

NOTES

to Balance Sheet and Statement of Profit and Loss

1. Accounting Policies

(A) BASIS FOR ACCOUNTING

The financial statements are prepared under the historical cost convention on an accrual basis of accounting in accordance with the Generally Accepted Accounting Principles, Accounting Standards notified under Section 133 of the Companies Act, 2013 and the relevant provisions thereof.

(B) USE OF ESTIMATES AND JUDGEMENTS

In preparation of the financial statements, the Company makes judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected. Significant judgements and estimates relating to the carrying amounts of assets and liabilities include useful lives of tangible and intangible assets, impairment of tangible assets, intangible assets, employee benefits and other provisions and recoverability of deferred tax assets. Long term investments are tested for decline in value which is other than temporary when there are any indicators of impairment. Any change in the underlying assumptions used such as discount rate or growth rate may have an impact on the carrying value of such long term investments.

(C) REVENUE RECOGNITION

- (i) Revenue from sale of goods is recognised net of rebates and discounts on transfer of significant risks and rewards of ownership to the buyer. Sale of goods is recognised gross of excise duty but net of sales tax and value added tax.
- (ii) Export incentive under various schemes notified by the Government has been recognised on the basis of amount received.

- (iii) Dividend is recorded when the right to receive payment is established. Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

(D) EMPLOYEE BENEFITS

- (i) Short-term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the employee has rendered services.
- (ii) For defined-benefit plans, the amount recognised in the Balance Sheet is the present value of the defined-benefit obligation less the fair value of any plan assets and any past service costs not yet recognised. The present value of the defined-benefit obligation is the present value of expected future payments required to settle the obligation resulting from employee service in the current and prior periods. The discount rate used is the market yields on government bonds at the Balance Sheet date with remaining terms to maturity approximating those of the Company's obligations.
- (iii) Other long-term employee benefits are recognised as an expense in the Statement of Profit and Loss of the year in which the employee has rendered services. Estimated liability on account of long-term benefits is discounted to the present value, using the market yield on Government Bonds, as on the date of Balance Sheet.
- (iv) Actuarial gains and losses in respect of post employment and other long-term benefits are charged to the Statement of Profit and Loss.
- (v) In respect of the Employee Separation Scheme, 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 Statement of Profit and Loss.

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to Balance Sheet and Statement of Profit and Loss

1. Accounting Policies (contd.)

(E) TANGIBLE ASSETS

Tangible assets are stated at cost less accumulated depreciation and net of impairment, if any. Trial run expenses (net of revenue) are capitalised. Borrowing costs during the period of construction is added to the cost of eligible tangible assets.

Major expenses on relining of furnace are 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.

(F) INTANGIBLE ASSETS

Intangible assets are stated at cost less accumulated amortisation and net of impairments, if any. An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and its cost can be measured reliably. Intangible assets having finite useful lives are amortised on a straight-line basis over their estimated useful lives.

(G) DEPRECIATION AND AMORTISATION

Depreciation is provided on a straight line basis over the useful lives of assets, which is as stated in Schedule II of Companies Act 2013 or based on technical estimate made by the Company. However, assets value upto ₹25,000 are fully depreciated in the year of acquisition. The details of estimated life for each category of asset are as under:

- (i) Buildings – 30 to 60 years
- (ii) Roads – 5 years
- (iii) Plant and Machinery used in manufacturing of Steel – 20 years*
- (iv) Other Plant and Machinery – 6 to 40 years*
- (v) Railway Sidings – 20 years*
- (vi) Vehicles and Aircraft – 5 to 20 years
- (vii) Furniture, Fixtures and Office Equipments – 4 to 6 years
- (viii) Computer Software – 5 years
- (ix) Assets covered under Electricity Act (life as prescribed under the Electricity Act) – 3 to 34 years
- (x) Development of property for development of mines and collieries are amortised over the useful life of the mine or lease period whichever is lower.
- (xi) Major furnace relining expenses are depreciated over a period of 10 years (average expected life).
- (xii) Freehold land is not depreciated.

- (xiii) Leasehold land and other leasehold assets are amortised over the life of the lease.

*For these class of assets, based on internal assessment and independent technical evaluation carried out by external valuers the Company believes that the useful lives as given above best represent the period over which Company expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

(H) IMPAIRMENT

Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable.

An impairment loss is recognised in the Statement of Profit and Loss if the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of an asset's net selling price and value in use.

An impairment loss recognised on asset is reversed when the conditions warranting impairment provision no longer exists.

(I) LEASES

A lease is classified at the inception date as finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

The Company as a lessee

- (i) Operating lease - Rentals payable under operating leases are charged to the statement of profit and loss on a straight line basis over the term of the relevant lease.
- (ii) Finance lease - Finance leases are capitalised at the commencement of lease, at the lower of the fair value of the property or the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income over the period of the lease.

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to Balance Sheet and Statement of Profit and Loss

1. Accounting Policies (contd.)

The Company as a lessor

- (i) Operating lease - Rental income from operating leases is recognised in the statement of profit and loss on a straight line basis over the term of the relevant lease.
- (ii) Finance lease – Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

(J) FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of transaction. Year-end balance of foreign currency monetary item is translated at the year-end rates. Exchange differences arising on settlement of monetary items or on reporting of monetary items at rates different from those at which they were initially recorded during the period or reported in previous financial statements are recognised as income or expense in the period in which they arise.

The Company has elected to account for exchange differences arising on reporting of long-term foreign currency monetary items in accordance with Companies (Accounting Standards) Amendment Rules, 2009 pertaining to Accounting Standard 11 (AS-11) notified by Government of India on 31st March, 2009 (as amended on 29th December, 2011). Accordingly, the effect of exchange differences on foreign currency loans of the Company is accounted by addition or deduction to the cost of the assets so far it relates to depreciable capital assets and in other cases by transfer to "Foreign Currency Monetary Item Translation Difference Account" to be amortised over the balance period of the long-term monetary items.

Exchange differences 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.

Foreign currency monetary items that are used as hedge instruments or hedged items are accounted as per accounting policy on derivative financial instruments.

(K) DERIVATIVE FINANCIAL INSTRUMENTS

- (i) The Company uses derivative financial instruments such as forwards, swaps and options, to hedge its risks associated with foreign exchange fluctuations. Such derivative financial instruments are used as risk management tools and not for speculative purposes.
- (ii) Derivative financial instruments entered into for hedging foreign exchange risks of recognised foreign currency monetary items are accounted for as per the principles laid down in Accounting Standard - 11 "The effects of changes in Foreign Rates".
- (iii) For derivative financial instruments and foreign currency monetary items designated as Cash Flow hedges, the effective portion of the fair value of the derivative financial instruments are recognised in Cash Flow Hedge Reserve and reclassified in the period in which the Statement of Profit and Loss is impacted by the hedged items. In cases where the exposure gives rise to a non-financial asset, the effective portion is reclassified from Hedging Reserve to the initial carrying amount of the non-financial asset as a 'basis adjustment' and recycled to the Statement of Profit and Loss when the respective non-financial asset affects the Statement of Profit and Loss in future periods. The ineffective portion of the change in fair value of such instruments is recognised in the Statement of Profit and Loss in the period in which they arise. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in Cash Flow Hedge Reserve is retained there until the forecasted transaction occurs.
- If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised in Cash Flow Hedge Reserve is immediately transferred to the Statement of Profit and Loss.
- (iv) If no hedging relationship is designated, the fair value of the derivative financial instruments is marked to market through the Statement of Profit and Loss.

