



TATA STEEL



A Shared Vision



101st Annual Report 2007-2008



A Shared Vision

Managing a global workforce and setting global benchmarks is primarily about managing diversity. The ability to maximise business opportunities and meet challenges so that value can be created for stakeholders is something that can be achieved through a process of inclusive growth, one in which every person contributes to the blueprint for the future and is truly committed to the stated objectives. And one of the key requisites for successful diversity management is a shared vision.

The Vision 2012 for the Tata Steel Group was co-created by its people across its various locations – from Jamshedpur in India, to the United Kingdom, to South East Asia, to the Netherlands. Driven as much by its commitment to society as by its performance and profits, the Tata Steel Vision aspires to make the Group the global industry benchmark for both Value Creation and Corporate Citizenship.

The key drivers of the Group Vision will manifest themselves in the goals and objectives the Group sets for itself in the coming years.

This shared Vision is a call to action for Tata Steel's people, to work together to a future that holds a promise of tremendous growth for all its constituents and the world at large.



We aspire to be the global steel industry benchmark for Value Creation and Corporate Citizenship.

We make the difference through:

Our **People**, by fostering team work, nurturing talent, enhancing leadership capability and acting with pace, pride and passion.

Our **Offer**, by becoming the supplier of choice, delivering premium products and services and creating value for our customers.

Our **Innovative approach**, by developing leading edge solutions in technology, processes and products.

Our **Conduct**, by providing a safe working place, respecting the environment, caring for our communities and demonstrating high ethical standards.



GOAL 1



Value Creation

Action

To increase earnings from current operations by optimising assets; differentiation in the marketplace; continuous improvement; and achieving synergies across all Business Units.

To achieve strategic growth through capacity expansion; mining projects; enhanced Research and Development and innovation; in the area of construction and automotive; and new territories.

GOAL 2



Safety

Action

- Focus on high hazard facilities
- Increase occupational safety
- Focus on overall health

GOAL 3



Environment

Action

- Continuous process improvements
- Technology breakthroughs
- Responsible product development
- Employee engagement
- Proactive role in global steel sector initiatives

GOAL 4



Employer of Choice

Action

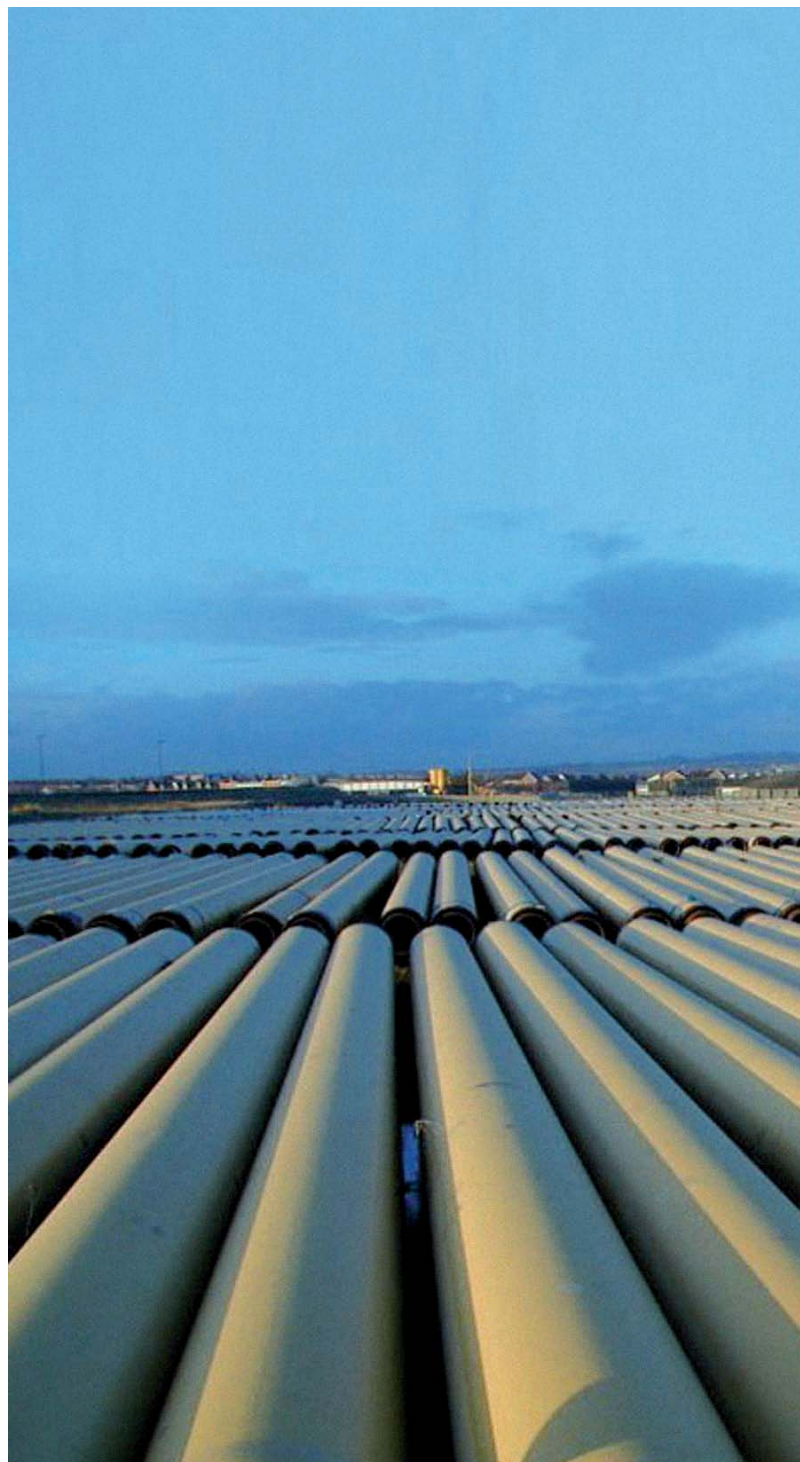
- Embed a performance driven culture
- Build leadership capability
- Nurture talent
- A continuous quest for global talent
- Build and enhance technical capability

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The Annual General Meeting will be held on Thursday, 28th August, 2008 at Birla Matushri Sabhagar at 3.30 p.m. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies to the meeting.

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Chairman's Statement

Dear Shareholder,

This has been a turbulent year. The sub-prime crisis that erupted in the US and western Europe impacted the global financial system, resulting in a significant cut-back in investment flows and the availability of funds. The developing world continued to enjoy growth in its demand for goods and services, contributing to the global inflationary trends in oil, coal, minerals and other commodities. The cost of food similarly rose in several countries during the latter part of the year, leading to unrest and hardship amongst the poorer nations. Some governments have lately begun to impose anti-inflationary measures on their over-heated economies to curb runaway price increases and consumption.

The global steel industry predictably also faced pressure on their margins arising from cost increases in iron ore and coking coal, but for the most part these increases were absorbed by the market through steel price increases. The full impact of these cost increases on steel producers and the consequential higher steel prices to user industries will, however, only be felt in the current year, at which time one might expect some slow-down in economic activity and consumer demand.

It appears clear that in the immediate future, steel prices will be dictated by the level of iron ore and coking coal prices, which have been rising at mind-boggling rates, (85% and 300% increases respectively), and continue to rise unabatedly. Unfortunately, most of the iron ore resources are controlled by three powerful international mining companies which control about 70% of global iron ore and other mineral resources, whereas the ten largest steel producers combined would only account for about 28% of the total global steel output.

Tata Steel, thankfully, is self-sufficient in its current requirement of iron ore for its Jamshedpur operations. The Company has however sought mining leases to support its greenfield projects in Orissa, Chhattisgarh and Jharkhand, and will need to invest in, or enter into contracts with mining companies to secure the availability of iron ore and coking coal for the Corus operations in the UK and the Netherlands.

Integration of Corus

The Tata Steel and Corus operations are being run as one virtual company with performance improvement tasks being undertaken in each location. These initiatives are expected to result in substantial improvements in operating efficiencies and reduction in cost. These measures, combined with the moves underway to secure dedicated sources of iron ore and coking coal are expected to greatly enhance the operating margins of the UK and the Netherlands operations.

This year, Tata Steel has included Corus' financials in its consolidated accounts for the first time. On a consolidated basis, the Company's capacity now stands at 28.1 million tonnes, positioning it as the 6th largest steel company in the world. Consolidated net sales revenues stand at Rs. 131,536 crores (USD 33 billion), up 422% from that of last year of Rs. 25,212 crores (excluding Corus). The consolidated profit after tax (after minority interest and share of profit of associates) stands at Rs. 12,350 crores and has grown by 196% compared to the previous year. The Company has truly taken its place in the global steel industry.

Looking Ahead

The demand for steel in the developing world will continue to be an important engine of growth. It will be the anchor material for construction, infrastructure, automobiles and consumer durables. China, India and Brazil, will

be countries where internal demand to meet infrastructure and construction needs will continue to grow substantially in the years ahead.

India is uniquely positioned to become a major self-sufficient, low-cost steel manufacturing nation. Today, India annually produces only 53 million tonnes of steel, (4% of global steel production), and consumes 59 million tonnes. This works out to a per capita consumption of steel of 49 kgs. China, by contrast, currently produces 489 million tonnes of steel (36% of global steel production), and consumes 420 million tonnes to meet its development and urbanisation plans. The per capita consumption of steel in China therefore works out to be 318 kgs. – approximately 6.5 times that of India.

It is broadly recognised that over the years India has fallen behind its Asian neighbours in keeping pace with investments in infrastructure. The availability of steel would be one of the important factors in such an essential development plan. Large public works schemes and infrastructure projects would provide tens of thousands of jobs through the construction of roadways, power plants, water projects and agriculture-related schemes. Evidence seems to indicate a direct correlation between the level of domestic steel production in a country and its investment level.

India is still a net importer of steel. It would not seem out of the realm of reality that India could support a domestic steel capacity of 100 million tonnes per year, with domestic consumption being, say, 85-90% of that output. If this capacity were based on maximising the use of domestic iron ore and coking coal, such self-sufficiency could help insulate the country from the runaway price spiral and currency fluctuations that impact investment in infrastructure and industrial capacity.

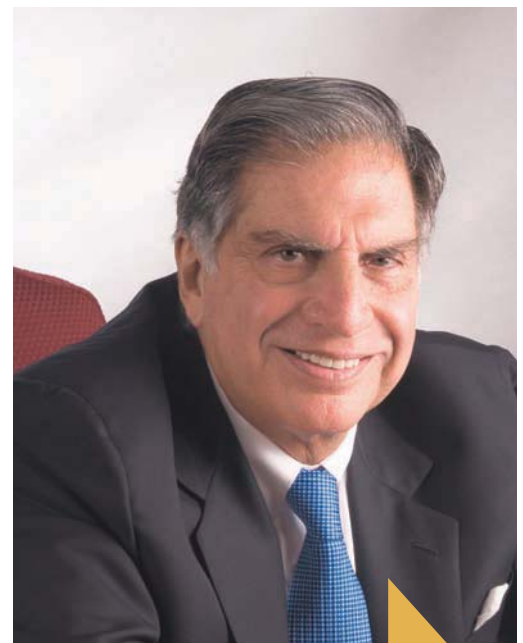
Tata Steel recognises that it no longer is a steel company located and operating in India alone, and that it has to sustain itself in the global arena. Its long-term goals would be to continue to play a meaningful role in the economic development in India and in the overseas markets it serves. Its future growth in India and overseas will be both in steel-producing facilities as also in natural resource assets. While the Company may grow and spread its geographical footprint, embracing different cultures, it will not lose sight of its great heritage of social and community responsibility.

I am sure Tata Steel will continue to display the same vigour and the same sense of spirit as it has in the past, to face challenges, excel and lead by example in the years ahead.



Chairman

Mumbai, 31st May, 2008



The demand for steel in the developing world will continue to be an important engine of growth.

Ratan N. Tata
Chairman

Board of Directors

as on 26th June, 2008



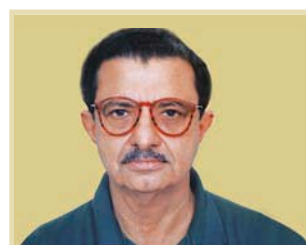
Mr. Ratan N. Tata
Chairman



Mr. James Leng
Deputy Chairman



Mr. Nusli N. Wadia



Mr. S. M. Palia



Mr. Jacobus Schraven



Dr. Anthony Hayward



Mr. Andrew Robb

COMPANY SECRETARY

Mr. J.C. Bham

REGISTERED OFFICE

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SHARE REGISTRARS

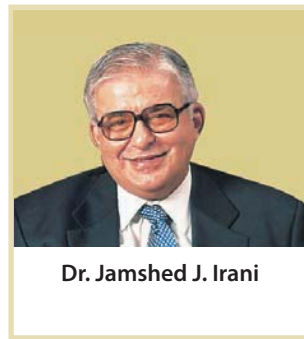
TSR Darashaw Limited
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E-mail : csg-unit@tsrdarashaw.com
Website : http://www.tsrdarashaw.com



Mr. Suresh Krishna



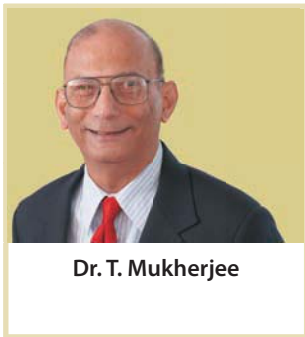
Mr. Ishaat Hussain



Dr. Jamshed J. Irani



Mr. Subodh Bhargava



Dr. T. Mukherjee



Mr. Philippe Varin
CEO, Corus



Mr. B. Muthuraman
Managing Director

LEGAL ADVISORS

AZB & Partners
Amarchand & Mangaldas & Suresh A. Shroff & Co.
Mulla & Mulla and Craigie Blunt & Caroe

Herbert Smith LLP
Cleary Gottlieb Steen & Hamilton LLP
Linklaters LLP
Freehills
Milbank, Tweed, Hadley & McLoy LLP.

AUDITORS

Messrs Deloitte Haskins & Sells

Key Management

as on 26th June, 2008

Mr. B. Muthuraman	<i>Managing Director, Tata Steel</i>
Mr. Philippe Varin	<i>Chief Executive Officer, Corus</i>

Group Corporate Functions

Technology and Integration

Dr. T. Mukherjee	<i>Group Director (Technology and Integration)</i>
Anup Sahay	<i>Chief Integration Officer</i>
Dr. Debashish Bhattacharjee	<i>Chief (Research, Development and Scientific Services, Tata Steel)</i>
Brian Smith	<i>Managing Director (Research, Development and Technology, Corus)</i>

Finance

Koushik Chatterjee	<i>Group Chief Financial Officer</i>
N.K.Misra	<i>Group Head (Mergers and Acquisitions)</i>
Lim Say Yan	<i>Group Head (Corporate Assurance and Risk Management)</i>
Sandip Biswas	<i>Group Head (Corporate Finance, Treasury and Investor Relations)</i>

Strategy

Jean-Sébastien Jacques	<i>Group Director (Strategy)</i>
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Global Raw Materials

Arun Bajjal	<i>Group Director (Global Minerals)</i>
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Communications

Manzer Hussain	<i>Group Director (Communications)</i>
Sanjay Choudhry	<i>Chief (Corporate Communications)</i>
Bob Jones	<i>Group Head (Media Relations)</i>

TATA STEEL

H. M. Nerurkar	<i>Chief Operating Officer</i>
R. P. Singh	<i>Vice President (Engineering and Projects)</i>
Anand Sen	<i>Vice President (TQM & Flat Products)</i>
Varun Jha	<i>Vice President (Chhattisgarh Project)</i>
Abanindra M. Misra	<i>Vice President (Raw Materials and Coke Sinter & Iron)</i>
Om Narayan	<i>Vice President (Shared Services)</i>
H.C. Kharkar	<i>Vice President (Managing Director's Office)</i>
Radhakrishnan Nair	<i>Chief Human Resource Officer</i>
Partha Sengupta	<i>Vice President (Corporate Services)</i>
Hridayeshwar Jha	<i>Vice President (Safety & Long Products)</i>
Binay Kumar Singh	<i>Vice President (Orissa Project)</i>
V. S. N. Murty	<i>Chief Financial Controller (Corporate)</i>
Bimlendra Jha	<i>Principal Executive Officer</i>

CORUS

Rauke Henstra	<i>Chief Operating Officer</i>
Ms. Marjan Oudeman	<i>Divisional Director (Strip Products)</i>
Phil Dryden	<i>Divisional Director (Long Products)</i>
Scott MacDonald	<i>Divisional Director (Distribution and Building Systems)</i>
Frank Royle	<i>Director (Finance)</i>
Tor Farquhar	<i>Director (Human Resources)</i>
Ms. Helen Matheson	<i>Director (Legal, Compliance and Secretariat)</i>

SOUTH EAST ASIA

Oo Soon Hee	<i>Director, South East Asia</i>
Santi Charnkolrawee	<i>President, Tata Steel Thailand</i>
T. V. Narendran	<i>President and Chief Executive Officer, NatSteel Asia</i>

Strategy and Integration Committee



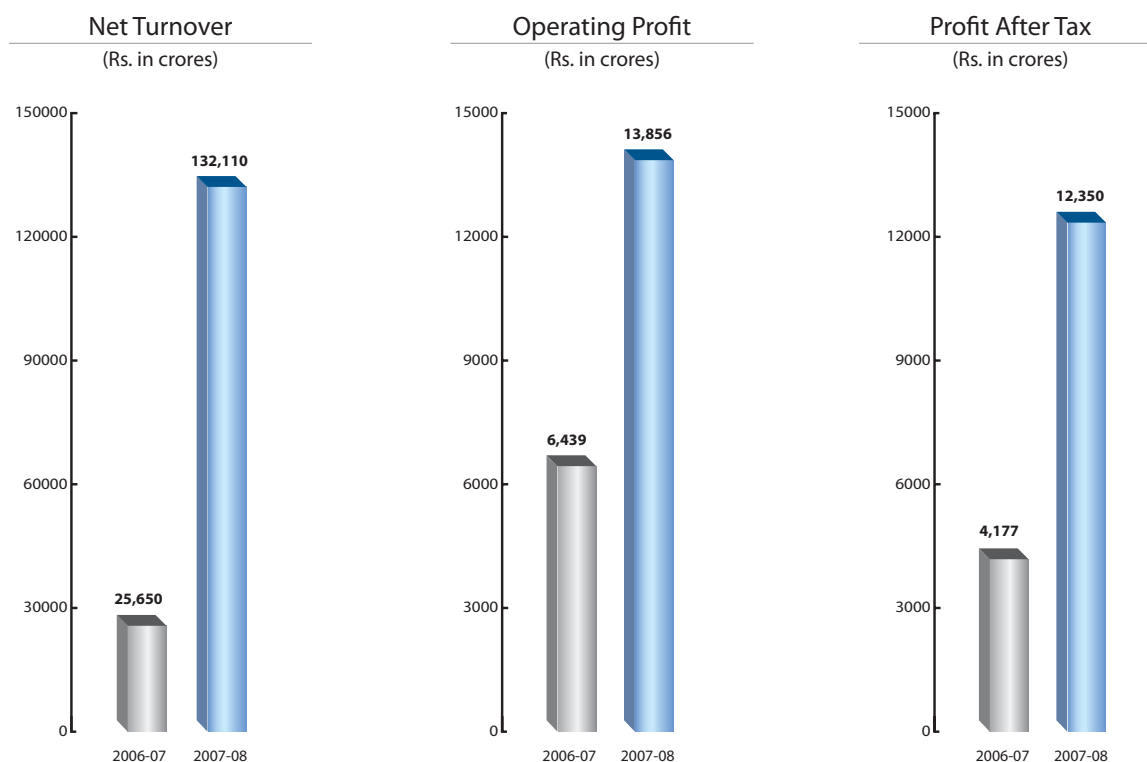
Seated (from left to right): Dr. T. Mukherjee, Mr. B. Muthuraman, Mr. Ratan N. Tata, Mr. Philippe Varin

Standing (from left to right): Mr. Koushik Chatterjee, Mr. Hemant Nerurkar, Mr. Jean-Sébastien Jacques, Mr. Rauke Henstra

(Not in picture): Mr. James Leng



Consolidated Financial Highlights 2007-08*

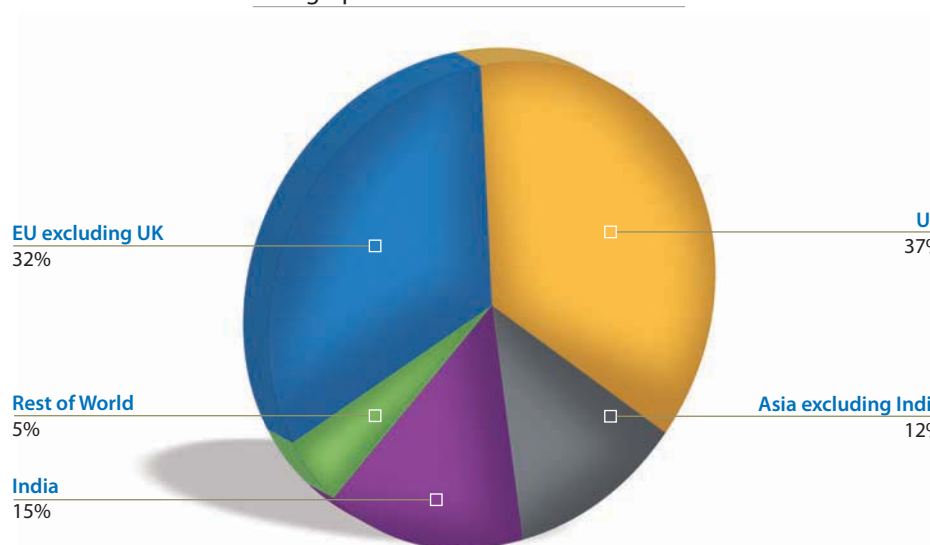


Net Turnover = Sales - Excise Duty + Other Income

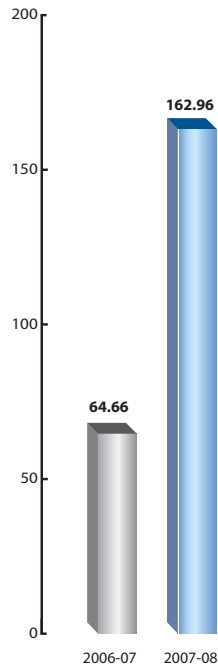
Operating Profit After Depreciation

*2006-07 figures exclude Corus

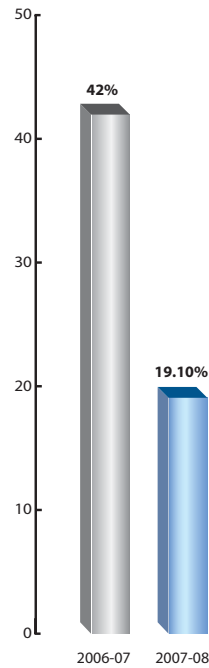
Geographical Distribution of Revenue



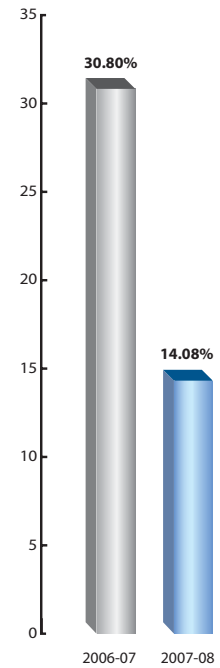
Earning Per Share
(Rs. per share)



Return on Invested Capital
(Pre-Tax)

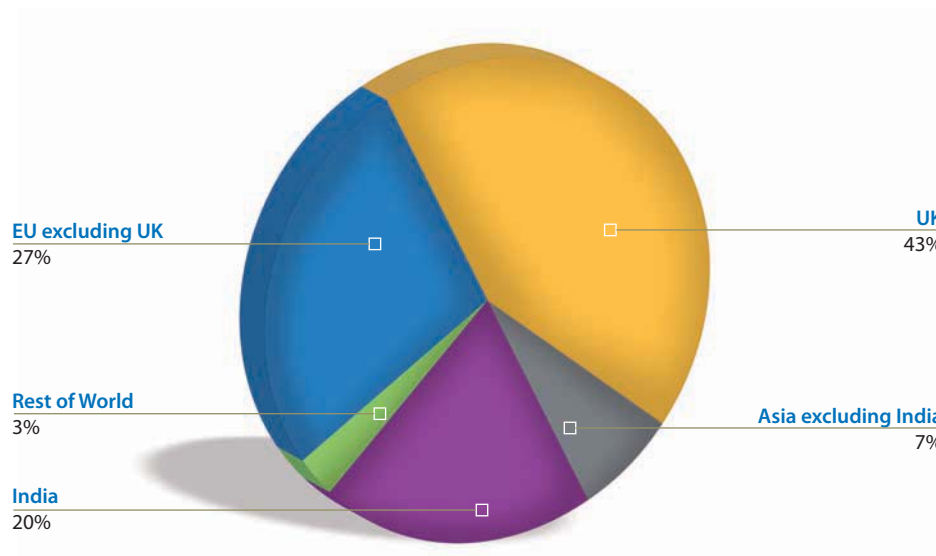


EBIDTA Margin



Net Operating Profit Before Tax and Extraordinary Items ÷
Fixed Assets (excluding WIP) + Net Current Assets

Capital Employed by Geographies





Tata Steel, Jamshedpur

Integration

A compelling vision in steel

The idea of collaborative growth is one which is particularly relevant in today's context. With a growing global market, countries, corporations, communities and people collaborating with each other to mutual benefit is a route of growth that is perhaps the most effective.

The Tata Steel Group has long believed in this concept, and in the last year, has successfully entered a phase of integration with its partners in growth. Tata Steel and Corus, two companies with long proud histories, share a common business culture and a global vision for the future. And this shared vision has resulted in the emergence of strong synergies that have catapulted the Tata Steel Group to the position of the world's fifth largest manufacturer of steel, with 82,700 employees across four continents.



Corus, Port Talbot

Synergies

Manufacturing

Greater productivity leading to increased output and market size.

Procurement

Economies of scale leading to cost reduction through combined buying.

Research and Development

Cross fertilisation of Research and Development capabilities and operational best practices, leading to greater innovation and operational efficiencies.

Finance and Corporate

Restructuring of organisation and refinancing.

Synergies of USD 450 million are expected to be achieved by 2010, driven by a joint management.

A New Phase of Growth

The key objective of a focussed integration initiative is to ensure that collective strengths are leveraged towards achieving a common shared vision. The Tata Steel Group has initiated an integration process at two levels: one, at a strategic level; and the other, with a view to maximising the synergies amongst the various functions of the business. The overall philosophy of the integration process has been **“One Enterprise – Two Entities”**.

Strategy and Integration Committee

A Strategy and Integration Committee has been constituted that is chaired by the Group Chairman. This committee meets on a regular basis to review progress on the strategy and integration road map, to ensure that key milestones are being met.

Operational Synergies

With the intention of ensuring that different business units bring to the table the focus of individual areas, in April 2007, joint integration teams were constituted. These teams, with defined synergy targets to be achieved as milestones, included the areas of Manufacturing, Research and Development, Information Technology, Finance, and Capital Projects. The joint teams have together identified synergies worth USD 450 million. With detailed action plans that have been formulated and presented, the joint operational teams have a target to deliver these synergies by Q4 of FY2010. This first phase has been termed as ‘Wave One’ synergies. Having made a headstart in this initiative, during the last year, the Tata Steel Group has already realised USD 76 million of the USD 450 million target.

Strategic Initiatives

With the view of taking into account long-term, strategic issues, joint teams have been set up who have a mandate to focus only on strategic issues. For example, areas like Raw Material Procurement, the Flat Product and Long Product businesses, etc. are specific strategic areas where there will be a separate focus.

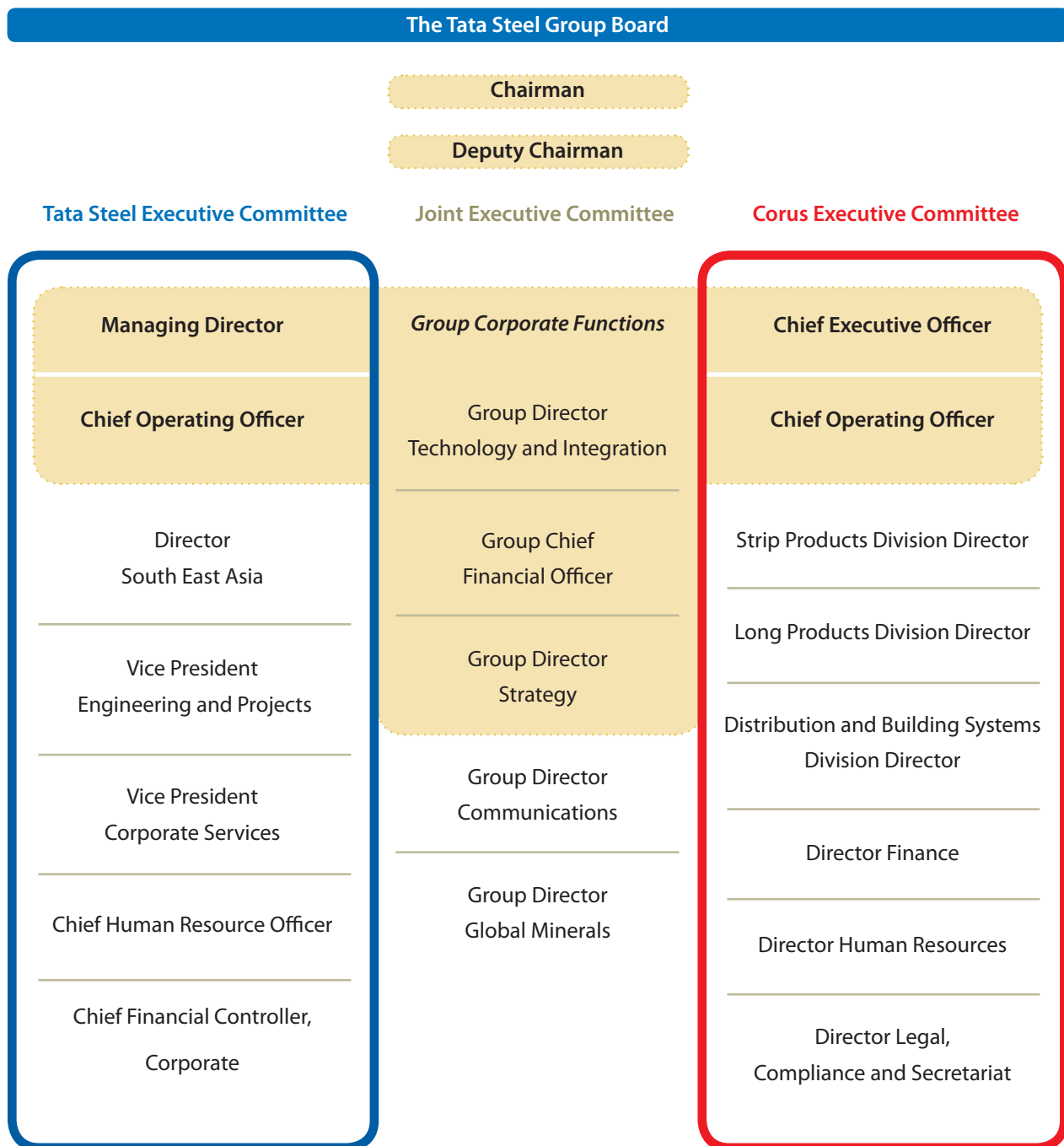
The Operating Model

Recognising the need for organisational re-structuring in order to achieve seamless integration, the senior management at Tata Steel has identified three types of processes.

1. Common processes – where both entities need to work together
2. Aligned processes – where both entities need to work in co-ordination and consultation
3. Separate processes – where both entities should continue to manage processes independently.

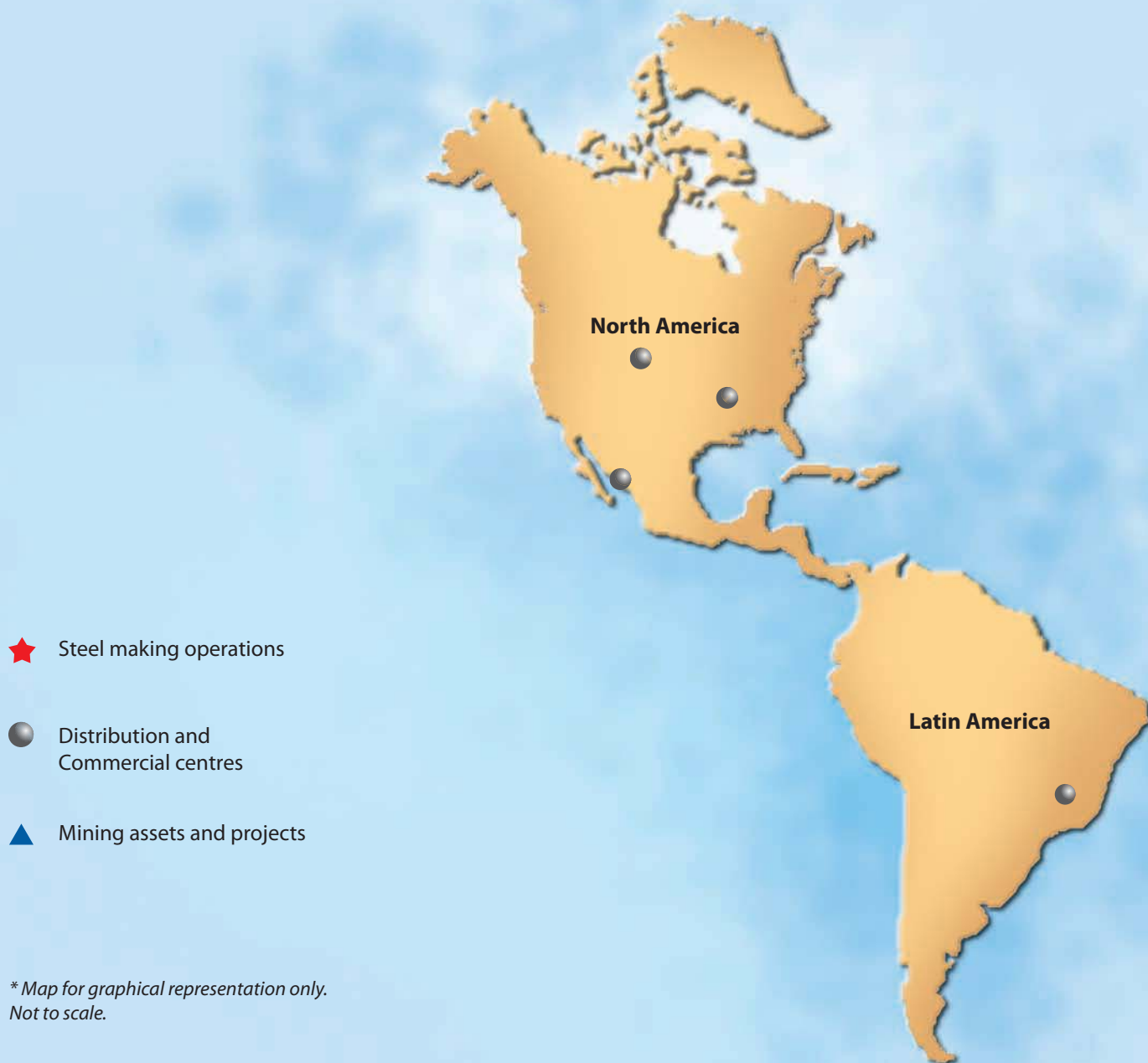
The key considerations in the development of the Operating Model were the strategic content of the processes, the impact that they have on enterprise competitiveness and health; and the need for the enterprise to focus on a particular process because of existing gaps in performance. A ‘Governance Structure’ was formed to oversee the successful implementation of the integration process in January 2008.

The Governance Structure



Strategy and Integration Committee

Global Operations





Message from the Managing Director, Tata Steel

Tata Steel turned hundred in 2007-08 – a hundred years of value creation for its stakeholders, of nation building, of service to society and of customer care. The sustained success of Tata Steel over one hundred years has been due to its empowered, energetic and enthused employees, its oneness with the society, its adaptability to changes in the external environment and its financial prudence.

Ever since 1991, freed from the shackles of administered control which had curbed competitiveness, innovation and growth for several decades, Tata Steel began a journey. The years 1991 to 2000 was a period of self renewal for Tata Steel - scrapping obsolete equipment and technology and bringing in new technology and equipment, initiating several improvement projects, severe cost control measures, initiating IT support systems for decision making, institutionalisation of better market and customer focus and sowing the seeds of changing mindsets. With all these efforts, Tata Steel, by the year 2001, had become one of the lowest cost producers of steel in the world and began to be recognised in the global steel industry. We had earned the right to grow.

The years 2000 to 2005 were years of intense strategic thinking about the company's future, formulating and initiating plans for the company's organic growth in Jamshedpur and initiation of greenfield projects in India - in the realisation of a strong demand growth in India and the beginnings of the larger role that Tata Steel could play in the global stage. Business processes were further strengthened, continuous improvements became embedded into the day to day work style, marketing initiatives were further strengthened in terms of branding and getting into customer value management and a systematic retail value management. For retail products, Tata Steel set up a unique distribution system, unknown in India till then. Tata Steel's first overseas acquisition, that of NatSteel, based in Singapore, took place in 2004. So did the first overseas joint venture for coking coal in Australia. These were part of the strategic plan detailed out during 2000–2004. Memoranda of Understanding with the State Governments of Orissa, Chhattisgarh and Jharkhand for Greenfield steel plants in these states were signed during 2004 and 2005.

By 2005, Tata Steel was well on its journey. The acquisition of Millennium Steel in Thailand was a step in that journey. So were the setting up of Tata BlueScope Steel Ltd. to venture downstream into construction solutions and the formation of the joint venture with NYK for ocean logistics. The Corus acquisition, consummated on 3rd April 2007 was a major milestone in Tata Steel's journey of becoming global. With this, Tata Steel, with a crude steelmaking capacity of 28.1 million tonnes per annum became the sixth largest steel company in the world with presence in several countries across continents.

Currently, the global steel industry is going through unprecedented times. The steel demand is strong with over 6% growth year on year over the last seven years – unseen in the last several decades, primarily driven by robust growth in China, India, South East Asia, Middle East, Russia and Brazil. The iron ore and coking coal prices are at a record high both due to insufficient capacity creation for these and the heavy consolidation of



minerals companies. Oil prices and ocean freight rates are at an all time high. The combined effect of all these have driven steel prices to a level higher than ever before – though there is increasing pressure on margins of steel companies due to very high input costs.

The new scenario – both external, due to high raw material and freight costs and internal, called for a new Vision, strategies and action plans. The Company has co-created a shared Vision with its employees of becoming a global benchmark in Value Creation and Corporate Citizenship. We have set ourselves goals for 2012 in terms of Returns on Invested Capital, Safety, Carbondioxide emissions and of becoming the employer of choice in the industry. The integration with Corus is proceeding smoothly and is yielding better than the predicted results. Continuous improvement projects are being given focus in all our sites and businesses. Our Greenfield projects in India are progressing, though somewhat slower than planned. Our effort to enhance our raw material security has yielded positive results in Ivory Coast for iron ore, in Mozambique for coal and in Oman for limestone. There is greater emphasis on safety. We have well laid out plans to reduce CO₂ emissions to benchmark levels.

The journey is on – Tata Steel is well and truly on its way to realise its Vision and its goals, with the central theme of value creation and corporate citizenship.

The sustained success of Tata Steel has been due to its enthused employees, its oneness with the society, its adaptability to changes in the external environment and its financial prudence.

B. Muthuraman
Managing Director, Tata Steel

Message from the Chief Executive Officer, Corus

It is my pleasure to report back to you at the end of what has been a very exciting and busy year here at Corus. Working with our colleagues at Tata Steel we have put in place solid foundations for our future via the continued integration of the companies and delivered good financial results for our first year as part of the Tata Steel Group. In February of this year we launched a new Vision for the Tata Steel Group, which builds on the legacies of both Corus and Tata Steel and articulates our joint ambition to set the world benchmark in Value Creation and Corporate Citizenship. Work is already underway to bring this Vision to life for our 80,000 plus employees.

The economic climate this year has been somewhat challenging. Global demand for steel remained high on the back of a fourth year of above trend growth during 2007, largely fuelled by the emerging economies of China and India, although this masked a slowdown in some advanced economies during the second half of 2007.

As a result the global price for steel products during the year remained good. In Europe, steel product prices were broadly stable through the period, but at a high level historically. Some modest price increases were achieved during the first part of the year, but pressure from imports and related high stocks meant these were partly reversed later in 2007, as customers de-stocked. However, towards the end of 2007 and into the March 2008 quarter, the EU demand and supply balance began to tighten, supporting higher prices.

However, the defining characteristic of the year has been the unprecedented and continuing rise in the cost of raw materials, in particular iron ore and coal, as well as freight and energy. On balance, the impact of our price increases on our performance has been offset by the increase of our input costs.

As far as the performance of our operations is concerned, we have made several significant improvements this year, especially in terms of liquid steel production of 20.3mt (18.8mt during 2006) and deliveries of 23.1mt (21.6mt during 2006). We were able to deliver close to USD 600 million of internal performance improvements, which were generated through specific projects in each of our main divisions as well as our company initiative on continuous improvement.

In the Strip Products Division the project IJmuiden 2010 has met with much success, proceeding on schedule with upgrading facilities to improve quality, product range and productivity. Similarly there has been an increase of our production in Port Talbot, and the new Llanwern 2 programme at CSP UK has the immediate aim of reducing fixed costs by a sizable margin.

The Long Products Division's Project Starsign, a strategic initiative to improve and enhance capability in the Rod, Rail and Sections businesses has progressed well. In the long term it aims to increase and expand production capabilities, such as 120m rails.

Within Distribution & Building Systems, the past year saw a strong demand for the distribution businesses' products being sold from steel service centres in the UK, Netherlands and Germany. In contrast, the French business experienced pressure on margins due to increased input costs. On Time and In Full delivery performance, a key measure of customer service, was in excess of 90%.



Our aim for the future is to be ranked among the top 'preferred employers' across all industries and we will continue to invest in both our people and Human Resources processes as we strive to achieve this goal.

Philippe Varin
CEO, Corus

Being a benchmark in corporate citizenship is an integral part of our vision. It is about acting with responsibility, integrity and respect; providing a safe workplace; respecting the environment and communities; and demonstrating high ethical standards. To maintain a safe workplace for all Corus staff we launched a new Health and Safety 3-Year Plan that aims to reduce injury and improve staff safety across the board, minimising exposure to health hazards and encouraging a healthy lifestyle for all. During the past year we have much improved our lost time injury frequency rate by around 30%. Sadly there were two fatal contractor incidents on Corus sites last year.

We recognise that climate change is probably the biggest single issue ever to confront our industry and we are determined to be a part of the solution. During the past year we have committed to a number of projects and investments with the overall aim of reducing our CO₂ emissions per tonne of liquid steel by at least 20% by 2020 from where we were in 1990. We will also continue to invest in breakthrough technologies such as ULCOS (Ultra-Low CO₂ Steelmaking), which is a steel industry research and development project aimed at reducing CO₂ emissions from the steelmaking process.

Finally, our people are the backbone of our Vision. As such I would like to acknowledge the efforts of our loyal and dedicated workforce, and to thank them for their hard work in achieving the challenging and ambitious goals we set ourselves.

Our aim for the future is to be ranked among the top 'preferred employers' across all industries and we will continue to invest in both our people and Human Resources processes as we strive to achieve this goal. As part of this, we have adopted four pillars for our Performance Culture across Tata Steel and Corus: Aspirational Targets to stretch business potential and achieve value-added growth; Safety and Social Responsibility, providing a safe workplace that respects the environment and local community; Continuous Improvement, enhancing performance at all levels; and Openness and Transparency, creating an environment of trust which encourages debate and respects individual opinion.

In summary, I am pleased with the progress we have made during the year. Looking ahead, we have set ourselves some challenging new targets in order to contribute to achieving the Vision of the Tata Steel Group - Tata Steel and Corus together. With the Executive Committee as well as our loyal and dedicated workforce and in close collaboration with employee representatives, I am confident that we will achieve these targets and continue to further improve our performance.

Technology Absorption through Integration

A collaborative approach towards integration and the cross fertilisation of better practices are driving the Tata Steel Group Vision of being the world steel benchmark in value creation and corporate citizenship.

The last year has seen the Tata Steel Group move into the next phase of integration. Among the various initiatives that have been set into motion during this period, are several successful models that include a collaborative approach, cross fertilisation of better practices, imbibing and internalising the ongoing approach of process improvement, all of which are working towards the Tata Steel Group Vision of becoming the world steel benchmark in value creation and corporate citizenship.

All these practices have led to some substantial and measurable results that have enabled the Group to move forward on the defined path – especially in the area of Research and Development and Technology.

The hot strip mill and the cold rolling mill of the Jamshedpur plant in India have throughput figures well beyond the rated capacity. This has been successfully achieved as several ideas that had been implemented and proved to be successful models in Corus UK, were adapted for use in Tata Steel. The availability of blast furnaces and coke ovens at Jamshedpur has also improved by absorbing many ideas from Corus. In turn, the steel plant in South Wales has adopted ideas from Tata Steel slab casters to improve its productivity and reduce consumption of ferro alloys and refractories.

Drawing from Tata Steel's extensive experience in the use of low cost coals, Corus plants have increased the use of low cost coals without affecting coke quality. The various steel works are using their collective experience in the process of reducing, if not eliminating the use of purchased coke. Similarly, the plants are finding new ways of recycling waste generated by the steel plants.

Integration in the technology area is being achieved through the pursuit of a few thrust area projects. The Tata Steel Group is leveraging the Group's collective Research and Development experience in the Group's various geographies to further enhance the Group's performance and also the integration process. This has helped in speeding up the rate of progress and has enhanced chances of successful implementation. A new high efficiency coated product for automotive and for construction is a good example. Another example worth

The Tata Steel Group is leveraging the complementary capabilities of its various operations in different geographies to further enhance the Group's performance in the area of Research and Development.

Dr. T. Mukherjee

Group Director (Technology & Integration)

mentioning is a process that has been developed to produce hydrogen rich fuel gas by making use of the high heat energy, which is now being wasted away in the different plants.

In addition to manufacturing and technology development, much progress has been made in areas like Information Technology, Human Resources, and other support functions. These are expected to result in synergies much beyond the initial target of USD 450 million.

The journey commenced with the will to understand each other, appreciate the differing work cultures and the impact of history on the different organisations. The time spent in arriving at a common performance culture, and in developing and instituting an agreed operating model, has helped quicken the pace and unshackle barriers.

The way forward is, however, not without challenges. Effective use of Information Technology and developing teams across functional and geographic boundaries are areas where the Group will continue to focus.

A major achievement in the integration process has been the holistic approach towards integration that has created a feeling of belonging to a larger family within the Tata Steel Group.



Emerging Challenges of the Finance Function

The key imperative of a world class finance function is to achieve a meaningful balance of its trusteeship role in implementing effective controls and to act as a steward of the company's capital toward efficient allocation for execution of long term strategies.

The primary responsibility of a world class finance function is to achieve a meaningful balance of its trusteeship role in the oversight and implementation of effective controls as also to act as a steward of the company's capital towards efficient asset allocation for the long term growth of the organisation. As the centres of economic activity become more distributed around the globe for an emerging market multinational like the Tata Steel Group, the organisation re-orient its priorities taking into account the diversity across borders, cultures, regulatory environments and time zones. To meet these challenges, the finance function in the Tata Steel Group focuses on a value centered strategy to align its capabilities and resources most effectively with the needs of the business. This alignment is critical to enable the Company to pursue the path set by the Tata Steel Group Vision 2012 which aims to deliver significantly higher Return on Invested Capital (ROIC) to its shareholders over the next 5 years. The incremental ROIC would be generated from better margins from the existing assets through the performance improvement programmes that are currently underway, sweating of the existing capital employed in the business and efficient asset deployment in the new growth projects across the Group.

The year 2007-08 has been a historic year for Tata Steel in many ways. It was the centenary year of the company which marks a very important milestone in the company's history and we are very proud to be part of this great institution. The year also marked the completion of the Corus acquisition process on April 2, 2007 which till date is the largest transaction by an Indian company.

During the year, the Company completed the long term financing programme for the Corus acquisition. Of the total Enterprise Value of USD 14.2 billion, at the close of the Corus acquisition process on April 2, 2007, the financing included around USD 10.5 billion as bridge funding, the balance being applied out of Tata Steel's own cash and borrowings. Despite very volatile credit markets globally, the company raised around USD 6.2 billion of term debt with an average life of around 5 years at very competitive terms. This debt being non - recourse in nature was determined based on the cash flow servicing capability of our European operations and will be serviced by the Tata Steel UK (Corus) cash flows. The syndication of the above debt was completed during the year with more than 25 banks and institutions participating in the process. On the equity side, Tata Steel raised around USD 2.27 billion (Rs. 9,120 crores) of equity and convertible preference shares on a rights basis. The Company further raised around USD 875 million in Convertible Alternate Reference Securities (CARS) which is a 5 years convertible instrument with a coupon of 1% and a conversion premium of 35% to the prevailing market price in August 2007. As a result of the above, your Company raised around USD 10 billion during the year and completed the long term financing for the Corus acquisition.

As recognition of the above, your Company won several international awards during the year for the Corus acquisition financing including the International Financing Review (IFR) Awards for the Asia Pacific



Loan of the year and the Asia Pacific Leverage Loan of the year, Finance Asia award for the Best Deal of the year, AAA Asset Magazine's award for the Best Corporate Issuer amongst others.

For the finance function of the Tata Steel Group, effective Performance Management and efficient Capital Stewardship are the key enablers towards building a sustainable value centric culture. Several initiatives are currently on towards enhancing the technology effectiveness of the function of which the SAP implementation in Corus UK and South East Asia and the Hyperion financial systems across the Group are prominent. These projects will improve the performance management process of the Company very significantly in the future.

The international financial markets have been very volatile for the last 12 months after the emergence of the sub prime crisis in the US in mid 2007. Considering the inflationary trends and general cautiousness on the economic outlook globally, the financial markets are expected to remain weak and tentative in the near term. With general re-appraisal of risk along with increased currency volatility and firming up of the interest rates, it is very likely that the liquidity constraints will continue in the near future.

In order to finance our planned capital expenditure, the Tata Steel Group continues to follow prudent financial practices of focusing on higher generation and conservation of internal capital, improvement in the working capital management and allocation of capital to value creating projects. Our brownfield expansions in India and the ongoing capital expenditure programmes globally are on track and the financing of the same are fundamentally premised on internal generations of the Group. The Company will consider raising external capital for the other growth projects as and when required based on the Company's long term financing strategy which focuses on ensuring that the capital structure remains robust in the long term, the financing plan provides flexibility to the balance sheet for future needs and is earnings accretive in the long term.

Finally, I would like to take this opportunity to thank all the stakeholders of the Tata Steel Group for their association with the Company and look forward to their continued support and encouragement in the future.

For the finance function of the Tata Steel Group, effective Performance Management and efficient Capital Stewardship are the key enablers towards building a sustainable value centric culture.

Koushik Chatterjee
Group Chief Financial Officer

Enhancing Growth through Strategy

The Tata Steel Group's vision will be actualised through a strategy of increasing the quality of earnings from its existing assets coupled with strategic growth.

The Tata Steel Group's goal is to play in the premier league of the global carbon steel industry, and its Vision is to become the world steel benchmark in Value Creation and Corporate Citizenship.

Benchmark in value creation

Value creation for the Tata Steel Group means making a difference in two ways. First, through a competitive offer, the Tata Steel Group must become the supplier of choice, delivering premium products and services and creating value for its customers. Second, through innovation and developing leading-edge solutions in technology, processes and products, it must secure its long term competitiveness.

This will be achieved through a strategy of increasing the quality of earnings from its existing assets coupled with strategic growth.

Increase the quality of earnings from its existing assets

The Tata Steel Group has set itself an ambitious target to improve the return on invested capital of its existing assets to 30% from the current 19% over the next 5 years.

The Group will pursue the optimisation of its European assets, dispose and restructure assets that are of low profitability and pursue differentiation of products and services. It will also continue towards achieving benefits through continuous improvement of processes and products; from the synergies from the acquisition of Corus. Plans are in place to meet the initial synergy target of USD 450 million per annum. Innovation is the cornerstone of value creation and the Group is committed to investing in leading edge technology, process innovation and product development.

The Tata Steel Group has already begun converting this strategy into action. For example, in April 2008, the Tata Steel Group disclosed a programme to restore the long term competitiveness of its packaging assets in Europe with the closure of its Bergen site (Norway), and the restructuring of its Trostre operation (United Kingdom). Other examples are the major investments that are currently being implemented at its plants in IJmuiden, Port Talbot and Scunthorpe which will drive the Group towards product differentiation and improve operational efficiency to reinforce its existing competitive position.

Generate strategic growth

The Tata Steel Group will pursue strategic growth through capacity expansions and securing access to raw materials.

There is great emphasis on teamwork; on transparency and communication; on trust, honesty, debate and respect. All these are achieved by actively promoting leadership and talent management.

Jean-Sébastien Jacques
Group Director (Strategy)



The Group is expanding its capacity in India through the expansion of its operations in Jamshedpur to 10 million tonnes per annum and through the construction of a 6 million tonnes per annum 'greenfield' site in Orissa. Other greenfield opportunities in India and across Asia are being assessed.

The Group is also looking at further integration upstream in raw materials with an ambition to achieve 100% self-sufficiency in India and around 50% self-sufficiency in Europe over time. Agreements for the exploration of iron ore in the Ivory Coast, coal in Mozambique and limestone in Oman have already been signed and opportunities are under review in India to support the Indian greenfield projects; and in Africa and South America, primarily to support its European steelmaking assets.

Benchmark in corporate citizenship

Corporate citizenship involves providing a safe working place, respecting the environment, caring for its communities and demonstrating high ethical standards. The Group's ambition of becoming the benchmark of the industry in corporate citizenship has been translated into clear goals and actions.

The Group is committed to creating a safe working environment for everyone. Whilst it has achieved significant progress over the last few years, it has a goal to improve further, with lost time injury frequency improving to 0.4 by 2012 to becoming best in class. New actions will be introduced in the areas of high hazard facilities, occupational safety and health and a review of the management system and organisation is on the agenda.

Climate change is probably the biggest challenge ever to confront the steel industry. In response to this challenge, the Tata Steel Group will be part of the solution and is committed to minimising the environmental impact of its operations and its products. It has a goal to reduce its CO₂ footprint by at least 20% by 2020 compared to 1990. To meet this objective, the Group will, for example, continue to improve its current processes, invest in breakthrough technologies and develop new products and services that reduce the environmental impact over the product lifecycle. To improve its processes, priority is given to energy conservation schemes; in technology break-throughs such as Ultra Low Carbon Steel making and in other innovative projects where the Group has proprietary technology.

In terms of communities, the Tata Steel Group promotes and encourages economic, environmental, social and educational development. In India, its focus is on fulfilling basic requirements including healthcare, food security, education and income generation through the development of rural infrastructure, empowerment and community outreach programmes. In Europe, it is actively involved in a broad range of community initiatives, such as being premier sponsor of the British Triathlon.

Global Minerals – Towards Raw Material Security

Tata Steel's long term raw material strategy will see the synergies of combined buying come into play. Adding to this is the strategy of having greater control over raw material resources by acquiring ownership of strategic raw materials globally.

The fortunes of the global steel industry have changed dramatically since the start of the new millennium. Due to the recovery and continued growth in most of the major economies of the developed world and the industrialisation of China, demand for finished steel has grown faster in the last few years than it has in the previous decades. The consequent demand for steelmaking raw materials and the means to transport them have created turbulence in markets along the steel value chain and across into shipping, ports and rail infrastructure.

The demand and supply situation resulted in an unprecedented increase in price levels of both iron ore and coal. The supply shortage in coal was further aggravated by the port and rail bottlenecks in Australia; the flooding of the mines in Queensland (which accounts for half of the world's sea borne trade); the force majeure declared by a number of very high quality coking coal mines in the US; and increasing costs of Canadian coal coupled with equipment shortages. Iron ore prices increased by 400% since 2004 and price of coking coal increased by 500% during the same period.

The mineral and coal sector is now witnessing increased vigorous Merger and Acquisition activity, in a bid by mining companies to further consolidate their position; and by users to backward integrate for hedging against volatility and securing inputs.

Global raw material scenario

Raw Material Security

Tata Steel meets all of its current iron ore and 60% of its coal requirement for Indian operations from its own mines. While Tata Steel's standalone raw material security is 80%, it was 22% for the Tata Steel Group in 2007. In the next three to five years, the raw material security of Tata Steel standalone will reach 40% with the expansion of the Jamshedpur plant and with the Kalinganagar project coming on stream. It has therefore become imperative for Tata Steel to aim towards attaining a significant level of raw material security, thereby insulating the Company from the forces of market which is dominated by only a few companies.

Guiding Philosophy

In line with its strategy of backward integration, the Tata Steel Group is exploring various raw material opportunities across the globe guided by the following principles:

- Political and socio-economic condition of the countries/regions
- Resource size and quality
- Logistics and infrastructure
- Proximity either to European or Indian operations
- Expected timeline for execution of the project

With the global demand for finished steel growing dramatically in the last few years, the need for securing raw materials efficiently and effectively has become increasingly important.

Arun Bajjal
Group Director (Global Minerals)



Geographies

The Tata Steel Group has identified the potential geographies of Americas, Western and Southern Africa and Australia, in addition to India, in its search for iron ore and coal.

Strategy

The Tata Steel Group has adopted a two pronged strategy:

1. To look for participation in the early stage of a project i.e. in exploration / pre-feasibility stage.
2. To look for opportunities which could give the Group immediate off-take.

Actions taken

In keeping with the Group Raw Material Strategy, the Tata Steel Group has finalised the following agreements:

Carborough Downs Joint Venture, Australia, July 2005 – Tata Steel had signed agreements to buy a 5% interest in the Carborough Downs Coal Project located in Queensland, Australia. Tata Steel also signed an offtake agreement for a proportion of the production over life of the project. Tata Steel and Vale, along with other joint venture partners have recently initiated a large scale expansion of the Carborough Downs Coal Mine.

Riversdale, Mozambique, November 2007 – The Tata Steel Group entered into definitive agreements with Riversdale Mining Limited for 35% stake in Mozambique Coal Project for a purchase consideration of USD 84 million. The Group will have right to 40% offtake for the coking coal. Feasibility studies for the project are in progress and completion is expected by September 2008.

Ivory Coast – Iron Ore Deposits, December 2007 – The Group entered into a Joint Venture with Sodemi for 85% stake for the development of an Iron Ore project in Cote d'Ivoire, with Sodemi holding a 15% stake. On the mining lease being granted, the State will earn a 10% interest and the Group's interest will be reduced to 75%. The company, Tata Steel Cote d'Ivoire has been formed and the exploration and feasibility studies are to commence.

Oman Limestone Project, January 2008 – The Tata Steel Group entered into a Joint Venture agreement with shareholders of Al Rimal Mining LLC for a 70% stake in the company. An exploration license for an area of 25 square kilometers has been granted to the Joint Venture and the exploration and feasibility studies are to commence shortly.

Communications – Connecting with Stakeholders

Communication is probably the most powerful tool within an organisation. Successful companies are those who harness this power effectively to connect with their stakeholders in an open and transparent way.

Research shows that a significant proportion of organisational change initiatives fail to deliver their intended benefits, largely for two reasons 1) no clearly communicated vision, 2) under-communicating progress by a factor of ten. In other words, good communication delivers tangible bottom line benefits.

The traditional role of communications within organisations is rapidly changing and innovative technology is a key driver for change. The Tata Steel Group communications function aims to support the Group Vision of becoming an industry benchmark in terms of the value it delivers. It has recently delivered a number of initiatives that are in line with best practices. These include:

Communicating the Vision – The new Vision for the Tata Steel Group – which reflects the aspirations and goals for the future – was co-created collectively by senior executives of the Tata Steel Group from India, Europe and South East Asia. The Group Vision was launched in a synchronised manner across continents – in India, South East Asia and the UK – where interactive technology was used to engage with senior managers. The Vision is currently being rolled out across the Group so circa 80,000 employees are actively engaged.

CSR Communication – Tata Steel has a focused approach on this – through the creation of a brand called *Pragati*. In keeping with the 100 years tradition of serving society, *Pragati* was developed to serve the long term perspective of CSR communication. Tata Steel UK (Corus) also has a sustained approach to CSR communication by publishing an annual report and undertaking various health and safety initiatives such as films, employee programmes and CEO communication.

Centenary Communication – 2007 witnessed the historic Centenary Celebrations of Tata Steel which were commemorated with year long activities and functions that were covered by international media. A unique film, “The Spirit of Steel” was released to mark the occasion. A four-day festival ‘*Shatrang*’, was hosted for the people of Jamshedpur which comprised city-wide celebrations marking the completion of the centenary and the whole city’s close involvement in the Tata Steel story. The centenary also witnessed the launch of the Centenary Website – www.tatasteel100.com.

Supporting integration activities

The communications function of Tata Steel Group played an important role in helping to integrate the organisation, particularly after the acquisition of Corus. Connecting and building relationships with the many diverse areas of the Tata Steel Group continues to be the primary role of the function. A number of strategic initiatives were undertaken in 2007-08 to cement the integration process, and help to bring the organisation closer together. These include:

Integration News – This was one of the first initiatives of integration communication in the enlarged organisation. This joint publication between Tata Steel and Corus covered issues of interest to all employees across the Group but focused mainly on the detail behind the integration efforts which are taking place.

The Tata Steel Group brand reflects value creation, corporate citizenship and people who act with pace, pride and passion

Manzer Hussain
Group Director (Communications)



Creation of an integration micro-site – This included information on the various cultures of the companies, future plans, executive interviews, heritage of the organisations, visit reports and new integration processes being implemented. The micro-site served as a single-point repository of all information concerning the Tata Steel and Corus integration process, primarily targeting the employees of Tata Steel and Corus.

Websites – Relevant cross links between the two corporate sites of Corus and Tata Steel were created to update information on each site related to management structures, network and other information.

Publications – The in-house magazines of Corus, NatSteel Asia and Tata Steel have been customised to publish articles on the Tata Steel Group. Each publication has dedicated space for news on other entities within the group which helps keep the employees of the companies well informed about the global operations.

In addition, a number of activities have been undertaken to further strengthen integration between the Tata Group and the Tata Steel Group. These activities include participation in the Tata Innovation awards, as well as promoting the Tata competitions for women's essay writing and children's painting.

Moving beyond the integration process, the Group Communications function has a clear focus. It will strengthen employee engagement, particularly in support of the new Vision. It will also strive to build a positive corporate image of the Group by successfully engaging with all key stakeholders on a regular basis, in an open and transparent manner.

Building a strong brand

A strong global brand is required to drive the Vision of the Tata Steel Group, and work is underway to assess the brand equity of existing brands within the Group. For example the brand architecture for the NatSteel Group of companies was reviewed in 2007 and the strapline "A Tata Steel Enterprise" was incorporated on NatSteel communications in order to strengthen the association between NatSteel and Tata Steel. The brand architecture for the Corus brand will be researched during 2008 with the intention of strengthening the connection between Corus and Tata Steel.

Brand research into the global Tata brand is currently underway in the UK and USA, and this will help form the future brand strategy of the Tata Steel Group. Meanwhile the Group will continue to invest in its valuable commercial brands to leverage maximum equity.

The Tata Steel Group brand reflects value creation, corporate citizenship and people who act with pace, pride and passion. The ambition is to build an enviable corporate reputation, where the Group is admired by all its stakeholders.



Hot Strip Mill, Jamshedpur

Review of Operations – India

The year 2007-08 was a challenging year in terms of production at the Jamshedpur Steel Works.

There were some major highlights that included outstanding performances by many departments of the company that surpassed the previous year's production.

There were however, also certain challenges. After a long time in recent history, the production of Hot Metal, Crude Steel and Works Saleable Steel was marginally lower than that of the previous year. The major reasons were power outages in early FY 2007-08, poor health of coke oven batteries, blast furnace outages and shutdowns taken for implementing our capacity expansion project (1.8 mtpa) during the year.

The Raw Material Division achieved an outstanding performance with a 4.5% increase in Raw Coal production at Jharia Collieries (with lowest ever ash level of 15.47% from Bhelatand and 16.40% from Jamadoba in clean coal) and highest ever raw coal production of 5.62 mt at West Bokaro Collieries (with ash level of 13% in clean coal).

The Company also achieved the lowest ever Specific Energy consumption at 6.655 GCal/tcs. Dust emission reduced from 0.96 kg/tcs to 0.88 kg/tcs; and there was the highest ever usage of melting scrap of 0.42 mt at the steel melting shops.

The overall safety performance improved at Steel Works, Jamshedpur and out-locations, as compared to last year. A 22% reduction in the reportable accidents and 25% reduction in frequency rate was reported during the year. Process Safety Initiative has been started at two departments in the Steel Works Jamshedpur.

Customer interface initiatives resulted in further improved performances. Some of the achievements included the Tata Shaktee brand crossing 1 mt sales landmark, since its launch in February 2000; the approval obtained for skin panels from Hyundai, Maruti, Ford and Mahindra & Mahindra for their respective products; and the introduction of High Strength Rebars (Fe500) and Super ductile re-bars in the construction segment.

The Company's IT division entered into Business Process Consulting activity for Tata Steel's overseas units and Business Process Improvement was done for Tata Steel Thailand and NatSteel Asia.

In terms of Industrial Relations, the Company continued to enjoy industrial harmony in its business operations in all locations. The maintenance organisation at the Jamshedpur works was restructured in the form of a centralised group in order to facilitate greater efficiency of plant operations.



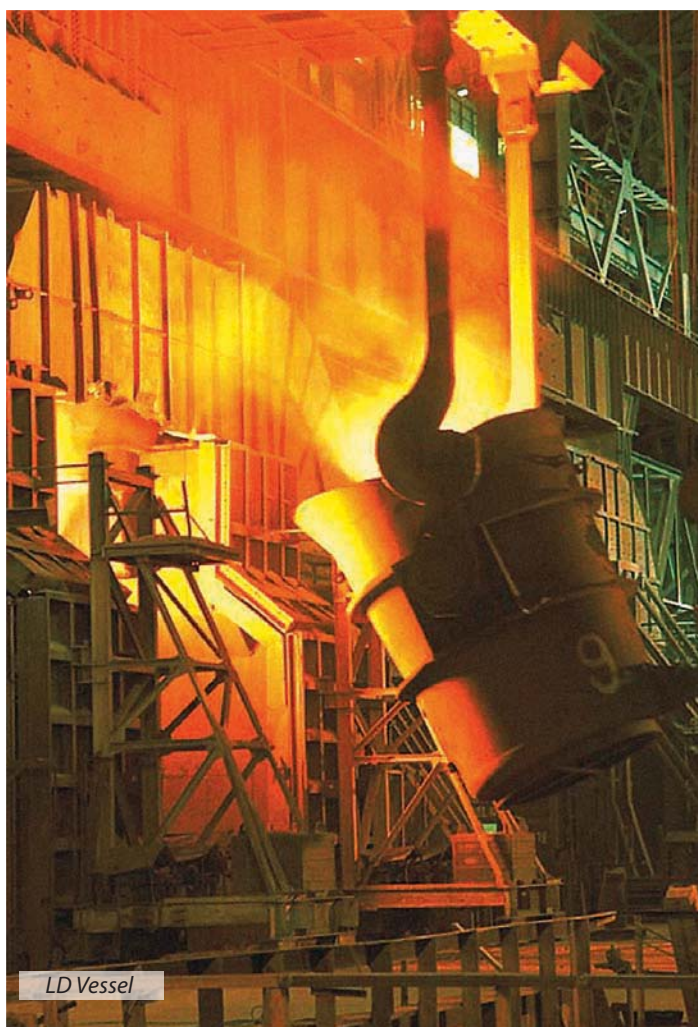
The last year saw several highlights in the Indian operations - which were a combination of best ever production performances, coupled with savings achieved due to performance improvement initiatives.

H. M. Nerurkar
Chief Operating Officer (India)

Performance landmarks at various levels

Tata Steel's various divisions achieved significant performance landmarks. The Bearings division developed bearings for the Nano. The Tubes division achieved an overall sales growth of 7% over FY 2006-07. The division has developed a number of new products mainly in the following areas:

- a) Large diameter structurals for infrastructure projects including four airports – Amritsar, Jaipur, Bengaluru and Hyderabad,
- b) High precision tubes.



The Wires Division obtained approvals from Goodyear and JK, for motor tyre bead wire and from Dubai Control Laboratory, Dubai for Low Relaxation PC wire.

The Ferro Alloys & Mineral Division (FAMD) achieved highest ever excavation at Sukinda Chromite Mine; the highest ever Ferrochrome production at Bamnival; the highest sales in the domestic market, and the highest ever export of Ferro Alloys through a successful ramp up of production at a newly acquired unit known as Rawmet.

The Growth Shop unit known as Tata Growth Shop (TGS) achieved its highest ever turnover and played a crucial role in the progress of 1.8 mtpa expansion project of Jamshedpur Steel Works by supplying all critical equipment for H Blast Furnace, CC3, and Cranes on time.

Performance Improvement Initiatives

Tata Steel continued its improvement journey through "Aspire T3" during the year. Aspire T3 is an integration of TOC (Theory of Constraints), TQM (Total Quality Management) and Technology. It provides the platform for setting aspirations and enabling breakthrough and continuous improvements. Through this programme, breakthrough processes were implemented in Sales Solutions and in Mining. The Company adopted Critical Chain Project Management to plan and

execute projects (both maintenance and expansion type) at the earliest within the limited means. With the help of CCPM, these projects will now be completed well before schedule. The TOC techniques notched up savings of USD 38 million in 2007-08.



Market Initiatives

Tata Steel rolled out two specific market based initiatives to differentiate itself from other suppliers. This included the Pull Based Replenishment offer for distributors to cater to the final customer needs in a much more proactive manner and to control its pricing structure on a real time basis; and Vendor Managed Inventory (VMI) offer for OEM customers, ensuring higher availability to key customers thereby creating value for them. Other successful initiatives during the year included the introduction of TISCON Fe 500 grade, with a 100% customer conversion; the launch of Super Ductile TISCON for earthquake prone NE India; and the launch of Tata Steelium in Sri Lanka and of Tata Agrico in Dubai and Qatar.

A service reliability of over 83%, a benchmark in the steel industry, was achieved through a robust back end supply chain redesign based on TOC buffer management principles.

Coating line in IJmuiden



Review of Operations – UK and Europe

Tata Steel UK commenced full-fledged operations in its current form in April 2007. In keeping with the global vision of the Group, and focus in UK and Europe, the operational strategy of Tata Steel UK is based on delivering a steady return on assets through the steel cycle, within a safe and sustainable environment. Aligned to this, the Company has developed specific and measurable objectives. These include:

- to selectively grow downstream value through supporting attractive market segments and by being the best supplier to customers.
- to develop more value added and specialist products, services and systems.
- to develop a competitive cost base across the production sites.
- to develop robust sources of competitive advantage through sharing of manufacturing and technical excellence, commercial coordination and supply chain optimisation.

The IJmuiden Steelworks remains Corus' largest and most cost efficient steel making facility. It has a production capacity of 7.4 mtpa, and its installed capacity is in the process of being expanded to 7.5 mtpa by 2010.

2007-08 was a mixed year for the Strip Products Division in terms of operations. Marked by higher outputs and improved manufacturing efficiencies, overall operational performance remained strong with new records achieved in iron and liquid steel production at the two integrated steelmaking sites at IJmuiden and Port Talbot, with Port Talbot reaching a consistent 3 mtpa target for Hot Mill output.

The Long Products Division saw significant change through 2007-08. Corus Engineering Steels operations showed improved stability as manufacturing and volume benefits from the restructuring investment continued to flow through, although there was an adverse effect from widespread flooding during the year. The Medium Section Mill at the Scunthorpe plant of Corus Construction and Industrial commissioned long rail rolling slower than expected, with a consequential effect on deliveries into the UK market.

Within the Distribution and Building Systems Division, 2007-08 saw strong demand for the Distribution businesses' products being sold from steel service centres in the UK, Netherlands and Germany. Gross margins were favourably impacted across Europe by the inherent profit on stock originally being held at low input cost levels, ahead of price increases.

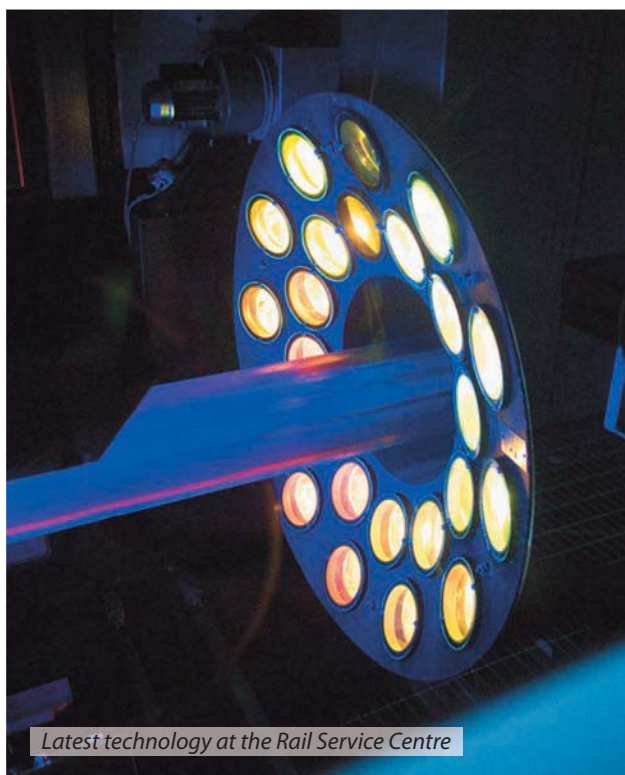


The Tata Steel Group is entering several strategic joint ventures that are intended to provide raw material security – while also enabling greater cost efficiencies, as well as an enhanced product portfolio.

Rauke Henstra
Chief Operating Officer (Corus)

Enhancing efficiencies and capacities

At IJmuiden, a new continuous galvanising line and new 3-stand cold rolling mill is being installed to increase the production capacity of automotive market products that will also be able to produce specialty high strength steel grades. The cold rolling mill enhancement will provide additional cold rolling capacity in support of the new galvanising line.



Latest technology at the Rail Service Centre

At Scunthorpe, Corus is developing a medium section mill, rod mill and bloom casting, in order to enable the rolling of transport rail and other rail sections, as well as enhancing other section rolling capabilities.

The Port Talbot BOS gas recovery and energy management investment will significantly reduce natural gas and electricity purchases, and materially reduce carbon dioxide emissions at the site, through the utilisation of gas generated inside the Basic Oxygen Steel plant.

The slab caster enhancement project at Teesside involves installing hydraulic width control and making structural modifications and improvements to water-cooling systems. As the project is undertaken pursuant to an offtake agreement entered into in January 2005 with a consortium of external slab purchasers, almost 76% of the total investment costs will be funded by the external consortium of re-rollers.



Corus Scunthorpe Plant - Rod Mill

Technology

The Group places considerable emphasis on research and development, and on continuous improvement of processes and products.

Process developments

Process Improvement Groups were established as part of the Corus Restoring Success programme and their efforts helped to meet the objectives of The Corus Way. This work has continued to give rise to projects aimed at applying best practices and transfer of relevant knowledge throughout the Group, now also including Tata Steel Group. The Group is a major partner in the ULCOS (Ultra

Low CO₂ Steelmaking) project, aimed at developing technology to achieve a 50% reduction of CO₂ emissions per tonne of steel produced by 2050.



Corus Tubes- Project Apache

Product developments

The main focus for strip products continued to be the further development and improvement of steel grades with high strength and good formability. The Group is jointly developing with POSCO, a novel coating process, which if successful, will enable novel metal-based coatings to be produced with properties tailored to the needs of different markets.

Application developments

The Group is leading the Framework6 project ManuBuild aimed at developing advanced industrial construction techniques for residential, education and healthcare buildings.

A successful full scale plant trial with High Efficiency Combustion burners in one of the reheating furnaces at Llanwern has proven that applying this technology leads to significant energy savings as well as substantial reduction of CO₂ and oxides of nitrogen emissions. Based on these results, it is planned to apply this technology to reheating furnaces in Ijmuiden.

Review of operations – South East Asia

South East Asia is amongst the world's high growth regions. In the year 2007, the region – comprising Thailand, Malaysia, Indonesia, Vietnam, Philippines, Singapore, Laos and Cambodia – consumed about 44 million tonnes of steel. The steel consumption growth rate of the region during the last five years had been around 7% and this growth primarily was led by Vietnam, Indonesia, Thailand and Malaysia.

The region has a population base of around 500 million and the average per capita steel consumption is 90kgs per person. The lower per capita steel consumption with the young demographic profile in these countries presents significant opportunity to further enhance the company's presence through the pursuit of greenfield and brownfield projects including seeking out merger and acquisition opportunities in both Flat and Long products sectors.

Tata Steel Group's presence in South East Asia

The presence of the Tata Steel Group in South East Asia is manifested by two subsidiaries companies:

- NatSteel Asia Pte. Limited
- Tata Steel Thailand Limited - erstwhile Millennium Steel

During the year 2008, the Group's South East Asian operations contributed USD 2.7 billion to the turnover and generated USD 237 million as Gross Margins with the average ROIC around 16%. The Group's performance in South East Asia has registered considerable improvement during the last year with increases in both turnover and EBIDTA.

The steel delivery in 2008 was 2.8 million tonnes in the long products segment. The Group has a dominant presence in Singapore with the market share being 65%. Other countries with significant presence are Thailand (31%), Philippines (35%) and Australia (20%).

NatSteel Asia

NatSteel, a 100% subsidiary of the Tata Steel Group, headquartered in Singapore has a presence in Vietnam, Thailand, Australia, China, Malaysia, Philippines and Singapore. The Singapore operations consist of steelmaking and rolling operations of capacity 7,50,000 tonnes per annum and have a well-established downstream business. The downstream business comprising direct sales to contractors uses



Tata Steel's South East Asia business is focusing on continuous improvement in the existing operations while continuously looking at growth opportunities keeping with the Group's vision of creating value.

Oo Soon Hee
Director (South East Asia)

knowledge-centric services and consists of a cut and bend facility and products like mesh, cages and couplers which benefits the customers in terms of higher yields, higher productivity, lesser space requirement and just in time steel in desired sizes. The downstream facility in Singapore, producing over 4,00,000 tonnes per annum of cut and bend bars, mesh, pre-cages, bore pile cages etc., is the largest single location facility in the world.

Of the two units operating in China, one is a rolling mill at Xiamen producing about 5,00,000 tonnes of bars and rods and other is a wire drawing plant at Wuxi, with a capacity of 1,00,000 tonnes per year. In the Xiamen city, the market share is about 25%.

In Vietnam, NatSteel is a 55% equity partner in a Joint Venture with VN Steel and a capacity of 1,30,000 tonnes per year. In Australia, the downstream business has a capacity of 2,50,000 tonnes per year. In Philippines, NatSteel is a 40% partner in the Joint Venture with a capacity of 3,50,000 tonnes per year.

The wire drawing plant in Thailand (SIW) produces about 1,20,000 tonnes of wires and with the expansion to be commissioned by this year-end, the capacity will increase to about 1,50,000 tonnes per year. It would be pertinent to note that both the wire operations in Wuxi and in Thailand, export to world-wide markets.



Rolling mill heating furnace, NatSteel

Continuous Improvement

During the past few years, NatSteel's continuous improvement efforts have been focussed on reducing cost, improving productivity and enhancing quality. The upstream production has gone up from 5,55,000 tonnes in year 2006 to 7,30,000 tonnes in year 2008, an improvement of 32%.

The operations have also shown improvements further adding to efficiencies. The energy consumption in the Singapore operation's melt shop and the rolling mills have reduced by over 10% during the past two years. The reduction in energy consumption is on account of oxygen lancing and increasing hot charging amongst other initiatives. Similarly, energy consumption has reduced in other operating units like Vietnam and Xiamen.

Tata Steel Thailand

The Group's equity in Tata Steel Thailand is 67.1%. Headquartered in Bangkok, its three main subsidiaries are SISCO, NTS and SCSC.

In the year 2008, Tata Steel Thailand registered sales of 1.4 million tonnes. The Company's predominant market is in Thailand and its market share in 2008 was 31% in the long products business.



The Company also has been improving continuously in the past few years with its various initiatives focused on reducing cost, improving productivity and quality. The billet production in SCSC and SISCO increased by 24% in 2008 over 2007.

Tata Steel Thailand is committed to moving forward in the journey for excellence and social accountability. The Company continuously improves its business processes and systems in accordance with its commitment to environmental responsibilities.

Continuous Improvement Initiatives

Through improvement initiatives, last year, the Company successfully rolled out the Total Operational Performance Programme (TOP® Programme) in its three plants at NTS, SCSC and SISCO. The objective of this programme was to improve production, quality and reduce cost.

The Company also launched the YATRA project for business process improvement and SAP implementation. In terms of transparency and corporate governance, Tata Steel Thailand has adopted the Tata Code of Conduct and has created awareness on the Tata Code of Conduct amongst all its employees.



In order to improve the company's business processes, Tata Steel Thailand has decided to implement the Tata Business Excellence Model (TBEM) and the entire top management team has been trained on the TBEM criteria by professionals from Tata Quality Management Services (TQMS).

Based on the new vision and goals for the Tata Steel Group which were launched recently, Tata Steel Thailand has also created its own vision and goals. This year, the Company plans to review its brand strategy and launch the initiatives of Retail Value Management and Channel Finance for increasing the net realisation of its products and increase its market share.

The other initiatives that have been taken during the year are focussed on reducing power cost, nut coke consumption and alloy consumption.

Tata Steel Thailand is in the process of setting up a mini Blast Furnace of 0.5 mtpa at the NTS rolling mill. The plant is expected to be commissioned by H2-09. With the commissioning of the mini Blast Furnace, the steel shop production is expected to go up and reduce the gap between billet requirement and production.

New Ventures – Growth through Collaboration



Coal outcrop in creek South East of Benga

The Tata Steel Group's growth and globalisation strategy is driven by achieving growth while maintaining profitability and mitigating risks. With the focus in 2007-08 being on enhancing the raw material security in the short and long term, the Tata Steel Group announced major joint ventures in Mozambique, Ivory Coast, Oman and India. The Company continues to look for suitable downstream projects in geographies of interest, to add value to its steel.

Vietnam Steel Project

Tata Steel signed two Memorandums of Understanding (MoU) with Vietnam Steel Corporation (VNSTEEL). The first is for a proposed steel complex with an estimated capacity of 4.5 million tonnes per year. Tata Steel already has a Joint Venture with VNSTEEL in Rolling Mills through NatSteel, which is a Singapore based subsidiary of Tata Steel. Additionally, Tata Steel in co-operation with VNSTEEL is undertaking a feasibility study for the Cold Rolling Mill Project. On the successful completion of the study and financial closure, Tata Steel will have a stake of 65% while VNSTEEL will have a stake of 35% in the CRM Complex.

Established in 1995 by a merger of Metal Corporation and Steel Corporation, VNSTEEL is Vietnam's largest steel company and has various manufacturing plants and a distribution system

across the country. The total capacity of VNSTEEL including that of its Joint Ventures is around 2.2 million tonnes with a product mix ranging from crude steel, high quality construction steel to sheet and plate products serving other economic sectors.

Iron Ore Project in Ivory Coast

Tata Steel and SODEMI (State Owned Company for Mineral Development in Ivory Coast), entered into a Joint Venture agreement in December for the development of Mount Nimba Iron ore deposits in Ivory Coast (West Africa). The project will be implemented by a Joint Venture company Tata Steel Cote d'Ivoire, wherein Tata Steel will have 75% equity. The Mt Nimba deposit, spread over 3 countries – Liberia, Guinea and Ivory Coast is one of the biggest iron ore deposits in West Africa. Through this venture, Tata Steel will introduce best practices in mining, geology, environment and project management. It is the Tata philosophy to participate and be a part of a country's development process and Tata Steel will make a positive impact on improving the quality of life of the people of Ivory Coast.

The initial phase will involve exploration and detailed feasibility assessments followed by opening of the mine and installation of beneficiation facilities. The iron ore from this project will be supplied to Tata Steel Group facilities especially those located in the United Kingdom and the Netherlands.



Mozambique Coal Project

Coking Coal Project in Mozambique (Riversdale)

Tata Steel and Riversdale, a company listed on the Australian stock exchange signed a Joint Venture agreement in November for coal tenements held by Riversdale in Mozambique. Through this, Tata Steel acquired 35% interest in Riversdale's Benga and Tete licenses. Tata Steel has also secured rights for 40% share of the coking coal produced. The Joint Venture Company has so far discovered JORC compliant inferred resource of 1.9 billion tonnes. The coking coal derived from this project will be supplied to the Tata Steel Group's facilities in Europe, Asia and elsewhere.

Limestone Project in Oman

Limestone is a key raw material for producing good quality steel. Tata Steel has been sourcing limestone from Central India, Thailand and Middle Eastern countries for its Indian operations so far. In order to reduce dependence on purchased limestone, Tata Steel signed a Joint Venture agreement with the members of the Al Bahja Group, a leading business house in Oman in January. Tata Steel has a 70% stake in the Joint Venture. The project envisages mining of limestone in the Uyun region which lies in the Salalah province of Oman and has large deposits of limestone. Exploration work has begun.

Coal Mining Project in Australia

Tata Steel has a Joint Venture with Vale in Australia for a Coking Coal mine. Tata Steel and Vale, along with other Joint Venture partners have undertaken a large scale expansion of the Carborough Downs Coal Mine near Moranbah in Central Queensland in Australia. This decision on expansion of production gives Tata Steel an opportunity to explore larger areas for coal deposits that will be a potential source to meet part of the Company's raw material requirement and enhance the long term competitiveness of its global operations. The project is currently estimated to have a life of 14 years and approximately 58 million tonnes of raw coal is expected to be mined during this period. There is a further potential resource of 100 million tonnes of raw coal in the unexplored areas and deeper seams. The clean coal envisaged to be produced will be low-ash coking coal and PCI coal, highly suitable for iron making.

Tata Steel – SAIL Joint Venture for coking coal properties

Tata Steel has signed an equal stakes Joint Venture agreement with Steel Authority of India (SAIL), for coal mining activities in India. Four suitable medium coking coal blocks in the state of Jharkhand are under evaluation for this purpose by a joint working group of SAIL and Tata Steel. On allotment of the blocks, the Joint Venture will develop and carry out mining operations for captive use by both SAIL and Tata Steel.

Process Improvement – A continuing initiative

Over the years, Tata Steel has placed a continuous emphasis on improving processes, with a view to consistently increasing efficiencies, enhancing quality, and thereby achieving better performance benchmarks in all areas. The various initiatives taken by the several companies in its operations across the world have seen the development of several models, that have sustained over the years and have now become institutions. These initiatives typically have been designed to encompass in their fold all the people down the line, so that process improvement becomes a way of life.

Performance Improvement Teams

To leverage synergies between Tata Steel and Corus and accelerate performance improvement through learning and sharing, a Performance Improvement (PI) Committee has been constituted. Under this committee 7 PI groups have started functioning, identifying Key Performance Indicators (KPI's) to be

improved and improvement projects to be undertaken across various sites of the Tata Steel Group.

The formation of the Performance Improvement Committee (PIC), is part of systemising Process Improvement in the Tata Steel Group. Six new group chairs have been put in place for the key work areas. The group chairs will report on progress directly to the PIC. This will ensure that Continuous Improvement (CI) will become central to how the groups operate.

