,945 | 25.62 | 2,963 | 10.62 |
| (b) Raw Materials/Scrap/Other Materials | — | 6.41 | — | — | — | — |
| | — | 7.00 | — | — | — | — |
| | | 25,945.45 | | 1,361.85 | | 1,074.27 |
| | | 21,392.39 | | 1,074.27 | | 1,078.08 |

Notes :

- (1) Including steel material converted by re-rollers : **9,16,548** tonnes (2007-08 : 9,57,743 tonnes).
- (2) Includes Welded Steel Tubes converted under conversion arrangement **60,213** tonnes (2007-08 : 48,585 tonnes).
- (3) Turnover includes Ferro Chrome converted under conversion arrangement **1,28,576** tonnes (2007-08 : 1,04,269 tonnes).
- (4) Includes tubular steel structures **Rs. 399.62** crores (2007-08 : Rs. 327.37 crores).
- (5) Turnover includes sale proceeds of Salvaged Rings, Stock includes Semi-Finished Rings/Flanges.
- (6) Previous years figures have been regrouped and recast wherever necessary.

SCHEDULE M : NOTES ON BALANCE SHEET AND PROFIT AND LOSS ACCOUNT :— continued

| | Tonnes | Rs. crores |
|--|--------|---------------|
| 19. Purchase of Finished, Semi-Finished Steel and Other Products : | | |
| A. For Resale : | | |
| Finished/Semi-Finished Steel Materials | 2,466 | 22.51 |
| | 994 | 9.11 |
| B. For Own Consumption : | | |
| (i) Finished/Semi-Finished Steel Materials ⁽¹⁾ | 52,147 | 319.80 |
| | 86,310 | 319.74 |
| (ii) Sponge/Pig Iron..... | 7,085 | 13.19 |
| | 40,064 | 58.32 |
| (iii) Others..... | | 3.37 |
| | | 0.77 |
| | | 358.87 |
| | | 387.94 |
| | | |
| (1) Includes components for manufacture of metallurgical machinery Rs. 67.10 crores (2007-08 : Rs. 40.02 crores) | | |

| | Tonnes | Rs. crores |
|---|-----------|-----------------|
| 20. Raw materials consumed : @ | | |
| (i) Iron ore | 95,45,665 | 504.52 |
| | 86,81,492 | 445.35 |
| (ii) Coal [excluding 47,46,755 tonnes (2007-08 : 33,71,551 tonnes) valued at Rs. 2,874.19 crores (2007-08 : Rs. 987.71 crores)] used for manufacturing coke | 7,51,972 | 455.32 |
| | 7,06,076 | 206.85 |
| (iii) Coke | 33,15,206 | 3,695.00 |
| | 30,88,582 | 1,873.60 |
| (iv) Limestone and Dolomite..... | 19,49,523 | 391.89 |
| | 18,65,223 | 318.45 |
| (v) Ferro Manganese | 18,895 | 62.99 |
| | 16,165 | 48.52 |
| (vi) Zinc and Zinc Alloys | 22,137 | 210.03 |
| | 22,325 | 345.30 |
| (vii) Spelter, sulphur and other materials [excluding 22,82,034 tonnes valued at Rs. 129.77 crores (2007-08 : 2,34,830 tonnes valued at Rs. 80.75 crores) used in the manufacture of Ferro Manganese..... | 12,00,105 | 877.30 |
| | 11,57,095 | 529.48 |
| | | 6,197.05 |
| | | 3,767.55 |

Note : @ The consumption figures shown above are after adjusting excess and shortages ascertained on physical count, unserviceable items, etc.

21. Value of direct imports (C.I.F. Value)

| | Rs. crores |
|--|---------------|
| (i) Raw materials..... | 4,146.75 |
| | 1,542.79 |
| (ii) Semi-finished products | 28.02 |
| | 16.44 |
| (iii) Components, stores and spare parts | 288.42 |
| | 233.18 |
| (iv) Capital goods | 542.28 |
| | 433.23 |

SCHEDULE M : NOTES ON BALANCE SHEET AND PROFIT AND LOSS ACCOUNT :- continued

22. The value of consumption of directly imported and indigenously obtained raw materials, stores and spare parts and the percentage of each to the total consumption:

| | Raw materials | | Components, stores and spare parts | |
|--|-----------------|---------------|------------------------------------|---------------|
| | Rs. crores | % | Rs. crores | % |
| (a) Directly imported | 4,266.89 | 68.85 | 419.02 | 17.33 |
| | 1,950.22 | 51.76 | 364.97 | 18.26 |
| (b) Indigenously obtained | 1,930.16 | 31.15 | 1,999.42 | 82.67 |
| | 1,817.33 | 48.24 | 1,633.41 | 81.74 |
| | 6,197.05 | 100.00 | 2,418.44 | 100.00 |
| | 3,767.55 | 100.00 | 1,998.38 | 100.00 |
| Less : Consumption charged to other revenue accounts | | | 942.75 | |
| | | | 892.32 | |
| | | | 1,475.69 | |
| | | | 1,106.06 | |

Notes : (i) The consumption figures shown above are after adjusting excess and shortages ascertained on physical count, unserviceable items, etc.