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to Balance Sheet and Statement of Profit and Loss

1. Accounting Policies (contd.)

(L) INVESTMENTS

Long-term investments are carried at cost less provision for diminution other than temporary, if any, in value of such investments. Current investments are carried at lower of cost and fair value.

(M) INVENTORIES

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

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

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

Stores and spare parts are carried at cost. Necessary provision is made and expensed 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.

(N) RELINING EXPENSES

Relining expenses other than major expenses on furnace relining are charged as an expense in the Statement of Profit and Loss in the year in which they are incurred.

(O) RESEARCH AND DEVELOPMENT

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

(P) DEFERRED TAX

Deferred Tax is accounted for by computing the tax effect of timing differences, subject to the consideration of prudence in respect of deferred tax assets, which arise during the year and reverse in subsequent periods. Deferred tax is measured at substantively enacted tax rates by the Balance Sheet date.

2. Share Capital

[Item No. 1(a), Page 154]

		(₹ crore)	
		As at 31st March, 2016	As at 31st March, 2015
AUTHORISED:			
1,75,00,00,000	Ordinary Shares of ₹10 each (31.03.2015: 1,75,00,00,000 Ordinary Shares of ₹10 each)	1,750.00	1,750.00
35,00,00,000	"A" Ordinary Shares of ₹10 each (31.03.2015: 35,00,00,000 "A" Ordinary Shares of ₹10 each)	350.00	350.00
2,50,00,000	Cumulative Redeemable Preference Shares of ₹100 each (31.03.2015: 2,50,00,000 Shares of ₹100 each)	250.00	250.00
60,00,00,000	Cumulative Convertible Preference Shares of ₹100 each (31.03.2015: 60,00,00,000 Shares of ₹100 each)	6,000.00	6,000.00
		8,350.00	8,350.00
ISSUED:			
97,21,26,020	Ordinary Shares of ₹10 each (31.03.2015: 97,21,26,020 Ordinary Shares of ₹10 each)	972.13	972.13
Subscribed and Paid up:			
97,12,15,439	Ordinary Shares of ₹10 each fully paid up (31.03.2015: 97,12,15,439 Ordinary Shares of ₹10 each)	971.21	971.21
	Amount paid up on 3,89,516 Ordinary Shares forfeited (31.03.2015: 3,89,516 Shares of ₹10 each)	0.20	0.20
		971.41	971.41

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2. Share Capital (Contd.)

[Item No. 1(a), Page 154]

Additional information:

- (1) The movement in subscribed and paid up share capital is set out below:

	As at 31st March, 2016		As at 31st March, 2015	
	No. of shares	₹ crore	No. of shares	₹ crore
Ordinary Shares of ₹10 each				
At beginning of the year	97,12,15,439	971.21	97,12,15,405	971.21
Shares allotted during the year	–	–	34 ^(a)	–
	97,12,15,439	971.21	97,12,15,439	971.21

- (a) (i) **20** Ordinary Shares of face value of ₹10 per share allotted on 1st December, 2014 at a premium of ₹**290** per share to shareholders whose shares were kept in abeyance in the Rights issue made in 2007.
- (ii) **14** Ordinary Shares of face value of ₹10 per share allotted on 1st December, 2014 at a premium of ₹**590** per share to holders of Cumulative Convertible Preference Shares in the ratio of 6:1 on conversion whose shares were kept in abeyance in the Rights issue made in 2007.
- (b) The balance Ordinary Shares kept in abeyance are **3,01,183** (31.03.2015: 3,01,183) in respect of Rights issue of 2007.

- (2) Shareholders holding more than 5 percent shares in the Company:

Name of shareholders	As at 31st March, 2016		As at 31st March, 2015	
	No. of Ordinary Shares	%	No. of Ordinary Shares	%
(a) Tata Sons Limited	28,88,98,245	29.75%	28,88,98,245	29.75%
(b) Life Insurance Corporation of India	14,17,39,415	14.59%	14,17,39,185	14.59%

- (3) **2,25,14,584** shares (31.03.2015: 1,79,07,847 shares) of face value of ₹10 per share represent the shares underlying GDRs which were issued during 1994 and 2009. Each GDR represents one underlying Ordinary Share.
- (4) The rights, powers and preferences relating to each class of share capital and the qualifications, limitations and restrictions thereof are contained in the Memorandum and Articles of Association of the Company. The principal rights are as follows:
- A. ORDINARY SHARES OF ₹10 EACH**
- (a) In respect of every Ordinary Share (whether fully paid or partly paid), voting right shall be in the same proportion as the capital paid up on such Ordinary Share bears to the total paid up Ordinary Capital of the Company.
- (b) The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.
- (c) In the event of liquidation, the shareholders of Ordinary Shares are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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2. Share Capital (Contd.)

[Item No. 1(a), Page 154]

B. 'A' ORDINARY SHARES OF ₹10 EACH

- (a) (i) The holders of 'A' Ordinary Shares shall be entitled to such rights of voting and/or dividend and such other rights as per the terms of the issue of such shares, provided always that :
- in the case where a resolution is put to vote on a poll, such differential voting entitlement (excluding fractions, if any) will be applicable to holders of 'A' Ordinary Shares.
 - in the case where a resolution is put to vote in the meeting and is to be decided on a show of hands, the holders of 'A' Ordinary Shares shall be entitled to the same number of votes as available to holders of Ordinary Shares
- (ii) The holders of Ordinary Shares and the holders of 'A' Ordinary Shares shall vote as a single class with respect to all matters submitted for voting by shareholders of the Company and shall exercise such votes in proportion to the voting rights attached to such shares including in relation to any scheme under Sections 391 to 394 of the Companies Act, 1956.
- (b) The holders of 'A' Ordinary Shares shall be entitled to dividend on each 'A' Ordinary Share which may be equal to or higher than the amount per Ordinary Share declared by the Board for each Ordinary Share, and as may be specified at the time of the issue. Different series of 'A' Ordinary Shares may carry different entitlements to dividend to the extent permitted under applicable law and as prescribed under the terms applicable to such issue.

C. PREFERENCE SHARES

The Company has two classes of preference shares i.e. Cumulative Redeemable Preference Shares (CRPS) of ₹100 per share and Cumulative Convertible Preference Shares (CCPS) of ₹100 per share.

- (a) Such shares shall confer on the holders thereof, the right to a fixed preferential dividend from the date of allotment, at a rate as may be determined by the Board at the time of the issue, on the capital for the time being paid up or credited as paid up thereon.
- (b) Such shares shall rank for capital and dividend (including all dividend undeclared upto the commencement of winding up) and for repayment of capital in a winding up, pari passu inter se and in priority to the Ordinary Shares of the Company, but shall not confer any further or other right to participate either in profits or assets. However, in case of CCPS, such preferential rights shall automatically cease on conversion of these shares into Ordinary Shares.
- (c) The holders of such shares shall have the right to receive all notices of general meetings of the Company but shall not confer on the holders thereof the right to vote at any meetings of the Company save to the extent and in the manner provided in the Companies Act, 1956, or any re-enactment thereof.
- (d) CCPS shall be converted into Ordinary Shares as per the terms, determined by the Board at the time of issue; as and when converted, such Ordinary Shares shall rank pari passu with the then existing Ordinary Shares of the Company in all respects.