Initiatives in Europe

The emphasis of the CI activities in Tata Steel's European operations are focussed on providing Business Units (BUs) with the tools and knowledge to be able to drive the business forward under the banner of Continuous Improvement using Lean Principles. During the year gone by, the focus has been on transferring the knowledge and capabilities into line



* Goals laid down by the Executive Committee, the CEOs and the Strategy and Integration Committee

management and making the link between strategic delivery and CI through a common Strategy Deployment process.

Lean Management

A workshop comprising all of the CI Managers from the individual BU's was organised. The objective was to understand the kind of knowledge and skills that were required by line managers to accelerate the rate of improvement. The output of this, along with a summary of all training activities being undertaken at BU level will now be centralised into a common training programme.

Strategy Deployment

A Strategy Deployment process, backed by an established standard was launched for all BUs. The standard describes what a BU must have in place with regards to Strategy Deployment, but does not dictate how these activities are carried out. A 'How To' guide will be published in 2008 to help BU's fill in knowledge gaps. An audit of the process was also completed in all BU's. All BU's are required to have auditors who participate in cross BU audits. An audit score is produced and reported back to the BU

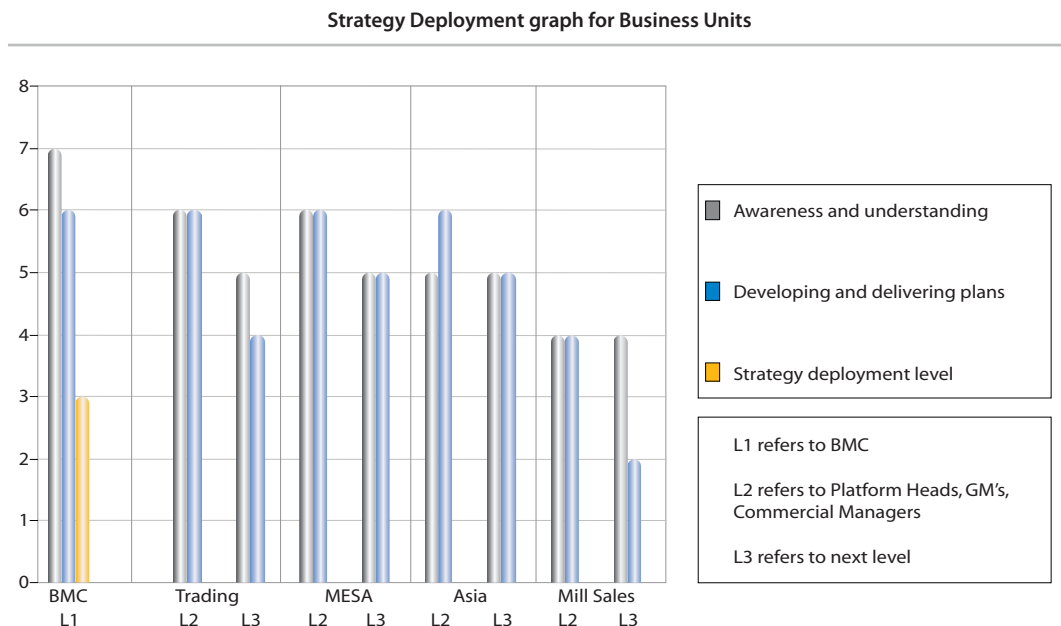
management team, with improvement opportunities. All BU's have a target of achieving an audit score of six in 2008-09.

Training

Continuous training is carried out for all CI coaches. Today, approximately 450 coaches throughout Europe have been trained. During 2007, a course was developed entitled 'How to Improve Flow' – which was intended to help BU's implement the Theory of Constraints (TOC). Six different BU workshops have also been run and many have attributed significant increases in throughput and reductions in working capital due to the knowledge gained in the workshops. Courses are also held on strategy deployment to help BU's in achieving the audit target of six. The Corus courses have also been made available to the wider Tata Group and Tetley will start sending attendees this year.

Knowledge Sharing

Knowledge sharing is a fundamental cornerstone of CI and a number of activities have been undertaken to improve performance in this area. A bi-monthly newsletter called





Control room, F Blast Furnace, Jamshedpur

'Improving Corus' has a wide circulation and contains information regarding good practice and contact details for employees to connect with others who have faced similar problems for themselves. The CI Gateway has also been made more user friendly. The vision for 2008-09 is to adopt a web based system that is more searchable and will enable employees who are part of CI to connect on a real time basis to share and learn. During 2007-08 many exchange visits have also taken place between Corus and Tata Steel. There have been many examples of good practice sharing and this will continue throughout 2008-09. Corus is also participating in the European Network Forum (ENF). This forum will initiate a number of special interest groups open to all Tata enterprises and cover subjects such as TBEM and Innovation and will provide the platform for inter organisational knowledge sharing.

TBEM

Many BU's continue to assess how TBEM can be used to drive business excellence. In order to facilitate the process, Ashorne Hill Management College has been established as the European centre for TBEM training. A number of courses have helped BU's understand the building blocks required to achieve business excellence and how TBEM can help.

Initiatives in Indian Operations

ASPIRE T3 – The 3 Pronged approach

A strong improvement framework which supports a culture of improvement has been put into place. ASPIRE is the Tata Steel way of implementing improvements that are currently focussed on three T's (ASPIRE T3) which is an integration of 3 models :

TOC (Theory of Constraints); TQM (Total Quality Management); and Technology. ASPIRE T3 provides the platform for setting aspirations and enabling breakthrough and continuous improvements.

• **Theory of Constraints (TOC):**

The key objective is to develop a competitive edge based on reliable delivery service and thereby create value for customers. One of Tata Steel's key initiatives, this provides more value to customers while also improving realisations and share of business with select customers and market segments.

This programme has 3 major components:

1. Building and selling win-win market offers based on delivery service reliability.
2. Building supply chain capability for reliable service.
3. Building operational exploitation capability.

Tata Steel has so far rolled out two specific market offers based on this model:

- a) Pull based Replenishment offer for its distributors: Through this model, the Company is able to cater to the final customer needs in a proactive manner and is also able to control its pricing structure on a real time basis, thereby contributing to its bottom line.

- b) VMI offer for OEM customers: This helps ensure high availability to key customers. Customers are reciprocally sharing the gains with Tata Steel – in the form of lock-ins and even an increase in share of business.
- c) The Company plans to roll-out two more market offers in FY 2008-09 (Reliability and Rapid Response offer to customers for whom timely delivery is a critical success factor).

A robust back end supply chain redesign based on TOC buffer management principles and its implementation has helped in achieving a service reliability of over 83% (weighted month average of FY 2007-08 for FP, LP, Tube and Wire divisions) which is a benchmark in the steel industry.

Tata Steel adopted Critical Chain Project Management (CCPM – project management the TOC way) to plan and execute projects (maintenance and expansion) at the earliest within the limited means. In the past two and a half years Tata Steel has applied CCPM in more than 55 projects to complete projects 10% to 35% ahead of earlier planned schedule.

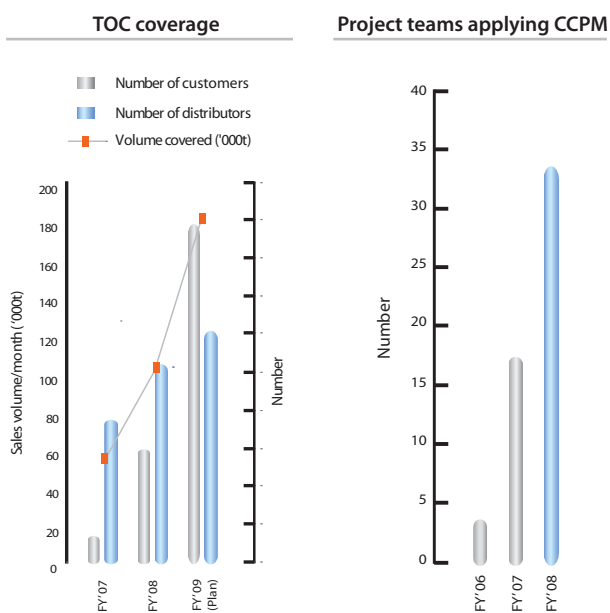
• **Total Quality Management (TQM):**

TQM provides the fundamental structure for customer and quality focussed continuous improvements.

The key TQM elements as practised by the company are:

- a) Policy management – A structured strategy development and deployment process.
- b) Daily management – A structured methodology to carry out activities on a regular basis to attain the purpose of the job efficiently involving operating employees.
- c) Problem Solving and Task Achieving – A structured methodology for identifying root cause and solving major problems or accomplishing major tasks.

Tata Steel is planning to challenge the Deming Application Prize in FY 2008-09. This prestigious prize is presented by JUSE, Japan to a company that has achieved distinctive performance improvements through the application of TQM. Intensive preparations are underway with mock audits being conducted by external and internal auditors to identify areas for improvement. In the process, considerable improvements have been made in bringing about a process orientation across all levels in the organisation.





- **Technology**

The goal is to foster a technology mindset amongst a cross section of employees. The ASPIRE T3 Knowledge Management Programme - including *Knowledge Manthan and Manthan Ab Shop Floor Se* - provides the platform. From FY 2006 to FY 2008, 10650 employees have been engaged in the process of knowledge creation and dissemination.

Process Improvement in South East Asia

NatSteel Asia has initiated process improvements in the past and current financial years based on impact on operations.

The main thrust in improvements has been made in different areas, with a focussed intent of having quantifiable and measurable process improvements, with a resultant impact on productivity and efficiency.

At the Meltshop, the optimisation of oxygen Virtual Lancing Burners brought down EAF electricity consumption from 300-310 kWh/mt to below 290 kWh/mt. Through strategic sourcing, the Company saved S\$326,000 from better purchasing of fuel oil, ferro-alloys, graphite electrodes and coke.

The establishment of activity-based Time Models for Mesh Welding Machines, together with data downloading led to improved production planning and productivity. Improved processes and machine capabilities enabled an increased capacity from 2,600 tonnes/month to 4,500 tonnes/month in BP Caging. In the area of logistics, a consultant study was implemented to better optimise finished goods space utilisation through alternative stacking methods and material handling systems.

The installation of a Global Position System for all prime movers enabled tracking of every delivery made to customers. In Total Operational Performance, the Company identified targeted savings of S\$16 million/year across different departments and successfully implemented 99% of them to achieve a S\$19 million of savings in FY 2007-08.

Process efficiency was achieved in Vietnam across Sales and Distribution. Improved product quality has resulted in the company being awarded the ISO Gold Cup by the Ministry of Science and Technology.

Research and Development – The Innovation Edge

With globalisation and an increasing scale of operations, technological self-reliance has become a necessity. In keeping with global ethics of Intellectual Property, it has become necessary for companies to have their own resources of Research and Development. Outsourcing this activity is becoming increasingly difficult, bringing with it the challenges of IPR sharing and ownership. Hence self-reliance in technology has become a virtual pre-requisite to innovation and growth.

Anticipating the need to become self-reliant in technology, Tata Steel took three steps during 2000-2005 that would help establish itself as a leader in chosen technologies. 1) Formalised the continuous improvement and innovation process under the powerful programme of ASPIRE. 2) Identified the key thrust areas of strategic technology development. 3) Established a sound mechanism for capturing new developments and filing them as intellectual property.

A Focus on Intellectual Property

Although the first patent for Tata Steel was filed in 1947, with IPR becoming strategically significant, a major step in establishing a sound intellectual property mechanism was taken in 2001 with the creation of a Patent Cell. This gave focus and fillip to the intellectual property movement in Tata Steel. The result was almost immediately visible. The initiatives taken over the years have helped Tata Steel increase its total IP portfolio (filed and granted patents and copyrights) from 32 in FY 2000 to 493 till date. Out of these 133 patents have been granted; the remaining 360 have been filed and are at different stages of being granted.

Today, with sound processes and systems in place for capturing new developments, Tata Steel is a benchmark in the Indian manufacturing sector. Given the fact that Corus already has 864 patents granted since 2003, the Tata Steel Group could well be on its way in achieving technological self-reliance.

Challenges ahead

There are two main challenges that will be addressed in the years ahead. The first is the commercialisation of IP, involving the marketing of granted IPs, finding prospective customers and negotiating licensing conditions. Efforts are on to benchmark with international best practices and to take professional help from specialists that provide IP licensing and commercialisation services. Currently one patent and 12 copyrights have been identified for commercialisation as pilot cases. Seven companies globally have shown interest in the patent, with 78 companies showing interest in the copyrights for e-learning packages.

The second challenge that will be addressed is dealing with IP sharing in the case of collaboration with major manufacturing partners. As Tata Steel's indigenous new technologies are growing in scale, it has become necessary to partner with suppliers and other industries. Maintaining claim on its own IP while also sharing the developmental knowledge with others is a fine balance that needs as much understanding of technology as of legal negotiation skills. Again, efforts are on to benchmark against international best practices on this front.

The vision of the future in IP is to continue to grow the IP portfolio of Tata Steel and to continuously unlock the value through licensing and commercialisation.

Research in Thrust Areas

The Tata Steel Group's programme of RD&T in Europe, is funded by separate business units, with breakthrough projects receiving direct corporate funding. Several breakthrough initiatives have successfully added value to customers, and enabled profitable commercialisation.

Going forward, Tata Steel's Research and Development activities will continue to focus on identified thrust areas that include the following:



1. Economic mineral beneficiation

8% Ash Coal maintaining Yield

The objective is to develop a cost-effective beneficiation flow-sheet, including new technology, if any, for producing clean coal with 8% ash maintaining current yield from the captive collieries.

The work is being carried out in three main modules: (1) Coarse coal beneficiation (2) Fine coal beneficiation and (3) Beneficiation of middlings, tailings and rejects.

For increasing the efficiency of coarse coal beneficiation, a fundamental study was carried out on fluid flow in Dense Media Cyclones (DMC). As a result, a new design for DMC has been patented and a 350 mm diameter pilot scale DMC has been built following the new design. The initial results indicate step change in separation efficiency of DMC.

For the fine coal, focus was given to increasing the efficiency of flotation. Through fundamental studies of flotation, a new chemical frother was developed, that is not commercially available. A completely new chemical-based technology

is being developed for treating the middlings, tailings and rejects emanating from the above two processes. A pilot plant is currently under construction in Vishakhapatnam for testing this technology. It is expected to be operational by the end of 2008.

All the above work is being carried out in close collaboration with IIT Kharagpur, Tata Research Design and Development Centre, Pune, University of Queensland, Australia, ISM, Dhanbad and others.

Complete Beneficiation of Iron Ore

Detailed characterisation of as-produced iron ore slimes from Noamundi has been completed. Beneficiation studies through selective flocculation & flotation has started. Exploratory work on utilisation of slimes for making building material, such as tiles, is complete. A pilot plant for iron ore beneficiation, comprising a pilot jig and other equipment is being set up in Jamshedpur and is expected to be complete by January 2009.

2. Stretch the raw materials envelope

Lowering Phosphorus in Steel making

- Research and Development had earlier carried out an equilibrium phosphorus partition study in Sweden with three components (CaO, SiO₂, FeO) system. The present work was taken up to see the effect of trim addition of Al₂O₃ and Mn on equilibrium phosphorus partition. This study shows the possibility of improving actual phosphorus partition with the addition of small quantity of Al₂O₃. A further study has been planned to implement the low basicity findings in the actual BOF vessel.
- A 2-dimensional numerical model has been developed to numerically predict the fluid flow and mixing during combined blowing.
- Two plant trials with the new 6 + 1 hole lance, aimed at improving phosphorus partitioning were taken in the month of April 2008. The observations corroborate with the model predictions. More trials will be taken in the coming months.

3. Heavy end of the future

Improving Blast Furnace Productivity

Physical model experiments to study the effect of burden distribution, shape of cohesive zone, layer thickness etc. are in progress.

In the next step these models will be linked with fluid flow models of gas flow and reaction kinetics in the blast furnace to give a comprehensive model of the process. This is expected to take another year.

KDRI

KDRI is a coal based DRI technology developed by Corus with the aim of achieving a substantial cost advantage in capital and operating costs over other DRI technologies.

Benefits of the KDRI technology include:

- Low cost coal based DRI process
- Direct use of iron ore fines without an agglomeration step needed

- Flexibility in iron ore grades and carbon sources (low grade coal, biomass)
- Low temperature process, that is energy efficient and with low carbon consumption, leading to low CO₂ emission
- Low NOx emission

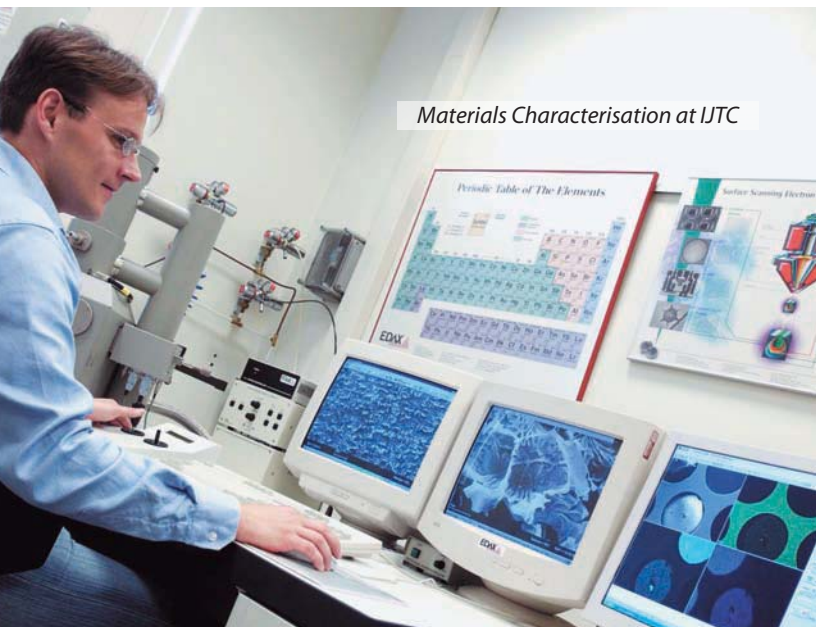
Currently a pilot plant for this process with a capacity of 100 kg/h and a CFB (Circular Fluidised Bed) diameter of 200 mm is in operation at RD&T's Ceramics Research Centre in IJmuiden. A full size commercial KDRI plant is expected to have a capacity of 1 mt per year or 125 t/h, with a CFB diameter of 3 m, and would cost € 230 mn. To mitigate the risks and reduce exposure, an intermediate step of a larger scale pilot plant is considered necessary in order to:

- Demonstrate that a full size plant of 1 mtpa is a safe next step in the scaling up process
- Demonstrate the effectiveness of the new processes and the reliability of the equipment
- Demonstrate product quality
- Develop safety and operating procedures

The project is currently subject to a detailed Go/No Go review by the Steering Committee and Corus EXCO.

ULCOS

ULCOS is a large research project aimed at developing new processes that could achieve 50% less CO₂ emissions per tonne of steel by 2050. The project combines the capabilities of 48 organisations, including all major European steel makers and engineering companies. During the first two years of the project various innovative ironmaking technologies have been investigated, such as a new blast furnace, smelting reduction, direct reduction and electrolysis, as well as supporting technologies, such as renewable biomass, hydrogen, plasma and CO₂ capture and geological storage. These activities resulted in around 200 distinct ironmaking routes. This wide range has been reduced by analysing the challenges that each option should overcome to be demonstrated by 2015. In 2006 the decision was taken to concentrate on four possible routes:



Materials Characterisation at IJTC



Corus Research Multi Mill at IJmuiden Technology Centre

1. The new blast furnace using pure oxygen and top-gas recycling.
2. ISARNA, a new highly efficient smelting reduction process.
3. A new direct reduction process using gas or hydrogen with geological storage of CO₂.
4. Electrolysis of iron ores for direct production of steel.

To further investigate the first option, the experimental blast furnace at Mefos in Sweden was adapted to the top gas recycle concept by installing a CO₂ scrubber, gas injection nozzles in the shaft, special tuyeres for 100% oxygen operation and a heater for the recycle gas.

A trial programme was successfully completed in autumn 2007 demonstrating the following:

- Linked operation of the blast furnace and gas conditioning plant.
- Blast furnace operation at 100% oxygen.
- Injection of recycled CO gas at tuyere level.
- Injection of recycled CO gas at tuyere and shaft level.
- Replacement of 30% of the coke input by recycled CO gas.

As a pilot for the second option, a 8 t/h smelting reduction pilot plant is currently under construction in Volklingen (Germany). In this plant the ISARNA process will be tested. This highly efficient smelting reduction process has the potential to reduce CO₂ emissions by 20% compared to blast furnace ironmaking. The plant is planned to be commissioned in December 2009.

4. Next generation high strength steels

Flat Products for automobiles

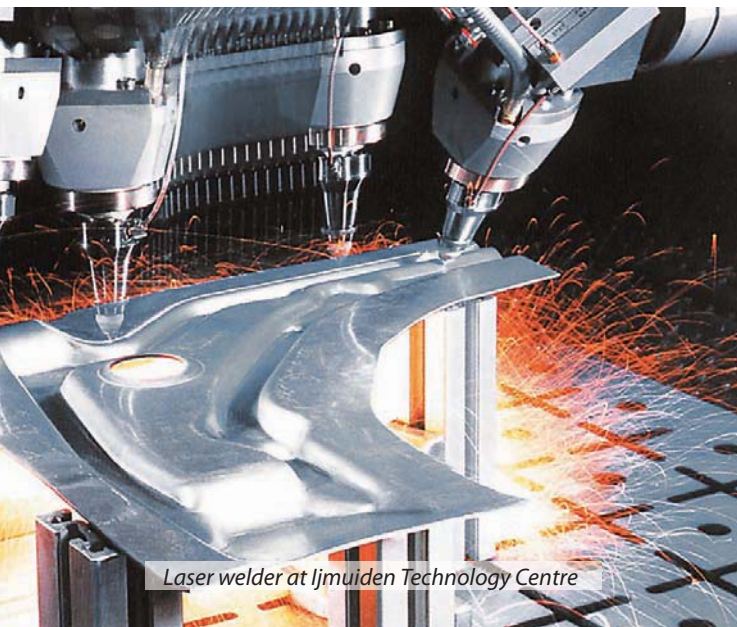
The aim of this thrust area is to develop a steel grade with 1000 mpa yield strength and 50% elongation.

A high strength, precipitation hardened hot rolled steel sheet -HRTata800—with an excellent combination of high strength (850 mpa) and formability (elongation of 20%, hole expansion of greater than 130%) was developed during the last year. The possible applications of this newly developed high strength hot-rolled grade of steel are being explored for chassis and suspension components such as truck frame, wheel rim, side member, lower and upper arm, transmission cross member etc.

Simultaneous efforts are being made towards the development of the HSS with 1000 mpa yield strength and 50% yield strength utilising (i) TRIP (ii) TWIP (iii) Transformation strengthening effects (iv) Ultra Fine Grain – Multi Phase steels and (v) High nitrogen steels routes.

HSD: High Strength Ductile Steels

The HSD steels development project is collaborative between Corus and Salzgitter and is bound by a non-disclosure agreement. The project has two work streams, i.e. supply chain development and product/alloy development. For the former, an ingot route (300 mm wide) for the production of cold rolled (CR) and continuously annealed (CA) HSD steel has been established via ingot casting at TTC, cogging to slab at CES Stocksbridge, hot rolling at Brinsworth and finally CR and CA at third parties.



Laser welder at IJmuiden Technology Centre



High end scanning electron microscope, Jamshedpur

In terms of product development, work is going on to develop an understanding of the factors (composition and processing) that control delayed fracture, which is a phenomenon that currently prevents the commercialisation of TWIP steels. Another activity is aimed at optimising the surface chemistry to enable applying the heat-to-coat technique to galvanise HSD steels. Initial results using this technique were significantly better compared to the conventional HDG process, but further optimisation is needed.

A common platform for integrated model development between Corus RD&T and Tata Steel R&D has been developed. This will shorten model development times and avoid duplicity of efforts.

5. Advanced coatings developments

Development of Advanced Coatings

The main objective of this thrust area is (i) to develop a suitable advanced coating on steel sheets to either minimise the use or replacement of zinc (zero zinc) (ii) to develop chrome free passivation for galvanised sheets.

- Various Zn-alloy coating systems (Zn-Mg, Zn-Cu and Sn-Zn) are currently being developed in laboratory scale.
- A transfer of technology from flat product to wires saw implementation of thin organic coating on galvanised wires. The result is a wire product with twice its original life. This has been commercialised and is placed as a new, premium brand.
- Technical specifications for a pilot coating line with facilities for spray, roll coating and dip coating systems have been

finalised and commissioning activities are expected to start by September 2008.

- Research work is being initiated with IICT, Hyderabad to develop sandwich panels for auto applications using modified polymers.

MagiZinc®

MagiZinc® is a hot dip zinc coating with 1-2% aluminium and 1-2% magnesium added to the zinc bath. These elements improve the corrosion resistance of galvanised steel between 4-20 times in a salt spray test. Moreover, the coating offers better formability with respect to zinc pollution in the pressing tool as found after multiple passes in the Linear Friction Test.

Added value of MagiZinc® for customers mainly lies in two aspects:

1. Improved product performance where the current product is not sufficient or where other expensive measures can be skipped by our customers – the main focus for Automotive Markets.
2. Cost reduction by reducing the zinc coating weight at equal performance – the main focus for General Markets.

In 2007 three line trials were performed with MagiZinc (1.6%Al + 1.6%Mg) in DVL2 in IJmuiden.

- The first trial in April 2007 was aimed at producing material for an extensive testing programme. The tests have confirmed previous results regarding properties. The

corrosion resistance of MagiZinc® is much better than for GI in most accelerated tests for various applications.

- The second line trial in June 2007 was aimed at supplying MagiZinc® trial material to key customers. Most of the feedback from customers was positive, with respect to ail properties.
- The third line trial in December 2007 was set up to optimise surface quality. Even though some issues remain, good surface quality can be made for most of the product range.

In January 2008, CSPIJ decided to commercialise MagiZinc® (MZ). Roughly, MZ140 (140 g/m²) will replace GI275 in (unpainted) building applications, and will be promoted as a premium product over GI140 for automotive applications for extra corrosion protection.

EML-PVD

Corus has developed a PVD process based on electromagnetic levitation (EML) of the evaporating liquid in a vacuum. Corus is now working on upscaling of this technology, in collaboration with POSCO. The Corus – POSCO collaboration is based on full knowledge sharing, equal risk taking and is fully confidential to Corus and Posco. Corus is interested in and working on PVD for the packaging, automotive and construction markets.

The PVD project is led by the Corus Strip Division, both regarding technical direction and regarding business cases and market opportunities.

6. Low energy process for the production of Ferro-Chrome

Having identified an alternative process for ferro-chrome production based on laboratory experiments to reduce power consumption from 3500 kwh/tonne to 2800 kwh/tonne, pilot scale experiments were taken up to establish the process parameters and develop engineering process flow sheet to put up a technology proving plant. A pilot scale rotary hearth furnace has been designed, installed and commissioned.

7. Hydrogen harvesting

The Stage III (Technology Development phase) of the project was successfully completed in January 2008. In this stage, pilot scale (10 tonnes slag capacity) was designed, developed and commissioned at LD#2, Slag pit area. Experimentation has been done in which product gas with +70% hydrogen was achieved. The work on Stage IV (Technology Demonstration phase) has been initiated in February 2008. Over the next three months, this technology will be implemented and hydrogen gas will be used to pre-heat chrome ore concentrate briquettes, replacing oil.

8. Viable photovoltaic coating system

Initial literature is being surveyed and discussion with RD&T is in progress.

9. Energy efficient fluids

The objective is to develop next generation, energy efficient fluids as coolants and lubricants.

- Indirect cooling at low temperature range (<900°C) is in progress. An experimental set-up is ready.
- Direct cooling at high temperature range (>7000°C) shows that using 1% volume of nano fluids (using nano alumina) increases heat transfer by 19-20%.
- Lubricants using nano particles have been tested for stability. Tests on lubricity are in progress.

10. Construction

Functional steel roofing

A4 size composite panels with adhesive bonded EPP were evaluated for thermal stability, adhesion and cyclic humidity. All tests were successful. Full size trapezoidal sheets will be manufactured and tested in April 2008. Work is also being discussed in IICT, Hyderabad for PU based laminate development.

New Gleeble apparatus at Swinden Technology Centre



Steel fibre based construction

A new fibre, designed by the R&D division, was manufactured at Pune. The product is expected to be commercialised by April 2009, post testing of pilot scale structures which will be carried out to study loading conditions.

A continuing focus on Research and Development

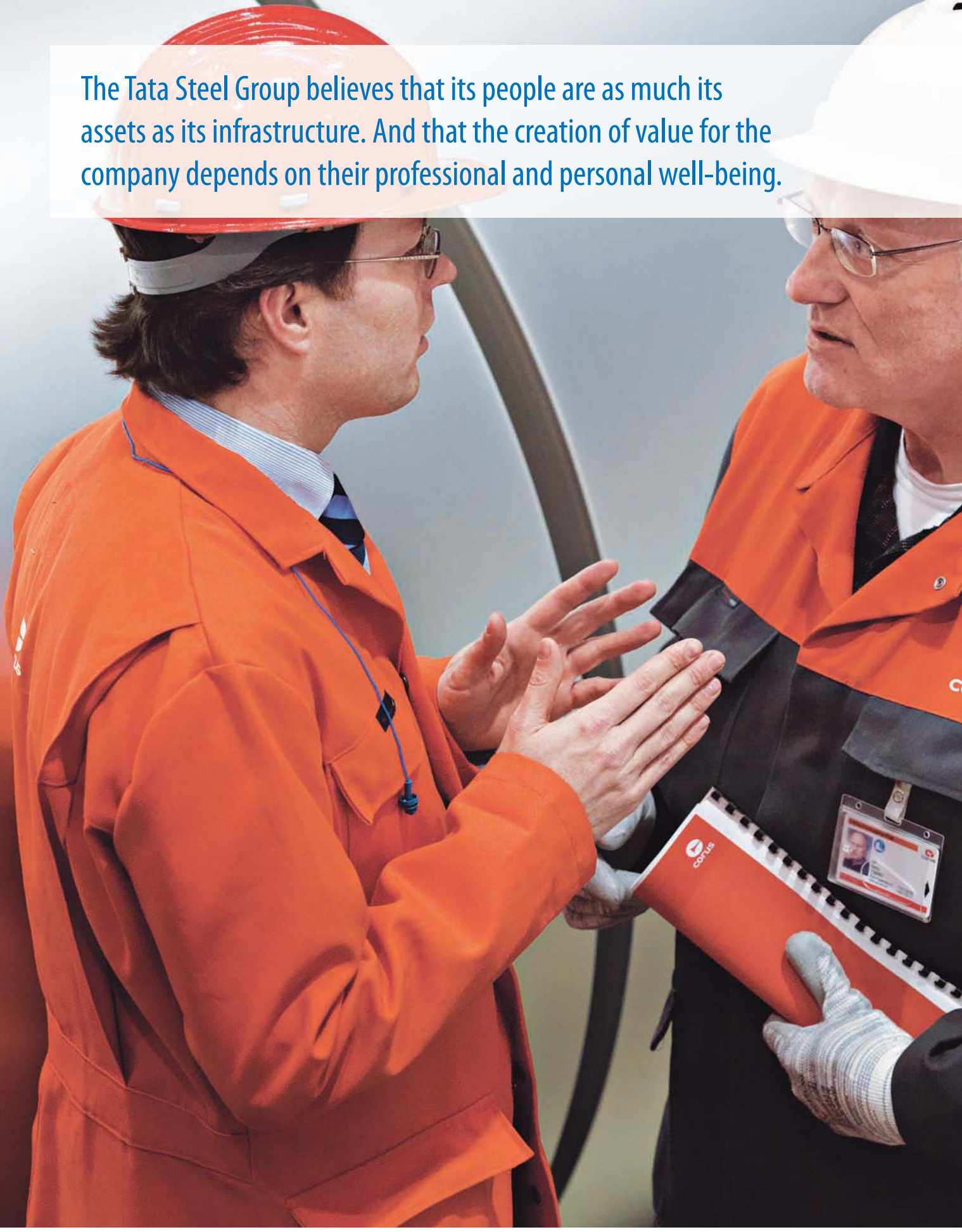
This year Research and Development celebrated the 70th year of its inception at Tata Steel. It has now grown to a total of 100 researchers at Jamshedpur, that include PHDs, M. Techs, Metallurgists and Engineers. Tata Steel organised several international conferences in Jamshedpur that included International Conference on Fatigue, Fracture and Integrity Assessment; International Conference on Automotive Sheet Metal Forming; International Conference

on Beneficiation of Fines and its Technology; and International Conference on Microstructure and Texture of Steels.

Awards were also conferred to acknowledge and encourage ground breaking work.

Corus RD&T employs close to 900 full time equivalents. A substantial number of researchers have to be recruited every year as RD&T is also a breeding ground for technologists for the Business Units it serves. A unique initiative run by RD&T to nurture innovative projects is the 'Seedcorn' programme which focusses on development of knowledge to meet future technology needs. In 2007, the Seedcorn programme comprised 57 projects of which seven were successfully concluded during the year.

The Tata Steel Group believes that its people are as much its assets as its infrastructure. And that the creation of value for the company depends on their professional and personal well-being.



Leveraging the Human Capital

The Tata Steel Group's Vision, having been co-created by its people, speaks of creating value for all its stakeholders. It is a strong belief that this creation of value depends on the professional and personal well-being of its people. In keeping with the demands of the future, it is a strategic priority at the Tata Steel Group to be an employer of choice in every country in which the Group operates. And this requires focussed efforts to recruit, train and retain skills on an ongoing basis.

Recruitment

A good recruitment methodology demands that there is continual emphasis on developing and improving this area. To ensure a continued availability of a technically competent bench strength of Engineers and Business Managers for the future, Tata Steel's Management Trainee programme has recruited a large number of trainees from different premier Institutes across India. As part of an induction process, this group will undergo a one year development programme before being ready to take independent responsibility in different businesses. The focus this year has been to increase the intake of Engineers and Business Managers through the Pre-Placement Offer (PPO) route from the campuses to cater to the next financial year.

The Corus graduate and apprentice recruitment programmes have also been enhanced in the last year and remain a key focus area. In the Netherlands, the Corus brand is rated as a top employer in manufacturing and in the top five amongst all companies in any segment. In the UK, the company is considered among the top 100 graduate recruiters.

Post recruitment, there is a continued effort at staying in touch with employees to ensure that there is the right culture to engage them in performance improvement. Employee surveys will be continued on a consistent basis through the coming year.

Training and Development

Employee Training and Development received a major thrust with larger numbers of employees making use of e-learning facilities available on the Company's Intranet which was facilitated by Computer Literacy training imparted to hundreds of employees in the recent past. Apart from several proprietary e-learning courses, employees are being encouraged to learn on their own using Computer Based Training packages and Multimedia training materials.

Safety training received special attention based on the DuPont guidelines. These skill and safety training programmes will continue during the next year covering greater numbers.

With a view to further improve the process of identification of skill gaps, there is a plan in place to introduce a technical competency assessment system for all employees in the Company. Simultaneously, it is also proposed to augment the training resources including faculty support which would facilitate upgradation of technical capability of employees.

With the continuing expansion of capacities at the existing units as well as installation of capacities via greenfield projects, one of the key challenges is to upgrade the skills and improve the mix of workers and supervisors. The Company continued its endeavours for up-skilling employees through process based, on the job training and diploma courses through premium engineering institutes.

In order to bring in greater focus in Training and Development of Executives the training process has been re-engineered towards Directed Learning in order to align the learning initiatives with the twin strategic imperatives of strengthening the leadership pipeline coupled with emerging needs of growth projects across geographies.



Women empowerment through Tejaswini



Recruitment of people with relevant skills and expertise

In addition, Customised Training programmes in the functional areas of Project Management, Contract Management, Financial Management, Commercial Taxes, Supply Chain Management, and Marketing and Sales Management have been developed.

Industrial Relations

There are well-established and effective arrangements at each business location in all the Group's operations for communication and consultation with Works Councils and Trade Union representatives. The Group has good relationships with trade unions and employee representatives and views these relationships as contributing positively to the success of the business.

To provide career and growth opportunities in the unionised category, in May 2007, Tata Steel announced the creation of a new impact level, IL6 among the officers. Since then, about 219 workmen have been selected and placed in different divisions across the company.

As a result of the company's continued focus on good industrial relations, the employee strength in the unionised sphere came down from 33,275 to 31,896 during FY 2007-08.

Planning & Talent Management

To facilitate cross fertilisation amongst its various international operations, Tata Steel provides its people with international exposure and exchange learning missions. High Potential officers and Research and Development professionals are selected for short-term assignments in Corus, UK.

To further enhance performance, the Company's Performance Improvement Teams, focussed on technical best practice transfer, have continued to show the value of knowledge networks within the company to drive performance improvement. These practices contribute to the increasing rate of productivity and quality improvements demonstrated by the company over the last year.

Leadership Development

The Tata Steel Group continues to invest in the development of leadership, managerial and technical capabilities through both formal programmes, coaching and on the job training.

During the last year, the company had engaged a leading consultant to develop a Leadership Appreciation Process and subsequently conduct 'Development Centres' for the Senior



Management Level (IL2s). As a second step towards the Leadership Appreciation Process, there is also a similar process for identification and development of High Potential IL3s, which is the next level of Management after IL2s.

For the following year, various options are being explored for external partnering with the best-in-class Management Institutes in India and overseas for expert faculty to deliver high-end executive development programmes.

Several programmes on Project Management are conducted on an ongoing basis, that focus on requisite tools like PERT/CPM and MS-Project for executives involved in growth projects. Additionally, a three module 'Finance Gurukul' programme for executives in Finance and Accounts and Corporate Audit was conducted on advanced financial management concepts and tools in a globalised business scenario.

A specially designed Business Programme was conducted in January for officers who have been seconded to Corus UK, in order to sensitise them to the cross-cultural issues and prepare them for their assignments in UK. Similar programmes were also conducted for officers of ITS, who were sent to Tata Steel Group companies on various business assignments.

Compensation Benchmarking

Having always focussed on people as the key resources, fair compensation has been an area of importance. A market based benchmarking of compensation is undertaken to ensure that Tata Steel remains employer of choice in all the countries in which it operates.

Inclusive Growth

Believing that a happy workforce is a productive workforce, the Tata Steel Group has always extended its support to the extended community in which their workforce lives and operates. Through various programmes that include making available jobs to extended communities, to vocational training that generates employment, Tata Steel has extended its family to beyond its immediate employees.

The well-being of employees also extends to nurturing and fostering extra curricular skills that allow a more enriched life. Towards this end, Tata Steel has put into practice many events and programmes that involve the families of employees. Sports days, social events, contests for children, education opportunities, celebrating festivals together are some of the initiatives that have become a way of life at Tata Steel. Such initiatives have proven to create not only an enduring loyalty amongst employees, but also enabled them to have a more fulfilled life.

The Tata Steel Group believes that responsible industrialisation with minimum impact on the environment is a necessity that must go far beyond processes and systems - it must be a way of life...



Corporate Social Responsibility

As its operations have expanded to new geographies, the Tata Steel Group has retained a collective focus on the various areas of corporate sustainability that impact the environment; people and their health; and society at large.

The Tata Steel Group's focus in the area of corporate sustainability includes Social Sustainability; Environmental Sustainability; Social Welfare; Sport; and Inclusive Growth. This last ensures that the Group's successes are shared by all its constituents and stakeholders.

Social Sustainability

The Tata Steel Group – across its various operations – is committed to making a positive contribution to society in a number of ways. As a policy, all the Group companies promote and encourage economic, social and educational development within their communities – while also giving active support to local initiatives.

Creating employment is a first step in creating social sustainability. By the end of March 2008, in Europe, the Tata Steel Group had directly employed 41,200 people – and thousands more indirectly through contractors and suppliers. The Group also actively stimulates regional employment through UK Steel Enterprise, a wholly owned subsidiary, which helps to support the economic regeneration of communities affected by changes in the steel industry. Since its establishment in 1975, UK Steel Enterprise has invested almost £68 m in new and expanding businesses and £29 m in managed workspaces, supporting over 4,440 small businesses and creating over 67,300 new jobs.

Extending support to other communities as well, Corus Living Solutions, in conjunction with Aspire Defence, is constructing junior ranks single-living accommodation for Defence Estates at army camps in Salisbury and Aldershot in the UK. The technical and environmental performance of the modular housing has helped Aspire to achieve a BREEAM rating of excellent. The

modules are designed to minimise process waste to 8% - of which 7% is recycled.

Healthcare initiatives

In its Indian operations, Tata Steel continued to provide curative, promotive and preventive healthcare services to improve levels of health amongst the community. During the course of the year, approximately 1,45,600 persons from both urban slums and remote, rural areas were treated by the company's mobile medical units. Tata Steel also organised the 13th Lifeline in Joda to reach out to remote villages. This 'hospital on wheels' provides curative interventions, including surgical operations. In the year gone by, more than 2477 patients were treated and 395 surgeries were conducted and 358 aids and appliances were distributed.

Taking forward its initiatives for preventive healthcare, 11,320 women received ante-natal check up and 9000 children received complete immunisation during the year.

Recognising the need for having well stocked blood banks for emergencies, the Tata Steel Rural Development Society collected 1312 units and conducted 14 blood donation camps during the year. In recognition of this, The Voluntary Blood Donation Association awarded the Corporate Sustainability Services division for the highest collection in East Singhbhum, Jharkhand.

Over 700 tuberculosis cases underwent treatment and nearly 434 cases were cured. 1900 cataract and 500 cleft lip/cleft palate operations were conducted. Over 161 drinking water structures and 6875 low cost toilets were constructed to improve rural sanitation.

India's most pressing issue being population, Tata Steel has been a pioneer in population management in India and through the consistent use of communication media, motivational programmes and advocacy by satisfied clients, 250 Non-Scalpel



The NatSteel Asia staff taking the St. Joseph's Home elderly for a visit to the Zoo



Tata Steel Thailand's charity drive for underprivileged children

Vasectomies were conducted. Approximately 6,487 couples got protected through permanent and temporary family planning methods.

HIV/AIDS prevention – a focus area

The treatment and prevention of HIV/AIDS continued to be an area of focus and priority. Tata Steel has received much global acclaim for its interventions in HIV/AIDS. During the year, the Kavach Project, which aims to arrest the spread of HIV/AIDS among long distance truck drivers, was awarded the Golden Standard Certificate for its Khushi clinic by the Transport Corporation of India Foundation. This year Tata Steel has also received TERI Corporate award for HIV/AIDS.

'Sneh Kendra', a counselling initiative, provides regular counselling, referrals and support services for people living with HIV/AIDS (PLWHA). Almost 30,000 persons were reached through the HIV/AIDS awareness programmes during the year and roughly 31,200 youths were reached through Adolescent Sexual and Reproductive Health projects.

Giving back to the community

NatSteel (NSA), in its Singapore operations has taken vigorous initiatives in the area of social and health care. The Singapore headquarters has always played an active role in giving back

to the community. These include blood donation drives, ensuring the emotional well-being of senior citizens through various social initiatives etc. During the past year, NSA further reinforced its commitment to CSR by pledging USD 1 million over three years to community initiatives under the CSR plan dubbed 'Building Beyond Borders' or B3.

B3 encompasses community-giving, in particular to the disadvantaged elderly and the education of needy children and youth, and responsible environmental stewardship. It also extends to the community to which the company extends support via corporate sponsorships, plant visits and other activities. In kicking-off B3, the Company presented a cheque of USD 50,000 each to adopted charities viz the Society for the Physically Disabled (SPD) and St Joseph's Home (SJH).

Environmental Sustainability

Recognising the fact that the responsibility for managing environmental impact goes beyond the operations, the company believes that the characteristics of products, and the information that is provided to customers, can both have a profound effect on the environmental performance of products. As a large company therefore, it uses its global scale to influence suppliers who are expected to have a high level of commitment to the environment.



Tata Steel's Greenhouse Income Generation project at Jamshedpur

In its Indian operation, Tata Steel has continued its efforts towards environment care. Committed to addressing climate change issues, Tata Steel in India has successfully brought down carbon dioxide emissions to 2.04 t/tcs in 2007-08 from a level of 2.13t/tcs in 2006-07. Its further efforts in this area, which include pursuing CDM (Clean Development Mechanism) projects are expected to further reduce CO₂ emission by more than 2 million tonnes per annum.

Responding to the challenge of Global Warming

In an era where the threat of global warming is becoming an imminent reality, the Tata Steel Group has taken several initiatives to counter this impact. The Group recognises the fact that the global steel industry, as a sector, contributes 4% of all global man-made CO₂ emissions. Acknowledging this, all Tata Steel companies are committed to reducing greenhouse gas emissions and providing innovative products to help Tata Steel customers reduce theirs.

In February 2007, in Europe, a high level task force, called the Corus Climate Task Force (CCTF) was established in order to define a climate change strategy. With a target of reducing CO₂ emissions per tonne of liquid steel by at least 20% by 2020 as compared to 1990 levels, the CCTF has a continued plan of investing in longer term breakthrough technologies that will reduce the carbon footprint. In addition to several initiatives in

wind, wave and product technology, the Group has committed an additional GBP 1.2 m annually to fund climate change research at the Corus RD&T.

Towards Pollution Control

Tata Steel has been an enthusiastic participant in the Steel Task Force initiatives of Asia Pacific Partnership on Clean Development and Climate under the aegis of Ministry of Steel, Government of India. Dust emission from stacks reduced by 11.5% in 2007-08 to 0.86 kg/tcs due to eliminating coal burning for power generation, improved recovery of by-product gases and stringent surveillance of pollution control equipment.

During the past year, solid waste utilisation has been improved to 86%. The trials of LD slag as soil conditioner were found successful. Reclamation and tree plantation measures continued at Steel Works and other divisions of the steel company.

Afforestation - an ongoing effort

Afforestation is an important aspect of Tata Steel's environment policy. In its efforts to prevent environmental degradation, Tata Steel has also encouraged the development of renewable and non-polluting sources of energy in the rural areas. A relatively new initiative, this will gradually reduce dependence



NatSteel Asia participants enjoying their bottle of NEWater at the NEWater Plant



Kids of Steel, a Corus initiative

on firewood and deforestation. 25,000 saplings were planted during the year. 21 solar street lights and 255 solar home lights were installed and 110 bio-gas plants were created.

Energy Saving Solutions

NatSteel, across its operations in Australia, China, Vietnam, Thailand and Singapore has also undertaken several initiatives toward environment care. Harvesting rainwater on a large scale, ensuring that 90% of the steel is recycled, instituting 'green buildings' with energy saving solutions, various waste management programmes, purifying emissions through treatments – these are among the various initiatives being taken on a continuous basis by the NatSteel's various operations across the globe.

INCLUSIVE GROWTH

The idea of Inclusive Growth at Tata Steel has been initiated with the view that Tata Steel's successes are shared by all its constituents and stakeholders.

Initiatives in Europe

In Europe, several very specific initiatives have ensured that extended communities are benefitted by the Group's businesses.

For every two direct employees, the Company employs one "indirect" employee or contractor on the UK sites, equivalent to some 12,000 further people in full time employment as a result of its activities. The company's UK operations are concentrated in North and South Wales, as well as Teesside, Humberside and South Yorkshire.

In Europe, the company employs over 900 people in Research and Development, of whom over 400 work in the two UK technical centres. Over £1500 per head per annum is spent on training of employees. The Company currently sponsors approximately 100 postgraduate students and is listed in the Times Top 100 graduate employers.

The Company has also stepped up its apprenticeship and graduate schemes. An internal survey of the UK businesses in January showed 538 apprentices undergoing training in the UK alone. One example being, Corus Engineering Steels in conjunction with Sheffield Hallam University, taking on 40 new apprentices in a three-year programme.

The retention of skilled personnel is one of the company's priorities. To this end it has its own management training college, and also delivers many courses in-house to people on site. A continued focus on improving health and safety has ensured that in 2007-2008 employee lost time injury frequency was reduced by 28%.



Steelworks at Teesside



A focus on steel packaging recycling in the UK

A rural focus

In the Indian operations too, inclusive growth has meant several initiatives that help employees directly – as well as communities who are impacted either directly or indirectly by Tata Steel.

In areas where Tata Steel has a presence, it has benefitted marginalised farmers through land and water management and agriculture extension strategies. The Company shifted its focus from mono-cropping to second cropping in 1,763 acres, and wasteland development from horticulture production in 2,177 acres. Approximately 63 community based organisations, such as watershed committees were formed to build a sense of ownership among the village community.

Skill development and resource building among farmers is an important part of company's strategy for rural income generation. 3000 farmers benefited from the distribution of farm implements and equipment and over 2000 farmers participated in agriculture training and demonstrations.

Enterprise development has been encouraged to create sustainable development within the village. Approximately 1200 persons received training in allied activities, including animal husbandry and nearly 500 persons assisted in enterprise development such as pisciculture, small business, etc.

An important strategy in rural enterprise development is the establishment of Self Help Groups (SHGs), the majority of which

comprise of women from poor families. Regular training is imparted to develop the necessary skills for various enterprises including vermicompost, rice processing, nursery raising, jute products, stone carving and artificial jewellery. 500 SHG's have flourished and 216 SHG's were linked to micro-enterprise during the year. There was a total cash inflow of more than Rs. 1 crore and approximately 700 SHG members received skill development. Training is regularly conducted to develop relevant, marketable skills within the community. 900 persons benefited from vocational training in varied trades including motor driving, welding, computer hardware and software, tailoring, handicrafts, etc. In 2007, 44 Scheduled Caste/ Scheduled Tribe Community Health Provider trainees graduated; 10 were selected for Operation Theatre Assistant training and 16 secured employment.

Through its Tribal Cultural Centre, Tata Steel promotes indigenous art and culture. The preservation and upliftment of the Birhor and Sabar tribes has been identified as a CSR strategy for the following financial year.

The Company's Rehabilitation and Resettlement initiative has been designed to adopt all families affected by the Greenfield projects, under the 'Tata Parivar' programme. The commitment is to create opportunities for sustainable livelihood, increase their income level, improve their quality of life and also preserve their culture. Nearly 100 youths from the Greenfield areas in



Stalls exhibiting business produce of Self Help Groups



Adult literacy programmes conducted by Tata Steel

Orissa and Chhattisgarh received vocational training under the bespoke programme 'Prerna'.

A focus on literacy and education

The Company's efforts at improving the literacy rates in the operational areas have been promising. This year, the Company continued several initiatives to attain 'education for all' with a specific focus on rural and urban slum children, the girl child and SC/ST youths. Affirmative Action was declared Company Policy in 2006 and this forms an important part of company's interventions in education. The Early Child Education Project operates 49 rural centres involving approximately 1200 children, to inculcate a school-going habit. In an effort to encourage school drop outs to continue their education, Tata Steel enrolled 200 rural children in camp schools during the year.

Mentoring talent

In keeping with Tata Steel's people policies, NSA has kickstarted a mentoring programme that pairs promising young talent in the company with Senior Management. A new Retirement Award for those who have reached the official retirement age of 62 has also been launched. This award is a tribute to those who have contributed years of dedicated service to NSA. Going forward, NSA is working towards the Work-Life

Excellence Award which recognises employers nation-wide who are committed to helping their employees harmonise work and personal commitments. The Company is also working towards the Singapore HEALTH (Helping Employees Achieve Life-Time Health) Award that is presented by the Health Promotion Board to give national recognition to organisations with commendable Workplace Health Promotion (WHP) programmes.

Well-being through sport

Believing strongly, as it does, that sport is an activity that enables a healthy mind and body, Tata Steel has always actively encouraged and supported sport in multiple ways. From corporate sponsorship of promising sportspersons, to making available sporting facilities to people across socio economic stratas. Along the way, not only has the company helped create an atmosphere conducive to sporting activities, but it has built champions in different sports who have gone onto represent their countries.

Corus is the premier sponsor of British Triathlon. The Triathlon is a young but rapidly growing sport. Corus' sponsorship will go towards helping all aspects of the sport, with the aim of developing strong future athletes at all levels including children, disabled and elite. At a grassroots level, Corus supports a



Tata Football Academy (TFA) team



British Triathlon sponsored by Corus

number of community-based initiatives, including a nationwide programme to develop the triathlon for school age children through Corus Kids of Steel. The sponsorship includes a new series of televised elite events created for the UK known as the Corus Elite Series. Corus sees the triathlon as an opportunity to demonstrate its commitment to the health, safety and well-being of its employees and their local communities by getting involved in sport and encouraging participation in triathlon.

In India, Tata Steel pays special attention to the sporting activities for youth at the State and National level, with several youngsters winning India a Gold Medal in the Asian Archery Championship. India became Asian Champions after 17 years. TFA cadets won the All India Gaustopal Memorial Tournament after beating a premier league Mohammed Sporting Club. TFA also won the inaugural All India U-19 JRD Tata Youth Football Tournament. TFA cadets also won the Jharkhand CM's Trophy at ITKI. TFA had 100% placements of its cadets with the premier football clubs of India at all time high contract amounts. Additionally, TFA has nine training centres in different disciplines and has trained more than 500 community children throughout the year.

Tata Steel has already begun preparatory work for opening of Feeder Centres at out-locations and green field projects. Plans are in place for opening Excellence Centres in selected sports at various schools which have the infrastructure.

The Company is also exploring the possibility of supporting Hockey, the traditional and tribal sport of Jharkhand and the National sport of India. Training of Bhutan Archery Team is a part of the CSR activity of Taj Tashi, Bhutan.

A Century of Sharing

Tata Steel, Asia's first integrated Steel Plant, turned 100 years old on 26th August, 2007. As part of the Centenary Celebrations, Tata Steel launched a Rs. 100 crore mega initiative, through which it will implement programmes targeted towards social and environmental sustainability. One focus is land and water management in the backward tribal blocks of the states of Jharkhand, Chhattisgarh and Orissa. Through this, the Company aims to positively impact the livelihood of 40,000 poor tribal households and create models of excellence that can be replicated by the Government and corporate entities. Another major initiative is in the field of education where Tata Steel will open schools for the children of tribal communities to train them to become self-reliant.

In addition, two major projects for the city of Jamshedpur are in the pipeline, which include the development and maintenance of one of the city's key areas into a promenade and park; and a "Centenary City Centre", in Jamshedpur, with malls and entertainment facilities.

Awards, Recognition and Certification

IFR Award Asia-Pacific Loan of the Year



Asset Asian Awards - Best Deal, India



IFR Asia - Syndicated Loan of the Year



BE Convention Award - Promising Practices Exhibition



National Energy Conservation Award



Finance Asia - Deal of the Year, Best M&A Deal, Best Cross-Border M&A Deal



Indian Most Admired Knowledge Enterprise (MAKE) Award

Through the year, many of the Tata Steel Group's efforts have been recognised by various bodies and institutions – and have received awards for their initiatives.

- Tata Steel won the Most Admired Knowledge Award (MAKE Asia) for the year 2007.
- The first rank as the largest and most profitable steel company in India in the private sector, by World Magazine was awarded to Tata Steel.
- The TERI Corporate Award was awarded to Tata Steel for its HIV/AIDS initiative.
- The Amity Corporate Excellence Award from Amity International Business School.
- Business Today and Ernst & Young surveys rated Tata Steel as India's Best Managed Company in Metals and Mining.
- Tata Steel won the Promising Practice Exhibition 2007 for the first time in 12 years, for its best practice called MASS (*Manthan Ab Shop Se*) during the BE Convention at Pattaya in 2007.
- Tata Steel's Corporate Sustainability Report was hailed by the UNEP (United Nation's Environment Programme) and Standard and Poor as the strongest submitted by any corporate house from emerging economies.
- The Golden Standard Certificate Award was conferred by The Transport Corporation of India Foundation to the Truckers STI/HIV/AIDS Initiative.
- The 5th Asia Water Management Excellence Award was conferred upon JUSCO.
- Tata Steel was conferred the Social Accountability 8000 certification by the Social Accountability International (SAI) USA. It is the first steel company in the world to receive this award.
- The 7th Annual Greentech Safety Award in the Metals and Mining Sector was awarded to the Noamundi Iron Mine.
- The Department of Scientific and Industrial Research Award for Research and Development efforts was given to Tata Steel's R&D department for indigenous technology.

- Tata Steel West Bokaro Division was conferred the National Energy Conservation Award by the President of India.
- Ujala QC participated in the international QC convention held in China and was awarded a gold medal.
- Target QC participated in the national QC convention organised by CII at Chennai and was awarded second prize.
- NatSteel Xiamen won the Top 10 Best Employer Award conferred by the Xiamen City Government
- NatSteel Xiamen won the Outstanding Award for Corporate Social Responsibility from the China Association of Enterprise with Foreign Investment.
- Wuxi Jinyang Metal Products (WJMP) attained the Accreditation Certificate from China National Accreditation Service for Conformity Assessment.
- WJMP was also awarded the Homologation Certificate (VIT) from FinalInd in 2007.
- NatSteel Vena was awarded the ISO Gold Cup for Improvement in Product Quality in 2007 by the Ministry of Science and Technology.

Awards for Innovation in Finance

- International Financing Review (IFR) Asia awarded Tata Steel the Best Syndicated/Leveraged Loan for the financing of the acquisition of Corus.
- In 2007, Finance Asia conferred the Deal of the Year Award, Best Merger and Acquisition Deal and Best Cross Border Merger and Acquisition Deal for Tata Steel's acquisition of Corus.
- In 2007, Asiamoney conferred the Best Merger and Acquisition Award to Tata Steel for its acquisition of Corus.
- In 2007, the AAA Asset conferred the Best Cross Border Merger and Acquisition Deal and The Best Syndicated Loan Award for Tata Steel's Corus acquisition.
- Tata Steel won the 'Best Convertible Bond' for the USD 875 million Convertible Bond offering.



Management of Business Ethics

The values and principles, which have governed Tata Steel's business for a century have been deployed through implementation of the Tata Code of Conduct (TCOC). The process of implementation of TCOC among stakeholders is known as Management of Business Ethics (MBE), which is deployed effectively in the Company through its four pillars concept, which are namely,

- **Leadership**
- **System and Processes**
- **Training and Awareness**
- **Measurement**

A number of initiatives were taken to reinforce TCOC among employees and other stakeholders. The systems and processes vulnerable to unethical practices were revisited and modified. A number of policies like Gift Policy, Whistle Blower Policy etc. were reinforced through various communications.

The senior leadership team in the Company was actively engaged in communication on business ethics at various levels and forums. A number of visible punitive actions were taken against the wrong doers and violators of TCOC. A value based leadership programme was also organised for senior members of leadership team.

A major step towards engagement of employees at shop floor into MBE, was taken by signing of TCOC by all Office Bearers of the Tata Worker's Union. This has strengthened the process of reinforcement of TCOC among employees.

In order to make all stakeholders aware various policies, a special campaign was launched during the Ethics month which was celebrated in July 2007. In order to improve sensitivity regarding ethics among management students and senior school students, various presentations were made in Business Schools and other educational institutions.

To cope with the globalisation and align and deploy the Tata Steel values and TCOC with our global companies, our Ethics Counsellor visited Tata Steel Thailand, NatSteel and launched TCOC in the month of July 2007. An integration process of value and TCOC with Corus was also taken up during the year.

The effectiveness of all these initiatives is measured by various internal and external surveys, the results analysed and improvement actions taken. One such external survey was conducted by TQMS for MBE Assurance survey where the Company has scored higher than its previous result. This shows that all key systems and processes are in place.

Directors' Report

To the Members,

The Directors hereby present their hundred and first annual report on the business and operations of the Company and the consolidated and standalone financial accounts for the year ended 31st March, 2008.

Figures in Rupees Crores

	Tata Steel Group		Tata Steel Standalone	
	2007-08	2006-07	2007-08	2006-07
Net Sales / Income.....	131,535.88	25,212.38	19,693.28	17,551.09
Total Expenditure (net of expenditure transferred to capital).....	113,542.76	17,762.23	11,469.74	10,577.82
Operating Profit.....	17,993.12	7,450.15	8,223.54	6,973.27
Add: Dividend and other income.....	574.21	438.07	335.00	433.67
Profit before Interest, Depreciation, Exceptional items and Taxes.....	18,567.33	7,888.22	8,558.54	7,406.94
Less: Interest.....	4,183.76	411.19	878.70	173.90
Profit before Depreciation, Exceptional items and Taxes.....	14,383.57	7,477.03	7,679.84	7,233.04
Less: Depreciation.....	4,136.95	1,010.98	834.61	819.29
Profit before Exceptional items and Taxes.....	10,246.62	6,466.05	6,845.23	6,413.75
Add/(Less): Exceptional items.....	6,124.44	(153.03)	221.13	(152.10)
Profit before taxes.....	16,371.06	6,313.02	7,066.36	6,261.65
Less: Provision for current taxation.....	3,353.73	2,145.52	2,252.00	2,076.01
Less: Provision for deferred taxation.....	674.58	(15.52)	108.33	(52.51)
Less: Provision for Fringe Benefits tax.....	20.99	17.41	19.00	16.00
Profit after taxes.....	12,321.76	4,165.61	4,687.03	4,222.15
Less: Minority Interest.....	139.94	67.52		
Add: Share of profit of Associates.....	168.16	79.18		
Profit after minority interest and share of profit of Associates.....	12,349.98	4,177.27	4,687.03	4,222.15
Add: Balance brought forward from the previous year.....	4,840.39	3,298.06	4,593.98	2,976.16
Balance.....	17,190.37	7,475.33	9,281.01	7,198.31
Which the Directors have appropriated as under to				
(i) Proposed Dividend.....	1,167.86	942.87	1,168.93	943.91
(ii) Dividend on Compulsorily Convertible Preference Shares.....	22.19		22.19	
(iii) Tax on dividend.....	207.75	163.42	202.43	160.42
(iv) Special reserve.....	5,913.16	3.95	—	—
(v) Statutory reserve.....	96.30	—	—	—
(vi) General reserve.....	1,549.08	1,524.70	1,500.00	1,500.00
Total.....	8,956.34	2,634.94	2,893.55	2,604.33
Leaving a Balance to be carried forward.....	8,234.03	4,840.39	6,387.46	4,593.98



Centenary Year

On 26th August 2007, your Company completed its 100 years. The centenary celebrations began with a commemorative function and a screening of the feature film 'The Spirit of Steel' and the release of 'Romance of Tata Steel', a book authored by Mr. R. M. Lala, with large participation from the citizens of Jamshedpur and the employees of your Company.

In line with your Company's commitment to the society and as a part of the centenary celebrations, various cultural activities and social outreach programmes at several locations involving employees and the local communities were initiated. Initiatives were taken to promote land and water management projects in the backward tribal blocks of the States of Jharkhand, Orissa and Chhattisgarh and improve the livelihood of 40,000 poor tribal households in 400 villages. Special efforts have been made in the field of education by providing schools for children of tribal communities and scheduled caste families and train them to become self-reliant.

During the golden jubilee celebrations, in 1958, Pandit Jawaharlal Nehru visited Jamshedpur and planted a banyan tree sapling. In the 100th year, the Honourable Prime Minister Dr. Manmohan Singh along with other dignitaries visited the Steel city and planted the centenary banyan tree. He also unveiled a centenary postage stamp brought out by the Government of India's Ministry of Communications to mark Tata

Steel's 100 years of service to the country. It symbolises your Company's commitment and dedication, not only towards the industrial revolution in India in 1907 but also to continue to create benchmarks in every field that it has ventured in the last century.

Global Economy

The Global economy grew at 2.2% in 2007 as compared to 2.9% in 2006. Global economic activity slowed since the second half of 2007 against the backdrop of the financial turmoil and a deepening US downturn. The unfolding of the subprime mortgage crisis coupled with growing concerns about a contraction in economic activity in the US had a cascading effect on global growth. In the US, real GDP grew by 0.6% in the fourth quarter of 2007 as compared with 2.1% a year ago and 4.9% in the previous quarter. US real GDP growth is expected to slow further during 2008 as the housing market downturn deepens and the financial market turmoil spreads across the financial system. Banks in several advanced industrial economies have been tightening lending standards and the credit crunch that has affected world financial markets since August 2007 was a reflection of deeper problems relating to huge debt build-up during the credit boom of recent years. The current consensus view is that the global economy will only slow modestly further in 2008. Developments up to the first half have been broadly consistent with this view as growth in

the Euro area, Japan and major emerging market economies continued to be strong.

The UK economy grew by almost 3% in 2007, primarily driven by consumption, business investment and residential construction. Real GDP in the Euro area grew by 2.3% in the fourth quarter of 2007 on a year-on-year basis as compared with 3.3% a year ago.

Growth in emerging market economies (EMEs) last year once again significantly exceeded that in the rest of the world. Foreign currency inflows were large, reflecting continued growth in current account surpluses and capital inflows in 2007. Recent increases in headline inflation have reflected in the steep increases in oil and food prices. The Chinese economy grew by 11.4% in 2007 as compared with 11.1% in 2006 as its total foreign exchange reserves, increased to USD 1.7 trillion in March 2008 compared with USD 1.2 trillion in March 2007. In 2008, the Chinese economy is expected to grow at a moderate pace of 9.3% as measures to resolve problems such as overheated growth in fixed asset investment and excessive supply of money and credit take effect. The Indian economy grew by about 8.7% in 2007-08 as compared to 9.6% in 2006-07. The lower growth was attributable to the agricultural sector growing under 3%, growth in industry decelerating to 8.9% from 11% in 2006-07 and a slowdown in the manufacturing sector to 9.4% from 12% in FY 2007. In Japan, the economy grew by 3.7% in the fourth quarter of 2007 as compared with 2.2% a year ago. However, recent lead indicators point to slackening of momentum as consumer and business sentiment has weakened.

Steel Industry

The world crude steel output reached 1,344 million tonnes in 2007, up by around 100 million tonnes over 2006. This increase of 7.5% was driven mainly by China where the crude steel

production grew by 60 million tonnes over 2006 (an increase of 14%). While China's production constitutes 34% of the world production, the country's consumption constitutes almost 31% of the world consumption. The crude steel production in India was higher by 8% in 2007 over 2006. The increase primarily was due to a sustained demand momentum in key-end use segments like construction, capital goods and automobiles. The supply side has not been able to keep pace with the strong demand resulting in India becoming a net importer of steel.

Steel production in the European Zone remained stable, with year-end figures of 210 million tonnes, a growth of around 2% over 2006. The imports in the European Union also remained at a high level during 2007.

The latest global steel consumption forecast predicts 6.77% year on year increase in steel consumption in the current year. The additions in the capacity are likely to be around 90 million tonnes. The greatest concern of the steel industry is the availability of raw materials at a competitive price. There have been unprecedented cost increases in iron ore by around 65% and coking coal by around 200% in 2008, which would have an impact on the steel prices.

Business Results

Tata Steel Group, on a consolidated basis had a net sales of Rs.131,536 crores in the FY 2007-08 against Rs. 25,212 crores in the FY 2006-07.

The total operating expenditure (before interest expenses and depreciation) was at Rs.113,543 crores in FY 2007-08 against Rs. 17,762 crores in FY 2006-07. The major components of the expenditure in FY 2007-08 were purchase of finished and semi finished steel, raw materials consumed, staff cost, freight & handling and other expenditure. The interest charges were at Rs. 4,184 crores in the current financial year against Rs. 411



crores in the last financial year. The Exceptional items, a gain of Rs. 6,124 crores include the actuarial gain of Rs. 5,907 crores in Corus on funds for employee benefits. The gain is on account of recovery of bond yields used to discount scheme liabilities and recovery in asset values of the scheme funds. These gains are required to be accounted for through the Profit & Loss Account under Indian GAAP.

Pursuant to the Accounting Standard AS 21 issued by the Institute of Chartered Accountants of India, consolidated financial statements presented by the Company include financial information of its subsidiaries. The Company has received the approval from the Ministry of Corporate Affairs vide its Letter No. 47/337/2008-CL-III dated 4th June, 2008, exempting the Company from attaching the balance sheet, profit and loss account and other documents of the subsidiary companies to the balance sheet of the Company.

As per the terms of the approval letter, a statement containing brief financial details of the Company's subsidiaries for the year ended 31st March, 2008 is included in the annual report. The annual accounts of these subsidiaries and the related detailed information will be made available to any member of the Company / its subsidiaries seeking such information at any point of time and are also available for inspection by any member of the Company / its subsidiaries at the Company's Registered Office. The annual accounts of the said subsidiaries

will also be available for inspection as above at the Head Office of the respective subsidiary companies.

On 2nd April, 2007, Tata Steel UK Limited ('TSUK'), a subsidiary of Tulip UK Holding No. 1 which in turn is a subsidiary of Tata Steel completed the acquisition of Corus Group plc ('Corus'). The consolidated results include the financial statements of Corus from 2nd April, 2007. Consequently, the data of the previous year is not comparable.

Dividend

The Board for the year ended 31st March, 2008 has recommended a Dividend @ 2% on 547,251,605 Compulsorily Convertible Preference Shares (CCPS) of Rs. 100 each, payable pro-rata from the date of allotment of CCPS i.e. 18th January 2008.

The Board, for the year ended 31st March, 2008, has recommended a dividend @ 160%. The dividend will be paid on 730,584,320 Ordinary Shares at Rs. 16 per share (2006-07 : on 608,972,856 Ordinary Shares at Rs. 15.50 per share including special dividend of Rs. 2.50 per share).

The dividends on CCPS and Ordinary Shares are subject to the approvals of the shareholders at the Annual General Meeting.

The dividend pay out works out to 29.18% (2006-07: 26.16%) for the standalone company and on a consolidated basis it is 11.09% (2006-07: 26.51%).

Tata Steel-Corus Integration

“One enterprise – two entities” has been the driving philosophy of the integration process which has been designed at two levels: one at a strategic level and the other to maximise synergy benefits in various functions of the business.

A joint team was mandated to identify where the two entities needed to work together or work in a coordinated manner and also the processes which would be managed separately by the entities. The teams study and recommendations have resulted in the implementation of a governance structure in January 2008 to bring alive the ‘Operating Model’ designed.

To oversee the progress on the strategy and integration plans and ensure that key milestones are met, a Strategy & Integration Committee (SIC) has been constituted under Chairmanship of Group Chairman.

A structured approach has been followed for the synergy and integration in various functional areas. Joint integration teams formed for key areas have identified synergies worth USD 450 million and action plans drawn up will ensure that these targets are realised by end March 2010.

Site specific workshops and knowledge sharing sessions have been conducted at various plant locations for identifying breakthrough improvements in the area of throughput increase and cost reduction.

During the year, synergy benefits of USD 76 million have been realised. Tata Steel has derived the benefits in the area of manufacturing, whereas in Corus, the benefits are from reduction in taxation and in shared services in the area of legal, investor relations, etc. in the Corporate Centre.

Finance

During FY 2007-08, the financing structure of the Corus transaction has been reorganised to achieve fiscal unity in

the Netherlands and consequent tax efficiencies. The Corus businesses in UK and Netherlands are now organised under fully owned subsidiaries of Tata Steel Netherlands B.V., which in turn is an indirectly fully owned subsidiary of Tata Steel Limited.

By the close of April 2008, the financing for the Corus acquisition has been completed with all the recourse bridge funding contracted for the acquisition having been paid off through a mix of debt, equity and internal accruals and the non-recourse funding syndicated during the year.

In September 2007, the Company issued USD 0.875 billion of 1% Foreign Currency Convertible Alternative Reference Securities (CARS). Between September 4, 2011 and August 6, 2012, each security is convertible at the option of holder of the security, at a conversion price of Rs. 758.10 into a Qualifying Security issued by the Company. The Company must redeem all outstanding CARS at 123.349% of their principal amount together with accrued and unpaid interest no later than September 5, 2012.

The Company raised an amount of Rs. 9121 crores through a Rights and Cumulative Compulsorily Convertible Preference Share Issue and Rs. 25 billion through a long term loan. The syndication of the GBP 3.67 billion senior facility consisting of multiple tranches of term loans and a GBP 0.5 Billion five year revolving credit facility, secured by the assets of Corus was successfully closed in December 2007 by which time, a large number of banks as well as institutions had come into the transaction. The deal was widely recognised as a landmark deal and won numerous awards and recognition from financial journals.

Tata Steel also privately placed Non-Convertible Debentures totaling upto Rs. 2,000 crores in May 2008. The deemed date of allotment of these debentures was 7th May, 2008 and they consist of 3 series: 3 year floating (MIBOR-linked) notes (Rs. 1,090 crores), 7 year fixed rate notes (Rs. 620 crores) and 3 year fixed



rate notes (Rs. 290 crores). These funds may be used by the company for various corporate needs.

The Company hedged the foreign currency risk on repayment of the major part of the USD 1.65 billion of external commercial borrowings drawn in FY 2006-07. The foreign currency repayment risk on the CARS remains unhedged since they may be converted to underlying securities in FY 2012 and FY 2013.

Tata Steel Netherlands, the entity in whose books the non-recourse debt has been taken was successful in encouraging a high proportion of investors to voluntarily convert their debt to Euro via the re-denomination route. The majority of the balance debt was then swapped to Euro from GBP so that foreign currency risk could be minimised. Tata Steel Netherlands also hedged the majority of its Euro interest rate risk.

Rights Issues

During the year under review, the Company allotted the Cumulative Convertible Preference Shares (CCPS) and Ordinary Shares on a Rights basis to the shareholders of the Company as under:

- (i) 121,611,464 Ordinary Shares of Rs.10 each at a premium of Rs.290 per share in the ratio of 1:5, aggregating to Rs. 3,648 crores.
- (ii) 547,251,605 2% Convertible Cumulative Preference Shares (CCPS) of Rs. 100 each at an issue price of Rs. 100 each, in

the ratio of 9:10, aggregating to Rs. 5,473 crores. As per the terms of the issue, six CCPS of Rs.100 each are compulsorily and automatically convertible on 1st September, 2009, into one Ordinary Share of Rs. 10 each, at a premium of Rs. 590 per share.

The proceeds of the Rights Issue have been utilised to repay the short term Bridge Loan availed by the Company from the State Bank of India.

Subsidiaries

A list of the Company's subsidiaries is given in page numbers 212-221 of this Report.

Expansion Projects

Brownfield Projects

After successful completion of 1 mtpa expansion programme in the year 2005, the Company embarked upon its journey to reach 10 mtpa crude steel making capacity at Jamshedpur Works. This is to be achieved by year 2011 in two phases. Work on the first phase, which takes the capacity of Jamshedpur Steel Works to 6.8 mtpa at a project cost of Rs. 4,550 crores was started in the year 2006. The same is now nearing completion. The new Sinter Plant No. 4 was commissioned in 2007 and new H-Blast Furnace was blown-in on 31st May, 2008, ahead of schedule by a month. Expansion programme for Steel Making Shops is under execution.



The Company has simultaneously initiated work on the second phase, the 3 mtpa expansion programme, which will enable it to reach crude steel capacity of 10 mtpa at Jamshedpur Works by the year 2011. Under this expansion programme, Iron Making facilities will be up-graded. Besides, new facilities such as a Steel Making Shop (LD Shop No. 3), Thin Slab Casting & Rolling Mill and a pelletizing plant of 6 mtpa capacity will be installed. The project is progressing as per schedule.

Greenfield Projects

The Company has begun the process of building a new integrated steel plant at Kalinganagar, Orissa with a total capacity of 6.0 mtpa to be set up in two phases of 3.0 mtpa each. The land acquisition, rehabilitation and resettlement work is in progress.

Orders for major equipment have been finalised. Skill upgradation training is being provided to the members of displaced families. The Company has informed the Government of Orissa of its fulfillment of MOU conditions, with a request to the Central Government for recommendation of iron ore mining lease .

The Company has also entered into a Memorandum of Understanding with the state governments of Chhattisgarh and Jharkhand respectively for setting up steel plants. The process of submitting applications for various licenses for mining leases and environmental clearance has been initiated. Coke is one of the main raw materials in the iron making process.

The Company has set up Hooghly Metcoke and Power Company Limited, a subsidiary, to manufacture 1.6 million tonnes per annum of coke to meet the requirement on expansion. The increased requirement of power will be met from a 90 MW power plant being set up by Tata Power Company.

During the year, the Company in India incurred capital expenditure of Rs. 2,459 crores.

Other Projects

Tata BlueScope Steel Limited

Tata BlueScope Steel is an equal joint venture between Tata Steel and BlueScope Steel in the field of coated steel, steel building solutions and related building products. The Company operates in the South Asian Association for Regional Cooperation (SAARC) region. Tata BlueScope Steel has two business divisions, Buildings Division and Coated Steel Division.

The Buildings Division business markets pre-engineered buildings (PEB), roll-formed roof and wall cladding solutions, related building components and distribution of colour coated sheets for retail customers. The Coated Steel business markets metallic coated and pre-painted steel, for the building and construction industry. Tata BlueScope Steel's Buildings Division has three manufacturing facilities located at Pune, Chennai and Bhiwadi and are certified by Underwriters Laboratory Inc. for ISO 9001: 2000. The premium brands include the BUTLER® pre-engineered steel buildings and the LYSAGHT® range of steel

building solutions. The Coated Steel Division markets premium brands including the pre-painted COLORBOND® steel and the metallic coated ZINCALUME® steel.

The Coated Steel manufacturing facility at Jamshedpur will be operational from the first quarter of 2010. This facility will have an annual metallic coating capacity of 250,000 MT and paint line capacity of 150,000 MT.

In view of high construction activities coupled with infrastructure growth and good response from the industry, the demand for PEB and building solutions is expected to grow rapidly in times to come.

Tata Steel (KZN) Pty. Limited

Tata Steel (KZN) Pty Limited, a subsidiary of the Company, is setting up a High Carbon Ferro Chrome plant with a capacity of 1,50,000 tpa at Richards Bay, South Africa. The first furnace was started in April 2008 and the second furnace is scheduled for June 2008. It is expected that commercial production will start in July 2008. This was an historic event, being the first Greenfield project of the Tata Group commissioned in South Africa.

The Dhamra Port Company Limited

The Dhamra Port Company Limited ('DPCL'), a Joint Venture company between the Company and Larsen & Toubro Limited ('L&T') is developing an all weather modern deep water port in the state of Orissa. ('Dhamra Port Project'). The bulk cargo berths are being designed to accommodate upto 180,000 (DWT) vessels.

The major portion of the land required for the Project has been acquired through State Government. The construction work at the port site has commenced and the same is progressing satisfactorily. Your Company has taken adequate measures for conservation of the environment, endangered species and

other related issues which has significant impact on successful completion of the Project.

Tata NYK Shipping Pte. Limited

Tata NYK Shipping Pte. Ltd., a joint venture shipping company between the Company and Nippon Yusen Kabushiki Kaisha (NYK Line) commenced shipping activities for Tata Group companies and other clients with five ships on a 'time chartered' basis. Tata NYK handled around 2.4 million tonnes of dry cargo.

Tata NYK has worked out a five year business plan which projects to service more than 20 million tonnes of cargo per annum through a fleet of owned and chartered ships.

Joint Venture with Vietnam Steel Corporation

Your Company has entered into two Memorandum of Understandings with Vietnam Steel Corporation for setting up a 4.5 mtpa steel project (in 2 phases) and a Cold Rolling Mill in Ha Tinh Province, Vietnam. The Joint Venture Company would also further invest in the mining projects in Vietnam, subject to financial viability being established.

Raw Material Security

Your Company is self-sufficient in iron ore for 100% and ~60% for coking coal i.e. an average of 80% raw material security for its Indian operations. After the acquisition of Corus the extent of captive raw material for the combined entity stands at around 22%. Having a reasonable level of raw material security is imperative for long term sustainability especially during downturns. Tata Steel, in line with its strategy, is continuously exploring various raw material opportunities across the globe. Further, the increase in global steel demand mainly driven by China and other Asian countries has pushed the global steel prices upward sharply, which led to an increase of price of iron ore, coal, coke, scrap, etc. The initiatives of the Tata Steel Group

to maintain cost competitiveness in the global arena, as well as to increase its raw material security are as under

- 1. Coal Project, Carborough Downs:** Tata Steel took strategic interest of 5% in coal mining project in Australia, in partnership with AMCI, Nippon Steel, JFE and POSCO in September 2005 with 20% offtake rights. The Joint Venture was formed for development of Greenfield underground coal project in Bowen Basin, Queensland. The first raw coal production started from August 2006. The total capital investment would be estimated around USD 401 million.
- 2. Coal Project, Mozambique:** In November 2007, the Company entered into a Joint Venture Agreement with Riversdale Mining Limited for 35% stake in two coal tenements - Benga and Tete in Mozambique. The Company



has also secured a right for 40% share of the coking coal. The coking coal derived from this project would be supplied to the Tata Steel Group's facilities in Europe, Asia and elsewhere.

- 3. Iron Ore Project, Ivory Coast:** In December 2007, Tata Steel entered into JV with Sodemi for 85% stake for development of Mount Nimba Iron Ore deposit in Ivory Coast. The initial phase would involve exploration and detailed feasibility assessment followed by construction of the mines and beneficiation facilities. Iron ore from this project will be supplied to Corus facilities in Europe. The JV company in the name of Tata Steel Cote d' Ivoire S. A has been formed.
- 4. Limestone Project, Oman:** About 40% to 50% of the present requirement of limestone of Tata Steel is being sourced from indigenous sources and the balance is being imported. The Company has been continuously evaluating options to own limestone mines for its captive use. In January 2008, Tata Steel acquired 70% stake in Al Rimal Mining LLC, an existing company of Al Bahja Group of Oman. The JV will undertake mining of limestone in Uyun in Salalah.
- 5. Coal Projects, SAIL:** In January 2008, Tata Steel entered into 50:50 joint venture with SAIL for development of coal blocks to meet their captive coal requirements. The Joint Venture would acquire and develop coal blocks.

Safety

The Tata Steel Management is committed to ensure safety of its employees, plant and community at all its operation sites. With the help of DuPont Safety Resources, safety consultants, a Safety Management System has been established. Communication, involvement, motivation, skill development, training and health have been identified as the key drivers for safe working

environment. Tata Steel has established a Safety Culture by inculcating safe behavior among its employees. Theme based monthly campaigns built on the analysis of past serious incidents had made the management and workmen aware and revisit their work places to eliminate many hazards.

As part of social commitments for community safety at large, safety knowledge was imparted to the school children with the help of M/s. Humbert Ebner India Pvt. Ltd. The Company also started implementing 'Process Safety & Risk Management system' for high hazard operations, a first of its kind in any Indian steel plant. As part of Centenary Safety Celebrations, the Company initiated safety awareness amongst the associate companies and other industries through sharing its experience and knowledge. These initiatives have resulted in reducing the injuries and lost time significantly.

Environment

As a socially conscious corporate, Tata Steel has always carried forward all its operations and procedures following environment friendly norms with all necessary clearances. Tata Steel's Vision 2012 is – We aspire to be the global steel industry benchmark for Value Creation and Corporate Citizenship. With a focus on the environment, the Company has set a target to reduce CO₂ emissions to 1.5 t/tls compared to the current 1.8 t/tls.

Directors

Mr. Andrew Robb and Dr. T. Mukherjee were appointed additional Directors on the Board of the Company with effect from 22nd November, 2007.

Mr. Andrew Robb is the director on the Board of Tata Steel UK Limited since January 2008. Prior to January 2008 he was a Non Executive Director of Corus Group Ltd. since August 2003 and Chairman of its Audit Committee.



Dr. T. Mukherjee retired as the Deputy Managing Director of the Company on 31st October, 2007, on reaching the age of 65 years. He joined the Company in 1971 and held various posts since then.

The Directors believe that the appointment of the above mentioned directors on the Board of the Company will bring in a rich and varied experience that will enable it to manage the business of the size and complexity of the Company.

Mr. A.N. Singh, Deputy Managing Director (Corporate Services), on taking charge as Managing Trustee of Sir Dorabjee Tata Trust and other associated Trusts from 1st October, 2007, stepped down from the Board effective 30th September, 2007. The Board records its appreciation of the contribution made by Mr. Singh during his tenure with the Company.

In accordance with the provisions of the Companies Act, 1956, and the Company's Articles of Association, Mr. S.M. Palia, Mr. Suresh Krishna, Mr. Ishaat Hussain and Dr. J.J. Irani, retire by rotation and are eligible for re-appointment.

Energy, Technology and Foreign Exchange

Details of energy conservation and research and development activities undertaken by the Company along with the

information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are given in Annexure 'A' to the Directors' Report.

Particulars of Employees

Information in accordance with the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, regarding employees is given in Annexure 'B' to the Directors' Report.

Corporate Governance

Pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges, a Management Discussion and Analysis, Corporate Governance Report, Managing Director's and Auditors' Certificate regarding compliance of conditions of Corporate Governance are made a part of the Annual Report. A note on the Company's corporate sustainability initiatives is also included.

Directors' Responsibility Statement

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors, based on the representations received from the Operating Management, confirm that –

1. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
2. they have, in the selection of the Accounting Policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
3. they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. they have prepared the annual accounts on a going concern basis.

On behalf of the Board of Directors

RATAN N. TATA

Chairman

Mumbai, 26th June, 2008

Declaration Regarding Compliance by Board Members and Senior Management Personnel with the Code of Conduct

This is to confirm that the Company has adopted Tata Code of Conduct for its employees including the Managing Director and Whole time Directors. In addition, the Company has adopted the Tata Code of Conduct for Non-Executive Directors. Both these Codes are posted on the Company's website.

I confirm that the Company has in respect of the financial year ended 31st March, 2008, received from the senior management team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Members of the Management one level below the Executive Directors as on 31st March, 2008.

Mumbai, 26th June, 2008

B. MUTHURAMAN

Managing Director

Annexure 'A' to Directors' Report

Particulars Required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

A. Conservation of Energy

a) Energy Conservation Measures Taken :

- i) Conversion of boiler no. 7 & 8 stoker coal fired boilers at Power House No. 3 into by-product gas fired boilers.
- ii) Electrical energy saved through installation of V/F drives at LD Shop and Hot Strip Mill.

b) Additional Investments and Proposal for Reduction of Consumption of Energy:

- i) Installation of Top Recovery Turbine (TRT) at 'G' & 'H' Blast Furnace.
- ii) Recovery of sensible heat of coke by installation of Coke Dry Quenching system in Batteries 5, 6, 7, 8 & 9 at Coke Plant.
- iii) Enhancing waste heat recovery at Sinter Plants to reduce energy consumption and reduce CO₂ emission.
- iv) BF Gas fired re-heating furnace at Hot Strip Mill.
- v) Elimination of heat not recovered due to parallel blow to improve LD Gas recovery, so as to reduce coal consumption in boilers.

c) Impact of the above measures:

Energy Conservation measures during 2007-2008 has resulted in achieving:

- i) Lowest ever Plant Specific Energy Consumption of 6.655 Gcal/tcs.
- ii) Lowest ever boiler coal consumption of 38.97 kg/tss.
- iii) Higher LD Gas Recovery of 66.80 Nm³/tcs.
- iv) Higher combine boiler efficiency of 83.67%.