- (ii) In respect of items which are purchased both from indigenous and imported sources, the identity of individual items consumed cannot be established but segregation of consumption between imported and indigenous sources has been made on a reasonable approximation determined from the Company's records.

23. Expenditure in foreign currency

| | Current Year Rs. crores | Previous Year Rs. crores |
|--|-------------------------------|--------------------------------|
| (i) Technical Know-how and Technical Consultants' Fees (net of taxes) including Rs. 319.53 crores (2007-08 : Rs. 107.20 crores) on capital account | 320.83 | 109.30 |
| (ii) Interest and Commitment charges payable in foreign currencies..... | 569.42 | 502.95 |
| (iii) Commission | 15.29 | 12.75 |
| (iv) Payable on other accounts [including Rs. 6.15 crores (2007-08 : Rs. 15.28 crores) on capital account]..... | 232.21 | 157.47 |

24. Remittance in foreign currencies for dividends

The Company has not remitted any amount in foreign currencies on account of dividends during the year and does not have information as to the extent to which remittances, if any, in foreign currencies on account of dividends have been made by/on behalf of non-resident shareholders. The particulars of dividends payable to non-resident shareholders which were declared during the year, are as under :

| | Current Year | Previous Year |
|--|--------------------------|-------------------|
| (i) Number of non-resident shareholders | 5,914 | 4,461 |
| (ii) Number of Ordinary shares held by them..... | 14,85,95,480 | 13,60,48,173 |
| (iii) Gross amount of dividends | Rs. 237.75 crores | Rs. 210.87 crores |

25. Earnings in Foreign Exchange

- (i) Export of steel and other materials (at F.O.B. value) **Rs. 3,308.67** crores (2007-08 : Rs. 2,120.98 crores) [including value of exports through export houses].
- (ii) Interest received **Rs. 19.01** crores (2007-08 : Rs. 33.45 crores).
- (iii) Others **Rs. 46.87** crores (2007-08 : Rs. 131.75 crores).

SCHEDULE M : NOTES ON BALANCE SHEET AND PROFIT AND LOSS ACCOUNT :- continued
26. Derivative Instruments

i) The Company has entered into the following derivative instruments :

- a) The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The use of foreign currency forward contracts is governed by the Company's strategy approved by the Board of Directors, which provide principles on the use of such forward contracts consistent with the Company's Risk Management Policy. The Company does not use forward contracts for speculative purposes.

Outstanding Short Term Forward Exchange Contracts entered into by the Company on account of payables :

| As at | No. of Contracts | US Dollar Equivalent (million) | INR Equivalent (Rs. crores) |
|------------|------------------|--------------------------------|------------------------------|
| 31.03.2009 | 34 | 347.80 | 1,764.02 |
| 31.03.2008 | – | – | – |

Outstanding Short Term Forward Exchange Contracts entered into by the Company on account of receivables :

| As at | No. of Contracts | US Dollar Equivalent (million) | INR Equivalent (Rs. crores) |
|------------|------------------|--------------------------------|------------------------------|
| 31.03.2009 | 16 | 62.18 | 315.32 |
| 31.03.2008 | 5 | 30.64 | 122.91 |

(Forward exchange contracts outstanding as on 31st March 2009 include Forward Sales of Great Britain Pound, Euro and United States Dollar against Indian National Rupees, Forward Sales of United States Dollar against Japanese Yen, Forward Sales of Euro against USD, Forward Purchases of Euro and Great Britain Pound against United States Dollars and Forward Purchase of Euro and United States Dollars against Indian National Rupees for contracted exports and imports and planned remittances between April 2009 and February 2010).

Outstanding Long Term Forward Exchange Contracts entered into by the Company :

| As at | No. of Contracts | US Dollar Equivalent (million) | INR Equivalent (Rs. crores) |
|------------|------------------|--------------------------------|-----------------------------|
| 31.03.2009 | 39 | 1,967.17 | 9,977.47 |
| 31.03.2008 | 35 | 1,885.86 | 7,564.18 |

(Long Term Forward Exchange Contracts outstanding as on 31st March, 2009 have been used to hedge the Foreign Currency Risk on repayment of External Commercial Borrowings of the Company).