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3. Reserves and Surplus

[Item No. 1(b), Page 154]

	As at 31st March, 2016	As at 31st March, 2015
		(₹ crore)
(A) CAPITAL RESERVE		
Balance as per last account	1.49	1.49
(B) CAPITAL REDEMPTION RESERVE		
Balance as per last account	20.78	20.78
(C) SECURITIES PREMIUM RESERVE		
Balance as per last account	17,852.80	17,842.37
Expenses/reimbursement related to GDR	–	3.89
Effect of tax rate changes on items adjusted against reserves	–	6.54
	17,852.80	17,852.80
(D) DEBENTURE REDEMPTION RESERVE		
Balance as per last account	2,046.00	2,046.00
(E) AMALGAMATION RESERVE		
Balance as per last account	0.26	0.26
(F) EXPORT PROFITS RESERVE		
Balance as per last account	1.25	1.25
(G) FOREIGN EXCHANGE FLUCTUATION RESERVE		
Balance as per last account	14.00	14.00
(H) CONTRIBUTIONS FOR CAPITAL EXPENDITURE		
Balance as per last account	68.78	59.95
Received/Capitalised during the year	11.14	8.83
	79.92	68.78
(I) CONTINGENCY RESERVE		
Balance as per last account	100.00	100.00
(J) DEBENTURE FORFEITURE RESERVE		
Balance as per last account	0.04	0.04
(K) CASH FLOW HEDGE RESERVE⁽¹⁾		
Balance as per last account	(1.74)	(15.84)
Changes recognised (net of tax)	1.19	14.10
	(0.55)	(1.74)
(L) GENERAL RESERVE		
Balance as per last account	11,596.36	10,952.45
Transfer from Surplus in Statement of Profit and Loss	–	643.91
	11,596.36	11,596.36
(M) FOREIGN CURRENCY MONETARY ITEM TRANSLATION DIFFERENCE ACCOUNT⁽²⁾		
Balance as per last account	0.12	(276.75)
Exchange gain/(loss) during the year	–	(85.65)
Amortisation during the year	(0.12)	362.52
	–	0.12

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 to Balance Sheet and Statement of Profit and Loss

3. Reserves and Surplus (Contd.)

[Item No. 1(b), Page 154]

	(₹ crore)	
	As at 31st March, 2016	As at 31st March, 2015
(N) SURPLUS IN THE STATEMENT OF PROFIT AND LOSS		
Balance as per last account	33,992.34	29,430.58
Profit for the year	4,900.95	6,439.12
Adjustment on account of Schedule II of the Companies Act, 2013 (Net of Tax) ⁽³⁾	-	(127.80)
Distribution on Hybrid Perpetual Securities [net of tax of ₹92.11 crore (2014-15: ₹90.45 crore)]	(174.06)	(175.66)
Proposed dividend on Ordinary Shares	(776.97)	(776.97)
Tax on dividend	(149.30)	(153.02)
Transfer to General Reserve	-	(643.91)
	37,792.96	33,992.34
	69,505.31	65,692.48

Additional information:

	(₹ crore)	
	As at 31st March, 2016	As at 31st March, 2015
(1) (a) Opening Balance of Cash Flow Hedge Reserve	(1.74)	(15.84)
Add: Effective portion of changes in fair value of cash flow hedges	(4.86)	(18.59)
Less: Amount subsequently adjusted against cost of inventory	6.67	31.77
Gross Balance of Cash Flow Hedge Reserve	0.07	(2.66)
Add: Deferred tax on above	(0.62)	0.92
Net Balance of Cash Flow Hedge Reserve	(0.55)	(1.74)

- (b) The amount recognised in Cash Flow Hedge Reserve is expected to impact Statement of Profit and Loss within the next one year.
- (c) Ineffective portion taken to Statement of Profit and Loss during the year ₹0.05 crore (31.03.2015: ₹0.44 crore).

- (2) The Company has elected to account for exchange differences arising on reporting of long-term foreign currency monetary item in accordance with Companies (Accounting Standards) Amendment Rules 2009 pertaining to Accounting Standard 11 (AS-11) notified by Government of India on 31st March, 2009 (as amended on 29th December, 2011) which allows foreign exchange differences on long-term monetary items arising on or after 1st April, 2011 to be capitalised to the extent they relate to acquisition of depreciable assets and in other cases to amortise over the balance period of the respective monetary items. As on 31st March, 2016, Nil (31.03.2015: ₹0.12 crore) remains to be amortised in the "Foreign Currency Monetary Item Translation Difference Account".
- (3) During the year ended 31st March, 2015, the Company had revised depreciation rate on certain fixed assets as per the useful life specified in the Companies Act, 2013 or re-assessed by the Company based on technical evaluation. Accordingly, depreciation of ₹127.80 crore (net of deferred tax of ₹66.74 crore) on account of assets with no remaining useful life as on 1st April, 2014 had been adjusted to retained earnings.
- Had there been no change in useful life of assets, depreciation for the year ended 31st March, 2015 would have been higher by ₹34.87 crore.

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4. Hybrid Perpetual Securities

[Item No. 2, Page 154]

	(₹ crore)	
	As at	As at
	31st March, 2016	31st March, 2015
Hybrid Perpetual Securities	2,275.00	2,275.00
	2,275.00	2,275.00

Additional information:

- (1) The Company had issued Hybrid Perpetual Securities of ₹775.00 crore and ₹1,500.00 crore in May 2011 and March 2011 respectively. These securities are perpetual in nature with no maturity or redemption and are callable only at the option of the Company. The distribution on these securities are 11.50% p.a. and 11.80% p.a. respectively, with a step up provision if the securities are not called after 10 years. The distribution on the securities may be deferred at the option of the Company if in the six months preceding the relevant distribution payment date, the Company has not made payment on, or repurchased or redeemed, any securities ranking pari passu with, or junior to the instrument. As these securities are perpetual in nature and the Company does not have any redemption obligation, these are not classified as 'debt'.

5. Borrowings

[Item No. 3(a) and 4(a), Page 154]

	As at			As at		
	31st March, 2016			31st March, 2015		
	Long-Term	Short-Term	Total	Long-Term	Short-Term	Total
A. SECURED BORROWINGS						
(a) Term loan						
(i) Joint Plant Committee – Steel Development Fund ^{1(a)}	2,338.91	–	2,338.91	2,232.36	–	2,232.36
(b) Repayable on demand						
(i) From banks	–	–	–	–	0.28	0.28
	2,338.91	–	2,338.91	2,232.36	0.28	2,232.64
B. UNSECURED BORROWINGS						
(a) Bonds/Debentures ^{2(a)}						
(i) Non-convertible debentures	9,946.64	–	9,946.64	10,363.30	–	10,363.30
(b) Term loans						
(i) From banks ^{2(b)}	11,172.22	2,000.00	13,172.22	10,455.71	–	10,455.71
(ii) From financial institutions and others	–	–	–	849.00	–	849.00
(c) Commercial Paper	–	3,234.85	3,234.85	–	–	–
(d) Other loans	–	26.17	26.17	–	34.60	34.60
	21,118.86	5,261.02	26,379.88	21,668.01	34.60	21,702.61
	23,457.77	5,261.02	28,718.79	23,900.37	34.88	23,935.25

Additional information:

- (1) Details of outstanding secured borrowings are as follows:
- (a) Loan from Joint Plant Committee – Steel Development Fund which includes funded interest ₹699.58 crore (31.03.2015: ₹593.03 crore). It is repayable in 16 equal semi-annual installments after completion of 4 years from the date of receipt of the last tranche.

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5. Borrowings (contd.)