Form - A

Form for disclosure of particulars with respect to Conservation of Energy : 2007-2008

Particulars		2007-2008	2006-2007
A. POWER AND FUEL CONSUMPTION			
1. ELECTRICITY			
a)	Purchased		
	Units (M. KWH)	2,031.07	1,980.45
	Total Amount (Rs. Lakhs) #	55,715.67	52,287.26
	Average Rate/Unit (Rs./KWH)	2.74	2.64
b)	Own Generation		
i)	Through Diesel Generator		
	Units (M. KWH)	14.05	22.68
	Units per litre of Diesel Oil (KWH)	3.91	3.97
	Average Cost/Unit (Rs./KWH)	12.27	10.31
ii)	Through Steam Turbine/Generator		
	Units (M. KWH)	996.85	955.05
	Units per tonne of Coal (KWH)	4,294	2,364
	Average Cost/Unit (Rs./KWH)	1.88	1.94
	(*This includes generation of PH 4 in MKWH which is operated on by-product gases upto 95%)	325.52	355.61
2. COAL			
i)	Coking Coal & Cookeries		
	Quantity (Million Tonnes)	3.37	3.15
	Total Cost (Rs. Lakhs)	98,770.88	103,068.32
	Average Rate (Rs./Tonne)	2,929.54	3,275.99
ii)	Blast Furnace Injection Coal		
	Quantity (Million Tonnes)	0.39	0.42
	Total Cost (Rs. Lakhs)	15,946.06	24,240.75
	Average Rate (Rs./Tonne)	4,122.84	5,752.30
iii)	Middling Coal and ROM		
	Quantity (Million Tonnes)	0.20	0.34
	Total Cost (Rs. Lakhs)	2,127.71	3,170.98
	Average Rate (Rs./Tonne)	1,059.37	942.33
3. FURNACE OIL			
	Quantity (Kilo Litres)	12,701.73	12,079.17
	Total Amount (Rs. Lakhs)	2,300.14	2,031.59
	Average Rate (Rs./KL)	18,108.91	16,818.94
4. OTHERS			
	L.D.O.		
	Quantity (Kilo Litres)	7,920.11	9,238.63
	Total Cost (Rs. Lakhs)	2,294.54	2,610.45
	Average Rate (Rs./KL)	28,971.05	28,255.85
	L.P.G.		
	Quantity (Tonnes)	4,292.69	3,835.40
	Total Cost (Rs. Lakhs)	1,512.48	1,219.36
	Average Rate (Rs./Tonne)	35,233.88	31,792.24
	NG		
	Quantity (Tonnes)	2,217.40	2,814.56
	Total Cost (Rs. Lakhs)	242.14	254.95
	Average Rate (Rs./Tonnes)	10,920.00	9,058.26

Excludes electricity duty paid on purchases

Form for disclosure of particulars with respect to Conservation of Energy : 2007-2008

B. CONSUMPTION PER UNIT OF PRODUCTION									
Particulars	Steel (per tonne)	Tubes (per tonne)	Bearings (per no.)	F.A.M.D. (per tonne)	Rings & Agrico (per no.)	Growth Shop (per tonne)	CRC West (per tonne)	Wire Div. (per tonne)	CRM SISODRA (per tonne)
Electricity (KWH)	412.06 (398.52)	108.00 (97.00)	0.76 (0.73)	3556.70 (3632.90)	— (1.23)	528.98 (457.35)	133.11 (151.23)	229.06 (220.71)	— (349.95)
Furnace Oil (Litres)						21.99 (15.68)	7.03 (7.93)	21.99 (23.09)	
Coking Coal (Tonnes)	0.66 (0.72)								
Others :									
Light Diesel Oil (Litres)	1.21 (1.29)	1.21 (—)						7.82 (8.02)	— (52.65)
High Speed Diesel Oil (Litres)									
L.P.G. (kg)							13.25 (13.23)	10.08 (10.29)	— (0.35)
NG (kg)								23.21 (24.54)	

Form - B

Form for disclosure of particulars with respect of Technology Absorption 2007-08

Research and Development

1. **R&D Activities continue to focus on identified thrust areas of relevance to the Tata Steel Group, that would lead to a step change or breakthrough :**

- Economic mineral beneficiation
- Stretch the raw material envelope
- Heavy end of the future
- Next generation high strength steels
- Advanced coatings development
- New low energy process for production of Ferro Chrome
- Hydrogen harvesting
- Development of a viable PV coating system
- Energy efficient fluids
- Construction

2. **Benefits derived :**

A number of individual projects have been taken up in each of the thrust areas and while most of these are of a long term nature, some benefits have already accrued, brief details of which are mentioned below :

8% ash in coal without reduction in yield.

- Plant trials, with a newly developed and patented frother, conducted at West Bokaro Collieries indicate a 1% increase in the washery yield.
- Pilot plant trials with a new design of Dense Media Cyclone (DMC) at JKMRC, Australia show a step change in separation efficiency. The new design of the DMC has been patented.
- A new chemical based technology for treating middlings, tailings and rejects has been developed and a pilot plant is being set up (500 Kg batch scale) for testing this technology.

Beneficiation of Iron Ore :

A pilot plant for iron ore beneficiation is expected to be commissioned in January 2009. Exploratory work on utilization of slimes for making building material, such as tiles, has been completed.

Lowering Phosphorous in Steel Making :

- Equilibrium phosphorous partition study has shown possibility of improving actual partition with the addition of a small quantity of Al_2O_3 . The low basicity findings will be implemented in the BOF operation after further studies.
- The output of a 2-dimensional numerical model developed to predict the fluid flow and mixing during combined blowing corroborate with plant trials conducted. This could result in the development of a new design of lance for the BOF vessel.

Improving Blast Furnace Productivity :

- A comprehensive model of the process, comprising physical model experiments linked with fluid flow models, will be developed in a year.
- ULCOS, a large research project, combining the capabilities of all major European steel makers and engineering companies, aims at developing new processes that could achieve 50% less CO_2 emissions per tonne of steel. 4 possible routes have been identified :
 1. New Blast Furnace using pure oxygen and top gas recycling.
 2. ISARNA, a new smelting reduction process.
 3. Direct reduction process using gas or hydrogen with geological storage of CO_2 .
 4. Electrolysis of iron ores for production of steel.Trials are presently being conducted.
- KDRI, a coal based DRI technology, is presently in the pilot plant stage and is being developed with the aim of

achieving a substantial advantage in capital and operating costs over other DRI technologies.

Ferro Chrome - Reduction in Power Cost

- Based on laboratory experiments a pilot scale rotary hearth furnace has been designed, installed and commissioned. Process and design parameters are now being established. The power consumption is expected to reduce to 2,800 Kwh/ tonne from 3,500 Kwh/tonne.

Development of Advanced Coatings

The main objective of this thrust area is

- (i) to develop a suitable advanced coating on steel sheet to either minimize the use or replacement of zinc (zero zinc).
- (ii) to develop chrome free passivation for our galvanized sheet.

MagiZinc (MZ), a hot dip zinc coating, has been successfully commercialised by Corus after extensive trials. Added value of MZ for customers mainly lies in improved product performance and cost reduction. MZ will be promoted as a premium product for building and automotive applications.

Various Zn-alloy coating systems (Zn-Mg, Zn-Cu and Sn-Zn) are currently being developed in lab scale. Texture-coating property correlation for high strength steel (HIF 440) has been established. The commissioning of the indigenously developed HDG simulator with hot trials is in progress.

Improvement in corrosion resistance properties of nano-hybrid titania coating obtained by incorporating other silanes in coating formulation giving 144 hrs of SST on CRCA sheet. The life could be further improved to more than 192 hrs. by addition of trace amount of tartrazine yellow or Safranin-O. This also provided yellow and red coloration to coated sheet respectively. Efforts underway to fabricate A4 size coated sheets as part of the lab development.

Technical specifications and plant layout for a pilot coating line with facilities for spray, roll coating and dip coating systems have been finalised. Expected commissioning activities will start by September 2008.

A4 size composite panels with adhesive bonded EPP were evaluated for thermal stability, adhesion testing and cyclic humidity testing. No delamination was found after 1 hr exposure at 120C. The samples also passed different humidity cycles ETAG 016. Additionally, we are also interacting with IICT, Hyderabad for lab scale sandwich panel development with suitable polymer development tailor made for auto application.

Next generation High Strength Steels (HSS)

- A new grade of hot rolled steel – HR Tata 800, was developed with 800 MPa UTS, 20% elongation and > 150% hole expansion ratio. The fatigue properties of this grade are far superior to conventional multi-phase steels of equivalent strength.

A common platform has been established with Corus RD & T for shortening of model development time.

Simultaneous efforts are on for development of HSS with 1000 mPa yield strength and 50% elongation.

For prediction of spring back in HSS, materials model has been developed & implemented in collaboration with Seoul National University, South Korea. Facilities for (i) Spring back test (ii) Hole expansion test were added in the existing forming Press.

3. Future Plan of Action

The challenges ahead are:

Rapid growth

Multiple locations – how to share learnings

Concentrate on “high end” – new technology

Raw materials – best use of captive resources

4. Expenditure on R&D

	(Rs. Crores)
(a) Capital	5.83
(b) Recurring	36.37
(c) Total	42.20
(d) Total R&D expenditure as a percentage of total turnover	0.21

Technology Absorption, Adaptation and Innovation

Efforts made On the Process Front ...

Hydrogen Harvesting

The Stage III (Technology Development phase) of the project was successfully completed in Jan. 2008. In this stage, pilot scale (10 ton slag capacity) was designed, developed and commissioned. Experimentation has been done in which product gas with + 70% hydrogen was achieved. The work on Stage IV (Technology Demonstration phase) initiated from February 2008. The detailed action plan for the stage IV has been prepared. The work on optimisation of design and process parameters is in progress.

Wires

Initiative to build a world class "Wires Research and Technology Centre" launched so that Wires Division can be a world leader in all aspects of wire related products and processes.

R&D and Wires Division has designed and manufactured steel fibres for use in concrete; tests are on to benchmark this product with Bekaert's DRAMIX fibres.

Thin organic coating on galvanised wires was successfully developed and commercialised as a new premium brand. This wire product has a life 2 times its original life.

Modelling and Advanced Process Designs

A common platform for integrated model development between CORUS RD&T and R&D has been developed along with ITS. This will shorten model development times and avoid duplicacy of efforts.

A steel laminate product has been designed that can be a market differentiator product for Tata Shaktee. Tests are on to study its durability and efficiency.

A MOU is in final stages with IISc Bangalore to build a "hi-strain rate machine" for finding hi-end applications in steels.

R&D innovations

- Development of a low cost laminate for roofing and cladding.
- Development of nano fluid to improve the heat transfer by about 20%.
- Development of an environmental friendly process for Chrome and Ferro Chrome nuggets, with a potential to save 20% energy.
- Laboratory development of TWIP steel.
- Development of advanced level spring back model to predict the spring back of high strength steel during forming.
- Addition of hot water to improve the permeability of green mix at SP-3, which contributed to record production.
- A mathematical model for phase transformation and heat transfer during wire rod cooling on the Stelmor was developed to reduce the UTS variation within the ring of the wire rod.
- Development of a thermo dynamic computational model during solidification to achieve improved steel cleanliness.

Raw Materials

Use of Jhama Coal as an alternative to Raw Petroleum Coke (RPC) in Sinter mix will increase the mine life from 14 years to 32 years.

Use of Banded Hematite Jasper (BHJ) in place of Quartz in Blast Furnace gives substantial saving to the company.

Plant trial for the Pneumatic flotation in the fine coal circuit was conducted to reduce the ash and also improve the overall yield. An improvement in yield to the tune of 10-15 units at an ash level of 10.5% was achieved by this process.

Developed process flow sheets for the total beneficiation of Noamundi and Joda Iron ore deposits. It is possible to achieve an overall yield of 70%.

Long Products

LD-1

Billet Caster#2 at Steel making Shop No. 1 has been equipped with quick nozzle change facility resulting in increased best ever monthly average casting sequence length of 16 heats.

Nitrogen reduction in High carbon to customers desired level by use of low Nitrogen Petroleum Coke.

WRM

Stabilisation and modification in rolling practices to produce 5.5 mm at 100 m/sec to improve productivity.

Use of 'COMBI' rolls in stand 8, 9, 10 and 11 to achieve better surface finish.

Development of roll profile image checking system to control ovality.

Development of coil centering rolls for Stelmor Conveyor to reduce the UTS variation within the ring.

NBM

Use of HSS (high Speed roll) in Stand 14 and 15 to increase the pass life and the mill productivity.

Reduction in cycle time of walking beams in reheating furnace to improve the productivity.

Merchant mill

Modification of Stand – 1 pass to roll all sections from 130 mm square billets.

Modification of reheating furnace stopper at the Charging side to improve the furnace refractory life.

Grade Development

Development and branding of Super Ductile Rebar with a higher ductility and improved UTS / YS ratio for seismic application.

Development of Graphitic high carbon steel with proeutectoid composition for improved drawability of wire rod.

Flat Products

LD-2

Heat weight increased from 130 tonnes to 152 tonnes.

LD Vessel - 3 registered highest ever life of 4105 heats.

After an extensive trial, zero-angle port sub entry nozzle (SEN) has been replaced with 15-deg down port SEN in slab casters to improve slab quality.

Use of coated mould in place of bare Copper (Cu) mould has been established in two slab casters to achieve good surface quality. This has resulted in reduction of slab rejection due to star crack from 20% to a very low figure.

Hot charging of slab increased from 56% to 63% at reheating furnace of Hot Strip Mill.

Strike rate of interstitial free steel for auto application has been increased to 89.4% from 84.7%.

Specific refractory consumption per ton of crude steel reduced from 7.16 to 6.69%.

Grade / Process Development

HS – 800 is a steel grade with 100% ferrite matrix containing nano carbides. It has high strength coupled with excellent



ductility and stretch flangeability. The complete characterisation of the grade which was during the year indicates that it is a grade of high merit.

Development of SPFH 590 (Steel with 600 MPa strength) for the manufacture of Automobile wheels.

New cold rolled grades such as BH 220, ReP 340, SPC 440, SPRC 350 with higher R bar were developed for the automotive applications.

Proto type automatic surface inspection system was developed for surface inspection in PLTCM.

Chrome-3 and Chrome passivation technologies were developed for the export of coated products.

Epoxy paint coated steel is in the advanced stage of development and it will be a good replacement of imported steel for the four wheeler fuel tank applications.

Customer approvals

Approvals were received from Toyota, Maruti, Ford, Hyundai, Fiat Palio, Logan, Nissan etc. for critical skin panel and high strength steel applications.

Technology Upgradation and Absorption in Tubes Division – 2007-08

In the Tubes division, the following efforts were made to improve operational efficiency.

ST Mills

Installation of state of the art automated new 3 inch continuous tube Mill of size range 15 mm NB to 65 mm NB, with solid state welder and high speed cold saw.

Fully automated pickling line followed by semi automatic hot dip tube galvanizing line.

Online packaging and weighing line for HF 1 mill.

Semi automatic high capacity threading, socketing, marking, colour banding and weighing line in Finishing.

PT Mills

Installation of state of the art new 4 inch mill of size range 31.75 mm to 114.3 mm OD and thickness upto 6.00 mm for manufacture of high end automobile tubes.

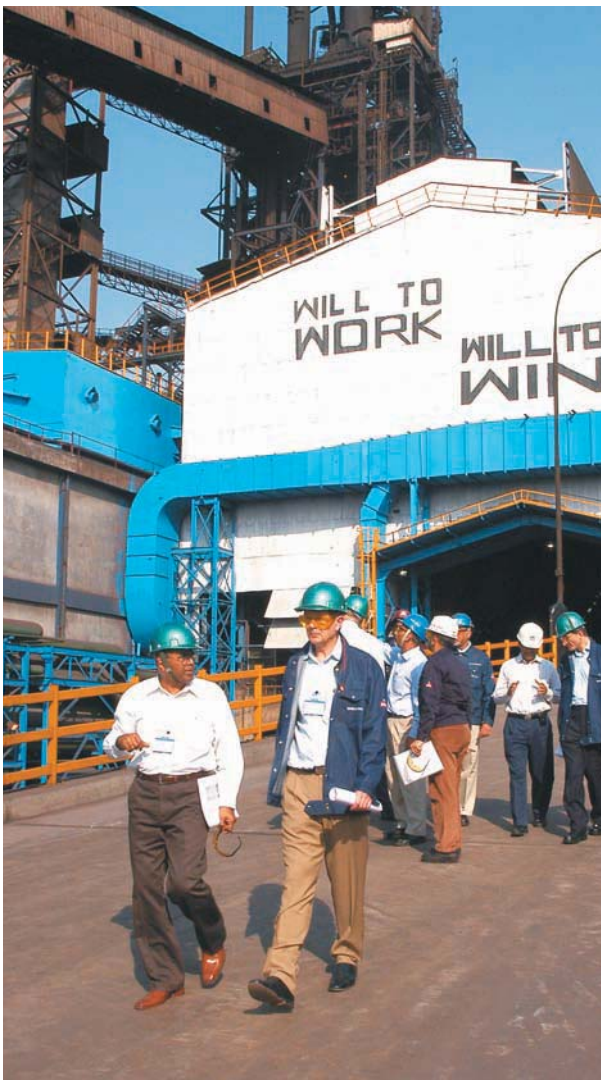
6 t per hour bright normalizing furnace for manufacture of high end precision tubes and boiler tubes.

Modernisation of 2 inch mill with new solid state welder.

Upgradation of HF welder in 3 inch mill.

New surface treatment plant for cold drawing with facilities for use of reactive oil to improve surface quality of high end automobile tubes.

Semi automatic 60 t capacity new cold draw line integrated with CNC straightener, cutting, end chamfering, online eddy current testing and packaging.



Modification of hydraulic testing unit with internal resources for tube testing upto 300 psi for OD upto 114.3 mm.

Major Innovations on Process and Product Development

Development of High strength Tubes using ERW Process for auto vehicle weight reduction.

Optimization of Tube Heat Treatment Process in PT Mills to improve productivity.

Development of (i) 80 new products in house from PT Mills for auto market and (ii) 13 new products from ST Mills for structural end use in house and at EPAs.

Development of Structura (i) with low temperature impact properties and (ii) weather resistance grade.

Development of flux through collaborative project with NML to reduce dross generation during hot dip galvanizing – resulted in savings of approx. 1 crore a year.

Some Major New products Developed through new technology absorption

CBQ tubes and TFF tubes for two wheelers

Tubes for hydro forming for Tata Motors Ltd. – NANO Cars

As drawn and As welded Prop. Shaft tubes for Ashok Leyland Ltd., Tata Motors Ltd.

Thin wall exhaust tubes for Ashok Leyland Ltd., Tata Motors Ltd.

Bright normalized tubes for Automobile application.

St 45 grade of boiler tubes/pipes.

Efforts for Energy Conservation at West Bokaro

Improvement in Average Captive Generation per day from 12.1 MW to 14.0 MW through Enhancement of Loading Efficiency of TG Sets.

Background

Till FY 2005-06, the Fluidized Bed Combustion (FBC) Power

Plant at Tata Steel West Bokaro was running with one upgraded boiler of 15 MW capacity with two TG sets of 10 MW each. The average SPH generation per day for the year during FY 05-06 was 12.1 MW due to the inefficiency of the TG sets to take the load as per design parameters.

Reasons for inefficient loading of the TG sets:

1. Vacuum drops and Exhaust Temperature increases beyond permissible limits.
2. Inefficiency of Cooling Tower to maintain the designed temperature difference.
3. Inefficiency of condenser tubes to maintain the heat transfer (For TG-2).
4. Inefficiency of ejectors to maintain the Vacuum.

For the above mentioned reasons the loading was restricted to 6 MW in TG-2 and 7.5 MW in TG-1.

Variations in the Parameters at Peak Load is given below:

Parameters of TG	Design data at 10 MW load	Actual data at 5.5 MW	Permissible Limits
Exhaust Hood Temperature	55°C	63°C	65°C
Vacuum	0.85 Kg/Cm ²	0.73 Kg/Cm ²	0.70
Condenser Inlet & Outlet Temp. Diff. (ΔT)°C	10°C	4.5°C	4°C

Improvement Activities done in FY 07-08 to increase the loading efficiency of the TG sets.

The total plant shutdown was taken for 8 days and the following jobs were completed.

1. Replacement of the condenser tubes.
2. Vacuum Drop Test & Checking of Any Leakage from Steam Line, Water Line & Nozzle from the Ejector Circuit.
3. Dismantling, Cleaning & Overhauling of all the Internals of both the Ejectors & Its Condensers.

4. Cleaning of Oil Cooler & Air Cooler Tubes.
5. Replacement/Revamping of Cooling Tower Internals, e.g. Spray Nozzles, V-Bar Fills etc.
6. Complete Cleaning of Sand Depositions inside the Hotwell.
7. Complete Cleaning of Top Deck & Basin of the Cooling Tower.

All the above mentioned jobs were completed in-house through our maintenance personnel and a very few through local contractors at minimum cost.

KPI's after the Project is as follows:

Benefits:

Key performance indicators	Before at 5.5 MW	After at 8.0 MW
Exhaust Hood Temperature	63°C	53°C
Vacuum	0.73 Kg/Cm ²	0.81 Kg/Cm ²
Condenser Inlet & Outlet Temp. (ΔT)°C	4.5°C	6°C

From the KPI's after the project, we are able to load both the TG sets up to 8.5 MW each. Since the upgraded running boiler is of 15 MW capacity, we achieved the peak load of 15 MW (Max Capacity) load even during peak summer seasons when the inlet Cooling Water Temperature increases by 8 degrees. This resulted in optimizing the plant load factor and utilization of existing asset of the company. As a result the withdrawal from DVC was less which incurred a recurring savings of Rs. 2.25 crs. per annum.

Total Expenditure Incurred : 22 Lakhs
Total Savings per annum (recurring) : 225 Lakhs

Sweating of Asset by Performance Optimizing

Saving in Purchased Power Bill by Rs. 2.25 crs. per annum for years to come.

Additional generation of 147 LKWH/annum with the same asset and same workforce.

Attain average load of 14 MW from 12.1 MW.

Particulars of technology imported during last five years :

Steel Division

	Absorption	Status of Implementation
a) Electrolytic cleaning line (SMS Demag, Germany)	2003	Commissioned
b) Upgradation of 'G' blast furnace (SMS Demag, Germany)	2004	Commissioned
c) Upgradation of HSM	2004	Commissioned
d) Upgradation of billet caster - 1 at LD1 (Concast, Zurich)	2004	Commissioned
e) Ladle furnace-2 at LD1 (SMS Demag, Germany)	2004	Commissioned
f) New Rabar Mill (Morgan, USA)	2004	Commissioned
g) Upgradation of caster at LD2 (Voest Alpine, Austria)	2004	Commissioned
h) Imported design and engineering for hot metal desulphurization unit at LD1 (Kuettner GmbH)	2005	Commissioned
i) Supply of imported engineering for new induced draught fans, electrics & accessories for the LD Converter GCP at LD1 (Ebara Corporation)	2005	Commissioned
j) Adequacy checking BOF converters for augmentation of heat size at LD2 (SMS Demag, Germany)	2005	Commissioned
k) Imported design and engineering for upgradation of Caster 2 & 3 at LD2 (VAI, Austria)	2005	Commissioned
l) Imported design and engineering for hot metal desulphurisation unit 2 & 3 at LD2 (Kuettner GmbH)	2005	Commissioned
m) Imported design and engineering for capacity increase of slab reheating furnace nos. 1 & 2 of HSM (Techint)	2005	Commissioned
n) Supply of design and engineering and training for 150 tph walking beam furnace to Rebar Mill (Bricmont)	2005	Commissioned
o) Imported design and engineering (Mother well Bridge - Clayton walker)	2005	Commissioned
p) Supply of imported design and engineering for LD gas boosters (Howden Power Ltd. U.K.)	2005	Commissioned
q) Supply of imported design and drawing for Technology control system at HSM (SMS Demag, Germany)	2005	Commissioned
r) Supply of imported design and drawing for Basic level automation at HSM (Alstom, USA)	2005	Commissioned
s) Supply of imported design and drawing for dual zinc pot at CRM (CMI, Belgium)	2005	Commissioned
t) Supply of imported design and drawing for BAF, CRM (LOI, Germany)	2005	Commissioned
u) Supply of imported design and drawing for 4th Stove of 'G' Blast Furnace (Paul Wurth Italia, Italy)	2006	Under Implementation
v) Supply of imported design and drawing for 'H' Blast Furnace (Paul Wurth Italia, Italy)	2006	Under Implementation
w) Supply of imported design and drawing for Sinter Plant No. 4 (Outokumpu Technology, Germany)	2006	Commissioned
x) Supply of imported design and drawing for LD2 expansion project. (SMS Demag, Germany)	2006	Under Implementation
y) Supply of imported design and drawings for convertor gas cleaning plants in LD shop 1 & 2 (SMS Demag, Germany)	2006	Under Implementation
z) Facility for quantitative estimation of minerals through Scanning Electron Microscope (Intellection Pty. Ltd., Australia)	2006	Commissioned
aa) Polarising Microscope with Photometer and Imaging at R&D (Leica Mikrosysteme Vertrieb GmbH, Germany and PRESI S.A., France)	2006	Commissioned
ab) Variable Frequency Drive for Descaling Pump Motor at Hot Strip Mill (ABB, India)	2007	Commissioned
ac) Sinter Plant No. 4, having a bed area of 204 sq mtr with ESP having lesser emission of 50 mg/ Nm ³	2007	Commissioned
ad) Double Jaw Eye Vertical Tong for Batch Annealing Furnace at CRM	2007	Commissioned
ae) SCADA System for Water Utilities	2007	Commissioned
af) Quantitative Estimation of Minerals by SEM (Scanning Electron Microscope)	2007	Commissioned
ag) XRD (X-Ray Defraction) for quantitative phase and texture analysis	2007	Commissioned

Annexure 'B' to Directors' Report

Statement pursuant to Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975

Sr. No.	Name	Age (Years)	Designation/ Nature of Duties	Gross Remuneration Rs.	Net Remuneration Rs.	Qualifications	Total Experience (Years)	Date of Commencement of Employment	Last employment held Designation - Period for which post held
1	Ansari N.A.	56	General Manager (Project)	30,24,348	22,04,045	B.Sc. (Engg.)	33	28.12.1974	—
2	Asokan S.	60	EIC (Titania Project) & GM (Geolo. Serv.)	30,10,915	21,68,483	B.Sc., M.Sc., Ph. D., Cer. (Computer)	33	09.12.1998	HCL Group Company, Executive Director - 3 years
3	Bajjal A.D.	60	Group Director, Global Minerals	80,33,827	56,42,688	B.Sc. (Engg.) (Met.) P.G.D.B.M.	38	13.12.1969	—
4	Biswas Sandip	39	Group Head - Corporate Finance, Treasury & Investor Relations	32,28,234	23,10,691	B.Com. (Hons), ACA, ACS	15	01.04.2005	First India Asset Management Co.(P) Ltd, Head Eastern India - 3 years
5	Chatterjee Koushik	39	Group Chief Financial Officer	94,29,499	65,42,103	B.Com. (Hons), F.C.A.	12	01.08.2003	Tata Sons Ltd. - General Manager - Corporate Finance, 4 years 7 months
6	Chaturvedi U.K.	58	Vice President (TQM & CSI)	83,85,303	59,25,684	B.Sc.	38	25.10.1969	—
7	Chaudhary Chanakya	42	Chief Resident Executive, New Delhi	26,93,414	19,63,074	B.E.	19	16.12.1988	—
8	Choudhry Sanjay	51	Chief (Corporate Communication)	30,73,846	22,20,045	M.A., P.G.D.B.M.	27	16.09.2002	Coca Cola Industries - Corporate Affairs Manager, 6 years
9	Chowdhary D.M.	56	Chief (Electrical Maint.)	28,15,975	20,65,322	B.Sc. (Engg.), P.G.D.B.M.	32	20.03.1976	—
10	Das Binod Kumar	50	Chief (Sinter Plant)	29,35,226	21,21,447	B.Tech., M.Tech.	28	01.08.1980	—
11	Deshpande D.P.	51	Chief (Coke, Sinter & Iron)	26,51,116	19,34,945	B.Tech., P.G.D.B.M.	29	01.01.1979	—
12	Dhar G.S.	55	Chief (Raw Material Project Chattisgarh & Jharkhand)	24,46,016	17,92,954	B.Tech.	31	07.02.1977	—
13	Divaker Chavala	55	General Manager (Jharia)	28,90,524	21,02,035	B.E.	32	27.01.1977	Singereni Collieries Company Limited
14	Garg C.P.	65	Sr. Consultant Pilot	27,58,985	19,53,199	B.Com.	45	13.08.2007	Jagsons Airlines. Pilot, 11 Months
15	Ghose P.K.	38	Chief RM Project	25,35,495	18,75,331	B.Tech.	16	01.07.1991	—
16	Ghosh Santanu	51	Chief (Project Engg.)	28,92,472	20,99,135	B.E.	27	01.08.1980	—
17	Gupta Bhagwat Das	66	Sr. Consultant Pilot	39,12,203	26,89,398	M.Com, LLB (Part 1)	37	17.06.2006	Uttaranchal Govt. - Govt. Pilot- 7 months
18	Gupta Peeyush	39	Chief (Marketing & Sales - Flat Products)	24,12,045	17,65,120	B.E., M.B.A.	15	01.01.1993	—
19	Hariharan S.	55	Chief (3MT Expansion Project)	24,32,583	17,89,221	B.Sc. (Engg.)	34	29.12.1973	—
20	Iyer Ramesh B.	42	Chief (LD#3 & TSC)	26,86,351	19,53,781	B.E.	19	01.07.1988	—
21	Jha Bimlendra	40	Executive-in-Charge (Growth Shop)	27,71,810	20,35,475	B.Tech., P.G.D.B.M.	17	02.07.1990	—
22	Jha Dwarika Nand	48	Chief (Blast Furnace), Kalinganagar Project	27,98,753	20,60,082	B.Sc. (Engg.), PGD (Mgmt.)	27	01.08.1980	—
23	Jha Hridayeshwar	52	Vice-President (Long Product)	33,38,945	24,06,185	B.Tech., M.Sc. (Engg.), P.G.D.B.M.	29	01.01.1979	—
24	Jha Varun K.	56	Vice-President (Chattisgarh Project)	69,04,033	48,25,983	B.Tech. (Hons), P.G.D.B.M.	35	03.10.1972	—
25	Kamra Vivek M.	40	Executive-in-Charge (Tubes)	27,84,639	20,28,919	B.Tech. Management Prog.	18	01.07.1989	—
26	Kharkar Hemant C.	51	Vice-President	57,29,904	40,32,022	B.E., (Met.), P.G.D.B.M.	28	22.01.1980	—
27	Kumar Ashok	46	Chief (I M T G)	29,84,089	20,95,567	B.Tech.	23	01.07.1984	—
28	Kumar Sanjay	45	Chief (G Blast Furnace)	27,03,756	20,16,601	B.Tech., P.G.D.B.M.	23	02.07.1984	—
29	Kumar Suresh	50	Chief (Mechanical Maintenance)	24,88,215	18,12,215	B.Tech., P.G.D.B.M.	28	01.08.1980	—
30	Lal Mohan	55	Chief (Manufacturing), Long Product	26,13,068	18,97,825	B.Sc. (Engg.), P.G.D.B.M.	29	09.01.1978	—
31	Makashir WG.CDS.	61	Sr. Consultant Pilot	42,91,884	30,98,488	M.Sc. (Defence Studies)	40	02.09.1997	Indian Air Force, Wg. Commander - 12 Years
32	Mangal Rajiv	40	Chief Marketing & Sales, Wire Division	24,39,932	17,93,409	B.E., P.G.D.B.M.	18	01.07.1989	—
33	Mani R.	50	Chief (Corporate and International Taxation)	24,03,879	17,79,601	B.Com., C.A, I.C.W.A.I	25	18.10.1982	—
34	Mishra A.K.	55	Chief (CRC - West)	24,67,168	18,04,343	B.Sc. (Engg.)	31	04.11.1976	—
35	Misra Abanindra M.	56	VP (RM)	58,99,366	42,11,830	B.E., M.B.A.	34	29.12.1973	—
36	Misra Arun	42	General Manager (OM & Q)	25,53,177	18,94,501	B.Tech.	19	01.07.1988	—
37	Misra N.K.	52	Group Head - Mergers & Acquisition	33,56,115	24,33,284	B.Sc., A.C.A.	27	21.02.1981	—
38	Mokashi S.	50	Chief Information Technology	33,82,012	24,22,033	B.Tech., P.G.D.B.M.	26	01.02.1982	—
39	Mukherjee Dr. T. *	65	Dy. Managing Director (Steel)	1,87,97,616	1,27,16,092	B.E. (Met.), M. Met. (Sheffield), Ph.D. (Sheffield)	40	17.05.1971	British Steel Corpn., Asst. Manager, New Product Dev., 1 year - 6 months

Sr. No.	Name	Age (Years)	Designation/ Nature of Duties	Gross Remuneration Rs.	Net Remuneration Rs.	Qualifications	Total Experience (Years)	Date of Commencement of Employment	Last employment held Designation – Period for which post held
40	Murty V.S.N.	56	Chief Financial Controller (Corporate)	32,38,061	22,69,822	B.Com., C.A.	31	01.06.1976	—
41	Muthuraman B.	63	Managing Director	2,81,63,738	1,91,78,231	B.Tech (Met.), P.D.G.B.M.	41	14.11.1966	—
42	Nair Radhakrishnan	48	Chief Human Resource Officer	37,89,146	27,73,807	B.Com., PGD (PM&IR)	23	01.04.2007	Tata Sons, Vice President, 5 years
43	Narayan Om	57	Vice President (Shared Services)	59,74,900	42,28,331	B.Sc. (Engg.), P.G.D.B.M.	33	03.10.1974	—
44	Nerurkar H.M.	59	Chief Operating Officer (Steel)	98,02,881	67,51,922	B.Tech. (Met.)	36	01.02.1982	U.M.I Ltd., Manager (QC) - 5 Years
45	Ojha Awadhesh Kumar	56	General Manager (W B)	27,47,751	20,20,854	B.Sc. (Engg.)	32	01.08.1975	—
46	Prasad Avinash	60	Advisor to MD	58,03,622	40,51,227	B.E. (Met.)	36	14.06.1971	—
47	Pathak H.G.	49	Executive-in-Charge (Wire Division), Mumbai	28,27,192	20,68,977	B.Tech.	26	01.07.1981	—
48	Pathak Sudhansu	46	Chief (LD2 & SC)	24,78,212	18,11,226	B.E., P.D.G.B.M.	23	02.07.1984	—
49	Pattanaik S.K.	48	Chief Resident Executive, Bhubneshwar	26,76,416	19,47,943	B.E.	24	01.07.1983	—
50	Prakash Sunil	54	Chief (Manufacturing), Flat Product	25,53,342	18,55,313	B.Tech.	15	14.05.1992	—
51	Purohit Sushil Kumar	45	Pilot	32,35,626	22,78,288	L.L.B.	15	03.04.2006	Ran Air Limited, Pilot, 1 month
52	Rammurthy N.	57	Chief Strategic Project Procurement	24,21,975	18,06,963	B.Sc. (Engg.), P.G.D.B.M.	34	03.01.1974	—
53	Rattan G.S.	60	Executive-in-Charge (Bearings)	27,52,296	19,99,794	B.Sc. (Engg.)	29	10.11.1978	—
54	Ray Dr. Banambar	60	General Manager (Medical Services)	37,83,785	27,21,405	MBBS, MD	28	01.03.1980	—
55	Roy S.K.	55	Chief Project Blast Furnace H	30,45,815	22,22,447	B.Sc. (Engg.)	31	19.03.1977	—
56	Sahay Anup	46	Chief Corus Integaration	26,13,942	19,18,476	BA (Hons), P.G.D.B.M.	21	01.07.1986	—
57	Sarangi B.N.	57	Chief (Employee Training & Development)	26,80,695	19,60,110	BA, PGD (Mgmt.)	38	20.12.1969	—
58	Sastry C.V.	44	Chief (F P Tech. Group)	25,31,722	18,65,301	B.E., P.D.G.B.M.	22	15.07.1985	—
59	Sen Anand	48	Vice-President (Flat Products)	73,40,924	51,51,572	B.Tech. (Hons.) MET Engg., P.G.D.B.M.	26	27.07.1981	—
60	Sengupta Dipankar	62	Advisor to MD	46,68,529	30,85,479	B.E.	40	01.02.2006	—
61	Sengupta Partha	50	Vice President (Corporate Services)	40,38,080	28,94,512	B.Tech. (Metallurgical)	27	01.08.1980	—
62	Seth Sunil	47	Chief (M & S - LP)	28,46,869	20,63,990	B.Sc.	24	08.08.1983	—
63	Singh Arun Narayan *	61	Dy. Managing Director (Corporate Service)	1,24,85,922	83,96,952	BA (Hons) Pol Science	37	05.10.1990	Deputy Inspector General of Police, Bihar- 6 years
64	Singh R.P.	55	General Manager (IR)	26,24,566	19,10,588	B.Com., PGD (PM & IR)	30	14.04.1977	—
65	Singh Ram Prit	63	Vice President (Engineering & Projects)	87,44,440	61,17,271	B.Sc. (Engg.) (Mech.)	42	01.03.1996	SAIL & R I N L, General Manager (Project) - 30 years
66	Srikanth R.	45	General Manager (Raw Material Projects)	34,37,184	25,01,521	B.Tech., M.S. (Engg.), Ph. D.	23	10.02.1997	Penn State University USA, Research Assistant-6 Years
67	Tiwari Kalika	57	Pilot	25,36,457	17,93,953	B.Sc.	25	01.06.2006	I.S.W.P., Chief Pilot, 15 years
68	Venugopalan T.	55	Chief Technology Officer	33,25,133	24,11,689	B.Tech (Met. Engg.), M.Tech (Ind. Metallurgy with Metal Casting Specialization), Ph.D (Metallurgical Engg.)	30	04.05.2001	Ispat Ind. V. P. (Technical Services) - 4 Years
69	Verughese K.K.	56	Chief (Corporate Audit)	29,06,213	21,03,661	B.Sc. C.A.	31	23.12.1976	—

- Notes: (1) Gross remuneration comprises salary, allowances, monetary value of perquisites, commission to the Directors and the Company's contribution to Provident and Superannuation Funds but excludes contribution to Gratuity Fund on the basis of actuarial valuation as separate figures are not available.
- (2) Net remuneration is after tax and is exclusive of Company's contribution to Provident and Superannuation Funds and monetary value of non-cash perquisites.
- (3) The nature of employment in all cases is contractual.
- (4) None of the employees mentioned above is a relative of any Director of the Company.

* Indicates earnings for part of the year.

On behalf of the Board of Directors

Mumbai, 26th June, 2008.

RATAN N. TATA
Chairman

Management Discussion & Analysis

Business Review

Established in 1907, Tata Steel completed 100 years in the financial year 2007-08. On 2nd April, 2007, the Company completed the acquisition of Corus Group plc, a Steel Company headquartered at UK for an Enterprise Value of USD 14.7 billion. Post the acquisition of Corus, Tata Steel Group is now the world's 6th largest steel company with current steel deliveries of 32 million tonnes. Set up as Asia's first integrated steel plant and India's largest integrated private sector steel company, a century ago, it is now the world's second most geographically diversified steel producer, with operations in 24 countries and commercial presence in over 50 countries. The Jamshedpur operations in India is increasing its capacity from 5 mtpa to 10 mtpa by end 2010 and the Company has also signed MoUs to set up four greenfield steel projects in the states of Jharkhand, Orissa and Chhattisgarh in India and one in Vietnam.

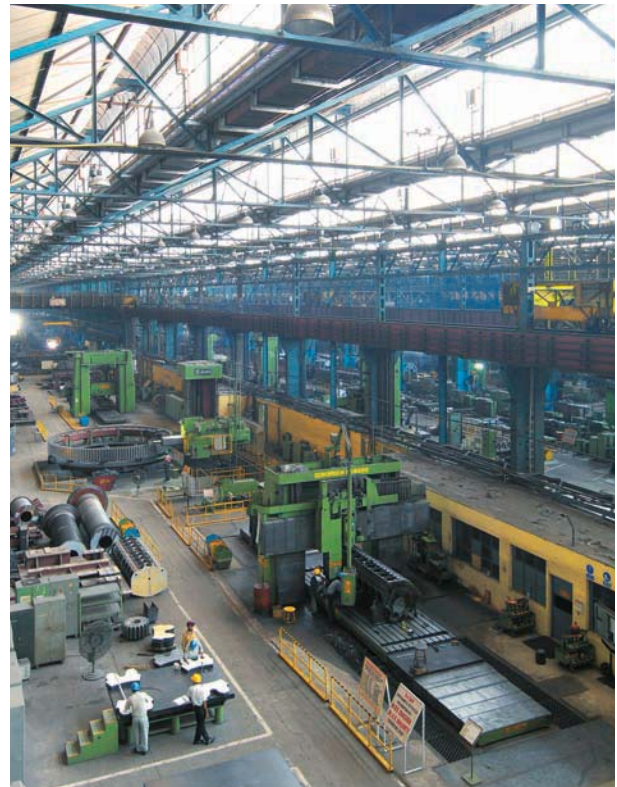
Few years back, Tata Steel embarked on a journey to pursue Growth and Globalisation through organic and inorganic strategy to increase its capacity in excess of 50 mtpa by 2015. The Company identified several strategic levers including building a stronger base in India, acquisitions in both growing and developed markets, strategic investments in raw material assets and focus on branding.

In the following section the performance and impact of the global and regional economies have been discussed:

1) Global economy

The financial markets in the last 12 months have been volatile triggered by the subprime mortgage crisis in the US. This has adversely affected the liquidity and the risk perception of the international capital markets. Inflation has increased around the World boosted by mainly increase in food and energy prices.

The real effective exchange rate for the US dollar has declined since mid-2007 as foreign investment in US

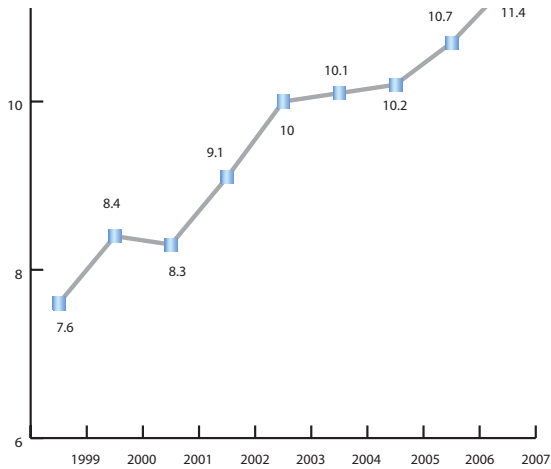


bonds and equities has been dampened by reduced confidence in both the liquidity of and the returns on such assets, weakening of US growth prospects and interest rate cuts. The main counter part to the decline of the dollar has been appreciation of the euro, the yen, and other floating currencies such as the Canadian dollar and some emerging economy currencies.

In 2007, China's GDP registered a growth of 11.4%. The industrial output in China has been growing progressively from 8.5% in 1999 18.5% in 2007. The country's exports grew from 6.1% in 1999 to 25.7% in 2007 whereas the imports experienced a stable growth of 18.2% in 1999 to 10.8% in 2007.

Japan's industrialised, social market economy is the world's third-largest, adjusted to purchasing power parity (PPP), after the United States and People's Republic of China.

China's GDP Growth (%)



As per the International Monetary Fund, Japan's GDP growth rate will be maintained at around 2.3% in 2007 after expanding by 2.2% in 2006. The yen has fallen to near 20-year low, largely due to widening interest rate differentials with other currencies, as also due to the low volatility in foreign exchange markets.

2) UK & European Economy

Maintaining the growth trend of 2.9% in 2006, the UK economy recorded a growth of 3% in 2007, largely driven by consumption, business investment and residential construction. However, GDP growth slowed in the December 2007 and March 2008 quarters, due to falling residential construction and a slowdown in activity in the business and financial services sector, reflecting in part the impact of recent financial market turbulence.

GDP growth rate remained stable in the European Union (3.3% in 2006 and 3.1% in 2007). While the efficiency of labour and capital rose rapidly in the middle-income countries of the former Soviet Union (Russian GDP growth rate from 7.4% to 8.1%), the German economy featured a GDP growth of 2.5% in 2007 as compared to 2.9% in 2006.

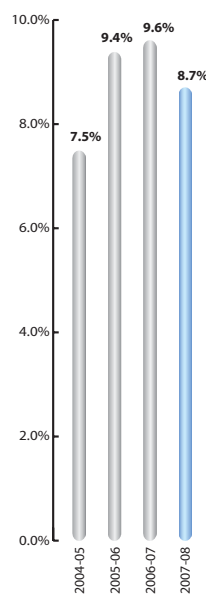
The weak private consumption in Germany in 2007 was partly offset by strong exports and investments.

3) Indian Economy

The economy of India, measured in USD exchange rate terms, is the fourth largest in the world, with a GDP of USD 1.50 trillion in 2007. The Indian economy continued the high rate of growth for the third year in succession. The last three financial years in India saw growth rates of 9.4%, 9.6% and 8.7% (2007-08). There has been a deceleration in the growth rate in 2007-08 as compared to the last two financial years owing to the slowing down of the economy and inflationary pressures within India.

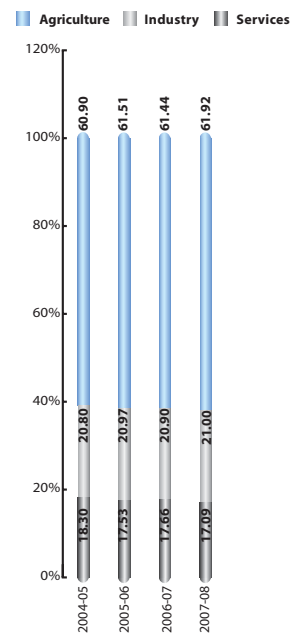
The per capita income of India has more than doubled from USD 460 in 2000 to USD 1,089 in 2007. The primary contributor for the increase in the GDP has been the services sector led by communications (growth averaging 15.3%

GDP Growth Rate (%)



Source: Economic Survey 2007-08

Sector Shares in GDP



Source: Central Statistical Organisation

per annum for the last 5 years), with construction and transport following closely behind. The interest rates in India have risen in the recent years and the increase is evident through the prime lending rate, Long term Government Bond rates as well as the Bank rates. The Indian foreign exchange rate exhibited two-way movements during the year 2007-08. The Rupee appreciated against the USD by 5.6% from Rs. 43.59 in March 2007 to Rs. 39.27 by early January 2008. In Q4 FY 2007-08, however, the Rupee depreciated easing to Rs. 39.97 per USD in March 2008. Overall, during FY 2007-08, the Rupee appreciated by 9.1% against the USD and 7.5% against the GBP but depreciated by 7.7% against the Japanese Yen and by 7.8% against the Euro.

4) South-East Asian Economy

The GDP of Singapore grew at a rate of 7.7% in 2007 which was lower than the growth rate of 8.2% in 2006. In Thailand, domestic demand was severely weakened by the high degree of political uncertainty in 2007, but the positive external balance helped in sustenance of the economy. The GDP growth rate was 4.8% in 2007 and is likely to remain at the same level in 2008 as well. While the Vietnamese economy was fuelled by expansion of the industrial and service sectors achieving a GDP growth rate of around 8%, the Indonesian economy buoyed by a recovery of investment, registered a GDP growth rate of around 6%.

The Management's discussion on the Steel industry and the Group's performance are given below:

1. Steel :

a) Global Steel Industry Overview:

The global crude steel production in 2007 was 1,344 million tonnes, showing an increase of 100 million tonnes over the 2006 level of 1,244 million tonnes. The following

table shows the crude steel production of the top six crude steel producing nations:

Countries	2007	2006
China	489	423
Japan	120	116
United States	98	99
Russia	72	71
India	53	44
South Korea	51	49

In the last few years, the primary growth in steel production has been in China from 127 million tonnes in 2000 to 489 million tonnes in 2007. The growth in crude steel production in China is evident from Fig. 1. The global crude steel capacity has increased by 46.9% to 1,564 million tonnes in 2007 from 1,065 million tonnes in 2000 as depicted in Fig. 2. The additions to the capacity over the number of years have ranged from 32 million tonnes in 2002 to 112 million tonnes in 2005 and 108 million tonnes in 2007.

Crude Steel Production at China - million tonnes

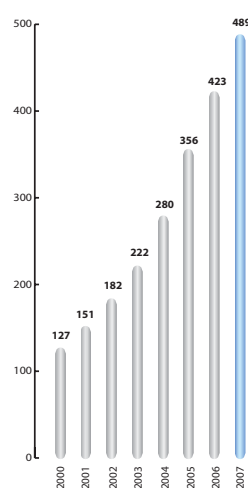


Fig. 1

World Crude Steel Capacity

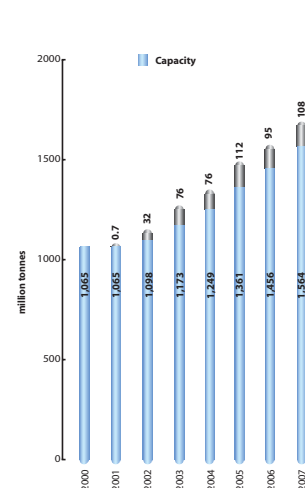
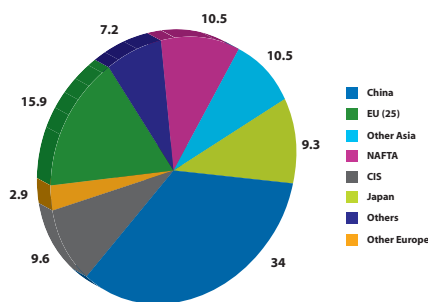


Fig. 2

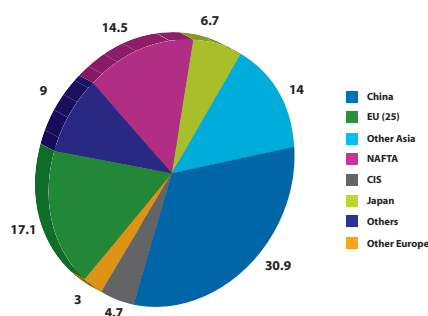
	2000	%	2007	%	△(2001-2007)	
	Million tonnes	Share	Million tonnes	Share	Million tonnes	Share
EU-27	240	23%	246	16%	6	1.2%
Other Europe	29	3%	39	2%	10	2.0%
CIS	121	11%	137	9%	16	3.3%
NAFTA	152	14%	154	10%	2	0.5%
C&S America	46	4%	60	4%	15	2.9%
Africa	23	2%	29	2%	6	1.3%
Middle East	16	2%	26	2%	10	2.0%
Asia (other than ME & CIS)	431	41%	864	55%	432	86.5%
Oceania	9	1%	9	1%	0	0.1%
World	1065	100%	1564	100%	499	100%

The production and consumption position of steel in World in 2007 is shown below:

World Steel Production break-up (%)



World Steel Consumption break-up (%)



China leads in terms of both production as well as consumption of steel globally. China's production in 2007 was 27 million tonnes higher than that of 2006.

The availability of raw materials at competitive prices continues to be one of the biggest concerns of the

Steel industry. The seaborne iron ore demand was higher by 50 million tonnes in 2007 than estimated while increase in supply was 39 million tonnes. The demand of seaborne metallurgical coal in 2007 was in line with the estimates, but the supply was lower than the demand mainly due to supply disruptions, delay in a number of expansion projects, damages from heavy rainfalls. For imported coke, there has been an increase in prices of Chinese coke due to incremental demand, limitation of export licenses and additional export taxes. The increase in coking coal costs also contributed to the increase in the coke prices.

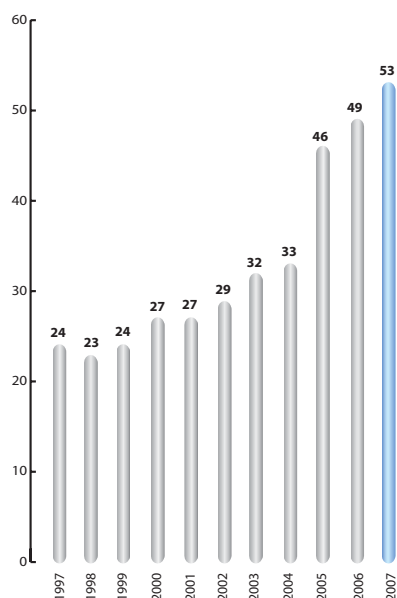
b) European Steel industry overview

EU consumption grew by almost 5% in 2007. The output remained stable throughout 2007, growing only by 2% overall as European Steel producers continued to closely monitor local demand conditions. Steel imports into the EU remained at a high level during 2007. Steel product prices remained broadly stable throughout the period but at a high level historically. Some modest price increases were achieved during the first part of the year, but pressure from imports and related high stocks resulted in reversal of the increase later in 2007. However, in Q4 FY 2007-08, EU demand and supply balance began to tighten supporting high prices.

c) Indian Steel Industry overview

Indian steel industry experienced a strong growth in demand, propelled particularly by the demand for steel in China. The production of crude steel at 53 million tonnes in 2007 was more than double the production level a decade back in 1998 (23 million tonnes) portraying the significant growth in the Indian Steel Industry. India now ranks fifth in terms of crude steel production among the top six crude

Crude Steel Production in India (million tonnes)



steel producing nations in the world, the others being China, Japan, United States, Russia and South Korea. The Finished Steel production in India in the current financial year stands at 48 million tonnes registering an increase of 9% over the previous year. The broad breakup of the production and use of finished steel production in India is shown below:

Figures in million tonnes

	Production			Consumption		
	FY08	FY07	Change %	FY08	FY07	Change %
Flat Products	20	19	5%	21	18	16%
Long products	28	26	8%	29	26	12%
Total	48	45	7%	50	44	14%

Source : JPC

The exports out of India had a year on year negative growth of 3% and 36% for Flat products and Long Products respectively. The imports, on the other hand, grew strongly for both the Flat Products (49%) as well as Long Products (46%).

Steel Outlook 2008

According to the International Iron and Steel Institute (IISI), during the period 2008-2010, the world crude steel capacity is going to grow by 322 million tonnes, an increase of 21% over 2007 with a CAGR of 6.4%. While the addition in crude steel capacity in 2007 was 108 million tonnes, 2008 is going to experience an addition of 90 million tonnes. The additions to the global crude steel capacity in 2008 will be mainly in Asia (excluding Middle East and CIS countries): 68 million tonnes (2007: 88 million tonnes), EU (27): 4 million tonnes (2007: 2 million tonnes), CIS countries: 9 million tonnes (2007: 5 million tonnes). In Asia, the biggest additions in the capacity in 2008 will be by China with 60 million tonnes and India with 4 million tonnes.

d) Review of Operations

1. Tata Steel:

i. Steel Division:

The production details of the Steel division of the company are shown in the following table:

Figures in million tonnes

	FY08	FY07	Change (%)
Hot Metal	5.51	5.55	(0.7%)
Crude Steel	5.01	5.05	(0.8%)
Saleable Steel	4.86	4.93	(1.6%)

The major reasons for lower production in FY 2007-08 as compared to FY 2006-07 were shutdowns related to the 1.8 million tonnes steel expansion project, outages of blast furnaces, power breakdown in the first quarter of the FY 2007-08 and refurbishment of coke oven batteries. The decrease in the saleable steel production was more as compared to the hot metal decrease mainly due to in time unavailability of hot metal for the reasons stated above.

The Cold Rolling Mill at Jamshedpur, achieved the best ever annual saleable production of 1.534 million tonnes (the earlier best was in FY 2006-07: 1.523 million tonnes). Individually, the Pickling line and Tandem Cold mill (PLCTM), Batch Annealing Furnace (BAF), Skin Pass Mill (SPM), Electrolytic Cleaning Line (ECL) surpassed their best ever annual production performances during the year. Special emphasis was laid on the product quality improvement in the automotive skin panel with close interaction at customer end and also by improving process capability.

The Hot Strip Mill achieved the best ever annual production of 3.271 million tonnes in FY 2007-08 (the earlier best was in FY 2006-07: 3.239 million tonnes).

In the LD2 & Slab Caster unit, there was a ramp up of the heat weight resulting in improvement in productivity of the unit. The specific refractory consumption was also reduced by almost 7% to improve the cost effectiveness. There were other initiatives also bringing improvement in hot charging, strike rates, reduction in steel related defects for inputs in downstream facilities. As a result, the unit achieved its best ever annual production of 3.361 million tonnes (the earlier best was in FY 2006-07: 3.299 million tonnes).



In the Long Products area, the New Bar Mill achieved its best ever performance of 0.549 million tonnes (the earlier best production was in FY 2006-07: 0.511 million tonnes). However due to lower availability of hotmetal, the saleable production from all mills in long products was lower as compared to FY 2006-07. All the mills in the long products area focused on improvement in production efficiencies during the year. While the Wire Rod Mill reviewed and upgraded several key process equipments to sustain and increase throughput and rolling them at higher speeds, the New Bar Mill also improved upon its mill speed for various product categories.

The G Blast Furnace, in spite of various problems relating to raw material quality and availability during the FY 2007-08, achieved the best ever annual production of 2.048 million tonnes which was better than the earlier best ever production of 2.011 million tonnes achieved in FY 2006-07.

Other major production highlights of the division were:

- Lower Specific Energy consumption at 6.655 GCal per tonne of crude steel as against 6.717 GCal per tonne of crude steel in FY 2006-07.
- Reduction in dust emission to 0.88 kg per tonne of crude steel as against 0.96 kg per tonne of crude steel in FY 2006-07.
- Highest ever usage of melting scrap of 0.42 million tonnes at LD shops as against previous best of 0.34 million tonnes in FY 2006-07.

ii. Other Business Units

a) Ferro Alloys and Minerals Division

In FY 2007-08, FAMD experienced the effect of positive price changes for the ferro-alloys market. Stable or marginally growing demand along with continued tightness of

supply for a number of alloys pushed the prices up quite significantly as compared to the last financial year.

Global Ferro Chrome producers struggled to meet the soaring demand from consumers and High carbon Ferro Chrome spot market prices crossed the level of USD1/lb CIF in the second half of FY 2007-08 for the first time in the history of the business. Fuelled by the Chinese Stainless Steel industry, the global traded volume of Chrome Ore/Concentrate had grown by about 40% in FY 2007-08. India exported about 0.67 million tonnes of Chrome ore/Concentrate in FY 2007-08.

Domestic Ferro Chrome prices moved in tandem with the international market and prices increased by 45% in FY 2007-08 over FY 2006-07. FAMD retained the market leadership with 43% share in the domestic market in FY 2007-08 for Ferro Chrome.

Shortage of Manganese Ore, rising costs and frequent disruptions in various plants had led to substantial appreciation in both Silico Manganese and Ferro Manganese prices in FY 2007-08. Surge in Manganese Alloy consumption was primarily due to the robust growth in Carbon Steel production world-wide.

The saleable production and sales volume of Ferro Alloys division for the periods FY 2007-08 and FY 2006-07 are shown in the following table:

Figures in '000 tonnes

Saleable Production	FY08	FY07
Chrome Ore	3	445
Chrome Concentrate	379	466
Ferro Chrome	201	154
Ferro Manganese	40	38
Manganese Ore	35	274
Silico Manganese	43	27
Total	701	1,405

Figures in '000 tonnes

Sales	FY08	FY07
Chrome Ore	17	500
Iron Ore	0	16
Chrome Concentrate	392	507
Ferro Chrome	186	150
Ferro Manganese	41	39
Manganese Ore	17	376
Silico Manganese	39	23
Total	692	1,611

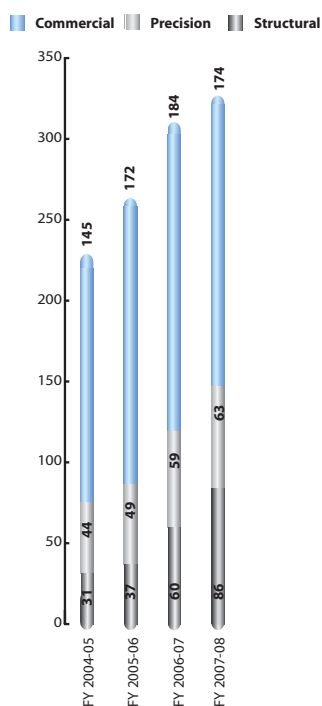
The curtailment in sales of Chrome Ore and Manganese was the main reason for the drop in the division's overall saleable production as well as sales.

b) Tubes

In FY 2007-08 the Tube Industry in India grew at a rate of around 4%-5% over FY 2006-07. The Automotive industry, a customer of the Tubes industry, witnessed a slowdown, with the two wheeler segment completing the year with a negative growth of 7%. The construction sector, on the other hand, grew at a robust 10%-12% with large investments in Infrastructure.



Trend of Sales Volume ('000 tonnes)



Sales volume at the Tubes reached a level of 323k tonnes in FY 2007-08, a growth of 7% over FY 2006-07 (303k tonnes). The sales growth was experienced primarily in the Structural Tubes sector (46%) and Precision Tubes sector (7%) partly offset by a negative growth in the commercial sector (6%). The growth in the Precision Tubes sector could have been higher but for lower off take by the Automotive industry. The trend of the sales growth in the Tubes division can be seen in the above chart. The growth in sales volume over the last two years was made possible through capacity additions and modernisation.

In line with the modernisation effort, the division brought in 80 new products 60% of which have been commercialised. The operating performance of the division in terms of production and sales volume is shown in the following table:

Production	FY08	FY07	Inc./.(dec.)	Inc./.(dec.) %
Commercial	169	184	(15)	(8%)
Structural	87	63	24	38%
Precision	66	63	3	4%
Total	322	310	12	4%
Sales				
Commercial	172	184	(12)	(6%)
Structural	88	60	28	46%
Precision	63	59	4	7%
Total	323	303	20	7%

c) Bearings Division

The Automobile sector is the key consumer of the Bearings Industry. This sector, which had robust growth over the past few years, experienced a negative growth of over 4% during FY 2007-08. Lower off-take by auto industry, fresh capacities in the industry and increased in imports due to appreciation of the Rupee put severe pressure on the realisations of bearings.

The Division's major target customer segments of motorcycles and three wheelers had a negative growth of 8.56% and 10% respectively. As a consequence, sale of bearings declined by 5%, recording 27.61 million numbers. Bearings production during the year was 26.36 million numbers.

The following table shows the production and sales of the division during FY 2007-08 and FY 2006-07:

Figures in million numbers

	FY08	FY07	Inc./.(dec.)	Inc./.(dec.) %
Production	26.36	30.01	(3.65)	(12%)
Sales	27.61	28.97	(1.36)	(5%)

During FY 2007-08, the division also enriched its product mix by making 29 types of new bearings.



2. Corus Group [Tulip UK Holdings (No. 1) Ltd.]

Corus's liquid steel production in FY 2007-08 was around 20 million tonnes. In Europe, Corus is the second largest Steel producer. Corus has four main operating divisions; Strip Products, Long Products, Distribution & Building Systems and Primary Aluminium. Europe, principally the EU, is the most important market for Corus for both its steel and aluminium products, accounting for 81% of total turnover in FY 2007-08. The steel division accounted for 96% of total turnover in the same period.

In the FY 2007-08, about 55% of Corus's crude steel production was rolled into hot rolled coil. Most of the remainder was further processed into sections, plates, engineering steels or wire rods, or sold in semi-finished form. Approximately 35% of hot rolled coil was sold without further processing, approximately 55% was further processed in cold rolling mills and coating lines and the remainder was transferred to Corus's tube mills for the manufacture of welded tubes. Principal end markets for Corus's steel products are the construction, automotive, packaging, mechanical & electrical engineering, metal goods, and oil & gas industries.

Corus's aluminium operations are entirely related to the production of primary metal for external customers. This production arises in two smelters, at Delfzijl in the Netherlands and Voerde in Germany.

3. NatSteel

A wholly-owned subsidiary of Tata Steel, NatSteel Asia is one of the top steel providers in the Asia Pacific. Tata Steel acquired the steel business of NatSteel Ltd. in 2004.

The gross finished steel production of NatSteel for the FY 2007-08 as compared to FY 2006-07 is shown below:

	FY08 (million tonnes)	FY07 (million tonnes)	Change (%)
Gross Finished Steel Production	1.75	1.68	4%

NatSteel's operations cover South East Asia, Australia and China. The economic growth of the region continues to be robust though there is some trepidation on the impact of the sub prime crisis.

- During the year the production increased in all the locations; the major contributors being NatSteel Xiamen (China) – 105K (39%), Singapore – 68K (10%); Natvina (Vietnam) – 40K (50%); Best Bar (Australia) – 29K (40%).
- The construction activities continue to be strong in most of the markets in the region. The strong demand of construction steel and high prices has also increased the input price of scrap although the scrap-rebar spread remained at a reasonable level.

4. Tata Steel Thailand

Tata Steel (Thailand) Public Company Limited (TSTH), established in 2002, is the largest steel producer in

Thailand. It has three subsidiaries viz. NTS Steel Group, Siam Iron and Steel Company (SISCO) and The Siam Construction Steel Company (SCSC). TSTH manufactures long steel products and has an installed capacity of 1.70 million tonnes of finished steel per annum. Tata Steel acquired 67.66% equity in Millennium Steel (now Tata Steel Thailand) in 2005.

During FY 2007-08, the Company, through various improvement initiatives in operations, surpassed its rated capacity in liquid steel making all its 3 plants and recorded its highest ever production, both in terms of billets as well as finished bars and wire rods. The production attained is as under:

	NTS	SCSC	SISCO	Total TSTH
Steel Plant Capacity (Liquid Steel)	500,000	500,000	200,000	1,200,000
Production in 2007-08	538,189	573,059	274,470	1,385,718
Rolling Mill Capacity (Finished Steel)	800,000	500,000	400,000	1,700,000
Production in 2007-08	602,501	489,834	286,863	1,379,198

The Company recorded a production increase of 243,000 Mt of finished goods and sales increase of 316,000 Mt, over the previous year.

5. Tata Metaliks Limited

Tata Metaliks became a subsidiary of Tata Steel Limited with effect from 1st February, 2008. Earlier the Company used to be an Associate of Tata Steel Limited.

Tata Metaliks is engaged in the business of manufacturing and selling pig iron. Its plants, located at Kharagpur (West Bengal) and Redi (Maharashtra), consist of five Mini Blast Furnaces and related facilities including Captive Power Plants.

During FY 2007-08 the production statistics of the company were the following:

	Kharagpur	Redi	Total
Hot Metal	343,284	178,140	521,424
Pig Iron	349,869	195,632	545,501

Raw materials

Tata Steel:

Tata Steel's Indian operations are self-sufficient in iron ore through its captive mines. It is 60% self-sufficient for coking coal. The balance amount of coking coal or coke is procured mostly through imports largely covered by annual contracts. In the Jharia collieries, the raw Coal production increased by 4.5% over FY 2006-07 to 1.58 million tonnes; with all time lowest ash at 15.47% from Bhelatand and 16.4% from Jamadoba. The West Bokaro division achieved the highest ever raw coal production at 5.63 million tonnes (1.8 million tonnes of clean coal at 13% ash). The iron ore sized production grew by 2.7% to 4.56 million tonnes and the fines production was higher by 3.3% to reach a level of 5.46 million tonnes. The Noamundi and Joda iron ore mines have achieved 1.96% and 1.98% Fines Alumina respectively with respect to the previous best of 2% in FY 2006-07.

Corus Group:

The principal raw materials in the carbon and engineering steel making processes are iron ore, metallurgical coal and steel scrap. There was an increase of 9.5% in the market reference price of iron ore fines in calendar year 2007 compared to 2006, with around a further 65% increase in 2008. During 2007, growth in demand, predominantly from China, was offset to some extent by increased availability from Australia, Brazil, India and China. However, the



continued strong growth in demand into 2008 has resulted in the substantial increases now experienced. The price of hard coking coal decreased by 16% in 2007 compared to 2006. However, the supply/demand balance tightened during 2007, caused by increased growth in Asian demand, delays to new projects and supply chain bottlenecks. This was exacerbated by the impact of floods in Australia and has resulted in prices more than doubling in 2008.

Corus has also been subject to the movements in world-wide energy prices during the year, and saw natural gas and electricity prices rise substantially in 2007 compared with 2006.

Research & Development

Tata Steel:

Research and Development were carried out in the areas of raw materials, blast furnace productivity, steel making, product development, process improvement etc. Several thrust area projects were taken up:

- 8% Ash in Coal without reducing yield
- Complete beneficiation of iron ore
- Improving Blast Furnace productivity
- Lowering Phosphorus in Steel making
- Development of Advanced Coatings
- Flat Products for Automobiles

During the year, some of the successful research and development activities that were taken up are:

- Development of Nano coating to improve corrosion resistance of re-bars
- Development of Plasma cleaned wire rods to avoid pickling
- Substituting BHQ from Noamundi and Joda in place of Quartz in Blast Furnace
- Develop Hydro-formed tube for Tata Nano application

Corus Group:

Process developments

Corus is a major partner in the ULCOS (Ultra Low CO₂ Steel making) project, aimed at developing technology to achieve a 50% reduction of carbon emissions by 2050. In 2006, a programme focusing on four technologies was devised:

- A new blast furnace process using pure oxygen and top gas recycling
- ISARNA - a new smelting reduction process with very high efficiency
- A new direct reduction process using gas or hydrogen, with geological storage of CO₂
- Direct production of steel by electrolysis of iron ore

Product developments

The main focus for strip products continued to be the further development and improvement of steel grades with high strength and good formability, such as the 'Dual Phase' family of steels.

Work continued on the improvement of chromium-free passivation coatings for tinplate and for hot-dip galvanised material. For tinplate, this work is being carried out with other tinplate producers, lacquer suppliers and can makers, with the aim of developing one single, standardised, chromium-free passivation coating worldwide.

A new metallic coated steel product has been developed jointly with Salzgitter with a coating containing zinc, magnesium and aluminium, which gives higher corrosion resistance than conventional metallic coatings.

Two new families of rail steel have been developed, targeting the key degradation mechanisms of rail, namely rolling contact fatigue (RCF), resistance and wear. Bainitic and ultrahigh carbon (UHC) rails both display exceptional resistance to RCF and could provide cost effective solutions to meet customer requirements.

Application developments

A successful full scale plant trial with High Efficiency Combustion burners in one of the reheating furnaces at Llanwern works has proven that applying this technology leads to significant energy savings as well as substantial reduction of CO₂ and nitrogen oxide emissions. Based on these results, it is planned to apply this technology to reheating furnaces in IJmuiden.

e) Strategy:

In terms of value creation, the Tata Steel Group strategy is twofold:

1. To increase the quality of earnings of its existing assets, Tata Steel Group will pursue the optimisation of its European assets, restructure assets that are of low profitability and continue to derive benefits through continuous improvement and synergies.
2. To generate strategic growth. This will be pursued through capacity expansions and securing access



to raw materials. The Tata Steel Group is expanding its capacity in India through expansion of its current operations in Jamshedpur to 10 million tonnes and through the construction of a 6 million tonnes 'greenfield' site in Orissa. Other greenfield opportunities in Asia are being assessed. The Tata Steel Group is also looking at further integration upstream in raw materials. In India, it is currently 100% integrated on iron ore and 60% on coal.

The Tata Steel Group has a vision to become the world steel benchmark for value creation and corporate citizenship. The corporate citizenship benchmark means providing a safe working place, respecting the environment, caring for its communities and demonstrating high ethical standards.

In terms of communities, the Tata Steel Group promotes and encourages economic, environmental, social and educational development. In India, its focus is on fulfilling certain basic requirements including healthcare, food

security, education and income generation through the development of rural infrastructure, empowerment and community outreach programmes. In Europe, it is actively involved in a broad range of community initiatives, such as being premier sponsor of the British Triathlon.

f) Finance

Financing of Acquisition of Corus

i. Financing Structure

The financing structure of the Corus transaction has been reorganised to achieve fiscal unity in the Netherlands and consequent tax efficiencies.

ii. Funding Structure

The bulk of the financing for the Corus acquisition has now been completed with all the bridge funding having been paid off through a mix of debt, equity and internal accruals. The funding structure as on 31st March, 2008 is as follows:

	in GBP Bn	in USD Bn
Equity Capital from Tata Steel Limited	3.75	7.45
Non-recourse long-term debt at Corus	3.15	6.26
Total	6.90	13.71

The sources of the contribution towards equity capital included the following:

- Tata Steel Asia Holdings Pte. Ltd. and Tulip UK Holdings (No. 1) Limited drew down GBP 2.21 billion of bridge loans. These loans were repaid using monies infused by Tata Steel Limited out of equity issues, CARS and loans as described below and also out of internal generation.
- The Company had allotted to Tata Sons, on a preferential basis, 27,000,000 ordinary shares (at a

price of Rs. 516 per share) and 28,500,000 warrants to subscribe to an equal amount of ordinary shares. Tata Sons fully exercised the warrants and 28,500,000 ordinary shares were issued to Tata Sons at a price of Rs. 484.27 per share, for total proceeds to the Company of Rs. 1,380 crores.

- The Company issued USD 0.875 billion of 1% Foreign Currency Convertible Alternative Reference Securities ("CARS"). The CARS accrue interest on the outstanding principal amount at a rate equal to 1% per annum and are classified as unsecured debt on the balance sheet of the Company. Between 4th September, 2011 and 6th August, 2012, each security is convertible at the option of holder of the security, at a conversion price of Rs. 758.10 per share into a Qualifying Security issued by the Company. The Company must redeem all outstanding CARS principal amount together with accrued and unpaid interest no later than 5th September, 2012.
- The Company entered into a loan agreement with the State Bank of India and other banks for Rs. 9,500 crores. In January 2008 Rs. 9,000 crores was repaid with proceeds from the Company's Rights Issue and Rs. 500 crores was repaid on 28th February, 2008.
- In November 2007, the Company made a rights issue offering to shareholders in India, (i) 1 ordinary share for every five ordinary shares at a price of Rs. 300 per share and (ii) 9 cumulative compulsorily convertible preference shares ("CCPS") for every 10 ordinary shares at a price of Rs. 100 each. A total of 121,611,464 ordinary shares and 547,251,605 were allotted pursuant to the rights issue. Every six CCPS issued will be automatically converted into one ordinary share of the Company on 1st September, 2009. Total proceeds from the rights

issue aggregated Rs. 9,121 crores. In January 2008, the Company used the proceeds from the rights issue to repay the loan from the State Bank of India described above.

In addition, the non-recourse long term debt (at Tata Steel UK) was syndicated. GBP 3.12 billion of Bridge Funding was drawn in full into Tata Steel Netherlands as borrower. Based on its assessment of the appropriate quantum of debt that could be serviced by Corus, the Company restructured the initial higher cost inflexible leveraged debt financing consisting of loans and bonds. This even involved a change in the financing banks. The replacement financing package consisting solely of lower cost pre-payable corporate term loans offered substantial savings and benefits to the company. This was a GBP 3.670 billion senior facility consisting of multiple tranches of term loans and a GBP 0.5 billion five year revolving credit facility. These facilities are secured by the assets of Corus.

g) Status of Projects

Brownfield Projects of Tata Steel

The Company is on its way to reach a crude steel capacity of 10 million tonnes per annum by FY 2011. The first phase of reaching the crude steel capacity of 6.8 million tonnes per annum is nearing completion. The new Sinter Plant No. 4 was commissioned in 2007 and the new H-Blast Furnace was blown-in on 31st May, 2008. The expansion programme for LD1 Shop to raise the capacity of the Shop to 3.3 million tonnes per annum is under execution along with other units like the 3rd Billet Caster and auxiliary facilities like the De-sulphurisation plant, Slag handling system, Hot Metal handling system etc.

The Company has simultaneously initiated work on the second phase expansion programme of 3 million tonnes

per annum. This programme includes the upgradation of Iron Making facilities along with setting up of new facilities such as steel making shop, Thin Slab Casting & Rolling Mill (TSCR) and a palletizing plant with a capacity of 6 million tonnes per annum capacity. Major orders for supply of equipment for steel making shop and TSCR have been placed. The concept and implementation strategy for up-gradation of old blast furnaces and setting up of Palletising plant is under finalisation. The project is progressing as per schedule.

Greenfield Projects of Tata Steel

The Company has begun the process of building a new integrated steel plant at Kalinganagar, Orissa with a total capacity of 6 million tonnes per annum to be set up in two phases of 3 million tonnes per annum each. The land acquisition and rehabilitation and resettlement work is in progress. Till May 2008, 86% of land has been registered in the name of the Company. As a part of rehabilitation and resettlement activity, 640 families out of 1,195 displaced families have been shifted to rehabilitation colonies and transit camps. To accommodate them, two rehabilitation colonies and five transit camps are operational. 310 nominees have been trained in skill development centres and 270 trained youth are already engaged with



construction partners. A letter has been submitted to the Government of Orissa confirming fulfillment of MoU conditions with request for recommendation of the mining lease.

The Company has also entered into a Memorandum of Understanding with the State Governments of Chhattisgarh and Jharkhand for setting up steel plants. The process of submitting applications for various licenses for mining leases and environmental clearance has been initiated. The State Governments have prepared and offered the rehabilitation policy and compensation packages to the project affected families. The process of acquisition of land in both the states is in progress.

Raw Materials Projects

Global Mineral Resources (GMR) group identified various iron ore and coal opportunities and is in the process of evaluating these projects. Status of coal, iron ore and limestone projects is as follows.

Riversdale, Mozambique, November 2007 – Tata Steel and Riversdale Mining Limited entered into a Joint Venture



under which Tata Steel has a 35% stake in Mozambique Coal Project. The licences of the joint venture cover an area of 24,960 hectares. The feasibility studies for the project are in progress.

Mount Nimba Iron Ore, Ivory Coast, December 2007 –

Tata Steel entered into a Joint Venture for development of Nimba Iron Ore project in Cote d'Ivoire with Tata Steel having a major shareholding. Exploration and feasibility studies would commence in the year 2009.

Uyun Limestone Project, Oman, January 2008 –

Tata Steel entered into a Joint Venture agreement with shareholders of Al Rimal LLC for 70% stake in Al Rimal LLC. Application for exploration license has been made and feasibility studies would be taken up soon on grant of exploration license.

h) Financial Analysis of Tata Steel (Standalone entity in India)

1. Net Sales/Income from Operations

Figures in Rs. crores

	FY08	FY07	Change	Change %
Sales of products	21,395	19,018	2,377	12%
Sale of power and water	546	514	32	6%
Income from services, sale of miscellaneous goods, stores and rent etc.	251	230	20	9%
Total sale of products and services	22,192	19,763	2,429	12%
Less : Excise Duty	2,499	2,211	287	13%
Net sales/income from operations	19,693	17,551	2,142	12%

Product wise net sales are as follows:

Figures in Rs. crores

	FY08	FY07	Change	Change %
Steel	16,541	14,858	1,683	11%
Tubes	1,217	1,099	117	11%
Ferro Alloys and Minerals	1,808	1,454	354	24%
Bearings	127	140	(13)	(9%)
Total	19,693	17,551	2,141	12%

The sale of products and services of the company increased by 12% from Rs.19,108 crores in FY 2006-07 to Rs. 21,395 crores in FY 2007-08. The net sales in the Steel division increased by 11% over FY 2006-07 to Rs. 16,541 crores mainly due to increase in the domestic prices of the products across segments over the FY 2006-07 level. The net sales of Tubes division increased by 11% over FY 2006-07 to Rs. 1,217 crores in FY 2007-08. The increase in the net sales of Tubes division was due to the increase in both the volume as well as prices. The Ferro Alloys and Minerals division of the company registered a growth of 24% in terms of value though there was a decline in terms of quantity due to the company's decision during the year to stop the sale of ores. There was a decline in the net sales of the Bearings division of the company mainly due to lower off-take by the automotive sector, which is a major customer sector of the division. The sale of power and water increased mainly due to increase in the power trading activities.

2. Raw Materials Consumed

Figures in Rs. crores

	FY08	FY07	Change	Change %
Raw materials consumed	3,430	3,121	308	10%

The raw materials consumption of the company increased by 10% from Rs. 3,121 crores in FY 2006-07 to Rs. 3,430 crores

in FY 2007-08. The increases were primarily due to higher use of coke imported at high prices during FY 2007-08, mainly to make up for shortfall during refurbishment of the Coke Plant of the company. The increase in the raw material consumption due to import of coke was partly made good by lower cost of imported coal and zinc.

3. Payments to and Provisions for Employees

Figures in Rs. crores

	FY08	FY07	Change	Change %
Payments to and provisions for employees	1,590	1,455	135	9%

The payments to and provisions for employees increased by 10% from Rs.1,455 crores in FY 2006-07 to Rs. 1,590 crores in FY 2007-08 mainly due to annual increments, basic wages and dearness allowances. The increases were partly made good by a reduction in the manpower from 37,205 as on 31st March, 2007 to 35,870 as on 31st March, 2008.

4. Conversion Charges

Figures in Rs. crores

	FY08	FY07	Change	Change %
Conversion charges	848	745	103	14%

The conversion charges increased by 14% from Rs. 745 crores in FY 2006-07 to Rs. 848 crores in FY 2007-08. The increase of Rs. 103 crores was mainly due to increase in the conversion activity at the company's Ferro Alloys and Minerals Division partly made good by lower conversion charges at the Wires unit in Western India and also the lower conversion volume in the Long Products area. During FY 2007-08, the Company had decided to sell value added ferro chrome and ferro manganese in place of ores, and thus there was an increase in the conversion volumes of the Ferro Alloys and Minerals division.

5. Other expenses

Figures in Rs. crores

	FY08	FY07	Change	Change %
Other expenses	1,089	838	251	30%

The other expenses increased by 29% from Rs. 838 crores in FY 2006-07 to Rs. 1,089 crores in FY 2007-08. The major reasons for such increases were a) increase in liability for employees benefits as measured under Accounting Standard (AS) 15, b) expenses in connection with celebration of the Centenary Year of the company, c) expenses on raising of loans/rights issue, and d) expenditure on consultancy/feasibility studies etc.

6. Interest

Figures in Rs. crores

	FY08	FY07	Change	Change %
Gross interest	941	251	690	275%
Less: Interest capitalised	12	0	12	17386%
Less: Interest received on sundry advances, receipts and others	50	77	(27)	(35%)
Net interest	879	174	705	405%

The net interest charges were higher by Rs. 705 crores from Rs. 174 crores in FY 2006-07 to Rs. 879 crores in FY 2007-08. The major reasons for the high interest cost was the increase in loans taken for funding the acquisition of Corus. There were increases in the short-term loans from SBI and IDBI along with 1% Convertible Alternate Reference Securities–USD 875 million.

7. Exceptional Items

Figures in Rs. crores

Exceptional items	FY08	FY07	Change	Change %
Employee separation compensation	(226)	(152)	(74)	49%
Contribution towards Sports infrastructure	(150)	-	(150)	-
Exchange gain/(loss)	597	-	597	-
Total	221	(152)	373	(245%)

The Employee separation compensation was higher by 49% from Rs. 152 crores in FY 2006-07 to Rs. 226 crores in FY 2007-08. The increases were mainly due to inclusion of fresh cases and changes in discounting rates in FY 2007-08 over FY 2006-07.

The contributions to sports infrastructure was pertaining to the amount contributed towards the development of sports infrastructure for the National Games in the state of Jharkhand.

The exchange gain consisted primarily of reduction in the value of foreign currency debt as a result of appreciation of the Rupee against the US Dollar and the Japanese Yen.

8. Fixed Assets

Figures in Rs. crores

	As on 31st March '08	As on 31st March '07	Change	Change %
Gross block	20,847	18,527	2,320	13%
Less: Depreciation and impairment	8,223	7,486	737	10%
Net Block	12,624	11,041	1,583	14%

Gross Block increased during the year primarily due to capital expenditure on the 1.8 million tonnes steel expansion project in Jamshedpur.

9. Investments

Figures in Rs. crores

Investments	As on 31st March '08	As on 31st March '07	Change	Change %
Trade investments	1,156	1,025	131	13%
Investments in subsidiary companies	1,911	1,389	522	38%
Other investments	9	9	-	0%
Investments in Mutual Funds –				
a) Income Funds	-	117	(117)	(100%)
b) Liquid Funds	1,028	3,567	(2,539)	(71%)
Net investments in Mutual Funds	1,028	3,684	(2,656)	(72%)
Total Investments	4,103	6,106	(2,003)	(33%)

The investments of the company reduced by Rs. 2,003 crores from Rs. 6,106 crores as on 31st March, 2007 to Rs. 4,103 crores as on 31st March, 2008. The main reason for such decrease was use of the liquid funds for funding the acquisition of Corus.

10. Stores & Spare parts and Stock-in-Trade

Figures in Rs. crores

	As on 31st March '08	As on 31st March '07	Change	Change %
Stores and spare parts	558	505	52	10%
Stock-in-trade	2,047	1,828	220	12%
Total	2,605	2,333	272	22%

The Stock-in-trade increased by Rs. 220 crores from Rs. 1,828 crores as on 31st March, 2007 to Rs. 2,047 crores as on 31st March, 2008 primarily due to increase in the raw material stocks at Jamshedpur Works, Ports and at the Ferro Alloys and Minerals division. The average inventory holding in terms of number of days as on 31st March, 2008 was 45 days as compared to 49 days as on 31st March, 2007. The increase in Stores and spare parts is mainly due to increased maintenance activities.

11. Sundry Debtors

Figures in Rs. crores

Sundry Debtors	As on 31st March '08	As on 31st March '07	Change	Change %
Gross Debtors	577	667	(90)	(14%)
Less: Provision for doubtful debts	34	36	(2)	(6%)
Net Debtors	543	632	(88)	(14%)

The net debtors level reduced by Rs. 88 crores from Rs. 632 crores as on 31st March, 2007 to Rs. 543 crores as on 31st March, 2008. The reductions were in the areas of Flat Products and Long products in the Steel division mainly due to continuous monitoring coupled with introduction

of insurance-backed factoring facility. The average debtors in terms of number of days as on 31st March, 2008 was 12 days as compared to 14 days as on 31st March, 2007.

12. Loans and Advances

Figures in Rs. crores

	As on 31st March '08	As on 31st March '07	Change	Change %
Loans and Advances	33,349	3,056	30,293	991%

The loans and advances increased by Rs. 30,293 crores from Rs. 3,056 crores as on 31st March, 2007 to Rs. 33,349 crores as on 31st March, 2008. The increase was mainly due to the advance made against equity to Tata Steel Asia Holdings Pte. Ltd.

13. Current Liabilities

Figures in Rs. crores

	As on 31st March '08	As on 31st March '07	Change	Change %
Current Liabilities	3,855	3,523	332	9%

The current liabilities increased by Rs. 577 crores from a level of Rs. 3,523 crores as on 31st March, 2007 to Rs. 3,855 crores as on 31st March, 2008. The increase was mainly due to increase in the value of purchases/services on account of expansion projects.

14. Secured and Unsecured Loan

Figures in Rs. crores

	As on 31st March '08	As on 31st March '07	Change	Change %
Secured Loans	3,521	3,759	(238)	(6%)
Unsecured Loans	14,501	5,886	8,615	146%
Total	18,022	9,645	8,376	87%

The increases in the total debts by Rs. 8,376 crores from a level of Rs. 9,645 crores as on 31st March, 2007 to Rs. 18,022 crores as on 31st March, 2008 were mainly due to 1% Convertible Alternate Reference Securities – USD 875 million, short term bridge loans from State Bank of India and IDBI used for funding the Corus deal.

i) Financial Analysis of Tata Steel Group

Tulip UK was incorporated on 5th October, 2006 and commenced trading on 19th October, 2006. Tulip UK is a wholly-owned subsidiary of Tata Steel Asia Holdings Pte. Ltd., an unlisted company in Singapore. On 2nd April, 2007 Tulip UK's subsidiary, Tata Steel UK Limited ('TSUK'), completed the acquisition of Corus Group plc ('Corus'), whose shares then ceased to be admitted to trading on the London and Amsterdam Stock Exchanges, and whose American depository shares were delisted from the New York Stock Exchange. Corus re-registered as a private limited company with effect from 16th July, 2007. The consolidated results have included those of Corus from 2nd April, 2007. Consequently, there is no comparable data for the prior year.

1) Net Sales/Income

Figures in Rs. crores

Net Sales	FY08	FY07	Inc./.(dec.)
Tata Steel	19,693	17,552	2,141
Corus	100,218	-	100,218
NatSteel	7,658	4,396	3,262
TSTH	4,077	2,587	1,490
Others	3,327	2,626	702
Eliminations & Adjustments	(3,438)	(1,947)	(1,491)
Total	131,536	25,213	106,323



The net sales of the Group in FY 2007-08 was at Rs. 131,536 crores as compared to Rs. 25,213 crores in FY 2006-07. The increase of Rs. 106,323 crores was mainly due to the inclusion of Corus Group financial statements for the first time. The net sales in the Indian operations increased by Rs. 2,141 crores mainly due to increase in the domestic prices of the products across segments over FY 2006-07 level. The turnover in NatSteel and Tata Steel Thailand also increased by Rs. 3,262 crores and Rs. 1,490 crores respectively mainly due to the increase in prices as well as increase in the sales volume. During FY 2007-08 Tata Metaliks financial statements were also included for the first time in the Group financial statements as a subsidiary, resulting in an increase in net sales of Rs. 216 crores.