- b) The Company also uses derivative contracts other than forward contracts to hedge the interest rate and currency risk on its capital account. Such transactions are governed by the strategy approved by the Board of Directors which provide principles on the use of these instruments, consistent with the Company's Risk Management Policy. The Company does not use these contracts for speculative purposes.

i) Outstanding Interest Rate Swaps to hedge against fluctuations in interest rate changes :

| As at | No. of Contracts | US Dollar Equivalent (million) | INR Equivalent (Rs. crores) |
|------------|------------------|--------------------------------|-----------------------------|
| 31.03.2009 | 15 | 636.11 | 3,226.36 |
| 31.03.2008 | 1 | 17.34 | 69.54 |

ii) Outstanding Currency Options to hedge against fluctuations in exchange rate :

| As at | No. of Contracts | US Dollar Equivalent (million) | INR Equivalent (Rs. crores) |
|------------|------------------|--------------------------------|-----------------------------|
| 31.03.2009 | – | – | – |
| 31.03.2008 | 2 | 2.75 | 11.03 |

SCHEDULE M : NOTES ON BALANCE SHEET AND PROFIT AND LOSS ACCOUNT :- continued

II) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below :

| | As at 31.03.2009 | | As at 31.03.2008 | |
|---|--------------------------------------|-----------------------------------|--------------------------------------|-----------------------------------|
| | US Dollar Equivalent (million) | INR Equivalent (Rs. crores) | US Dollar Equivalent (million) | INR Equivalent (Rs. crores) |
| A. Amounts receivable in foreign currency on account of the following : | | | | |
| Loans Receivable | 25.24 | 128.01 | 25.28 | 101.38 |
| Interest receivable | 5.20 | 26.39 | 0.79 | 3.17 |
| Bill Discounted and Debtors Outstanding | 38.36 | 194.52 | 62.60 | 251.08 |
| B. Amounts payable in foreign currency on account of the following : | | | | |
| Import of goods and services | 68.37 | 346.80 | 19.34 | 77.57 |
| Capital imports | 23.97 | 121.58 | 27.02 | 108.39 |
| Interest and commitment charges payable | 47.73 | 242.07 | 14.22 | 57.06 |
| Loans payable | 1,160.72 | 5,887.19 | 1,162.91 | 4,665.61 |

27. The Company raised Rs. 3,578.75 crores (US \$ 875 million) through the issue of Foreign Currency Convertible Alternative Reference Securities ("CARS") during FY 2007-08. The CARS will be convertible into either qualifying securities (which may be in the form of depository receipts with restricted rights of withdrawal representing underlying ordinary shares with differential rights as to voting) or ordinary shares only between 4th September, 2011 to 6th August, 2012 and are redeemable in foreign currency only in September, 2012, if not converted into equity. The CARS will be convertible at a conversion price of Rs. 758.10 per share as adjusted for the rights issue. The CARS carry a coupon rate of 1% p.a. The outstanding CARS, if any, at maturity will be redeemable at a premium of 23.34% of the principal amount, with an effective YTM of 5.15%.

Premium payable on redemption and the expenses related to the issue of CARS are adjusted against the Securities Premium Account. Changes to premium payable on account of exchange fluctuation is transferred to "Foreign Currency Monetary Items Translation Difference Account" in line with Companies (Accounting Standards) Amendment Rules 2009 relating to Accounting Standard 11 (AS-11) notified by Government of India on 31st March, 2009. Such exchange fluctuation on the premium payable is amortised over the balance period of CARS but not beyond 31st March, 2011, by adjusting the same to Securities Premium Account. Accordingly, an amount of **Rs. 32.54** crores (net of deferred tax **Rs. 16.76** crores) has been amortised and adjusted against Securities Premium Account during the current financial year. During 2007-08, Rs. 10.51 crores (net of deferred tax Rs. 5.41 crores) being the gain on revaluation of the premium payable was adjusted against the Securities Premium Account. Fees to Mandated Lead Arrangers for revision in certain terms and conditions of standby letter of credit in the issue of CARS has been considered as issue expenses based on a legal opinion. The issue expenses of **Rs. 229.74** crores (2007-08: *Rs. 111.86 crores*) has been adjusted to Securities Premium Account.

28. Previous year's figures have been recast/restated wherever necessary.
29. Figures in italics are in respect of the previous year.