[Item No. 3(a) and 4(a), Page 154]

It is secured by mortgages on, all present and future immovable properties wherever situated and hypothecation of movable assets, excluding land and building mortgaged in favour of Government of India under the deed of mortgage dated 13th April, 1967 and in favour of Government of Bihar under two deeds of mortgage dated 11th May, 1963, immovable properties and movable assets of the Tube Division, Bearing Division, Ferro Alloys Division and Cold Rolling Complex (West) at Tarapur and all investments and book debts of the Company subject to the prior charges created and/or to be created in favour of the bankers for securing borrowing for the working capital requirement and charges created and/or to be created on specific items of machinery and equipment procured/to be procured under Deferred Payment schemes/Bill Re-discounting schemes/Asset Credit schemes.

The Company has filed a writ petition before the High Court at Kolkata in February 2006 claiming waiver of the outstanding loan and interest and refund of the balance lying with Steel Development Fund and the matter is sub-judice. Loan from the Joint Plant Committee-Steel Development Fund includes ₹1,639.33 crore (31.03.2015: ₹1,639.33 crore) representing repayments and interest on earlier loans for which applications of funding are awaiting sanction is not secured by charge on movable assets of the Company.

- (2) Terms of repayment of outstanding unsecured borrowings are as follows:
- (a) Bonds/Debentures
- (i) 10.25% p.a. interest bearing 25,000 debentures of face value ₹10,00,000 each are redeemable at par in 3 equal annual instalments commencing from 6th January, 2029.
 - (ii) 10.25% p.a. interest bearing 5,000 debentures of face value ₹10,00,000 each are redeemable at par in 3 equal annual instalments commencing from 22nd December, 2028.
 - (iii) 2.00% p.a. interest bearing 15,000 debentures of face value ₹10,00,000 each are redeemable at a premium of 85.03% of the face value on 23rd April, 2022.
 - (iv) 9.15% p.a. interest bearing 5,000 debentures of face value ₹10,00,000 each are redeemable at par on 24th January, 2021.
 - (v) 11.00% p.a. interest bearing 15,000 debentures of face value ₹10,00,000 each are redeemable at par on 19th May, 2019.
 - (vi) 10.40% p.a. interest bearing 6,509 debentures of face value ₹10,00,000 each are redeemable at par on 15th May, 2019.
 - (vii) 9.15% p.a. interest bearing 5,000 debentures of face value ₹10,00,000 each are redeemable at par on 24th January, 2019.
 - (viii) 12.50% p.a. interest bearing 12,500 debentures of face value ₹10,00,000 each, amounting to ₹416.67 crore are redeemable at par on 19th November, 2016.
- (b) Term loans from banks
- (i) USD **7.86** million equivalent to ₹**52.08** crore (31.03.2015: Nil) is repayable on 1st March, 2021.
 - (ii) USD **200.00** million equivalent to ₹**1,325.05** crore (31.03.2015: USD 200.00 million equivalent to ₹1,250.00 crore) loan is repayable in 3 equal annual instalments commencing from 18th February, 2020.
 - (iii) Indian rupee loan amounting ₹**2,000.00** crore (31.03.2015: Nil) is repayable in 10 semi-annual instalments commencing from 30th April, 2019.
 - (iv) Indian rupee loan amounting ₹**7,000.00** crore (31.03.2015: ₹7,000.00 crore) is repayable in 34 quarterly instalments commencing from 31st December, 2016.

NOTES

to Balance Sheet and Statement of Profit and Loss

5. Borrowings (contd.)

[Item No. 3(a) and 4(a), Page 154]

- (v) Euro **32.42** million equivalent to ₹**244.69** crore (31.03.2015: Euro 37.83 million equivalent to ₹254.17 crore) loan is repayable in 12 equal semi-annual instalments; the next instalment is due on 6th July, 2016.
- (vi) Euro **14.08** million equivalent to ₹**106.25** crore (31.03.2015: Euro 18.77 million equivalent to ₹126.13 crore) loan is repayable in 6 equal semi-annual instalments; the next instalment is due on 1st July, 2016.
- (vii) Euro **1.94** million equivalent to ₹**14.64** crore (31.03.2015: Euro 2.91 million equivalent to ₹19.55 crore) loan is repayable in 4 equal semi-annual instalments; the next instalment is due on 2nd May, 2016.
- (viii) Euro **124.19** million equivalent to ₹**937.22** crore (31.03.2015: Euro 143.29 million equivalent to ₹962.84 crore) loan is repayable in 13 equal semi-annual instalments; the next instalment is due on 30th April, 2016.

6. Deferred Tax Liabilities (Net)

[Item No. 3(b), Page 154]

	(₹ crore)			
	Deferred tax (asset)/ liability as at 01.04.2015	Adjustment through reserves	Current year charge/ (credit)	Deferred tax (asset)/ liability as at 31.03.2016
DEFERRED TAX LIABILITIES				
(a) Differences in depreciation and amortisation for accounting and income tax purposes	3,856.96	(15.89)	271.12	4,112.19
(b) Prepaid expenses	68.12	-	(0.39)	67.73
	3,925.08	(15.89)	270.73	4,179.92
DEFERRED TAX ASSETS				
(a) Employee separation compensation	(315.91)	-	(141.91)	(457.82)
(b) Provision for doubtful debts and advances	(80.46)	-	(12.88)	(93.34)
(c) Disallowance under Section 43B of Income Tax Act, 1961	(365.59)	-	(186.46)	(552.05)
(d) Provision for employee benefits	(544.21)	-	(28.91)	(573.12)
(e) Redemption Premium on issue of non-convertible debenture	(311.65)	-	44.14	(267.51)
(f) Discount on issue of non-convertible debenture	(54.97)	-	7.78	(47.19)
(g) Fair value changes of cash flow hedges	(0.92)	0.63	-	(0.29)
(h) Others	(0.96)	-	(7.81)	(8.77)
	(1,674.67)	0.63	(326.05)	(2,000.09)
Net amount charged to Statement of Profit and Loss			(55.32)	
Deferred tax liabilities (net)	2,250.41			2,179.83

NOTES

to Balance Sheet and Statement of Profit and Loss

7. Other Long-term Liabilities

[Item No. 3(c), Page 154]

	(₹ crore)	
	As at	As at
	31st March, 2016	31st March, 2015
(a) Creditors for capital supplies/services	611.16	910.19
(b) Others	231.50	218.68
	842.66	1,128.87

8. Provisions

[Item No. 3(d) and 4(d), Page 154]

	As at			As at		
	31st March, 2016			31st March, 2015		
	Long-Term	Short-Term	Total	Long-Term	Short-Term	Total
(a) Provision for employee benefits ⁽¹⁾	2,116.95	117.96	2,234.91	2,434.04	102.76	2,536.80
(b) Provision for employee separation compensation ⁽²⁾	771.23	219.35	990.58	441.88	131.76	573.64
(c) Provision for taxation ⁽³⁾	-	886.02	886.02	-	659.19	659.19
(d) Provision for fringe benefit tax	-	4.73	4.73	-	4.73	4.73
(e) Proposed dividend	-	776.97	776.97	-	776.97	776.97
	2,888.18	2,005.03	4,893.21	2,875.92	1,675.41	4,551.33

Additional information:

- (1) Includes provision for leave salaries ₹918.81 crore (31.03.2015: ₹854.37 crore).
- (2) 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 ₹519.85 crore (2014-15: ₹33.52 crore) in respect of schemes introduced during the year.
- (3) Provision for taxation is after year wise set off against advance payment against taxes.