2) Purchase of Finished and Semi-finished Products

Figures in Rs. crores

	FY08	FY07	Inc./.(dec.)
Tata Steel	447	451	(4)
Corus	18,411	-	18,411
NatSteel	4,887	3,154	1,732
TSTH	2,478	1,606	871
Others	1,057	1,373	(316)
Eliminations & Adjustments	(1,009)	(903)	(106)
Total	26,270	5,682	20,588

Purchase of finished and semi-finished products for the Group increased from Rs. 5,682 crores in FY 2006-07 to Rs. 26,270 crores. The increase in NatSteel was primarily due to increase in volume of operations. The increase in Tata Steel Thailand was mainly on account of increase in volume of production as well as increase in prices of scrap.

3) Raw Materials Consumed

Figures in Rs. crores

	FY08	FY07	Inc./.(dec.)
Tata Steel	3,430	3,121	308
Corus	29,317	-	29,317
NatSteel	1,694	313	1,381
TSTH	165	102	63
Others	419	245	173
Eliminations & Adjustments	(1,700)	(294)	(1,406)
Total	33,325	3,489	29,836

The raw materials consumed for the Group increased by Rs. 29,836 crores from Rs. 3,489 crores in FY 2006-07 to Rs. 33,325 crores in FY 2007-08. The raw materials consumption of the Indian operations increased by 10% from Rs. 3,121 crores in FY 2006-07 to Rs. 3,430 crores in FY 2007-08 mainly due to higher use of coke imported at high prices during FY 2007-08. The increase in NatSteel was primarily due to increase in purchase of coal by a subsidiary of NatSteel for consumption by Tata Steel, India. During FY 2007-08 Tata Metaliks financial statements were also included for the first time in Group financial statements as a subsidiary resulting in an increase in raw materials consumed of Rs. 152 crores.

4) Payments to and Provisions for Employees

Figures in Rs. crores

Staff cost	FY08	FY07	Inc./.(dec.)
Tata Steel	1,590	1,455	135
Corus	14,513	-	14,513
NatSteel	303	220	82
TSTH	75	67	8
Others	193	143	50
Total	16,673	1,885	14,788

The increase in Indian operations was mainly due to annual increments, basic wages and dearness allowances. The increase was partly made good by a reduction in the manpower from 37,205 as on 31st March, 2007 to 35,870 as on 31st March, 2008. Tata Metaliks, whose financial statements were also incorporated for the first time in FY 2007-08 as a subsidiary, along with Tata Refractories, JUSCO, Tata Steel KZN, TMILL (a logistics company) and other Joint ventures contributed to the increase in the staff cost.

5) Purchase of Power

Figures in Rs. crores

	FY08	FY07	Inc./.(dec.)
Tata Steel	933	922	11
Corus	3,448	-	3,448
NatSteel	211	190	22
TSTH	271	191	80
Others	83	32	51
Eliminations and adjustments	(16)	(18)	2
Total	4,929	1,315	3,614

The purchase of power for the Group increased from Rs. 1,315 crores in FY 2006-07 to Rs. 4,929 crores in FY 2007-08. The increases in purchase of power in NatSteel and Tata Steel Thailand were primarily due to the increase in the consumption as well as price of power, especially in Tata Steel Thailand, where the average power cost increased due to on-peak production. Increase of Rs. 50 crores was on account of power consumed by Rawmet, which became a subsidiary of Tata Steel from 31st March, 2007.

6) Freight and Handling Charges

Figures in Rs. crores

	FY08	FY07	Inc./.(dec.)
Tata Steel	1,098	1,117	(19)
Corus	4,269	-	4,269
NatSteel	218	121	97
TSTH	50	34	16
TMILL	495	287	208
Others	60	50	10
Eliminations & Adjustments	(184)	(100)	(84)
Total	6,005	1,508	4,497

The Freight and handling charges increased by Rs. 4,497 crores from Rs. 1,508 crores in FY 2006-07 to Rs. 6,005 crores in FY 2007-08. Apart from the first time inclusion of Corus, the freight and handling charges for the Group increased primarily due to increases in volume of operations of TMILL (a logistics company). On account of increases in volume of operations of NatSteel and TSTH partly compensated by a decrease in the Indian operations due to change in the destination mix.

7) Depreciation

Figures in Rs. crores

	FY08	FY07	Inc./.(dec.)
Tata Steel	835	819	15
Corus	3,059	-	3,059
NatSteel	80	67	13
TSTH	104	88	17
Others	59	37	22
Eliminations & Adjustments	-	-	-
Total	4,137	1,011	3,126

The depreciation charges in the Indian operations increased due to depreciation on the additions relating to the 1.8 million tonnes expansion. The increase in Tata Steel Thailand was primarily due to change in the methodology of providing for depreciation from unit of production method to straight line method in order to bring uniformity

in the group depreciation policy. Depreciation also increased in some other subsidiaries/Joint Ventures like Tata Refractories, Tata Metaliks (included as a subsidiary for the first time during FY 2007-08), Rawmet, Tata BlueScope etc.

8) Other Expenditure

Figures in Rs. crores

	FY08	FY07	Inc./.(dec.)
Tata Steel	4,006	3,595	411
Corus	21,978	-	21,978
NatSteel	531	405	127
TSTH	525	384	142
TSAH	55	229	(174)
Others	661	377	285
Eliminations & Adjustments	(526)	(567)	41
Total	27,231	4,422	22,809

Other expenditure represents following expenses:

Figures in Rs. crores

	FY08	FY07	Inc./.(dec.)
Stores consumption	8,565	1,182	7,383
Fuel oil consumption	710	285	424
Repairs to buildings	432	17	415
Repairs to machinery	6,211	698	5,512
Rent	3,757	50	3,708
Rates and taxes	479	66	413
Royalty	178	179	(1)
Conversion charges	871	669	203
Others (*)	6,029	1,277	4,752
Total	27,231	4,422	22,809

(*) Includes Insurance charges, commissions, discounts and rebates, provision for wealth tax, adjustments relating to previous years, other expenses, provision for doubtful debts and advances, excise duty and expenditure transferred to capital.

The other expenditure for the Group increased from Rs. 4,422 crores in FY 2006-07 to Rs. 27,231 crores in

FY 2007-08. Apart from the first time inclusion of the financial statements of Corus in the financial statements of the Group, the increases were in the Indian operations, NatSteel, Tata Steel Thailand, Tata NYK Shipping Pte. Ltd. (a Joint Venture entered into during FY 2007-08), TMILL (logistics company), Tata Refractories and Tata Metaliks (first time included as a subsidiary).

The increases in the Indian operations were mainly due to the increases in the repairs, conversion charges, increase in liability for employees benefits as measured under Accounting Standard (AS) 15, expenses in connection with celebration of the Centenary Year of the company, expenses on raising of loans/rights issue, and expenditure on consultancy/feasibility studies etc.

The increases in NatSteel and Tata Steel Thailand were primarily due to increases in the stores and fuel oil consumption and other expenses attributable to their increase in volume of operations.

9) Interest (Net)

Figures in Rs. crores

	FY08	FY07	Inc./ (dec.)
Tata Steel	879	174	705
Corus	2,760	-	2,760
NatSteel	56	46	10
TSTH	32	44	(11)
TSAH	416	124	292
Others	40	23	17
Eliminations & Adjustments	(1)	-	(1)
Total	4,184	411	3,773

The interest charges increased from Rs. 411 crores in FY 2006-07 to Rs. 4,184 crores in FY 2007-08 mainly due to the first time inclusion of the financial statements of Corus as well as due to the interest

on the borrowings taken by entities like Tata Steel, Indian operations and Tata Steel Asia Holdings for funding the acquisition of Corus.

10) Exceptional Items

Figures in Rs. crores

	FY08	FY07	Change
Employees' Separation Compensation	(227)	(153)	(74)
Contribution for sports infrastructure	(150)	-	(150)
Exchange difference	595	-	595
Actuarial gain/(loss) on funds for employee benefits	5,907	-	5,907
Total exceptional gains/(losses)	6,124	(153)	6,277

The Employee separation compensation was higher by 49% from Rs. 153 crores in FY 2006-07 to Rs. 227 crores in FY 2007-08. The increases were mainly due to inclusion of fresh cases and changes in discounting rates in FY 2007-08 over FY 2006-07.

A contribution of Rs. 150 crores towards development of sports infrastructure has been recognised as an exceptional expenditure during the current fiscal year.

Due to rupee appreciation against major foreign currencies in the current financial year, the company had a net exchange gain of Rs. 595 crores mainly due to revaluation of the forex loans and deposits. This has been recognised as an exceptional income during the year ended 31st March, 2008.

The actuarial gain is on account of recovery of bond yields used to discount scheme liabilities and recovery in asset values of the scheme funds. These gains are required to be accounted for through the Profit & Loss Account under Indian GAAP.

11) Fixed Assets (Net Block)

Figures in Rs. crores

	As on 31st March '08	As on 31st March '07	Change
Tata Steel	12,624	11,041	1,583
Corus	24,966	-	24,966
NatSteel	518	522	(4)
Tata Steel Thailand	1,195	1,292	(97)
Others	2,660	1,366	1,294
Total	41,963	14,221	27,743

The Fixed Assets of the Group increased by Rs. 27,743 crores from Rs. 14,221 crores as on 31st March, 2007 to Rs. 41,963 crores as on 31st March, 2008. Apart from the first time inclusion of the financial statements of Corus, the major reasons for increase in the Net Block were 1.8 million tonnes per annum expansion in Tata Steel, Indian operations, first time inclusion of the financial statements of Tata Metaliks Limited after it became a subsidiary, increase in the capital expenditures in other projects like Hooghly MetCoke, Tata Steel KZN (South Africa), Dhamra Port (Orissa, India) etc.

12) Stock-in-Trade

Figures in Rs. crores

	As on 31st March '08	As on 31st March '07	Change
Tata Steel	2,047	1,828	220
Corus	17,447	-	17,447
NatSteel	1,005	590	415
Tata Steel Thailand	450	454	(3)
Others	460	324	135
Total	21,409	3,195	18,214

The Stock-in-trade increased by Rs. 18,214 crores from Rs. 3,195 crores as on 31st March, 2007 to Rs. 21,409 crores as on 31st March, 2008 mainly due to first time

inclusion of financial statements of Tata Steel, UK (Corus). The stock increased in NatSteel due to increase in the volume of operations. The stock at Tata Steel, Indian operations increased due to increase in raw materials stock at the Works, Jamshedpur and also at the Ferro Alloys division. The financial statements of Tata Metaliks (post its becoming a subsidiary) were also incorporated for the first time in the financial statements of the Group resulting in increase for the Group to the extent of Rs. 192 crores (included in others above).

13) Sundry Debtors

Figures in Rs. crores

	As on 31st March '08	As on 31st March '07	Change
Tata Steel	543	632	(88)
Corus	16,951	-	16,951
NatSteel	648	619	29
Tata Steel Thailand	305	287	17
Others	602	420	182
Eliminations & Adjustments	(352)	(271)	(82)
Total	18,696	1,687	17,010

The debtors balances as on 31st March, 2008 increased by Rs. 17,010 crores from a level of Rs. 1,687 crores as on 31st March, 2007. While the first time inclusion of the financial statements of Corus and Tata Metaliks contributed Rs. 16,951 crores and Rs. 76 crores respectively towards the overall increase, there were increases in the Debtors level of the South-East Asian operations (NatSteel and Tata Steel Thailand) made good by a reduction in the debtors balances at Tata Steel, Indian operations. The reduction in Indian operations were in the areas of Flat Products and Long products in the Steel division mainly due to continuous monitoring coupled with introduction of insurance-backed factoring facility.

14) Cash and Bank Balances

Figures in Rs. crores

	As on 31st March '08	As on 31st March '07	Change
Tata Steel	465	7,681	(7,216)
Corus	3,174	-	3,174
NatSteel	94	79	15
Tata Steel Thailand	331	5	326
Tata Steel Asia Holdings	0	3,033	(3,033)
Others	168	90	77
Total	4,232	10,888	(6,656)

There was a reduction of Rs. 6,656 crores in the cash and bank balances as on 31st March, 2008 over 31st March, 2007 as the balances which were lying in the books of Tata Steel, Indian operations and Tata Steel Asia Holdings as on 31st March, 2007 were utilised during the financial year for funding the acquisition of Corus.

15) Loans & Advances

Figures in Rs. crores

	As on 31st March '08	As on 31st March '07	Change
Loans & Advances	15,465	1,980	13,485

The Loans and Advances increased by Rs. 13,485 crores mainly due to the first time incorporation of the financial statements of Corus. The advances in Corus represent mainly the advances towards the retirement benefit assets.

16) Current Liabilities and Provisions

Figures in Rs. crores

	As on 31st March '08	As on 31st March '07	Change
Current Liabilities	26,394	5,444	20,950
Provisions	6,458	2,080	4,378
Total	32,852	7,524	25,328

The Current Liabilities and Provisions for the Group increased by Rs. 25,328 crores mainly due to inclusion of

the financial statements of Corus. The current liabilities and provisions for Corus represent payables on account of goods supplied, wages payable, other liabilities and provisions for retiring gratuities.

17) Loans

Figures in Rs. crores

	As on 31st March '08	As on 31st March '07	Change
Secured Loans	35,415	4,961	30,454
Unsecured Loans	18,178	19,964	(1,787)
Total	53,593	24,926	28,667
Tata Steel	18,022	9,645	8,376
Corus	31,836	-	31,836
NatSteel	1,100	1,177	(77)
Tata Steel Thailand	650	725	(75)
Tata Steel Asia Holdings	597	13,161	(12,563)
Others	1,596	833	764
Eliminations & Adjustments	(209)	(615)	406
Total	53,593	24,926	28,667

The loans have gone up from Rs. 24,926 crores as on 31st March, 2007 to Rs. 53,593 crores as on 31st March, 2008 mainly due to inclusion of the Secured loans of Corus from Banks and Financial Institutions. The increase in the loan balances of Tata Steel's Indian operations represent 1% Convertible Alternate Reference Securities – USD 875 million, short-term bridge loans from State Bank of India and IDBI used for funding the Corus deal.

j) Internal Controls & Systems

Tata Steel

The Company has in place adequate internal control systems and procedures commensurate with the size and nature of its business. The effectiveness of the internal controls is continuously monitored by the Corporate Audit Division of the Company. Corporate Audit's main objective

is to provide to the Audit Committee and the Board of Directors, an independent, objective and reasonable assurance of the adequacy and effectiveness of the organisation's risk management, control and governance processes. Corporate Audit also assesses opportunities for improvement in business processes, systems & controls and may provide recommendations, designed to add-value to the organisation. It also follows up on the implementation of corrective actions and improvements in business processes after review by the Audit Committee and Senior Management.

The scope and authority of the Corporate Audit Division is derived from the Audit Charter approved by the Audit Committee. The Charter is designed in a manner that the Audit Plan is focused on the following objectives:

- Review of the identification and management of Risks.
- All operational and related activities are performed efficiently and effectively.
- Significant financial, managerial and operating information is relevant, accurate and reliable and is provided timely.
- Resources are acquired economically, used efficiently and safeguarded adequately.



- Employees' actions are in accordance with the Company's policies, procedures, Tata Code of Conduct and applicable laws and regulations.
- Significant legislative and regulatory provisions impacting the organisation are recognised and addressed appropriately.
- Opportunities identified during audits for improving management control, business targets and profitability, process efficiency and the organisation's image are communicated to the appropriate level of management.
- Shareholders' and other Stakeholders' wealth and welfare are preserved, protected and enhanced.

The audit activities are undertaken as per the Annual Audit Plan developed by the Corporate Audit Division based on the risk profile of business processes/sub-processes of various functions. The Audit Plan is approved by the Audit Committee which regularly reviews compliance to the Plan.

During the year, the Audit Committee met regularly to review the reports submitted by the Corporate Audit Division. All significant audit observations and follow-up actions thereon are reported to the Audit Committee.

The Audit Committee also met the Company's Statutory Auditors to ascertain their views on the adequacy of internal control systems in the Company and their observations on financial reports. The Audit Committee's observations and suggestions were acted upon by the Management.

Corus Group

Corus has a well-established and substantial internal audit function that reports to the Director Finance on a day-to-day basis, but which also has a direct link with and access to the chairman of the Audit Committee who

meets with the Director Audit several times each year. The Audit Committee receives reports from the internal audit function four times a year and also considers the terms of reference, plans and effectiveness of the function. The internal audit function works closely with the external auditors. It provides independent and objective assurance to the Board, the Audit Committee and the Executive Committee on the systems of internal control employed in Corus and provides a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and governance procedures.

The Board of Directors is responsible for Corus's system of internal control and reviewing its effectiveness.

There were no changes in internal control over financial reporting that occurred during the period under review that have materially affected or are reasonably likely to materially affect the internal control over financial reporting.

Corus's system of internal control has been designed in order to provide the directors with reasonable assurance that its assets are safeguarded, that transactions are authorised and properly recorded and that material errors and irregularities are either prevented or would be detected within a timely period. However, no system of internal control can eliminate the risk of failure to achieve business objectives or provide absolute assurance against material misstatement or loss.

The Board meets regularly with a formal schedule of matters reserved to them for decision and has put in place an organisational structure with clear lines of responsibility defined and with appropriate delegation of authority and the Board receives regular reports from all committees. There are established procedures for planning, approval and monitoring of capital expenditure and information systems for monitoring Corus's financial performance

against approved budgets and forecasts. The Corporate Responsibility committee receives reports on health and safety issues and environmental audits carried out across Corus.

Corporate Governance of Corus Group

Day-to-day Management

The Board of TSUK ('the Board') oversees the day-to-day management of Corus, which is conducted through the Executive committee within the context of the overall strategy laid down by the Tata Steel Group. Corus is committed to high standards of corporate governance for which the Board of Directors is accountable.

k) Risk Management

Tata Steel

Tata Steel has been on a path of accelerated growth with foray into several geographies. Associated with such growth is the resultant change in the risk profile. The Company today faces greater complexities/challenges and even greater expectations from its stakeholders. The Company, therefore, needs to evaluate how much risk the company is taking in light of its growth initiatives. In other terms, the residual risk in the expected return needs to be formally recognised and disclosed.

In the past, the Company's Risk Management framework was based on the Tata Business Excellence Model ("TBEM"). This framework has served us very well as the Company modernised, pursued the goal of being one of the lowest cost producers of steel and adopted an approach of Value Based Management in order to maximise the shareholders' value. Given the pace and complexity of the current growth with its associated risks, Tata Steel now is in the process of implementing a more structured approach in the form of Enterprise Risk Management (ERM).

The key objectives of the Company through ERM are :

1. To enshrine the process of ERM as a usual Business Process and integrate into all decision making and planning processes.
2. To ensure that all levels of Management identify and monitor risks through a properly defined framework.
3. To provide periodic information and updates to the Board and the Shareholders on the significant risks and the ways of mitigating the same.

Continuing with its best-in-class approach, the Company endeavours to create a "Risk Dash Board" for periodic reporting to the Management as decision support and to assist in developing better controls aligned to the best practices in mitigating the risks.

The ERM initiative is currently under implementation and is expected to be completely rolled out in the financial year 2008-09.

Some of the key risks the Company has been monitoring, reviewing and managing are:

Raw Material Linkage - While the stand alone raw material security of Tata Steel is 80%, with the acquisition of Corus the combined security of the group stands at 22%.

With a view to increasing its raw material security so as to maintain its cost competitive position and to de-risk supplies, Tata Steel continues to look at opportunities for backward integration guided by the following factors: favourable geographical operations, resource potential with suitable quality, favourable political, socio-economic conditions and infrastructural support.

Accordingly, the Company has entered into three significant joint venture agreements with respect to coal, iron ore and limestone properties with large resource base.

Post Acquisition Integration Risk – Post Acquisition, Tata Steel recognises that there could be considerable risk



emanating from a possible lack of adequate alignment of management on strategic issues and in common functional areas. The Tata Steel Group has therefore taken some substantive measures to mitigate the above risks:

- a) An Operating Model has been instituted to govern management collaboration and decision making in areas such as Finance, Strategy, IT, HR, Continuous Improvement. A Joint Executive Committee, comprising executive leadership of both entities, provides high level direction and guidance.
- b) To ensure that synergies in operations are identified and implemented for pre-defined bottom line impact, the following enabling mechanisms have been set up soon after the acquisition transaction was completed:
 - Focused integration teams
 - Setting up of a Strategy and Integration Committee
 - Setting up an Integration Programme Office to facilitate synergy identification and enable smooth working of integration teams
 - An external independent party has been engaged to audit implementation plans and to track synergy realisation

- Review of synergy implementation and realisation
The above approaches are expected to mitigate risks associated with realisation of synergies

Growth Execution Risk – Tata Steel has undertaken several Greenfield projects at low cost locations to ensure that modern upstream facilities meet the requirements of the finishing/downstream facilities operating at locations closer to the market. The Greenfield ventures require balancing of various stakeholders needs. Hence the Company adopts the framework of Corporate Sustainability Management System and Triple Bottom Line performance (Economic, Environmental, and Societal) reporting. This facilitates the Company's efforts to proactively manage concerns and address the needs beyond compliance to norms. The Company's goals of ensuring safety, improved quality of life and environmental sustainability are cascaded down the organisation through the deployment of its Environmental, Health & Safety Policy. The project teams also ensure that they liaison with the government to ensure that the right rehabilitation package is offered to those who offer their land.

During formulation of the scheme, focus is kept on selecting the most suitable technology. The orders are placed with firm and fixed prices so that the likely increase in cost does not affect project cost. Further, Sensitivity Analysis is done considering variation in capital cost, manufacturing expenses and sales price. Along with this Sensitivity Analysis the project feasibility is analysed for different scenarios. The overall project cost is monitored minutely and reviewed on a weekly basis.

Business and Operational Risks

Market Risks – Tata Steel addresses the risk of cyclicality of the Steel industry by marinating rich product mix and higher value added products whose volatility is lower.

Moreover, the industry itself has been undergoing some structural changes with Consolidations. These changes are expected to bring in greater stability to prices.

Regulatory & Compliance Risks – The Government plays a key role in the economics of a Steel industry. It has a role as a resource allocator (the mining policies of the Government), as Competitor (the public sector steel companies) and as Regulator. In volatile times the regulatory risk rises with measures like reduction in import duties, levy of export duties and withdrawal of DEPB benefits, threats of price curbs etc. Tata Steel counters this risk by being a role-model corporate citizen and playing an important role in contributing to the Nation building.

Tata Steel is the second largest steel producer in terms of Geographical spread of its facilities. The Company recognises that this spread across various countries increases the compliance risk and hence the Company has set up a focused team headed by a Group Head for Corporate Assurance and Compliances to proactively deal with and mitigate all such potential concerns and issues.

Technology Risks – Tata Steel with its modernisation plans has ensured that it deploys the best technologies to ensure quality, cost-efficiency and environment-friendly processes. Through acquisition of Corus and



with new Greenfield ventures, Tata Steel has ensured that it has diversified the concentration risk in single technology of Iron & Steel making. Moreover the Research & Development team of Corus addresses the need for greater R&D capability of the company.

Safety & Environmental Risks – In the developed world, industries have been facing rising environmental costs due to the increased concerns on Global Warming. It is, therefore, a challenge and responsibility for the Steel industry to be the trustee in conservation of nature for future generations. In Tata Steel, the impact of the Company's products, services and operations on employees, society and environment are systematically analysed through stakeholder engagement, "risk analysis" under ISO-14001, OHSAS-18001 and "Life Cycle Assessment" of products.

Tata Steel has also adopted the best-in-class DuPont's safety programme. Every activity in Tata Steel is carried out not only with a cost efficient, quality conscious purpose but also with a view for safe practice.

Corus Group

The key business risks affecting Corus are as follows:

Health, safety and environmental matters

Corus's businesses are subject to numerous laws, regulations and contractual commitments relating to health, safety and the environment in the countries in which it operates. The risk of substantial costs and liabilities related to these laws and regulations are an inherent part of Corus's business. Corus has policies, systems and procedures in place aimed at ensuring substantial compliance and there is a strong commitment from the Board and the Executive Committee to enforce compliance, to continuously improve safety performance

and to minimise the impact of Corus's operations on the environment.

Financing

TSL financed the acquisition of Corus in part by a significant level of debt. On 30th April, 2007, TSUK signed an agreement for £3,670 million of senior secured facilities for this purpose and to provide future working capital for Corus, which had final maturities of between five and seven years. The agreement is subject to financial covenants. Repayment of the debt and adherence to the covenants represent risks. The forecast requirements of Corus are closely monitored and 'downside' sensitivities undertaken regularly to ensure the adequacy of facilities, and to assess actual and projected adherence to covenants.

Key personnel

Corus's ability to attract and retain good quality, appropriately qualified and experienced staff is important to the achievement of its objectives. Corus has in place an effective benefits structure including long-term incentives and a talent management programme to optimise development of employees. There is regular communication with employees through various means and during 2007 the operating model of the new Group has been extensively communicated throughout the organisation.

Raw materials and energy

Corus's raw materials depend, to a large extent, on worldwide supply and demand relationships, notably iron ore, metallurgical coal and scrap. Driven by strong demand, particularly from China, prices have risen substantially in

recent years and again in 2008 and for coal in particular availability is also a concern. Energy prices have shown similar upward movements. There is a risk that such substantial increases cannot be fully passed on in selling prices and/or that there is a time lag in doing so. Corus closely monitors market conditions to ensure that rising input costs are recovered fully or to the extent possible and puts in place contractual arrangements to ensure security of critical supplies.

Pensions

Corus provides retirement benefits for substantially all of its employees, including defined benefit plans. The market value of pension assets and liabilities is significantly greater than the net assets of Corus and therefore, any change can have a material impact on Corus's financial statements as well as impacting the level of company pension contributions. Corus has put in place a framework to manage pension risks and works with Schemes' Trustees to ensure that obligations remain affordable and sustainable. A range of measures has already been adopted by the principal schemes in Corus to manage liabilities and to protect against investment market risk exposure, whilst maintaining asset performance. Further actions will be considered as and when appropriate.

Exchange rates

Corus derives most of its revenue in the EU, but has substantial assets and sales in the UK, which is not a member of the euro-zone. Major raw material supplies purchases are, however, denominated mainly in US dollars. As a result, Corus is impacted by the relationship between the Sterling, the Euro and the US dollar. Corus operates a hedging policy to minimise the volatility of rapid and significant movements in these exchange rates.

Financial risks

The Company actively monitors Foreign Exchange and Interest Rate exposure. Based on an informed view and assessment of these risks, it has developed a Risk Management Policy. The Risk Management policy of the Company operates to achieve greater predictability of earnings and provides a stable planning environment. Corus's main financial risks are related to the availability of funds to meet its business needs and movements in interest and currency exchange rates as well as commodity costs. Derivative and other financial instruments are used to manage any exposures where considered appropriate.

The Company hedged the foreign currency risk (in Japanese Yen and US Dollar) on repayment of the major part of the USD 1.65 billion of external commercial borrowings drawn in FY 2006-07. The Company also drew down USD 875 million through a convertible bond issue (CARS), which may be converted to the underlying securities in FY 2011-12 and FY 2012-13. The repayment of this liability is uncertain and accordingly the foreign currency exposure remains unhedged.

The Company also actively and selectively hedged its export receivables and import payables during the last financial year.

The Company endeavours to pursue the following long-term financing objectives as part of its Strategic Plan:

- Raising cost efficient funds for the growth plans of the Company
- To be an Investment grade Company in the long-term
- To provide financial flexibility in the Balance Sheet
- Funding strategy to focus on EPS accretion



- To comply with the expectations of various lenders in terms of financial covenants

l) Statutory Compliance

On obtaining confirmation from the various units of the Company of having complied with all the statutory requirements, a declaration regarding compliance with the provisions of the various statutes is made by the Managing Director at each Board Meeting. The Company Secretary ensures compliance with SEBI regulations and provisions of the Listing Agreement. The Group Chief Financial Officer as the Compliance Officer for prevention of insider trading ensures compliance with the Tata Guidelines on Insider Trading.

Contingent Liabilities

Details of contingent liabilities are given in Schedule M of the Notes on Balance Sheet and Profit and Loss Account.

m) Safety

The Group is committed to ensuring safety of its employees, plant and its surrounding community at all its operation sites. For the last few years, Tata Steel has taken help from M/s. DuPont Safety Resources for establishing safety culture by inculcating safe behavior amongst its

employees. This has helped the Company to reduce its LTIFR (Lost Time Injury Frequency Rate) to its best ever figure of 1.7 during the current year. Reduction in LTIFR need not essentially reduce the fatalities at the workplace. It is being addressed separately through Fatality Risk Control Protocol which aims at eliminating the hazards of fatality potential. e.g. Helper less driving in the heavy vehicles.

For sustainability of the operations, process safety needs to be strengthened. Tata Steel has decided to implement Process Safety & Risk Management (PSRM) in high hazardous operations and launched the PSRM initiative in two of its major departments viz. Coke Plant and L. D. Shop. Tata Steel also tied up with the premier institution of IIT Kharagpur to design and offer a high value short-term programme on process safety as offered at Texas University for our executives.

Realising the importance of Community Safety, the management started working with SAFE organisation and engaged the Consultants, M/s. Humbert Ebner India Pvt. Ltd. to take up the drive to systematically imbibe safety knowledge into school children in Jamshedpur and at its Mines and Collieries. This initiative has been taken by the company for generating an awakening in the community and produce positive results within the next few years benefiting both Tata Steel and the community.

Corus continued to focus on health and safety performance as a key priority. A new three-year plan was launched in February 2008 supporting the corporate citizenship benchmark. The number of serious incidents as measured by lost time injury frequency rates continued to fall in FY 2007-08 reaching for employees in the year compared to in Corus prior to acquisition.

The Company has co-created a group vision to reach the LTIFR of 0.4 by 2012.

n) Environment Management

Tata Steel

Tata Steel is committed to address the climate change issues by continuously reducing Carbon dioxide (CO₂) emissions. The CO₂ emission was brought down by 4.2% in the reporting period to 2.04 t/tcs in 2007-08. The Company is vigorously pursuing CDM (Clean Development Mechanism) Projects for availing carbon credit which are at various stages of approval and implementation. Tata Steel has enthusiastically participated in the Steel Task Force initiatives of Asia Pacific Partnership on Clean Development and Climate (APPCDC) under the aegis of Ministry of Steel, Government of India.

Dust emission from stacks reduced by 11.5% in 2007-08 to 0.86 kg/tcs due to eliminating coal burning for power generation, improved recovery of by-product gases and stringent surveillance of pollution control equipment.

In the reporting period, solid waste utilisation has been improved to 86%. The trials of LD slag as soil conditioner were found successful. Reclamation and tree plantation measures continued at Steel Works and other divisions of the steel company.

Initiatives for FY 2008-09

Item	Key Initiatives
Reduction of CO ₂ Emission	<ul style="list-style-type: none"> • Maximise recovery and utilisation of by-product gases • Increase energy efficiency at process units • Implement identified CDM Projects
Reduction of Dust Emission	<ul style="list-style-type: none"> • Upgradation of Electrostatic Precipitators in existing units
Water Conservation	<ul style="list-style-type: none"> • Commissioning of Sunsungarial and Garam nalla water recycling projects. • Increase intake of recycling water from Bara Ash Pond Area
Solid Waste Utilisation	<ul style="list-style-type: none"> • Increase in BF Slag granulation and utilisation. • Increase sale of BOF Slag for productive use.

Corus Group

Corus believes that respect for the environment is critical to the success of its business. It is committed to minimising the environmental impact of its operations and its products through the adoption of sustainable practices and continuous improvement in environmental performance. To implement its environmental policy, systems are in place that focuses on managing and minimising the effects of operations. 100% of Corus's manufacturing operations are certified to the independently verified international environmental management standard, ISO 14001.

Climate change is one of the most important issues facing the world today. Corus recognises that the steel and aluminium industries are significant contributors to man-made greenhouse gas emissions as the manufacture of steel produces carbon dioxide (CO₂), and the manufacture of primary aluminium generates both CO₂ and perfluorocarbons (PFCs). On emissions, Corus wants to demonstrate that it will be part of the climate change solution, reducing its CO₂ footprint by at least 20% by 2020.



Corus has made a voluntary agreement with the Dutch government to benchmark its energy efficiency against world-best standards. In the UK, an agreement has been negotiated with the government to reduce total energy consumption by 14.7% compared to 1997 levels by 2010. In February 2008 Corus announced an investment of £60 million in energy management technology at its Port Talbot site, an investment that will reduce CO₂ emissions. In addition to these improvements, Corus is also working with other steelmakers in Europe on a major research and development project, ULCOS with the ambitious objective of reducing carbon emissions by 50% by 2050.

The EU Emissions Trading Scheme (EU ETS) came into force on 1st January, 2005. The scheme currently focuses on CO₂ emissions and applies to various production

processes, including those used in the production of steel. Each EU member state has its own nationally negotiated emission rights allowance, which is allocated back to CO₂ emitting sites. Sites have permission to emit CO₂ up to the value of their rights allocation. Any surplus can be sold and any deficit can be purchased on the emission rights market. Phase 1 of the EU ETS covered 2005 to 2007 and Phase 2 covers 2008 to 2012, with usage of rights being externally verified and reconciled annually. Failure to possess adequate rights to match emissions was penalised at €40 per tonne of CO₂ in Phase 1, increasing to €100 per tonne in Phase 2, plus the cost of purchasing these rights. The Phase 2 emission rights trading price at the end of March 2008 was approximately €24 per tonne.

Corus met its environmental obligations in Phase 1 of the EU ETS and expects to do the same in Phase 2. CO₂ allocations to Corus under the UK National Allocation Plan (NAP) broadly reflected its requirements for Phase 1. Under the Dutch NAP for Phase 1, Corus was short of rights for Phase 1, although overall Corus was in surplus for Phase 1. Phase 2 allocations have been determined for both the UK and the Netherlands and, whilst these will provide a significant challenge, overall they should again be broadly sufficient to meet requirements with the UK in surplus and the Netherlands in deficit. Any deficit in emission rights in the Netherlands has been and will be met in the first instance from any surplus in the UK.

Continued attention is being given to development of products that have a better environmental profile or that have inherent environmental advantages. For example, to help automotive manufacturers reduce the weight of their vehicles in order to make them more fuel efficient and more environment friendly. Some of these developments are discussed in the Technology section.

Corus aims to contribute positively to the communities around or near to its operations. Apart from providing

employment for many thousands of people, it actively participates in community initiatives and encourages biodiversity and nature conservation.

NatSteel

Towards its contribution to corporate social responsibility, NSA has invested around S\$20 million in plant and equipment for energy conservation, recycling and pollution and waste reduction. NatSteel Asia's corporate philosophy embraces community giving and responsible environmental stewardship. NatSteel Asia actively upholds a comprehensive Environment, Safety and Health policy to:

- Maintain high environmental, occupational safety and health standards through a regular system of risk assessment and management
- Be energy efficient
- Reduce, reuse or recycle, improve environmental, occupational safety and health performances, through R&D, training, and periodic review
- Promote best practices in these areas

o) Human Resource Management and Industrial Relations

Tata Steel

Industrial relations remained normal at all locations. The men on roll in the Company as on 31st March, 2008 were 35,870 as compared to 37,205 as on 31st March, 2007. The development of human resources is a key strategic challenge in order to prepare people for future responsibilities in terms of professional skills as well as business skills. The Company is investing in the modernisation of the plant and training of manpower for upgrading their skills. Further, it is planned to redeploy the surplus manpower to various greenfield projects.

Corus Group

At the end of March 2008 the number of employees in Corus was 41,900, compared to 41,100 on acquisition of Corus on 2nd April, 2007.

Corus has experienced no significant industrial relations problems during the year. Well-developed procedures have operated in all parts of Corus for a considerable time for the purpose of consulting and negotiating with Trade Unions, the European Works Council and employee representatives. Approximately 78% of UK employees are members of Trade Unions, with the equivalent figures for the Netherlands and Germany estimated at 45% and over 50% respectively.

The British Steel Pension Scheme (BSPS) is the principal defined benefit pension scheme of Corus in the UK. Members contribute to the scheme at the rate of 6% of pensionable earnings. Following the triennial valuation as at 31st March, 2005, the Actuary certified that company contributions to meet the cost of future service benefits should be 10% in the Main Section with effect from 1st April, 2006, subject to review at future actuarial valuations.

As a result of the acquisition of Corus by TSL on 2nd April, 2007, the Company held discussions with the Trustees



of the BSPS and the Corus Engineering Steels Pension Scheme (CESPS) about the security of the schemes. Following these discussions, the Company agreed to increase contributions to the BSPS Main Section from 10% to the full actuarial headline rate of 12% from the date of acquisition until 31st March, 2009, and to procure that its contributions to the BSPS will not be less than 10% for the period up to and including 31st March, 2012. The Company also agreed to contribute £13.5 million per annum over two years in support of acceleration of the BSPS investment de-risking strategy and to make a cash injection of £126 million to meet the funding deficit on an IAS19 basis in the CESPS.

The next formal valuations of the BSPS and CESPS are scheduled to take place as at 31st March, 2008 and 5th April, 2008 respectively.

The Stichting Pensioenfond Hoogovens (SPH) scheme is the principal pension scheme of Corus in the Netherlands. It is a defined benefit scheme and contributions in FY 2007-08, which can vary according to the funding ratio of the scheme, stood at 11% from the contributing company and 6.5% from members relative to gross pensionable earnings.

NatSteel

NatSteel employs over 3,000 employees across Singapore, China, Thailand, Vietnam, Malaysia, the Philippines and Australia. NSA has achieved many national accolades in recognition of its commitment to employees. It achieved the People Developer Standard in recognition of its quality people development practices and the Work-Life Excellence Award. The Company also won the Singapore Health Award (Gold) for three consecutive years.

p) *Cautionary Statement*

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.

Highlights

	2007-08	<i>2006-07</i>
	Rupees Crores	<i>Rupees Crores</i>
Gross revenue.....	22,526.80	<i>20,196.24</i>
Profit before taxes	7,066.36	<i>6,261.65</i>
Profit after taxes	4,687.03	<i>4,222.15</i>
Dividends (including Tax on Dividends).....	1,393.55	<i>1,104.33</i>
Retained earnings	4,128.09	<i>3,937.11</i>
Capital employed	46,920.41	<i>25,394.97</i>
Net worth.....	27,145.62	<i>13,893.62</i>
Borrowings	18,021.69	<i>9,545.33</i>
	Ratio	Ratio
Net Debt : Equity	0.58	<i>(0.12)</i>
Net worth per Share as at year end	Rupees 379.00	<i>Rupees 214.80</i>
Earnings per Share :		
<i>Basic</i>	Rupees 67.17	<i>Rupees 65.28</i>
<i>Diluted</i>	Rupees 61.63	<i>Rupees 65.27</i>
Dividend per Share	160%	<i>155%</i>
Employees (Numbers)	35,870	<i>37,205</i>
Shareholders (Numbers).....	6,87,564	<i>6,74,184</i>

Sources and Utilisation of Funds

(Rupees crores)

	2007-08	2006-07	2005-06	2004-05	2003-04	Total for 2003-04 to 2007-08
SOURCES OF FUNDS:						
1. FUND GENERATED FROM OPERATIONS						
(a) PROFIT AFTER TAXES	4,687.03	4,222.15	3,506.38	3,474.16	1,746.22	17,635.94
(b) DEPRECIATION	834.61	819.29	775.10	618.78	625.11	3,672.89
(c) OTHER INCOME AND ADJUSTMENTS	208.67	853.79	136.68	(14.08)	20.78	1,205.84
(d) TOTAL	5,730.31	5,895.23	4,418.16	4,078.86	2,392.11	22,514.67
2. SHARE CAPITAL (INCLUDING SHARE PREMIUM)	9,666.03	174.06	—	—	—	9,840.09
3. NET INCREASE / (DECREASE) IN BORROWINGS	8,376.36	7,129.18	(223.55)	(642.51)	(852.33)	13,787.15
	23,772.70	13,198.47	4,194.61	3,436.35	1,539.78	46,141.91
UTILISATION OF FUNDS :						
4. CAPITAL EXPENDITURE	2,448.35	2,007.68	1,527.58	1,978.36	960.33	8,922.30
5. INVESTMENTS (NET)	(2,002.99)	2,036.22	1,637.31	238.53	999.57	2,908.64
6. DIVIDENDS#	1,393.55	1,104.33	820.43	821.37	416.25	4,555.93
7. NET INCREASE / (DECREASE) IN WORKING CAPITAL*	21,945.43	7,819.35	45.29	290.44	(873.30)	29,227.21
8. MISC. EXPENDITURE**	(11.64)	230.89	164.00	107.65	36.93	527.83
	23,772.70	13,198.47	4,194.61	3,436.35	1,539.78	46,141.91

Including tax on dividend **Rs. 202.43** crores (2006-07 : Rs. 160.42 crores, 2005-06 : Rs. 100.92 crores, 2004-05 : Rs. 101.86 crores, 2003-04, Rs. 47.27 crores).

* Stocks and stores, book debts, advances and cash balances less trade creditors, provisions etc.

** Expenses of Employee Separation Compensation not amortised (Net of Provision).

Auditors' Report

TO THE MEMBERS OF
TATA STEEL LIMITED

1. We have audited the attached Balance Sheet of TATA STEEL LIMITED, as at 31st March, 2008, the Profit and Loss Account for the year ended on that date and the Cash Flow Statement for the year ended on that date both annexed thereto in which are incorporated the Returns from the Singapore Branch audited by another auditor. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable.
4. Further to our comments in the Annexure referred to in paragraph (3) above, we report that :
 - (a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books and proper returns adequate for the purposes of our audit have been received from the Singapore Branch not visited by us. The Branch Auditor's Report has been forwarded to us and appropriately dealt with;
 - (c) the Balance Sheet, the Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account and with the audited returns from the branch;
 - (d) in our opinion, the Balance Sheet, the Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (e) in our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2008;
 - (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
5. On the basis of written representations received from the directors, as on 31st March, 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For DELOITTE HASKINS & SELLS
Chartered Accountants,

P. R. RAMESH
Partner.

Membership No. : 70928

Mumbai, 26th June, 2008

Annexure to the Auditors' Report

[Referred to in paragraph (3) of our report of even date]

The nature of the Company's business/activities during the year is such that clauses (x), (xii), (xiii) and (xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

- (i) In respect of its fixed assets :
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) Some of the fixed assets have been physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (ii) In respect of its inventories :
 - (a) As explained to us, the inventories of finished and semi-finished goods and raw materials at Works, Mines and Collieries were physically verified during the year by the Management. In respect of stores and spare parts and stocks at stockyards and with Consignment/Conversion Agents, the Company has a programme of verification of stocks over a three-year period. In our opinion, having regard to the nature and location of stocks, the frequency of verification is reasonable. In case of materials lying with third parties, certificates confirming stocks have been received in respect of a substantial portion of the stocks held.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted or taken any secured or unsecured loan to or from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Consequently, clauses (iii)(a) to (iii)(g) of paragraph 4 of the order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanation that some of the items purchased are of special nature and suitable alternative sources do not exist for obtaining comparable quotations, there is adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventories and fixed assets and for the sale of goods and services and we have not observed any continuing failure to correct major weaknesses in such internal control system.

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- (v) According to the information and explanations given to us, the Company has not entered into any contract or arrangement with other parties, which needs to be entered in the register maintained under Section 301 of the Companies Act, 1956.
- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.
- (vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account and records maintained by the Company relating to the manufacture of bearings, steel tubes and pipes, steel, chrome ore and alloys and electricity, pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that *prima facie*, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete. To the best of our knowledge and according to the information given to us, the Central Government has not prescribed the maintenance of cost records for any other products of the Company.
- (ix) In respect of Statutory Dues :
- (a) According to the information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues with the appropriate authorities during the year. We are informed that the Company intends to obtain exemption from the operation of the Employees' State Insurance Act at all locations and necessary steps have been taken by the Company. We are also informed that action taken by the authorities at some locations to bring the employees of the Company under the Employees' State Insurance Scheme has been contested by the Company and accordingly full payment has not been made of the contributions demanded.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, wealth tax, sales tax, customs duty, excise duty, cess and other material statutory dues, were in arrears, as at 31st March, 2008 for a period of more than six months from the date they became payable, except for collection of sales tax which we are informed are refundable to customers because they have been collected in excess or which have been collected pending receipt of the relevant certificates from the customers.

- (c) According to the information and explanation given to us, details of dues of sales tax, wealth tax, service tax, customs duty, excise duty, income-tax and cess which have not been deposited as on 31st March, 2008 on account of any dispute are given below :

Particulars	Period to which the amount relates	Forum where matter is pending	Amount Rs. crores
Customs duty	1990-91, 1993-94	Supreme Court	0.13
	2002-03	High Court	0.03
	1990-91, 1993-94	Commissioner	13.44
Excise duty	1988-89 to 1998-99, 2000-01 to 2007-08	High Court	8.45
	1985-86 to 1989-90, 1990-91, 1992-93 to 1994-95, 1997-98 to 2004-05, 2006-07, 2007-08	Tribunal	119.30
	1985-86, 1987-88 to 1989-90, 1993-94 to 2007-08	Commissioner	299.66
	1998-99	Deputy Commissioner	0.06
	1973-74, 1977-78 to 1980-81, 1983-84 to 1998-99, 2000-01 to 2005-06	Assistant Commissioner	0.85
Sales tax	1970-71 to 1971-72, 1973-74 to 1974-75, 1980-81 to 1981-82, 1985-86 to 1986-87, 1990-91 to 1997-98, 1999-2000, 2001-02 to 2004-05, 2006-07, 2007-08	High Court	5.27
	1975-76, 1977-78 to 1979-80, 1981-82, 1983-84 to 2005-06	Tribunal	13.66
	1975-76, 1977-78 to 1979-80, 1981-82, 1983-84 to 2005-06	Commissioner	5.70
	1975-76, 1977-78 to 1979-80, 1981-82, 1983-84 to 2005-06	Deputy Commissioner	376.90
	1973-74, 1977-78 to 1980-81, 1983-84 to 1998-99, 2000-01 to 2007-08	Assistant Commissioner	45.70
Cess on royalty, education, welfare etc.	1956 to 1985, 1980-81 to 1993-94 & 1996-97	High Court	8.65
		Assistant Commissioner	4.77
	1989-91, 1992-94, 1994-2003	Commissioner	1.10
Income-tax	2006-07	Commissioner	5.41

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- (x) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- (xi) In our opinion and according to information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks or financial institutions, are not *prima facie* prejudicial to the interest of the Company.
- (xii) To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, term loans availed by the Company were, *prima facie*, applied by the Company during the year for the purposes for which the loans were obtained, other than temporary deployment pending application.
- (xiii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, funds raised on short-term basis have, *prima facie*, not been used during the year for long term investment.
- (xiv) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xv) According to the information and explanations given to us and the records examined by us, securities/charges have been created in respect of debentures issued.
- (xvi) We have verified the end use of money raised by the rights issue as disclosed in the Directors' Report.
- (xvii) To the best of our knowledge and belief and according to the information and explanations given to us, no significant fraud on or by the Company was noticed or reported during the year.

For DELOITTE HASKINS & SELLS
Chartered Accountants,

P. R. RAMESH
Partner.
Membership No. : 70928

Mumbai, 26th June, 2008

Balance Sheet as at 31st March, 2008

Schedule	Page		Rupees crores	Rupees crores	As at 31-3-2007 Rupees crores
		FUNDS EMPLOYED :			
A	151	1. a SHARE CAPITAL	6,203.30		580.67
		b SHARE WARRANTS (See Note 29(a), Page 186).....	—		147.06
				6,203.30	727.73
B	152	2. RESERVES AND SURPLUS		21,097.43	13,368.42
		3. TOTAL SHAREHOLDERS' FUNDS		27,300.73	14,096.15
		4. LOANS			
C	153	a Secured	3,520.58		3,758.92
D	154	b Unsecured	14,501.11		5,886.41
		c Total Loans		18,021.69	9,645.33
		5. DEFERRED TAX LIABILITY (NET) (See Note 18, Page 180)		681.80	748.94
		6. PROVISION FOR EMPLOYEE SEPARATION COMPENSATION (See Note 11(a), Page 166).....		1,071.30	1,107.08
		7. TOTAL FUNDS EMPLOYED		47,075.52	25,597.50
		APPLICATION OF FUNDS :			
E	155	8. FIXED ASSETS			
		a Gross Block.....	20,847.04		18,526.93
		b Less — Impairment	100.47		100.41
		c Less — Depreciation	8,123.01		7,385.96
		d Net Block		12,623.56	11,040.56
F	156	9. INVESTMENTS		4,103.19	6,106.18
		10. A. CURRENT ASSETS			
		a Stores and spare parts	557.67		505.44
G	160	b Stock-in-trade	2,047.31		1,827.54
H	160	c Sundry debtors	543.48		631.63
		d Interest accrued on investments.....	0.20		0.20
I	161	e Cash and Bank balances	465.04		7,681.35
			3,613.70		10,646.16
J	161	B. LOANS AND ADVANCES	33,348.74		3,055.73
			36,962.44		13,701.89
		11. Less : CURRENT LIABILITIES AND PROVISIONS			
K	162	A. Current Liabilities	3,855.26		3,523.20
L	162	B. Provisions	2,913.52		1,930.46
			6,768.78		5,453.66
		12. NET CURRENT ASSETS		30,193.66	8,248.23
		13. MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted) Employee Separation Compensation (See Note 11(a), Page 166)..		155.11	202.53
		14. TOTAL ASSETS (Net)		47,075.52	25,597.50
M	163	NOTES ON BALANCE SHEET AND PROFIT AND LOSS ACCOUNT			

As per our report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants,

P R RAMESH
Partner.

Mumbai, 26th June, 2008

J C BHAM
Company Secretary

For and on behalf of the Board

RATAN N TATA

Chairman

JAMES LENG

Dy. Chairman

NUSLI N WADIA

S M PALIA

ISHAAT HUSSAIN

JAMSHED J IRANI

SUBODH BHARGAVA

JACOBUS SCHRAVEN

ANDREW ROBB

T MUKHERJEE

PHILIPPE VARIN

B MUTHURAMAN

Directors

Managing Director

Profit and Loss Account for the year ended 31st March, 2008

Schedule	Page		Rupees crores	Rupees crores	Previous Year Rupees crores
		INCOME :			
1	148	1. SALE OF PRODUCTS AND SERVICES		22,191.80	19,762.57
		Less — Excise Duty		2,498.52	2,211.48
				19,693.28	17,551.09
2	148	2. OTHER INCOME		335.00	433.67
				20,028.28	17,984.76
		EXPENDITURE :			
4	149	3. MANUFACTURING AND OTHER EXPENSES	11,645.24		10,813.84
		4. DEPRECIATION	834.61		819.29
			12,479.85		11,633.13
		5. Less — EXPENDITURE (OTHER THAN INTEREST) TRANSFERRED TO CAPITAL AND OTHER ACCOUNTS	175.50		236.02
			12,304.35		11,397.11
3	148	6. INTEREST	878.70		173.90
		7. TOTAL EXPENDITURE		13,183.05	11,571.01
		PROFIT BEFORE TAXES AND EXCEPTIONAL ITEMS		6,845.23	6413.75
		8. a EMPLOYEE SEPARATION COMPENSATION (See Note 11(a), Page 166)	(226.18)		(152.10)
		b CONTRIBUTION FOR SPORTS INFRASTRUCTURE (See Note 5, Page 165)	(150.00)		—
		c EXCHANGE GAIN/(LOSS) (See Note 31, Page 186)	597.31		—
				221.13	(152.10)
		PROFIT BEFORE TAXES		7,066.36	6,261.65
		9. TAXES			
		a CURRENT TAX	2,252.00		2,076.01
		b DEFERRED TAX (See Note 18, Page 180)	108.33		(52.51)
		c FRINGE BENEFITS TAX	19.00		16.00
				2,379.33	2,039.50
		PROFIT AFTER TAXES		4,687.03	4,222.15
		10. BALANCE BROUGHT FORWARD FROM LAST YEAR		4,593.98	2,976.16
		AMOUNT AVAILABLE FOR APPROPRIATIONS		9,281.01	7,198.31
		11. APPROPRIATIONS :			
		a PROPOSED DIVIDENDS	1,168.93		943.91
		(Details as per Directors' Report, Page 81)			
		b DIVIDEND ON CUMULATIVE CONVERTIBLE PREFERENCE SHARES	22.19		—
		c TAX ON DIVIDENDS	202.43		160.42
			1,393.55		1,104.33
		d GENERAL RESERVE	1,500.00		1,500.00
				2,893.55	2,604.33
		BALANCE CARRIED TO BALANCE SHEET		6,387.46	4,593.98
		Basic Earnings per Share Rs.		67.17	65.28
		Diluted Earnings per Share Rs. (See Note 17, Page 180)		61.63	65.27
M	163	NOTES ON BALANCE SHEET AND PROFIT AND LOSS ACCOUNT			

As per our report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants,

P R RAMESH
Partner.

Mumbai, 26th June, 2008

J C BHAM
Company Secretary

For and on behalf of the Board

RATAN N TATA

Chairman

JAMES LENG

Dy. Chairman

NUSLI N WADIA

S M PALIA

ISHAAT HUSSAIN

JAMSHED J IRANI

SUBODH BHARGAVA

JACOBUS SCHRAVEN

ANDREW ROBB

T MUKHERJEE

PHILIPPE VARIN

B MUTHURAMAN

Directors

Managing Director

Cash Flow Statement for the year ended 31st March, 2008

	Year Ended 31-3-2008 Rupees crores	Year Ended 31-3-2007 Rupees crores
A. Cash Flow from Operating Activities :		
Net Profit before tax	7,066.36	6,261.65
Adjustments for :		
Depreciation	834.61	819.29
(Profit)/Loss on sale of Assets/Discarded Assets written off	(28.26)	(11.19)
(Profit)/Loss on sale of current investments	(9.98)	(15.63)
Impairment of Assets	0.06	6.22
(Gain)/Loss on cancellation of forward covers/options	(124.30)	(82.69)
Provision for diminution in value of investments	—	0.10
Interest income	(50.33)	(77.35)
Income from investments	(170.67)	(324.16)
Interest charged to Profit and Loss Account	929.03	251.25
Amortisation of employee separation compensation	226.18	152.10
Provision for Wealth Tax	0.95	0.97
Contribution for sports infrastructure written off	150.00	—
Exchange (Gain)/Loss on revaluation of foreign currency loans	(743.60)	(222.10)
Amortisation of long term loan expenses	57.99	65.10
	<u>1,071.68</u>	<u>561.91</u>
Operating Profit before Working Capital Changes	8,138.04	6,823.56
Adjustments for :		
Trade and Other Receivables	(143.44)	(21.94)
Inventories	(272.00)	(158.22)
Trade Payables and Other Liabilities	806.34	512.04
	<u>390.90</u>	<u>331.88</u>
Cash Generated from Operations	8,528.94	7,155.44
Direct Taxes paid	(2,060.20)	(2,034.59)
Cash Flow before Exceptional Item	6,468.74	5,120.85
Employee Separation Compensation paid	(214.54)	(224.85)
Net Cash from Operating Activities	<u>6,254.20</u>	<u>4,896.00</u>
B. Cash Flow from Investing Activities :		
Purchase of fixed assets	(2,458.97)	(2,009.58)
Sale of fixed assets	63.88	17.85
Purchase of investments	(31,595.17)	(18,306.13)
Purchase of investments in Subsidiaries	(29,587.40)	(118.17)
Sale of investments	34,110.46	14,623.48
Intercorporate deposits	(85.80)	(20.00)
Interest received	63.75	58.89
Dividend received	170.67	324.16
Net Cash used in Investing Activities	<u>(29,318.58)</u>	<u>(5,429.50)</u>

Cash Flow Statement for the year ended 31st March, 2008

	Year Ended 31-3-2008 Rupees crores	Year Ended 31-3-2007 Rupees crores	
C. Cash Flow from Financing Activities :			
Issue of Equity Capital	4,881.45	1,393.20	
Issue of Cumulative Convertible Preference Shares	5,472.52	—	
Issue of Share Warrants	—	147.06	
Capital contributions received	—	5.59	
Proceeds from borrowings	17,632.70	8,043.69	
Repayment of borrowings	(10,386.61)	(692.31)	
Amount received on cancellation of forward covers/options	134.41	93.65	
Long term loan expenses paid	(202.38)	(118.88)	
Interest paid	(746.07)	(227.85)	
Dividends paid	(937.95)	(717.69)	
Net Cash from/(used in) Financing Activities	15,848.07	7,926.46	
Net increase/(decrease) in Cash and Cash equivalents (A+B+C)	(7,216.31)	7,392.96	
Opening Cash and Cash equivalents	(v) 7,681.35	288.39	
[See Schedule I, Page 161]			
Closing Cash and Cash equivalents	(vi) 465.04	(vi) 7,681.35	
[See Schedule I, Page 161]			

- Notes :**
- (i) Figures in brackets represent outflows.
 - (ii) Cash and cash equivalents include gain on foreign exchange revaluation of **Rs. 0.01** crore (31.03.2007 : loss of Rs. 224.09 crores).
 - (iii) Interest paid is exclusive of and purchase of fixed assets is inclusive of interest capitalised **Rs. 12.24** crores (31.03.2007 : Rs. 0.07 crores).
 - (iv) Investment in subsidiaries represents the portion of purchase consideration discharged in cash during the period and includes application money on investments **Rs. 29,587.40** crores (31.03.2007 : Rs. 118.17 crores).
 - (v) Includes **Rs. 7,225.94** crores ringfenced for a specific purpose.
 - (vi) Includes **Rs. 5.65** crores refund orders issued on account of over subscription of Rights Issue of Equity Shares not encashed as on 31st March, 2008.
 - (vi) Previous year figures have been recast/restated wherever necessary.

As per our report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants,

P R RAMESH
Partner.

For and on behalf of the Board

RATAN N TATA Chairman
JAMES LENG Dy. Chairman

NUSLI N WADIA
S M PALIA
ISHAAT HUSSAIN
JAMSHED J IRANI
SUBODH BHARGAVA
JACOBUS SCHRAVEN
ANDREW ROBB
T MUKHERJEE
PHILIPPE VARIN
} Directors

B MUTHURAMAN Managing Director

Mumbai, 26th June, 2008

J C BHAM
Company Secretary

Schedules forming part of the profit and loss account
SCHEDULE 1 : SALE OF PRODUCTS AND SERVICES :—

(Item No. 1, Page 145)

	Rupees crores	Rupees crores	Previous Year Rupees crores
(a) Sale of products		21,394.81	19,018.20
(b) Sale of power and water		546.33	513.96
(c) Income from services, sale of miscellaneous goods and stores, rent etc. [Including lease rentals of Rs. 0.19 crore (2006-07 : Rs. 0.94 crores) on Wagons leased to Railways under Own Your Wagon Scheme and exchange loss Rs. 0.18 crores (2006-07 : exchange gain Rs. 0.02 crores)]		250.66	230.41
		<u>22,191.80</u>	<u>19,762.57</u>

SCHEDULE 2 : OTHER INCOME :—

(Item No. 2, Page 145)

	Rupees crores	Rupees crores	Previous Year Rupees crores
(a) Income from Investments [Gross, inclusive of tax deducted at source : Rs. 1.61 crores (2006-07 : Rs. Nil)]			
(i) Trade investments	71.72		106.86
(ii) Investments in subsidiary companies	16.70		10.33
(iii) Other Investments	82.25		206.97
		<u>170.67*</u>	<u>324.16*</u>
(b) Profit on sale/redemption of current investments		9.98	15.63
(c) Profit on sale of capital assets (net of loss on assets sold/scrapped/written off)		28.26	11.19
(d) Gain from swaps and cancellation of forward covers/options		124.30	82.69
(e) Miscellaneous income		1.79	—
		<u>335.00</u>	<u>433.67</u>

SCHEDULE 3 : INTEREST :—

(Item No. 6, Page 145)

	Rupees crores	Rupees crores	Previous Year Rupees crores
1. Interest on			
(i) Debentures and Fixed Loans	880.81		191.14
(ii) Others	60.46		60.18
		<u>941.27</u>	<u>251.32</u>
Less - Interest capitalised		12.24	0.07
		<u>929.03</u>	<u>251.25</u>
2. Less - Interest received on sundry advances, deposits, customers' balances etc., [Gross, inclusive of tax deducted at source Rs. 8.54 crores (2006-07 : Rs. 11.09 crores)]		50.33	77.35
		<u>878.70</u>	<u>173.90</u>

 * Includes income from current investments **Rs. 82.25** crores (2006-07 : Rs. 206.97 crores).

Schedules forming part of the profit and loss account

SCHEDULE 4 : MANUFACTURING AND OTHER EXPENSES :— (Item No. 3, Page 145)

	Rupees crores	Rupees crores	<i>Previous Year Rupees crores</i>
1. PURCHASE OF FINISHED, SEMI-FINISHED STEEL AND OTHER PRODUCTS		446.95	450.60
2. RAW MATERIALS CONSUMED :			
(a) Opening Stock	720.52		707.54
(b) Add — (i) Purchases	2,353.80		2,263.01
(ii) Cost of raw materials produced	<u>1,256.76</u>		<u>871.43</u>
	4,331.08		3,841.98
(c) Less — Closing Stock	<u>901.56</u>		<u>720.52</u>
		3,429.52	3,121.46
3. PAYMENTS TO AND PROVISIONS FOR EMPLOYEES :			
(a) Wages and salaries, including bonus.....	1,390.69		1,236.32
(b) Company's contributions to provident and other funds	<u>199.08</u>		<u>218.51</u>
		1,589.77	1,454.83
4. OPERATION AND OTHER EXPENSES :			
(a) Stores & spares consumed	1,088.87		1,072.91
(b) Fuel oil consumed	105.99		106.15
(c) Repairs to buildings	48.88		41.77
(d) Repairs to machinery	604.53		587.18
(e) Relining expenses	30.14		52.98
(f) Conversion charges	848.38		745.16
(g) Purchase of power	932.78		921.69
(h) Rent	10.57		10.86
(i) Royalty	171.91		176.08
(j) Rates and taxes	58.85		56.66
(k) Insurance charges	25.37		29.23
(l) Commission, discounts and rebates	52.53		64.71
(m) Provision for Wealth Tax	0.95		0.97
(n) Adjustments relating to previous years (net)	—		(57.29)
(o) Other expenses	<u>1,089.13</u>		<u>838.22</u>
		5,068.88	4,647.28
5. FREIGHT AND HANDLING CHARGES		1,098.19	1,117.45
6. PROVISION FOR DOUBTFUL DEBTS AND ADVANCES		12.16	11.99
7. EXCISE DUTY		38.50	92.70
		11,683.97	10,896.31
8. ACCRETION/(REDUCTION) IN STOCKS OF FINISHED AND SEMI-FINISHED PRODUCTS AND WORK-IN-PROGRESS (DEDUCTED)/ADDED			
(a) Opening Stock	1,107.02		1,024.55
(b) Less — Closing Stock	<u>1,145.75</u>		<u>1,107.02</u>
		(38.73)	(82.47)
		11,645.24	10,813.84

Notes to Schedule 4 (Page 149)

	Rupees crores	Previous Year Rupees crores
Item 2 (b) (ii) Cost of raw materials produced excludes amounts charged to wages & salaries and other revenue accounts.....	412.35	298.00
Item 4 (a) Stores and spares consumed (including write-off of obsolete spares, if any) exclude cost of stores manufactured departmentally and charged to wages and salaries and other revenue accounts....	54.62	64.55
Item 4 (c) Repairs to buildings exclude amounts charged to wages & salaries and other revenue accounts.....	3.92	11.16
Item 4 (d) Repairs to machinery exclude amounts charged to wages & salaries and other revenue accounts.....	209.29	234.99
Item 4 (l) Commission, discounts and rebates include —		
(1) Commission paid to selling agents.....	16.37	17.66
(2) Consignment agency handling charges.....	34.92	40.75
(3) Discounts.....	3.18	8.31
Item 4 (n) Adjustments relating to previous years (net) include write back of provisions no longer required ...	—	53.99
Item 4 (o) Other expenses include —		
(1) Provision for diminution in value of investments.....	—	0.10
(2) Exchange (Gain)/Loss.....	20.42	2.43
(3) Fees and out-of-pocket expenses paid/payable to Auditors :	Rupees	Rupees
(i) For services as Auditors.....	1,95,00,000	1,95,00,000
(ii) For other services (excluding Rs. 80,00,000 being expenses related to the CARS issue adjusted against the Securities Premium Account).....	85,99,063	84,83,117
(iii) Reimbursement of travelling and out-of-pocket expenses.....	18,90,428	4,55,174
(iv) For Branch Audit.....	2,90,800	65,039
(4) Cost Audit Fees [including expenses Rs. 25,191 (2006-07 : <i>Rs. 15,960</i>)].....	1,09,517	85,960
Managerial Remuneration		
Managerial Remuneration for Managing Director, other Whole-time Directors and Non Whole-time Directors	Rupees	Rupees
(a) Salaries (including Company's contribution to Provident and Superannuation fund).....	1.65	1.83
(b) Commission.....	9.55	5.75
(c) Perquisites.....	0.64	0.29
(d) Sitting Fees.....	0.24	0.10
	12.08	7.97
<i>Note :</i>		
In addition, the Managing Director and other Whole-time Directors are entitled to free supply of water and use of medical facilities at the Company's hospital at Jamshedpur. The above figures do not include certain retirement benefits for the Managing Director and other Whole-time Directors as separate figures are not available and retirement benefits of Rs. 2.72 crores (2006-07 : <i>Rs. 0.19 crore</i>) paid to former directors and retirement benefits of Rs. 0.35 crore (2006-07 : <i>Rs. 0.31 crore</i>) paid to a former Managing Director.		
COMPUTATION OF NET PROFIT IN ACCORDANCE WITH SECTION 309(5) OF THE COMPANIES ACT, 1956.		
Profit before taxes.....	Rupees	Rupees
Profit before taxes.....	7,066.36	6,261.65
Add — (a) Managerial remuneration.....	12.08	7.97
(b) Provision for bad & doubtful debts and advances.....	12.16	11.99
(c) Provision for diminution in value of investments.....	—	0.10
(d) Provision for wealth tax.....	0.95	0.97
	7,091.55	6,282.68
Deduct — (a) Bad debts written off (net of recoveries).....	6.20	5.97
(b) Profit on sale/redemption of Investments.....	9.98	15.63
(c) Capital profit on sale of fixed assets.....	0.51	0.52
	16.69	22.12
Net profit as per Section 309(5).....	7,074.86	6,260.56
Commission :	Rupees	Rupees
(a) Whole-time Directors.....	4,55,00,000	3,75,00,000
(b) Non Whole-time Directors — 1% of the net profits : Rs. 70.75 crores (2006-07 : <i>Rs. 62.61 crores</i>) restricted to.....	5,00,00,000	2,00,00,000
	9,55,00,000	5,75,00,000

Schedules forming part of the balance sheet

SCHEDULE A : SHARE CAPITAL :— (Item No. 1(a), Page 144)

	Rupees crores	As at 31-3-2007 Rupees crores
Authorised :		
1,75,00,00,000 Ordinary Shares of Rs. 10 each (31.3.2007 : 1,75,00,00,000 Ordinary Shares of Rs. 10 each)	1,750.00	1,750.00
2,50,00,00,000 Cumulative Redeemable Preference Shares of Rs. 100 each (31.3.2007 : 2,50,00,00,000 Shares of Rs. 100 each)	250.00	250.00
60,00,00,00,000 2% Cumulative Convertible Preference Shares of Rs. 100 each (31.3.2007: Nil)	6,000.00	—
	8,000.00	<u>2,000.00</u>
Issued :		
73,13,69,503 Ordinary Shares of Rs. 10 each (31.3.2007 : 58,10,74,932 Ordinary Shares of Rs. 10 each)	731.37	581.07
54,80,75,571 2% Cumulative Convertible Preference Shares of Rs. 100 each (31.3.2007: Nil)	5,480.76	—
Subscribed:		
73,05,84,320 Ordinary Shares of Rs. 10 each fully paid up (31.3.2007 : 58,04,72,856 Ordinary Shares of Rs. 10 each)	730.58	580.47
Add — Amount paid up on 3,89,516 (31.3.2007 : 3,89,516) Ordinary Shares forfeited	0.20	0.20
54,72,51,605 2% Cumulative Convertible Preference Shares of Rs. 100 each (31.3.2007 : Nil)	5,472.52	—
	6,203.30	<u>580.67</u>
Of the 73,05,84,320 Ordinary Shares :		
(a) 95,63,300 shares represent after sub-division 9,56,330 shares (including 9,35,000 shares issued pursuant to the Scheme of Arrangement for the conversion of Deferred Shares into Ordinary Shares and the issue of additional fully paid shares) of the face value of Rs. 75 per share which were issued as fully paid up pursuant to contracts for consideration other than cash. The nominal value of these 9,56,330 shares was increased from Rs. 75 to Rs. 100 each with effect from 1.1.1977.		
(b) 1,98,12,460 shares represent after sub-division 19,81,246 shares of the face value of Rs. 75 per share which were issued as fully paid bonus shares by utilisation of Rs. 3,81,44,470 from Share Premium Account and Rs. 11,04,48,980 from General Reserve. The nominal value of these 19,81,246 shares was increased from Rs. 75 to Rs. 100 each with effect from 1.1.1977.		
(c) 5,14,40,270 shares represent after sub-division 51,44,027 Ordinary Shares whose face value was increased during the year 1976-77 from Rs. 75 to Rs. 100 per share by utilisation of Rs. 49,760 from Share Premium Account and Rs. 12,85,50,915 from General Reserve.		
(d) 2,05,76,110 shares represent after sub-division 20,57,611 shares of the face value of Rs. 100 per share which were issued as fully paid bonus shares by utilisation of Rs. 20,57,61,100 from General Reserve.		
(e) 7,21,530 shares represent after sub-division 72,153 shares of the face value of Rs. 100 per share which were issued as fully paid up to the shareholders of the erstwhile Indian Tube Company Limited on its amalgamation with the Company, for consideration other than cash.		
(f) 3,30,51,470 shares represent after sub-division 33,05,147 shares of the face value of Rs. 100 per share which were issued as fully paid bonus shares by utilisation of Rs. 33,05,14,700 from General Reserve.		
(g) 12,10,003 shares of the face value of Rs. 10 per share were issued as fully paid up to the shareholders of the erstwhile Tata SSL Ltd. on its amalgamation with the Company, for consideration other than cash.		
(h) 18,44,90,952 shares of face value of Rs. 10 per share were issued as fully paid bonus shares by utilisation of Rs. 1,84,49,09,520 from Securities Premium Account during the year 2004-05.		
(i) 2,70,00,000 shares of face value of Rs. 10 per share issued to Tata Sons Limited on a preferential basis during the year 2006-07.		
(j) 2,85,00,000 shares of face value of Rs. 10 per share allotted to Tata Sons Limited on a preferential basis during the year 2007-08. (See Note 29(a), Page 186).		
(k) 12,16,11,464 shares of face value of Rs. 10 per share allotted at a premium of Rs. 290 per share to the shareholders on Rights basis during the year 2007-08. (See Note 29(b), Page 186).		
54,72,51,605 Cumulative Convertible Preference Shares (CCPS) of face value of Rs. 100 per share were allotted at a price of Rs. 100 per share, to the shareholders on Rights basis during the year 2007-08. (See Note 29(c), Page 186).	6,203.30	<u>580.67</u>

Schedules forming part of the balance sheet

SCHEDULE C : SECURED LOANS :— (Item No. 4(a), Page 144)

	Rupees crores	As at 31-3-2007 Rupees crores
(a) Joint Plant Committee-Steel Development Fund [including funded interest Rs. 227.82 crores (31.3.2007 : Rs. 230.02 crores)]	1,700.63	1,650.24
(b) 14.25% Non-Convertible Debentures (privately placed with LIC Mutual Fund)	16.75	25.00
(c) 10.50% Non-Convertible Debentures (privately placed with Life Insurance Corporation of India) ...	66.67	100.00
(d) 12.60% Non-Convertible Debentures (privately placed with various parties)	—	50.00
(e) International Finance Corporation, Washington - A Loan US \$ 100 million equivalent (repayable in foreign currency)	401.20	435.35
(f) International Finance Corporation, Washington - B Loan US \$ 300 million equivalent (repayable in foreign currency)	1,203.60	1,306.05
(g) Cash Credit / Packing Credit from Banks		
(i) State Bank of India	—	—
(ii) Others	131.71	192.26
Borrowing from State Bank of India and Other Banks under items <i>g(i)</i> & <i>g(ii)</i> above are secured by hypothecation of stocks, stores and book debts, ranking in priority to the floating charge under items (a) to (f) hereof.		
(h) Government of India		
(i) for constructing a hostel for trainees at Jamshedpur	0.01	0.01
(ii) for setting up a dispensary and a clinic at Collieries	0.01	0.01
Secured respectively by a first mortgage on the lands together with the buildings for hostel and dispensary and clinic constructed thereon.		
Loan from the Joint Plant Committee-Steel Development Fund, the 14.25% Non-Convertible Debentures and the 10.50% Non-Convertible Debentures [items (a), (b) & (c) above] from the above institutions/banks are secured by mortgages, ranking <i>pari passu inter se</i> , on all present and future fixed assets, excluding land and buildings mortgaged in favour of Government of India under item (h) hereof, land and buildings, plant and machinery and movables of the Tubes Division and the Bearings Division mortgaged in favour of the financial institutions and banks, assets of the Ferro Alloys Plant at Barnipal mortgaged in favour of State Bank of India and assets of Cold Rolling Complex (West) at Tarapur and a floating charge on other properties and assets (excluding investments) of the Company, subject to the prior floating charge in favour of State Bank of India and other banks under items <i>g(i)</i> and <i>g(ii)</i> hereof.		
Loan from the Joint Plant Committee-Steel Development Fund included in item (a) above is not secured by charge on movable assets of the Company and includes Rs. 879.63 crores (31.3.2007: Rs. 694.71 crores) representing repayments and interest on earlier loans for which applications of funding are awaiting sanction.		
The 14.25% Non-Convertible Debentures under item (b) (allotted on 28.10.1998) are redeemable at par in 3 annual installments in the ratio of 33:33:34 commencing at the end of the 9th year from the date of allotment. The first installment of Rs. 8.25 crores has been repaid during the year.		
The 10.50% Non-Convertible Debentures under item (c) (allotted on 29.10.1998) are redeemable at par in 3 equal installments at the end of 9th, 10th and 11th year from the date of allotment. The first installment of Rs. 33.33 crores has been repaid during the year.		
Loans A & B from IFCW included in items (e) and (f) above are secured by charge on the immovable properties of the Company at Jamshedpur and additionally secured on all the movable properties of the Company (excluding current assets) located at Jamshedpur ranking <i>pari passu</i> with the security for the debentures (items (b) and (c) above).		
	3,520.58	3,758.92

Schedules forming part of the balance sheet

SCHEDULE D : UNSECURED LOANS :—

(Item No. 4(b), Page 144)

	Rupees crores	<i>As at 31-3-2007 Rupees crores</i>
(a) Fixed Deposits	12.74	20.98
(b) Housing Development Finance Corporation Ltd.	5.50	8.69
(c) Japan Bank for International Cooperation and various Financial Institutions*	95.54	112.44
(d) JPY Syndicated ECB Loan – US \$ 495 million equivalent*	2,362.74	2,162.66
(e) JPY Syndicated Standard Chartered Bank Loan – US \$ 750 million equivalent*	3,604.06	3,298.88
(f) Canara Bank, London ECB Loan US \$ 5 million equivalent*	20.06	21.77
(g) Euro Hermes Loan from Deutsche Bank, Frankfurt*	41.05	10.47
(h) Euro Sace Loan from Deutsche Bank, Frankfurt*	179.04	—
(i) 1% Convertible Alternative Reference Securities – US \$ 875 million equivalent* (See Note 30, Page 186)	4,329.92	—
(j) Term loan from IDBI Bank Ltd.	1,350.00	250.00
(k) Term loan from SBI	2,500.00	—
(l) Interest free loans under Sales Tax Deferral Scheme	0.46	0.52
	14,501.11	5,886.41

Note : Amounts repayable within one year **Rs. 43.63** crores (31.3.2007 : Rs. 289.96 crores).

* Repayable in foreign currency.

Schedules forming part of the balance sheet

SCHEDULE E : FIXED ASSETS :—

(Item No. 8, Page 144)

Rupees crores

Fixed Assets	Land and Roads	Buildings (3)	Lease- hold	Railway Sidings	Plant and Machinery	Furniture, Fixture and Office Equipment (7)	Develop- ment of Property (4) & (6)	Live- stock & Vehicles (7)	Intangibles	Total
Gross Block as at 1.4.2007	196.85	951.13	80.03	114.44	13,943.32	120.51	383.87	174.82	64.52	16,029.49
	<i>178.05</i>	<i>849.51</i>	<i>77.59</i>	<i>112.03</i>	<i>13,531.96</i>	<i>108.28</i>	<i>326.09</i>	<i>180.39</i>	<i>43.27</i>	<i>15,407.17</i>
Additions during the year ^{(1) & (5)}	14.50	60.19	38.21	8.21	429.67	10.50	2.57	11.65	2.84	578.34
	<i>18.80</i>	<i>101.77</i>	<i>2.44</i>	<i>2.44</i>	<i>444.37</i>	<i>13.67</i>	<i>57.78</i>	<i>5.45</i>	<i>21.25</i>	<i>667.97</i>
Deductions during the year ⁽²⁾	0.25	4.80	0.33	—	90.08	3.23	24.82	4.67	0.06	128.24
	<i>—</i>	<i>0.15</i>	<i>—</i>	<i>0.03</i>	<i>33.01</i>	<i>1.44</i>	<i>—</i>	<i>11.02</i>	<i>—</i>	<i>45.65</i>
	211.10	1,006.52	117.91	122.65	14,282.91	127.78	361.62	181.80	67.30	16,479.59
	<i>196.85</i>	<i>951.13</i>	<i>80.03</i>	<i>114.44</i>	<i>13,943.32</i>	<i>120.51</i>	<i>383.87</i>	<i>174.82</i>	<i>64.52</i>	<i>16,029.49</i>
Capital Work in progress [including advances for capital expenditure Rs. 466.24 crores (31.3.2007 : <i>Rs. 401.10</i> crores)]										4,367.45
										<i>2,497.44</i>
Gross Block as at 31.3.2008										20,847.04
										<i>18,526.93</i>
Impaired Assets as at 1.4.2007	99.16	1.25	—	—	—	—	—	—	—	100.41
	<i>92.94</i>	<i>1.25</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>94.19</i>
Impairment during the year	0.06	—	—	—	—	—	—	—	—	0.06
	<i>6.22</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>6.22</i>
Impairment reversed during the year	—	—	—	—	—	—	—	—	—	—
	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>
Impaired Assets as at 31.3.2008	99.22	1.25	—	—	—	—	—	—	—	100.47
	<i>99.16</i>	<i>1.25</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>100.41</i>
Accumulated Depreciation upto 1.4.2007	12.65	264.86	3.17	58.84	6,703.75	80.73	160.53	66.51	34.92	7,385.96
	<i>11.01</i>	<i>241.06</i>	<i>1.59</i>	<i>53.96</i>	<i>6,046.81</i>	<i>59.58</i>	<i>104.48</i>	<i>59.14</i>	<i>28.03</i>	<i>6,605.66</i>
Depreciation during the year	1.85	28.03	1.37	5.03	714.97	20.01	36.21	18.06	9.08	834.61
	<i>1.64</i>	<i>23.81</i>	<i>1.75</i>	<i>4.90</i>	<i>685.50</i>	<i>22.26</i>	<i>56.05</i>	<i>15.70</i>	<i>7.68</i>	<i>819.29</i>
Depreciation on assets written off during the year (including adjustments for transfers)	—	2.38	0.33	—	63.26	2.66	24.82	4.09	0.02	97.56
	<i>—</i>	<i>0.01</i>	<i>0.17</i>	<i>0.02</i>	<i>28.56</i>	<i>1.11</i>	<i>—</i>	<i>8.33</i>	<i>0.79</i>	<i>38.99</i>
Accumulated Depreciation upto 31.3.2008	14.50	290.51	4.21	63.87	7,355.46	98.08	171.92	80.48	43.98	8,123.01
	<i>12.65</i>	<i>264.86</i>	<i>3.17</i>	<i>58.84</i>	<i>6,703.75</i>	<i>80.73</i>	<i>160.53</i>	<i>66.51</i>	<i>34.92</i>	<i>7,385.96</i>
Total Accumulated Depreciation & Impairment upto 31.3.2008	113.72	291.76	4.21	63.87	7,355.46	98.08	171.92	80.48	43.98	8,223.48
	<i>111.81</i>	<i>266.11</i>	<i>3.17</i>	<i>58.84</i>	<i>6,703.75</i>	<i>80.73</i>	<i>160.53</i>	<i>66.51</i>	<i>34.92</i>	<i>7,486.37</i>
Net Block as at 31.3.2008	97.38	714.76	113.70	58.78	6,927.45	29.70	189.70	101.32	23.32	8,256.11
	<i>85.04</i>	<i>685.02</i>	<i>76.86</i>	<i>55.60</i>	<i>7,239.57</i>	<i>39.78</i>	<i>223.34</i>	<i>108.31</i>	<i>29.60</i>	<i>8,543.12</i>
Capital Work in progress [including advances for capital expenditure Rs. 466.24 crores (31.3.2007 : <i>Rs. 401.10</i> crores)]										4,367.45
										<i>2,497.44</i>
										12,623.56
										<i>11,040.56</i>

(1) Additions include adjustments for inter se transfers.

(2) Deductions include cost of assets scrapped/sold/surrendered during the year.

(3) Buildings include **Rs. 2.32** crores (31.3.2007 *Rs. 2.32* crores) being cost of shares in Co-operative Housing Societies & Limited Companies.

(4) Development of property represents expenditure incurred on development of mines / collieries.

(5) Rupee Liability has increased by a net amount amount of **Rs. 6.45** crores (2006-07 : *net decrease by Rs. 1.90* crores) arising out of realignment of the value of foreign currency loans taken prior to 01.4.2004 for procurement of fixed assets. This increase has been adjusted in the carrying cost of respective fixed assets and has been depreciated over their remaining depreciable life.

(6) Additions include **Rs. NIL** (2006-07 : *Rs. 57.57* crores) towards provision for final mines closure expenditure as per the circular dated 8th August, 2003 issued by Indian Bureau of Mines and subsequent clarifications issued under Mineral Conservation & Development (Amendment) Rules 2003 as per Section 18 of the Mines and Minerals (Development and Regulation) Act, 1957. The depreciation for the current year includes **Rs. 6.30** crores (2006-07 : *Rs. 20.63* crores) on account of amortisation of the same including **Rs. NIL** (2006-07 : *Rs. 14.57* crores) for earlier years.

(7) The useful life of Office Equipments and Light Vehicles has been revised effective 1st April, 2007. The net written down value of these assets as at 31st March, 2007 is being depreciated over the revised remaining useful life of the assets. As a result of this change depreciation for the year ended 31st March, 2008 is higher by **Rs. 12.40** crores.

Schedules forming part of the balance sheet
SCHEDULE F : INVESTMENTS :—

(Item No. 9, Page 144)

	No. of equity shares of Face Value of Rs. 10 each fully paid-up unless otherwise specified	Rupees crores	Rupees crores	As at 31-3-2007	
				Rupees crores	Rupees crores
A. LONG TERM INVESTMENTS					
(At Cost less provision for diminution in value)					
Trade Investments :					
SHARES AND DEBENTURES (Quoted) —					
1. Tata Motors Ltd.	3,23,78,410	147.03		147.03	
2. Tayo Rolls Ltd.	19,99,350	3.36		3.36	
3. The Tinplate Company of India Ltd.	88,75,000	29.68		29.68	
4. TRF Ltd.	19,13,314	4.67		4.67	
5. Kumardhubi Fireclay and Silica Works Ltd. (Book Value : Re. 1)	1,50,001	—		—	
6. Tata Construction and Projects Ltd. (Book Value : Re. 1)	5,61,335	—		—	
7. Indian Steel Rolling Mills Ltd. (Book Value : Re. 1)	3,30,315	—		—	
8. Wellman Incandescent India Ltd. (Book Value : Re. 1)	8,99,100	—		—	
9. Sanderson Industries Ltd. (Book Value : Re. 1)	2,27,642	—		—	
10. Tata Sponge Iron Ltd.	61,19,960	7.20		7.20	
11. Tata Construction & Projects Ltd. – 10% Convertible Debentures of Rs. 100 each (Non-Convertible Portion) (Book Value : Re. 1)	43,000	—		—	
12. Standard Chrome Ltd. (Book Value : Re. 1)	5,58,000	—		—	
13. The Tata Power Company Ltd.	56,81,818	100.00		100.00	
14. Housing Development Finance Corporation Ltd.	1,580	0.01		0.01	
15. Others Rs. 40,272 (31.3.2007 : Rs. 40,272)		0.01		0.01	
(See Note 3, page 158)			291.96		291.96
SHARES AND DEBENTURES (Unquoted)					
16. Kumardhubi Metal Casting and Engineering Ltd. (Book Value : Re. 1)	10,70,000	—		—	
17. Tata Industries Ltd. (Face value of Rs. 100 each)	56,28,388	72.23		72.23	
18. Tata Services Ltd. (Face value of Rs. 1,000 each)	1,621	0.16		0.16	
19. Tata International Ltd. (Face value of Rs. 1,000 each)	3,740	0.49		0.49	
20. Tata Projects Ltd. (Face value of Rs. 100 each)	15,000	0.18		0.18	
21. Rallis India Ltd. (7.50% cumulative preference shares)	85,00,000	8.50		8.50	
22. IFCI Venture Capital Funds Ltd.	1,00,000	0.10		0.10	
23. Kalinga Aquatics Ltd. (Book Value : Re. 1)	10,49,920	—		—	
24. Jamipol Ltd.	31,75,000	3.18		3.18	
25. mjunction Services Ltd.	40,00,000	4.00		4.00	
26. Tata Teleservices Ltd.	13,68,00,456	145.20		145.20	
27. Tata Teleservices Ltd. (0.10% Redeemable Non-Cumulative Convertible Preference Shares)	6,83,54,569	50.00		50.00	
28. Tata Ryerson Ltd.	3,41,25,000	34.12		34.12	
29. The Tinplate Company of India Ltd. – 12.5% Optionally Convertible Redeemable Non-Cumulative Preference Shares (Face value of Rs. 100 each) (13,27,000 NCDs purchased during the year)	1,08,44,000	106.70*		93.41*	
30. Tata Autocomp Systems Ltd. (7% Cumulative Redeemable Preference Shares)	70,00,000	7.00		7.00	
31. Nicco Jubilee Park Ltd. (Book Value : Re. 1)	3,40,000	—		—	
32. The Dhamra Port Co. Ltd. (3,00,00,000 shares	12,35,59,106	123.56		93.56	
of Rs. 10 each subscribed during the period) (6,30,15,144 shares have been pledged in favour of IDBI and other bankers for facilities obtained by The Dhamra Port Company Ltd.)					
33. Tata BlueScope Steel Ltd.	26,10,00,000	261.00		221.00	
(4,00,00,000 shares of Rs. 10 each subscribed during the period)					
34. Panatone Finvest Ltd.	45,000	0.05		0.05	
Carried forward ...		816.47	291.96	733.18	291.96

* Includes Rs. 0.03 crore incurred towards stamp duty.

Schedules forming part of the balance sheet

SCHEDULE F : INVESTMENTS :— continued

(Item No. 9, Page 144)

	No. of equity shares of Face Value of Rs. 10 each fully paid-up unless otherwise specified	Rupees crores	Rupees crores	As at 31-3-2007	
				Rupees crores	Rupees crores
Brought over ...		816.47	291.96	733.18	291.96
Trade Investments :					
SHARES AND DEBENTURES (Unquoted) —					
35.	Srutech Tubes (India) Pvt. Ltd. (Book Value : Re. 1) (30,000 shares sold during the year)	—	—	—	—
36.	Tarapur Environment Protection Society..... (15,530 shares subscribed during the year)	15,726	0.16	—	—
37.	Industrial Energy Ltd. (2,59,97,400 shares subscribed during the year)	2,60,00,000	26.00	—	—
38.	Tata NYK Shipping Pte. Ltd. (Face value of USD 1 each) (50,00,000 shares subscribed during the year)	50,00,000	21.01	—	—
39.	Steelscape Consultancy Private Limited (50,000 shares subscribed during the year)	50,000	0.05	—	—
40.	Others Rs. 32,495 (31.3.2007 : Rs. 32,495) (See Note 4, page 158)	—	—	—	—
			863.69		733.18
Investments in Subsidiary Companies :					
SHARES (Quoted) —					
41.	Tata Metaliks Ltd. (Became subsidiary during the year)	1,17,99,992	11.80	11.80	11.80
SHARES (Unquoted) —					
42.	Kalimati Investment Co. Ltd.	1,63,87,469	86.68	86.68	—
43.	Tata Refractories Ltd.	1,48,98,360	90.97	90.97	—
44.	The Tata Pigments Ltd. (Face value of Rs. 100 each)	75,000	0.70	0.70	—
45.	Tata Korf Engineering Services Ltd. (Book Value : Re. 1)	2,40,386	—	—	—
46.	Tata Incorporated (Face value of US \$ 1,000 each)	1,500	1.64	1.64	—
47.	TM International Logistics Ltd.	91,80,000	9.18	9.18	—
48.	Lanka Special Steels Ltd. (Face value of LKR 10 each)	25,00,000	1.16	1.16	—
49.	Jamshedpur Utilities & Services Co. Ltd.	3,50,000	0.35	0.35	—
50.	The Indian Steel & Wire Products Ltd. (Book Value : Re. 1) ..	54,74,030	—	—	—
51.	NatSteel Asia Pte. Ltd. (Face value of S\$ 1 each) (80,00,000 shares allotted during the year)	28,00,00,000	768.41	747.02	—
52.	Sila Eastern Ltd. (Face value of THB 100 each)	9,800	0.10	0.10	—
53.	Hooghly Met Coke & Power Co. Ltd..... (416,151,161 shares subscribed during the year)	51,42,00,156	514.20	98.05	—
54.	Tata Steel (KZN) (Proprietary) Ltd. (Face value of ZAR 1 each). (12,95,91,000 shares subscribed during the year)	12,96,00,000	84.70	0.01	—
55.	TataSteel Asia Holdings Pte. Ltd. (Face value of GBP 1 each) (2,50,000 shares of SGD 1 each converted into 81,661 shares of GBP 1 each during the year)	81,661	0.72	0.72	—
56.	Adityapur Toll Bridge Co. Ltd. (Book Value : Re. 1)	4,63,600	—	—	—
57.	Rawmet Ferrous Industries Pvt. Ltd.	3,06,00,071	43.53	43.53	—
58.	Gopalpur Sez Ltd.	10,00,000	1.00	1.00	—
59.	Tata Steel (Thailand) Public Company Ltd. (Face value of THB 1 each).....	2,10,45,43,058	295.60*	295.60*	—
Total Investment in Subsidiary Companies (Unquoted)			1,898.94		1,376.71
Carried forward ...			3,066.39		2,413.65

* Includes Rs. 15.92 crores expenditure in connection with investment.

Schedules forming part of the balance sheet

SCHEDULE F : INVESTMENTS :— continued
(Item No. 9 , Page 144)

	No. of equity shares of Face Value of Rs. 10 each fully paid-up unless otherwise specified	Rupees crores	Rupees crores	As at 31-3-2007	
				Rupees crores	Rupees crores
Brought over ...			3,066.39		2,413.65
B. CURRENT INVESTMENTS (at lower of cost and fair value)					
Other Investments (Quoted) :					
60. 6.75% Tax Free Bonds of Unit Trust of India (Face value of Rs. 100 each)	8,95,982		8.96		8.96
Other Investments (Unquoted) :					
61. Investment in Mutual Fund / Bonds:*					
Fixed Maturity Funds		—		117.00	
Liquid Funds		1,027.84		3,566.57	
(See Note 5)			1,027.84		3,683.57
			4,103.19		6,106.18

* Includes **Rs. Nil** (31.3.2007 : Rs. 3,262.59 crores) ringfenced for a specific purpose.

Notes :	No. of equity shares of Face Value of Rs. 10 each fully paid-up unless otherwise specified	Rupees crores	Rupees crores	As at 31-3-2007	
				Rupees crores	Rupees crores
(1) Aggregate amount of Quoted Investments			312.72		312.72
Market value as at 31.3.2008 : Rs. 3,260.65 crores (31.3.2007 : Rs. 2,979.19 crores)					
(2) Aggregate amount of Unquoted Investments			3,790.47		5,793.46
			4,103.19		6,106.18
(3) Shares and Debentures (Quoted) — Others include :			Rupees		Rupees
(a) Reliance Firebrick and Pottery Co. Ltd. (partly paid up) (Book Value : Re. 1)	16,800		1		1
(b) Reliance Firebrick and Pottery Co. Ltd. (Book Value : Re. 1).....	2,400		1		1
(c) Sijua (Jherriah) Electric Supply Co. Ltd.	4,144		40,260		40,260
(d) Timken India Ltd.	1		10		10
			40,272		40,272
(4) Shares and Debentures (Unquoted) — Others include :					
(a) Bokaro and Ramgarh Ltd.....	100		16,225		16,225
(b) Jamshedpur Educational and Cultural Co-operative Society Ltd. (Face value of Rs. 100 each)	50		5,000		5,000
(c) Barajamda Iron Ore Mine Workers' Central Co-operative Stores Ltd. (Face value of Rs. 25 each).....	200		5,000		5,000
(d) Joda East Iron Mine Employees' Consumer Co-operative Society Ltd. (Face value of Rs. 25 each).....	100		2,500		2,500
(e) Ferro-Manganese Plant Employees' Consumer Co-operative Society Ltd. (Face value of Rs. 25 each).....	100		2,500		2,500
(f) Jamshedpur Co-operative House Building Society Ltd. (Face value of Rs. 100 each)	10		1,000		1,000
(g) Jamshedpur Co-operative Stores Ltd. (Face value of Rs. 5 each).....	50		250		250
(h) Malusha Travels Pvt. Ltd.	2		20		20
			32,495		32,495

Schedules forming part of the balance sheet

SCHEDULE F : INVESTMENTS :— continued (Item No. 9, Page 144)

(5) INVESTMENT IN MUTUAL FUNDS

Name of Mutual Fund	Balance As at 1.4.2007		Purchased during the year		Sold during the year		Balance As at 31.3.2008	
	No. of Units	Rupees crores	No. of Units	Rupees crores	No. of Units	Rupees crores	No. of Units	Rupees crores
FIXED MATURITY FUNDS								
Tata Fixed Horizon Fund Series 2 B Option (18 Months) - Growth	5,00,00,000.000	50.00	—	—	5,00,00,000.000	50.00	—	—
Tata Fixed Horizon Fund Series 2 - Plan C (18 Months) - Growth	4,20,00,000.000	42.00	—	—	4,20,00,000.000	42.00	—	—
Tata Fixed Horizon Fund Series 3 - Scheme F (18 Months) - Growth	2,50,00,000.000	25.00	—	—	2,50,00,000.000	25.00	—	—
TOTAL FIXED MATURITY FUNDS		117.00				117.00		
LIQUID FUNDS								
J M High Liquidity Fund - Super Institutional Plan - Daily Dividend	—	—	31,01,53,291.554	310.67	26,95,55,233.865	270.00	4,05,98,057.689	40.67
DSP Merrill Lynch Liquidity Fund - Institutional - Daily Dividend	8,416.241	0.84	74.073	0.01	8,490.314	0.85	—	—
Standard Chartered Liquidity Manager - Plus Daily Dividend	—	—	59,53,150.654	595.44	59,48,750.762	595.00	4,399.892	0.44
HDFC Cash Management Fund -- Savings Plan - Daily Dividend Reinvestment	2,55,085.864	0.27	1,50,02,31,906.040	1,595.71	1,49,90,97,438.989	1,594.50	13,89,552.915	1.48
Tata Liquid Super High Investment Fund - Daily Dividend	75,01,059.793	836.00	7,25,53,239.211	8,086.20	7,98,97,975.702	8,904.79	1,56,323.302	17.41
Tata Liquidity Management Fund Daily Dividend	61,76,199.997	619.02	33,694.992	3.37	62,09,894.989	622.39	—	—
Birla Cash Plus - Institutional Premium - Daily Dividend Reinvestment	46,50,27,907.352	465.93	2,80,57,72,675.677	2,811.25	3,05,40,64,378.621	3,060.02	21,67,36,204.408	217.16
Kotak Liquid (Institutional Premium) - Daily Dividend	16,37,99,011.180	200.30	2,69,87,76,737.224	3,300.09	2,85,79,00,622.307	3,494.67	46,75,126.097	5.72
ICICI Prudential Institutional Liquid Plan - Super Institutional - Daily Dividend	9,22,26,108.185	92.23	3,23,52,28,344.877	3,235.36	3,28,75,05,365.208	3,287.64	3,99,49,087.854	39.95
UTI Liquid Cash Plan Institutional - Daily Income Reinvestment	1,936.012	0.20	3,28,93,711.583	3,353.33	3,07,32,387.218	3,133.00	21,63,260.377	220.53
Templeton India Treasury Management Account Super Institutional Plan - Daily Dividend Reinvestment	1,828.231	0.18	55,44,867.598	554.63	5,188,702.823	519.00	3,57,993.006	35.81
HSBC Cash Fund Institutional Plus Daily Dividend	4,54,200.878	0.45	66,48,10,939.091	665.19	65,51,33,125.451	655.50	1,01,32,014.518	10.14
DWS Insta Cash Plus Fund Super Institutional - Daily Dividend Plan	8,55,448.942	0.86	26,04,62,895.682	260.98	21,04,82,967.413	210.90	5,08,35,377.211	50.94
SBI Premier Liquid Fund - Institutional Daily Dividend	4,43,299.081	0.44	3,258.892	0.01	4,46,557.973	0.45	—	—
Principal Cash Management Fund -- Liquid Option Institutional Premium Plan - Daily Dividend Reinvestment	37,01,33,823.420	370.16	2,71,19,31,868.313	2,712.12	2,91,63,55,279.658	2,916.56	16,57,10,412.075	165.72
ING Vysya Liquid Fund Super Institutional - Daily Dividend	41,47,35,977.767	414.86	1,39,11,68,433.272	1,391.85	1,73,16,79,607.484	1,732.45	7,42,24,803.555	74.26
Sundaram BNP Paribas Money Fund - Super Institutional - Daily Dividend Reinvestment	14,38,09,394.883	145.18	8,51,95,605.221	86.00	17,43,81,126.988	176.04	5,46,23,873.116	55.14
LICMF Liquid Fund - Dividend Plan	18,21,19,723.352	199.97	84,69,58,808.000	929.97	1,02,67,04,253.669	1,127.33	23,74,277.683	2.61
Reliance Liquidity Fund - Daily Dividend Reinvestment	21,96,12,872.153	219.68	1,34,77,65,664.901	1,348.19	1,49,19,13,186.947	1,492.38	7,54,65,350.107	75.49
Lotus India Liquid Fund - Super Institutional Daily Dividend	—	—	20,43,34,303.118	204.37	18,99,67,705.490	190.00	1,43,66,597.628	14.37
TOTAL LIQUID FUNDS		3,566.57		31,444.74		33,983.47		1,027.84
TOTAL MUTUAL FUNDS INVESTMENTS		3,683.57		31,444.74		34,100.47		1,027.84

Schedules forming part of the balance sheet

SCHEDULE G : STOCK-IN-TRADE :—
(Item No. 10A(b), Page 144)

	Rupees crores	<i>As at 31-3-2007 Rupees crores</i>
(a) Finished and semi-finished products produced and purchased by the Company, at lower of cost and net realisable value (including purchased goods-in-transit at cost).....	1,074.27	1,078.08
(b) Work-in-progress (at lower of cost and net realisable value)	71.48	28.94
	1,145.75	1,107.02
(c) Coal, iron ore and other raw materials produced and purchased by the Company, at lower of cost and net realisable value (including purchased raw materials-in-transit at cost)	901.56	720.52
	2,047.31	1,827.54

SCHEDULE H : SUNDRY DEBTORS :—
(Item No. 10A(c), Page 144)

	Rupees crores	<i>As at 31-3-2007 Rupees crores</i>
(a) Over six months old.....	73.25	63.24
(b) Others.....	503.90	604.14
	577.15	667.38
Less — Provision for doubtful debts.....	33.67	35.75
	543.48	631.63

	Rupees crores	<i>As at 31-3-2006 Rupees crores</i>
Sundry debts, unsecured and considered good.....	543.48	631.63
Sundry debts, considered doubtful.....	33.67	35.75
	577.15	667.38

Schedules forming part of the balance sheet

SCHEDULE I : CASH AND BANK BALANCES :— (Item No. 10A(e), Page 144)

	Rupees crores	As at 31-3-2007 Rupees crores
(a) Cash in hand [including cheques : Rs. 124.03 crores (31.3.2007 : Rs. 128.17 crores)]	124.51	128.84
(b) Remittance in transit	13.11	65.50
(c) Current accounts with Scheduled Banks	326.50	252.07
(d) Current account with Bank of Bhutan (❖ Rs. 1,000.00)	❖ *	❖ *
(e) Current account with CitiBank Singapore	0.19 *	0.10 *
(f) Current account with Thane District Co-operative Bank Ltd. @[Rs. Nil (31.3.2007 : Rs. 13,769)] ..	—	@ *
(g) Current account with Standard Chartered Bank, London	0.69 *	—
(h) Deposit accounts with Scheduled Banks #	0.04	7,234.84
	465.04	7,681.35

Includes **Rs. Nil** crores (31.3.2007: Rs. 7,225.94 crores) ringfenced for a specific purpose.

* Maximum balances in current account with.

	2007-08 Rupees crores	2006-07 Rupees crores
1. Bank of Bhutan (\$ Rs. 1,000)	\$	0.09
2. CitiBank Singapore	0.30	0.39
3. Thane District Co-operative Bank Ltd. (# Rs. 13,769)	#	0.05
4. Standard Chartered Bank, London	3,555.95	—

SCHEDULE J : LOANS AND ADVANCES :— (Item No. 10(B), Page 144)

	Rupees crores	As at 31-3-2007 Rupees crores
(a) Advances with public bodies ¹	355.43	308.15
(b) Other advances ²	1,635.87	563.60
(c) Advance against equity		
(i) Tata Steel Asia Holdings Pte. Ltd.	30,326.12	1,523.37
(ii) Others	570.04	287.71
(d) Loans and Advances to subsidiary companies ³	480.38	376.58
(e) Advance payment against taxes	63.48	70.85
	33,431.32	3,130.26
Less — Provision for doubtful advances	82.58	74.53
	33,348.74	3,055.73

	Rupees crores	As at 31-3-2007 Rupees crores
Loans and Advances, unsecured and considered good	33,348.74	3,055.73
Loans and Advances, considered doubtful	82.58	74.53
	33,431.32	3,130.26

Notes : 1. Advances with public bodies include balances with Customs, Port Trust, etc. **Rs. 343.29** crores (31.3.2007 : Rs. 291.68 crores).

2. Other advances include :

(a) Loan due by an Officer of the Company **Rs. 88,750** (31.3.2007 : Rs. 1,03,750). Maximum balance during the year **Rs. 1,03,750** (2006-07 : Rs. 1,18,750).

(b) Intercompany deposits of **Rs. 89.80** crores (31.3.2007 : Rs. 2.00 crores).

3. Loans and Advances to subsidiary companies include Loans and Advances in the nature of Loans given to subsidiaries **Rs. 454.16** crores (31.3.2007 : Rs. 362.92 crores) - [See Note 12(c), Page 167].

Schedules forming part of the balance sheet

SCHEDULE K : CURRENT LIABILITIES :—

(Item No. 11(A), Page 144)

	Rupees crores	Rupees crores	As at 31-3-2007 Rupees crores
(a) Sundry creditors :			
(i) For goods supplied	1,314.14		1,093.10
(ii) For accrued wages and salaries	469.39		848.45
(iii) For other liabilities	<u>1,459.89</u>		<u>1,204.44</u>
		3,243.42	3,145.99
(b) Subsidiary companies		115.74	102.61
(c) Interest accrued but not due		231.05	47.11
(d) Advances received from customers		226.03	198.28
(e) Liability towards Investors Education and Protection Fund under Section 205C of the Companies Act, 1956			
Due as at 31.3.2008			
(i) Unpaid Dividends		—	—
(ii) Application Money Pending Refund		—	—
(iii) Unclaimed Matured Deposits (❖ Rs. 25,000)		0.02	❖
(iv) Unclaimed Matured Debentures		—	—
(v) Interest Accrued on (i) to (iv) above		0.08	0.03
Not due as at 31.3.2008			
(i) Unpaid Dividends		29.33	23.37
(ii) Application Money Pending Refund		5.65	0.01
(iii) Unclaimed Matured Deposits		1.73	2.59
(iv) Unclaimed Matured Debentures		1.79	1.76
(v) Interest Accrued on (i) to (iv) above		0.42	1.45
		<u>3,855.26</u>	<u>3,523.20</u>

Note : Sundry creditors for other liabilities include:
Liability for Employees Family Benefit Scheme.....

	Rupees crores	As at 31.3.2007 Rupees crores
	48.02	44.87

SCHEDULE L : PROVISIONS :—

(Item No. 11(B), Page 144)

	Rupees crores	As at 31-3-2007 Rupees crores
(a) Provision for employee benefits	848.54	519.50
(b) Provision for taxation	854.74	448.68
(c) Provision for Fringe Benefits Tax	19.12	18.37
(d) Proposed dividends	1,191.12	943.91
	<u>2,913.52</u>	<u>1,930.46</u>

Signatures to Schedules 1 to 4 and
A to M and Notes on pages 163 to 186

For and on behalf of the Board

RATAN N TATA *Chairman*
JAMES LENG *Dy. Chairman*

NUSLI N WADIA
S M PALIA
ISHAAT HUSSAIN
JAMSHED J IRANI
SUBODH BHARGAVA
JACOBUS SCHRAVEN
ANDREW ROBB
T MUKHERJEE
PHILIPPE VARIN } *Directors*

B MUTHURAMAN *Managing Director*

Mumbai, 26th June, 2008

J C BHAM
Company Secretary

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 issued by the Institute of Chartered Accountants of India, as applicable, and the relevant provisions of the Companies Act, 1956.

(b) Revenue Recognition

- (i) Sales comprises sale of goods and services, net of trade discounts and include exchange differences arising on sales transactions.
- (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 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. Interest on borrowings and financing 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 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.

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

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 differences in translation and realised gains and losses on foreign exchange transactions (including option contracts) are recognised in the profit and loss account. Further in respect of transactions covered by forward exchange contracts, the differences between the contract rate and the spot rate on the date of the transaction is charged to the profit and loss account over the period of the contract. 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.

Exchange differences (including arising out of forward exchange contracts) in respect of liabilities incurred to acquire fixed assets prior to April 1, 2004, are adjusted to the carrying amount of such fixed assets.

(g) Investments

Long term investments are carried at cost less provision for permanent diminution 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. Purchased goods-in-transit are carried at cost.

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. Purchased raw materials-in-transit are carried at cost.

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. 106.22** crores (31.3.2007 : Rs. 2,869.70 crores) to banks and financial institutions on behalf of others. As at 31st March, 2008, the contingent liabilities under these guarantees amounted to **Rs. 106.22** crores (31.3.2007 : Rs. 2,869.70 crores).

(b) Claims not acknowledged by the Company

	As at 31.3.2008 Rs. crores	<i>As at 31.3.2007 Rs. crores</i>
(i) Excise	193.47	<i>193.30</i>
(ii) Customs	13.66	<i>13.66</i>
(iii) Sales Tax	446.89	<i>321.71</i>
(iv) State Levies	96.78	<i>98.92</i>
(v) Suppliers and Service Contract	81.35	<i>89.38</i>
(vi) Labour Related	32.98	<i>31.95</i>
(vii) Income Tax	57.83	<i>52.41</i>

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

- (c) Claim by a party arising out of conversion arrangement - **Rs. 195.82** crores (31.3.2007 : Rs. 195.82 crores). The Company has not acknowledged this claim and has instead filed a claim of **Rs. 139.65** crores (31.3.2007 : Rs. 139.65 crores) on the party. The matter is pending before the Calcutta High Court.
- (d) The Excise Department has raised a demand of **Rs. 235.48** crores (31.3.2007 : 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 has filed an appeal with CESTAT Kolkata.
- (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 to Supreme Court against the order of Orissa High Court and the case is pending with Supreme Court. The liability, if it materialises, as at 31.3.2008 would be **Rs. 588.78** crores (31.3.2007 : Rs. 327.63 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. 22.8.1990. 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 orders 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 31.3.2006 pronounced on 13.6.2006 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. 133.10** crores (31.3.2007 : Rs. 119.35 crores).
- (g) Uncalled liability on partly paid shares and debentures **Rs. 0.01** crore (31.3.2007 : Rs. 0.01 crore).
- (h) Bills discounted **Rs. 434.52** crores (31.3.2007 : Rs. 383.99 crores).
- (i) Cheques discounted : Amount indeterminate.
3. The Company has given undertakings to (a) IDBI Bank Ltd., IFCI, IIBI and State Bank of Patiala not to dispose of its investment in The Tinsplate 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) Citibank N.A. New York and Bank of America not to dispose of its investment in Tata Incorporated, New York, (f) 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., 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 six Companies remains outstanding. The Company has also furnished a Security Bond in respect of its immovable property to the extent of Rs. 20.00 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.
- In respect of loan taken by Tata Steel Asia Holdings Pte. Limited the conditions of the loan agreement entered into with the lender requires that Tata Steel Limited continues to own legally and beneficially (directly or indirectly) all issued shares of the Company.
- In respect of loans taken by Tata Steel (KZN) (Pty) Limited and Tata Steel Global Minerals Holdings Pte. Limited, the conditions of the loan agreements entered into by the respective Companies with the lenders require that Tata Steel Limited continues to own legally and beneficially (directly or indirectly), 51% of the issued shares of the respective Companies.
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, 2008.
5. The Company had, on 20th August, 2005 signed an agreement with the Government of Jharkhand to partner with the State for developing sports infrastructure for the National Games 2007 to be held in Jharkhand. The Company had, on request from the Government of Jharkhand, paid Rs. 150.00 crores as advance towards the same. Based on the confirmation from the Government of Jharkhand about commencement of work, the amount of Rs. 150.00 crores has been charged to the profit and loss account during the year.
6. The Company, pursuant to the Sale Agreement signed on 2nd April, 2007 has sold its Cold Rolling Mill at Sisodra, as a going concern to Theis Precision Steel India Pvt. Ltd. (Theis), an indirect wholly owned subsidiary of Friedr. Gustav Theis Kaitwalzweke GmbH, Germany at a consideration of Rs. 67.00 crores.

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

7. 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. 27.12** crores as at 31.3.2008 (31.3.2007: Rs. 27.67 crores) with ISWP towards one time settlement with financial institutions for capital expenditure and margin for working capital.
8. 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 24.8.1999.
9. Estimated amount of contracts remaining to be executed on Capital Account and not provided for : **Rs. 6,633.20** crores (31.3.2007 : Rs. 2,308.71 crores).
10. The Company has taken on lease Plant and Machinery, having an aggregate cost of **Rs. 3.79** crores (31.3.2007 : 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 (2006-07 : Rs. 0.62 crore). The break up of total minimal lease payments due as at 31st March, 2008 and their corresponding present value are as follows :

Period	As at 31.3.2008		As at 31.3.2007	
	Minimum Lease Payments	Present Value	Minimum Lease Payments	Present Value
Not later than one year	0.72	0.66	0.62	0.59
Later than one year but not later than five years	0.48	0.40	1.31	1.04
Later than five years	—	—	—	—
Total	1.20	1.06	1.93	1.63

11. 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. 57.31** crores (31.3.2007 : Rs. 46.86 crores) in respect of schemes introduced during the year.
- ii) The amounts payable within one year under the ESS aggregates to **Rs. 204.73** crores (31.3.2007 : Rs. 225.97 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. 34.47** crores (2006-07 : Rs. 25.74 crores) and **Rs. 1.90** crores (2006-07 : Rs. 1.11 crores) respectively in respect of Research and Development activities undertaken during the year.

12. Other Significant Disclosures

- a) The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as on 31st March, 2008 as micro, small or medium enterprises. Consequently the amount paid/payable to these parties during the year is nil.
- 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.

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

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 31.3.2008 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	0.76 0.70	0.76 0.70	—
The Indian Steel and Wire Products Ltd.	Subsidiary	30.34 31.66	32.26 38.68	—
Kalimati Investment Co. Ltd.	Subsidiary	—	20.00	671,455
NatSteel Asia Pte. Ltd.	Subsidiary	298.68 294.79	298.68 298.53	—
Tata Steel (KZN) (Pty.) Ltd.	Subsidiary	101.38 15.77	116.45 15.77	—
Rawmet Ferrous Industries Pvt. Ltd.	Subsidiary	5.00	5.00	—
Jamshedpur Utilities & Services Co. Ltd.	Subsidiary	18.00	18.00	—
Industrial Energy Ltd.	Associate	60.15	60.15	—
The Tinsplate Company of India Ltd.	Associate	70.00	70.00	—

13. Employee Benefits

a) The Company has adopted Accounting Standard (AS) 15 (revised 2005) on Employee Benefits on 1st April, 2006. Consequent to the clarification issued by the ASB of ICAI for implementing AS 15, the liability in respect of some of the benefits have been reworked as on 31st March, 2007. Accordingly an amount of Rs. 200.14 crores (Net of deferred tax, Rs. 103.05 crores) has been transferred to the opening balance of General Reserve. The profit and loss account for the current year ended 31st March, 2008 includes a write back of Rs. 17.21 crores on account of the rework of employee benefit charge debited to the profit and loss account during 2006-07.

Benefit	Rs. crores			
	2007-08 Debit / (Credit)		2006-07 Debit / (Credit)	
	Reserves	Def. Tax	Reserves	Def. Tax
Short Term Benefits:				
Leave (other than furlough leave)			100.35	(50.89)
Post Employment Benefits – Funded Defined Benefit Plans:				
Retiring Gratuity			(7.75)	3.93
Post Employment Benefits – Unfunded Defined Benefit Plans:				
Post Retirement Medical Benefits			309.29	(156.93)
Pensions to Directors			8.27	(4.20)
Farewell Gifts on Retirement			2.39	(1.22)
Packing and Transportation Costs on Retirement			3.24	(1.64)
Long Term Benefits				
Long Service Leave	(200.14)	103.05	(2.47)	1.26
Long Service Awards			3.68	(1.87)
Loyalty Bonus			2.63	(1.31)
Termination Benefits				
Employees Separation Scheme			(104.92)	53.23
Employees Family Benefit Scheme			(8.07)	4.09
Total	(200.14)	103.05	306.64	(155.55)

b) The Company has recognised, in the profit and loss account for the year ended 31st March, 2008, an amount of **Rs. 118.34** crores (31.3.2007 : Rs. 118.24 crores) expenses under defined contribution plans.

Benefit (Contribution to)	Rs. crores	
	2007-08	2006-07
Provident Fund	73.22	75.65
Superannuation Fund	20.38	17.68
Employees Pension Scheme / Coal Mines Pension Scheme	16.58	17.28
TISCO Employees Pension Scheme	8.16	7.63
Total	118.34	118.24

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

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.

- c) The Company operates post retirement defined benefit plans as follows:
- a. Funded
 - Post Retirement Gratuity
 - b. Unfunded
 - i. Post Retirement Medical Benefits
 - ii. Pensions to Directors
 - iii. Farewell Gifts
 - iv. Packing and Transportation Costs on Retirement
- d) Details of the post retirement gratuity plan are as follows:

Description	2007-08	2006-07
Rs. crores		
1. Reconciliation of opening and closing balances of obligation		
a. Obligation as at the beginning of the year	694.99	619.06
b. Current Service Cost	30.17	25.18
c. Interest Cost	54.84	47.52
d. Actuarial (Gain)/Loss	41.74	57.79
e. Benefits paid	(60.57)	(54.56)
f. Obligation as at the end of the year	761.17	694.99
The defined benefit obligation as at 31.03.08 is wholly funded by the company		
2. Change in Plan Assets (Reconciliation of opening & closing balances)		
a. Fair Value of Plan Assets as at beginning of the year	645.68	630.74
b. Expected Return on Plan Assets	52.34	48.50
c. Actuarial Gain/(Loss)	(6.02)	(18.28)
d. Contributions	77.72	39.28
e. Benefits Paid	(60.57)	(54.56)
f. Fair Value of Plan Assets as at the end of the year	709.14	645.68
3. Reconciliation of fair value of assets and obligations		
a. Fair Value of Plan Assets as at the end of the year	709.14	645.68
b. Present Value of Obligation as at the end of the year	761.17	694.99
c. Amount Recognised in the Balance Sheet	(52.03)	(49.31)
4. Expense recognized in the period		
a. Current Service Cost	30.17	25.18
b. Interest Cost	54.84	47.52
c. Expected Return on Plan Assets	(52.34)	(48.50)
d. Actuarial (Gain)/Loss	47.76	76.07
e. Expense Recognized during the year	80.43	100.27
The expense is disclosed in the line item – Payments to & Provisions for Employees (Company's Contribution to Provident & Other Funds)		
5. Investment Details	% invested 31.3.2008	% invested 31.3.2007
a. GOI Securities	16.45	18.38
b. Public Sector Unit Bonds	37.81	36.13
c. State / Central Guaranteed Securities	8.91	7.41
d. Special Deposit Schemes	27.11	29.30
e. Private Sector Bonds	4.80	2.54
f. Others (including bank balances)	4.92	6.24
	100.00	100.00
6. Assumptions	31.3.2008	31.3.2007
a. Discount Rate (per annum)	8.00%	8.25%
b. Estimated Rate of Return on Plan Assets (per annum)	8.00%	8.00%
c. Rate of Escalation in Salary (per annum)	5 to 10%	5 to 10%

The basis used to determine overall expected rate of return on assets and the effect on major categories of plan assets is as follows:

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

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

e) Details of unfunded post retirement defined benefit obligations are as follows:

Description	Rs. crores			
	2007-08		2006-07	
	Medical	Others	Medical	Others
1. Reconciliation of opening and closing balances of obligation				
a. Obligation as at the beginning of the year	457.10	33.21	466.22	28.91
b. Current Service Cost	5.62	1.20	5.64	0.91
c. Interest Cost	36.38	2.68	36.40	2.32
d. Actuarial (Gain)/Loss	40.74	2.08	(21.67)	2.16
e. Benefits Paid	(32.42)	(1.44)	(29.49)	(1.09)
f. Obligation as at the end of the year	507.42	37.73	457.10	33.21
2. Expense recognised in the period				
a. Current Service Cost	5.62	1.20	5.64	0.91
b. Interest Cost	36.38	2.68	36.40	2.32
c. Actuarial (Gain)/Loss	40.74	2.08	(21.67)	2.16
d. Expense Recognised during the year	82.74	5.96	20.37	5.39
The expense amounting to (a) Medical – Rs. 82.74 crores (Previous year Rs. 20.37 crores), and (b) Others – Rs. 5.96 crores (Previous year Rs. 5.39 crores) is disclosed under the line item – Other Expenses.				
3. Assumptions				
a. Discount Rate (per annum) as at the beginning of the year	8.25%	8.25%	7.50%	7.50%
b. Discount Rate (per annum) as at the end of the year	8.00%	8.00%	8.25%	8.25%
c. Medical Costs Inflation Rate	5.00%		5.00%	
d. Average Medical Cost (Rs. / person) as at the beginning of the year	1,970		1,800	
e. Average Medical Cost (Rs. / person) as at the end of the year	2,170		1,970	
f. Effect of a 1 % change in health care cost, on				
	Increase	Decrease	<i>Increase</i>	<i>Decrease</i>
	(6 % p.a.)	(4 % p.a.)	(6 % p.a.)	(4 % p.a.)
– aggregate current service and interest cost	6.85	(4.11)	6.63	(4.26)
– closing balance of obligation	54.63	(52.75)	60.01	(51.11)

f) The estimate of future salary increases take into account inflation, seniority, promotion and other relevant factors.

g) Experience Adjustment.

Benefit	Rs. crores	
	2007-08	2006-07
	Retiring Gratuity	
Defined Benefit Obligation	761.17	694.99
Plan Assets	709.14	645.68
Surplus / (Deficit)	(52.03)	(49.31)
Experience Adjustments on Plan Liabilities	27.15	14.48
Experience Adjustments on Plan Assets	(6.02)	(18.29)
	Medical	
Defined Benefit Obligation	507.42	457.10
Plan Assets	N.A.	N.A.
Surplus / (Deficit)	N.A.	N.A.
Experience Adjustments on Plan Liabilities	26.47	20.63
Experience Adjustments on plan Assets	N.A.	N.A.
	Others	
Defined Benefit Obligation	37.73	33.21
Plan Assets	N.A.	N.A.
Surplus / (Deficit)	N.A.	N.A.
Experience Adjustments on Plan Liabilities	1.13	0.41
Experience Adjustments on Plan Assets	N.A.	N.A.

SCHEDULE M : NOTES ON BALANCE SHEET AND PROFIT AND LOSS ACCOUNT :- continued
14. 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	16,541.57	1,807.83	1,343.88			19,693.28
	14,857.34	1,454.05	1,239.70			17,551.09
Inter segment sales	959.08	197.95	16.14		(1,173.17)	—
	769.59	120.30	17.80		(907.69)	—
Total Revenue	17,500.65	2,005.78	1,360.02		(1,173.17)	19,693.28
	15,626.93	1,574.35	1,257.50		(907.69)	17,551.09
Segment result before interest, exceptional items and tax	6,728.41	840.58	6.10	148.84		7,723.93
	5,643.82	573.67	53.62	316.54		6,587.65
Less : Interest (See Schedule 3, Page 148)						878.70
						173.90
Profit before Exceptional items and tax						6,845.23
						6,413.75
Exceptional items						(226.18)
Employee Separation Compensation (See Note 11(a), Page 166)						(152.10)
Contribution for Sports Infrastructure (See Note 5, Page 165)						(150.00)
						—
Exchange Gain/(Loss) (See Note 31, Page 186)						597.31
						—
Profit before Taxes						7,066.36
						6,261.65
Taxes						2,379.33
						2,039.50
Profit after Taxes						4,687.03
						4,222.15
Segment Assets	15,853.20	532.22	409.10	1,491.27		18,285.79
	14,262.34	345.20	414.79	7,596.71		22,619.04
Segment Liabilities	3,960.05	235.53	130.75	2,442.46		6,768.79
	3,636.97	195.30	138.59	1,482.80		5,453.66
Total cost incurred during the year to acquire segment assets	2,416.90	(0.79)	42.86			2,458.97
	1,831.39	90.06	88.13			2,009.58
Segment Depreciation	801.30	15.32	17.99			834.61
	793.00	15.37	10.92			819.29
Non-Cash Expenses other than depreciation	45.20	1.32	1.26	57.99		105.77
	14.71	3.42	0.82	65.20		84.15

Information about Secondary Segments : Geographical

	2007-08 Rs. crores	2006-07 Rs. crores
Revenue by Geographical Market		
India	17,491.97	15,506.00
Outside India	2,201.31	2,045.09
	19,693.28	17,551.09
Additions to Fixed Assets and Intangible Assets		
India	2,458.97	2,007.68
Outside India	—	—
	2,458.97	2,007.68
	As at	As at
	31.3.2008	31.3.2007
	Rs. crores	Rs. crores
Carrying Amount of Segment Assets		
India	18,284.81	15,383.52
Outside India	0.98	7,235.52
	18,285.79	22,619.04

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 31.3.2008 Rs. crores	<i>As at 31.3.2007 Rs. crores</i>
Investments	4,103.19	6,106.18
Advance against Equity/Shareholders' Loan	31,300.21	2,123.41
Miscellaneous Expenditure	155.11	202.53
	<u>35,558.51</u>	<u>8,432.12</u>
Total Unallocable Liabilities exclude :		
Secured Loans	3,520.58	3,758.92
Unsecured Loans	14,501.11	5,886.41
Provision for Employee Separation Compensation	1,071.30	1,107.08
Deferred Tax Liability (Net)	681.80	748.94
	<u>19,774.79</u>	<u>11,501.35</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.

15. Related Party Disclosures
(a) List of Related Parties and Relationships

Sl. No.	Name	Country	Sl. No.	Name	Country
A.	Subsidiary - The Ownership, Directly or Indirectly through Subsidiary (ies)		27	Brish Steel Benelux B.V.	Netherlands
1	Adityapur SEZ Ltd.	India	28	British Steel Corporation Ltd.	UK
2	Adityapur Toll Bridge Company Ltd.	India	29	British Steel De Mexico S.A. de C.V.	Mexico
3	Al Rimal Mining LLC @	Oman	30	British Steel Directors (Nominees) Limited	UK
4	Almana Steel Dubai (Jersey) Limited	Jersey	31	British Steel Employee Share Ownership Trustees Ltd.	UK
5	Aluminium Delfzijl B.V.	Netherlands	32	British Steel Engineering Steels (Exports) Limited	UK
6	Apollo Metals Ltd.	USA	33	British Steel International B.V.	Netherlands
7	Ashorne Hill Management College	UK	34	British Steel Samson Limited	UK
8	Augusta Grundstucks GmbH	Germany	35	British Steel Service Centres Ltd.	UK
9	Automotive Laser Technologies Limited	UK	36	British Steel Tubes Exports Ltd.	UK
10	Automotive Tailored Blanks B.V.	Netherlands	37	British Transformer Cores Ltd.	UK
11	B S Pension Fund Trustee Ltd.	UK	38	British Tubes Stockholding Ltd.	UK
12	Bangla Steel & Mining Co. Ltd.	Bangladesh	39	BS Quest Trustee Limited	UK
13	Beheermaatschappij Industriële Producten B.V.	Netherlands	40	BSKH Corporate Services (UK) Limited	UK
14	Belfin Beheermaatschappij B.V.	Netherlands	41	Burgdorfer Grundstuecks GmbH (Formerly Burgdorfer Entzinnungswerk GmbH)	Germany
15	Bell & Harwood Limited	UK	42	Burwill Trading Pte. Ltd.	Singapore
16	Best Bar (Vic) Pte. Ltd.	Australia	43	Business Park Ymond B.V.	Netherlands
17	Best Bar Pty. Ltd.	Australia	44	C V Benine	Netherlands
18	Black Ginger 461 Proprietary Ltd. @	South Africa	45	C Walker & Sons (Steel) Ltd.	UK
19	Blastmega Limited (United Steel Forgings Ltd.)	UK	46	C Walker & Sons Ltd.	UK
20	Blume Stahlservice GmbH	Germany	47	Catnic GmbH	Germany
21	Blume Stahlservice Polska Sp. Z.O.O	Poland	48	Catnic Limited	UK
22	Bore Samson Group Ltd.	UK	49	CBS Investissements SAS	France
23	Bore Steel Ltd.	UK	50	Cladding & Decking (UK) Limited	UK
24	British Guide Rails Ltd.	UK	51	Cogent Power Inc.	Canada
25	British Steel Holdings B.V.	Netherlands	52	Cogent Power Inc.	USA
26	British Steel Nederland International B.V.	Netherlands	53	Cogent Power Inc.	Mexico

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

Sl. No.	Name	Country	Sl. No.	Name	Country
54	Cogent Power Limited	UK	98	Corus Electrical Limited	UK
55	Cold Drawn Tubes Ltd.	UK	99	Corus Engineering Limited	UK
56	Color Steels Limited	UK	100	Corus Engineering Steels (UK) Limited (Formerly British Steel Engineering Steels (UK) Ltd)	UK
57	Corbeil Les Rives SCI	France	101	Corus Engineering Steels Holdings Limited (Formerly British Steel Engineering Steels Holdings Ltd.)	UK
58	Corby (Northants) & District Water Co.	UK	102	Corus Engineering Steels Limited (Formerly British Steel Engineering Steels Limited)	UK
59	Cordor (C & B) Limited	UK	103	Corus Engineering Steels Overseas Holdings Limited (Formerly B S E S O H Ltd.)	UK
60	Corus - Sistemas Constructivos E Revestimentos Metalicos, Lda	Portugal	104	Corus Finance Limited	UK
61	Corus Aluminium Beheer B.V.	Netherlands	105	Corus Finland Oy (Formerly British Steel Finland Oy)	Finland
62	Corus Aluminium Limited	UK	106	Corus France SAS (Formerly British Steel France SA)	France
63	Corus Aluminium Verwaltungsgesellschaft Mbh	Germany	107	Corus Group Limited	UK
64	Corus Aluminium Voerde GmbH	Germany	108	Corus Holdings (Thailand) Limited (Formerly British Steel Holdings (Thailand) Ltd.)	Thailand
65	Corus America Holdings Inc.	USA	109	Corus Holdings Ltd.	UK
66	Corus America Inc.	USA	110	Corus Holdings SA (Formerly British Steel Holdings SA)	France
67	Corus Asia Limited	Hong Kong	111	Corus Hungary Trading Limited Liability Company	Hungary
68	Corus Batiment Et Systemes SAS	France	112	Corus India Ltd. (Formerly Bs Johnson Limited)	India
69	Corus Bausysteme GmbH	Germany	113	Corus International (Guangzhou) Limited	China
70	Corus Bausysteme Osterreich GmbH	Austria	114	Corus International (India) Pvt. Limited	India
71	Corus Belgium Bvba	Belgium	115	Corus International (Overseas Holdings) Limited (Formerly B S I (O H) Ltd.)	UK
72	Corus Benelux B.V.	Netherlands	116	Corus International (Shanghai) Limited	China
73	Corus Beteiligungs GmbH	Germany	117	Corus International (Singapore) Holding Pte. Ltd. @	Singapore
74	Corus Brokers Limited	UK	118	Corus International Deutschland GmbH (Formerly Corus Metallvertrieb Deutschland GmbH, Formerly B S Deutschland)	Germany
75	Corus Building Systems (Guangzhou) Limited	China	119	Corus International Limited (Formerly British Steel International Limited)	UK
76	Corus Building Systems Inc. (Formerly Corus Aluminium Service Centers Inc.)	USA	120	Corus International Representacoes Do Brasil Ltda.	Brazil
77	Corus Building Systems N.V.	Belgium	121	Corus International Romania SRL.	Romania
78	Corus Building Systems Pte. Limited	Singapore	122	Corus International Services N.V (Formerly Sidal Coordinatie Centrum N.V)	Belgium
79	Corus Building Systems SAS	France	123	Corus International Trading Limited	USA
80	Corus Byggesystemer A/S	Denmark	124	Corus International Trading Limited (Formerly Corus Trading Limited)	UK
81	Corus Byggsystem AB	Sweden	125	Corus International Trading Limited (Formerly Corus Trading Limited)	Hong Kong
82	Corus Byggsystemer A/S	Norway	126	Corus Investment B.V. (Formerly Control Systems Nederland B.V.)	Netherlands
83	Corus Central Europe S.R.O.	Czech Republic	127	Corus Investments Ltd.	UK
84	Corus Cic Holdings Inc.	Canada	128	Corus Ireland Ltd. (Formerly British Steel Ireland Ltd.)	Eire
85	Corus Cic Inc.	Canada	129	Corus Italia SRL (Formerly Hoogovens Steel Italia SRL)	Italy
86	Corus Cnbv Investments	UK	130	Corus Laminacion Y Derivados, S.L. (Formerly Corus Iberia, S.L.)	Spain
87	Corus Coatings Usa Inc. (Formerly Hoogovens Coatings Usa Inc.)	USA	131	Corus Large Diameter Pipes Limited (Formerly British Steel Large Diameter Pipes Limited)	UK
88	Corus Cold Drawn Tubes Limited (Formerly British Steel Cold Drawn Tubes Limited)	UK	132	Corus Liaison Services (India) Limited (Formerly British Steel Liaison Services (India) Ltd.)	UK
89	Corus Construction Products (Thailand) Limited (Formerly British Steel Ssp Ltd.)	Thailand	133	Corus Management Limited (Formerly British Steel Management Limited)	UK
90	Corus Consulting and Technical Services B.V. (Formerly Hoogovens Tech Serv Mercurius B.V.)	Netherlands	134	Corus Met B.V. (Formerly Hoogovens Aluminium Trading B.V.)	Netherlands
91	Corus Consulting B.V. (Formerly Hoogovens Tech Serv Technical & Operational Assistance B.V.)	Netherlands	135	Corus Metal Iberica S.A. (Formerly British Steel S.A.)	Spain
92	Corus Consulting Limited (Formerly British Steel Consultants Ltd.)	UK	136	Corus Metals (Malaysia) Sdn. Bhd.	Malaysia
93	Corus Consulting Romania SRL	Romania	137	Corus Metals (Thailand) Limited (British Steel (Thailand) Ltd.)	Thailand
94	Corus Degels GmbH (Formerly August Degels Eisengrosshandel GmbH)	Germany			
95	Corus Denmark A/S (Formerly British Steel Denmark A/S)	Denmark			
96	Corus Deutschland GmbH (Formerly Hoogovens Deutschland GmbH)	Germany			
97	Corus Distribution & Building Systems Central Europe B.V. (Formerly Aluminium Handelmaatschappij Mercal (Ahm) B.V.)	Netherlands			

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

Sl. No.	Name	Country	Sl. No.	Name	Country
138	Corus Metals Limited	UK	180	Cpn (85) Limited	UK
139	Corus Middle East FZE	UAE	181	Crucible Insurance Company Ltd.	I Of Man
140	Corus Multi-Metals Limited	UK	182	Demka B.V.	Netherlands
141	Corus Nederland B.V. (Formerly Koninklijke Hoogovens N.V.)	Netherlands	183	Dsrn Group Plc.	UK
142	Corus New Zealand Limited (Formerly British Steel New Zealand Ltd.)	New Zealand	184	Easteel Construction Services Pte. Ltd.	Singapore
143	Corus Norge A/S (Formerly British Steel Norge A/S)	Norway	185	Easteel Services (M) Sdn. Bhd.	Malaysia
144	Corus Packaging Plus Belgium N.V.	Belgium	186	Eastern Steel Fabricators Phillipines, Inc.	Phillipines
145	Corus Packaging Plus Norway AS (Formerly Hoogovens Packaging Steel Norway AS)	Norway	187	Eastern Steel Services Pte. Ltd.	Singapore
146	Corus Perfo B.V. (Formerly Hoogovens Perfo B.V.)	Netherlands	188	Eastern Wire Pte. Ltd.	Singapore
147	Corus Polska Sp. Z.O.O. (Formerly British Steel Polska Sp. Z.O.O)	Poland	189	Ees Group Services Limited (Formerly Britshelco (No. 11) Limited)	UK
148	Corus Primary Aluminium B.V. (Formerly Hoogovens Aluminium Primaire Producten B.V.)	Netherlands	190	Ees Nederland B.V. (Formerly Lycurgus Ijmuiden B.V.)	Netherlands
149	Corus Properties (Germany) Limited	UK	191	Eric Olsson & Soner Forvaltnings AB	Sweden
150	Corus Property (Formerly British Steel Property Limited)	UK	192	Esmil B.V.	Netherlands
151	Corus Quest Trustee Limited	UK	193	Euro-Laminations Limited	UK
152	Corus Rail Consultancy Limited (Formerly Cedg Ltd.)	UK	194	European Electrical Steels Limited (Formerly Cogent Power Ltd.)	UK
153	Corus Rail France S.A (Formerly Sogeraill S.A.)	France	195	European Profiles Limited	UK
154	Corus Rail Limited (Formerly Britshelco (No. 10) Limited)	UK	196	Europressings Limited	UK
155	Corus Republic of Ireland Subsidiaries Pension Scheme Trustee Limited	Eire	197	Firsteel Coated Strip Limited	UK
156	Corus Schweiz AG	Switzerland	198	Firsteel Cold Rolled Products Limited	UK
157	Corus Service Center Milano Spa (Hoogovens Aluminium Italia Spa)	Italy	199	Firsteel Group Limited	UK
158	Corus Service Centre Maastricht B.V. (Formerly Feijen Staalservice B.V.)	Netherlands	200	Firsteel Group Pension Trustee Limited	UK
159	Corus Services Nederland B.V. (Formerly Sarpedon B.V.)	Netherlands	201	Firsteel Holdings Limited	UK
160	Corus Sheet & Tube Inc. (Formerly British Steel (Sheet & Tube) Corporation Inc.)	USA	202	Firsteel Resources Limited	UK
161	Corus Sistemas Constructivos, SI	Spain	203	Firsteel Steel Processing Limited	UK
162	Corus South East Asia Pte Limited (Formerly British Steel (Sea) Pte Ltd.)	Singapore	204	Firsteel Strip Mill Products Limited	UK
163	Corus Special Strip Asia Limited	Hong Kong	205	Fischer Profielen NV	Belgium
164	Corus Staal B.V. (Formerly Hoogovens Staal B.V.)	Netherlands	206	Fischer Profil GmbH	Germany
165	Corus Stahl GmbH (Formerly Hoogovens Stahlholding GmbH)	Germany	207	Gamble Simms Metals Ltd.	Eire
166	Corus Stainless Limited	UK	208	Gopalpur Special Economic Zone Ltd.	India
167	Corus Stainless NI B.V.	Netherlands	209	Grant Lyon Eagre Ltd.	UK
168	Corus Stainless UK Ltd.	UK	210	H E Samson Ltd.	UK
169	Corus Star-Frame B.V. (Formerly Hoogovens Star - Frame B.V.)	Netherlands	211	Hadfields Holdings Ltd.	UK
170	Corus Steel Limited	UK	212	Hammermega Limited	UK
171	Corus Steel Usa Inc. (Formerly Hoogovens Steel Usa Inc.)	USA	213	Harrowmills Properties Ltd.	UK
172	Corus Sverige AB (Formerly British Steel Svenska AB)	Sweden	214	Hille & Muller GmbH (Formerly Hille & Muller GmbH & Co. Kg)	Germany
173	Corus Technology B.V. (Formerly Hoogovens Corporate Services B.V.)	Netherlands	215	Hille & Muller Italia SRL	Italy
174	Corus Trico Holdings Inc. (Formerly British Steel Trico Holdings Inc.)	USA	216	Hille & Muller Usa Inc.	USA
175	Corus Tubes B.V. (Formerly Hoogovens Buizen B.V.)	Netherlands	217	Holorib GmbH	Germany
176	Corus Tuscaloosa Corp.	USA	218	Hooghly Metcoke And Power Company Ltd.	India
177	Corus Uk Limited (Formerly British Steel Limited)	UK	219	Hoogovens (UK) Limited	UK
178	Corus Vlietjonge B.V. (Formerly Van Der Vliet & De Jonge)	Netherlands	220	Hoogovens Aluminium Building Systems Limited	UK
179	Corus Yasan Metal Sanayi Ve Ticaret AS (Formerly British Steel Yasan Profil Tic Ve San AS)	Turkey	221	Hoogovens Aluminium UK Limited	UK
			222	Hoogovens Finance B.V.	Netherlands
			223	Hoogovens Technical Services Coahuila B.V.	Netherlands
			224	Hoogovens Technical Services Mexico De S. De R.L. De C.V.	Mexico
			225	Hoogovens Technical Services Monclova B.V.	Netherlands
			226	Hoogovens Tubes Poland Spolka Z.O.O. (Corus Tubes Poland Sp Z.O.O.)	Poland
			227	Hoogovens Usa Inc.	USA
			228	Huizenbezt "Breesaap" B.V.	Netherlands

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

Sl. No.	Name	Country	Sl. No.	Name	Country
229	Ickles Cottage Trust	UK	277	Rawmet Ferrous Industries Pvt. Ltd.	India
230	Immobilierie De Construction De Maubeuge Et Louvroil SAS	France	278	Richard Thomas And Baldwins (1978) Limited	New Zealand
231	Industrial Steels Limited	UK	279	Richard Thomas And Baldwins (Australia) Pty. Ltd.	Australia
232	Inter Metal Distribution SAS	France	280	Round Oak Steelworks Ltd.	UK
233	International Shipping Logistics FZE	UAE	281	Runblast Limited	UK
234	Jamshedpur Utilities & Services Company Ltd.	India	282	Runmega Limited	UK
235	K&S Management Service Limited	UK	283	S A B Profiel B.V.	Netherlands
236	Kalimati Coal Company Pty. Ltd.	Australia	284	S A B Profiel GmbH	Germany
237	Kalimati Investment Company Ltd.	India	285	SA Intertubes	Belgium
238	Lanka Special Steels Ltd.	Sri Lanka	286	Sacra-Nord SAS	France
239	Lister Tubes Ltd.	Eire	287	Scrap Processing Holding B.V. (Formerly Hoogovens Scrap Processing B.V.)	Netherlands
240	London Works Steel Company Ltd.	UK	288	Seamless Tubes Ltd.	UK
241	Materials Recycling Pte. Ltd.	Singapore	289	Sia Corus Building Systems	Latvia
242	Midland Steel Supplies Ltd.	UK	290	Siam Construction Steel Co. Ltd.	Thailand
243	Mistbury Investments Limited	UK	291	Siam Industrial Wire Company Ltd.	Thailand
244	Montana Bausysteme AG	Switzerland	292	Siam Iron and Steel Co. Ltd.	Thailand
245	Myriad Deutschland GmbH (Formerly Hoogovens Myriad Deutschland GmbH)	Germany	293	Sila Eastern Ltd.#	Thailand
246	Myriad Espana SI (Formerly Hoogovens Myriad Espana SI)	Spain	294	Simiop Investments Ltd.	UK
247	Myriad Nederland B.V. (Formerly Hoogovens Myriad Nederland B.V.)	Netherlands	295	Simiop Ltd.	UK
248	Myriad SA (Formerly Hoogovens Myriad SA)	France	296	Simms Steel Holdings Ltd.	UK
249	Myriad United Kingdom Limited (Formerly Hoogovens Myriad UK Limited)	UK	297	Skruv Erik AB	Sweden
250	Naba Diganta Water Management Ltd. @	India	298	Societe Europeenne De Galvanisation (Segal) Sa (Formerly Segal, Societe Cooperative)	Belgium
251	Namascor B.V.	Netherlands	299	Staalverwerking En Handel B.V. (Formerly Hoogovens Staalverwerking En Handel B.V.)	Netherlands
252	Natferrous Pte. Ltd.	Singapore	300	Steel Company (N.I.) Ltd.	UK
253	Nationwide Steelstock Limited	UK	301	Steel Stockholdings Ltd.	UK
254	NatSteel (Xiamen) Ltd.	China	302	Steelstock Ltd.	UK
255	NatSteel Asia (S) Pte. Ltd.	Singapore	303	Stewarts & Lloyds of Ireland Ltd.	Eire
256	NatSteel Asia Pte. Ltd.	Singapore	304	Stewarts and Lloyds (Overseas) Ltd.	UK
257	NatSteel Australia Pty. Ltd.	Australia	305	Stocksbridge Cottage Trust	UK
258	NatSteel Equity IV Pte. Ltd.	Singapore	306	Stra-Color (Coated Steels) Limited	UK
259	NatSteel Iranian Private Joint Stock Company @	Iran	307	Surahammar Bruks AB	Sweden
260	NatSteel Middle East FZE	UAE	308	Swinden Housing Association	UK
261	NatSteel Trade International (Shanghai) Company Ltd.	China	309	Tata Incorporated	USA
262	NatSteel Trade International Pte. Ltd.	Singapore	310	Tata Korf Engineering Services Ltd.	India
263	NatSteel Vina Co. Ltd.	Vietnam	311	Tata Metaliks Kubota Pipes Ltd. @	India
264	Nebam Nedelandse Bevrachting En Agentuur Maatschappij B.V.	Netherlands	312	Tata Metaliks Ltd.*	India
265	N.T.S Steel Group Public Co. Ltd.	Thailand	313	Tata Refractories Ltd.	India
266	Oostflank B.V.	Netherlands	314	Tata Steel (KZN) (Pty.) Ltd.	South Africa
267	Orb Electrical Steels Limited	UK	315	Tata Steel (Thailand) Public Company Ltd.	Thailand
268	Ore Carriers Ltd.	UK	316	Tata Steel Asia Holdings Pte. Ltd.	Singapore
269	Oremco Inc.	USA	317	Tata Steel Netherlands B.V.	Netherlands
270	Plated Strip International Limited	UK	318	Tata Steel UK Ltd.	UK
271	Precision Metal Forming Limited	UK	319	Telmag (Holdings) Limited	UK
272	Precoat International Limited (Formerly Precoat International Plc.)	UK	320	Telmag Magnetic Components Limited	UK
273	Precoat Limited	UK	321	The Indian Steel and Wire Products Ltd.	India
274	Pt Materials Recycling Indonesia	Indonesia	322	The Newport And South Wales Tube Company Ltd.	UK
275	Rafferty-Brown North Carolina Co.	USA	323	The Stanton Housing Company Ltd.	UK
276	Rafferty-Brown Steel Co Inc of Conn.	USA	324	The Steel Company of Ireland Limited	Eire
			325	The Tata Pigments Ltd.	India
			326	The Templeborough Rolling Mills Ltd.	UK

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

Sl. No.	Name	Country	Sl. No.	Name	Country
327	Thomas Processing Company	USA	15	Danieli Corus Construction Services Usa Inc. (Formerly Hoogovens Contr Serv Usa Inc.)	USA
328	Thomas Steel Strip Corp.	USA	16	Danieli Corus Do Brasil Ltda.	Brazil
329	Tinsley Trailers Limited (Formerly Britshelfco (No. 9) Limited)	UK	17	Danieli Corus Inc. (Formerly Hoogovens Technical Services Inc (Usa))	USA
330	TKM Global GmbH (Formerly TKM Overseas Transport (Europe) GmbH)	Germany	18	Danieli Corus Services Usa Inc. (Formerly Hoogovens Eng And Con Usa Inc.)	USA
331	TKM Global Logistics Ltd. (TKM Transport Management Services Private Ltd.)	India	19	Danieli Corus South Africa Pty. Ltd. (Formerly Hoogovens Technical Services Sth Africa)	South Africa
332	TM International Logistics Ltd.	India	20	Endex European Energy Derivates Exchanges N.V.	Netherlands
333	Toronto Industrial Fabrications Ltd.	UK	21	European Profiles (Marketing) Sdn. Bhd.	Malaysia
334	Trierer Walzwerk GmbH	Germany	22	European Profiles Malaysia (M) Sdn. Bhd.	Malaysia
335	TRL Asia Private Limited	Singapore	23	Galvpro LP.	USA
336	TRL China Limited	China	24	Gietwalsonderhoudcombinatie B.V.	Netherlands
337	TS Asia (Hongkong) Pte. Ltd.	Hongkong	25	Hoogovens Court Chrome Vof	Netherlands
338	Tata Steel Global Mineral Holdings Pte. Ltd.	Singapore	26	Hoogovens Gan Multimedia S.A. De C.V.	Mexico
339	TS Resources Australia Pty. Ltd.	Australia	27	Indian Steel Rolling Mills Ltd.	India
340	Tulip Netherlands (No.1) B.V.	Netherlands	28	Industrial Energy Ltd.	India
341	Tulip Netherlands (No.2) B.V.	Netherlands	29	Isolation Du Sud SA	France
342	Tulip UK Holdings (No.1) Ltd.	UK	30	Issb Limited	UK
343	Tulip UK Holdings (No.2) Ltd.	UK	31	Jamipol Ltd. (Formerly Jamshedpur Injection Powder Ltd.)	India
344	Tulip UK Holdings (No.3) Ltd.	UK	32	Kalinga Aquatics Ltd.	India
345	U.E.S. Bright Bar Limited	UK	33	Kumardhubi Fireclay & Silica Works Ltd.	India
346	UK Steel Enterprise Ltd. (Formerly British Steel (Industry) Ltd.)	UK	34	Kumardhubi Metal Casting & Engineering Ltd.	India
347	Ukse Fund Managers Limited	UK	35	Metal Corporation of India Ltd.	India
348	Ukse Fund Mangers (General Partner) Limited	UK	36	Nicco Jubilee Park Ltd.	India
349	United Steels Co (N Z) Ltd.	New Zealand	37	Regionale Ontwikkelingsmaatschappij Voor Het Noordzeekanaalgebied N.V.	Netherlands
350	Unitol SAS	France	38	Richard Lees Steel Decking Asia Snd. Bhd.	Malaysia
351	Walker Manufacturing And Investments Ltd.	UK	39	Rsp Holding B.V. (Formerly Rsp Products B.V.)	Netherlands
352	Walkersteel (Ni) Ltd.	UK	40	Rujuvalika Investments Ltd.	India
353	Walkersteelstock Ireland Limited	Eire	41	Schreiner Fleischer AS	Norway
354	Walkersteelstock Ltd.	UK	42	Shanghai Bao Yi Beverage Can Making Co. Ltd.	China
355	Westwood Steel Services Ltd.	UK	43	SMS Mevac UK Limited (Formerly Vacmetal (UK) Ltd.)	UK
356	Whitehead (Narrow Strip) Ltd.	UK	44	Southern Steel, Berhard	Malaysia
357	Wuxi Jinyang Metal Products Co. Ltd.	China	45	Srutech Tubes (India) Pvt. Ltd.	India
358	Wuxi NatSteel Metal Products Co. Ltd.	China	46	Steel Asia Development and Management Corporation	Singapore
			47	Steel Asia Industries Inc.	Singapore
			48	Steel Asia Manufacturing Corporation	Singapore
			49	Stuwadoorsbedrijf Velserkom B.V.	Netherlands
			50	Tata Construction & Projects Ltd.	India
			51	Tata Sponge Iron Ltd.	India
			52	Tayo Rolls Ltd.	India
			53	Thoresen & Thorvaldsen AS	Norway
			54	Tinplate Company of India Ltd.	India
			55	TKM Overseas Ltd.	India
			56	TRF Ltd.	India
			57	Trico LLC	USA
			58	Weirton/Hoogovens GP	USA
			59	Workington Cottage Trust	UK
			60	Wupperman Staal Nederland B.V.	Netherlands
B.	Associate - Where the Company Exercises Significant Influence				
1	Ab Norskstal AS	Norway			
2	Albi Profils SRL	France			
3	Almora Magnesite Ltd.	India			
4	Altos Hornos De Mexico S.A. de C.V.	Mexico			
5	Antheus Magnesium B.V.	Netherlands			
6	Appleby Frodingham Cottage Trust Limited	UK			
7	Business Park@	Netherlands			
8	Combulex B.V.	Netherlands			
9	Cv Gasexpansie Ijmond	Netherlands			
10	Danieli Corus Canada Inc. (Hoogovens Technical Services Inc (Canada))	Canada			
11	Danieli Corus Asia B.V. (Formerly Hoogovens Technical Services Asia B.V.)	Netherlands			
12	Danieli Corus B.V. (Formerly Hoogovens Technical Services Europe B.V.)	Netherlands			
13	Danieli Corus Braseq Ltda.	Brazil			
14	Danieli Corus Construction Services B.V.	Netherlands			

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

Sl. No.	Name	Country	Sl. No.	Name	Country
C.	Joint Ventures		20	Norsk Stal Tynnplater AS	Norway
1	Afon Tinplate Company Limited	UK	21	Ravenscraig Limited (Formerly Stamek Limited)	UK
2	Air Products Llanwern Limited	UK	22	Riversdale Energy (Mauritius) Ltd. @	Mauritius
3	B V Ijzerleew	Netherlands	23	Tata Bluescope Steel Ltd.	India
4	Bsr Pipeline Services Limited	UK	24	Tata NYK Shipping Pte. Ltd. @	Singapore
5	Caparo Merchant Bar Plc.	UK	25	Tata Ryerson Ltd.	India
6	Cindu Chemicals B.V.	Netherlands	26	Texturing Technology Limited	UK
7	Corus Celik Ticaret AS	Turkey	27	The Dhamra Port Company Ltd.	India
8	Corus Cogifer Switches And Crossings Limited	UK	D.	Promoters holding together with its Subsidiary is more than 20%	
9	Corus Kalpinis Simos Rom SRL	Romania	1	Tata Sons Ltd.	India
10	Corus-Kalpinis Simos Cladding Industry SA (Formerly BS Kalpinis Simos Com and Ind SA)	Greece	E.	Key Management Personnel - Whole Time Directors	
11	Danieli Corus Technical Services B.V.	Netherlands	1	Mr. B. Muthuraman	
12	Framing Solutions Plc.	UK	2	Dr. T. Mukherjee @	
13	Grantrail Group Ltd.	UK	3	Mr. A. N. Singh @	
14	Hks Scrap Metals B.V.	Netherlands	F.	Relatives of Key Management Personnel - (Disclosure will be given only if there have been transactions)	
15	Ijzerhandel Geertsema Staal B.V.	Netherlands	1	Ms. Sumathi Muthuraman	
16	Industrial Rail Services Ijmond B.V.	Netherlands	2	Ms. Shurva Mukherjee@	
17	Laura Metaal Holding B.V.	Netherlands	3	Ms. Ipshita Kamra@	
18	Mjunction Services Ltd.	India			
19	Norsk Stal AS	Norway			

@ Part of the year.

* Earlier an Associate, became a subsidiary during the year.

Subsidiary on account of management control.

SCHEDULE M : NOTES ON BALANCE SHEET AND PROFIT AND LOSS ACCOUNT :- continued
15. (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.	666.24 79.86	— —	— —	— —	— —	666.24 79.86
Others	120.90 108.57	181.64 94.83	— —	— —	— —	302.54 203.40
	787.14 188.43	181.64 94.83	— —	— —	— —	968.78 283.26
Sale of Goods						
TS Asia (Hongkong) Pte. Ltd.	819.62 134.53	— —	— —	— —	— —	819.62 134.53
Tata Ryerson Ltd.	— —	795.12 655.35	— —	— —	— —	795.12 655.35
Others	294.95 271.84	428.58 200.98	— —	— —	— —	723.53 472.82
	1,114.57 406.37	1,223.70 856.33	— —	— —	— —	2,338.27 1,262.70
Receiving of Services						
Jamshedpur Utilities & Services Co. Ltd.	227.26 218.60	— —	— —	— —	— —	227.26 218.60
T M International Logistics Ltd.	242.66 127.39	— —	— —	— —	— —	242.66 127.39
Tinplate Company of India Ltd.	— —	222.73 222.72	— —	— —	— —	222.73 222.72
Others	189.43 94.96	112.93 100.74	0.02 0.02	0.02 0.02	0.69 1.00	303.09 196.74
	659.35 440.95	335.66 323.46	0.02 0.02	0.02 0.02	0.69 1.00	995.74 765.45
Rendering of Services						
The Indian Steel & Wire Products Ltd.	10.89 13.62	— —	— —	— —	— —	10.89 13.62
Tinplate Company of India Ltd.	— —	35.83 34.24	— —	— —	— —	35.83 34.24
Tata BlueScope Steel Ltd.	— —	16.98 1.13	— —	— —	— —	16.98 1.13
Others	20.38 11.04	11.03 10.43	— —	— —	0.14 0.14	31.55 21.61
	31.27 24.66	63.84 45.80	— —	— —	0.14 0.14	95.25 70.60
Purchase of Fixed Assets						
TRF Ltd.	— —	43.25 27.61	— —	— —	— —	43.25 27.61
Others	0.32 —	— —	— —	— —	— —	0.32 —
	0.32 —	43.25 27.61	— —	— —	— —	43.57 27.61
Sale of Fixed Assets						
T M International Logistics Ltd.	— 0.04	— —	— —	— —	— —	— 0.04
	— 0.04	— —	— —	— —	— —	— 0.04
Dividend expense						
Tata Sons Ltd.	— —	— —	— —	— —	260.81 144.64	260.81 144.64
Others	1.04 0.87	— —	* ***	** ****	— —	1.04 0.87
	1.04 0.87	— —	* ***	** ****	260.81 144.64	261.85 145.51
Dividend income						
Tata Steel (Thailand) Public Co. Ltd	6.66 —	— —	— —	— —	— —	6.66 —
Tata Metaliks Ltd.	7.08 7.08	— —	— —	— —	— —	7.08 7.08
Tata Refractories Ltd.	5.21 5.68	— —	— —	— —	— —	5.21 5.68
Others	4.83 4.65	9.31 23.40	— —	— —	— —	14.14 28.05
	23.78 17.41	9.31 23.40	— —	— —	— —	33.09 40.81

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

Transactions	Subsidiaries	Associates & JVs #	Key Management Personnel	Relatives of Key Management Personnel	Promoter	Rs. crores Grand Total
Interest Income						
NatSteel Asia Pte. Ltd.	10.76 13.36	— —	— —	— —	— —	10.76 13.36
Tata Steel KZN Pty. Ltd.	9.37 0.20	— —	— —	— —	— —	9.37 0.20
Others	3.01 6.28	2.41 —	— —	— —	— —	5.42 6.28
	23.14 19.84	2.41 —	— —	— —	— —	25.55 19.84
Management contracts including deputation of employees						
Tata Sons Ltd.	— —	— —	— —	— —	42.79 37.85	42.79 37.85
	— —	— —	— —	— —	42.79 37.85	42.79 37.85
Finance Provided						
Tata Steel Asia Holdings Pte. Ltd.	28,802.75 1,524.09	— —	— —	— —	— —	28,802.75 1,524.09
Others	919.04 517.64	267.15 271.72	— —	— —	— —	1,186.19 789.36
	29,721.79 2,041.73	267.15 271.72	— —	— —	— —	29,988.94 2,313.45
Unsecured advances / Deposits given						
Jamshedpur Utilities & Services Co. Ltd.	5.88 —	— —	— —	— —	— —	5.88 —
T M International Logistics Ltd.	4.84 —	— —	— —	— —	— —	4.84 —
	10.72 —	— —	— —	— —	— —	10.72 —
Unsecured advances / Deposits accepted						
Tinplate Company of India Ltd.	— —	0.95 —	— —	— —	— —	0.95 —
Others	***** *****	— 0.06	— —	— —	— —	***** 0.06
	***** *****	0.95 0.06	— —	— —	— —	0.95 0.06
Remuneration Paid						
Mr. B. Muthuraman	— —	— —	3.66 2.48	— —	— —	3.66 2.48
Dr. T. Mukherjee (upto 31.10.2007)	—	—	1.91	—	—	1.91
Mr. A. N. Singh (upto 30.9.2007)	— —	— —	1.98 1.27	— —	— —	1.98 1.27
	— —	— —	1.41 6.84	— —	— —	1.41 6.84
	— —	— —	5.87 5.87	— —	— —	5.87 5.87
Provision for receivables made during the year						
The Indian Steel & Wire Products Ltd.	0.25 —	— —	— —	— —	— —	0.25 —
Hoogly Met Coke & Power Co. Ltd.	0.11 —	— —	— —	— —	— —	0.11 —
Others	0.18 0.19	0.11 0.61	— —	— —	— —	0.29 0.80
	0.54 0.19	0.11 0.61	— —	— —	— —	0.65 0.80
Bad debts written off						
The Indian Steel & Wire Products Ltd.	— 0.20	— —	— —	— —	— —	— 0.20
TRF Limited	— —	***** —	— —	— —	— —	***** —
	— 0.20	— *****	— —	— —	— —	— 0.20
Provision for diminution in value of investments made during the year						
Adityapur Toll Bridge Co. Ltd.	— 0.10	— —	— —	— —	— —	— 0.10
	— 0.10	— —	— —	— —	— —	— 0.10

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

15. (b) Related Party Transactions

Rs. crores

Transactions	Subsidiaries	Associates & JVs #	Key Management Personnel	Relatives of Key Management Personnel	Promoter	Grand Total
Guarantees and Collaterals given during the year						
Tata Steel (Thailand) Public Co. Ltd.	-	-	-	-	-	-
	625.59	-	-	-	-	625.59
Tulip UK Holdings (No. 1) Ltd.	-	-	-	-	-	-
	2,557.05	-	-	-	-	2,557.05
	-	-	-	-	-	-
	3,182.64	-	-	-	-	3,182.64
Guarantees outstanding						
Tinplate Company of India Ltd.	-	25.00	-	-	-	25.00
Others	-	-	-	-	-	-
	2,692.04	96.44	-	-	-	2,788.48
	-	25.00	-	-	-	25.00
	2,692.04	96.44	-	-	-	2,788.48
Outstanding Receivables						
Tata Steel Asia Holdings Pte. Ltd.	30,326.12	-	-	-	-	30,326.12
	1,523.37	-	-	-	-	1,523.37
Others	1,199.98	256.02	0.01	0.01	3.36	1,459.38
	754.19	89.22	0.01	0.01	2.60	846.03
	31,526.10	256.02	0.01	0.01	3.36	31,785.50
	2,277.56	89.22	0.01	0.01	2.60	2,369.40
Provision for outstanding receivables						
The Indian Steel & Wire Products Ltd.	3.48	-	-	-	-	3.48
	4.19	-	-	-	-	4.19
Tata Korf Engineering Services Ltd.	0.76	-	-	-	-	0.76
	0.70	-	-	-	-	0.70
Others	1.09	2.05	-	-	*****	3.14
	0.64	2.27	-	-	*****	2.91
	5.33	2.05	-	-	*****	7.38
	5.53	2.27	-	-	*****	7.80
Outstanding Payables						
Jamshedpur Utilities & Services Co. Ltd.	76.76	-	-	-	-	76.76
	67.35	-	-	-	-	67.35
Tata Ryerson Ltd.	-	28.80	-	-	-	28.80
	-	12.96	-	-	-	12.96
Tata Sons Ltd.	-	-	-	-	46.95	46.95
	-	-	-	-	41.97	41.97
Others	38.98	52.70	-	-	-	91.68
	35.26	16.10	-	-	-	51.36
	115.74	81.50	-	-	46.95	244.19
	102.61	29.06	-	-	41.97	173.64

Notes:

*	Rs. 33,883
**	Rs. 19,995
***	Rs. 28,418
****	Rs. 16,770
*****	Rs. 30,000
*****	Rs. 43,957
*****	Rs. 1,781
*****	Rs. 6,600

Transactions with Joint Ventures have been disclosed at full value.

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

16. The Company has the following Joint Ventures as on 31st March, 2007 and its proportionate share in the Assets, Liabilities, Income and Expenditure of the Joint Venture Companies is given below :

Name of the Joint Venture Company	Percentage of Holding	As at 31st March, 2008				For the year ended 31st March, 2008	
		Assets	Liabilities	Contingent Liabilities	Capital Commitment	Income	Expenditure
Tata Ryerson Ltd. (incorporated in India)	50%	253.27	143.39	30.40	18.10	641.38	621.10
		197.69	109.01	7.90	4.06	517.84	500.38
mjunction Services Ltd. (formerly known as Metaljunction Services Ltd. (incorporated in India)	50%	38.62	24.25	0.29	—	34.87	26.40
		50.86	39.43	0.37	—	25.20	17.40
The Dhamra Port Company Ltd. (incorporated in India)	50%	343.34	220.34	—	477.10	0.03	0.08
		94.77	1.71	—	534.72	0.03	0.69
Tata BlueScope Steel Ltd. (incorporated in India)	50%	308.45	47.15	7.91	135.96	143.57	151.50
		237.03	27.80	—	5.78	41.29	54.43
Tata NYK Shipping Pte. Ltd. (incorporated in Singapore)	50%	32.58	7.46	—	—	145.94	140.76
		—	—	—	—	—	—

17. Earnings Per Share (EPS)

	2007-08 Rs. crores	2006-07 Rs. crores
(i) Profit after Tax	4,687.03	4,222.15
Profit after Tax – for Diluted EPS	4,668.27	4,222.15
(ii) Weighted average No. of Ordinary Shares for Basic EPS	69,77,48,601	64,68,23,122
Add : Adjustment for 8,750 (2006-07 : Nil) Convertible Alternative Reference Securities (See Note 8, Page 166)	3,59,84,623	—
Adjustment for Options relating to 12,446 (2006-07 : 12,446) Detachable Warrants (See Note 29(a), Page 186)	11,010	10,231
Adjustment for 5,47,251,605 (2006-07 : Nil) Cumulative Convertible Preference Shares to (See Note 29(c), Page 186)	2,36,74,364	—
Weighted average no. of Ordinary Shares for Diluted EPS.....	75,74,18,598	64,68,33,353
(iii) Nominal value of Ordinary Shares.....	Rs. 10.00	Rs. 10.00
(iv) Basic Earnings per Ordinary Share	Rs. 67.17	Rs. 65.28
(v) Diluted Earnings per Ordinary Share.....	Rs. 61.63	Rs. 65.27

Note: In accordance with Accounting Standard (AS) 20, EPS has been calculated taking the effects of Rights Issue.

18. Deferred Tax Liability (Net) (Item No. 5, Page 144)

	Deferred Tax (Asset)/Liability as at 1.4.2007 Rs. crores	Current year charge/(credit) Rs. crores	Deferred Tax (Asset)/Liability as at 31.3.2008 Rs. crores
Deferred Tax Liabilities			
(i) Difference between book and tax depreciation	1,682.15	(53.35)	1,628.80
(ii) Prepaid Expenses	36.81	1.73	38.54
(iii) Revaluation of Foreign Currency Loans	—	248.36	248.36
(A)	1,718.96	196.74	1,915.70
Deferred Tax Assets			
(i) Employee Separation Compensation	(506.87)	3.18	(503.69)
(ii) Wage Provision	(10.43)	(54.85)	(65.28)
(iii) Provision for doubtful debts & advances	(31.00)	(2.02)	(33.02)
(iv) Disallowance under Section 43B	(100.17)	(11.80)	(111.97)
(v) Provision for Leave Salary	(128.27)	(7.42)	(135.69)
(vi) Provision for Employee Benefits (Rs. 103.05 crores adjusted against the opening balance. See Note 13(a), Page 167)	(68.79)	(1.73)	(70.52)
(vii) Differences in written down value of development of property....	(20.97)	(1.48)	(22.45)
(viii) Other Deferred Tax Assets/Liabilities	(0.47)	(12.29)	(12.76)
(ix) Redemption premium on CARS (See Note 30, Page 186)	—	—	(278.52)
(B)	(866.97)	(88.41)	(1,233.90)
Deferred Tax Liability (Net)	(A)+(B)	108.33	681.80

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

19. Licensed and installed capacities and production : ⁽¹⁾	Installed capacity ⁽²⁾	Production ⁽³⁾
	Tonnes	Tonnes
Class of Products		
(i) Saleable Steel (Jamshedpur works)	48,08,000 (48,08,000)	48,58,401 ⁽⁴⁾ (49,28,548)
(ii) Cold Rolled Coils (Tarapur)	1,00,000 (1,00,000)	1,53,488 (1,37,038)
(iii) Wire Rods (Tarapur)	2,65,000 (2,65,000)	2,45,370 (2,60,748)
Wires (Borivali, Tarapur, Indore & Bangalore)	2,38,400 (2,38,400)	2,11,001 (1,95,661)
Cold Rolled Coils & Profiles (Sisodra)	— ⁽⁵⁾ (46,000)	— ⁽⁵⁾ (27,958)
(iv) Ferro Manganese & Silico Manganese (Joda)	30,500 (30,500)	50,230 (51,014)
(v) Charge Chrome (Bamnipal)	50,000 (50,000)	55,251 (43,712)
(vi) Welded Steel Tubes (Jamshedpur)	3,08,000 (3,08,000)	2,68,698 ⁽⁶⁾ (2,61,347)
(vii) Carbon and Alloy Steel Bearing Rings, Annular Forgings and Flanges (Jamshedpur)	— ⁽⁷⁾ (5,250)	— ⁽⁷⁾ (2,612)
(viii) Metallurgical Machinery (Jamshedpur)	— (—)	12,994 ⁽⁸⁾ (6,287)
(ix) Alloy Steel Ball Bearing Rings (Jamshedpur)	— ⁽⁷⁾ (2,05,00,000)	— ⁽⁷⁾ (1,21,67,121)
(x) Bearings (Kharagpur)	2,50,00,000 (2,50,00,000)	2,63,55,459 (3,00,13,421)

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 **3,86,251** tonnes (2006-07 : 5,05,753 tonnes) and steel transferred for manufacture into Tubes/ C.R. Strips at the Company's Tubes Division **3,37,987** tonnes (2006-07 : 3,03,788 tonnes) / steel transferred for manufacture of Cold Rolled Coils at the Company's Cold Rolling Mill Division (West) **1,71,942** tonnes (2006-07 : 1,61,984 tonnes) and steel transferred for manufacture of Wire Rods **2,08,973** tonnes (2006-07 : 2,47,821 tonnes) at the Company's Wire Rod Mill (West) division.

(5) CRM (Sisodra) sold on 2nd April, 2007.

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

(7) Rings Division closed from 1st April, 2007.

(8) There is no separate installed capacity.

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

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

Class of Products	Turnover ⁽¹⁾		Closing Stock		Opening Stock	
	Tonnes	Rs. crores	Tonnes	Rs. crores	Tonnes	Rs. crores
(i) Saleable Steel (Finished) ⁽²⁾	44,75,886	16,012.13	3,39,546	646.63	3,86,455	683.64
	44,83,029	14,511.03	3,86,455	683.64	3,94,829	641.90
Agrico Products		111.23		9.67		5.07
		84.65		5.07		3.41
		16,123.36		656.30		688.71
		14,595.68		688.71		645.31
(ii) Semi-finished Steel and Scrap	2,54,959	571.68	2,80,630	230.57	2,57,121	217.73
	2,23,050	486.29	2,57,121	217.73	2,38,748	191.49
(iii) Welded Steel Tubes ⁽³⁾	2,33,413	1,018.42	19,861	48.21	24,508	57.19
	2,39,890	999.45	24,508	57.19	22,267	49.47
(iv) Carbon and Alloy Steel Bearing Rings	417	1.99	—	—	417	3.46
	2,598	20.48	417	3.46	352	2.29
(v) By-products, etc.		95.25		3.09		4.15
		111.85		4.15		4.67
(vi) Raw Materials :						
(a) Ferro Manganese	40,631	219.29	—	—	—	—
	38,920	129.76	—	—	—	—
(b) Charge Chrome/Ferro Chrome ⁽⁴⁾ ...	1,86,384	978.70	—	—	—	—
	1,50,158	596.98	—	—	—	—
(c) Other Raw Materials	—	1,661.38	—	—	—	—
		1,471.86				
(vii) Other Products ⁽⁵⁾		379.69		96.44		65.03
		260.61		65.03		70.49
(viii) Alloy Steel Ball Bearing Rings ⁽⁶⁾	Numbers		Numbers		Numbers	
	13,77,379	8.56	4,89,680	0.90	17,51,468	11.34
	1,22,56,394	75.59	17,51,468	11.34	24,46,088	12.76
(ix) Bearings	2,76,12,219	149.88	28,39,692	13.14	40,39,790	19.85
	2,89,65,897	162.78	40,39,790	19.85	29,88,022	13.50
(x) Metallurgical Machinery	Tonnes		Tonnes		Tonnes	
	12,994	172.70	—	—	—	—
	6,166	95.52	—	—	—	—
(xi) Sale of Purchased Materials						
(a) Saleable Steel (finished / converted)	1,516	6.91	6,945	25.62	2,963	10.62
	1,200	5.19	2,963	10.62	2,520	10.64
(b) Raw Materials / Scrap / Other Materials	—	7.00	—	—	—	—
		6.16				
		21,394.81		1,074.27		1,078.08
		19,018.20		1,078.08		1,000.62

Notes :

- (1) Turnover includes exchange gain (net) **Rs. 2.43** crores [2006-07 : exchange loss (net) Rs. 4.77 crores].
- (2) Including steel material converted by re-rollers : **9,57,743** tonnes (2006-07 : 10,48,574 tonnes).
- (3) Includes Welded Steel Tubes converted under conversion arrangement **48,585** tonnes (2006-07 : 38,608 tonnes).
- (4) Turnover includes Ferro Chrome converted under conversion arrangement **1,04,269** tonnes (2006-07 : 1,07,685 tonnes).
- (5) Includes tubular steel structures **Rs. 327.37** crores (2006-07 : Rs. 205.69 crores).
- (6) Turnover includes sale proceeds of Salvaged Rings, Stock includes Semi-Finished Rings/Flanges.
- (7) 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
21. Purchase of Finished, Semi-Finished Steel and Other Products : ⁽¹⁾		
A. For Resale :		
Finished/Semi-Finished Steel Materials	994	9.11
	1,850	12.27
B. For Own Consumption :		
(i) Finished/Semi-Finished Steel Materials ⁽²⁾	86,310	378.75
	87,900	358.37
(ii) Sponge/Pig Iron.....	40,064	58.32
	57,692	24.14
(iii) Others.....		0.77
		55.82
		446.95
		450.60
(1) including exchange loss (net) of Rs. 0.02 crore [2006-07 : exchange gain (net) Rs. 0.09 crore]		
(2) includes components for manufacture of metallurgical machinery Rs. 40.02 crores (2006-07 : Rs. 38.50 crores)		
22. Raw materials consumed : @	Tonnes	Rs. crores
(i) Iron ore	86,81,492	445.35
	87,24,458	368.29
(ii) Coal [excluding 33,71,551 tonnes (2006-07 : 31,46,172 tonnes) valued at Rs. 987.71 crores (2006-07 : Rs. 1,030.68 crores)] used for manufacturing coke	706,076	206.85
	713,982	287.91
(iii) Coke	30,88,582	1,883.24
	31,33,450	1,510.72
(iv) Limestone and Dolomite.....	18,65,223	318.45
	17,29,070	316.76
(v) Ferro Manganese	16,165	48.52
	15,824	50.94
(vi) Zinc and Zinc Alloys	17,903	277.58
	19,299	327.00
(vii) Spelter, sulphur and other materials [excluding 2,34,830 tonnes valued at Rs. 80.75 crores (2006-07 : 1,95,765 tonnes valued at Rs. 58.96 crores) used in the manufacture of Ferro Manganese].....	11,61,517	661.88
	784,802	557.84
		3,841.87
		3,419.46

Note : @ The consumption figures shown above are after adjusting excess and shortages ascertained on physical count, unserviceable items, etc. including exchange gain (net) **Rs. 9.64** crores [2006-07 : exchange gain (net) Rs. 8.44 crores]

SCHEDULE M : NOTES ON BALANCE SHEET AND PROFIT AND LOSS ACCOUNT :- continued
23. Value of direct imports (C.I.F. Value)

	Rs. crores
(i) Raw materials.....	1,542.79 1,592.25
(ii) Semi-finished products	16.44 24.04
(iii) Components, stores and spare parts	233.18 290.81
(iv) Capital goods	433.23 295.05

24. 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	1,940.58 1,673.43	50.51 48.94	364.08 348.13	18.23 17.92
(b) Indigenously obtained	1,901.29 1,746.03	49.49 51.06	1,633.69 1,594.65	81.77 82.08
	3,841.87 3,419.46	100.00 100.00	1,997.77 1,942.78	100.00 100.00
<i>Less : Consumption charged to other revenue accounts</i>			748.29 699.17	
			1,249.48 1,243.61	

- 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.
- (iii) Stores consumed includes exchange gain (net) of **Rs. 0.98** crore [2006-07 : exchange gain (net) Rs. 1.66 crores].