9. Trade Payables

[Item No. 4(b), Page 154]

	(₹ crore)	
	As at	As at
	31st March, 2016	31st March, 2015
(a) Creditors for supplies/services ⁽¹⁾	6,634.87	4,884.65
(b) Creditors for accrued wages and salaries	1,071.26	917.33
	7,706.13	5,801.98

NOTES

to Balance Sheet and Statement of Profit and Loss

9. Trade Payables (contd.)

[Item No. 4(b), Page 154]

Additional information:

- (1) The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises as at 31st March, 2016 are as under:

Description	(₹ crore)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
(i) The principal amount remaining unpaid to supplier as at the end of the year	14.90	16.51
(ii) The interest due thereon remaining unpaid to supplier as at the end of the year	0.72	0.56
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	4.36	4.33
(iv) The amount of interest accrued during the year and remaining unpaid at the end of the year	5.08	4.89

10. Other Current Liabilities

[Item No. 4(c), Page 154]

Description	(₹ crore)	
	As at 31st March, 2016	As at 31st March, 2015
(a) Current maturities of long-term borrowings	924.37	4,263.19
(b) Interest accrued but not due on borrowings	459.32	587.86
(c) Unpaid dividend	51.64	51.49
(d) Application money received due for refund and interest accrued thereon	0.02	0.16
(e) Unpaid matured deposits and interest accrued thereon	0.07	0.12
(f) Advances received from customers	265.02	229.10
(g) Creditors for capital supplies/services	2,265.07	1,921.05
(h) Creditors for other liabilities ⁽¹⁾⁽²⁾	2,150.30	2,203.94
	6,115.81	9,256.91

Additional information:

- (1) Includes liability for employee family benefit scheme ₹108.39 crore (31.03.2015: ₹95.72 crore)
 (2) Includes liability for VAT, Sales tax, Excise duty etc.

NOTES

to Balance Sheet and Statement of Profit and Loss

11. Tangible Assets

[Item No. 5(a)(i), Page 154]

Tangible Assets	(₹ crore)									
	Freehold Land and Roads	Leasehold Land	Buildings ⁽³⁾	Leasehold Buildings	Plant and Machinery	Furniture and Fixtures	Office Equipments	Vehicles	Railway Sidings	Total
Gross block as at 01.04.2015	441.17	726.20	3,086.60	0.59	36,373.76	52.56	163.35	284.01	486.14	41,614.38
	559.98	194.77	2,847.15	0.90	34,335.76	49.18	149.63	228.23	452.80	38,818.40
Additions during the year ⁽¹⁾	163.61	150.68	342.36	-	879.25	7.00	15.53	30.31	1.34	1,590.08
	17.67	395.14	259.20	-	2,085.06	4.32	19.34	70.28	31.06	2,882.07
Deductions during the year ⁽²⁾	(4.94)	-	(3.68)	-	(31.60)	(0.05)	(0.10)	(7.60)	-	(47.97)
	(0.19)	-	(11.87)	(0.31)	(84.17)	(0.95)	(5.62)	(14.50)	(0.08)	(117.69)
Transfer and other movements	-	-	-	-	-	-	-	-	-	-
	(136.29)	136.29	(7.88)	-	5.51	0.01	-	-	2.36	-
Exchange fluctuations capitalised during the year	-	-	-	-	107.84	-	-	-	-	107.84
	-	-	-	-	31.60	-	-	-	-	31.60
Gross block as at 31.03.2016	599.84	876.88	3,425.28	0.59	37,329.25	59.51	178.78	306.72	487.48	43,264.33
	441.17	726.20	3,086.60	0.59	36,373.76	52.56	163.35	284.01	486.14	41,614.38
Impairment as at 01.04.2015	-	-	1.25	-	-	-	-	-	-	1.25
	136.29	-	1.25	-	-	-	-	-	-	137.54
Impairment during the year	0.12	-	0.11	-	0.09	-	-	-	-	0.32
	-	-	-	-	-	-	-	-	-	-
Reversal during the year	-	-	-	-	-	-	-	-	-	-
	(136.29)	-	-	-	-	-	-	-	-	(136.29)
Transfer and other movements	-	-	(0.04)	-	-	-	-	-	-	(0.04)
	-	-	-	-	-	-	-	-	-	-
Impairment as at 31.03.2016	0.12	-	1.32	-	0.09	-	-	-	-	1.53
	-	-	1.25	-	-	-	-	-	-	1.25
Accumulated depreciation as at 01.04.2015	234.27	44.26	649.66	0.59	15,163.18	48.93	127.96	116.55	156.35	16,541.75
	41.16	17.64	566.95	0.76	13,590.01	45.43	116.12	107.78	130.58	14,616.43
Impact of adoption of Schedule II	-	-	-	-	-	-	-	-	-	-
	112.59	-	0.08	-	80.31	0.02	0.03	0.26	0.70	193.99
Depreciation during the year	51.19	11.13	110.78	-	1,610.53	4.06	18.08	25.74	22.93	1,854.44
	80.56	26.62	87.98	0.02	1,567.61	4.41	17.41	21.77	25.12	1,831.50
Depreciation on assets written off during the year ⁽¹⁾	-	-	(1.22)	-	(27.13)	(0.02)	(0.08)	(6.23)	-	(34.68)
	(0.04)	-	(5.35)	(0.19)	(74.75)	(0.93)	(5.60)	(13.26)	(0.05)	(100.17)
Transfer and other movements	-	-	0.04	-	0.01	-	-	-	-	0.05
	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at 31.03.2016	285.46	55.39	759.26	0.59	16,746.59	52.97	145.96	136.06	179.28	18,361.56
	234.27	44.26	649.66	0.59	15,163.18	48.93	127.96	116.55	156.35	16,541.75
Total accumulated depreciation and impairment as at 31.03.2016	285.58	55.39	760.58	0.59	16,746.68	52.97	145.96	136.06	179.28	18,363.09
	234.27	44.26	650.91	0.59	15,163.18	48.93	127.96	116.55	156.35	16,543.00
Net block as at 31.03.2016	314.26	821.49	2,664.70	-	20,582.57	6.54	32.82	170.66	308.20	24,901.24
	206.90	681.94	2,435.69	-	21,210.58	3.63	35.39	167.46	329.79	25,071.38

Additional information:

- Additions and depreciation on assets written off during the year include adjustments for inter se transfers.
- Deductions include cost of assets scrapped/surrendered during the year.
- Buildings include ₹2.32 crore (31.03.2015: ₹2.32 crore) being cost of shares in Co-operative Housing Societies and Limited Companies.
- Rupee liability has increased by ₹107.84 crore (net) (2014-15: ₹31.60 crore) arising out of realignment of the value of long-term foreign currency loans and vendor retention liability 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. The depreciation for the current year has increased by ₹6.48 crore (2014-15: ₹1.75 crore) arising on account of this adjustment.