25. Expenditure in foreign currency

	Current Year Rs. crores	<i>Previous Year Rs. crores</i>
(i) Technical Know-how and Technical Consultants' Fees (net of taxes) including Rs. 107.20 crores (2006-07 : Rs. 117.94 crores) on capital account	109.30	123.55
(ii) Interest and Commitment charges payable in foreign currencies	502.95	82.23
(iii) Commission	12.75	13.09
(iv) Payable on other accounts [including Rs. 15.28 crores (2006-07 : Rs. 64.00 crores) on capital account]	58.77	186.34

SCHEDULE M : NOTES ON BALANCE SHEET AND PROFIT AND LOSS ACCOUNT :- continued
26. 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	<i>Previous Year</i>
(i) Number of non-resident shareholders	4,461	<i>3,899</i>
(ii) Number of Ordinary shares held by them.....	13,60,48,173	<i>12,33,64,686</i>
(iii) Gross amount of dividends	Rs. 210.87 crores	<i>Rs. 160.37 crores</i>

27. Earnings in Foreign Exchange

- (i) Export of steel and other materials (at F.O.B. value) **Rs. 2,123.41** crores (2006-07 : *Rs. 1,957.76 crores*) [including value of exports through export houses].
- (ii) Interest received **Rs. 33.45** crores (2006-07 : *Rs. 58.20 crores*).
- (iii) Others **Rs. 131.75** crores (2006-07 : *Rs. 87.93 crores*).

28. 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 Forward Exchange Contracts entered into by the Company :

As at	No. of Contracts	US Dollar Equivalent (million)	INR Equivalent (Rs. crores)
31.3.2008	5	30.64	122.91
31.3.2007	<i>4</i>	<i>16.90</i>	<i>73.58</i>

(Short Term Forward Exchange Contracts as on 31st March, 2008 include Forward Sales of Great Britain Pound and Euro against Indian National Rupees for contracted exports).

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

As at	No. of Contracts	US Dollar Equivalent (million)	INR Equivalent (Rs. crores)
31.3.2008	35	1,885.86	7,564.18
31.3.2007	<i>—</i>	<i>—</i>	<i>—</i>

(Long Term Forward Exchange Contracts outstanding as on 31st March, 2008 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 and trade 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)
31.3.2008	1	17.34	69.54
31.3.2007	<i>1</i>	<i>22.29</i>	<i>97.05</i>

- ii) Outstanding Currency and Interest Rate Swap to hedge against fluctuations in changes in exchange rate and interest rate :

As at	No. of Contracts	US Dollar Equivalent (million)	INR Equivalent (Rs. crores)
31.3.2008	<i>—</i>	<i>—</i>	<i>—</i>
31.3.2007	<i>4</i>	<i>90.09</i>	<i>392.14</i>

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

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

As at	No. of Contracts	US Dollar Equivalent (million)	INR Equivalent (Rs. crores)
31.3.2008	2	2.75	11.03
31.3.2007	6	1,683.01	7,325.36

(Currency options have been used to selectively hedge the Company's exports from April 2008 to May 2008).

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

	As at 31.3.2008		As at 31.3.2007	
	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 drawn and placed as deposits in JPY/USD	—	—	1,662.37	7,234.80
Interest receivable on JPY/USD deposits	—	—	4.27	18.58
Bill Discounted & Outstanding	9.41	37.74	—	—
B. Amounts payable in foreign currency on account of the following :				
Import of goods and services	4.96	19.90	2.62	11.39
Capital imports	26.53	106.44	8.04	35.02
Interest and commitment charges payable	13.72	55.03	7.49	32.63
Loans payable	57.94	232.47	1,664.21	7,249.75

The above disclosures have been made consequent to an announcement by the Institute of Chartered Accountants of India on 2nd December, 2005, which is applicable to the financial periods ending on or after 31st March, 2006.

29. During the year:

- 2,85,00,000 Warrants allotted to Tata Sons Limited on a preferential basis during Financial Year 2006-07, were converted into 2,85,00,000 Ordinary Shares of Rs. 10 each at a price (determined in accordance with SEBI prescribed pricing formula applicable at the time of exercise of Warrants), of Rs. 484.27 per share, involving an amount of Rs. 1,380.17 crores.
- The Company issued 12,17,94,571 Ordinary Shares of Rs. 10 each at premium of Rs. 290 per share, to the existing equity shareholders of the Company on a Rights basis in the ratio of 1:5 as on the Record date i.e. 5th November, 2007. Out of this, 1,83,107 Ordinary Shares are kept in abeyance in respect of disputed matters before various forums, courts etc. and the Company allotted 12,16,11,464 Ordinary Shares of Rs. 10 each at a premium of Rs. 290 per share, aggregating to Rs. 3,648.34 crores. Expenses relating to the issue, Rs. 35.18 crores have been adjusted against the Securities Premium Account during the year ended 31st March, 2008.
- The Company issued 54,80,75,571 Cumulative Convertible Preference Shares (CCPS) of Rs. 100 each at an issue price of Rs. 100 per share, to the existing equity shareholders of the Company on a Rights basis in the ratio of 9:10 as on the Record date i.e. 5th November, 2007. Out of this, 8,23,966 CCPS are kept in abeyance in respect of disputed matters before various forums, courts etc. and the Company allotted 54,72,51,605 CCPS of Rs. 100 each at an issue price of Rs. 100 per share, aggregating to Rs. 5,472.52 crores.

As per the terms of the issue, 6 CCPS of Rs. 100 each are compulsorily and automatically convertible on 1st September, 2009 into 1 Ordinary Share of Rs. 10 each at a premium of Rs. 590 per share.

30. The Company has raised Rs. 3,578.75 crores (US \$ 875 million, including the green shoe option US \$ 150 million) through the issue of Foreign Currency Convertible Alternative Reference Securities ("CARS"). 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. 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 this premium payable on account of conversion or exchange fluctuation are adjusted to the Securities Premium Account. Accordingly Rs. 551.41 crores (net of deferred tax asset of Rs. 283.93 crores) being the premium on redemption, Rs. 111.86 crores being the expenses related to the issue and Rs. 10.51 crores (net of deferred tax Rs. 5.41 crores) being the loss on revaluation of the premium payable have been adjusted against the Securities Premium Account during the year ended 31st March, 2008.

31. Item 8 (c) of the Exceptional items represents a net gain of Rs. 597.31 crores due to appreciation of the rupee against various foreign currencies during the year ended 31st March, 2008.

32. Previous year's figures have been recast/restated wherever necessary.

33. Figures in italics are in respect of the previous year.

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No.	260	State Code	11
Balance Sheet Date	31	03	2008
	Date	Month	Year

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue	Rights Issue
Nil	9,12,08,599
Bonus Issue	Private Placement
Nil	13,80,170

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

	Total Liabilities		Total Assets
	47,07,55,228		47,07,55,228
Sources of Funds	Paid-up Capital		Reserves & Surplus
	6,20,32,950		21,09,74,260
	Secured Loans		Unsecured Loans
	3,52,05,791		14,50,11,159
	Other Liabilities		
	1,75,31,068		
Application of Funds	Net Fixed Assets		Investments
	12,62,35,621		4,10,31,941
	Net Current Assets		Misc. Expenditure
	30,19,36,533		15,51,133

IV. Performance of the Company (Amount in Rs. Thousands)

Turnover	Total Expenditure
20,02,82,854	13,18,30,500
Exceptional Items	Profit/(Loss) Before Tax
22,11,224	7,06,63,578
Profit/(Loss) After Tax	Earnings per Share in Rs. (Weighted Average - Basic)
4,68,70,264	67.17
Dividend rate %	
160	

V. Generic Names of Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)	72082600
Product Description	Flat Rolled Products of Non Alloy Steel of a width of 600 mm and more hot rolled coils of thickness 1.66 mm to 12 mm
Item Code No. (ITC Code)	73045901
Product Description	Tubes/Pipes etc. of circular section with outer diameter upto 114.3 mm, not cold rolled
Item Code No. (ITC Code)	72091600/72091700
Product Description	Flat Rolled Products of Iron or Non Alloy Steel, of a width of 600 mm or more, cold rolled (cold-reduced), not clad, plated or coated of a thickness of 0.5 mm or more but less than 3 mm

Production Statistics

('000 Tonnes)

Year	Iron Ore	Coal	Iron	Crude Steel	Rolled/ Forged Bars & Structural	Plates	Sheets	Hot Rolled Coils/ Strips	Cold Rolled Coils	Railway Materials	Semi-Finished for Sale	Total Saleable Steel
1955-56	2,001	1,536	1,168	1,076	246	61	148	—	—	130	227	812
1956-57	1,999	1,528	1,169	1,088	220	64	161	35	—	106	226	812
1957-58	2,074	1,488	1,109	1,122	210	72	161	71	—	103	182	799
1958-59	2,198	1,590	1,149	1,166	212	71	134	103	—	77	302	899
1959-60	2,551	1,705	1,591	1,555	298	89	134	164	—	98	454	1,237
1960-61	2,275	1,714	1,586	1,622	369	85	132	161	—	112	404	1,263
1961-62	2,104	1,700	1,645	1,643	449	77	134	173	—	114	371	1,318
1962-63	2,616	2,047	1,764	1,799	472	90	149	178	—	131	393	1,413
1963-64	2,953	2,173	1,809	1,892	534	96	154	162	—	127	434	1,507
1964-65	3,125	2,264	1,885	1,956	548	101	164	197	—	133	425	1,568
1965-66	3,232	2,175	1,917	1,979	555	98	166	181	—	128	440	1,568
1966-67	3,009	2,088	1,926	2,001	556	104	152	177	—	114	465	1,568
1967-68	2,728	1,974	1,798	1,933	518	111	155	138	—	118	494	1,534
1968-69	2,821	2,108	1,715	1,816	510	110	163	186	—	125	371	1,465
1969-70	2,564	2,172	1,624	1,708	479	104	159	179	—	120	399	1,440
1970-71	2,402	1,959	1,664	1,716	512	101	164	180	—	78	340	1,375
1971-72	2,844	1,940	1,631	1,709	497	106	184	185	—	85	330	1,387
1972-73	3,231	1,997	1,681	1,690	530	99	175	187	—	55	412	1,458
1973-74	2,922	2,134	1,435	1,514	482	93	131	169	—	22	303	1,200
1974-75	2,940	2,209	1,668	1,722	562	103	166	179	—	38	413	1,461
1975-76	2,965	2,181	1,652	1,787	547	111	164	173	—	46	445	1,486
1976-77	3,138	2,135	1,754	1,908	522	112	146	178	—	48	544	1,550
1977-78	2,972	2,239	1,762	1,968	510	107	129	165	—	56	634	1,601
1978-79	2,808	2,134	1,672	1,866	493	103	132	180	—	53	555	1,516
1979-80	2,549	2,065	1,516	1,781	409	73	122	154	—	34	656	1,448
1980-81	2,698	2,196	1,648	1,875	381	82	121	148	—	28	777	1,537
1981-82	2,991	2,327	1,774	1,962	525	99	151	149	—	22	660	1,606
1982-83	3,224	2,671	1,793	1,957	501	103	137	119	—	11	750	1,621
1983-84	3,137	3,335	1,746	1,973	488	107	129	138	—	20	744	1,626
1984-85	3,454	3,582	1,804	2,049	512	122	139	168	—	19	754	1,714
1985-86	3,184	3,739	1,752	2,094	484	108	134	169	—	18	859	1,702
1986-87	3,305	3,796	1,940	2,250	436	93	122	152	—	13	1,091	1,861
1987-88	3,237	3,793	2,018	2,275	591	99	127	155	—	13	929	1,862
1988-89	3,569	3,793	2,238	2,313	637	93	131	166	—	13	904	1,900
1989-90	3,726	3,754	2,268	2,323	553	91	117	155	—	17	1,033	1,913
1990-91	3,509	3,725	2,320	2,294	558	88	118	153	—	14	1,013	1,901
1991-92	3,996	3,848	2,400	2,415	599	92	123	170	—	9	1,045	1,978
1992-93	4,126	3,739	2,435	2,477	575	78	122	163	—	7	1,179	2,084
1993-94	4,201	3,922	2,598	2,487	561	—	124	281	—	6	1,182	2,117
1994-95	4,796	4,156	2,925	2,788	620	—	137	613	—	2	1,074	2,391
1995-96	5,181	4,897	3,241	3,019	629	—	133	1,070	—	—	869	2,660
1996-97	5,766	5,294	3,440	3,106	666	—	114	1,228	—	—	811	2,783
1997-98	5,984	5,226	3,513	3,226	634	—	60	1,210	—	—	1,105	2,971
1998-99	6,056	5,137	3,626	3,264	622	—	—	1,653	—	—	835	3,051
1999-2000	6,456	5,155	3,888	3,434	615	—	—	2,057	—	—	615	3,262
2000-01	6,989	5,282	3,929	3,566	569	—	—	1,858	356	—	647	3,413
2001-02	7,335	5,636	4,041	3,749	680	—	—	1,656	734	—	566	3,596
2002-03	7,985	5,915	4,437	4,098	705	—	—	1,563	1,110	—	563	3,975
2003-04	8,445	5,842	4,466	4,224	694	—	—	1,578	1,262	—	555	4,076
2004-05	9,803	6,375	4,347	4,104	706	—	—	1,354	1,445	—	604	4,074
2005-06	10,834	6,521	5,177	4,731	821	—	—	1,556	1,495	—	679	4,551
2006-07	9,776	7,041	5,552	5,046	1,230	—	—	1,670	1,523	—	506	4,929
2007-08	10,022	7,209	5,507	5,014	1,241	—	—	1,697	1,534	—	386	4,858

Notes :

Figures of total saleable steel are adjusted for :

(a) From 1985-86 and onwards - steel transferred to and produced at the Company's Tubes Division.

(b) Total saleable steel for 2003-04 includes production of the erstwhile Tata SSL Ltd., pursuant to its merger with the Company.

Financial Statistics

(Rupees Crores)

Year	CAPITAL ACCOUNTS						REVENUE ACCOUNTS							
	Capital	Reserves and Surplus	Borrowings	Gross Block	Net Block	Investments	Gross Revenue	Expenditure	Depreciation	Profit before Taxes	Taxes	Profit after Taxes	Net Transfer to Reserves	Dividends
1955-56	17.34	15.23	11.98	69.39	32.44	5.99	41.93	30.27	2.40	9.26	3.45	5.81	4.07	1.76
1956-57	25.94	20.20	21.53	93.45	54.79	5.38	44.14	32.69	2.47	8.98	3.42	5.56	3.70	1.93
1957-58	30.66	24.50	60.19	147.06	105.04	5.41	48.26	38.47	3.91	5.88	0.90	4.98	2.92	2.41
1958-59	30.72	26.15	83.78	171.79	124.78	5.94	56.12	47.72	5.53	2.87	0.17	2.70	0.57	2.47
1959-60	38.97	27.09	77.07	177.92	122.95	8.84	76.46	62.31	8.47	5.68	—	5.68	1.92	3.76
1960-61	38.97	27.67	69.04	185.52	116.76	8.85	87.08	68.07	13.92	5.09	—	5.09	0.52	4.65
1961-62	38.97	27.97	64.08	190.23	109.06	8.87	92.48	73.24	13.15	6.09	—	6.09	1.44	4.65
1962-63	38.97	40.27*	54.62	195.88	103.32	8.85	103.44	81.22	11.66	10.56	0.80	9.76	4.86	4.89
1963-64	38.97	47.41*	47.27	200.38	100.15	9.86	115.20	90.76	7.97	16.47	4.75	11.72	6.45	5.25
1964-65	38.97	50.94*	43.74	204.45	94.52	10.62	126.91	102.06	10.14	14.71	6.15	8.56	3.30	5.25
1965-66	38.97	56.35*	34.87	211.87	92.27	11.66	134.00	106.86	10.40	16.74	7.10	9.64	4.40	5.25
1966-67	50.00	48.44*	51.47	238.03	107.36	11.26	130.78	107.32	11.49	11.97	4.40	7.57	2.32	5.27
1967-68	50.00	50.23*	50.23	251.56	109.07	11.29	137.67	117.21	12.12	8.34	2.45	5.89	0.62	5.27
1968-69	50.00	51.82*	44.05	258.08	103.62	12.28	142.87	120.11	12.94	9.82	3.60	6.22	0.95	5.27
1969-70	50.00	52.71*	37.73	268.31	101.51	12.22	151.21	126.69	13.19	11.33	5.20	6.13	0.86	5.27
1970-71	50.00	55.58*	36.10	287.86	106.02	12.21	158.51	128.29	16.10	14.12	6.70	7.42	2.15	5.27
1971-72	50.00	56.92*	43.80	305.78	109.98	12.22	171.95	143.91	16.07	11.97	5.80	6.17	0.90	5.27
1972-73	50.00	58.46*	48.03	329.74	118.36	12.24	210.22	187.19	17.51	5.52	—	5.52	0.25	5.27
1973-74	50.00	63.16*	49.49	346.18	121.31	12.17	197.95	167.10	16.63	14.32	4.45	9.77	6.48	3.29**
1974-75	50.00	75.55*	63.45	366.57	127.30	11.01	279.72	236.63	15.11	27.98	12.80	15.18	10.07	5.11**
1975-76	50.00	77.97	88.30	395.84	142.34	11.09	287.63	258.76	16.20	12.67	3.25	9.42	4.59	4.83
1976-77	62.86	71.17	94.36	417.99	149.57	11.14	332.84	297.51	17.28	18.05	6.00	12.05	6.06	5.99
1977-78	62.86	73.60	87.68	438.51	156.02	11.17	361.30	335.18	18.25	7.87	0.10	7.77	1.27	6.50
1978-79	62.86	80.26	77.74	464.30	165.11	11.45	380.85	335.83	20.12	24.90	7.35	17.55	10.53	7.02
1979-80	62.86	88.11	84.82	499.70	184.51	12.05	454.94	407.04	22.97	24.93	9.00	15.93	8.14	7.79
1980-81	62.86	106.01	104.65	550.48	216.76	14.01	520.86	445.10	23.70	52.06	25.60	26.46	17.90	8.56
1981-82	83.44	120.60	233.74	650.14	304.05	14.04	704.69	599.83	27.21	77.65	30.00	47.65	34.56	13.09†
1982-83	83.44	152.80	310.34	789.76	420.31	20.04	798.16	729.52	23.77	44.87	—	44.87	31.78	13.09
1983-84	72.02+	160.61	380.62	843.64	453.46	20.22	889.54	826.39	43.14	20.01	—	20.01	7.77	12.24
1984-85	72.02	230.24	398.52	911.55	451.55	103.12	1105.02	938.33	69.95®	96.74	12.00	84.74	69.62	15.12
1985-86	82.74	334.19	447.43	1115.76	577.41	144.54	1285.51	1078.55	49.28	157.68	50.00	107.68	90.88	20.60
1986-87	82.63	401.05	517.83	1299.84	708.09	130.12	1416.39	1259.27	57.60	99.52	12.00	87.52	66.86	20.66
1987-88	136.01	476.33	576.65	1525.46	861.88	163.52	1526.78	1340.65	73.98	112.15	20.00	92.15	62.81	29.34
1988-89	156.09	645.53	611.64	1753.13	998.71	234.44	1861.77	1587.74	93.69	180.34	26.00	154.34	108.17	46.17
1989-90	229.43	1103.11	954.11	2062.76	1200.09	795.32	2135.57	1840.95	118.79	175.83	27.30	148.53	97.94	50.59
1990-91	229.89	1194.22	1183.75	2703.29	1713.79	571.86	2330.83	1955.67	137.03	238.13	78.00	160.13	88.79	71.34
1991-92	230.12	1315.36	2051.30	4026.16	2878.19	248.77	2869.70	2426.65	164.89	278.16	64.00	214.16	133.61	80.55
1992-93	278.45	1707.94	3039.55	5463.13	4107.64	170.06	3423.33	3094.84	215.37	127.12	—	127.12	62.30	64.82
1993-94	335.21	2189.53	3428.59	6439.94	4924.39	261.62	3822.64	3464.10	177.70	180.84	—	180.84	84.29	96.55
1994-95	336.87	2351.17	3561.24	6962.89	5213.48	220.65	4649.06	4120.01	247.93	281.12	—	281.12	162.88	118.24
1995-96	367.23	3375.17	3842.14	7408.46	5393.56	410.94	5879.96	5016.56	297.61	565.79	—	565.79	408.82	156.97
1996-97	367.38	3606.64	4082.65	7850.82	5526.40	664.90	6409.43	5540.39	326.83	542.21	73.00	469.21	286.98	182.23#
1997-98	367.56	3697.32	4579.14	8948.52	6300.04	623.45	6516.58	5810.02	343.23	363.33	41.25	322.08	160.10	161.98#
1998-99	367.97	3796.45	4938.93	10032.17	7058.58	585.44	6335.60	5638.19	382.18	315.23	33.00	282.23	118.94	163.29#
1999-2000	517.97	4040.43	4907.23	10668.33	7426.38	803.10	6943.33	6040.20	426.54	476.59	54.00	422.59	250.69	171.90#
2000-01	507.97	4380.46	4672.22	11258.17	7538.09	846.92	7810.05	6715.36	492.25	602.44	49.00	553.44	335.83	217.61#
2001-02	367.97	3077.99	4705.48	11742.44	7543.70	912.74	7682.70	6906.95	524.75	251.00	46.10	204.90	55.51	149.39#
2002-03	369.18	2816.84	4225.61	12393.79	7543.80	1194.55	9843.66	8025.68	555.48	1262.50	250.19	1012.31	679.30	333.01#
2003-04	369.18	4146.68	3382.21	13269.47	7857.85	2194.12	12069.62	8778.55	625.11	2665.96	919.74	1746.22	1329.97	416.25#
2004-05	553.67	6506.25	2739.70	14957.73	9112.24	2432.65	16053.48	10137.42	618.78	5297.28	1823.12	3474.16	2652.79	821.37#
2005-06	553.67	9201.63	2516.15	16470.71	9865.05	4069.96	17398.98	11383.92	775.10	5239.96	1733.58	3506.38	2685.95	820.43#
2006-07	727.73	13368.42	9645.33	18426.52	11040.56	6106.18	20196.24	13115.30	819.29	6261.65	2039.50	4222.15	3117.82	1104.33
2007-08	6203.30	21097.43	18021.69	20746.57	12623.56	4103.19	22526.80	14625.83	834.61	7066.36	2379.33	4687.03	3293.48	1393.55

* Inclusive of Dividends subsequently paid from Reserves and Surplus.

** Payable as per the Companies (Temporary Restrictions on Dividends) Act, 1974.

† Including an additional Jubilee Dividend of Rs. 2 per share.

+ Excluding Preference Shares which have been cancelled with effect from 1-4-1983 and Non-Convertible Bonds issued in lieu thereof.

@ Including Rs. 15.05 crores additional depreciation for 1983-84.

Including tax on dividends.

Dividend Statistics

Year	First Preference (Rs. 150) ^a		Second Preference (Rs. 100) ^a		Ordinary (Rs. 75 upto 1975-76 Rs. 100 from 1976-77 ^b and Rs. 10 from 1989-90) ^h		Deferred (Rs. 30) ^c		Total Rs. lakhs
	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount	
	Rs. a.p.	Rs. lakhs	Rs. a.p.	Rs. lakhs	Rs. a.p.	Rs. lakhs	Rs. a.p.	Rs. lakhs	
1950-51	9.00	4.50	7.80	52.04	18.00	63.00	93.10	45.65	165.19
1955-56	9.00	4.50	7.80	52.04	10.80 ^d	134.92	—	—	191.46
1960-61	9.00	4.50	7.50	79.89	10.36	380.65	—	—	465.04
1961-62	9.00	4.50	7.50	79.89	10.36	380.66	—	—	465.05
1962-63	9.00	4.50	7.50	79.89	11.00	404.17	—	—	488.56
1963-64	9.00	4.50	7.50	79.89	12.00	440.92	—	—	525.31
1964-65	9.00	4.50	7.50	79.89	12.00	440.92	—	—	525.31
1965-66	9.00	4.50	7.50	79.89	12.00	440.92	—	—	525.31
1966-67	9.00	4.50	7.50	79.89	8.60 ^e	442.39	—	—	526.78
1967-68	9.00	4.50	7.50	79.89	8.60	442.39	—	—	526.78
1968-69	9.00	4.50	7.50	79.89	8.60	442.39	—	—	526.78
1969-70	9.00	4.50	7.50	79.89	8.60	442.39	—	—	526.78
1970-71	9.00	4.50	7.50	79.89	8.60	442.39	—	—	526.78
1971-72	9.00	4.50	7.50	79.89	8.60	442.39	—	—	526.78
1972-73	9.00	4.50	7.50	79.89	8.60	442.39	—	—	526.78
1973-74	9.00	4.50	7.50	79.89	4.75	244.34	—	—	328.73
1974-75	9.00	4.50	7.50	79.89	8.30	426.95	—	—	511.34
1975-76	9.00	4.50	7.50	79.89	7.75	398.66	—	—	483.05
1976-77	9.00	4.50	7.50	79.89	10.00	514.40	—	—	598.79
1977-78	9.00	4.50	7.50	79.89	11.00	565.84	—	—	650.23
1978-79	9.00	4.50	7.50	79.89	12.00	617.28	—	—	701.67
1979-80	9.00	4.50	7.50	79.89	13.50	694.44	—	—	778.83
1980-81	9.00	4.50	7.50	79.89	15.00	771.60	—	—	855.99
1981-82	9.00	4.50	7.50	79.89	17.00 ^f	1224.28	—	—	1308.67
1982-83	9.00	4.50	7.50	79.89	17.00	1224.28	—	—	1308.67
1983-84	—	—	—	—	17.00	1224.28	—	—	1224.28
1984-85	—	—	—	—	21.00	1512.34	—	—	1512.34
1985-86	—	—	—	—	25.00	2059.43	—	—	2059.43
1986-87	—	—	—	—	25.00	2065.72	—	—	2065.72
1987-88	—	—	—	—	25.00 ^g	2934.29	—	—	2934.29
1988-89	—	—	—	—	30.00 ^h	4616.74	—	—	4616.74
1989-90	—	—	—	—	3.00 ^h	5059.30	—	—	5059.30
1990-91	—	—	—	—	3.10	7134.23	—	—	7134.23
1991-92	—	—	—	—	3.50	8054.78	—	—	8054.78
1992-93	—	—	—	—	2.50 ⁱ	6482.21	—	—	6482.21
1993-94	—	—	—	—	3.00 ^k	9655.44	—	—	9655.44
1994-95	—	—	—	—	3.50 ^l	11823.94	—	—	11823.94
1995-96	—	—	—	—	4.50 ^m	15697.11	—	—	15697.11
1996-97	—	—	—	—	4.50	18222.25 ⁿ	—	—	18222.25 ⁿ
1997-98	—	—	—	—	4.00	16198.05 ^o	—	—	16198.05 ^o
1998-99	—	—	—	—	4.00	16329.05 ^p	—	—	16329.05 ^p
1999-2000	—	—	—	—	4.00	17189.87 ^{q,r}	—	—	17189.87 ^{q,r}
2000-01	—	—	—	—	5.00	21760.67 ^{s,t,u}	—	—	21760.67 ^{s,t,u}
2001-02	—	—	—	—	4.00	14939.21 ^v	—	—	14939.21 ^v
2002-03	—	—	—	—	8.00	33299.88 ^w	—	—	33299.88 ^w
2003-04	—	—	—	—	10.00	41625.77 ^x	—	—	41625.77 ^x
2004-05	—	—	—	—	13.00	82137.22 ^y	—	—	82137.22 ^y
2005-06	—	—	—	—	13.00	82042.66 ^z	—	—	82042.66 ^z
2006-07	—	—	—	—	15.50	110432.51 [*]	—	—	110432.51 [*]
2007-08	—	—	0.41	2596.11#	16.00	136759.54@	—	—	139355.65

a Subject to deduction of Company's Income-tax from Preference Dividends upto 1958-59.
b Free of tax upto 1958-59 and gross (i.e. inclusive of tax deducted at source) from 1959-60.
c Out of 48,750 Deferred Shares, 26,250 Deferred Shares were issued in 1917 at a premium of Rs. 370 per share.
d On increased number of Ordinary Shares from 1953-54 onwards after conversion of Deferred Shares into Ordinary Shares and issue of Bonus Shares.
e Including on Bonus Shares issued during the year.
f Including an additional Jubilee Dividend of Rs. 2 per share.
g On the Capital as increased by Rights Issue of Ordinary Shares during 1987-88.
h The Ordinary Shares of Rs. 100 each have been sub-divided into Ordinary Shares of Rs. 10 each during 1989-90 and the rate of Dividend is per Ordinary Share of Rs. 10 each.
i On the Capital as increased by shares allotted on Conversion of Convertible Debentures.
j On the Capital as increased by Rights Issue of Ordinary Shares during 1992-93.
k On the Capital as increased by Ordinary Shares issued during 1993-94 against Detachable Warrants.
l On the Capital as increased by Ordinary Shares issued during 1994-95 against Detachable Warrants and Foreign Currency Convertible Bonds.
m On the Capital as increased by Ordinary Shares issued during 1995-96 against Detachable Warrants, Foreign Currency Convertible Bonds and Naked Warrants.
n Includes 10% tax of Rs. 1656.57 lakhs on dividend.
o Includes 10% tax of Rs. 1472.55 lakhs on dividend.
p Includes 11% tax of Rs. 1618.19 lakhs on dividend.
q Includes 11% tax of Rs. 1703.50 lakhs on dividend.
r Includes Dividend of Rs. 775.50 lakhs on 9.25% Cumulative Redeemable Preference Shares.
s Includes tax of Rs. 2151.38 lakhs on dividends.
t Includes Dividend of Rs. 22.30 lakhs on 9.25% Cumulative Redeemable Preference Shares for the period 1st April, 2000 to 27th June, 2000.
u Includes Dividend of Rs. 1198.40 lakhs on 8.42% Cumulative Redeemable Preference Shares for the period 1st June, 2000 to 31st March, 2001.
v Includes Dividend of Rs. 207.20 lakhs on 8.42% Cumulative Redeemable Preference Shares and tax of Rs. 21.13 lakhs on Preference Dividends.
w Includes tax of Rs. 3781.33 lakhs on Dividend.
x Includes tax of Rs. 4727.58 lakhs on Dividend.
y Includes tax of Rs. 10185.74 lakhs on Dividend.
z Includes tax of Rs. 10092.00 lakhs on Dividend.
* Includes tax of Rs. 16041.72 lakhs on Dividend.
Dividend paid for 74 days on Cumulative Convertible Preference Shares. Includes tax Rs. 377.12 lakhs on Dividend.
@ Includes tax of Rs. 19866.05 lakhs on Dividends on Ordinary Shares.

Financial Ratios

	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01	1999-00	1998-99
1. EBIDTA/Turnover	42.73%	41.18%	40.03%	42.48%	33.61%	26.82%	20.23%	25.53%	21.08%	19.41%
2. PBT/Turnover	35.28%	34.82%	33.87%	36.17%	24.59%	14.39%	3.70%	8.74%	7.75%	5.49%
3. Return on Average Capital Employed	21.97%	32.37%	40.81%	49.69%	28.10%	16.29%	6.51%	9.88%	9.05%	6.97%
4. Return on Average Net Worth	22.84%	36.09%	42.90%	62.01%	46.28%	35.88%	6.38%	12.65%	11.51%	7.65%
5. Asset Turnover	106.25%	77.02%	108.76%	110.41%	100.78%	78.21%	63.40%	63.62%	58.57%	55.46%
6. Average Inventory to Turnover	11.13%	11.40%	11.80%	9.83%	10.07%	11.10%	12.79%	13.46%	14.23%	16.20%
7. Average Debtors to Turnover	2.65%	2.96%	3.27%	3.88%	6.75%	10.38%	15.48%	15.86%	17.81%	20.14%
8. Gross Block to Net Block	1.65	1.68	1.68	1.65	1.69	1.64	1.56	1.49	1.44	1.42
9. Net Debt to Equity	0.61	(0.12)	0.02	0.15	0.36	1.02	1.75	1.06	1.21	1.26
10. Current Ratio	0.90	2.18	1.10	1.10	1.03	1.35	1.53	1.54	1.64	1.79
11. Interest Cover Ratio	9.04	37.01	43.08	29.36	22.82	5.14	1.68	2.60	2.32	2.05
12. Net Worth per Share (post CCPS conversion)	379.00	214.80	171.68	123.68	78.77	86.35	66.81	107.90	101.43	98.17
13. Earnings per Share (Basic)	67.17	65.28	63.35	62.77	31.55	27.44	5.51	14.64	11.26	7.67
14. Dividend Payout (Equity)	29.18%	26.16%	23.40%	23.64%	23.84%	32.90%	71.80%	37.12%	40.68%	57.86%
15. P/E Ratio	10.32	6.89	8.47	6.39	12.16	4.88	17.72	8.36	10.30	13.51

1. EBIDTA/Turnover: Earnings Before Interest Depreciation Tax and Exceptional Items/Turnover.
(EBIDTA : PAT + Taxes + Interest + Depreciation + (-) Exceptional Items).
(Turnover: Net Sales + Other Income).
2. PBT/Turnover: Profit Before Tax/Turnover.
3. Return on Average Capital Employed: Earnings Before Interest and Tax/Average Capital Employed.
(Capital Employed: Total Funds Employed – Miscellaneous Expenses to the extent not written off or adjusted).
4. Return on Average Net Worth: Profit After Tax/Average Net Worth.
(Net Worth: Equity Share Capital + Preference Share Capital + Reserves & Surplus – Miscellaneous Expenses to the extent not written off or adjusted).
5. Asset Turnover: (Net Sales + Other Income – Investment Income)/(Net Fixed Assets + Current Assets – Advance against Equity + Loans and Advances).
6. Average Inventory to Turnover: Average Inventory/Gross Sales.
7. Average Debtors to Turnover: Average Debtors/Gross Sales.
8. Gross Block to Net Block: Gross Block/Net Block.
9. Net Debt to Equity: Net Debt/Equity.
(Debt: Secured Loan + Unsecured loan – Cash and Bank Balance – Current Investments).
(Equity = Share Holder's Fund – Miscellaneous expenses).
10. Current Ratio: Current Assets (excluding advance against equity)/Current Liabilities.
11. Interest Cover Ratio: Earnings Before Interest and Tax/Interest.
(Earnings Before Interest and Tax : PBT + Interest).
12. Net Worth per share: Net Worth/Average Number of Equity Shares (post CCPS conversion).
13. Earnings per share: Profit attributable to Ordinary Shareholders/Weighted average number of ordinary shares.
14. Dividend Payout: Dividend (Equity)/Profit after Tax.
15. P/E Ratio: Market Price/Earnings per Share.

Corporate Governance Report for the year 2007-08

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

1. The Company's Corporate Governance Philosophy

The Company has set itself the objective of expanding its capacities and becoming globally competitive in its business. As a part of its growth strategy, the Company believes in adopting the 'best practices' that are followed in the area of Corporate Governance across various geographies. The Company emphasises the need for full transparency and accountability in all its transactions, in order to protect the interests of its stakeholders. The Board considers itself as a Trustee of its Shareholders and acknowledges its responsibilities towards them for creation and safeguarding their wealth.

During the year under review, the Company launched the Tata Steel Group Vision whereby the Tata Steel Group ('the Group') aspires to be the global steel industry benchmark for value creation and corporate citizenship. The Group expects to realize its Vision by taking such actions as may be necessary in order to achieve its goals of value creation, safety, environment and people.

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. As on 31st March, 2008, the Company has 14 Directors on its Board, of which 8 Directors are independent. The number of Non-Executive Directors (NEDs) is more than 50% of the total number of Directors. The Company is in compliance with the recent amendment of clause 49 of the listing Agreement pertaining to compositions of directors.

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

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

Name	Category	No. of Board Meetings attended during 2007-08	Whether attended AGM held on 29th August, 2007	No. of Directorships in other public companies as on 31.3.2008		No. of Committee positions held in other public companies* as on 31.3.2008	
				Chairman	Member	Chairman	Member
Mr. R. N. Tata (Chairman)	Not Independent Non-Executive	7	Yes	11	2	—	—
Mr. James Leng (Deputy Chairman)	Independent Non-Executive	5	Yes	—	—	—	—
Mr. Nusli N. Wadia	-do-	6	Yes	4	4	—	—
Mr. S. M. Palia	-do-	6	Yes	—	8	4	3
Mr. Suresh Krishna	-do-	4	No	5	2	2	2
Mr. Ishaat Hussain	Not Independent Non-Executive	7	Yes	2	11	3	5
Dr. J. J. Irani	-do-	7	Yes	3	7	—	2
Mr. Subodh Bhargava	Independent Non-Executive	7	Yes	2	9	4	5

Name	Category	No. of Board Meetings attended during 2007-08	Whether attended AGM held on 29th August, 2007	No. of Directorships in other public companies as on 31.3.2008		No. of Committee positions held in other public companies* as on 31.3.2008	
				Chairman	Member	Chairman	Member
Mr. Jacobus Schraven	Independent Non-Executive	4	Yes	—	—	—	—
Dr. Anthony Hayward	-do-	1	No	—	—	—	—
Mr. Andrew Robb (Appointed a Director w.e.f. 22.11.2007)	-do-	1	NA	—	—	—	—
Dr. T. Mukherjee (Retired w.e.f. 31.10.2007 and appointed as NED w.e.f. 22.11.2007)	Not Independent Non-Executive	6	Yes	—	1	—	—
Mr. Philippe Varin	-do-	5	Yes	—	—	—	—
Mr. B. Muthuraman Managing Director	Not Independent Executive	7	Yes	1	3	—	1
Mr. A. N. Singh (Resigned w.e.f. 30-9-2007)	-do-	3	Yes	NA	NA	NA	NA

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

Seven Board Meetings were held during the year 2007-08 and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held were as follows:

17th April 2007, 17th May 2007, 30th July 2007, 28th August 2007, 26th October 2007, 22nd November 2007 and 31st January 2008.

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

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

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

During 2007-08, the Company did not have any material pecuniary relationship or transactions with Non Executive Directors, other than Dr. J. J. Irani and Dr. T. Mukherjee, to whom the Company paid retiring benefits aggregating to Rs. 34.70 lakhs and Rs. 27.03 lakhs respectively.

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

3. Audit Committee

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

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

Mr. S. M. Palia, Chairman of the Audit Committee was present at the Annual General Meeting held on 29th August, 2007.

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

Names of Members	Category	No. of Meetings attended during the year 2007-08
Mr. S. M. Palia, Chairman	Independent, Non-Executive	11
Mr. Ishaat Hussain Member, Chartered Accountant	Not Independent, Non-Executive	11
Mr. Nusli Wadia, Member Resigned w.e.f. 15.05.2007	Independent, Non-Executive	—
Mr. Subodh Bhargava, Member	Independent, Non-Executive	10
Mr. Andrew Robb, Member Appointed w.e.f. 22.11.2007	Independent, Non-Executive	2

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

Eleven Audit Committee Meetings were held during 2007-08. The dates on which the said meetings were held were as follows:

17th April 2007, 16th May 2007, 28th July 2007, 23rd August 2007, 28th August 2007, 12th September 2007, 26th October 2007, 21st November 2007, 10th January 2008, 22nd January 2008 and 22nd February 2008.

The necessary quorum was present at the meetings.

Whistle Blower Policy

The Audit Committee at its meeting held on 25th October, 2005, approved framing of a Whistle Blower Policy that provides a formal mechanism for all employees of the Company to approach the Ethics Counsellor/ Chairman of the Audit Committee of the Company and make protective disclosures about the unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The Whistle Blower Policy is an extension of the Tata Code of Conduct, which requires every employee to promptly report to the Management any actual or possible violation of the Code or an event he becomes aware of that could affect the business or reputation of the Company. The disclosures reported are addressed in the manner and within the time frames prescribed in the Policy. Under the Policy, each employee of the Company has an assured access to the Ethics Counsellor/ Chairman of the Audit Committee.

4. Remuneration Committee

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

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

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

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

Names of Members	Category	No. of Meetings attended during the year 2007-08
Mr. Suresh Krishna, Chairman	Independent, Non-Executive	2
Mr. R. N. Tata, Member	Not Independent, Non-Executive	2
Mr. S. M. Palia, Member	Independent, Non-Executive	2

Two meetings of the Remuneration Committee were held on 17th May 2007 and 26th October 2007.

The Chairman of the Remuneration Committee, Mr. Suresh Krishna was not present at the Annual General Meeting held on 29th August 2007.

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

Remuneration Policy

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

- (a) employment scenario
- (b) remuneration package of the industry and
- (c) remuneration package of the managerial talent of other industries.

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

The Non-Executive Directors (NEDs) are paid remuneration by way of Commission and Sitting Fees. In terms of the shareholders' approval obtained at the AGM held on 5th July, 2006, the Commission is paid at a rate not exceeding 1% per annum of the profits of the Company (computed in accordance with Section 309(5) of the Companies Act, 1956). The distribution of Commission amongst the NEDs is placed before the Board. The Commission is distributed on the basis of their attendance and contribution at the Board and certain Committee Meetings as well as time spent on operational matters other than at the meetings.

The Company paid sitting fees of Rs. 10,000 per meeting to the NEDs for attending the meetings of the Board, Executive Committee of the Board, Remuneration Committee, Audit Committee and Committees constituted by the Board from time to time. The Board at its meeting held on 30th July, 2007 has increased the sitting fees to the NEDs for attending the meetings of the Board, Audit Committee, Executive Committee of the Board, Remuneration Committee and Committees constituted by the Board from time to time, to Rs. 20,000 per meeting. For other meetings, viz. Investor Grievance Committee and Ethics Committee, the Company continues to pay to the NEDs sitting fees of Rs. 5,000 per meeting.

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

Details of remuneration for 2007-08

Non-Wholetime Directors

(Rs. lakhs)

Name of the Director	Commission*	Sitting Fees
1. Mr. R. N. Tata	200.00	2.70
2. Mr. James Leng	36.00	1.30
3. Mr. Nusli N. Wadia	28.50	2.00
4. Mr. S. M. Palia	78.00	4.30
5. Mr. Suresh Krishna	7.00	1.10
6. Mr. Ishaat Hussain	76.50	4.70
7. Dr. J. J. Irani	31.00@	2.50
8. Mr. Jacobus Schraven	7.00	0.80
9. Mr. Subodh Bhargava	29.00	2.80
10. Dr. Anthony Hayward	2.00	0.20
11. Mr. Andrew Robb	5.00	0.60
12. Dr. T. Mukherjee	—	0.20@@
13. Mr. Philippe Varin	—	1.50
Total	500.00	24.70

* Payable in 2008-09.

@ Excluding retirement benefits of Rs. 34.70 lakhs paid to Dr. Irani.

@@ Excluding retirement benefits of Rs. 27.03 lakhs paid to Dr. Mukherjee.

Managing and Whole-time Directors

Name	Salary	Perquisites & Allowances	Commission@	Stock Options
	Rs. lakhs	Rs. lakhs	Rs. lakhs	
Mr. B. Muthuraman Managing Director	72.00	43.51	250.00	Nil
Dr. T. Mukherjee Dy. MD (Steel) upto 31.10.2007#	34.53	36.55	120.00	Nil
Mr. A. N. Singh Dy. MD (Corporate Services) upto 30.9.2007##	24.00	18.23	85.00	Nil

@ Payable in 2008-09.

Excluding gratuity and leave encashment of Rs. 127.62 lakhs paid to Dr. Mukherjee.

Excluding gratuity and leave encashment of Rs. 61.67 lakhs paid to Mr. A. N. Singh.

Shareholding of the Directors in the Company as on 31st March, 2008

Director	No. of Ordinary Shares of Rs. 10/- each held as sole/first holder	No. of Cumulative Convertible Preference Shares (CCPS) of Rs. 100/- each held as sole/first holder
Mr. R. N. Tata (Chairman)	21203	21709
Mr. James Leng (Deputy Chairman)	Nil	Nil
Mr. Nusli N. Wadia	Nil	Nil
Mr. S. M. Palia	547	469
Mr. Suresh Krishna	Nil	Nil
Mr. Ishaat Hussain	1936	1684
Dr. J. J. Irani	6528	5278
Mr. Subodh Bhargava	900	675
Mr. Jacobus Schraven	Nil	Nil
Dr. Anthony Hayward	Nil	Nil
Mr. Andrew Robb	Nil	Nil
Dr. T. Mukherjee	Nil	Nil
Mr. Philippe Varin	Nil	Nil
Mr. B. Muthuraman	2654	2282
Total	33768	32097

Service Contracts, Severance Fees and Notice Period

Period of Contract of MD : From 22.07.2006 to 30.09.2009

The Contract may be terminated by either party giving the other party six months' notice or the Company paying six months' salary in lieu thereof.

There is no separate provision for payment of severance fees.

5. Shareholders' Committee

An Investors' Grievance Committee was constituted on 23rd March, 2000 to specifically look into the redressal of Investors' complaints like transfer of shares, non-receipt of balance sheet and non-receipt of declared dividend, etc.

One meeting of the Investors' Grievance Committee was held on 27th March, 2008.

The composition of the Investors' Grievance Committee is given below:

Names of Members	Category	No. of Meetings attended during 2007-08
Mr. Ishaat Hussain, Chairman	Not Independent, Non Executive	1
Mr. Suresh Krishna, Member	Independent, Non-Executive	1

Name, designation & address of Compliance Officer:

Mr. J. C. Bham
 Company Secretary
 Bombay House,
 24, Homi Mody Street,
 Fort, Mumbai 400 001.
Phone : (022) 6665 7279
Fax : (022) 6665 7724 / 6665 7725
Email : cosectisco@tata.com

Name, designation & address of Investor Relations Officer :

Mr. Praveen Sood
 Head (Investor Relations - India & Asia)
 Bombay House,
 24, Homi Mody Street,
 Fort, Mumbai 400 001.
Phone : (022) 6665 7306
Fax : (022) 6665 8113
Email : psood@tata.com

Shareholder/Investor Complaints:

Complaints pending as on 1st April, 2007	:	3
During the period 1st April, 2007 to 31st March, 2008, complaints identified and reported under Clause 41 of the Listing Agreements	:	4656
Complaints disposed off during the year ended 31st March, 2008	:	4265
Complaints unresolved to the satisfaction of shareholders as on 31st March, 2008	:	391@
No. of pending share transfers as on 31st March, 2008		
i) Ordinary Shares	:	209*
ii) Cumulative Convertible Preference Shares	:	49*
@Complaints unresolved to the satisfaction of shareholders as on 24th June, 2008.	:	57

* Transfers lodged in the last two weeks of March, 2008 and hence pending as on 31st March, 2008.

Sr. No.	Description	Total Received	Total Replied	Total Pending
A	Complaints			
	Letters received from Statutory bodies			
1.	SEBI	315	299	16
2.	DOCA	—	—	—
3.	STOCK EXCHANGES	51	47	4
4.	NSDL/CDSL	4	4	—
	Total Nos.	370	350	20
B	Legal Matters			
	Court/Consumer Forum Matters	1	1	—
	Total Nos.	1	1	—
C	Dividends			
	Non-receipt of Dividend (pending recon. at the time of receipt of letters)	421	421	—
	Total Nos.	421	421	—
D	Allotments/refund Orders/Equity Shares/CCPS			
1.	Non-receipt of refund order	1401	1262	139
2.	Non-receipt of allotment (Equity)	1326	1213	113
3.	Non-receipt of allotment (CCPS)	1137	1018	119
	Total Nos	3864	3493	371
	Total Correspondence Statistics	4656	4265	391

Note:

The Correspondence identified as investor complaints are letters received through Statutory/Regulatory bodies and those related to Court/Consumer forum matters, (where the Company/Registrar is involved and is accused of deficiency in service) non-receipt of dividend amounts where reconciliation of the payment is in progress/completed after the end of the quarter and Complaints relating to rights issues.

Committees

In addition to the above Committees, the Board has constituted 4 more Committees, viz. Executive Committee of the Board, the Nomination Committee, Committee of Directors and the Ethics and Compliance Committee.

The terms of reference of the **Executive Committee of the Board (ECOB)** are to approve capital expenditure schemes and donations within the stipulated limits and to recommend to the Board, capital budgets and other major capital schemes, to consider new businesses, acquisitions, divestments, changes in organisational structure and also to periodically review the Company's business plans and future strategies.

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

Names of Members	Category	No. of Meetings attended during the year 2007-08
Mr. R. N. Tata, Chairman	Not Independent, Non-Executive	6
Mr. James Leng, Member w.e.f. 28.08.2007	Independent, Non-Executive	2
Mr. Nusli N. Wadia, Member	Independent, Non-Executive	6
Mr. S. M. Palia, Member	-do-	5
Dr. J. J. Irani, Member	Not Independent, Non-Executive	6
Mr. Ishaat Hussain, Member	-do-	6
Mr. Philippe Varin, Member w.e.f. 28.08.2007	Not Independent, Non-Executive	3
Mr. B. Muthuraman, Member	Not Independent, Executive	5
Dr. T. Mukherjee, Member (ceased w.e.f. 31.10.2007)	Not Independent, Executive	4
Mr. A. N. Singh, Member (ceased w.e.f. 30.09.2007)	-do-	4

Six ECOB Meetings were held during the year 2007-08. The dates on which the said meetings were held were as follows:

15th May 2007, 26th July 2007, 27th August 2007, 22nd October 2007, 20th November 2007, and 29th January 2008.

The **Nomination Committee** has been constituted on 18th May, 2006 with the objective of identifying Independent Directors to be inducted to the Board from time to time and to take steps to refresh the constitution of the Board from time to time.

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

During the year under review, no meeting of the Nomination Committee was held.

The **Committee of Directors** has been constituted to approve of certain routine matters such as Opening and Closing of Bank Accounts of the Company, to grant limited Powers of Attorney to the Officers of the Company, to appoint proxies to attend general meetings on behalf of the Company etc. The Members of this Committee are – Mr. R. N. Tata, (Chairman), Mr. Ishaat Hussain and Dr. J. J. Irani. The business of the Committee is

transacted by passing Circular Resolutions which are placed before the Board at its next meeting.

Ethics and Compliance Committee

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended (the Regulations), the Board of Directors of the Company adopted the Tata Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices (the Code) to be followed by Directors, Officers and other Employees. The Code is based on the principle that Directors, Officers and Employees of a Tata Company owe a fiduciary duty to, among others, the shareholders of the Company to place the interest of the shareholders above their own and conduct their personal securities transactions in a manner that does not create any conflict of interest situation. The Code also seeks to ensure timely and adequate disclosure of Price Sensitive Information to the investor community by the Company to enable them to take informed investment decisions with regard to the Company's securities.

In terms of the said Code, a Committee has been constituted on 30th May, 2002, called Ethics and Compliance Committee.

One meeting of the Ethics and Compliance Committee was held on 27th March, 2008.

The composition of the Ethics and Compliance Committee is given below:		
Names of Members	Category	No. of Meetings attended during 2007-08
Mr. Ishaat Hussain, Chairman	Not Independent, Non-Executive	1
Mr. Suresh Krishna, Member	Independent, Non-Executive	1

The Board has also appointed the Group Chief Financial Officer as the Compliance Officer to ensure compliance and effective implementation of the Regulations and also the Code across the Company.

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

6. General Body Meetings

a) Location and time, where last three Annual General Meetings (AGMs) were held:		
Financial Year	Details of Location	Date & Time
2006-07	Birla Matushri Sabhagar,	29th August, 2007 at 3.30 p.m.
2005-06	19, Sir Vithaldas Thackersey Marg,	5th July, 2006 at 11.00 a.m.
2004-05	Mumbai 400 020.	27th July, 2005 at 3.30 p.m.

- b) No Extra-Ordinary General Meeting of the shareholders was held during the year.
- c) No Postal Ballot was conducted during the year. None of the resolutions proposed for the ensuing Annual General Meeting need to be passed by Postal Ballot.
- d) Special Resolutions passed in previous 3 Annual General Meetings:

At the last Annual General Meeting held on 29th August, 2007, Special Resolutions were passed for a) Increase in the authorised share capital, b) Alteration of the Memorandum of Association, c) Alteration of the Articles of Association, d) Further issuance of Securities and e) Change in place of keeping Registers and Records. The resolutions were passed unanimously.

At the Annual General Meeting held on 5th July, 2006, Special Resolutions were passed for a) Commission to Directors other than the Managing and Whole-time Directors, b) Increase in the Authorised Share Capital, c) Alteration of the Articles of Association of the Company and d) Raising additional long term funds. The resolutions at items a), b) and c) were passed unanimously. The resolution at item d) was passed by requisite majority.

At the Annual General Meeting held on 27th July, 2005, Special Resolution was passed for the Change of Name of the Company from "The Tata Iron and Steel Company Limited" to "Tata Steel Limited". The resolution was passed

unanimously.

7. Disclosures

- i) The Board has received disclosures from key managerial personnel relating to material, financial and commercial transactions where they and/or their relatives have personal interest.
There are no materially significant related party transactions which have potential conflict with the interest of the Company at large.
- ii) The Company has periodically disclosed to the Audit Committee the uses/applications of funds raised during the year through rights issues of Ordinary Shares and CCPS. The details of the proceeds and utilisation of the same have been disclosed in the Notes to Accounts.
- iii) The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchange, SEBI or other statutory authorities relating to the above.
- iv) The Company has adopted a Whistle Blower Policy and has established the necessary mechanism in line with clause 7 of the Annexure 1D to Clause 49 of the Listing Agreement with the Stock Exchanges, for employees to report concerns about unethical behaviour. No personnel has been denied access to the Ethics Counsellor/Chairman of the Audit Committee.
- v) The Company has fulfilled the following non-mandatory requirements as prescribed in Annexure 1D to Clause 49 of the Listing Agreement with the Stock Exchanges:
 - a) The Company has set up a Remuneration Committee. Please see para 4 for details.
 - b) The Company has moved towards a regime of unqualified financial statements.

Secretarial Audit

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

8. Means of Communication

Half-yearly report sent to each household of shareholders –

In addition to the results of the Company being published in the newspapers and posted on the web-site of the Company, the half-yearly results are sent to each shareholder.

Results –

The quarterly and annual results along with the Segmental Report are generally published in The Times of India, Nava Shakti, Free Press Journal and also displayed on the website of the Company www.tatasteel.com shortly after its submission to the Stock Exchanges.

Presentation to Institutional Investors or to analysts –

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

Management Discussion & Analysis Report –

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

Company's Corporate Website –

The Company's website is a comprehensive reference on Tata Steel's management, vision, mission, policies, corporate governance, corporate sustainability, investor relations, sales network, updates and news. The section on

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

9. General Shareholder Information

AGM : Date, time & venue – 28.08.2008 at 3.30 p.m.
Birla Matushri Sabhagar,
19, Sir Vithaldas Thackersey Marg,
Mumbai 400 020.

As required under Clause 49 IV(G)(i), particulars of Directors seeking reappointment are given in the Explanatory Statement to the Notice of the Annual General Meeting to be held on 28th August, 2008.

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

Date of Book Closure – 22nd July, 2008 to 31st July, 2008 (both days inclusive)

Dividend Payment Date – The dividend warrants will be posted on or after 29.08.2008.

Unclaimed Dividend –

- All unclaimed/unpaid dividend amounts upto the financial year ended 31.03.1995 have been transferred to the General Revenue Account of the Central Government. Shareholders, who have not yet encashed their dividend warrant(s) for the said period are requested to forward their claims in prescribed Form No. II to The Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978 to :-
Office of Registrar of Companies
Central Government Office Bldg., 'A' Wing,
2nd Floor, Next to Reserve Bank of India
CBD, Belapur 400 614.
- All unclaimed/unpaid dividend amounts for the financial years 1996-97 to 1999-2000 have been transferred to Investor Education & Protection Fund and no claims will lie against the Company or the Fund in respect of the unclaimed amounts so transferred.
- The unclaimed dividend declared in respect of the financial year 2000-01 is due for transfer to the IEPF in August, 2008.

Listing on Stock Exchanges –

The Company's Ordinary Shares are listed on the following 2 Stock Exchanges in India:

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

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

The Company's Ordinary Shares have been delisted from The Calcutta Stock Exchange Assn. Ltd. w.e.f. 30th May, 2008.

The CCPS allotted by the Company during the year under review are listed on the following 2 Stock Exchanges in India:

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

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

Global Depository Receipts (GDRs) issued by the Company in the International Market have been listed on the Luxembourg Stock Exchange and the Stock Code is USY8547N1139.

The Company has paid annual listing fees to each of the above Stock Exchanges for the financial year 2007-08.

Stock Codes/Symbols –

Bombay Stock Exchange Limited -

Ordinary Shares (demat form)	500470
CCPS			710049

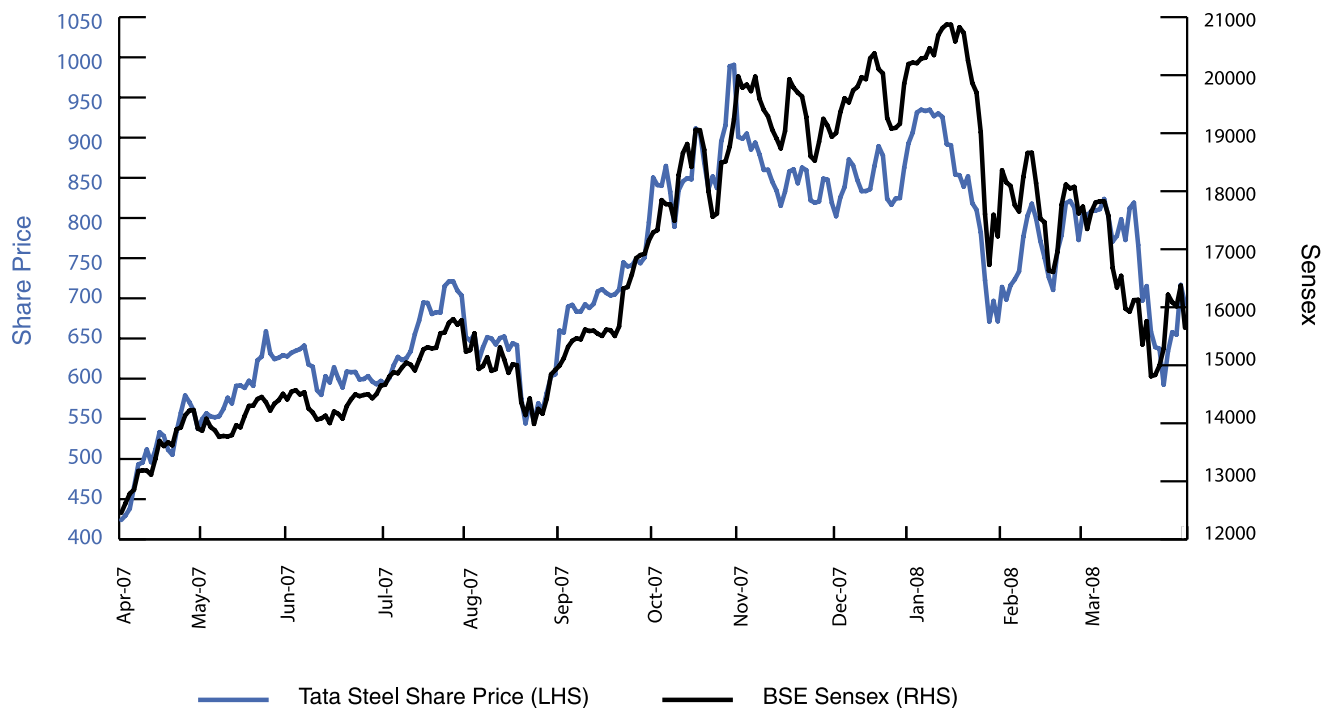
National Stock Exchange of India Ltd.

Ordinary Shares	TATASTEEL
CCPS			TATASTEEL Q1

Market Information

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

Month	High (Rs.)	Low (Rs.)	Avg. Volume per day (No. of Shares)	Avg. No. of Trades per day	Avg. Value per day (Rs. lakhs)
April 2007	579.10	424.10	2,296,244	29,078	1,190,424,847
May 2007	658.90	551.90	1,244,111	19,819	745,668,465
June 2007	641.15	579.75	630,865	12,773	383,492,907
July 2007	721.10	593.40	897,091	14,273	600,038,274
August 2007	689.70	544.30	1,130,014	18,515	692,677,313
September 2007	850.35	683.40	1,068,929	16,148	792,065,833
October 2007	990.60	789.00	1,133,210	20,941	1,008,397,390
November 2007	893.85	802.15	493,383	8,743	420,928,514
December 2007	934.80	816.35	577,656	9,534	502,600,618
January 2008	934.75	671.05	673,211	9,684	533,994,843
February 2008	823.70	710.45	821,812	15,990	653,144,840
March 2008	819.05	592.45	1,080,068	22,568	769,881,729

Performance of Tata Steel Share Price in comparison to BSE Sensex**Registrar and Transfer Agents:**

TSR Darashaw Limited are the Registrar and Share Transfer Agents of the Company.
Address for correspondence is as below:

TSR Darashaw Limited
6-10 Haji Moosa Patrawala Industrial Estate,
20, Dr. E. Moses Road,
Mahalaxmi, Mumbai 400 011.

Tel. : (022) 6656 8484

Fax : (022) 6656 8494 / 6656 8496

E-mail : csg-unit@tsrdarashaw.com

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

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

Branches of TSR Darashaw Limited

- | | |
|---|--|
| <p>1. TSR Darashaw Limited
503, Barton Centre, 5th Floor,
84, Mahatma Gandhi Road,
Bangalore 560 001.
Tel. : (080) 2532 0321
Fax : (080) 2558 0019
E-mail: tsrdlbgang@tsrdarashaw.com</p> | <p>2. TSR Darashaw Limited
Bungalow No.1, 'E' Road,
Northern Town, Bistupur,
Jamshedpur 831 001.
Tel. : (0657) 242 6616
Fax : (0657) 242 6937
E-mail: tsrljsr@tsrdarashaw.com</p> |
| <p>3. TSR Darashaw Limited
Tata Centre, 1st Floor,
43, Jawaharlal Nehru Road,
Kolkata 700 071.
Tel. : (033) 2288 3087
Fax : (033) 2288 3062
E-mail: tsrdlcal@tsrdarashaw.com</p> | <p>4. TSR Darashaw Limited
Plot No. 2/42, Sant Vihar
Ansari Road, Darya Ganj
New Delhi 110 002.
Tel. : (011) 2327 1805
Fax : (011) 2327 1802
E-mail : tsrdldel@tsrdarashaw.com</p> |

Agent of TSR Darashaw Limited

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

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

Distribution of Shareholding – Ordinary Shares

Number of Ordinary Shares held	Number of Shareholders	
	31.3.2008 %	31.3.2007 %
1 to 100	60.41	60.47
101 to 500	31.06	31.62
501 to 1000	4.53	4.31
1001 to 10000	3.76	3.39
Over 10000	0.24	0.21
	100.00	100.00

Categories of Shareholders – Ordinary Shares

Category	Number of Shareholders		Voting strength %		Number of Ordinary Shares held	
	31-3-2008	31-3-2007	31-3-2008	31-3-2007	31-3-2008	31-3-2007
Individuals	679,760	666,583	21.49	25.32	156,958,458	146,997,477
Unit Trust of India	1	30	0.01	0.01	43,818	47,060
Life Insurance Corporation of India	1	11	10.15	12.01	74,166,549	69,725,863
Govt. & Other Public Financial Institutions	16	19	4.41	5.37	32,186,415	31,189,482
Tata Group Companies	16	24	* 33.94	* 30.52	247,993,096	177,152,216
Companies	6,969	6,738	4.56	4.84	33,348,515	28,073,014
Nationalised Banks, Mutual Funds and Trusts	376	504	5.96	4.51	43,539,500	26,193,523
Foreign Institutional Investors	425	275	19.48	17.42	142,347,969	101,094,221
Total	687,564	674,184	100.00	100.00	730,584,320	580,472,856

* This includes 6,71,455 (As on 31st March, 2007: 6,71,455) shares allotted to Kalimati Investment Company Limited pursuant to the Bombay High Court Order dated 3rd April, 2003, approving the Scheme of Amalgamation of Tata SSL Limited with the Company. These shares do not carry any voting rights.

Top Ten Equity Shareholders of the Company as on 31st March, 2008

Sr. No.	Name of the Shareholder	No. of shares held	% of holding
1.	Tata Sons Limited	203,821,795	27.90
2.	Life Insurance Corporation of India	74,166,549	10.15
3.	Tata Motors Limited	31,441,382	4.30
4.	Deutsche Securities Mauritius Limited	14,381,557	1.97
5.	HSBC Global Investment Funds A/c HSBC Global Investment Funds Mauritius Limited	13,013,190	1.78
6.	The New India Assurance Company Limited	9,003,465	1.23
7.	National Insurance Company Limited	8,544,140	1.17
8.	Morgan Stanley Mauritius Company Limited	7,655,235	1.05
9.	The Oriental Insurance Company Limited	6,649,906	0.91
10.	Macquarie Bank Limited	5,483,782	0.75

Distribution of Shareholding – CCPS

Number of CCPS held	Number of Shareholders 31-3-2008 %
1 to 100	52.11
101 to 500	37.58
501 to 1000	5.41
1001 to 10000	4.56
Over 10000	0.34
	100.00

Categories of Shareholders – CCPS

Category	Number of Shareholders 31-3-2008	Voting strength % 31-3-2008	Number of CCPS held 31-3-2008
Individuals	363,420	20.41	111,706,144
Unit Trust of India	1	0.00	63
Life Insurance Corporation of India	1	11.13	60,905,551
Govt. & Other Public Financial Institutions	8	4.68	25,604,112
Tata Group Companies	10	36.91	201,966,140
Companies	3,377	5.34	29,218,335
Nationalised Banks, Mutual Funds and Trusts	148	2.66	14,571,576
Foreign Institutional Investors	141	18.87	103,279,684
Total	367,106	100.00	547,251,605

Top Ten CCPS Holders of the Company as on 31st March, 2008

Sr. No.	Name of the Shareholder	No. of shares held	% of holding
1.	Tata Sons Limited	171,602,978	31.36
2.	Life Insurance Corporation of India	60,905,551	11.13
3.	Tata Motors Limited	23,949,693	4.38
4.	Morgan Stanley Mauritius Company Limited	12,806,542	2.34
5.	HSBC Global Investment Funds A/c HSBC Global Investment Funds Mauritius Ltd.	11,173,740	2.04
6.	Macquarie Bank Limited	9,664,122	1.77
7.	Swiss Finance Corporation (Mauritius)1 Limited	9,568,489	1.75
8.	The New India Assurance Company Limited	7,953,023	1.45
9.	Goldman Sachs Investments (Mauritius) Limited	7,432,365	1.36
10.	National Insurance Company Limited	6,370,605	1.16

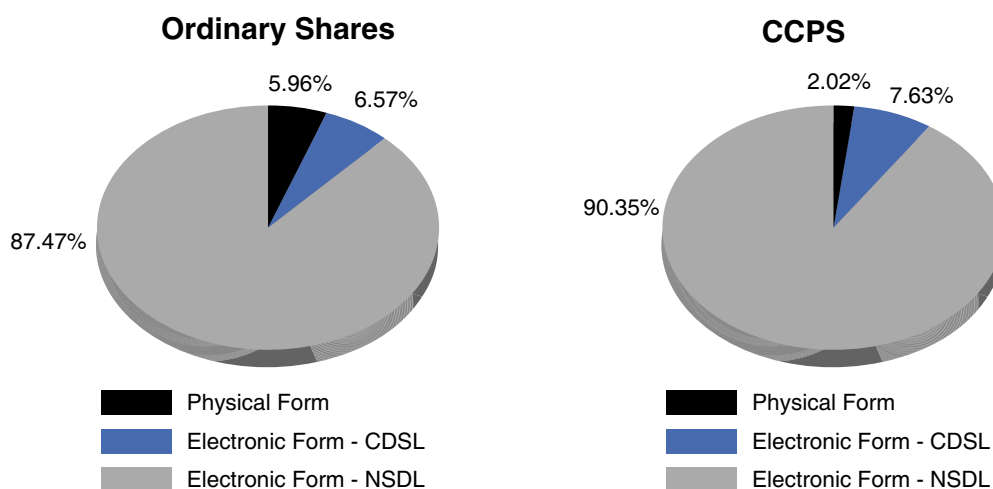
Dematerialisation of shares as on 31st March, 2008 and Liquidity

The Company's shares are compulsorily traded in dematerialised form and are available for trading on both the Depositories in India – National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL).

687,044,098 Ordinary Shares of the Company representing **94.04%** of the Company's share capital is dematerialised as on 31st March, 2008.

536,190,890 Cumulative Convertible Preference Shares (CCPS) of the Company representing **97.98%** of the Company's share capital is dematerialised as on 31st March, 2008.

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



Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's Ordinary Shares is INE 081A01012 and CCPS is INE081A3018.

Outstanding GDRs/ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity : 3867 GDRs (each GDR representing 1 Ordinary Share of the Company) The Company had issued detachable warrants (along with 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.

In September 2007, the Company issued US\$ 0.875 billion of 1% Foreign Currency Convertible Alternative Reference Securities (CARS). Between 4th September 2011 and 8th August 2012 each security is convertible at the option of holder of the security, at a conversion price of Rs. 876.6 per share (subsequently adjusted to Rs. 757.9721 on account of Rights Issue) into a Qualifying Security issued by the Company. The Company must redeem all outstanding CARS at 123.349% of their principal amount together with accrued and unpaid interest no later than 5th September 2012.

During the year under review, the Company allotted 547,251,605 – 2% CCPS of Rs. 100/- each on a rights basis to the shareholders of the Company in the ratio of 9:10. As per the terms of the issue, six CCPS of Rs. 100 each are compulsorily and automatically convertible on 1st September 2009, into one Ordinary Share of Rs. 10 each, at a premium of Rs. 590 per share.

Major Plant Locations

Tata Steel	:	Company's Steel Works and	..	Jamshedpur (Jharkhand)
		Tubes Division		Kharagpur (West Bengal)
		Bearings Division		Joda (Orissa)
		Ferro Manganese Plant		Bamnipal (Orissa)
		Charge Chrome Plant		Tarapur (Maharashtra)
		Cold Rolling Complex		States of Jharkhand,
		Mines, Collieries & Quarries		Orissa and Karnataka
		Wire Division		Borivli (Mumbai)
				Tarapur (Maharashtra)
				Bangalore (Karnataka)
		Indore (Madhya Pradesh)		
Corus	:	Steel	..	Port Talbot, UK
				Scunthorpe, UK
				Teesside, UK
				Rotherham, UK
		Ijmuiden, Netherlands		
		Aluminium Smelters	..	Delfzijl, Netherlands
				Voerde, Germany

Address for Correspondence : Tata Steel Limited
Bombay House, 24, Homi Mody Street,
Fort, Mumbai 400 001.
Phone : (022) 6665 8282
Fax : (022) 6665 7724 / 6665 7725
E-mail : cosectisco@tata.com
Website : www.tatasteel.com

10. Other information to the shareholders
Dividend History for the Last 10 years

Financial Year	Dividend Date	Rate
2006-07	30.08.07	155% (including centenary dividend of 25%)
2005-06	06.07.06	130%
2004-05	28.07.05	130%
2003-04	23.07.04	100%
2002-03	24.07.03	80%
2001-02	12.06.02	40%
2000-01	20.07.01	50%
1999-00	23.05.00	40%
1998-99	30.07.99	40%
1997-98	24.07.98	40%

Bank Details

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

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

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

Nomination Facility

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

Shares held in Electronic Form

Shareholders holding shares in electronic form may please note that:

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

Electronic Clearing Service (ECS) Facility

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

Agra, Ahmedabad, Allahabad, Amritsar, Aurangabad, Bangalore, Baroda, Bhopal, Bhubaneswar, Chandigarh, Chennai, Coimbatore, Cochin, Delhi, Guwahati, Gwalior, Hyderabad, Indore, Jabalpur, Jaipur, Jalandhar, Jamshedpur, Jodhpur, Kanpur, Kolhapur, Kolkata, Lucknow, Ludhiana, Madurai, Mangalore, Mumbai, Mysore, Nagpur, Nasik, Patna, Pune, Panjim, Rajkot, Surat, Trichur, Trichy, Trivandrum, Udaipur, Varanasi, Vijayawada and Vishakapatnam.

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

Depository Services

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

National Securities Depository Limited

Trade World, 4th Floor,

Kamala Mills Compound,

Senapati Bapat Marg, Lower Parel,

Mumbai 400 013.

Telephone : (022) 2499 4200

Facsimile : (022) 2497 2993/2497 6351

E-mail : info@nsdl.co.in

Website : www.nsdl.co.in

Central Depository Services (India) Limited

Phiroze Jeejeebhoy Towers,

16th Floor,

Dalal Street,

Mumbai 400 023.

Telephone : (022) 2272 3333

Facsimile : (022) 2272 3199/2272 2072

E-mail : investor@cdslindia.com

Website : www.cdslindia.com

Odd Lot Facility

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

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

Certificate

To the Members of

TATA STEEL LIMITED

We have examined the compliance of conditions of Corporate Governance by Tata Steel Limited, for the year ended on 31st March, 2008, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

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

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

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

P. R. RAMESH

Partner

Membership No : 70928

Mumbai, 26th June, 2008

Summary of Financial Information of Subsidiary Companies

Rs. crores

Sl. No.	Name of Subsidiary Company	Reporting Currency	Exchange Rate	Capital Reserves	Total Assets	Total Liabilities	Investment included in Total Assets	Turnover	Profit before Taxation	Profit Provision for Taxation	Profit after Taxation	Proposed Dividend	Country
1	Adityapur SEZ Ltd.	INR	-	0.05	0.09	0.04	-	-	-	-	-	-	India
2	Adityapur Toll Bridge Company Limited	INR	-	0.84	0.84	-	-	-	-	-	-	-	India
3	Almana Steel Dubai (Jersey) Limited	UAE	10.91	0.06	101.18	48.72	-	108.57	11.87	-	11.87	-	Jersey
4	Al Rimal Mining LLC	OMR	105.29	10.53	12.11	1.86	-	-	(0.07)	-	(0.07)	-	Oman
5	Aluminium Delfzijl B.V.	EUR	63.40	144.34	768.21	525.19	-	1,771.34	(178.98)	(50.17)	(128.81)	-	Netherlands
6	Apollo Metals Ltd.	USD	40.11	22.41	30.01	122.80	-	164.30	(26.57)	-	(26.57)	-	USA
7	Ashorne Hill Management College	GBP	79.67	-	65.34	9.53	-	44.45	6.45	-	6.45	-	UK
8	Augusta Grundstuecks GmbH	EUR	63.40	-	17.28	14.83	-	-	1.65	-	1.65	-	Germany
9	Automotive Laser Technologies Limited	GBP	79.67	-	-	-	-	-	-	-	-	-	UK
10	Automotive Tailored Blanks B.V.	EUR	63.40	28.40	0.13	35.89	-	-	(1.24)	(0.32)	(0.92)	-	Netherlands
11	B S Pension Fund Trustee Ltd.	GBP	79.67	17.10	17.64	-	-	-	-	-	-	-	UK
12	Bangla Steel & Mining Co. Ltd.	Taka	0.58	0.06	0.02	-	-	-	(0.02)	-	(0.02)	-	Bangladesh
13	Beheermaatschappij Industriële Producten B.V.	EUR	63.40	0.11	45.79	81.61	43.91	-	(3.11)	(0.79)	(2.32)	-	Netherlands
14	Belfin Beheermaatschappij B.V.	EUR	63.40	84.65	0.42	-	0.43	-	-	0.03	(0.03)	89.17	Netherlands
15	Bell & Harwood Limited	GBP	79.67	-	-	10.06	-	-	-	-	-	-	UK
16	Best Bar (Vic) Pte. Ltd.	SGD	29.05	-	26.52	7.05	-	159.18	2.55	-	2.55	-	Australia
17	Best Bar Pty. Ltd.	SGD	29.05	9.68	32.11	10.29	-	212.95	1.39	1.49	(0.10)	-	Australia
18	Black Ginger 461 Proprietary Ltd.	ZAR	4.94	-	4.94	4.94	-	-	-	-	-	-	South Africa
19	Blastmega Limited (United Steel Forgings Ltd.)	GBP	79.67	-	741.00	0.02	741.00	-	-	-	-	-	UK
20	Blume Stahlservice GmbH	EUR	63.40	32.31	579.39	515.55	0.08	1,681.87	98.17	(0.08)	98.25	128.42	Germany
21	Blume Stahlservice Polska Sp. Z.O.O.	PLZ	17.92	0.08	6.93	11.65	-	16.43	(0.82)	-	(0.82)	-	Poland
22	Bore Samson Group Ltd.	GBP	79.67	167.30	179.42	59.86	179.42	-	-	-	-	-	UK
23	Bore Steel Ltd.	GBP	79.67	127.47	135.82	-	-	-	-	-	-	-	UK
24	British Guide Rails Ltd.	GBP	79.67	-	-	-	-	-	-	-	-	-	UK
25	British Steel Benelux B.V.	EUR	63.40	231.98	205.40	-	163.91	-	1.00	0.30	0.71	-	Netherlands
26	British Steel Corporation Ltd.	GBP	79.67	144.01	243.02	-	-	-	-	-	-	-	UK
27	British Steel De Mexico S.A. de C.V.	USD	40.11	-	-	-	-	-	-	-	-	-	Mexico
28	British Steel Directors (Nominees) Limited	GBP	79.67	-	-	-	-	-	-	-	-	-	UK
29	British Steel Employee Share Ownership Trustees Ltd.	GBP	79.67	-	-	-	-	-	-	-	-	-	UK
30	British Steel Engineering Steels (Exports) Limited	GBP	79.67	-	0.09	0.09	-	-	-	-	-	-	UK
31	British Steel Holdings B.V.	EUR	63.40	0.12	1,727.18	223.16	1,719.85	-	56.13	(2.17)	58.30	64.19	Netherlands
32	British Steel International B.V.	EUR	63.40	0.14	400.22	1,059.94	1,454.07	-	149.50	(5.69)	155.19	150.53	Netherlands
33	British Steel Nederland International B.V.	EUR	63.40	0.12	1,574.04	10.76	1,581.79	-	58.75	6.29	52.47	64.19	Netherlands
34	British Steel Samson Limited	GBP	79.67	-	7.97	7.97	-	-	-	-	-	-	UK
35	British Steel Service Centres Ltd.	GBP	79.67	0.16	0.27	0.19	0.19	-	-	-	-	-	UK
36	British Steel Tubes Exports Ltd.	GBP	79.67	-	-	-	-	-	-	-	-	-	UK
37	British Transformer Cores Ltd.	GBP	79.67	7.97	3.84	0.01	-	-	-	-	-	-	UK
38	British Tubes Stockholding Ltd.	GBP	79.67	79.67	4.23	83.90	-	-	-	-	-	-	UK
39	Bs Quest Trustee Limited	GBP	79.67	-	-	-	-	-	-	-	-	-	UK
40	Bskh Corporate Services (UK) Limited	GBP	79.67	-	-	-	-	-	-	-	-	-	UK
41	Burgdorfer Grundstuecks GmbH (Formerly Burgdorfer Entzinnungswerk GmbH)	EUR	63.40	14.57	17.54	1.64	-	-	1.16	-	1.16	-	Germany

Summary of Financial Information of Subsidiary Companies

Rs. crores

Sl. No.	Name of Subsidiary Company	Reporting Currency	Exchange Rate	Capital Reserves	Total Assets	Total Liabilities	Investment included in Total Assets	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	Country
42	Burwill Trading Pte. Limited	SGD	29.05	31.67	25.26	0.20	-	21.69	(2.21)	0.02	(2.23)	-	Singapore
43	Business Park Ymond B.V.	EUR	63.40	-	0.11	-	-	-	-	-	-	-	Netherlands
44	C V Benine	EUR	63.40	-	157.71	129.04	-	-	-	-	-	-	Netherlands
45	C Walker & Sons (Steel) Ltd.	GBP	79.67	27.72	143.29	54.03	16.14	-	-	-	-	-	UK
46	C Walker & Sons Ltd.	GBP	79.67	27.88	554.86	425.42	18.63	-	-	-	-	-	UK
47	Catic GmbH	EUR	63.40	0.16	20.28	12.61	-	51.56	3.44	0.73	2.71	-	Germany
48	Catic Limited	GBP	79.67	1.79	115.79	-	115.79	-	-	-	-	-	UK
49	CBS Investments SAS	EUR	63.40	0.50	8.21	6.00	-	-	(0.09)	-	(0.09)	-	France
50	Cladding & Decking (UK) Limited	GBP	79.67	35.85	14.42	9.61	14.42	-	(0.26)	-	(0.26)	-	UK
51	Cogent Power Inc.	CAD	39.14	1.18	187.80	124.27	0.03	427.73	19.55	6.97	12.58	-	Canada
52	Cogent Power Inc.	USD	40.11	0.04	5.97	10.32	-	-	-	-	-	-	USA
53	Cogent Power Inc.	USD	40.11	1.20	19.99	2.72	0.02	-	-	-	-	-	Mexico
54	Cogent Power Limited	GBP	79.67	339.91	363.19	254.20	339.91	-	4.52	(4.23)	8.75	-	UK
55	Cold Drawn Tubes Ltd.	GBP	79.67	183.23	42.68	0.01	42.68	-	-	-	-	-	UK
56	Color Steels Limited	GBP	79.67	0.36	118.84	82.72	118.84	-	-	-	-	-	UK
57	Corbeil Les Rives SCI	EUR	63.40	4.05	7.78	0.03	1.24	-	-	-	-	-	France
58	Corby (Northants) & District Water Co.	GBP	79.67	2.07	6.55	2.22	-	4.68	0.15	0.10	0.04	-	UK
59	Corder (C & B) Limited	GBP	79.67	2.59	-	2.59	-	-	-	-	-	-	UK
60	Corus - Sistemas Constructivos E Revestimentos Metalicos, Lda	EUR	63.40	2.84	2.87	12.82	-	-	0.66	-	0.66	-	Portugal
61	Corus Aluminium Beheer B.V.	EUR	63.40	4.62	55.29	0.18	-	-	146.73	(1.39)	148.12	-	Netherlands
62	Corus Aluminium Limited	GBP	79.67	-	-	-	-	-	-	-	-	-	UK
63	Corus Aluminium Verwatinggesellschaft Mbh	EUR	63.40	0.05	27.07	41.52	26.58	-	0.37	-	0.37	-	Germany
64	Corus Aluminium Voerde GmbH	EUR	63.40	177.48	736.75	794.97	-	1,640.81	(207.70)	(64.56)	(143.14)	-	Germany
65	Corus America Holdings Inc.	USD	40.11	2,612.74	450.63	203.69	507.55	-	26.60	(9.20)	35.79	-	USA
66	Corus America Inc.	USD	40.11	35.65	872.45	301.04	209.02	800.37	53.71	7.62	46.09	-	USA
67	Corus Asia Limited	HKD	5.15	-	511.12	291.63	-	3,473.86	61.79	11.13	50.65	-	Hong Kong
68	Corus Batiment Et Systemes SAS	EUR	63.40	-	3.16	3.16	-	-	-	-	-	-	France
69	Corus Bausysteme GmbH	EUR	63.40	40.35	224.79	188.08	-	419.89	20.83	0.53	20.30	8.99	Germany
70	Corus Bausysteme Osterreich GmbH	EUR	63.40	0.22	0.74	0.35	-	4.70	0.34	0.05	0.29	-	Austria
71	Corus Belgium Bvba	EUR	63.40	-	-	-	-	0.04	0.20	0.20	0.20	-	Belgium
72	Corus Benelux B.V.	EUR	63.40	0.11	7.79	1.98	-	5.15	1.50	0.28	1.22	16.72	Netherlands
73	Corus Beteiligungs GmbH	EUR	63.40	0.01	18.84	0.07	16.55	-	(0.09)	0.02	(0.05)	-	Germany
74	Corus Brokers Limited	GBP	79.67	0.01	0.28	0.02	-	-	-	-	-	-	UK
75	Corus Building Systems (Guangzhou) Limited	CNY	5.71	14.08	53.93	38.45	-	78.70	3.94	-	3.94	-	China
76	Corus Building Systems Inc. (Formerly Corus Aluminium Service Centers Inc.)	USD	40.11	0.21	3.28	3.78	-	0.44	0.87	-	0.87	-	USA
77	Corus Building Systems Nv	EUR	63.40	0.86	7.91	1.63	-	-	0.23	(0.09)	0.32	-	Belgium
78	Corus Building Systems Pte. Limited	SGD	29.05	10.15	87.38	69.42	-	85.33	(0.97)	1.34	(2.32)	-	Singapore
79	Corus Building Systems SAS	EUR	63.40	18.93	8.38	4.15	2.23	7.32	0.90	-	0.90	-	France
80	Corus Byggesystemer A/S	NOK	7.87	0.96	45.29	39.19	-	138.23	3.54	-	3.54	-	Norway
81	Corus Byggsystem AB	SEK	6.75	0.67	46.58	17.86	0.55	98.96	8.02	0.65	7.37	-	Sweden
82	Corus Byggsystemer A/S	DKK	8.50	0.42	72.98	33.32	-	147.25	1.74	0.07	1.67	-	Denmark
83	Corus Central Europe S.R.O.	CZK	2.49	0.30	0.95	0.47	-	2.86	0.12	0.04	0.08	-	Czech Republic

Summary of Financial Information of Subsidiary Companies

Rs. crores

Sl. No.	Name of Subsidiary Company	Reporting Currency	Exchange Rate	Capital Reserves	Total Assets	Total Liabilities	Investment included in Total Asstes	Turnover	Profit before Taxation	Profit after Taxation	Proposed Dividend	Country
84	Corus Cic Holdings Inc.	CAD	39.14	0.04	138.79	0.93	136.41	-	2.04	0.78	1.27	Canada
85	Corus Cic Inc.	CAD	39.14	90.52	7.58	0.07	-	-	0.17	0.04	0.13	Canada
86	Corus Cnbv Investments	GBP	79.67	-	6.35	-	6.35	-	93.05	-	129.62	UK
87	Corus Coatings Usa Inc. (Formerly Hoogovens Coatings Usa Inc.)	USD	40.11	-	3.54	0.38	-	-	(0.08)	-	-	USA
88	Corus Cold Drawn Tubes Limited (Formerly British Steel Cold Drawn Tubes Limited)	GBP	79.67	39.83	-	13.73	-	-	-	-	-	UK
89	Corus Construction Products (Thailand) Limited (Formerly British Steel Ssp Ltd.)	THB	1.27	0.26	7.82	2.52	-	7.00	4.25	1.04	3.20	Thailand
90	Corus Consulting and Technical Services B.V. (Formerly Hoogovens Tech Serv Mercurius B.V.)	EUR	63.40	56.80	137.91	110.62	105.84	-	32.50	(1.83)	34.32	Netherlands
91	Corus Consulting B.V. (Formerly Hoogovens Tech Serv Technical & Operational Assistance B.V.)	EUR	63.40	0.28	23.27	8.98	(0.30)	-	0.03	0.27	(0.24)	Netherlands
92	Corus Consulting Limited (Formerly British Steel Consultants Ltd.)	GBP	79.67	7.85	9.71	13.06	-	16.28	(2.11)	(0.59)	(1.52)	UK
93	Corus Consulting Romania SRL	EUR	63.40	-	-	-	-	-	-	-	-	Romania
94	Corus Degels Gmbh (Formerly August Degels Eisengrosshandel Gmbh)	EUR	63.40	0.19	277.08	276.24	-	886.59	14.98	(1.22)	16.20	Germany
95	Corus Denmark A/S (Formerly British Steel Denmark A/S)	DKK	8.50	0.77	3.50	1.81	-	5.03	0.52	0.14	0.38	Denmark
96	Corus Deutschland Gmbh (Formerly Hoogovens Deutschland Gmbh)	GBP	79.67	-	-	-	-	-	-	-	-	Germany
97	Corus Distribution & Building Systems Central Europe B.V. (Formerly Aluminium Handelmaatschappij Mercal (Ahm) B.V.)	EUR	63.40	4.65	2.59	6.97	-	-	-	-	-	Netherlands
98	Corus Electrical Limited	GBP	79.67	-	-	-	-	-	-	-	-	UK
99	Corus Engineering Limited	GBP	79.67	-	-	-	-	-	-	-	-	UK
100	Corus Engineering Steels (UK) Ltd. (Formerly British Steel Engineering Steels (UK) Ltd.)	GBP	79.67	79.67	364.93	-	364.93	-	-	-	-	UK
101	Corus Engineering Steels Holdings Limited (Formerly British Steel Engineering Steels holdings Ltd.)	GBP	79.67	3,313.19	4,528.78	958.60	4,481.63	-	-	-	-	UK
102	Corus Engineering Steels Limited (Formerly British Steel Engineering Steels Limited)	GBP	79.67	3,681.33	3,788.57	-	3,788.56	-	-	-	-	UK
103	Corus Engineering Steels Overseas Holdings Limited (Formerly B S E S O H Ltd.)	GBP	79.67	3.19	15.58	7.66	5.12	-	-	-	-	UK
104	Corus Finance Limited	GBP	79.67	0.40	0.21	-	-	-	-	-	-	UK
105	Corus Finland Oy (Formerly British Steel Finland Oy)	EUR	63.40	0.80	2.17	1.30	-	3.15	0.10	0.05	0.05	Finland
106	Corus France SAS (Formerly British Steel France SA)	EUR	63.40	227.20	289.15	28.75	-	62.52	23.53	10.30	13.23	France
107	Corus Group Limited	GBP	79.67	13,897.80	30,059.63	2,429.44	23,533.92	-	16,915.46	(58.57)	16,974.03	UK
108	Corus Holdings (Thailand) Limited (Formerly British Steel Holdings (Thailand) Ltd.)	THB	1.27	0.01	0.01	0.04	-	-	0.01	-	0.01	Thailand

Summary of Financial Information of Subsidiary Companies

Sl. No.	Name of Subsidiary Company	Reporting Currency	Exchange Rate	Capital Reserves	Total Assets	Total Liabilities	Total included in Assets	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	Country
109	Corus Holdings Ltd.	GBP	79.67	1.99	63.58	1.22	-	-	0.70	1.03	(0.33)	-	UK
110	Corus Holdings SA (Formerly British Steel Holdings SA)	EUR	63.40	255.67 (88.43)	930.26	763.02	495.25	-	(2.91)	0.28	(3.19)	-	France
111	Corus Hungary Trading Limited Liability Company	HUF	0.24	0.07	0.32	-	-	0.72	0.02	(0.01)	0.03	-	Hungary
112	Corus India Ltd. (Formerly Bs Johnson Limited)	INR	-	0.16	0.91	0.01	-	-	0.03	0.01	0.03	-	India
113	Corus International (Guangzhou) Limited	CNY	5.71	2.96	4.11	1.15	-	7.34	0.24	0.02	0.22	-	China
114	Corus International (India) Pvt. Limited	INR	-	4.12	11.97	4.04	-	2.34	1.07	1.16	(0.08)	-	India
115	Corus International (Overseas Holdings) Limited (Formerly BS I (O H) Ltd)	GBP	79.67	1,124.93	1,628.41	38.60	1,562.55	-	57.16	(25.72)	82.88	-	UK
116	Corus International (Shanghai) Limited	CNY	5.71	2.79	10.99	7.76	-	11.55	1.05	0.40	0.65	-	China
117	Corus International (Singapore) Holding Pte. Ltd.	SGD	29.05	-	-	-	-	-	-	-	-	-	Singapore
118	Corus International Deutschland GmbH (Formerly Corus Metallvertrieb Deutschland GmbH, Formerly B S Deutschland)	EUR	63.40	0.01	25.99	21.32	-	26.56	6.53	-	6.53	6.82	Germany
119	Corus International Limited (Formerly British Steel International Limited)	GBP	79.67	3,906.54 (2,698.86)	1,481.14	273.46	1,315.00	-	213.93	65.06	148.87	-	UK
120	Corus International Representacoes Do Brasil Ltda	USD	40.11	0.80	0.66	1.35	-	-	(1.24)	0.03	(1.28)	-	Brazil
121	Corus International Romania SRL	EUR	63.40	0.03	0.93	0.17	-	2.41	0.77	0.12	0.65	-	Romania
122	Corus International Services N.V. (Formerly Sidal Coordinatie Centrum NV)	EUR	63.40	4,290.97	7,627.30	1,895.83	7,282.18	-	295.20	40.19	255.01	-	Belgium
123	Corus International Trading Limited	USD	40.05	72.09	131.62	20.01	-	774.42	0.82	0.72	0.09	-	USA
124	Corus International Trading Limited (Formerly Corus Trading Limited)	GBP	79.67	13.21	264.22	179.04	-	2,558.15	17.23	3.59	13.64	-	UK
125	Corus International Trading Limited (Formerly Corus Trading Limited)	HKD	5.15	-	-	-	-	-	-	-	-	-	Hong Kong
126	Corus Investment B.V. (Formerly Control Systems Nederland B.V.)	EUR	63.40	6,369.46	2,297.69	8,670.57	3.42	6,530.88	1,681.84	2.53	1,679.31	-	Hong Kong
127	Corus Investments Ltd.	GBP	79.67	175.26	180.68	-	180.69	-	-	-	-	-	Hong Kong
128	Corus Ireland Ltd. (Formerly British Steel Ireland Ltd.)	EUR	63.40	-	13.58	3.40	-	6.17	0.84	0.13	0.71	-	EIRE
129	Corus Italia Srl (Formerly Hoogovens Steel Italia Srl)	EUR	63.40	0.32	16.68	6.89	-	14.55	7.79	2.76	5.03	11.15	Italy
130	Corus Laminacion Y Derivados, S.L. (Formerly Corus Iberia, S.L.)	EUR	63.40	114.54	107.87	503.15	2.46	973.45	(43.44)	(15.49)	(27.95)	-	Spain
131	Corus Large Diameter Pipes Limited (Formerly British Steel Large Diameter Pipes Limited)	GBP	79.67	235.47	344.04	591.69	12.18	-	-	-	-	-	UK
132	Corus Liaison Services (India) Limited (Formerly British Steel Liaison Services (India) Ltd.)	GBP	79.67	7.97	(26.92)	1.65	20.60	-	(0.02)	-	(0.02)	-	UK
133	Corus Management Limited (Formerly British Steel Management Limited)	GBP	79.67	-	(361.23)	2,319.57	1,836.28	-	-	-	-	-	UK
134	Corus Met B.V. (Formerly Hoogovens Aluminium Trading B.V.)	EUR	63.40	252.45	(40.09)	480.30	-	638.34	(9.82)	(2.41)	(7.41)	-	Netherlands
135	Corus Metal Iberica Sa (Formerly British Steel SA)	EUR	63.40	0.95	8.93	14.57	4.69	14.76	1.44	(0.55)	1.99	-	Spain



Summary of Financial Information of Subsidiary Companies

Sl. No.	Name of Subsidiary Company	Reporting Currency	Exchange Rate	Capital Reserves	Total Assets	Total Liabilities	Investment included in Total Assets	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	Country
136	Corus Metals (Malaysia) Sdn Bhd	MYR	12.27	-	4.56	4.39	-	10.92	0.13	0.04	0.09	-	Malaysia
137	Corus Metals (Thailand) Limited (British Steel (Thailand) Ltd.)	THB	1.27	0.26	7.82	2.52	-	7.00	4.25	1.04	3.20	-	Thailand
138	Corus Metals Limited	GBP	79.67	-	-	-	-	-	-	-	-	-	UK
139	Corus Middle East FZE	UAE	10.91	49.07	552.49	414.39	-	1,307.35	47.32	-	47.32	-	UAE
140	Corus Multi-Metals Limited	GBP	79.67	-	-	-	-	-	-	-	-	-	UK
141	Corus Nederland B.V. (Formerly Koninklijke Hoogovens Nv)	EUR	63.40	2,220.13	28,405.82	17,264.84	27,116.42	-	2,723.71	(76.94)	2,800.65	1,393.26	Netherlands
142	Corus New Zealand Limited (Formerly British Steel New Zealand Ltd)	NZD	31.96	0.64	260.61	155.33	-	417.07	21.77	7.69	14.08	-	New Zealand
143	Corus Norge A/S (Formerly British Steel Norge A/S)	NOK	7.87	0.16	3.02	1.74	-	1.97	(0.02)	-	(0.02)	-	Norway
144	Corus Packaging Plus Belgium Nv	EUR	63.40	160.52	172.20	29.43	10.27	119.24	16.65	-	16.65	-	Belgium
145	Corus Packaging Plus Norway As (Formerly Hoogovens Packaging Steel Norway AS)	NOK	7.87	0.09	178.72	274.64	0.27	393.38	(60.23)	-	(60.23)	-	Norway
146	Corus Perfo B.V. (Formerly Hoogovens Perfo B.V.)	EUR	63.40	3.54	0.90	21.48	-	-	(1.19)	(1.53)	0.33	-	Netherlands
147	Corus Polska Sp. Z.O.O. (Formerly British Steel Polska Sp. Z.O.O.)	PLZ	17.92	15.78	72.19	49.13	-	230.34	6.14	1.24	4.89	-	Poland
148	Corus Primary Aluminium B.V. (Formerly Hoogovens Aluminium Primaire Producten B.V.)	EUR	63.40	10.58	448.30	121.96	446.87	-	(6.26)	2.61	(8.87)	-	Netherlands
149	Corus Properties (Germany) Limited	GBP	79.67	-	-	0.29	-	-	-	-	-	-	UK
150	Corus Property (Formerly British Steel Property Limited)	GBP	79.67	-	0.01	0.01	-	-	18,391.20	-	18,391.20	18,480.49	UK
151	Corus Quest Trustee Limited	GBP	79.67	-	-	-	-	-	-	-	-	-	UK
152	Corus Rail Consultancy Limited (Formerly Cegd Ltd.)	GBP	79.67	-	100.05	53.16	-	138.10	9.87	2.14	7.74	-	UK
153	Corus Rail France SA (Formerly Sogeraill SA)	EUR	63.40	365.85	888.37	741.75	105.19	1,376.57	52.84	14.26	38.58	-	France
154	Corus Rail Limited (Formerly Britishfco (No. 10) Limited)	GBP	79.67	-	-	-	-	-	-	-	-	-	UK
155	Corus Republic of Ireland Subsidiaries Pension Scheme Trustee Limited	EUR	63.40	-	-	-	-	-	-	-	-	-	EIRE
156	Corus Schweiz AG	CHF	40.28	0.40	1.73	0.88	-	3.58	0.23	0.06	0.17	0.15	Switzerland
157	Corus Service Center Milano Spa (Hoogovens Aluminium Italia Spa)	EUR	63.40	9.47	117.14	96.00	-	191.86	(3.33)	0.73	(4.06)	-	Italy
158	Corus Service Centre Maastricht B.V. (Formerly Feijlen Staalservice B.V.)	EUR	63.40	0.34	160.39	93.71	-	212.62	31.78	6.81	24.97	-	Netherlands
159	Corus Services Nederland B.V. (Formerly Sarpedon B.V.)	EUR	63.40	2.68	375.45	220.78	16.66	-	9.44	(70.93)	80.37	-	Netherlands
160	Corus Sheet & Tube Inc. (Formerly British Steel (Sheet & Tube) Corporation Inc.)	USD	40.11	-	-	-	-	-	-	-	-	-	USA
161	Corus Sistemast Constructivos, SI	EUR	63.40	5.68	14.51	7.95	-	23.35	0.08	-	0.08	-	Spain
162	Corus South East Asia Pte Limited (Formerly British Steel (Sea) Pte. Ltd.)	SGD	29.05	4.93	137.49	77.18	5.08	233.91	26.80	5.28	21.52	-	Singapore
163	Corus Special Strip Asia Limited	HKD	5.15	0.26	1.37	0.66	-	-	0.17	0.03	0.14	-	Hong Kong
164	Corus Staal B.V. (Formerly Hoogovens Staal B.V.)	EUR	63.40	710.01	26,883.78	14,845.39	691.65	23,749.23	3,404.83	739.59	2,665.23	1,671.91	Netherlands

Rs. crores

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Sl. No.	Name of Subsidiary Company	Reporting Currency	Exchange Rate	Capital Reserves	Total Assets	Total Liabilities	Investment included in Total Assets	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	Country
165	Corus Stahl GmbH (Formerly Hoogovens Stahlholding GmbH)	EUR	63.40	0.02	447.73	470.56	22.81	0.68	27.71	6.98	20.72	9.09	Germany
166	Corus Stainless Limited	GBP	79.67	-	-	-	-	-	-	-	-	-	UK
167	Corus Stainless NI B.V.	EUR	63.40	0.11	(0.02)	0.09	-	-	-	-	-	-	Netherlands
168	Corus Stainless UK Ltd.	GBP	79.67	-	-	-	-	-	-	-	-	-	UK
169	Corus Star - Frame B.V. (Formerly Hoogovens Star - Frame B.V.)	EUR	63.40	2.87	(21.50)	0.68	19.31	-	-	-	-	-	Netherlands
170	Corus Steel Limited	GBP	79.67	-	-	-	-	-	-	-	-	-	UK
171	Corus Steel Usa Inc. (Formerly Hoogovens Steel Usa Inc.)	USD	40.11	82.38	47.81	134.41	4.22	-	2.15	1.87	0.27	-	USA
172	Corus Sverige AB (Formerly British Steel Svenska AB)	SEK	6.75	0.07	1.42	4.29	2.80	9.71	0.77	0.34	0.43	0.54	Sweden
173	Corus Technology B.V. (Formerly Hoogovens Corporate Services B.V.)	EUR	63.40	0.11	180.89	481.14	300.14	400.87	(6.96)	(1.76)	(5.20)	-	Netherlands
174	Corus Trico Holdings Inc. (Formerly British Steel Trico Holdings Inc.)	USD	40.11	-	-	-	-	-	-	(0.50)	0.50	-	USA
175	Corus Tubes B.V. (Formerly Hoogovens Buizen B.V.)	EUR	63.40	36.47	219.58	922.68	666.63	2,715.24	(35.08)	(11.32)	(23.77)	-	Netherlands
176	Corus Tuscaloosa Corp.	USD	40.11	2,297.06	(2,479.18)	404.67	586.79	-	(19.80)	(0.06)	(19.74)	-	USA
177	Corus UK Limited (Formerly British Steel Limited)	GBP	79.67	17,855.81	9,507.48	55,471.39	28,108.10	46,552.40	3,543.34	55.52	3,487.82	-	UK
178	Corus Vlietjonge B.V. (Formerly Van Der Vliet & De Jonge)	EUR	63.40	48.69	138.16	276.97	90.12	276.87	25.27	(0.39)	25.66	27.87	Netherlands
179	Corus Yasan Metal Sanayi Ve Ticaret A.S. (Formerly British Steel Yasan Profil Tic Ve San AS)	USD	40.11	16.13	35.74	154.15	102.28	332.41	4.88	-	4.88	-	Turkey
180	Cpn (85) Limited	GBP	79.67	-	(0.67)	-	0.67	-	-	-	-	-	UK
181	Crucible Insurance Company Ltd.	GBP	79.67	3.98	375.48	764.95	385.49	384.58	61.70	-	61.70	87.63	Isle of Man
182	Demka B.V.	EUR	63.40	38.83	12.60	52.49	1.06	-	1.83	0.47	1.36	-	Netherlands
183	Dsm Group Plc.	GBP	79.67	39.83	118.25	158.08	-	158.08	-	-	-	-	UK
184	Eastel Construction Services Pte. Limited	SGD	29.05	2.91	6.58	12.19	2.71	20.47	0.87	0.08	0.80	-	Singapore
185	Eastel Services (M) Sdn.Bhd.	SGD	29.05	-	0.56	1.71	1.15	2.54	0.48	0.10	0.38	-	Malaysia
186	Eastern Steel Fabricators Philippines, Inc.	SGD	29.05	12.62	(38.08)	7.20	32.67	-	1.91	-	1.91	-	Philippines
187	Eastern Steel Services Pte. Limited	SGD	29.05	29.05	6.08	35.45	0.32	-	0.49	0.02	0.47	-	Singapore
188	Eastern Wire Pte. Limited	SGD	29.05	24.26	19.32	46.83	3.25	0.05	21.55	5.47	16.08	-	Singapore
189	Ees Group Services Limited (Formerly Britshelco (No. 11) Limited)	GBP	79.67	478.08	(478.08)	-	-	-	-	-	-	-	UK
190	Ees Nederland B.V. (Formerly Lycurgus Ijmuiden B.V.)	EUR	63.40	0.12	0.24	0.36	-	-	0.34	-	0.34	-	Netherlands
191	Eric Olsson & Soner Forvaltnings AB	SEK	6.75	0.07	2.97	3.06	0.02	-	-	-	-	-	Sweden
192	Esmil B.V.	EUR	63.40	91.62	(75.32)	16.70	0.40	-	0.70	0.18	0.52	-	Netherlands
193	Euro-Laminations Limited	GBP	79.67	0.01	0.24	0.36	0.11	-	(0.10)	-	(0.10)	-	UK
194	European Electrical Steels Limited (Formerly Cogent Power Ltd.)	GBP	79.67	-	-	-	-	-	-	-	-	-	UK
195	European Profiles Limited	GBP	79.67	5.18	47.79	52.97	52.97	-	-	-	-	-	UK
196	Europressings Limited	GBP	79.67	4.78	0.31	5.09	-	-	-	-	-	-	UK
197	Firsteel Coated Strip Limited	GBP	79.67	11.15	(12.08)	38.01	38.94	104.86	(0.78)	-	(0.78)	-	UK
198	Firsteel Cold Rolled Products Limited	GBP	79.67	-	-	-	-	-	-	-	-	-	UK
199	Firsteel Group Limited	GBP	79.67	50.19	92.64	282.02	139.19	-	-	-	-	-	UK

Rs. crores



Summary of Financial Information of Subsidiary Companies

Sl. No.	Name of Subsidiary Company	Reporting Currency	Exchange Rate	Capital Reserves	Total Assets	Total Liabilities	Investment included in Total Assets	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	Country
200	Firsteel Group Pension Trustee Limited	GBP	79.67	-	-	-	-	-	-	-	-	-	UK
201	Firsteel Holdings Limited	GBP	79.67	0.05	138.06	76.40	138.06	-	-	-	-	-	UK
202	Firsteel Resources Limited	GBP	79.67	0.24	1.32	-	1.32	-	-	-	-	-	UK
203	Firsteel Steel Processing Limited	GBP	79.67	59.75	59.85	-	-	6.88	156.66	-	156.66	156.66	UK
204	Firsteel Strip Mill Products Limited	GBP	79.67	69.31	81.44	-	81.44	-	-	-	-	-	UK
205	Fischer Profielen NV	EUR	63.40	-	-	-	-	-	-	-	-	-	Belgium
206	Fischer Profil GmbH	EUR	63.40	64.54	240.26	170.66	4.84	637.23	16.15	(0.77)	16.92	16.37	Germany
207	Gamble Simms Metals Ltd.	EUR	63.40	4.01	91.50	118.53	91.50	-	-	-	-	-	Eire
208	Gopalpur Special Economic Zone Limited	INR	-	1.00	1.01	-	-	0.03	0.02	0.01	0.01	-	India
209	Grant Lyon Eagre Ltd.	GBP	79.67	2.99	46.93	-	-	-	-	-	-	-	UK
210	H E Samson Ltd.	GBP	79.67	-	-	-	-	-	-	-	-	-	UK
211	Hadfields Holdings Ltd.	GBP	79.67	0.80	4.22	68.23	-	-	-	-	-	-	UK
212	Hammermega Limited	GBP	79.67	17.92	17.92	-	-	-	-	-	-	-	UK
213	Harrowmills Properties Ltd.	GBP	79.67	0.01	151.73	-	-	-	-	-	-	-	UK
214	Hille & Muller GmbH (Formerly Hille & Muller GmbH & Co. Kg)	EUR	63.40	131.24	386.66	213.30	0.10	460.62	27.93	6.22	21.71	-	Germany
215	Hille & Muller Italia SRL	EUR	63.40	0.29	1.82	0.39	-	0.95	0.06	-	0.06	-	Italy
216	Hille & Muller Usa Inc.	USD	40.11	-	60.96	13.50	47.15	25.89	1.62	0.33	1.29	-	USA
217	Holorib GmbH	EUR	63.40	0.16	417.68	43.03	-	817.10	113.42	44.53	68.89	-	Germany
218	Hooghly Metcoke and Power Company Ltd.	INR	-	517.56	920.80	407.11	-	9.68	(3.84)	0.02	(3.87)	-	India
219	Hoogovens (UK) Limited	GBP	79.67	159.33	65.48	61.78	60.31	(79.92)	(48.28)	(2.12)	(46.16)	-	UK
220	Hoogovens Aluminium Building Systems Limited	GBP	79.67	-	-	-	-	-	-	-	-	-	UK
221	Hoogovens Aluminium UK Limited	GBP	79.67	11.83	5.17	3.29	-	-	(1.18)	-	(1.18)	-	UK
222	Hoogovens Finance B.V.	EUR	63.40	859.39	1,259.11	54.50	1,255.06	-	146.83	37.44	109.39	3,622.47	Netherlands
223	Hoogovens Technical Services Coahuila B.V.	EUR	63.40	0.11	4.99	35.71	-	-	-	-	-	-	Netherlands
224	Hoogovens Technical Services Mexico De S. De R.L. De C.V.	USD	40.11	-	23.83	33.08	-	-	1.86	0.49	1.37	-	Mexico
225	Hoogovens Technical Services Monclova B.V.	EUR	63.40	0.11	(0.11)	-	-	-	0.04	-	0.04	-	Netherlands
226	Hoogovens Tubes Poland Spolka Z.O.O. (Corus Tubes Poland Sp Z.O.O.)	EUR	63.40	0.09	5.23	5.05	-	7.91	0.71	0.06	0.65	-	Poland
227	Hoogovens Usa Inc.	USD	40.11	243.69	290.51	6.02	192.25	-	4.54	1.28	3.26	-	USA
228	Huizenbeitz "Breesap" B.V.	EUR	63.40	0.29	6.95	6.95	(0.46)	0.08	(0.46)	(0.12)	(0.34)	-	Netherlands
229	Ickles Cottage Trust	GBP	79.67	-	0.58	0.68	-	0.63	0.10	-	0.10	-	UK
230	Immobilie De Construction De Maubeuge Et Louvroil SAS	EUR	63.40	0.65	0.92	0.31	-	1.33	(0.86)	0.09	(0.95)	-	France
231	Industrial Steels Limited	GBP	79.67	-	54.19	8.59	-	126.60	10.71	7.71	2.99	-	UK
232	Inter Metal Distribution SAS	EUR	63.40	0.48	68.09	40.77	-	208.70	4.82	2.72	2.10	-	France
233	International Shipping Logistics FZE	AED	10.88	1.09	62.11	19.88	-	300.66	25.84	-	25.84	-	Dubai
234	Jamshedpur Utilities and Services Company Limited	INR	-	0.35	45.26	28.00	-	247.77	28.45	10.13	18.32	-	India
235	K&S Management Service Limited	GBP	79.67	-	-	-	-	-	-	-	-	-	UK
236	Kalimati Coal Company Pty. Ltd.	SGD	29.05	21.34	70.70	64.47	-	9.29	(16.75)	(5.94)	(10.80)	-	Australia
237	Kalimati Investment Company Ltd.	INR	-	16.39	260.44	-	104.84	35.17	32.87	1.28	31.59	-	India
238	Lanka Special Steels Ltd.	LKR	0.37	0.99	5.45	2.79	-	41.60	2.16	-	2.16	-	Sri Lanka
239	Lister Tubes Ltd.	EUR	63.40	-	10.21	-	-	-	-	-	-	-	Eire

Rs. crores

Summary of Financial Information of Subsidiary Companies

Sl. No.	Name of Subsidiary Company	Reporting Currency	Exchange Rate	Capital Reserves	Total Assets	Total Liabilities	Investment included in Total Assets	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	Country
240	London Works Steel Company Ltd.	GBP	79.67	–	44.61	126.71	–	–	–	–	–	–	UK
241	Materials Recycling Pte. Limited	SGD	29.05	0.73	–	–	–	–	–	–	–	–	Singapore
242	Midland Steel Supplies Ltd.	GBP	79.67	–	–	–	–	–	–	–	–	–	UK
243	Mistbury Investments Limited	GBP	79.67	16.33	21.76	25.63	21.76	–	–	–	–	–	UK
244	Montana Bausysteme AG	CHF	40.28	48.14	217.49	67.74	0.40	344.51	(24.01)	6.61	(30.61)	–	Switzerland
245	Myriad Deutschland GmbH (Formerly Hoogovens Myriad Deutschland GmbH)	EUR	63.40	0.63	2.63	0.50	–	8.00	0.35	0.15	0.20	–	Germany
246	Myriad Espana SI (Formerly Hoogovens Myriad Espana SI)	EUR	63.40	0.02	1.81	0.09	–	1.29	0.06	0.02	0.05	–	Spain
247	Myriad Nederland B.V. (Formerly Hoogovens Myriad Nederland B.V.)	EUR	63.40	0.30	1.07	0.09	–	1.41	0.03	0.01	0.02	–	Netherlands
248	Myriad SA (Formerly Hoogovens Myriad SA)	EUR	63.40	136.89	1,087.06	867.48	7.49	2,457.01	26.15	8.81	17.34	–	France
249	Myriad United Kingdom Limited (Formerly Hoogovens Myriad UK Limited)	GBP	79.67	0.08	1.17	0.33	–	1.70	0.20	0.19	0.01	–	UK
250	Naba Diganta water Management Ltd.	INR	–	0.05	3.71	3.66	–	–	(0.04)	–	(0.04)	–	India
251	Namascor B.V.	EUR	63.40	38.66	288.90	188.98	–	701.01	26.17	6.65	19.52	–	Netherlands
252	Natterross Pte. Limited	SGD	29.05	29.05	195.42	112.27	–	1,497.97	17.95	3.20	14.75	27.87	Singapore
253	Nationwide Steelstock Limited	GBP	79.67	0.02	(9.05)	–	–	–	–	–	–	–	UK
254	NatSteel (Xiamen) Limited	SGD	29.05	107.24	337.15	192.21	–	742.40	34.77	3.88	30.89	–	China
255	NatSteel Asia (S) Pte. Ltd.	SGD	29.05	5.81	73.65	4.35	–	2.93	(0.08)	–	(0.08)	–	Singapore
256	NatSteel Asia Pte. Limited	SGD	29.05	813.53	2,995.45	1,491.99	4.36	2,326.45	48.18	9.36	38.83	–	Singapore
257	NatSteel Australia Pty. Limited	SGD	29.05	28.74	343.29	390.34	–	610.40	(30.00)	–	(30.00)	–	Australia
258	NatSteel Equity IV Pte. Limited	SGD	29.05	–	87.15	–	–	–	45.74	0.42	45.32	–	Singapore
259	NatSteel Iranian Private Joint Stock Company	SGD	29.05	–	0.40	0.89	–	–	(0.51)	–	(0.51)	–	Iran
260	NatSteel Middle East FZE	SGD	29.05	3.55	(1.22)	0.11	–	–	(0.73)	–	(0.73)	–	Dubai
261	NatSteel Trade International (Shanghai) Company Ltd.	SGD	29.05	0.98	(0.51)	0.19	–	–	(0.10)	–	(0.10)	–	China
262	NatSteel Trade International Pte. Limited	SGD	29.05	8.54	23.01	175.50	–	2,154.28	6.49	1.28	5.22	–	Singapore
263	NatSteel Vina Co. Ltd.	SGD	29.05	38.91	12.73	61.71	–	352.42	22.67	1.65	21.02	–	Vietnam
264	Nebam Nedelandse Bevrachting En Agentuur Maatschappij B.V.	EUR	63.40	0.14	–	–	0.14	–	–	–	–	–	Netherlands
265	N.T.S. Steel Group Public Company Limited	THB	1.27	421.68	1,353.02	813.78	–	2,096.05	112.17	20.03	92.14	–	Thailand
266	Oostflank B.V.	EUR	63.40	0.11	32.68	48.44	–	–	26.12	19.75	6.37	43.55	Netherlands
267	Orb Electrical Steels Limited	GBP	79.67	254.93	3.34	258.27	–	–	–	(1.15)	1.15	–	UK
268	Ore Carriers Ltd.	GBP	79.67	16.20	6.54	22.75	0.01	–	–	–	–	–	UK
269	Oremco Inc.	USD	40.11	0.40	0.62	1.22	–	–	0.31	0.09	0.22	0.05	USA
270	Plated Strip International Limited	GBP	79.67	17.94	(3.96)	14.62	0.64	–	–	(1.49)	1.49	–	UK
271	Precision Metal Forming Limited	GBP	79.67	0.26	42.29	42.55	–	–	–	–	–	–	UK
272	Precoat International Limited (Formerly Precoat International Plc.)	GBP	79.67	6.56	64.43	89.21	18.22	–	–	–	–	–	UK
273	Precoat Limited	GBP	79.67	8.76	(10.77)	38.89	40.90	–	–	–	–	–	UK
274	Pt Materials Recycling Indonesia	SGD	29.05	0.78	(2.83)	3.69	5.74	12.23	(0.33)	–	(0.33)	–	Indonesia
275	Rafferty-Brown North Carolina Co.	USD	40.11	–	72.86	78.23	5.37	–	3.04	0.94	2.11	–	USA
276	Rafferty-Brown Steel Co. Inc. of Connecticut	USD	40.11	–	–	–	–	–	–	(0.02)	0.02	–	USA
277	Rawmet Ferrous Industries Limited	INR	–	30.60	1.20	87.44	55.64	83.35	1.78	0.73	1.05	–	India

Rs. crores



Summary of Financial Information of Subsidiary Companies

Sl. No.	Name of Subsidiary Company	Reporting Currency	Exchange Rate	Capital Reserves	Total Assets	Total Liabilities	Investment included in Total Assets	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	Country
278	Richard Thomas And Baldwins (1978) Limited	NZD	31.96	-	-	-	-	-	-	-	-	-	New Zealand
279	Richard Thomas And Baldwins (Australia) Pty. Ltd.	AUD	36.55	0.22	0.22	-	-	-	-	-	-	-	Australia
280	Round Oak Steelworks Ltd.	GBP	79.67	23.90 (405.60)	0.95	382.65	-	-	-	-	-	-	UK
281	Runblast Limited	GBP	79.67	68.25 346.32	414.57	-	-	-	-	-	-	-	UK
282	Runmega Limited	GBP	79.67	3.47	3.47	-	-	-	-	-	-	-	UK
283	S A B Profil B.V.	EUR	63.40	0.86 39.54	65.35	24.95	-	705.65	88.77	8.83	79.94	167.19	Germany
284	S A B Profil GmbH	EUR	63.40	0.19 269.20	395.97	126.58	158.77	206.13	15.63	5.47	10.16	-	Netherlands
285	SA Intertubes	EUR	63.40	0.39 0.35	1.08	0.34	-	1.39	0.25	0.02	0.23	-	Belgium
286	Sacra-Nord SAS	EUR	63.40	324.19 136.20	611.99	151.60	546.49	1.94	15.12	(13.70)	28.83	-	France
287	Scrap Processing Holding B.V. (Formerly Hoogovens Scrap Processing B.V.)	EUR	63.40	0.69 26.67	33.63	6.27	-	-	1.30	0.33	0.97	-	Netherlands
288	Seamless Tubes Ltd.	GBP	79.67	159.33 (11.41)	147.92	-	-	-	-	-	-	-	UK
289	Sia Corus Building Systems	LAT	90.43	0.54 (1.08)	3.05	3.59	-	8.81	(0.12)	-	(0.12)	-	Latvia
290	The Siam Construction Steel Co. Ltd.	THB	1.27	222.90 46.84	678.37	408.64	-	1,903.71	251.66	22.96	228.70	327.66	Thailand
291	Siam Industrial Wire Company Limited	SGD	29.05	31.73 212.41	302.51	58.37	-	577.16	56.62	8.03	48.59	-	Thailand
292	Siam Iron and Steel Co. Ltd.	THB	1.27	15.28 14.34	350.69	321.06	-	1,283.22	79.44	23.58	55.86	87.12	Thailand
293	Sila Eastern Limited	THB	1.27	0.27 3.48	4.52	0.77	-	45.18	1.38	0.40	0.97	-	Thailand
294	Simiop Investments Ltd.	GBP	63.40	- 30.22	30.22	-	-	-	-	0.41	(0.41)	-	UK
295	Simiop Ltd.	GBP	79.67	76.37	76.37	-	76.37	-	-	-	-	-	UK
296	Simms Steel Holdings Ltd.	GBP	79.67	-	-	-	-	-	-	-	-	-	UK
297	Skruv Erik AB	SEK	6.75	0.07 1.67	9.38	7.64	-	-	0.76	-	0.76	-	Sweden
298	Societe Europeenne De Galvanisation (Segal) Sa (Formerly Segal, Societe Cooperative)	EUR	63.40	78.89 71.57	250.46	100.00	-	354.69	(0.65)	0.50	(1.15)	-	Belgium
299	Staalverwerking En Handel B.V. (Formerly Hoogovens Staalverwerking En Handel B.V.)	EUR	63.40	284.00 2,162.62	2,975.61	528.99	2,959.29	-	680.59	(12.35)	692.93	-	Netherlands
300	Steel Company (N.I.) Ltd.	GBP	79.67	-	-	-	-	-	-	-	-	-	UK
301	Steel Stockholdings Ltd.	GBP	79.67	30.27 6.22	36.71	0.22	-	-	-	-	-	-	UK
302	Steelstock Ltd.	GBP	79.67	0.16	61.22	61.06	-	-	-	-	-	-	UK
303	Stewarts & Lloyds of Ireland Ltd.	EUR	63.40	0.60 (2.07)	-	1.47	-	-	-	-	-	-	Eire
304	Stewarts and Lloyds (Overseas) Ltd.	GBP	79.67	163.00	163.05	-	163.05	-	-	-	-	-	UK
305	Stocksbridge Cottage Trust	GBP	79.67	- 0.55	0.64	0.09	-	-	-	-	-	-	UK
306	Strata - Color (Coated Steels) Limited	GBP	79.67	8.76 6.15	18.89	3.98	18.89	-	-	-	-	-	UK
307	Surahammar Bruks AB	SEK	6.75	40.33 167.76	339.90	131.81	6.72	585.29	19.18	5.98	13.20	-	Sweden
308	Swinden Housing Association	GBP	79.67	- 4.20	6.37	2.17	-	-	-	-	-	-	UK
309	Tata Incorporated	USD	40.11	6.53 37.14	61.71	18.05	0.30	457.63	3.34	1.28	2.06	-	USA
310	Tata Korf Engineering Services Ltd.	INR	-	0.40 (8.61)	(5.02)	3.19	-	0.00	(0.36)	-	(0.36)	-	India
311	Tata Metaliks Limited	INR	-	25.29 167.14	297.13	104.70	7.65	1,058.40	106.30	36.67	69.63	20.71	India
312	Tata Metaliks Kubota pipes Ltd.	INR	-	15.00 (1.03)	14.82	0.85	-	-	(1.02)	0.01	(1.03)	-	India
313	Tata Refractories Ltd.	INR	-	20.90 179.96	349.47	148.61	33.89	529.88	36.76	15.10	21.66	8.56	India
314	Tata Steel (Thailand) Public Company Ltd.	THB	1.27	1,089.24 888.53	2,831.61	853.85	1,312.21	454.07	439.66	7.77	431.90	-	Thailand
315	Tata Steel Asia Holdings Pte. Limited	GBP	79.67	30,326.82 (1,570.60)	29,353.72	597.50	29,231.53	-	(474.18)	-	(474.18)	-	Singapore
316	Tata Steel (KZN) (Pty.) Limited	ZAR	4.94	112.14 (60.62)	433.60	382.09	-	0.27	(44.30)	-	(44.30)	-	South Africa
317	Tata Steel Netherlands B.V.	EUR	63.40	32,086.45 1,094.48	64,182.54	31,001.61	62,550.59	-	716.47	(173.00)	889.46	-	Netherlands
318	Tata Steel UK Limited	GBP	79.67	27,644.76 (1,900.31)	33,317.03	7,572.59	33,066.65	-	(1750.17)	-	(1750.50)	-	UK
319	Telmag (Holdings) Limited	GBP	79.67	-	-	-	-	-	-	-	-	-	UK

Rs. crores

Summary of Financial Information of Subsidiary Companies

Rs. crores

Sl. No.	Name of Subsidiary Company	Reporting Currency	Exchange Rate	Capital Reserves	Total Assets	Total Liabilities	Investment included in Total Assets	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	Country
320	Teimag Magnetic Components Limited	GBP	79.67	12.79 (15.75)	-	2.94	-	-	-	-	-	-	UK
321	The Indian Steel and Wire Products Ltd.	INR	-	5.99	129.99	53.34	-	79.96	(11.68)	0.11	(11.79)	-	India
322	The Newport and South Wales Tube Company Ltd.	GBP	79.67	4.24	4.24	-	-	-	-	-	-	-	UK
323	The Stanton Housing Company Ltd.	GBP	79.67	0.48	7.67	-	-	-	-	-	-	-	UK
324	The Steel Company of Ireland Limited	EUR	63.40	94.77 (1.48)	167.78	74.49	75.13	125.73	7.29	1.23	6.06	103.10	Eire
325	The Tata Pigments Limited	INR	-	0.75	13.75	0.13	-	24.84	0.33	0.20	0.13	-	India
326	The Templeborough Rolling Mills Ltd.	GBP	79.67	23.90	126.45	-	-	-	-	-	-	-	UK
327	Thomas Processing Company	USD	40.11	-	80.00	0.75	-	19.89	3.56	-	3.56	-	USA
328	Thomas Steel Strip Corp.	USD	40.11	28.03 (12.98)	395.87	380.82	15.12	633.86	26.24	-	26.24	-	USA
329	Tinsley Trailers Limited (Formerly Britshelco (No. 9) Limited)	GBP	79.67	14.34	14.34	-	-	-	-	-	-	-	UK
330	TKM Global GmbH (Formerly TKM Overseas Transport (Europe) GmbH)	Euro	63.40	0.32	48.19	24.18	-	85.74	17.02	4.81	12.21	-	Germany
331	TKM Global Logistics Ltd. (TKM Transport Management Services Private Ltd.)	INR	-	0.11	65.44	57.11	1.11	129.49	3.15	1.06	2.09	-	India
332	TM International Logistics Limited	INR	-	18.00	81.22	8.39	2.90	125.59	15.09	3.51	11.58	2.53	India
333	Toronto Industrial Fabrications Ltd.	GBP	79.67	0.13 (4.08)	-	3.95	-	-	-	-	-	-	UK
334	Trierer Walzwerk GmbH	EUR	63.40	29.20 (3.02)	148.88	122.70	-	156.50	9.91	(0.04)	9.95	12.75	Germany
335	TRL Asia Private Limited	SGD	29.05	37.42 (0.10)	37.32	-	37.04	-	(0.05)	-	(0.05)	-	Singapore
336	TRL China Limited	CNY	5.71	37.08	44.60	6.85	-	60.17	1.23	-	1.23	-	PR China
337	TS Asia (Hong Kong) Pte. Limited	SGD	29.05	-	13.06	163.41	150.35	1,029.44	7.63	1.34	6.30	-	Hong Kong
338	Tata Steel Global Minerals Holdings Pte. Limited	USD	40.11	510.61 (2.72)	642.91	135.02	633.57	-	(2.70)	-	(2.70)	-	Singapore
339	TS Resources Australia Pty. Limited	SGD	29.05	-	25.89	25.72	-	700.64	0.15	-	0.15	-	Australia
340	Tulip Netherlands (No.1) B.V.	EUR	63.40	32,086.45	32,095.69	2.42	32,086.45	-	8.09	2.06	6.03	-	Netherlands
341	Tulip Netherlands (No.2) B.V.	EUR	63.40	32,086.45 (393.33)	32,108.23	415.11	32,086.45	-	(466.20)	(118.88)	(347.32)	-	Netherlands
342	Tulip UK Holdings (No.1) Limited	GBP	79.67	27,998.19 (88.39)	27,909.86	0.06	27,909.85	-	(79.04)	-	(79.04)	-	UK
343	Tulip UK Holdings (No.2) Limited	GBP	79.67	27,909.85	27,912.81	0.06	27,912.81	-	0.89	-	0.89	-	UK
344	Tulip UK Holdings (No.3) Limited	GBP	79.67	27,912.81	27,932.09	-	27,644.76	-	17.27	-	17.27	-	UK
345	U.E.S. Bright Bar Limited	GBP	79.67	11.95 (13.66)	255.14	256.87	-	696.09	(2.42)	-	(2.42)	-	UK
346	UK Steel Enterprise Ltd. (Formerly British Steel (Industry) Ltd.)	GBP	79.67	79.67	255.56	95.05	31.40	22.28	10.44	-	10.44	-	UK
347	Ukse Fund Managers Limited	GBP	79.67	0.08	1.47	1.33	-	3.76	-	0.02	0.01	0.01	UK
348	Ukse Fund Managers (General Partner) Limited	GBP	79.67	-	-	-	-	1.77	-	-	-	-	UK
349	United Steels Co. (N.Z) Ltd.	NZD	31.96	-	-	-	-	-	-	-	-	-	New Zealand
350	Unitol SAS	EUR	63.40	0.78	850.49	774.50	0.47	1,645.36	(16.67)	0.23	(16.89)	-	France
351	Walker Manufacturing and Investments Ltd.	GBP	79.67	4.24	123.08	-	8.60	-	-	-	-	-	UK
352	Walkersteel (Ni) Ltd.	GBP	79.67	2.12	54.03	-	-	-	-	-	-	-	UK
353	Walkersteelstock Ireland Limited	EUR	63.40	61.60	108.06	10.21	-	-	-	-	-	-	Eire
354	Walkersteelstock Ltd.	GBP	79.67	7.97	7.97	-	0.16	-	-	-	-	-	UK
355	Westwood Steel Services Ltd.	GBP	79.67	187.22	-	187.22	-	-	-	-	-	-	UK
356	Whitehead (Narrow Strip) Ltd.	GBP	79.67	71.70	91.37	-	-	-	-	-	-	-	UK
357	Wuxi Jinyang Metal Products Co. Ltd.	SGD	29.05	65.19	164.63	63.21	-	282.09	2.16	(0.27)	2.43	-	China
358	Wuxi Natsteel Metal Products Co. Ltd.	SGD	29.05	2.59 (0.01)	2.57	-	-	-	-	-	-	-	China

NOTE:

The Indian rupee equivalents of the figures given in the foreign currencies in the accounts of the subsidiary companies, have been given based on the exchange rates as on 31.3.2008.

Auditors' Report on Consolidated Financial Statements

TO THE BOARD OF DIRECTORS OF TATA STEEL LIMITED

1. We have audited the attached Consolidated Balance Sheet of TATA STEEL LIMITED ("the Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group") as at 31st March, 2008, and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date both annexed thereto, in which are incorporated the returns from the Singapore Branch not audited by us. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. This Standard requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on the test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.
3.
 - (a) We did not audit the financial statements of subsidiaries, whose financial statements reflect total assets (net) of Rs. 78255.43 crores as at 31st March, 2008, total revenue of Rs. 114084.47 crores and net cash out flows amounting to Rs. 6146.37 crores for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us and our opinion is based solely on the report of other auditors.
 - (b) As stated in Note 10 and 16 of Schedule N, in the case of certain subsidiaries of the Company, having total assets (net) of Rs. 127.35 crores as at 31st March, 2008, total revenue of Rs. 134 crores and profit after tax (net) Rs. 2.62 crores for the year ended 31st March, 2008 and in the case of an associate having a profit after tax of Rs. 88.97 crores for the year ended 31st March 2008 the figures used for the consolidation are based on the management's estimates and are therefore unaudited.
 - (c) As stated in Note 1 of Schedule N, in the case of certain associates, the financial statements as on 31st March, 2008 are not available. The investments in these associates, each valued at Re. 1 in the Financial Statements of the Company, have not been adjusted in the Consolidated Financial Statements in the absence of their financial statements as on 31st March, 2008.

4. Subject to the matters referred to in paragraphs 3 (b) and 3 (c) above :
- (a) We report that the Consolidated Financial Statements have been prepared by the Company's management in accordance with the requirements of Accounting Standards ("AS") 21, Consolidated Financial Statements, AS 23 Accounting for Investments in Associates in Consolidated Financial Statements and AS 27 Financial Reporting of Interests in Joint Ventures, as notified under the Companies (Accounting Standard) Rules, 2006.
 - (b) Based on our audit and on consideration of the reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India :
 - (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2008;
 - (ii) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
 - (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For DELOITTE HASKINS & SELLS
Chartered Accountants,

P. R. RAMESH
Partner.
Membership No.: 70928
Mumbai, 26th June, 2008

Consolidated Balance Sheet as at 31st March, 2008

Schedule	Page		Rupees crores	Rupees crores	As at 31-3-2007 Rupees crores
		FUNDS EMPLOYED :			
A	230	1. a SHARE CAPITAL.....		6,202.63	580.00
		b SHARE WARRANTS (See Note 25(a), Page 262).....		—	147.06
B	230	2. RESERVES AND SURPLUS.....		27,971.35	13,895.14
		3. TOTAL SHAREHOLDERS' FUNDS		34,173.98	14,622.20
		4. WARRANTS ISSUED BY A SUBSIDIARY COMPANY.....		17.46	17.46
		5. MINORITY INTEREST		832.70	598.39
		6. LOANS			
C	231	a Secured	35,415.22		4,961.23
D	231	b Unsecured	<u>18,177.53</u>		<u>19,964.30</u>
		c Total Loans		53,592.75	24,925.53
		7. DEFERRED TAX LIABILITY (See Note 23, Page 262).....		2,464.68	792.87
		8. PROVISION FOR EMPLOYEE SEPARATION COMPENSATION (See Note 13(a), Page 250)		1,080.05	1,118.30
		9. TOTAL FUNDS EMPLOYED.....		<u>92,161.62</u>	<u>42,074.75</u>
		APPLICATION OF FUNDS :			
E	232	10. FIXED ASSETS			
		a Gross Block	1,05,125.54		23,410.15
		b Less — Impairment	3,223.50		100.41
		c Less — Depreciation	<u>59,938.92</u>		<u>9,089.21</u>
		d Net Block		41,963.12	14,220.53
F	233	11. INVESTMENTS		3,367.43	16,497.50
		12. GOODWILL ON CONSOLIDATION		18,049.96	92.07
		13. PURCHASED GOODWILL		—	127.59
		14. DEFERRED TAX ASSET (See Note 23, Page 262)		10.26	6.93
		15. A. CURRENT ASSETS			
		a Stores and spare parts.....	1,654.97		692.97
G	233	b Stock-in-trade.....	21,409.37		3,195.16
H	234	c Sundry debtors.....	18,696.32		1,686.53
		d Interest accrued on investments.....	8.96		1.16
I	234	e Cash and Bank balances.....	<u>4,231.64</u>		<u>10,887.96</u>
			46,001.26		16,463.78
J	234	B. LOANS AND ADVANCES	<u>15,465.46</u>		<u>1,980.34</u>
			61,466.72		18,444.12
		16. Less : CURRENT LIABILITIES AND PROVISIONS			
K	235	A. Current Liabilities	26,393.91		5,444.19
L	235	B. Provisions	<u>6,457.59</u>		<u>2,079.57</u>
			32,851.50		7,523.76
		17. NET CURRENT ASSETS.....		28,615.22	10,920.36
M	235	18. MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted).....		155.63	209.77
		19. TOTAL ASSETS (Net)		<u>92,161.62</u>	<u>42,074.75</u>
		Contingent Liabilities (See Note 3, Page 247)			
N	236	NOTES ON BALANCE SHEET AND PROFIT AND LOSS ACCOUNT			

As per our report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants,

P R RAMESH
Partner.

Mumbai, 26th June, 2008

J C BHAM
Company Secretary

For and on behalf of the Board

RATAN N TATA
JAMES LENG
NUSLI N WADIA
S M PALIA
ISHAAT HUSSAIN
JAMSHED J IRANI
SUBODH BHARGAVA
JACOBUS SCHRAVEN
ANDREW ROBB
T MUKHERJEE
PHILIPPE VARIN
B MUTHURAMAN

Chairman
Dy. Chairman

Directors

Managing Director

Consolidated Profit and Loss Account for the year ended 31st March, 2008

Schedule	Page		Rupees crores	Rupees crores	Previous Year Rupees crores
		INCOME :			
1	228	1. SALE OF PRODUCTS AND SERVICES	1,34,089.02		27,437.29
		<i>Less</i> — EXCISE DUTY	2,553.14		2,224.91
			<u>1,31,535.88</u>		<u>25,212.38</u>
2	228	2. OTHER INCOME.....	574.21		438.07
				1,32,110.09	<u>25,650.45</u>
		EXPENDITURE :			
4	229	3. MANUFACTURING AND OTHER EXPENSES	1,14,090.52		18,115.83
		4. DEPRECIATION.....	4,136.95		1,010.98
			<u>1,18,227.47</u>		<u>19,126.81</u>
		5. <i>Less</i> — EXPENDITURE (OTHER THAN INTEREST) TRANSFERRED TO CAPITAL AND OTHER ACCOUNTS	547.76		353.60
			<u>1,17,679.71</u>		<u>18,773.21</u>
3	228	6. INTEREST.....	4,183.76		411.19
		7. TOTAL EXPENDITURE		1,21,863.47	<u>19,184.40</u>
		PROFIT BEFORE TAXES AND EXCEPTIONAL ITEMS		10,246.62	<u>6,466.05</u>
		8. EMPLOYEE SEPARATION COMPENSATION	(227.12)		(153.03)
		(See Note 13(a), Page 250)			
		9. CONTRIBUTION FOR SPORTS INFRASTRUCTURE (See Note 7, Page 249).....	(150.00)		—
		10. EXCHANGE GAIN/(LOSS) (See Note 27, Page 263).....	594.72		—
		11. ACTUARIAL GAIN/(LOSS) ON FUNDS FOR EMPLOYEE BENEFITS	5,906.84		—
				6,124.44	<u>(153.03)</u>
		PROFIT BEFORE TAXES		16,371.06	<u>6,313.02</u>
		12. TAXES			
		a CURRENT TAX	3,353.73		2,145.52
		b DEFERRED TAX (See Note 23, Page 262)	674.58		(15.52)
		c FRINGE BENEFITS TAX	20.99		17.41
				4,049.30	<u>2,147.41</u>
		PROFIT AFTER TAXES		12,321.76	<u>4,165.61</u>
		13. MINORITY INTEREST	(139.94)		(67.52)
		14. SHARE OF PROFITS OF ASSOCIATES	168.16		79.18
				28.22	<u>11.66</u>
		PROFITS AFTER MINORITY INTEREST AND SHARE OF PROFIT OF ASSOCIATES		12,349.98	<u>4,177.27</u>
		15. BALANCE BROUGHT FORWARD FROM LAST YEAR/PREVIOUS PERIOD.....		4,840.39	<u>3,298.06</u>
		AMOUNT AVAILABLE FOR APPROPRIATIONS		17,190.37	<u>7,475.33</u>
		16. APPROPRIATIONS :			
		a PROPOSED DIVIDENDS.....	1,167.86		942.87
		b DIVIDEND ON CUMULATIVE CONVERTIBLE PREFERENCE SHARES	22.19		—
		c TAX ON DIVIDENDS.....	207.75		163.42
		d SPECIAL RESERVE	5,913.16		3.95
		e STATUTORY RESERVE.....	96.30		—
		f GENERAL RESERVE	1,549.08		1,524.70
				8,956.34	<u>2,634.94</u>
		BALANCE CARRIED TO BALANCE SHEET		8,234.03	<u>4,840.39</u>
		Basic Earnings per Share (Rs.) (See Note 22, Page 262)		177.18	64.66
		Diluted Earnings per Share (Rs.) (See Note 22, Page 262)		162.96	64.66
N	236	NOTES ON BALANCE SHEET AND PROFIT AND LOSS ACCOUNT			

As per our report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants,

P R RAMESH
Partner.

Mumbai, 26th June, 2008

J C BHAM
Company Secretary

For and on behalf of the Board

RATAN N TATA
JAMES LENG

Chairman
Dy. Chairman

NUSLI N WADIA
S M PALIA
ISHAAT HUSSAIN
JAMSHED J IRANI
SUBODH BHARGAVA
JACOBUS SCHRAVEN
ANDREW ROBB
T MUKHERJEE
PHILIPPE VARIN
B MUTHURAMAN

Directors

Managing Director

Consolidated Cash Flow Statement for the year ended 31st March, 2008

	Year Ended 31-3-2008 Rupees crores	Year Ended 31-3-2007 Rupees crores
A. Cash Flow from Operating Activities :		
Profit before Taxes, Minority Interest & Share of Profits of Associates	16,371.06	6,313.02
Adjustments for :		
Depreciation	4,136.95	1,010.98
Income from investments	(163.68)	(317.41)
(Profit)/Loss on sale of investments	(30.08)	(26.36)
(Profit)/Loss on sale of assets/discarded assets written off	(254.36)	(10.71)
Impairment of Assets	249.16	6.22
Interest income	(355.61)	(222.88)
Interest charged to profit and loss account	4,539.37	634.07
(Gain)/Loss on cancellation of forward covers/options	(124.30)	(83.59)
Provision for diminution in value of investments	—	0.10
Amortisation of employee separation compensation	227.12	153.03
Contribution for sports infrastructure written off	150.00	—
Exchange (Gain)/Loss on revaluation of foreign currency loans	(741.02)	—
Unrealised foreign exchange on consolidation – net (gain)/loss	(285.87)	(120.13)
Preliminary expenditure written off	2.63	—
Actuarial (gain)/loss on funds for employee benefits	(5,906.84)	—
Provision for wealth tax	1.73	1.11
Amortisation of goodwill	127.59	166.95
Amortisation of long term expenses	358.50	117.20
	<u>1,931.29</u>	<u>1,308.58</u>
Operating Profit before Working Capital Changes	18,302.35	7,621.60
Adjustments for :		
Trade and other receivables	(2,051.71)	(960.13)
Inventories	(2,701.34)	(639.95)
Trade payables and other liabilities	2,775.31	1,854.17
	<u>(1,977.74)</u>	<u>254.09</u>
Cash Generated from Operations	16,324.61	7,875.69
Direct taxes paid	(2,686.68)	(2,144.56)
	<u>(2,686.68)</u>	<u>(2,144.56)</u>
Cash Flow before Exceptional Items	13,637.93	5,731.13
Employee separation compensation paid	(217.77)	(228.12)
Net Cash from Operating Activities	<u>13,420.16</u>	<u>5,503.01</u>
B. Cash Flow from Investing Activities :		
Purchase of fixed assets	(8,416.56)	(2,975.11)
Sale of fixed assets	423.05	48.03
Pre-operative expenses	—	(4.75)
Purchase of investments	(33,377.86)	(28,551.90)
Acquisition of subsidiaries/joint ventures	(40,740.45)	(668.62)
Sale of investments	35,353.45	15,342.47
Interest received	366.39	204.24
Dividend received	196.70	317.41
	<u>(46,195.28)</u>	<u>(16,288.23)</u>

Consolidated Cash Flow Statement for the year ended 31st March, 2008

	Year Ended 31-3-2008 Rupees crores	Year Ended 31-3-2007 Rupees crores
C. Cash Flow from Financing Activities :		
Issue of equity capital	4,881.45	1,393.20
Issue of share warrants	—	147.06
Capital contribution received	3.87	5.59
Issue of cumulative convertible preference shares	5,472.52	—
Proceeds from borrowings	52,465.30	22,760.71
Repayment of borrowings	(35,490.05)	(2,420.97)
Amount received on cancellation of forward covers/options	134.41	94.55
Long term loan expenses paid	(1,736.25)	(170.47)
Interest paid	(4,270.75)	(612.57)
Dividend paid	(947.82)	(716.82)
Net Cash from Financing Activities	20,512.68	20,480.28
Net increase/(decrease) in Cash and Cash equivalents (A+B+C)	(12,262.44)	9,695.06
Opening Cash and Cash equivalents (as per Schedule I, Page No. 234)	(iv) 16,494.08	1,192.90
Closing Cash and Cash equivalents (as per Schedule I, Page No. 234)	(iii) 4,231.64	(v) 10,887.96

Notes : (i) Figures in brackets represent outflows.

(ii) Interest paid is exclusive of, and purchase of Fixed Assets is inclusive of, interest capitalised **Rs. 49.27** crores (2006-07 : *Rs. 1.60* crores).

(iii) Cash and cash equivalents include unrealised loss of **Rs. 399.92** crores (31.3.2007: *Rs. 224.09* crores) on account of translation of foreign currency cash and bank balances.

Also includes Rs. 5.65 crores refund orders issued on account of over subscription of rights issue of equity shares not encashed as on 31st March, 2008.

(iv) Includes **Rs. 5,606.13** crores of opening cash and cash equivalents in the books of Corus Group Limited (Rs. 5,579.73 crores), Tata Metaliks Ltd. (Rs. 25.82 crores) and Tata Steel Global Minerals Holdings Pte. Limited (Rs. 0.58 crore) which became subsidiaries of the group during the year.

(v) Includes Rs. 7225.94 crores ringfenced for specific purpose.

(vi) Previous year figures have been recast/restated wherever necessary.

As per our report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants,

P R RAMESH
Partner.

Mumbai, 26th June, 2008

J C BHAM
Company Secretary

For and on behalf of the Board

RATAN N TATA *Chairman*
JAMES LENG *Dy. Chairman*

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Directors

Managing Director

Schedules forming part of the Consolidated profit and loss account

SCHEDULE 1 : SALE OF PRODUCTS AND SERVICES :—

(Item No. 1, Page 225)

(a)	Sale of products
(b)	Sale of power and water.....
(c)	Income from services, sale of miscellaneous goods and stores, rent etc.

Rupees crores	Previous Year Rupees crores
1,32,557.27	26,451.40
568.06	495.00
963.69	490.89*
<u>1,34,089.02</u>	<u>27,437.29</u>

 * Includes **Rs. 21.58** crores gain on debt restructuring in one of the subsidiaries.

SCHEDULE 2 : OTHER INCOME :—

(Item No. 2, Page 225)

(a)	Income from Investments.....
(b)	Profit on sale/redemption of investments.....
(c)	Profit on sale of capital assets (net of loss on assets sold/scrapped/written off).....
(d)	Gain on swaps and cancellation of forward covers/options.....
(e)	Miscellaneous Income.....

Rupees crores	Previous Year Rupees crores
163.68	317.41
30.08	26.36
254.36	10.71
124.30	83.59
1.79	—
<u>574.21</u>	<u>438.07</u>

SCHEDULE 3 : INTEREST :—

(Item No. 6, Page 225)

1.	Interest on
	(i) Debentures and fixed loans
	(ii) Others
	Less — Interest capitalised
2.	Less :
	Interest received on sundry advances, deposits, customers' balances etc.

Rupees crores	Rupees crores	Previous Year Rupees crores
4,410.72		538.24
<u>177.92</u>		<u>97.43</u>
	4,588.64	635.67
	<u>49.27</u>	<u>1.60</u>
	4,539.37	634.07
	355.61	222.88
	<u>4,183.76</u>	<u>411.19</u>

Schedules forming part of the Consolidated profit and loss account

SCHEDULE 4 : MANUFACTURING AND OTHER EXPENSES :— (Item No. 3, Page 225)

	Rupees crores	Rupees crores	Previous Year Rupees crores
1. PURCHASE OF FINISHED, SEMI-FINISHED STEEL AND OTHER PRODUCTS.....		26,269.76	5,682.43
2. RAW MATERIALS CONSUMED :			
(a) Opening stock	7,084.32 @		753.16
(b) Add — (i) Purchases	32,370.99		2,629.69
(ii) Cost of raw materials produced.....	<u>1,256.76</u>		<u>872.61</u>
	40,712.07		4,255.46
(c) Less — Closing stock.....	<u>7,387.52</u>	33,324.55	<u>766.50</u> 3,488.96
3. PAYMENTS TO AND PROVISION FOR EMPLOYEES :			
(a) Wages and salaries, including bonus.....	14,381.35		1,635.40
(b) Company's contributions to provident and other funds.....	<u>2,291.86</u>	16,673.21	<u>249.57</u> 1,884.97
4. OPERATION AND OTHER EXPENSES :			
(a) Stores and spare parts consumed	8,565.50		1,182.25
(b) Fuel oil consumed	709.66		285.32
(c) Repairs to buildings.....	431.78		17.26
(d) Repairs to machinery	6,210.70		698.26
(e) Relining expenses.....	63.01		87.37
(f) Conversion charges	871.23		668.59
(g) Purchase of power	4,929.32		1,315.39
(h) Rent.....	3,757.18		49.58
(i) Royalty	177.81		178.70
(j) Rates and taxes	478.76		65.69
(k) Insurance charges.....	376.33		40.73
(l) Commission, discounts and rebates	380.76		65.86
(m) Provision for wealth tax.....	1.73		1.11
(n) Adjustments relating to previous years (net).....	10.40		(62.47)
(o) Other expenses	<u>5,650.32*</u>		<u>1,383.09</u>
		32,614.49	5,976.73
5. FREIGHT AND HANDLING CHARGES.....		6,005.15	1,508.37
6. PROVISION FOR DOUBTFUL DEBTS AND ADVANCES		58.29	19.99
7. EXCISE DUTY		35.60	94.60
		1,14,981.05	18,656.05
8. (ACCRETION)/REDUCTION IN STOCKS OF FINISHED AND SEMI-FINISHED PRODUCTS AND WORK-IN-PROGRESS (DEDUCTED)/ADDED :			
(a) Opening stock	13,131.32 #		1,888.44
(b) Less — Closing stock.....	<u>14,021.85</u>		<u>2,428.66</u>
		(890.53)	(540.22)
		1,14,090.52	18,115.83

@ Includes Rs. 6,216.62 crores for Corus Group Limited and Rs. 101.20 crores for Tata Metaliks Limited which have become subsidiaries during the year.

Includes Rs. 10649.62 crores for Corus Group Limited and Rs. 53.04 crores for Tata Metaliks Limited which have become subsidiaries during the year.

* Includes provision for diminution in the value of investments **Rs. Nil** (2006-07 : Rs. 0.10 crore) and goodwill written off **Rs. 127.59** crores (2006-07 : Rs. 166.95 crores).

Schedules forming part of the Consolidated balance sheet
SCHEDULE A : SHARE CAPITAL :—

(Item No. 1(a), Page 224)

	Rupees crores	As at 31-3-2007 Rupees crores
Authorised :		
1,75,00,00,000 Ordinary Shares of Rs. 10 each	1,750.00	1,750.00
<i>(31.3.2007 : 1,75,00,00,000 Ordinary Shares of Rs. 10 each)</i>		
2,50,00,000 Cumulative Redeemable Preference Shares of Rs. 100 each	250.00	250.00
<i>(31.3.2007 : 2,50,00,000 Ordinary Shares of Rs. 100 each)</i>		
60,00,00,000 2% Cumulative Convertible Preference Shares of Rs. 100 each	6,000.00	—
<i>(31.3.2007 : Nil)</i>		
	8,000.00	2,000.00
Issued :		
73,06,98,048@ Ordinary Shares of Rs. 10 each	730.70	580.40
<i>(31.3.2007 : 58,04,03,477 Ordinary Shares of Rs. 10 each)</i>		
54,80,75,571 2% Cumulative Convertible Preference Shares of	5,480.76	—
<i>Rs. 100 each (31.3.2007 : Nil)</i>		
Subscribed :		
72,99,12,865@ Ordinary Shares of Rs. 10 each fully paid up	729.91	579.80
<i>(31.3.2007 : 57,98,01,401 Ordinary Shares of Rs. 10 each)</i>		
<i>Add — Amount paid up on 3,89,516 (31.3.2007 : 3,89,516)</i>		
Ordinary Shares forfeited	0.20	0.20
	730.11	580.00
54,72,51,605 2% Cumulative Convertible Preference Shares of	5,472.52	—
<i>Rs. 100 each (31.3.2007 : Nil)</i>		
	6,202.63	580.00

 @ Excludes **6,71,455** (31.3.2007 : 6,71,455) Ordinary Shares held by a Subsidiary.

SCHEDULE B : RESERVES AND SURPLUS :—

(Item No. 2, Page 224)

	Rupees crores	As at 31-3-2007 Rupees crores
(a) Securities premium account	6,392.14	2,259.36
(b) Amalgamation reserve	1.12	1.12
(c) Debenture redemption reserve	646.00	646.00
(d) Capital redemption reserve	20.78	20.78
(e) Capital reserve	16.45	15.96
(f) Capital reserve (arising on consolidation)	16.21	15.91
(g) General reserve	7,697.15	5,931.62
(h) Investment allowance (utilised) reserve	0.23	0.23
(i) Export profits reserve	1.25	1.25
(j) Foreign exchange fluctuation reserve	39.71	(5.22)
(k) Foreign currency translation reserve	(1,273.33)	1.46
(l) Contributions for capital expenditure	46.52	42.65
(m) Contingency reserve	100.00	100.00
(n) Debenture forfeiture reserve	0.04	0.04
(o) Special reserve	5,936.75	23.59
(p) Statutory reserve	96.30	—
(q) Profit and loss account	8,234.03	4,840.39
	27,971.35	13,895.14

Schedules forming part of the Consolidated balance sheet

SCHEDULE C : SECURED LOANS :— (Item No. 6(a), Page 224)

	Rupees crores	As at 31-3-2007 Rupees crores
(a) Joint plant committee-steel development fund [including funded interest Rs. 227.82 crores (31.3.2007 : Rs. 230.02 crores)].....	1,700.63	1,650.24
(b) Privately placed non-convertible debentures.....	83.42	175.00
(c) Banks and financial institutions.....	32,714.99	2,735.67
(d) Working capital demand loan/term loans from banks	132.00	122.13
(e) Cash credits/packing credits from banks	368.72	273.75
(f) Government of India	0.02	0.02
(g) Assets under lease	415.44	4.42
	35,415.22	4,961.23

SCHEDULE D : UNSECURED LOANS :— (Item No. 6(b), Page 224)

	Rupees crores	As at 31-3-2007 Rupees crores
(a) Fixed deposits (including interest accrued and due)	15.20	24.14
(b) Housing Development Finance Corporation Ltd.....	5.50	8.69
(c) Banks and financial institutions.....	12,968.40	19,881.27
(d) 1% Convertible Alternative Reference Securities – US \$ 875 million equivalent (See Note 26, Page 263)	4,329.92	—
(e) Assets under lease	805.73	—
(f) Interest free loans under Sales Tax Deferral Scheme.....	0.46	0.52
(g) Others	52.32	49.68
	18,177.53	19,964.30

Schedules forming part of the Consolidated balance sheet

SCHEDULE E : FIXED ASSETS :—

(Item No. 10, Page 224)

Rupees crores

Fixed Assets	Land and Roads	Buildings (4)	Leasehold	Railway Sidings	Plant and Machinery	Furniture, Fixture and Office Equipment (8)	Development of Property (5) & (7)	Live-stock & Vehicles (8)	Intangibles	Total
Gross Block as at 1.4.2007	389.90	1,773.54	236.56	116.92	16,668.86	202.14	383.87	195.81	116.18	20,083.78
	202.80	1,049.26	151.44	114.50	14,351.84	150.72	326.09	199.41	84.62	16,630.68
Assets of New Companies ⁽¹⁾	871.73	6,889.89	2,066.71	513.35	61,633.92	976.70	—	24.67	894.99	73,871.96
	132.03	485.10	10.19	—	1,420.45	26.26	—	—	0.86	2,074.89
Additions during the year ^{(2) & (6)}	29.69	333.31	79.91	35.04	5,156.29	35.39	2.57	24.33	271.69	5,968.22
	35.46	174.04	73.62	2.45	670.13	23.13	57.78	10.09	29.28	1,075.98
Exchange Fluctuation — Gross Block	6.89	(99.45)	(63.70)	12.68	(1,942.04)	69.26	—	0.59	5.02	(2,010.75)
	19.61	84.24	1.31	—	252.10	3.93	—	0.36	1.45	363.00
Deductions during the year ⁽³⁾	14.36	188.93	20.76	—	1,314.04	108.93	24.81	9.19	2.84	1,683.86
	—	19.10	—	0.03	25.66	1.90	—	14.05	0.03	60.77
Gross Block as at 31.3.2008	1,283.85	8,708.36	2,298.72	677.99	80,202.99	1,174.56	361.63	236.21	1,285.04	96,229.35
	389.90	1,773.54	236.56	116.92	16,668.86	202.14	383.87	195.81	116.18	20,083.78
Capital work-in-progress [including advances for capital expenditure Rs. 574.50 crores (31.3.2007 : <i>Rs. 579.26</i> crores)]										8,896.19
										3,326.37
										1,05,125.54
										23,410.15
Impaired Assets as at 1.4.2007	99.16	1.25	—	—	—	—	—	—	—	100.41
	92.94	1.25	—	—	—	—	—	—	—	94.19
Impaired Assets of New Companies ⁽¹⁾	59.10	71.69	31.22	—	2,715.24	0.37	—	—	26.63	2,904.25
	—	—	—	—	—	—	—	—	—	—
Impairment during the year	0.07	32.29	12.44	—	204.26	0.10	—	—	—	249.16
	6.22	—	—	—	—	—	—	—	—	6.22
Exchange Fluctuation – Impairment	4.40	(0.57)	(2.30)	—	(73.54)	(0.01)	—	—	(1.74)	(73.76)
	—	—	—	—	—	—	—	—	—	—
Impairment on assets written off during the year (including adjustments for transfers)	—	—	—	—	8.36	—	—	—	—	8.36
	—	—	—	—	—	—	—	—	—	—
Impaired Assets as at 31.3.2008	162.73	104.66	41.36	—	2,837.60	0.46	—	—	24.89	3,171.70
	99.16	1.25	—	—	—	—	—	—	—	100.41
Accumulated Depreciation upto 1.4.2007	48.02	729.38	12.09	61.89	7,824.67	135.07	160.52	77.81	39.76	9,089.21
	15.54	313.31	3.15	54.41	6,428.35	86.11	104.47	69.86	30.60	7,105.80
Accumulated Depreciation of New Companies ⁽¹⁾	247.41	5,068.73	872.33	445.69	42,167.71	920.25	—	17.67	360.35	50,100.14
	24.85	318.59	—	—	502.49	19.91	—	0.07	0.35	866.26
Depreciation during the year ⁽⁶⁾	12.19	271.53	203.70	11.64	3,460.39	37.79	36.21	22.79	123.68	4,179.92
	2.98	45.52	4.29	5.01	841.10	29.83	56.05	17.32	8.88	1,010.98
Depreciation on assets written off during the year (including adjustments for transfers)	3.17	173.18	(0.90)	2.50	1,184.99	118.00	24.81	7.84	(6.78)	1,506.81
	(0.15)	5.21	(4.48)	(2.47)	44.56	4.03	—	9.79	0.15	56.64
Exchange Fluctuation – Depreciation	(11.56)	(176.99)	(29.03)	11.19	(1,795.43)	72.13	—	0.25	5.90	(1,923.54)
	4.50	57.17	0.17	—	97.29	3.25	—	0.35	0.08	162.81
Accumulated Depreciation upto 31.3.2008	292.89	5,719.47	1,059.99	527.91	50,472.35	1,047.24	171.92	110.68	536.47	59,938.92
	48.02	729.38	12.09	61.89	7,824.67	135.07	160.52	77.81	39.76	9,089.21
Total Accumulated Depreciation & Impairment upto 31.3.2008	455.62	5,824.13	1,101.35	527.91	53,309.95	1,047.70	171.92	110.68	561.36	63,110.62
	147.18	730.63	12.09	61.89	7,824.67	135.07	160.52	77.81	39.76	9,189.62
Net Block as at 31.3.2008	828.23	2,884.23	1,197.37	150.08	26,893.04	126.86	189.71	125.53	723.68	33,118.73
	242.72	1,042.91	224.47	55.03	8,844.19	67.07	223.35	118.00	76.42	10,894.16
Impairment on Capital work-in-progress										51.80
Capital Work in progress [including advances for capital expenditure Rs. 574.50 crores (31.3.2007 : <i>Rs. 579.26</i> crores)]										8,844.39
										3,326.37
										41,963.12
										14,220.53

- (1) Represents assets, impaired assets and accumulated depreciation of Corus Group Limited, Tata Metaliks Limited, Tata Steel Global Minerals Holdings Pte. Limited, their subsidiaries and joint ventures which became part of Tata Steel Group during the year.
- (2) Additions include adjustments for inter se transfers.
- (3) Deductions include cost of assets scrapped/sold/surrendered during the year.
- (4) Buildings include **Rs. 2.32** crores (31.3.2007 *Rs. 2.32* crores) being cost of shares in Co-operative Housing Societies & Limited Companies.
- (5) Development of property represents expenditure incurred on development of mines / collieries.
- (6) Rupee Liability has increased by a net amount of **Rs. 6.45** crores (2006-07 : *net decrease by Rs. 1.90* crores) arising out of realignment of the value of foreign currency loans taken prior to 01.04.2004 for procurement of fixed assets. This increase has been adjusted in the carrying cost of respective fixed assets and has been depreciated over their remaining depreciable life.
- (7) Additions include **Rs. Nil** (2006-07 : *Rs. 57.57* crores) towards provision for final mines closure expenditure as per the circular dated 8th August, 2003 issued by Indian Bureau of Mines and subsequent clarifications issued under Mineral Conservation & Development (Amendment) Rules 2003 as per Section 18 of the Mines and Minerals (Development and Regulation) Act, 1957. The depreciation for the current year includes **Rs. 6.30** crores (2006-07 : *Rs. 20.63* crores) on account of amortisation of the same including **Rs. Nil** crores (2006-07 : *Rs. 14.57* crores) for earlier years.
- (8) The useful life of Furniture Fixtures Office Equipments and Light Vehicles has been revised effective 1st April, 2007. The net written down value of these assets as at 31st March, 2007 is being depreciated over the revised remaining useful life of the assets. As a result of this change depreciation for the year ended 31st March, 2008 is higher by **Rs. 12.40** crores (2006-07 : *Rs. 19.84* crores).
- (9) Depreciation charge in the profit and loss account is net of **Rs. 42.97** crores (2006-07 : *Rs. Nil*) on account of an asset against which a specific grant has been received.
- (10) CWIP and impairment on CWIP include exchange fluctuation of **Rs. 213.21** crores (31.3.2007 : *Rs. 5.53* crores) and **Rs. 3.58** crores (31.3.2007 : *Rs. Nil*) respectively.

Schedules forming part of the Consolidated balance sheet

SCHEDULE F : INVESTMENTS :— (Item No. 11, Page 224)

	Rupees crores	Rupees crores	As at 31-3-2007 Rupees crores
A. LONG TERM INVESTMENTS (At Cost less provision for diminution in value)			
1. In Associates (see Note 1, Page 243)			
Cost of investment \$.....	302.79		168.14
(including Rs. 12.69 crores (31.3.2007 : <i>Rs. 9.87 crores</i>) of Goodwill net of Capital Reserve arising on consolidation)			
Add – Share of post acquisition profit (net of losses)	<u>259.08</u>		<u>169.41</u>
		561.87	<u>337.55</u>
2. Others			
(a) Shares (Quoted)		363.88	<u>364.36</u>
(b) Shares (Unquoted)@		1,153.81	<u>11,995.49</u>
B. INVESTMENT PROPERTIES		154.13	—
C. CURRENT INVESTMENTS (at lower of cost and fair value)			
(Quoted)			
3. Units in Unit Trust of India	10.21		10.21
4. Others.....	<u>1.74</u>		<u>1.79</u>
		11.95	<u>12.00</u>
(Unquoted)			
5. Investment in Mutual Funds#		1,111.70	<u>3,763.46</u>
6. Others.....		10.09	<u>24.64</u>
		<u>3,367.43</u>	<u><u>16,497.50</u></u>

\$ Includes as at 31.3.2008 cost of investments in associates of Corus Group Limited acquired during the year.

@ Includes **Rs. Nil** (31.3.2007: *Rs. 11,522.97 crores*) in Corus Group Limited.
(See Note 15, Page 251)

Includes **Rs. Nil** (31.3.2007: *Rs. 3,262.59 crores*) ringfenced for a specific purpose.

SCHEDULE G : STOCK-IN-TRADE :— (Item No. 15A(b), Page 224)

	Rupees crores	As at 31-3-2007 Rupees crores
(a) Finished and semi-finished products produced and purchased by the Company, at lower of cost and net realisable value (including purchased goods-in-transit at cost)	9,359.99	<u>2,396.06</u>
(b) Work-in-progress (at lower of cost and net realisable value)	<u>4,661.86</u>	<u>32.60</u>
	14,021.85	<u>2,428.66</u>
(c) Coal, iron ore and other raw materials produced and purchased by the Company, at lower of cost and net realisable value (including purchased raw materials-in-transit at cost)	<u>7,387.52</u>	<u>766.50</u>
	<u>21,409.37</u>	<u><u>3,195.16</u></u>

Schedules forming part of the Consolidated balance sheet

SCHEDULE H : SUNDRY DEBTORS :—
(Item No. 15A(c), Page 224)

	Rupees crores	As at 31-3-2007 Rupees crores
(a) Over six months old.....	749.62	292.73
(b) Others	<u>18,419.43</u>	<u>1,581.82</u>
	19,169.05	1,874.55
Less — Provision for doubtful debts	<u>472.73</u>	<u>188.02</u>
	<u>18,696.32</u>	<u>1,686.53</u>
	Rupees crores	As at 31-3-2007 Rupees crores
Sundry debts, secured and considered good.....	4,403.70	8.97
Sundry debts, unsecured and considered good	<u>14,292.62</u>	<u>1,677.56</u>
Sundry debts, considered doubtful.....	472.73	188.02
	<u>19,169.05</u>	<u>1,874.55</u>

SCHEDULE I : CASH AND BANK BALANCES :—
(Item No. 15A(e), Page 224)

	Rupees crores	As at 31-3-2007 Rupees crores
(a) Cash in hand [including cheques in hand]	138.92	132.45
(b) Remittance in transit	16.07	69.81
(c) Balance in current and deposit accounts		
(i) With scheduled banks	392.25	7,560.86 *
(ii) With other banks	<u>3,684.40</u>	<u>3,124.84 *</u>
	<u>4,231.64</u>	<u>10,887.96</u>

* Includes Rs. 7,225.94 crores ringfenced for a specific purpose.

SCHEDULE J : LOANS AND ADVANCES :—
(Item No. 15B, Page 224)

	Rupees crores	As at 31-3-2007 Rupees crores
(a) Advances with public bodies	534.90	380.33
(b) Other advances	<u>15,005.04</u>	<u>1,455.52</u>
(c) Advance payment against taxes.....	127.55	217.26
	15,667.49	2,053.11
Less — Provision for doubtful advances	<u>202.03</u>	<u>72.77</u>
	<u>15,465.46</u>	<u>1,980.34</u>
	Rupees crores	As at 31-3-2007 Rupees crores
Loans and Advances, secured and considered good.....	0.08	0.04
Loans and Advances, unsecured and considered good	<u>15,465.38</u>	<u>1,980.30</u>
Loans and Advances, considered doubtful.....	202.03	72.77
	<u>15,667.49</u>	<u>2,053.11</u>

Schedules forming part of the Consolidated balance sheet

SCHEDULE K : CURRENT LIABILITIES :— (Item No. 16A, Page 224)

	Rupees crores	Rupees crores	As at 31-3-2007 Rupees crores
(a) Sundry creditors :			
(i) For goods supplied	9,783.91		1,794.47
(ii) For accrued wages and salaries	2,780.42		957.07
(iii) For other liabilities	<u>13,131.51</u>		<u>2,328.45</u>
		25,695.84	<u>5,079.99</u>
(b) Interest accrued but not due		319.41	49.81
(c) Advances received from customers		331.22	291.02
(d) Unpaid Dividend		47.44	23.37
		<u>26,393.91</u>	<u>5,444.19</u>

SCHEDULE L : PROVISIONS :— (Item No. 16B, Page 224)

	Rupees crores	As at 31-3-2007 Rupees crores
(a) Provision for employee benefits	2,042.67	549.88
(b) Provision for taxation	2,254.07	563.99
(c) Provision for fringe benefits tax	20.91	20.33
(d) Proposed dividends	1,190.05	942.87
(e) Others	949.89	2.50
	<u>6,457.59</u>	<u>2,079.57</u>

SCHEDULE M : MISCELLANEOUS EXPENDITURE (to the extent not written off) :— (Item No. 18, Page 224)

	Rupees crores	As at 31-3-2007 Rupees crores
(a) Employee separation compensation (see Note 13(a), Page 250)	155.59	203.19
(b) Preliminary expenditure	0.04	6.58
	<u>155.63</u>	<u>209.77</u>

Signatures to Schedules 1 to 4 and
A to M and Notes on pages 236 to 263

For and on behalf of the Board

RATAN N TATA

Chairman

JAMES LENG

Dy. Chairman

NUSLI N WADIA

S M PALIA

ISHAAT HUSSAIN

JAMSHED J IRANI

SUBODH BHARGAVA

JACOBUS SCHRAVEN

ANDREW ROBB

T MUKHERJEE

PHILIPPE VARIN

B MUTHURAMAN

Directors

Managing Director

Mumbai, 26th June, 2008

J C BHAM
Company Secretary

SCHEDULE N : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR 2007-08
1. Principles of Consolidation :

The Consolidated Financial Statements relate to Tata Steel Limited ("the Company") and its subsidiary companies. The Consolidated Financial Statements have been prepared on the following basis :

- The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses as per Accounting Standard 21 – "Consolidated Financial Statements" notified by Companies (Accounting Standards) Rules, 2006.
- In case of foreign subsidiaries, being non-integral operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the foreign currency translation reserve.
- The difference between the cost of investment in the subsidiaries and joint ventures, and the Company's share of net assets at the time of acquisition of shares in the subsidiaries and joint ventures is recognised in the financial statement as Goodwill or Capital Reserve as the case may be.
- Minority Interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separately from liabilities and the equity of the company's shareholders.
Minority interest in the net assets of consolidated subsidiaries consists of :
 - a) The amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and
 - b) The minorities' share of movements in equity since the date the parent subsidiary relationship came into existence.
- Minority interest in the net profit for the year of consolidated subsidiaries is identified and adjusted against the profit after tax of the group.
- In case of Associates where the company directly or indirectly through subsidiaries holds more than 20% of equity, investments in those associates are accounted for using equity method as per Accounting Standard 23 – "Accounting for Investments in Associates in Consolidated Financial Statements" notified by Companies (Accounting Standards) Rules, 2006.
- The company accounts for its share in the change in the net assets of the associates, post acquisition, after eliminating unrealised profits and losses resulting from transactions between the company and its associates to the extent of its share, through its profit and loss account to the extent such change is attributable to the associates' profit and loss account and through its reserves for the balance, based on available information.
- The difference between the cost of investment in the associates and the Company's share of net assets at the time of acquisition of share in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.
- Interests in Joint Ventures have been accounted by using the proportionate consolidation method as per Accounting Standard 27 – "Financial Reporting of Interests in Joint Ventures" notified by Companies (Accounting Standards) Rules, 2006.
- The financial statements of the subsidiaries, associates and joint ventures used in the consolidation are drawn up to the same reporting date as that of the Company i.e. 31st March, 2008, except for certain associates (indicated as # below) for which financial statements as on reporting date are not available. These have been consolidated based on last available financial statements.