NOTES

to Balance Sheet and Statement of Profit and Loss

11. Tangible Assets (contd.)

[Item No. 5(a)(i), Page 154]

(5) Tangible assets schedule includes the capital cost of in-house research recognised facility as under:

Tangible Assets										(₹ crore)
	Freehold Land and Roads	Leasehold Land	Buildings	Leasehold Buildings	Plant and Machinery	Furniture and fixtures	Office Equipments	Vehicles	Railway Sidings	Total
Gross block as at 01.04.2015	-	-	0.02	-	73.47	2.09	2.53	0.09	-	78.20
	-	-	0.02	-	54.26	2.04	2.17	0.09	-	58.58
Additions during the year	-	-	0.18	-	18.79	0.04	0.34	-	-	19.35
	-	-	-	-	19.23	0.05	0.57	-	-	19.85
Deductions during the year	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	(0.02)	-	(0.21)	-	-	(0.23)
Gross block as at 31.03.2016	-	-	0.20	-	92.26	2.13	2.87	0.09	-	97.55
	-	-	0.02	-	73.47	2.09	2.53	0.09	-	78.20
Capital work-in-progress	-	-	-	-	-	-	-	-	-	5.89
	-	-	-	-	-	-	-	-	-	12.19

12. Intangible Assets

[Item No. 5(a)(ii), Page 154]

Intangible Assets			(₹ crore)
	Software Costs	Development of property ⁽³⁾	Total
Gross block as at 01.04.2015	142.40	826.60	969.00
	142.06	683.59	825.65
Additions during the year ⁽¹⁾	5.36	462.36	467.72
	0.34	143.01	143.35
Deductions during the year ⁽²⁾	-	(5.47)	(5.47)
	-	-	-
Gross block as at 31.03.2016	147.76	1,283.49	1,431.25
	142.40	826.60	969.00
Impairment at beginning of period	-	-	-
	-	-	-
Charge for the period	-	35.92	35.92
	-	-	-
Impairment at end of period	-	35.92	35.92
	-	-	-
Accumulated amortisation as at 01.04.2015	108.00	683.86	791.86
	92.13	532.20	624.33
Impact of adoption of Schedule II	-	-	-
	1.44	-	1.44
Amortisation during the year	14.72	63.95	78.67
	14.43	151.66	166.09
Amortisation on assets written off during the year	-	(2.55)	(2.55)
	-	-	-
Accumulated amortisation as at 31.03.2016	122.72	745.26	867.98
	108.00	683.86	791.86
Net block as at 31.03.2016	25.04	502.31	527.35
	34.40	142.74	177.14

(1) Additions and amortisation on assets written off during the year include adjustments for inter se transfers.

(2) Deductions include cost of assets scrapped/surrendered during the year.

(3) Development of property represents expenditure incurred on development of mines/collieries.

(4) The above intangible assets do not include any internally generated assets.

NOTES

to Balance Sheet and Statement of Profit and Loss

13. Non-current Investments

[Item No. 5(b), Page 154]

		(₹ crore)	
		As at 31st March, 2016	As at 31st March, 2015
		No. of equity shares of face value of ₹10 each fully paid-up unless otherwise specified	
A. TRADE INVESTMENTS			
(i) Investments in Equity Instruments			
(a) Investments in Subsidiary Companies			
(i) Quoted			
(1)	Tata Metaliks Ltd.	1,26,67,590	26.30
(2)	Tayo Rolls Limited	55,87,372	48.57
(3)	Tata Sponge Iron Limited	83,93,554	86.54
(4)	The Tinplate Company of India Ltd.	7,84,57,640	395.02
		556.43	556.43
(ii) Unquoted			
(1)	ABJA Investment Co. Pte Ltd. (Face value of USD 1 each)	2,00,000	1.08
(2)	Adityapur Toll Bridge Company Limited	1,50,00,000	14.44
(3)	Bangla Steel & Mining Co. Ltd.*	9,998	-
(4)	Indian Steel & Wire Products Ltd.	56,92,651	3.09
(5)	Jamshedpur Continuous Annealing & Processing Company Private Limited (2,95,80,000 shares acquired during the year)	47,53,20,000	475.32
(6)	Jamshedpur Utilities & Services Company Limited	2,03,50,000	20.35
(7)	Mohar Exports Services Pvt. Limited	3,352	-
(8)	NatSteel Asia Pte. Ltd. (Face value of SGD 1 each)	28,14,37,128	773.86
(9)	Rujuvalika Investments Limited (10,08,333 shares acquired during the year)	13,28,800	60.40
(10)	Tata Steel Special Economic Zone Limited (5,96,70,000 shares acquired during the year)	9,20,92,631	92.09
(11)	T M International Logistics Limited	91,80,000	9.18
(12)	T M Mining Company Limited	1,62,800	0.16
(13)	Tata Incorporated (Face value of USD 1,000 each) (1,500 shares disposed during the year)	-	1.64
(14)	Tata Korf Engineering Services Ltd.*	3,99,986	-
(15)	Tata Steel (KZN) (Pty) Ltd. (Face value of ZAR 1 each)	12,96,00,000	84.70
(16)	T Steel Holdings Pte Ltd. (Face value of GBP 1 each)	5,93,17,67,688	47,875.33
(17)	Tata Steel Processing and Distribution Limited	6,82,50,000	274.45
(18)	Tata Steel Odisha Limited	25,50,000	2.55
(19)	Tata Pigments Limited (Face value of ₹100 each)	75,000	0.70
(20)	TS Alloys Limited (62,33,067 shares acquired during the year)	6,57,07,544	78.64
		49,766.34	49,612.10
		50,322.77	50,168.53

NOTES

 to Balance Sheet and Statement of Profit and Loss

13. Non-current Investments (contd.)

[Item No. 5(b), Page 154]

		(₹ crore)	
	No. of equity shares of face value of ₹10 each fully paid-up unless otherwise specified	As at 31st March, 2016	As at 31st March, 2015
(b) Investments in Joint Ventures			
(i) Unquoted			
(1) Bhubaneswar Power Private Limited (75,32,306 shares acquired during the year)	3,27,57,836	32.76	25.22
(2) Himalaya Steel Mill Services Private Limited	36,19,945	3.61	3.61
(3) mjunction services limited	40,00,000	4.00	4.00
(4) S & T Mining Company Private Limited	1,29,41,400	12.94	12.94
(5) Tata BlueScope Steel Limited	43,30,00,000	433.00	433.00
(6) Tata NYK Shipping Pte Ltd. (Face value of USD 1 each) (34,20,000 shares acquired during the year)	6,51,67,500	350.14	328.86
		836.45	807.63
		836.45	807.63
(c) Investments in Associate Companies			
(i) Quoted			
(1) Kumardhubi Fireclay and Silica Works Ltd.*	1,50,001	-	-
(2) TRF Limited (19,739 shares disposed during the year)	37,53,275	5.79	5.82
		5.79	5.82
(ii) Unquoted			
(1) Industrial Energy Limited (96,72,000 shares acquired during the year)	17,31,60,000	173.16	163.49
(2) Jamipol Limited	36,75,000	8.39	8.39
(3) Kalinga Aquatics Ltd.*	10,49,920	-	-
(4) Kumardhubi Metal Casting and Engineering Limited*	10,70,000	-	-
(5) Nicco Jubilee Park Limited *	3,40,000	-	-
(6) Rujvalika Investments Limited	-	-	0.60
(7) Strategic Energy Technology Systems Private Limited (9,05,000 shares acquired during the year)	2,56,14,500	25.62	24.71
(8) Tata Construction & Projects Ltd.*	11,97,699	-	-
(9) TRL Krosaki Refractories Limited	55,63,864	42.38	42.38
(10) Others ₹33,520 (31.03.2015: ₹67,040) ⁽³⁾		-	0.01
		249.55	239.58
		255.34	245.40

NOTES

to Balance Sheet and Statement of Profit and Loss

13. Non-current investments (contd.)

[Item No. 5(b), Page 154]

		(₹ crore)		
		No. of equity shares of face value of ₹10 each fully paid-up unless otherwise specified	As at 31st March, 2016	As at 31st March, 2015
(d) Investments in Others				
(i) Quoted				
(1)	Steel Strips Wheels Limited (1,00,000 shares disposed during the year)	11,55,856	19.65	21.35
(2)	Tata Investment Corporation Limited	2,46,018	6.51	6.51
(3)	Tata Motors Ltd. (Face value of ₹2 each) (83,49,770 shares acquired during the year and 7,63,99,588 shares disposed during the year)	8,36,37,697	350.74	295.35
(4)	The Tata Power Company Ltd. (Face value of ₹1 each)	3,91,22,725	225.09	225.09
(5)	Titan Company Limited (Face value of ₹1 each) (3,87,75,840 shares disposed during the year)	-	-	13.36
(6)	Others ₹7,574 (31.03.2015: ₹7,574) ⁽⁴⁾		-	-
			601.99	561.66
(ii) Unquoted				
(1)	Medica TS Hospital Pvt. Ltd.	2,60,000	0.26	0.26
(2)	Panatone Finvest Ltd.	45,000	0.05	0.05
(3)	Steelscape Consultancy Pvt. Ltd.	50,000	0.03	0.03
(4)	Taj Air Limited	42,00,000	4.20	4.20
(5)	Tarapur Environment Protection Society (52,352 shares acquired during the year)	82,776	0.89	0.31
(6)	Tata Industries Ltd. (Face value of ₹100 each)	99,80,436	202.19	202.19
(7)	Tata International Ltd. (Face value of ₹1,000 each)	28,616	31.19	31.19
(8)	Tata Projects Ltd. (Face value of ₹100 each) (2,18,250 shares disposed during the year)	-	-	32.36
(9)	Tata Services Ltd. (Face value of ₹1,000 each)	1,621	0.16	0.16
(10)	Tata Sons Limited (Face value of ₹1,000 each)	12,375	68.75	68.75
(11)	Tata Teleservices Ltd.	6,46,92,310	138.68	138.68
(12)	Others ₹72,737 (31.03.2015: ₹72,737) ⁽⁵⁾		0.01	0.01
			446.41	478.19
			1,048.40	1,039.85
			52,462.96	52,261.41

NOTES

 to Balance Sheet and Statement of Profit and Loss

13. Non-current investments (contd.)

[Item No. 5(b), Page 154]

		(₹ crore)	
	No. of equity shares of face value of ₹10 each fully paid-up unless otherwise specified	As at 31st March, 2016	As at 31st March, 2015
(II) Investments in Preference Shares			
(a) Investments in Subsidiary Companies			
(i) Unquoted			
(1)	Tata Metaliks Ltd. 8.50% non-cumulative redeemable preference shares (Face value of ₹100 each)	1,00,00,000	100.00
(2)	Tayo Rolls Limited 8.50% non-cumulative redeemable preference shares (Face value of ₹100 each) (16,00,000 shares acquired during the year)	2,31,00,000	231.00
		331.00	315.00
		331.00	315.00
(III) Investments in Debentures/Bonds			
(a) Investments in Associate Companies			
(i) Unquoted			
(1)	Tata Construction & Projects Ltd.* 10% Convertible debentures of ₹100 each	97,000	-
		-	-
(b) Investments in Others			
(i) Unquoted			
(1)	Medica TS Hospital Pvt. Ltd. Secured optionally convertible redeemable debentures of ₹1,000 each (3,39,500 debentures acquired during the year)	3,39,500	33.95
		-	-
		33.95	-
		33.95	-
Provision for diminution in the value of investments			
(i)	Investment in Equity Instruments	(236.70)	(197.38)
(ii)	Investment in Preference Shares	(231.00)	(215.00)
		(467.70)	(412.38)
		52,360.21	52,164.03
B. OTHER INVESTMENTS			
(I) Investments in Equity Instruments			
(a) Investments in others			
(i) Quoted			
(1)	Credit Analysis & Research Limited	3,54,000	0.10
(2)	Housing Development Finance Corporation Ltd. (Face value of ₹2 each)	7,900	0.01
		0.11	0.11
(ii) Unquoted			
(1)	IFCI Venture Capital Funds Ltd.	1,00,000	0.10
(2)	Others ₹47,488 (31.03.2015: ₹47,488) ⁽⁶⁾	-	-
		0.10	0.10
		0.21	0.21
		52,360.42	52,164.24

* These investments are carried at a book value of ₹1.00

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to Balance Sheet and Statement of Profit and Loss

13. Non-current investments (contd.)

[Item No. 5(b), Page 154]

Additional information:

	No. of equity shares of face value of ₹10 each fully paid-up unless otherwise specified	As at 31st March, 2016	(₹ crore) As at 31st March, 2015
(1) Carrying value of Quoted Investments Market Value as at 31st March, 2016 ₹4,745.79 crore (31.03.2015: ₹11,528.97 crore)		1,115.75	1,075.45
(2) Carrying value of Unquoted Investments		51,244.67	51,088.79
		52,360.42	52,164.24
		₹	₹
(3) Trade Investments - Equity instruments (Associates) - Unquoted include:			
(a) Malusha Travels Pvt. Ltd.	3,352	33,520	33,520
(b) Mohar Exports Services Pvt. Limited	-	-	33,520
		33,520	67,040
(4) Trade Investments - Equity instruments (Others) - Quoted include:			
(a) Tata Consultancy Services Limited (Face Value of ₹1 each)	24,400	7,564	7,564
(b) Timken India Ltd.	1	10	10
		7,574	7,574
(5) Trade Investments - Equity instruments (Others) - Unquoted include:			
(a) Barajamda Iron Ore Mine Workers' Central Co-operative Stores Ltd. (Face Value of ₹25 each)	200	5,000	5,000
(b) Bokaro and Ramgarh Ltd.	100	16,225	16,225
(c) Ferro Manganese Plant Employees' Consumer Co-operative Society Ltd. (Face Value of ₹25 each)	100	2,500	2,500
(d) Jamshedpur Co-operative House Building Society Ltd. (Face Value of ₹100 each)	10	1,000	1,000
(e) Jamshedpur Co-operative Stores Ltd. (Face Value of ₹5 each)	50	250	250
(f) Jamshedpur Educational and Culture Co-operative Society Ltd. (Face Value of ₹100 each)	50	5,000	5,000
(g) Joda East Iron Mine Employees' Consumer Co-operative Society Ltd. (Face Value of ₹25 each)	100	2,500	2,500
(h) Sijua (Jherriah) Electric Supply Co. Ltd.	4,144	40,260	40,260
(i) TBW Publishing and Media Pvt. Limited	100	1	1
(j) Woodland Multispeciality Hospital Ltd.	1,25,000	1	1
		72,737	72,737
(6) Other Investments - Equity instruments (Others) - Unquoted include:			
(a) Eastern Synpacks Limited	1,50,000	1	1
(b) Investech Advisory Services (India) Limited (Face Value of ₹100 each)	1,680	1	1
(c) Namtech Electronic Devices Limited	48,026	1	1
(d) Reliance Firebrick and Pottery Company Ltd. (Partly paid-up)	16,800	1	1
(e) Reliance Firebrick and Pottery Company Ltd.	2,400	1	1

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 to Balance Sheet and Statement of Profit and Loss

13. Non-current investments (contd.)

[Item No. 5(b), Page 154]

	No. of equity shares of face value of ₹10 each fully paid-up unless otherwise specified	As at 31st March, 2016	As at 31st March, 2015
			(₹ crore)
(f) Sanderson Industries Ltd.	3,33,876	2	2
(g) Standard Chrome Ltd.	11,16,000	2	2
(h) Wellman Incandescent India Ltd.	15,21,234	2	2
(i) Unit Trust of India – Mastershares	2,229	47,477	47,477
		47,488	47,488

* These investments are carried at a book value of ₹1.00

14. Loans and Advances

[Item No. 5(c) and 6(e), Page 154]