The list of subsidiary companies and joint ventures which are included in the consolidation and the Company's holdings therein are as under :

Name of the Company	Ownership in % either directly or through Subsidiaries		Country of Incorporation
	2007-08	2006-07	
Subsidiaries			
Adityapur SEZ Ltd.	51.00	—	India
Adityapur Toll Bridge Company Ltd.	55.05	55.05	India
Al Rimal Mining LLC \$	70.00	—	Oman
Almana Steel Dubai (Jersey) Limited	100.00	—	Jersey
Aluminium Delfzijl B.V.	100.00	—	Netherlands
Apollo Metals Ltd.	100.00	—	USA
Ashorne Hill Management College	100.00	—	UK
Augusta Grundstucks GmbH	100.00	—	Germany
Automotive Laser Technologies Limited	100.00	—	UK
Automotive Tailored Blanks B.V.	100.00	—	Netherlands
B S Pension Fund Trustee Ltd.	100.00	—	UK
Bangla Steel & Mining Co. Ltd.	100.00	100.00	Bangladesh
Beheermaatschappij Industriële Producten B.V.	100.00	—	Netherlands
Belfin Beheermaatschappij B.V.	100.00	—	Netherlands
Bell & Harwood Limited	100.00	—	UK
Best Bar (Vic) Pte. Ltd.	71.00	71.00	Australia
Best Bar Pty. Ltd.	71.00	71.00	Australia
Black Ginger 461 Proprietary Ltd \$	100.00	—	South Africa
Blastmega Limited (United Steel Forgings Ltd.)	100.00	—	UK
Blume Stahlservice GmbH	100.00	—	Germany
Blume Stahlservice Polska Sp. Z.O.O	100.00	—	Poland
Bore Samson Group Ltd.	100.00	—	UK
Bore Steel Ltd.	100.00	—	UK
British Guide Rails Ltd.	100.00	—	UK

**SCHEDULE N : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES
FOR THE FINANCIAL YEAR 2007-08 :- continued**

Name of the Company	Ownership in % either directly or through Subsidiaries		Country of Incorporation
	2007-08	2006-07	
Subsidiaries			
British Steel Holdings B.V.	100.00	—	Netherlands
British Steel Nederland International B.V.	100.00	—	Netherlands
British Steel Benelux B.V.	100.00	—	Netherlands
British Steel Corporation Ltd.	100.00	—	UK
British Steel De Mexico S.A. de C.V.	100.00	—	Mexico
British Steel Directors (Nominees) Limited	100.00	—	UK
British Steel Employee Share Ownership Trustees Ltd.	100.00	—	UK
British Steel Engineering Steels (Exports) Limited	100.00	—	UK
British Steel International B.V.	100.00	—	Netherlands
British Steel Samson Limited	100.00	—	UK
British Steel Service Centres Ltd.	100.00	—	UK
British Steel Tubes Exports Ltd.	100.00	—	UK
British Transformer Cores Ltd.	100.00	—	UK
British Tubes Stockholding Ltd.	100.00	—	UK
BS Quest Trustee Limited	100.00	—	UK
Bskh Corporate Services (UK) Limited	100.00	—	UK
Burgdorfer Grundstuecks GmbH (Formerly Burgdorfer Entzinnungswerk GmbH)	100.00	—	Germany
Burwill Trading Pte. Ltd.	100.00	100.00	Singapore
Business Park Ymond B.V.	100.00	—	Netherlands
C V Benine	76.92	—	Netherlands
C Walker & Sons (Steel) Ltd.	100.00	—	UK
C Walker & Sons Ltd.	100.00	—	UK
Catnic GmbH	100.00	—	Germany
Catnic Limited	100.00	—	UK
Cbs Investissements SAS	100.00	—	France
Cladding & Decking (UK) Limited	100.00	—	UK
Cogent Power Inc.	100.00	—	Canada
Cogent Power Inc.	100.00	—	USA
Cogent Power Inc.	100.00	—	Mexico
Cogent Power Limited	100.00	—	UK
Cold Drawn Tubes Ltd.	100.00	—	UK
Color Steels Limited	100.00	—	UK
Corbeil Les Rives SCI	67.30	—	France
Corby (Northants) & District Water Co.	100.00	—	UK
Cordor (C & B) Limited	100.00	—	UK
Corus - Sistemas Constructivos E Revestimentos Metalicos, Lda	100.00	—	Portugal
Corus Aluminium Beheer B.V.	100.00	—	Netherlands
Corus Aluminium Limited	100.00	—	UK
Corus Aluminium Verwaltungsgesellschaft Mbh	100.00	—	Germany
Corus Aluminium Voerde GmbH	100.00	—	Germany
Corus America Holdings Inc.	100.00	—	USA
Corus America Inc.	100.00	—	USA
Corus Asia Limited	100.00	—	Hong Kong
Corus Batiment Et Systemes SAS	100.00	—	France
Corus Bausysteme GmbH	100.00	—	Germany
Corus Bausysteme Osterreich GmbH	100.00	—	Austria
Corus Belgium Bvba	100.00	—	Belgium
Corus Benelux B.V.	100.00	—	Netherlands
Corus Beteiligungs GmbH	100.00	—	Germany
Corus Brokers Limited	100.00	—	UK
Corus Building Systems (Guangzhou) Limited	100.00	—	China
Corus Building Systems Inc. (Formerly Corus Aluminium Service Centers Inc.)	100.00	—	USA
Corus Building Systems N.V.	100.00	—	Belgium
Corus Building Systems Pte. Limited	100.00	—	Singapore
Corus Building Systems SAS	100.00	—	France
Corus Byggesystemer A/S	100.00	—	Denmark
Corus Byggsystem AB	100.00	—	Sweden
Corus Byggsystemer A/S	100.00	—	Norway
Corus Central Europe S.R.O.	100.00	—	Czech Republic
Corus Cic Holdings Inc.	100.00	—	Canada
Corus Cic Inc.	100.00	—	Canada
Corus Cnbv Investments	100.00	—	UK
Corus Coatings Usa Inc. (Formerly Hoogovens Coatings Usa Inc.)	100.00	—	USA
Corus Cold Drawn Tubes Limited (Formerly British Steel Cold Drawn Tubes Limited)	100.00	—	UK
Corus Construction Products (Thailand) Limited (Formerly British Steel Ssp Ltd.)	82.35	—	Thailand

SCHEDULE N : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR 2007-08 :- continued

Name of the Company	Ownership in % either directly or through Subsidiaries		Country of Incorporation
	2007-08	2006-07	
Subsidiaries			
Corus Consulting and Technical Services B.V. (Formerly Hoogovens Tech Serv Mercurius B.V.)	100.00	—	Netherlands
Corus Consulting B.V. (Formerly Hoogovens Tech Serv Technical & Operational Assistance B.V.)	100.00	—	Netherlands
Corus Consulting Limited (Formerly British Steel Consultants Ltd.)	100.00	—	UK
Corus Consulting Romania SRL	100.00	—	Romania
Corus Degels GmbH (Formerly August Degels Eisengrosshandel GmbH)	100.00	—	Germany
Corus Denmark A/S (Formerly British Steel Denmark A/S)	100.00	—	Denmark
Corus Deutschland GmbH (Formerly Hoogovens Deutschland GmbH)	100.00	—	Germany
Corus Distribution & Building Systems Central Europe B.V. (Formerly Aluminium Handelmaatschappij Mercal (Ahm) B.V.)	100.00	—	Netherlands
Corus Electrical Limited	100.00	—	UK
Corus Engineering Limited	100.00	—	UK
Corus Engineering Steels (UK) Limited (Formerly British Steel Engineering Steels (UK) Ltd.)	100.00	—	UK
Corus Engineering Steels Holdings Limited (Formerly British Steel Engineering Steels Holdings Ltd.)	100.00	—	UK
Corus Engineering Steels Limited (Formerly British Steel Engineering Steels Limited)	100.00	—	UK
Corus Engineering Steels Overseas Holdings Limited (Formerly B S E S O H Ltd.)	100.00	—	UK
Corus Finance Limited	100.00	—	UK
Corus Finland Oy (Formerly British Steel Finland Oy)	100.00	—	Finland
Corus France SAS (Formerly British Steel France SA)	100.00	—	France
Corus Group Limited	100.00	—	UK
Corus Holdings (Thailand) Limited (Formerly British Steel Holdings (Thailand) Ltd.)	100.00	—	Thailand
Corus Holdings Ltd.	100.00	—	UK
Corus Holdings SA (Formerly British Steel Holdings SA)	100.00	—	France
Corus Hungary Trading Limited Liability Company	100.00	—	Hungary
Corus India Ltd. (Formerly Bs Johnson Limited)	100.00	—	India
Corus International (Guangzhou) Limited	100.00	—	China
Corus International (India) Pvt. Limited	100.00	—	India
Corus International (Overseas Holdings) Limited (Formerly B S I (O H) Ltd.)	100.00	—	UK
Corus International (Shanghai) Limited	100.00	—	China
Corus International (Singapore) Holding Pte. Ltd. \$	100.00	—	Singapore
Corus International Deutschland GmbH (Formerly Corus Metallvertrieb Deutschland GmbH, Formerly B S Deutschland)	100.00	—	Germany
Corus International Limited (Formerly British Steel International Limited)	100.00	—	UK
Corus International Representacoes Do Brasil Ltda.	100.00	—	Brazil
Corus International Romania SRL	100.00	—	Romania
Corus International Services N.V. (Formerly Sidal Coordinatie Centrum N.V.)	100.00	—	Belgium
Corus International Trading Limited	100.00	—	USA
Corus International Trading Limited (Formerly Corus Trading Limited)	100.00	—	UK
Corus International Trading Limited (Formerly Corus Trading Limited)	100.00	—	Hong Kong
Corus Investment B.V. (Formerly Control Systems Nederland B.V.)	100.00	—	Netherlands
Corus Investments Ltd.	100.00	—	UK
Corus Ireland Ltd. (Formerly British Steel Ireland Ltd.)	100.00	—	Eire
Corus Italia SRL (Formerly Hoogovens Steel Italia SRL)	100.00	—	Italy
Corus Laminacion Y Derivados, S.L. (Formerly Corus Iberia, S.L.)	100.00	—	Spain
Corus Large Diameter Pipes Limited (Formerly British Steel Large Diameter Pipes Limited)	100.00	—	UK
Corus Liaison Services (India) Limited (Formerly British Steel Liaison Services (India) Ltd.)	100.00	—	UK
Corus Management Limited (Formerly British Steel Management Limited)	100.00	—	UK
Corus Met B.V. (Formerly Hoogovens Aluminium Trading B.V.)	100.00	—	Netherlands
Corus Metal Iberica S.A (Formerly British Steel S.A)	100.00	—	Spain
Corus Metals (Malaysia) Sdn. Bhd.	100.00	—	Malaysia
Corus Metals (Thailand) Limited (British Steel (Thailand) Ltd.)	100.00	—	Thailand
Corus Metals Limited	100.00	—	UK
Corus Middle East FZE	100.00	—	UAE
Corus Multi-Metals Limited	100.00	—	UK
Corus Nederland B.V. (Formerly Koninklijke Hoogovens N.V)	100.00	—	Netherlands
Corus New Zealand Limited (Formerly British Steel New Zealand Ltd.)	100.00	—	New Zealand

**SCHEDULE N : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES
FOR THE FINANCIAL YEAR 2007-08 :- continued**

Name of the Company	Ownership in % either directly or through Subsidiaries		Country of Incorporation
	2007-08	2006-07	
Subsidiaries			
Corus Norge A/S (Formerly British Steel Norge A/S)	100.00	—	Norway
Corus Packaging Plus Belgium N.V.	100.00	—	Belgium
Corus Packaging Plus Norway AS (Formerly Hoogovens Packaging Steel Norway AS)	100.00	—	Norway
Corus Perfo B.V. (Formerly Hoogovens Perfo B.V.)	100.00	—	Netherlands
Corus Polska Sp. Z.O.O. (Formerly British Steel Polska Sp. Z.O.O.)	100.00	—	Poland
Corus Primary Aluminium B.V. (Formerly Hoogovens Aluminium Primaire Producten B.V.)	100.00	—	Netherlands
Corus Properties (Germany) Limited	100.00	—	UK
Corus Property (Formerly British Steel Property Limited)	100.00	—	UK
Corus Quest Trustee Limited	100.00	—	UK
Corus Rail Consultancy Limited (Formerly Cedg Ltd.)	100.00	—	UK
Corus Rail France S.A. (Formerly Sogeraill S.A.)	100.00	—	France
Corus Rail Limited (Formerly Britshelco (No. 10) Limited)	100.00	—	UK
Corus Republic of Ireland Subsidiaries			
Pension Scheme Trustee Limited	100.00	—	Eire
Corus Schweiz AG	100.00	—	Switzerland
Corus Service Center Milano Spa (Hoogovens Aluminium Italia Spa)	100.00	—	Italy
Corus Service Centre Maastricht B.V. (Formerly Feijen Staalservice B.V.)	100.00	—	Netherlands
Corus Services Nederland B.V. (Formerly Sarpedon B.V.)	100.00	—	Netherlands
Corus Sheet & Tube Inc. (Formerly British Steel (Sheet & Tube) Corporation Inc.)	100.00	—	USA
Corus Sistemas Constructivos, Sl	100.00	—	Spain
Corus South East Asia Pte. Limited (Formerly British Steel (Sea) Pte. Ltd.)	100.00	—	Singapore
Corus Special Strip Asia Limited	100.00	—	Hong Kong
Corus Staal B.V. (Formerly Hoogovens Staal B.V.)	100.00	—	Netherlands
Corus Stahl GmbH (Formerly Hoogovens Stahlholding GmbH)	100.00	—	Germany
Corus Stainless Limited	100.00	—	UK
Corus Stainless NI B.V.	100.00	—	Netherlands
Corus Stainless UK Ltd.	100.00	—	UK
Corus Star-Frame B.V. (Formerly Hoogovens Star - Frame B.V.)	100.00	—	Netherlands
Corus Steel Limited	100.00	—	UK
Corus Steel Usa Inc. (Formerly Hoogovens Steel Usa Inc.)	100.00	—	USA
Corus Sverige AB (Formerly British Steel Svenska AB)	100.00	—	Sweden
Corus Technology B.V. (Formerly Hoogovens Corporate Services B.V.)	100.00	—	Netherlands
Corus Trico Holdings Inc. (Formerly British Steel Trico Holdings Inc.)	100.00	—	USA
Corus Tubes B.V. (Formerly Hoogovens Buizen B.V.)	100.00	—	Netherlands
Corus Tuscaloosa Corp.	100.00	—	USA
Corus UK Limited (Formerly British Steel Limited)	100.00	—	UK
Corus Vlietjonge B.V. (Formerly Van Der Vliet & De Jonge)	100.00	—	Netherlands
Corus Yasan Metal Sanayi Ve Ticaret AS (Formerly British Steel Yasan Profil Tic Ve San AS)	62.50	—	Turkey
Cpn (85) Limited	100.00	—	UK
Crucible Insurance Company Ltd.	100.00	—	I Of Man
Demka B.V.	100.00	—	Netherlands
Dsrn Group Plc.	100.00	—	UK
Easteel Construction Services Pte. Ltd.	100.00	100.00	Singapore
Easteel Services (M) Sdn. Bhd.	100.00	100.00	Malaysia
Eastern Steel Fabricators Phillipines, Inc.	67.00	67.00	Phillipines
Eastern Steel Services Pte. Ltd.	100.00	100.00	Singapore
Eastern Wire Pte. Ltd.	100.00	100.00	Singapore
Ees Group Services Limited (Formerly Britshelco (No. 11) Limited)	100.00	—	UK
Ees Nederland B.V. (Formerly Lycurgus Ijmuiden B.V.)	100.00	—	Netherlands
Eric Olsson & Soner Forvaltnings AB	100.00	—	Sweden
Esmil B.V.	100.00	—	Netherlands
Euro-Laminations Limited	100.00	—	UK
European Electrical Steels Limited (Formerly Cogent Power Ltd.)	100.00	—	UK
European Profiles Limited	100.00	—	UK
Europressings Limited	100.00	—	UK
Firsteel Coated Strip Limited	100.00	—	UK
Firsteel Cold Rolled Products Limited	100.00	—	UK
Firsteel Group Limited	100.00	—	UK
Firsteel Group Pension Trustee Limited	100.00	—	UK
Firsteel Holdings Limited	100.00	—	UK
Firsteel Resources Limited	100.00	—	UK
Firsteel Steel Processing Limited	100.00	—	UK
Firsteel Strip Mill Products Limited	100.00	—	UK

SCHEDULE N : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR 2007-08 :- continued

Name of the Company	Ownership in % either directly or through Subsidiaries		Country of Incorporation
	2007-08	2006-07	
Subsidiaries			
Fischer Profielen NV	100.00	—	Belgium
Fischer Profil GmbH	100.00	—	Germany
Gamble Simms Metals Ltd.	100.00	—	Eire
Gopalpur Special Economic Zone Ltd.	100.00	100.00	India
Grant Lyon Eagre Ltd.	100.00	—	UK
H E Samson Ltd.	100.00	—	UK
Hadfields Holdings Ltd.	62.50	—	UK
Hammermega Limited	100.00	—	UK
Harrowmills Properties Ltd.	100.00	—	UK
Hille & Muller GmbH (Formerly Hille & Muller GmbH & Co. Kg)	100.00	—	Germany
Hille & Muller Italia SRL	100.00	—	Italy
Hille & Muller Usa Inc.	100.00	—	USA
Holorib GmbH	100.00	—	Germany
Hooghly Metcoke and Power Company Ltd.	100.00	97.99	India
Hoogovens (UK) Limited	100.00	—	UK
Hoogovens Aluminium Building Systems Limited	100.00	—	UK
Hoogovens Aluminium UK Limited	100.00	—	UK
Hoogovens Finance B.V.	100.00	—	Netherlands
Hoogovens Technical Services Coahuila B.V.	100.00	—	Netherlands
Hoogovens Technical Services Mexico De S. De R.L. De C.V.	100.00	—	Mexico
Hoogovens Technical Services Monclova B.V.	100.00	—	Netherlands
Hoogovens Tubes Poland Spolka Z.O.O. (Corus Tubes Poland Sp Z.O.O.)	100.00	—	Poland
Hoogovens Usa Inc.	100.00	—	USA
Huizenbezit "Breesaap" B.V.	100.00	—	Netherlands
Ickles Cottage Trust	100.00	—	UK
Immobiliere De Construction De Maubeuge Et Louvroil SAS	100.00	—	France
Industrial Steels Limited	100.00	—	UK
Inter Metal Distribution SAS	100.00	—	France
International Shipping Logistics FZE	100.00	51.00	UAE
Jamshedpur Utilities & Services Company Ltd.	100.00	100.00	India
K&S Management Service Limited	100.00	—	UK
Kalimati Coal Company Pty. Ltd.	100.00	100.00	Australia
Kalimati Investment Company Ltd.	100.00	100.00	India
Lanka Special Steels Ltd.	100.00	100.00	Sri Lanka
Lister Tubes Ltd.	100.00	—	Eire
London Works Steel Company Ltd.	100.00	—	UK
Materials Recycling Pte. Ltd.	100.00	100.00	Singapore
Midland Steel Supplies Ltd.	100.00	—	UK
Mistbury Investments Limited	100.00	—	UK
Montana Bausysteme AG	100.00	—	Switzerland
Myriad Deutschland GmbH (Formerly Hoogovens Myriad Deutschland GmbH)	100.00	—	Germany
Myriad Espana SI (Formerly Hoogovens Myriad Espana SI)	100.00	—	Spain
Myriad Nederland B.V. (Formerly Hoogovens Myriad Nederland B.V.)	100.00	—	Netherlands
Myriad SA (Formerly Hoogovens Myriad SA)	100.00	—	France
Myriad United Kingdom Limited (Formerly Hoogovens Myriad UK Limited)	100.00	—	UK
Naba Diganta Water Management Ltd. \$	51.00	—	India
Namascor B.V.	100.00	—	Netherlands
Natterrous Pte. Ltd.	100.00	100.00	Singapore
Nationwide Steelstock Limited	100.00	—	UK
NatSteel (Xiamen) Ltd.	100.00	100.00	China
NatSteel Asia (S) Pte. Ltd.	100.00	100.00	Singapore
NatSteel Asia Pte. Ltd.	100.00	100.00	Singapore
NatSteel Australia Pty. Ltd.	100.00	100.00	Australia
NatSteel Equity IV Pte. Ltd.	100.00	100.00	Singapore
NatSteel Iranian Private Joint Stock Company \$	100.00	—	Iran
NatSteel Middle East FZE	100.00	100.00	UAE
NatSteel Trade International (Shanghai) Company Ltd.	100.00	100.00	China
NatSteel Trade International Pte. Ltd.	100.00	100.00	Singapore
NatSteel Vina Co. Ltd.	56.50	56.50	Vietnam
Nebam Nedelandse Bevrachting En Agentuur Maatschappij B.V.	100.00	—	Netherlands
NTS Steel Group Public Co. Ltd.	99.66	67.51	Thailand
Oostflank B.V.	100.00	—	Netherlands
Orb Electrical Steels Limited	100.00	—	UK
Ore Carriers Ltd.	100.00	—	UK
Oremco Inc.	100.00	—	USA
Plated Strip International Limited	100.00	—	UK

**SCHEDULE N : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES
FOR THE FINANCIAL YEAR 2007-08 :- continued**

Name of the Company	Ownership in % either directly or through Subsidiaries		Country of Incorporation
	2007-08	2006-07	
Subsidiaries			
Precision Metal Forming Limited	100.00	—	UK
Precoat International Limited (Formerly Precoat International Plc.)	100.00	—	UK
Precoat Limited	100.00	—	UK
Pt Materials Recycling Indonesia	100.00	100.00	Indonesia
Rafferty-Brown North Carolina Co.	100.00	—	USA
Rafferty-Brown Steel Co Inc of Conn.	100.00	—	USA
Rawmet Ferrous Industries Pvt. Ltd.	100.00	100.00	India
Richard Thomas and Baldwins (1978) Limited	100.00	—	New Zealand
Richard Thomas and Baldwins (Australia) Pty. Ltd.	100.00	—	Australia
Round Oak Steelworks Ltd.	100.00	—	UK
Runblast Limited	100.00	—	UK
Runmega Limited	100.00	—	UK
S A B Profil B.V.	100.00	—	Netherlands
S A B Profil GmbH	100.00	—	Germany
SA Intertubes	100.00	—	Belgium
Sacra-Nord SAS	100.00	—	France
Scrap Processing Holding B.V. (Formerly Hoogovens Scrap Processing B.V.)	100.00	—	Netherlands
Seamless Tubes Ltd.	100.00	—	UK
Sia Corus Building Systems	100.00	—	Latvia
Siam Construction Steel Co. Ltd.	99.99	67.74	Thailand
Siam Industrial Wire Company Ltd.	100.00	100.00	Thailand
Siam Iron and Steel Co. Ltd.	99.99	67.74	Thailand
Sila Eastern Ltd. @	49.00	49.00	Thailand
Simiop Investments Ltd.	100.00	—	UK
Simiop Ltd.	100.00	—	UK
Simms Steel Holdings Ltd.	100.00	—	UK
Skruv Erik AB	100.00	—	Sweden
Societe Europeenne De Galvanisation (Segal) Sa (Formerly Segal, Societe Cooperative)	100.00	—	Belgium
Staalverwerking En Handel B.V. (Formerly Hoogovens Staalverwerking En Handel B.V.)	100.00	—	Netherlands
Steel Company (N.I.) Ltd.	100.00	—	UK
Steel Stockholdings Ltd.	100.00	—	UK
Steelstock Ltd.	100.00	—	UK
Stewarts & Lloyds of Ireland Ltd.	100.00	—	Eire
Stewarts and Lloyds (Overseas) Ltd.	100.00	—	UK
Stocksbridge Cottage Trust	100.00	—	UK
Stra-Color (Coated Steels) Limited	100.00	—	UK
Surahammar Bruks AB	100.00	—	Sweden
Swinden Housing Association	100.00	—	UK
Tata Incorporated	100.00	100.00	USA
Tata Korf Engineering Services Ltd.	99.99	99.99	India
Tata Metaliks Kubota Pipes Ltd. \$	51.00	—	India
Tata Metaliks Ltd. *	50.04	—	India
Tata Refractories Ltd.	71.28	71.28	India
Tata Steel (KZN) (Pty.) Ltd.	90.00	90.00	South Africa
Tata Steel (Thailand) Public Company Ltd.	67.9	67.75	Thailand
Tata Steel Asia Holdings Pte. Ltd.	100.00	100.00	Singapore
Tata Steel Netherlands B.V.	100.00	100.00	Netherlands
Tata Steel UK Ltd.	100.00	100.00	UK
Telmag (Holdings) Limited	100.00	—	UK
Telmag Magnetic Components Limited	100.00	—	UK
The Indian Steel and Wire Products Ltd.	91.36	91.36	India
The Newport and South Wales Tube Company Ltd.	100.00	—	UK
The Stanton Housing Company Ltd.	100.00	—	UK
The Steel Company of Ireland Limited	100.00	—	Eire
The Tata Pigments Ltd.	100.00	100.00	India
The Templeborough Rolling Mills Ltd.	100.00	—	UK
Thomas Processing Company	100.00	—	USA
Thomas Steel Strip Corp.	100.00	—	USA
Tinsley Trailers Limited (Formerly Britshelfco (No. 9) Limited)	100.00	—	UK
TKM Global GmbH (Formerly TKM Overseas Transport (Europe) GmbH)	51.00	51.00	Germany
TKM Global Logistics Ltd. (TKM Transport Management Services Private Ltd.)	51.00	51.00	India
TM International Logistics Ltd.	51.00	51.00	India
Toronto Industrial Fabrications Ltd.	100.00	—	UK
Trierer Walzwerk GmbH	100.00	—	Germany

SCHEDULE N : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR 2007-08 :- continued

Name of the Company	Ownership in % either directly or through Subsidiaries		Country of Incorporation
	2007-08	2006-07	
Subsidiaries			
TRL Asia Private Limited	62.73	62.73	Singapore
TRL China Limited	71.28	71.28	China
TS Asia (Hongkong) Pte. Ltd.	100.00	100.00	Hongkong
Tata Steel Global Minerals Holdings Pte. Limited \$	100.00	100.00	Singapore
TS Resources Australia Pty. Ltd.	100.00	100.00	Australia
Tulip Netherlands (No. 1) B.V.	100.00	100.00	Netherlands
Tulip Netherlands (No. 2) B.V.	100.00	100.00	Netherlands
Tulip UK Holdings (No. 1) Ltd.	100.00	100.00	UK
Tulip UK Holdings (No. 2) Ltd.	100.00	100.00	UK
Tulip UK Holdings (No. 3) Ltd.	100.00	100.00	UK
U.E.S. Bright Bar Limited	100.00	—	UK
UK Steel Enterprise Ltd. (Formerly British Steel (Industry) Ltd.)	100.00	—	UK
Ukse Fund Managers Limited	100.00	—	UK
Ukse Fund Mangers (General Partner) Limited	100.00	—	UK
United Steels Co. (N Z) Ltd.	100.00	—	New Zealand
Unitol SAS	100.00	—	France
Walker Manufacturing and Investments Ltd.	100.00	—	UK
Walkersteel (Ni) Ltd.	100.00	—	UK
Walkersteelstock Ireland Limited	100.00	—	Eire
Walkersteelstock Ltd.	100.00	—	UK
Westwood Steel Services Ltd.	100.00	—	UK
Whitehead (Narrow Strip) Ltd.	100.00	—	UK
Wuxi Jinyang Metal Products Co. Ltd.	95.00	95.00	China
Wuxi NatSteel Metal Products Co. Ltd.	95.00	95.00	China
Joint Ventures			
Afon Tinplate Company Limited	64.00	—	UK
Air Products Llanwern Limited	50.00	—	UK
B V Ijzerleew	50.00	—	Netherlands
Bsr Pipeline Services Limited	50.00	—	UK
Caparo Merchant Bar Plc.	25.00	—	UK
Cindu Chemicals B.V.	50.00	—	Netherlands
Corus Celik Ticaret As	50.00	—	Turkey
Corus Cogifer Switches and Crossings Limited	50.00	—	UK
Corus Kalpinis Simos Rom Srl	50.00	—	Romania
Corus-Kalpinis Simos Cladding Industry Sa (Formerly Bs Kalpinis Simos Com and Ind Sa)	50.00	—	Greece
Danieli Corus Technical Services B.V.	50.00	—	Netherlands
Framing Solutions Plc.	50.00	—	UK
Grantrail Group Ltd.	50.00	—	UK
Hks Scrap Metals B.V.	50.00	—	Netherlands
Ijzerhandel Geertsema Staal B.V.	50.00	—	Netherlands
Industrial Rail Services Ijmond B.V.	50.00	—	Netherlands
Laura Metaal Holding B.V.	49.00	—	Netherlands
mjunction Services Ltd. (formerly known as Metaljunction Services Ltd.)	50.00	50.00	India
Norsk Stal As	50.00	—	Norway
Norsk Stal Tynnplater As	50.00	—	Norway
Ravenscraig Limited (Formerly Stamek Limited)	100.00	—	UK
Riversdale Energy (Mauritius) Ltd. \$	35.00	—	Mauritius
Tata BlueScope Steel Ltd.	50.00	50.00	India
Tata NYK Shipping Pte. Ltd. \$	50.00	—	Singapore
Tata Ryerson Ltd.	50.00	50.00	India
Texturing Technology Limited	50.00	—	UK
The Dhamra Port Company Ltd.	50.00	50.00	India

@ Subsidiary on account of management control.

* Earlier an associate, became a subsidiary during the year.

\$ Part of the year.

SCHEDULE N : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR 2007-08 :- continued

The Associates of the Company and the ownership interest are as follows :

Name of the Company	% Share held	Original Cost of Investment Rs. crores	Goodwill/ (Capital Reserve) Rs. crores	Accumulated Profit/ (Loss) as at 31.3.2008 Rs. crores	Carrying of amount Investments as at 31.3.2008 Rs. crores
Ab Norskstal As	50.00	—	—	—	—
—	—	—	—	—	—
Albi Profils Srl	30.00	0.11	—	0.01	0.12
—	—	—	—	—	—
Almora Magnesite Limited	39.00	0.78	—	0.16	0.94
—	39.00	0.78	—	(0.01)	0.77
Altos Hornos De Mexico S.a. De C.v.	4.50	—	—	—	—
—	—	—	—	—	—
Antheus Magnesium B.V.	25.00	—	—	—	—
—	—	—	—	—	—
Appleby Frodingham Cottage Trust Limited	33.30	—	—	—	—
—	—	—	—	—	—
Business Park*	50.00	0.01	—	(0.01)	—
—	—	—	—	—	—
Combulex B.V.	50.00	10.97	—	1.24	12.21
—	—	—	—	—	—
Cv Gasexpansie Ijmond	50.00	0.26	—	0.03	0.29
—	—	—	—	—	—
Danieli Corus Canada Inc. (Formerly Hoogovens Technical Services Inc. (Canada))	50.00	—	—	—	—
—	—	—	—	—	—
Danieli Corus Asia B.V. (Formerly Hoogovens Technical Services Asia B.V.)	50.00	—	—	—	—
—	—	—	—	—	—
Danieli Corus Braseq Ltda	50.00	—	—	—	—
—	—	—	—	—	—
Danieli Corus B.V. (Formerly Hoogovens Technical Services Europe B.V.)	50.00	—	—	—	—
—	—	—	—	—	—
Danieli Corus Construction Services B.V	50.00	—	—	—	—
—	—	—	—	—	—
Danieli Corus Construction Services USA Inc. (Formerly Hoogovens Contr Serv USA Inc.)	50.00	—	—	—	—
—	—	—	—	—	—
Danieli Corus Do Brasil Ltda	50.00	—	—	—	—
—	—	—	—	—	—
Danieli Corus Inc. (Formerly Hoogovens Technical Services Inc. (USA))	50.00	—	—	—	—
—	—	—	—	—	—
Danieli Corus Services USA Inc. (Formerly Hoogovens Eng And Con USA Inc.)	50.00	—	—	—	—
—	—	—	—	—	—
Danieli Corus South Africa Pty. Ltd. (Formerly Hoogovens Technical Services Sth Africa)	50.00	—	—	—	—
—	—	—	—	—	—
Endex European Energy Derivates Exchanges Nv	0.23	—	—	—	—
—	—	—	—	—	—
European Profiles (Marketing) Sdn. Bhd	10.20	—	—	—	—
—	—	—	—	—	—
European Profiles Malaysia (M) Sdn. Bhd	20.00	6.35	—	0.11	6.46
—	—	—	—	—	—

**SCHEDULE N : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES
FOR THE FINANCIAL YEAR 2007-08 :- continued**

Name of the Company	% Share held	Original Cost of Investment Rs. crores	Goodwill/ (Capital Reserve) Rs. crores	Accumulated Profit/ (Loss) as at 31.3.2008 Rs. crores	Carrying of amount Investments as at 31.3.2008 Rs. crores
Galvpro Lp	45.50	—	—	—	—
	—	—	—	—	—
Gietwalsonderhoudcombinatie B.V.	50.00	9.66	—	3.50	13.16
	—	—	—	—	—
Hoogovens Court Chrome Vof	50.00	9.86	—	2.25	12.11
	—	—	—	—	—
Hoogovens Gan Multimedia S A De Cv	50.00	—	—	—	—
	—	—	—	—	—
Indian Steel Rolling Mills Limited (Re.1/-)(a)	20.56	—	—	—	—
	20.56	—	—	—	—
Industrial Energy Limited	26.00	26.00	—	—	26.00
	26.00	0.01	—	—	0.01
Isolation Du Sud Sa	0.33	—	—	—	—
	—	—	—	—	—
Issb Limited	50.00	—	—	—	—
	—	—	—	—	—
Jamipol (Formerly Jamshedpur Injection Powder Limited)	30.00	3.38	0.01	10.92	14.30
	30.00	3.38	0.01	9.05	12.43
Kalinga Aquatics Limited (Re.1/-)(a)#	30.00	—	—	—	—
	30.00	—	—	—	—
Kumardhubi Fireclay & Silica Works Limited (Re.1/-)(a)	27.78	—	—	—	—
	27.78	—	—	—	—
Kumardhubi Metal Casting & Engineering Limited (Re.1/-)(a)	49.31	—	—	—	—
	49.31	—	—	—	—
Metal Corporation of India Limited (Re.1/-)(a)#	42.05	—	—	—	—
	42.05	—	—	—	—
Nicco Jubilee Park Limited (Re.1/-)(a)#	21.6	0.35	—	(0.35)	—
	21.6	0.35	—	(0.35)	—
Regionale Ontwikkelingsmaatschappij Voor Het Noordzeekanaalgebied Nv	6.67	0.92	—	0.08	1.00
	—	—	—	—	—
Richard Lees Steel Decking Asia Snd. Bhd	10.00	—	—	—	—
	—	—	—	—	—
Rsp Holding B.V. (Formerly Rsp Products B.V.)	13.19	—	—	—	—
	—	—	—	—	—
Rujuvalika Investments Limited	24.12	0.60	(0.29)	3.73	4.33
	24.12	0.60	(0.29)	1.39	1.99
Schreiner Fleischer AS	50.00	—	—	—	—
	—	—	—	—	—
Shanghai Bao Yi Beverage Can Making Co. Ltd.	12.50	—	—	—	—
	—	—	—	—	—
SMS Mevac UK Limited (Formerly Vacmetal (UK) Ltd.)	45.00	3.70	—	(0.24)	3.46
	—	—	—	—	—
Southern Steel, Berhad	27.03	100.13	—	97.66	197.79
	27.03	100.13	—	28.41	128.54
Srutech Tubes (India) Private Limited (b) \$	20.00	—	—	—	—
	20.00	—	—	0.05	0.05

SCHEDULE N : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR 2007-08 :- continued

Name of the Company	% Share held	Original Cost of Investment Rs. crores	Goodwill/ (Capital Reserve) Rs. crores	Accumulated Profit/ (Loss) as at 31.3.2008 Rs. crores	Carrying of amount Investments as at 31.3.2008 Rs. crores
Steel Asia Development and Management Corporation (Re.1/-)(a)	40.00 40.00	— —	— —	— —	— —
Steel Asia Industries, Inc. (Re.1/-)(a)	50.00 50.00	— —	— —	— —	— —
Steel Asia Manufacturing Corporation (Re.1/-)(a)	40.00 40.00	— —	— —	— —	— —
Stuwadoorsbedrijf Velsekom B.V.	50.00 —	5.76 —	— —	(0.14) —	5.62 —
Tata Construction & Projects Limited (Re.1/-)(a)#	29.66 29.66	— —	— —	— —	— —
Tata Metaliks Limited *(b)	50.04 47.65	— 16.15	— 3.29	— 61.46	— 77.61
Tata Sponge Iron Limited	43.24 39.74	20.74 7.20	11.42 6.29	98.41 64.10	119.15 71.30
Tayo Rolls Limited	36.53 36.53	3.36 3.36	0.03 0.03	13.37 11.66	16.73 15.02
The Tinplate Company of India Limited	32.12 31.89	30.09 30.09	— —	(14.93) (23.45)	15.16 6.64
Thoresen & Thorvaldsen AS	50.00 —	— —	— —	— —	— —
TKM Overseas Limited	49.00 49.00	1.13 1.13	— —	(0.83) 0.14	0.30 1.27
TRF Limited	36.49 36.32	6.11 4.96	1.52 0.54	31.01 16.96	37.12 21.92
Trico Llc	25.00 —	— —	— —	— —	— —
Weirton/hoogovens Gp	50.00 —	— —	— —	— —	— —
Workington Cottage Trust	33.00 —	— —	— —	— —	— —
Wupperman Staal Nederland B.V.	30.00 —	62.52 —	— —	13.10 —	75.62 —
Total		302.79 168.14	12.69 9.87	***259.08 169.41	***561.87 337.55

* Earlier an associate, became a subsidiary during the year. Carrying value of investment on the date of becoming a subsidiary Rs. 96.21 crores.

*** Includes **Rs. 8.05** crores (2006-07 : Rs. 6.16 crores) adjustment to General Reserve consequent to the adoption of Accounting Standard (AS) 15, Employee Benefits (revised 2005).

(a) Investment in these associates have been reported at Nil value as the Company's share of losses exceeds the carrying amount of investment.

(b) Part of the year.

§ Disposed off during the year.

SCHEDULE N : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR 2007-08 :- continued
2. 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 issued by the Institute of Chartered Accountants of India, as applicable, and the relevant provisions of the Companies Act, 1956.

(b) Revenue Recognition

- (i) Sales comprises sale of goods and services, net of trade discounts and include exchange differences arising on sales transactions.
- (ii) Export incentive under the Duty Entitlement Pass Book Scheme has been recognised on the basis of credits afforded in the pass book.
- (iii) In one subsidiary, the income from services are recognised upon completion of the relevant shipping activities and related services. Income and expenses relating to incomplete voyages are carried forward as voyages-in-progress. Despatch earnings are accounted for on receipt basis.

(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. In some foreign subsidiaries, the present value is determined using the AA rated corporate bonds.
- (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 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 recognised in 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-operating expenses including trial run expenses (net of revenue) are capitalised. Interest on borrowings and financing 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. The details of estimated life for each category 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 – 10 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.

In some subsidiaries, joint ventures and associates depreciation is calculated on written down value basis and intangible assets are amortised over the period for which the rights are obtained. The depreciation charge in respect of these units is not significant in the context of the consolidated financial statements.

In case of certain foreign subsidiaries, the assets are depreciated on a straight line basis over the estimated useful life of the assets.

(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.

SCHEDULE N : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR 2007-08 :- continued

The differences in translation and realised gains and losses on foreign exchange transactions (including option contracts) are recognised in the profit and loss account. Further in respect of transactions covered by forward exchange contracts, the differences between the contract rate and the spot rate on the date of the transaction is charged to the profit and loss account over the period of the contract. 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.

Exchange differences (including arising out of forward exchange contracts) in respect of liabilities incurred to acquire fixed assets prior to April 1, 2004, are adjusted to the carrying amount of such fixed assets.

(g) Investments

Long term investments are carried at cost less provision for permanent diminution in value of such investments. Current investments are carried at lower of cost and fair value. Stock in trade in case of one of the subsidiaries, being an investment company, has been valued at cost or at market quotation whichever is lower scripwise. 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. Purchased goods-in-transit are carried at cost.

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. Purchased raw materials-in-transit are carried at cost.

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) Taxes on Income
i) Indian Companies :

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of Income Tax Act, 1961.

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

ii) Foreign Companies :

Foreign Companies recognise tax liabilities and assets in accordance with the applicable local laws.

(l) In case of certain subsidiaries, Purchased Goodwill is amortised over a period of 60 months.

3. Contingent Liabilities
(a) Guarantees

The Company has given guarantees aggregating **Rs. 1,109.67** crores (31.3.2007 : Rs. 215.56 crores) to banks and financial institutions on behalf of others. As at 31st March, 2008 the contingent liabilities under these guarantees amounted to **Rs. 1,109.67** crores (31.3.2007 : Rs. 215.56 crores).

(b) Claims not acknowledged by the Company :

	As at 31.3.2008 Rs. crores	As at 31.3.2007 Rs. crores
(i) Excise	226.62	194.72
(ii) Customs	13.86	13.66
(iii) Sales Tax	452.56	328.40
(iv) State Levies	99.32	98.92
(v) Suppliers and Service Contract	81.35	92.60
(vi) Labour Related	33.84	32.73
(vii) Income Tax	63.87	65.55
(viii) Others	404.14	30.87

(c) Claim by a party arising out of conversion arrangement - **Rs. 195.82** crores (31.3.2007 : Rs. 195.82 crores). The Company has not acknowledged this claim and has instead filed a claim of **Rs. 139.65** crores (31.3.2007 : Rs. 139.65 crores) on the party. The matter is pending before the Calcutta High Court.

(d) The Excise Department has raised a demand of **Rs. 235.48** crores (31.3.2007 : 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 has filed an appeal with CESTAT Kolkata.

SCHEDULE N : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR 2007-08 :- continued

- (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 to Supreme Court against the order of Orissa High Court and the case is pending with Supreme Court. The liability, if it materialises, as at 31.3.2008 would be **Rs. 588.78** crores (31.3.2007 : Rs. 327.63 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. 22.8.1990. 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 orders 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 31.3.2006 pronounced on 13.6.2006 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. 133.10** crores (31.3.2007 : Rs. 119.35 crores).
 - (g) Uncalled liability on partly paid shares and debentures **Rs. 0.01** crore (31.3.2007 : Rs. 0.01 crore).
 - (h) Bills discounted **Rs. 450.02** crores (31.3.2007 : Rs. 386.69 crores).
 - (i) Cheques discounted : Amount indeterminate.
4. The Indian Steel and Wire Products Limited (ISWPL), a subsidiary, was declared a sick industrial company within the meaning of Section 3(i)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985 (hereinafter referred to as 'SICA'). The Board for Industrial and Financial Reconstruction (BIFR) sanctioned a scheme vide its Order dated 22nd October, 2003, 21st November, 2003 and 18th December, 2003 for rehabilitation of the ISWPL by takeover of its management by Tata Steel Limited.

The significant notes appearing in the accounts of The Indian Steel and Wire Products Limited are given below :

As per clause 6.12 (xiii) of BIFR order dated 21st November, 2003, all liabilities not disclosed in the audited balance sheet for the year ended 31st March, 2002 including notes on accounts as then would be the personal responsibility of the erstwhile promoters to discharge. In view of the above, the following liabilities, which were not disclosed in the said balance sheet including the notes on accounts, have not been provided for or recognised in the accounts for financial year 2003-04, 2004-05, 2005-06, 2006-07 as well as accounts for financial year 2007-08.

Particulars	Rs. crores
Show cause notices/Demand raised by Central Excise Authorities (Under Appeal)	3.41
The Sales Tax Assessment is pending from the year 1998-99 onwards.	
Additional liability, if any, for pending assessment has not been ascertained (Under Appeal)	4.77
Employee State Insurance demand (Under Appeal)	1.49
Gratuity for ex-employees	0.73
Leave liability for ex-employees	0.33
Labour court cases	0.01
Income tax demand (Under Appeal)	3.05
Railway dues	0.04
Power dues	6.21
Liability for loan for Learjet Aircraft purchase	1.49
Wealth tax	3.90

The items indicated above are not exhaustive and any other liability, which may come to the notice of the present management also would be the personal liability of the erstwhile promoters.

5. (i) The Company and its subsidiaries have given undertakings to (a) IDBI Bank Ltd. (Formerly IDBI), IFCI, IIBI and State Bank of Patiala 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 Bank Ltd. (Formerly IDBI) not to dispose of its investment in Wellman Incandescent India Ltd., (d) IDBI Bank Ltd. (Formerly IDBI) and ICICI Bank Ltd. (formerly ICICI) not to dispose of its investment in Standard Chrome Ltd., (e) Citibank N.A. New York and Bank of America not to dispose of its investment in Tata Incorporated, New York, (f) 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., (g) IL&FS Trust Company Ltd. not to transfer, dispose off, assign, charge or lien or in any way encumber its holding in Taj Air Ltd., 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 seven Companies remains outstanding. The Company has also furnished a Security Bond in respect of its immovable property to the extent of Rs. 20.00 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. (ii) 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. (iii) In respect of loan taken by Tata Steel Asia Holdings Pte. Limited and the conditions of the loan agreements entered into with the lenders requires that Tata Steel Limited continues

SCHEDULE N : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR 2007-08 :- continued

to own legally and beneficially (directly or indirectly) all issued shares of the Company. In respect of loans taken by Tata Steel (KZN) (Pty) Limited and Tata Steel Global Minerals Holdings Pte. Limited, the conditions of the loan agreements entered into by the respective Companies with the lenders require that Tata Steel Limited continues to own legally and beneficially (directly or indirectly), 51% of the issued shares of the respective Companies.

6. The Company has, 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, 2008.
7. The Company had, on 20th August, 2005 signed an agreement with the Government of Jharkhand to partner with the State for developing sports infrastructure for the National Games 2007 to be held in Jharkhand. The Company had, on request from the Government of Jharkhand, paid Rs. 150.00 crores as advance towards the same. Based on the confirmation from the Government of Jharkhand about commencement of work, the amount of Rs. 150.00 crores has been charged to the profit and loss account during the year.
8. The Company, pursuant to the Sale Agreement signed on 2nd April, 2007 has sold its Cold Rolling Mill at Sisodra, as a going concern to Theis Precision Steel India Pvt. Ltd. (Theis), an indirect wholly owned subsidiary of Friedr. Gustav Theis Kaitwalzweke GmbH, Germany at a consideration of Rs. 67.00 crores.
9. 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 24.8.1999.
10. NatSteel Asia Pte. Ltd. and its subsidiaries (The NSA Group) has an unquoted equity investment, including irredeemable convertible unsecured loan stocks which has been converted into equity during the year, in an associated company, Southern Steel Berhad ("SSB") which is stated in the financial statements at a carrying value of S\$ 68,079,000 (31.3.07 : S\$ 44,825,000). The carrying value is arrived at after accounting for its share of results in SSB's profit after tax and minority interest and translation loss and dividends of S\$ 30,822,000, S\$ 1,314,000 and S\$ 6,254,000 respectively for the financial year ended 31st March, 2008. (31.3.07 : S\$ 12,673,000 translation gain S\$ 138,000 and dividends Nil). The figures used for equity accounting of SSB's results for the financial year from 1st April, 2007 to 31st March, 2008 used for the purpose of consolidation are unaudited and are prepared under the Financial Reporting Standards in Malaysia.
11. The notes to the accounts of Tata Korf Engineering Services Limited (TKES), a subsidiary, state that : The accumulated losses of the Company as at 31st March, 2008 exceed its paid up Share Capital. The Company has practically closed its operations. Pending the preparation of a scheme, the financial statements have been prepared on a "going concern" basis. The report of the auditors to the members of TKES contains an audit qualification on this account.

Tata Korf Engineering Services Ltd. has a negative net worth as on 31.3.2008 of **Rs. 8.21** crores (31.3.2007 : Rs. 7.85 crores).

12. Fixed Assets

- a) Estimated amount of contracts remaining to be executed on Capital Account and not provided for : **Rs. 9,942.78** crores (31.3.2007 : Rs. 3,495.19 crores).
- b) The Company has taken certain Plant and Machinery on lease, having an aggregate cost of **Rs. 3.79** crores (31.3.2007 : 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 (2006-07 : Rs. 0.62 crore). The break up of total minimal lease payments due as at 31st March, 2008 and their corresponding present value are as follows :

Rs. crores

Period	As at 31.3.2008		As at 31.3.2007	
	Minimum Lease Payments	Present Value	Minimum Lease Payments	Present Value
Not later than one year	0.72	0.66	0.62	0.59
Later than one year but not later than five years	0.48	0.40	1.31	1.04
Later than five years	—	—	—	—
Total	1.20	1.06	1.93	1.63

In NatSteel Asia Pte. Ltd., Tulip UK Holdings (No. 1) Ltd. and Tata Steel (Thailand) Public Company Ltd., being subsidiaries and Dhamra Port Company Ltd., Tata BlueScope Steel Ltd., Tata NYK Shipping Pte. Ltd., being joint ventures, the future minimum lease payments under non-cancellable operating lease are (i) Not later than one year **Rs. 989.11** crores (31.3.2007 : Rs. 26.12 crores); (ii) Later than one year but not later than five years **Rs. 3002.73** crores (31.3.2007 : Rs. 87.17 crores); (iii) Later than five years **Rs. 3,228.48** crores (31.3.2007 : Rs. 196.52 crores). The total charge to the profit and loss account for the period is **Rs. 161.54** crores (2006-07 : Rs. 20.00 crores). The future minimum lease payments under finance lease for later than one year but not later than five years is **Rs. 0.96** crore (31.3.2007 : Rs. 4.42 crores).

SCHEDULE N : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR 2007-08 :- continued

Tulip UK Holdings (No. 1) Ltd., a subsidiary has taken certain leaseholds on finance lease, having an aggregate cost of **Rs. 1,729.84** crores (31.3.2007 : Nil). The break up of total minimal lease payments for finance lease due as on 31st March, 2008 and their corresponding present values are as follows :

Period	As at 31.3.2008		As at 31.3.2007	
	Minimum Lease Payments	Present Value	Minimum Lease Payments	Present Value
Not later than one year	189.96	147.15	—	—
Later than one year but not later than five years	575.03	447.76	—	—
Later than five years	705.60	605.94	—	—
Total	1,470.59	1,200.85	—	—

13. 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. 57.31** crores (31.3.2007 : Rs. 46.86 crores) in respect of schemes introduced during the year.
- ii) The amounts payable within one year under the ESS aggregates to **Rs. 207.44** crores (31.3.2007 : Rs. 228.99 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. 34.47** crores (2006-07 : Rs. 25.74 crores) and **Rs. 1.90** crores (2006-07 : Rs. 1.11 crores) respectively in respect of Research and Development activities undertaken during the year.

14. Corus Group Limited, through the special purpose vehicles (Tata Steel Asia Holdings Pte. Limited and its subsidiaries) specifically created for the transaction, Tata Metaliks Limited, and Tata Steel Global Minerals Holdings Pte. Limited became subsidiaries of the Company during the year. The financial position and results of these subsidiaries as included in the Consolidated Financial Statements for year ended 31st March, 2008 are given below :

	Rs. crores		
	Tata Steel Asia Holdings Pte. Limited and its subsidiaries	Tata Metaliks Limited and its subsidiaries	Tata Steel Global Minerals Holdings Pte. Limited and its subsidiaries
FUNDS EMPLOYED			
Share Capital	0.70	25.29	—
Advance against Equity	30,326.12	—	510.61
Reserves & Surplus	5,676.19	166.61	(2.09)
Secured Loans	30,031.91	81.00	—
Unsecured Loans	2,401.59	—	143.63
Deferred Tax Liability	1,721.86	23.70	—
Minority Interest	28.47	6.84	3.03
Current Liabilities	21,140.34	258.56	12.92
Provisions	3,354.42	36.90	—
APPLICATION OF FUNDS			
Fixed Assets (Net)	24,966.49	260.58	70.14
Investments	678.29	—	269.73
Goodwill on Consolidation	17,660.69	—	304.02
Current Assets	38,426.00	288.29	13.76
Loans & Advances	12,950.14	50.03	10.45
INCOME			
Sale of products and other services	100,218.40	216.03	—
Other Income	223.29	—	—
EXPENSES			
Manufacturing and other expenses	91,636.52	183.61	0.66
Depreciation	3,058.87	2.60	—
Interest	3,176.77	3.88	2.34
Exp. trfd. to capital & other accounts	239.16	1.12	—
PROFIT / (LOSS) FOR THE YEAR	7,209.27	17.59	(3.00)

SCHEDULE N : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR 2007-08 :- continued

15. a) Tata Steel UK Limited (Tata Steel UK), a wholly owned subsidiary of the Company, through open market purchased 20.66% shares of Corus Group plc (Corus) on 31st January, 2007 and additional 2.18% during February 2007.
- b) The Company, through Tata Steel UK, acquired Corus through a Scheme of Arrangement approved by the shareholders of Corus and sanctioned by the Honorable Court of Justice, England and Wales on 2nd April, 2007.
- c) The financial statements of Corus for the period from 31st January, 2007 to 31st March, 2007 was not considered for consolidation as Tata Steel Limited did not have "significant influence" or "control" having regard to the provisions of the UK Takeover Code and the Scheme.
- d) Previous year's numbers are therefore, not comparable.
16. For the following companies unaudited Financial Statements have been considered for consolidation:
PT Materials Recycling Pte. Ltd., Eastern Steel Fabricators Philippines, Inc., Wuxi NatSteel Metal Products Co. Ltd., NatSteel Trade International (Shanghai) Company Ltd., Easteel Services (M) Sdn. Bhd., Bangla Steel and Mining Co. Ltd., TRL Asia Pte. Ltd. and TRL China Ltd.
17. In one subsidiary, in terms of the Licence Agreement dated 29.1.2002 with Board of Trustees for the Port of Kolkata, the subsidiary is required to invest in equipment and infrastructure as follows :

Sl. No.	Purpose of Investment	Phasing of Investment (Rs. crores)			
		Within 18 months	Within 24 months	Within 36 months	Total
1.	For Procurement of Equipment for ship to shore handling & vice versa and horizontal transfer of cargo	23.06	2.85	—	25.91
2.	Storage of cargo	—	1.74	1.20	2.94
3.	Office building, workshop etc.	—	0.75	0.25	1.00
4.	Utility Services	—	0.22	—	0.22
	Total	23.06	5.56	1.45	30.07

As at 31st March, 2008 the subsidiary's investments in equipments and infrastructure aggregate to **Rs. 25.80** crores (31.3.07 : Rs. 25.80 crores). The management of the subsidiary company has requested the Port Trust Authorities for suitable modification to the investment obligation in view of the changes in the business and economic scenario. The Port Trust Authorities have, subject to sanction of Central Government approved the changes proposed by the subsidiary in the specifications of the equipments and other required infrastructure.

18. In respect of joint ventures the contingent liabilities and capital commitment are as follows :

Name of the Joint Venture Company	Country of Incorporation	Contingent Liabilities Rs. crores	Capital Commitment Rs. crores
Tata Ryerson Limited	India	30.40 7.90	18.10 4.06
mjunction Services Limited	India	0.29 0.37	— —
The Dhamra Port Company Limited	India	— —	477.10 534.72
Tata BlueScope Steel Limited	India	7.91 —	135.96 5.78
Tata NYK Shipping Pte. Ltd.	Singapore	— —	— —

SCHEDULE N : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR 2007-08 :- continued
19. Employee Benefits

- a) The Company has adopted Accounting Standard AS 15 (revised 2005) on Employee Benefits with effect from 1st April, 2006. Consequent upon the recent guidance issued by the Institute of Chartered Accountants of India clarifying certain provisions of AS 15, the liability against leave benefit (other than furlough leaves) as on 1st April, 2006 and the amount charged to profit and loss account during the year 2006-07 have been reworked. Accordingly, the excess liability as on 1st April, 2006 of Rs. 213.23 crores (net of deferred tax, Rs. 108.72 crores) which was adjusted to General Reserves during 2006-07 has been reversed. The profit and loss account for the current year ended 31st March, 2008 includes a write back of Rs. 20.70 crores on account of rework of employee benefits charge debited to the profit and loss account during the year 2006-07.
- b) The Company has recognised, in the profit and loss account for the current year, an amount of Rs. 203.46 crores as expenses under the following defined contribution plans :

	Rs. crores	
(Benefit Contribution to)	2007-08	2006-07
Provident Fund	96.39	93.64
Superannuation Fund	28.87	25.97
Employees Pension Scheme / Coal Mines Pension Scheme	69.07	19.35
TISCO Employees Pension Scheme	8.56	8.02
ESI	0.57	0.02
Total	203.46	147.00

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

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

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

	Rs. crores	
Description	2007-08	2006-07
1. Reconciliation of opening and closing balances of obligation		
a. Obligation as at 1.4.2007	740.00	661.15
b. Current Service Cost	33.16	26.74
c. Interest Cost	56.92	49.54
d. Obligation of New Companies	1.96	—
e. Actuarial (Gain)/Loss	48.29	58.13
f. Exchange Rate Variation	(0.43)	1.94
g. Benefits Paid	(65.48)	(57.50)
h. Obligation as at 31.3.2008	814.42	740.00
The defined benefit obligation as at 31.3.2008 is funded except in the case of Hooghly Met Coke and Power Company Ltd., Tata BlueScope Steel Ltd., Tata NYK Shipping Pte. Ltd., NatSteel Asia Pte. Ltd. and Lanka Special Steel Ltd.		
2. Change in Plan Assets (Reconciliation of opening & closing balances)		
a. Fair Value of Plan Assets as at 1.4.2007	663.13	646.42
b. Expected Return on Plan Assets	53.94	50.04
c. Assets of New Companies	0.96	—
d. Actuarial Gain/(Loss)	(5.82)	(18.90)
e. Contributions	84.58	43.07
f. Benefits Paid	(65.48)	(57.50)
g. Fair Value of Plan Assets as at 31.3.2008	731.31	663.13
3. Reconciliation of fair value of assets and obligations		
a. Fair Value of Plan Assets as at 31.3.2008	731.31	663.13
b. Present Value of Obligation as at 31.3.2008	814.42	740.00
c. Amount recognised in the Balance Sheet :		
	(83.12)	(76.87)
	31.3.2008	31.3.2007
Provisions	Rs. 82.09 crores	Rs. 72.31 crores
Current Liabilities	Rs. 1.09 crores	Rs. 5.31 crores
Current Assets	Rs. (0.06) crore	Rs. (0.75) crore

**SCHEDULE N : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES
FOR THE FINANCIAL YEAR 2007-08 :- continued**

Rs. crores		
Description	2007-08	2006-07
4. Expense recognised in the period		
a. Current Service Cost	33.16	26.74
b. Interest Cost	56.92	49.54
c. Expected Return on Plan Assets	(53.94)	(50.04)
d. Actuarial (Gain)/Loss	54.11	76.72
e. Exchange Rate Variation	(0.43)	1.94
f. Expense recognised during the year	89.83	104.90
The expense is disclosed in the line item Payments to & Provisions for Employees (Company's contribution to provident & other funds)		
5. Investment Details	% invested	% invested
	31.3.2008	31.3.2007
a. GOI Securities	16.00	18.00
b. Public Sector Unit Bonds	37.00	36.00
c. State / Central Government Guaranteed Securities	9.00	7.00
d. Special Deposit Schemes	27.00	29.00
e. Private Sector Unit Bonds	5.00	3.00
f. Others (including bank balances)	6.00	7.00
	100.00	100.00
6. Assumptions	31.3.2008	31.3.2007
a. Discount Rate (per annum)	8.00%	8.25%
b. Estimated Rate of return on Plan Assets (per annum)	8.00%	8.00%
c. Rate of Escalation in Salary (per annum)	3-12%	5-10%
7. Experience Adjustment	31.3.2008	31.3.2007
a. Experience Adjustment on Plan Liabilities	30.68	15.40
b. Experience Adjustment on Plan Assets	(5.38)	(18.00)

The basis used to determine overall expected rate of return on assets and the effect on major categories of plan assets is as follows:

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

e) Details of Post Retirement Pension plans are as follows:

Rs. crores	
Description	2007-08
1. Reconciliation of opening and closing balances of obligation	
a. Obligation as at 1.4.2007	—
b. Current Service Cost	1,451.10
c. Interest Cost	5,425.12
d. Obligation of New Companies	1,13,518.77
e. Actuarial (Gain)/Loss	(6,051.73)
f. Exchange Rate Variation	(2,958.28)
g. Benefits Paid	(5,680.71)
h. Employee Contribution	577.14
i. Past Service Cost	49.47
j. Obligation as at 31.3.2008	1,06,330.88
2. Change in Plan Assets (Reconciliation of opening & closing balances)	
a. Fair Value of Plan Assets as at 1.4.2007	—
b. Expected Return on Plan Assets	6,422.75
c. Actuarial Gain/(Loss)	(222.61)
d. Assets of New Companies	1,17,226.30
e. Contributions Employee	577.14
f. Contributions Employer	2,456.97
g. Benefits Paid	(5,705.44)
h. Exchange Rate Variation	(3,135.48)
i. Net Fair Value of Plan Assets as at 31.3.2008	1,17,619.62
3. Reconciliation of fair value of assets and obligations	
a. Fair Value of Plan Assets as at 31.3.2008	1,17,619.62
b. Present Value of Obligation as at 31.3.2008	1,06,330.88
c. Amount recognised in the Balance Sheet – Assets	11,288.74

SCHEDULE N : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR 2007-08 :- continued

		Rs. crores
Description	2007-08	
4. Expense recognised in the period		
a. Current Service Cost		1,451.10
b. Interest Cost		5,425.12
c. Expected Return on Plan Assets		(6,422.75)
d. Actuarial (Gain)/Loss		(5,829.12)
e. Past Service Cost		148.41
f. Expense recognised during the year		(5,227.24)
The expense is disclosed in the line item Payments to & Provisions for Employees (Company's contribution to provident & other funds)		
5. Investment Details		% invested
		31.3.2008
a. Equities		25.00
b. Bonds		62.00
c. Property		7.00
d. Others (including Bank Balances)		6.00
		100.00
6. Assumptions		31.3.2008
a. Discount Rate (per annum)		4.7-6.6%
b. Estimated Rate of return on Plan Assets (per annum)		3.5-9.10%
c. Rate of Escalation in Salary (per annum)		2.5-4.5%
7. Experience Adjustment		31.3.2008
a. Experience Adjustment on Plan Liabilities		(923.42)
b. Experience Adjustment on Plan Assets		(222.61)

f) Details of unfunded Post Retirement defined benefit obligations are as follows:

		Rs. crores			
Description	2007-08		2006-07		
	Medical	Others	Medical	Others	
1. Reconciliation of opening and closing balances of obligation					
a. Obligation as at 1.4.2007	461.72	34.18	469.38	30.90	
b. Current/Employer Service Cost	5.99	11.31	5.96	1.21	
c. Interest Cost	36.73	60.43	36.63	0.62	
d. Obligation of New Companies	—	656.28	—	—	
e. Actuarial (Gain)/Loss	41.40	(72.04)	(20.62)	1.46	
f. Past Service Cost	—	(16.49)	—	—	
g. Exchange Rate Variation	—	38.48	—	—	
h. Benefits Paid	(32.61)	(26.44)	(29.63)	(0.01)	
i. Obligation as at 31.3.2008	513.23	685.72	461.72	34.18	
2. Expense recognised in the period					
a. Current/Employer Service Cost	5.99	11.31	5.96	1.21	
b. Interest Cost	36.73	60.43	36.63	0.62	
c. Past Service Cost	—	(16.49)	—	—	
d. Exchange Rate Variation	—	38.49	—	—	
e. Actuarial (Gain)/Loss	41.40	(72.04)	(20.62)	1.46	
f. Expense recognised during the year	84.12	21.70	21.97	3.29	
3. Assumptions					
a. Discount Rate (per annum) on 1.4.2007	8.00%	4.20-8.00%	7.50%	7.50%	
b. Discount Rate (per annum) on 31.3.2008	8.00%	4.40-8.00%	8.25%	8.25%	
c. Medical Costs Inflation Rate	5.00%	5.00%	5.00%	—	
d. Average Medical Cost (Rs./person) on 1.4.2007	1,970.00		1,800.00		
e. Average Medical Cost (Rs./person) on 31.3.2008	2,170.00		1,970.00		
f. Effect of a 1% change in (Health Care Cost)	Increase	Decrease	Increase	Decrease	
	(6% p.a.)	(4% p.a.)	(6% p.a.)	(4% p.a.)	
— aggregate current service and Interest cost	6.85	(4.11)	6.63	(4.26)	
— closing balance of obligation	54.63	(52.75)	60.01	(51.11)	
4. Experience Adjustment					
a. Experience Adjustment on Plan Liabilities	26.98	(7.05)	21.20	0.76	
b. Experience Adjustment on Plan Assets	—	—	—	—	

SCHEDULE N : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR 2007-08 :- continued
20. Information about Primary Business Segments

Particulars	Business Segments		Unallocable Rs. crores	Eliminations Rs. crores	Total Rs. crores
	Steel Rs. crores	Others Rs. crores			
Revenue :					
Total External Sales	1,17,735.09	13,386.43	414.36	—	1,31,535.88
	<i>21,340.00</i>	<i>3,872.38</i>	<i>—</i>	<i>—</i>	<i>25,212.38</i>
Inter segment sales	16,916.65	2,442.90	676.08	(20,035.63)	—
	<i>1,297.24</i>	<i>755.48</i>	<i>—</i>	<i>(2,052.72)</i>	<i>—</i>
Total Revenue	1,34,651.74	15,829.33	1,090.44	(20,035.63)	1,31,535.88
	<i>22,637.24</i>	<i>4627.86</i>	<i>—</i>	<i>(2,052.72)</i>	<i>25,212.38</i>
Segment Result before Interest, Exceptional Items and Tax	14,188.83	1,170.70	(889.86)	(39.29)	14,430.38
	<i>5,991.69</i>	<i>647.50</i>	<i>327.52</i>	<i>(89.47)</i>	<i>6,877.24</i>
Less : Interest (See Schedule 3, Page 228)					4,183.76
					<i>411.19</i>
Profit before exceptional items and tax					10,246.62
					<i>6,466.05</i>
Exceptional items					
Employee separation compensation (See Note 13(a), Page 250)					(227.12)
					<i>(153.03)</i>
Contribution for sports infrastructure (See Note 7, Page 249)					(150.00)
					<i>—</i>
Exchange gain/(loss) (See Note 27, Page 263)					594.72
					<i>—</i>
Actuarial gain/(loss) on funds for employee benefits					5,906.84
					<i>—</i>
Profit before Tax					16,371.06
					<i>6,313.02</i>
Taxes					4,049.30
					<i>2,147.41</i>
Profit after Taxes					12,321.76
					<i>4,165.61</i>
Segment Assets	80,844.14	8,085.88	20,792.81	(6,032.65)	1,03,690.18
	<i>17,428.22</i>	<i>6,647.39</i>	<i>9,866.20</i>	<i>(1,024.66)</i>	<i>32,917.15</i>
Segment Liabilities	26,676.59	3,187.58	8,912.32	(5,924.99)	32,851.50
	<i>4,419.59</i>	<i>1,757.13</i>	<i>1,620.07</i>	<i>(273.03)</i>	<i>7,523.76</i>
Total Cost incurred during the year to acquire segment assets	7,022.28	1,175.08	230.86	(11.66)	8,416.56
	<i>2,533.65</i>	<i>904.38</i>	<i>—</i>	<i>(30.09)</i>	<i>3,407.94</i>
Segment Depreciation	3,646.59	251.26	239.10	—	4136.95
	<i>961.78</i>	<i>49.20</i>	<i>—</i>	<i>—</i>	<i>1,010.98</i>
Non-Cash Expenses other than depreciation	396.56	75.17	57.99	—	529.72
	<i>191.58</i>	<i>6.20</i>	<i>65.20</i>	<i>—</i>	<i>262.98</i>

SCHEDULE N : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR 2007-08 :- continued

Information about Secondary Segments : Geographical	2007-08	<i>2006-07</i>
	Rs. crores	<i>Rs. crores</i>
Revenue by Geographical Market		
India	20,173.13	<i>16,084.87</i>
Outside India.....	111,362.75	<i>9,127.51</i>
	131,535.88	<i>25,212.38</i>
Additions to Fixed Assets and Intangible Assets		
India	3,248.99	<i>2,692.98</i>
Outside India.....	5,167.57	<i>714.96</i>
	8,416.56	<i>3,407.94</i>
	As at	<i>As at</i>
	31.3.2008	<i>31.3.2007</i>
	Rs. crores	<i>Rs. crores</i>
Carrying Amount of Segment Assets		
India	22,022.69	<i>22,636.43</i>
Outside India.....	81,667.49	<i>10,280.72</i>
	103,690.18	<i>32,917.15</i>

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. Other business segments comprises of Tubes, Bearings, Refractories, Pigments, Port operations, town services and Investment activities.
- (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	<i>As at</i>
	31.3.2008	<i>31.3.2007</i>
	Rs. crores	<i>Rs. crores</i>
Investments	3,107.09	<i>16,245.00</i>
Miscellaneous Expenditure	155.63	<i>209.77</i>
Goodwill on consolidation	18,049.96	<i>92.07</i>
Purchased Goodwill.....	—	<i>127.59</i>
Deferred Tax Asset.....	10.26	<i>6.93</i>
	21,322.94	<i>16,681.36</i>
Total Unallocable Liabilities exclude :		
Secured Loans.....	35,415.22	<i>4,961.23</i>
Unsecured Loans.....	18,177.53	<i>19,964.30</i>
Provision for Employee Separation Compensation	1,080.05	<i>1,118.30</i>
Deferred Tax Liability	2,464.68	<i>792.87</i>
Share Warrants issued by a subsidiary company.....	17.46	<i>17.46</i>
Minority Interest	832.70	<i>598.39</i>
	57,987.64	<i>27,452.55</i>

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

**SCHEDULE N : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES
FOR THE FINANCIAL YEAR 2007-08 :- continued**

21. Related Party Disclosures

(a) List of Related Parties and Relationships

Party	Relationship
<p>A. Ab Norskstal As Albi Profils Srl Almora Magnesite Ltd. Altos Hornos De Mexico S.A. De C.V. Antheus Magnesium B.V. Appleby Frodingham Cottage Trust Limited Business Park* Combulex B.V. Cv Gasexpansie Ijmond Danieli Corus Canada Inc. (Formerly Hoogovens Technical Services Inc. (Canada)) Danieli Corus Asia B.V. (Formerly Hoogovens Technical Services Asia B.V.) Danieli Corus Braseq Ltda Danieli Corus B.V. (Formerly Hoogovens Technical Services Europe B.V.) Danieli Corus Construction Services Bv Danieli Corus Construction Services Usa Inc (Formerly Hoogovens Contr Serv USA Inc.) Danieli Corus Do Brasil Ltda Danieli Corus Inc (Formerly Hoogovens Technical Services Inc (USA)) Danieli Corus Services USA Inc. (Formerly Hoogovens Eng And Con USA Inc.) Danieli Corus South Africa Pty. Ltd. (Formerly Hoogovens Technical Services Sth Africa) Endex European Energy Derivates Exchanges Nv European Profiles (Marketing) Sdn. Bhd European Profiles Malaysia (M) Sdn. Bhd Galvpro Lp Gietwalsonderhoudcombinatie B.V. Hoogovens Court Chrome Vof Hoogovens Gan Multimedia S A De Cv Indian Steel Rolling Mills Ltd. Industrial Energy Ltd. Isolation Du Sud Sa Issb Limited Jamipol Ltd. (Formerly Jamshedpur Injection Powder Ltd.) Kalinga Aquatics Ltd. Kumardhubi Fireclay & Silica Works Ltd. Kumardhubi Metal Casting & Engineering Ltd. Metal Corporation of India Ltd. Nicco Jubilee Park Ltd. Regionale Ontwikkelingsmaatschappij Voor Het Noordzeekanaalgebied Nv Richard Lees Steel Decking Asia Snd. Bhd. Rsp Holding B.V. (Formerly Rsp Products B.V.) Rujuvalika Investments Ltd. Schreiner Fleischer As Shanghai Bao Yi Beverage Can Making Co Ltd. Sms Mevac UK Limited (Formerly Vacmetal (UK) Ltd.) Southern Steel, Berhard Srutech Tubes (India) Pvt. Ltd.* Steel Asia Development and Management Corporation Steel Asia Industries Inc. Steel Asia Manufacturing Corporation Stuwadoorsbedrijf Velserkom B.V. Tata Construction & Projects Ltd. Tata Metaliks Ltd.* Tata Sponge Iron Ltd. Tayo Rolls Ltd. The Tinplate Company of India Ltd. Thoresen & Thorvaldsen As TKM Overseas Ltd. TRF Ltd. Trico Llc Weirton/Hoogovens Gp Workington Cottage Trust Wupperman Staal Nederland B.V.</p>	<p>Associate – Where the Company exercises significant influence</p>

SCHEDULE N : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR 2007-08 :- continued

Party	Relationship
B. Afon Tinsplate Company Limited Air Products Llanwern Limited B V Ijzerleew Bsr Pipeline Services Limited Caparo Merchant Bar Plc. Cindu Chemicals B.V. Corus Celik Ticaret As Corus Cogifer Switches and Crossings Limited Corus Kalpinis Simos Rom Srl Corus-Kalpinis Simos Cladding Industry Sa (Formerly Bs Kalpinis Simos Com and Ind Sa) Danieli Corus Technical Services B.V. Framing Solutions Plc. Grantrail Group Ltd. Hks Scrap Metals B.V. Ijzerhandel Geertsema Staal B.V. Industrial Rail Services Ijmond B.V. Laura Metaal Holding B.V. mjunction Services Ltd. (formerly known as Metaljunction Services Ltd.) Norsk Stal As Norsk Stal Tynnplater As Ravenscraig Limited (Formerly Stamek Limited) Riversdale Energy (Mauritius) Ltd. Tata BlueScope Steel Ltd. Tata NYK Shipping Pte. Ltd.* Tata Ryerson Ltd. Texturing Technology Limited The Dhamra Port Company Ltd.	Joint Venture
C. Tata Sons Ltd.	Promoters' holding together with its Subsidiaries is more than 20%
D. Key Management Personnel Mr. B. Muthuraman Dr. T. Mukherjee* Mr. A. N. Singh*	Whole Time Director
E. Relatives of Key Management Personnel Ms. Sumathi Muthuraman Ms. Shurva Mukherjee* Ms. Ipshita Kamra*	Relative of Whole Time Director

* Part of the year.

SCHEDULE N : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR 2007-08 :- continued
21. (b) Related Party Transactions

Rs. crores

Transactions	Associates & JVs #	Key Management Personnel	Relatives of Key Management Personnel	Promoter	Total
Purchase of Goods					
Caparo Merchant Bar Plc	194.50	—	—	—	194.50
	—	—	—	—	—
Wupperman Staal Nederland B.V	98.49	—	—	—	98.49
	—	—	—	—	—
Gietwalsonderhoudcombinatie B.V	85.09	—	—	—	85.09
	—	—	—	—	—
Others	440.00	—	—	—	440.00
	95.52	—	—	—	95.52
	818.08	—	—	—	818.08
	95.52	—	—	—	95.52
Sale of Goods					
Southern Steel, Berhard	1,111.59	—	—	—	1,111.59
	962.29	—	—	—	962.29
Tata Ryerson Ltd.	795.12	—	—	—	795.12
	655.35	—	—	—	655.35
Wupperman Staal Nederland B.V	489.33	—	—	—	489.33
	—	—	—	—	—
Others	795.46	—	—	—	795.46
	235.31	—	—	—	235.31
	3,191.50	—	—	—	3,191.50
	1,852.95	—	—	—	1,852.95
Receiving of Services					
Tinplate Company of India Ltd.	222.73	—	—	—	222.73
	222.72	—	—	—	222.72
Tata Ryerson Ltd.	92.32	—	—	—	92.32
	83.72	—	—	—	83.72
Others	20.60	0.02	0.02	0.69	21.33
	17.02	0.02	0.02	1.00	18.06
	335.65	0.02	0.02	0.69	336.38
	323.46	0.02	0.02	1.00	324.50
Rendering of Services					
Tinplate Company of India Ltd.	35.83	—	—	—	35.83
	34.24	—	—	—	34.24
Tata Blue Scope Steel Ltd.	27.08	—	—	—	27.08
	4.15	—	—	—	4.15
Others	11.03	—	—	0.14	11.17
	11.40	—	—	0.14	11.54
	73.94	—	—	0.14	74.08
	49.79	—	—	0.14	49.93
Purchase of Fixed Assets					
TRF Ltd.	43.25	—	—	—	43.25
	27.61	—	—	—	27.61
Tata Blue Scope Steel Ltd.	7.33	—	—	—	7.33
	—	—	—	—	—
	50.58	—	—	—	50.58
	27.61	—	—	—	27.61
Dividend and Fraction Bonus amount paid to Shareholders					
Tata Sons Ltd.	—	—	—	260.81	260.81
	—	—	—	144.64	144.64
Others	—	*	**	—	***
	—	****	*****	—	*****
	—	*	**	260.81	260.81
	—	****	*****	144.64	144.64
Dividend income					
Southern Steel, Berhard	18.05	—	—	—	18.05
	—	—	—	—	—
Norsk Stal As	28.22	—	—	—	28.22
	—	—	—	—	—
Others	65.16	—	—	—	65.16
	30.52	—	—	—	30.52
	111.43	—	—	—	111.43
	30.52	—	—	—	30.52

SCHEDULE N : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR 2007-08 :- continued
21. (b) Related Party Transactions

Transactions	Associates & JVs #	Key Management Personnel	Relatives of Key Management Personnel	Promoter	Rs. crores
					Total
Interest expense					
Danieli Corus Technical Services B.V	3.05	—	—	—	3.05
	—	—	—	—	—
Others	0.04	—	—	—	0.04
	3.05	—	—	—	3.05
	0.04	—	—	—	0.04
Interest Income					
Southern Steel, Berhard	163.47	—	—	—	163.47
	1.70	—	—	—	1.70
Others	2.41	—	—	—	2.41
	—	—	—	—	—
	165.88	—	—	—	165.88
	1.70	—	—	—	1.70
Management contracts including deputation of employees					
Tata Sons Ltd.	—	—	—	42.79	42.79
	—	—	—	37.85	37.85
	—	—	—	42.79	42.79
	—	—	—	37.85	37.85
Finance Provided					
Tinplate Company of India Ltd.	70.00	—	—	—	70.00
	—	—	—	—	—
Tata Blue Scope Steel Ltd.	60.00	—	—	—	60.00
	231.00	—	—	—	231.00
The Dharma Port Company Ltd.	30.00	—	—	—	30.00
	40.25	—	—	—	40.25
Industrial Energy Ltd.	86.15	—	—	—	86.15
	*****	—	—	—	*****
Others	21.01	—	—	—	21.01
	0.64	—	—	—	0.64
	267.16	—	—	—	267.16
	271.89	—	—	—	271.89
Unsecured advances / Deposits accepted					
Tinplate Company of India Ltd.	0.95	—	—	—	0.95
	—	—	—	—	—
Others	0.06	—	—	—	0.06
	0.95	—	—	—	0.95
	0.06	—	—	—	0.06
Remuneration Paid					
Mr. B. Muthuraman	—	3.66	—	—	3.66
	—	2.48	—	—	2.48
Dr. T. Mukherjee	—	1.91	—	—	1.91
	—	1.98	—	—	1.98
Mr. A. N. Singh	—	1.27	—	—	1.27
	—	1.41	—	—	1.41
	—	6.84	—	—	6.84
	—	5.87	—	—	5.87
Provision for receivables made during the year					
Tayo Rolls Ltd.	0.04	—	—	—	0.04
	*****	—	—	—	*****
TRF Ltd.	0.05	—	—	—	0.05
	0.08	—	—	—	0.08
Others	0.02	—	—	—	0.02
	0.53	—	—	—	0.53
	0.11	—	—	—	0.11
	0.61	—	—	—	0.61

SCHEDULE N : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR 2007-08 :- continued

21. (b) Related Party Transactions

Rs. crores

Transactions	Associates & JVs #	Key Management Personnel	Relatives of Key Management Personnel	Promoter	Total
Bad Debts written off during the year					
TRF Ltd.	— *****	— —	— —	— —	— *****
	— *****	— —	— —	— —	— *****
Guarantees outstanding					
Tinplate Company of India Ltd.	25.00 95.00	— —	— —	— —	25.00 95.00
Others	— 1.44	— —	— —	— —	— 1.44
	25.00 96.44	— —	— —	— —	25.00 96.44
Outstanding Receivables					
Ravenscraig Ltd.	164.32 —	— —	— —	— —	164.32 —
Tinplate Company of India Ltd.	115.48 25.62	— —	— —	— —	115.48 25.62
Caparo Merchant Bar Plc.	112.14 —	— —	— —	— —	112.14 —
Others	306.35 115.08	0.01 0.01	0.01 0.01	3.36 2.60	309.73 117.70
	698.29 140.70	0.01 0.01	0.01 0.01	3.36 2.60	701.67 143.32
Provision for outstanding receivables					
Tinplate Company of India Ltd.	0.53 0.52	— —	— —	— —	0.53 0.52
Tayo Rolls Ltd.	0.50 0.43	— —	— —	— —	0.50 0.43
TRF Ltd.	0.68 0.64	— —	— —	— —	0.68 0.64
Others	0.36 0.86	— —	— —	***** *****	0.36 0.86
	2.07 2.45	— —	— —	***** *****	2.07 2.45
Outstanding Payables					
Tata Ryerson Ltd.	28.80 12.96	— —	— —	— —	28.80 12.96
Tata Sons Ltd.	— —	— —	— —	46.95 41.97	46.95 41.97
TRF Ltd.	24.37 3.16	— —	— —	— —	24.37 3.16
BSR Pipeline Services Ltd.	23.31 —	— —	— —	— —	23.31 —
Others	107.59 20.11	— —	— —	— —	107.59 20.11
	184.07 36.23	— —	— —	46.95 41.97	231.02 78.20

Notes :

*	Rs. 33,883
**	Rs. 19,995
***	Rs. 53,878
****	Rs. 28,418
*****	Rs. 16,770
*****	Rs. 45,188
*****	Rs. 26,000
*****	Rs. 14,635
*****	Rs. 1,781
*****	Rs. 6,600

Transactions with Joint Ventures have been disclosed at full value.

SCHEDULE N : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR 2007-08 :- continued
22. Earnings per Share (EPS)

	2007-08	<i>2006-07</i>
	Rs. crores	<i>Rs. crores</i>
(i) Profit after Tax and Minority Interest	12,349.98	<i>4,177.27</i>
(ii) Profit after Tax and Minority Interest – For Diluted EPS	12,331.22	<i>4,177.27</i>
	Nos.	<i>Nos.</i>
(iii) Weighted Average No. of Ordinary Shares for Basic EPS.....	69,70,12,514	<i>64,60,64,378</i>
<i>Add</i> : Adjustment for 8750 (2006-07: Nil) Convertible Alternative Reference Securities (See Note 26, Page 263)	3,59,84,623	<i>—</i>
Adjustment for Options relating to 12446 (2006-07: 12,446) Detachable Warrants (See Note 9, Page 249).....	11,010	<i>10,231</i>
Adjustment for 547251605 (2006-07: Nil) Commulative Convertible Preference Shares (See Note 25(c), Page 263)	23,674,364	<i>—</i>
Weighted Average No. of Ordinary Shares for Diluted EPS (See Note 25(b), Page 262)	75,66,82,511	<i>64,60,74,609</i>
(iv) Nominal Value of Ordinary Shares.....	Rs. 10.00	<i>Rs. 10.00</i>
(v) Basic Earnings per Ordinary Share.....	Rs. 177.18	<i>Rs. 64.66</i>
(vi) Diluted Earnings per Ordinary Share	Rs. 162.96	<i>Rs. 64.66</i>

23. Deferred Tax Liability (Net)

	31-3-2008	<i>31-3-2007</i>
	Rs. crores	<i>Rs. crores</i>
Deferred Tax Liabilities		
(i) Difference between book and tax depreciation	1,716.36	<i>1,717.69</i>
(ii) Prepaid expenses	38.54	<i>36.81</i>
(iii) Others	4,615.98	<i>20.63</i>
(A)	6,370.88	<i>1,775.13</i>
Deferred Tax Assets		
(i) Employee Separation Compensation	(507.10)	<i>(454.44)</i>
(ii) Wage Provision	(65.42)	<i>(10.43)</i>
(iii) Provision for doubtful debts and advances.....	(36.79)	<i>(32.65)</i>
(iv) Disallowance under Section 43B	(118.04)	<i>(102.26)</i>
(v) Provision for Leave Salary.....	(138.60)	<i>(182.39)</i>
(vi) Provision for Employee Benefits (See Note 19(a), Page 252)	(71.43)	<i>(180.92)</i>
(vii) Differences in written down value of development of property	(22.45)	<i>(20.97)</i>
(viii) Other Provisions	(0.49)	<i>(0.57)</i>
(ix) Other Deferred Tax Assets/Liability.....	(2,677.62)	<i>(4.55)</i>
(x) Redemption premium on CARS (See Note 26, Page 263)	(278.52)	<i>—</i>
(B)	(3,916.46)	<i>(989.18)</i>
Deferred Tax Liability (Net) (A+B)	2,454.42	<i>785.95</i>

24. Figures pertaining to the subsidiary companies and joint ventures have been reclassified wherever necessary to bring them in line with the Company's financial statements.

25. During the year :

- a) 2,85,00,000 Warrants allotted to Tata Sons Limited on a preferential basis during Financial Year 2006-07, were converted into 2,85,00,000 Ordinary Shares of Rs. 10 each at a price (determined in accordance with SEBI prescribed pricing formula applicable at the time of exercise of Warrants), of Rs. 484.27 per share, involving an amount of Rs. 1,380.17 crores.
- b) The Company issued 12,17,94,571 Ordinary Shares of Rs. 10 each at premium of Rs. 290 per share, to the existing equity shareholders of the Company on a Rights basis in the ratio of 1:5 as on the Record date i.e. 5th November, 2007. Out of this, 1,83,107 Ordinary Shares are kept in abeyance in respect of disputed matters before various forums, courts etc. and the Company allotted 12,16,11,464 Ordinary Shares of Rs. 10 each at a premium of Rs. 290 per share, aggregating to Rs. 3,648.34 crores. Expenses relating to the issue, Rs. 35.18 crores have been adjusted against the Securities Premium Account during the year ended 31st March, 2008.

SCHEDULE N : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR 2007-08 :- continued

- c) The Company issued 54,80,75,571 Cumulative Convertible Preference Shares (CCPS) of Rs. 100 each at an issue price of Rs. 100 per share, to the existing equity shareholders of the Company on a Rights basis in the ratio of 9:10 as on the Record date i.e. 5th November, 2007. Out of this, 8,23,966 CCPS are kept in abeyance in respect of disputed matters before various forums, courts etc. and the Company allotted 54,72,51,605 CCPS of Rs. 100 each at an issue price of Rs. 100 per share, aggregating to Rs. 5,472.52 crores.

As per the terms of the issue, 6 CCPS of Rs. 100 each are compulsorily and automatically convertible on 1st September, 2009 into 1 ordinary share of Rs. 10 each at a premium of Rs. 590 per share.

26. The Company has raised Rs. 3,578.75 crores (US \$ 875 million, including the green shoe option US \$ 150 million) through the issue of Foreign Currency Convertible Alternative Reference Securities ("CARS"). 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. 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 in premium payable on account of conversion or exchange fluctuation are adjusted to the Securities Premium Account. Accordingly Rs. 551.41 crores (net of deferred tax asset of Rs. 283.93 crores) being the premium on redemption, Rs. 111.86 crores being the expenses related to the issue and Rs. 10.51 crores (net of deferred tax Rs. 5.41 crores) being the loss on revaluation of the premium payable have been adjusted against the Securities Premium Account during the year ended 31st March, 2008.

27. Item 10 of the Profit and Loss Account represents a net gain of Rs. 594.72 crores due to appreciation of the rupee against various foreign currencies during the year ended 31st March, 2008.
28. Previous year's figures have been recast/restated wherever necessary.
29. Figures in italics are in respect of the previous year.

Consolidated Financial Ratios

	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02
1. EBITDA/Turnover	14.08%	31.14%	32.11%	39.65%	32.87%	26.20%	18.96%
2. PBT/Turnover	12.39%	24.61%	26.81%	33.63%	24.08%	13.93%	3.23%
3. Return on Average Capital Employed	22.68%	23.27%	39.38%	48.23%	27.84%	16.03%	6.49%
4. Return on Average Net Worth	50.88%	34.09%	43.41%	61.47%	45.70%	35.31%	7.72%
5. Asset Turnover	108.61%	77.02%	121.43%	107.95%	100.54%	79.43%	65.80%
6. Average Inventory to Turnover	16.63%	12.14%	11.82%	11.09%	10.46%	11.70%	14.06%
7. Average Debtors to Turnover	16.13%	5.29%	5.71%	5.97%	7.33%	11.47%	15.34%
8. Gross Block to Net Block	2.51	1.65	1.67	1.65	1.70	2.54	1.57
9. Net Debt to Equity	1.42	0.71	0.05	0.18	0.36	1.00	1.82
10. Current Ratio	1.87	2.45	1.35	1.11	1.07	1.39	1.63
11. Interest Cover Ratio	4.91	16.35	35.13	28.47	22.00	5.06	1.60
12. Net Worth per Share (post CCPS conversion)	475.45	223.08	181.53	128.95	81.52	89.23	68.16
13. Earnings per Share (Basic)	177.18	64.66	67.62	65.27	32.40	28.00	5.17
14. Dividend Payout (Equity)	11.09%	26.51%	22.05%	23.00%	23.40%	32.58%	76.00%
15. P/E Ratio	3.91	6.95	7.93	6.14	11.84	4.78	18.89

- EBIDTA/Turnover: Earnings Before Interest Depreciation Tax and Exceptional Items/Turnover.
(EBIDTA: PAT (after Share of Associates and Minority Interest) + Taxes + Interest + Depreciation + (-) Exceptional Items).
(Turnover: Net Sales + Other Income).
- PBT/Turnover: Profit Before Tax/Turnover.
- Return on Average Capital Employed: Earnings Before Interest and Tax/Average Capital Employed.
(Capital Employed: Total Funds Employed – Miscellaneous Expenses to the extent not written off or adjusted).
- Return on Average Net Worth: Profit After Tax/Average Net Worth.
(Net Worth: Equity Share Capital + Preference Share Capital + Reserves & Surplus – Miscellaneous Expenses to the extent not written off or adjusted).
- Asset Turnover: (Net Sales + Other Income – Investment Income)/(Net Fixed Assets + Current Assets – Advance against Equity + Loans and Advances).
- Average Inventory to Turnover: Average Inventory/Gross Sales.
- Average Debtors to Turnover: Average Debtors/Gross Sales.
- Gross Block to Net Block: Gross Block/Net Block.
- Net Debt to Equity: Net Debt/Equity.
(Debt: Secured Loan + Unsecured loan – Cash and Bank Balance – Current Investments).
(Equity = Share Holder's Fund – Miscellaneous expenses).
- Current Ratio: Current Assets (excluding advance against equity)/Current Liabilities.
- Interest Cover Ratio: Earnings Before Interest and Tax/Interest.
(Earnings Before Interest and Tax : PBT + Interest).
- Net Worth per share: Net Worth/Average Number of Equity Shares (post CCPS conversion).
- Earnings per share: Profit attributable to Ordinary Shareholders/Weighted average number of ordinary shares.
- Dividend Payout: Dividend (Equity)/Profit after Tax.
- P/E Ratio: Market Price/Earnings per Share.



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