	As at 31st March, 2016			As at 31st March, 2015		
	Long-Term	Short-Term	Total	Long-Term	Short-Term	Total
(A) CAPITAL ADVANCES⁽¹⁾						
Unsecured and considered good	598.18	–	598.18	781.29	–	781.29
Unsecured and considered doubtful	73.43	–	73.43	–	–	–
Less: Provision for bad & doubtful loans and advances	73.43	–	73.43	–	–	–
	598.18	–	598.18	781.29	–	781.29
(B) SECURITY DEPOSITS						
Unsecured and considered good	165.92	–	165.92	98.85	–	98.85
Unsecured and considered doubtful	1.40	–	1.40	1.72	–	1.72
Less: Provision for bad & doubtful loans and advances	1.40	–	1.40	1.72	–	1.72
	165.92	–	165.92	98.85	–	98.85
(C) ADVANCE WITH PUBLIC BODIES						
Unsecured and considered good	1,840.90	928.06	2,768.96	1,332.05	807.56	2,139.61
Unsecured and considered doubtful	12.73	2.69	15.42	13.30	1.85	15.15
Less: Provision for bad & doubtful loans and advances	12.73	2.69	15.42	13.30	1.85	15.15
	1,840.90	928.06	2,768.96	1,332.05	807.56	2,139.61
(D) LOANS AND ADVANCES TO RELATED PARTIES⁽²⁾						
Unsecured and considered good	50.45	50.92	101.37	84.05	139.93	223.98
Unsecured and considered doubtful	540.51	256.07	796.58	530.57	177.26	707.83
Less: Provision for bad & doubtful loans and advances	540.51	256.07	796.58	530.57	177.26	707.83
	50.45	50.92	101.37	84.05	139.93	223.98

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to Balance Sheet and Statement of Profit and Loss

14. Loans and Advances (contd.)

[Item No. 5(c) and 6(e), Page 154]

	(₹ crore)					
	As at 31st March, 2016			As at 31st March, 2015		
	Long-Term	Short-Term	Total	Long-Term	Short-Term	Total
(E) MAT CREDIT ENTITLEMENT						
Unsecured and considered good	269.38	–	269.38	117.21	–	117.21
(F) ADVANCE PAYMENT AGAINST TAXES⁽³⁾						
Unsecured and considered good	837.66	–	837.66	723.57	–	723.57
(G) OTHER LOANS AND ADVANCES⁽⁴⁾						
Unsecured and considered good	25.39	264.50	289.89	70.88	979.67	1,050.55
Unsecured and considered doubtful	0.43	41.74	42.17	3.41	36.22	39.63
Less: Provision for bad & doubtful loans and advances	0.43	41.74	42.17	3.41	36.22	39.63
	25.39	264.50	289.89	70.88	979.67	1,050.55
	3,787.88	1,243.48	5,031.36	3,207.90	1,927.16	5,135.06

Additional information:

- (1) Include capital advance in respect of research and development activities of ₹6.29 crore (31.03.2015: ₹3.19 crore).
- (2) Loans and advances to related parties include:
 - (a) Advance against equity for purchase of shares in subsidiaries, joint ventures and associate Nil (31.03.2015: ₹21.28 crore).
 - (b) Loans and advances in the nature of loans given to subsidiaries and associate ₹633.07 crore (31.03.2015: ₹641.36 crore).
 Disclosure as per Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Name of the Company	Relationship	As at	Maximum balance	Investment by the
		31.03.2016	outstanding during the year	loanee in the shares of parent company
		₹ crore	₹ crore	No. of Shares
Tata Steel (KZN) (Pty) Ltd.	Subsidiary	540.51	541.66	–
		530.57	541.86	–
Tata Metaliks Ltd.	Subsidiary	22.00	22.00	–
		22.00	22.00	–
Adityapur Toll Bridge Company Limited	Subsidiary	15.43	15.43	–
		15.00	15.00	–
Tayo Rolls Limited	Subsidiary	43.63	43.63	–
		–	–	–
Industrial Energy Limited	Associate	–	62.29	–
		62.29	139.20	–
Jamshedpur Utilities & Services Company Limited	Subsidiary	11.50	11.50	–
		11.50	11.50	–

- (c) Inter-corporate deposits ₹92.56 crore (31.03.2015: ₹110.79 crore)
- (3) Advance payment against taxes is after year wise set off against provision for taxation.
- (4) Other loans and advances include Inter-corporate deposits ₹2.00 crore (31.03.2015: ₹2.00 crore)
- (5) Loans and advances in the nature of loans and inter-corporate deposits have been given for business purpose.

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to Balance Sheet and Statement of Profit and Loss

15. Other Non-current Assets

[Item No. 5(d), Page 154]

	(₹ crore)	
	As at 31st March, 2016	As at 31st March, 2015
(a) Balances with banks ⁽¹⁾⁽²⁾	35.00	37.81
(b) Unamortised loan issue expenses	172.01	172.32
(c) Others	20.39	1.62
	227.40	211.75

Additional information:

- (1) Represents bank deposits not due for realisation within 12 months of the balance sheet date.
 (2) Includes balances with banks held as security against guarantees ₹34.64 crore (31.03.2015: ₹29.57 crore).

16. Current Investments

[Item No. 6(a), Page 154]

	(₹ crore)	
	As at 31st March, 2016	As at 31st March, 2015
INVESTMENTS IN MUTUAL FUNDS – UNQUOTED		
Axis Liquid Fund - Growth	380.00	–
Goldman Sachs Mutual Fund - Liquid Bees	0.08	0.08
HDFC Liquid Fund - Growth	500.00	–
ICICI Prudential Liquid - Reg - Growth	–	100.00
ICICI Prudential Money Market Fund - Reg - Growth	700.00	–
Kotak Liquid Scheme - Plan A - Growth	300.00	–
Reliance Liquidity Fund - Growth	630.00	100.00
Religare Invesco Liquid Fund - Growth	100.00	–
SBI Premier Liquid Fund - Reg - Growth	350.00	50.00
Tata Money Market Fund - Plan A - Growth	–	750.00
Tata Money Market Fund - Growth	900.00	–
UTI Liquid Fund - Cash Plan - IP - Growth	460.09	–
	4,320.17	1,000.08

17. Inventories

(At lower of cost and net realisable value)

[Item No. 6(b), Page 154]

	(₹ crore)	
	As at 31st March, 2016	As at 31st March, 2015
(a) Raw materials	2,368.61	3,265.19
(b) Work-in-progress	18.30	44.32
(c) Finished and semi-finished goods	2,739.12	2,888.47
(d) Stock-in-trade of goods acquired for trading	69.75	37.35
(e) Stores and spares	1,888.03	1,806.67
	7,083.81	8,042.00

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to Balance Sheet and Statement of Profit and Loss

17. Inventories (contd.)

(At lower of cost and net realisable value)

[Item No. 6(b), Page 154]

	(₹ crore)	
	As at	As at
	31st March, 2016	31st March, 2015
INCLUDED ABOVE, GOODS-IN-TRANSIT:		
(i) Raw materials	382.42	598.63
(ii) Finished and semi-finished goods	0.04	19.62
(iii) Stock-in-trade of goods acquired for trading	65.31	23.85
(iv) Stores and spares	160.70	160.77
	608.47	802.87

18. Trade Receivables

[Item No. 6(c), Page 154]

	(₹ crore)	
	As at	As at
	31st March, 2016	31st March, 2015
(a) More than six months	24.44	24.28
(b) Others	622.32	483.85
	646.76	508.13
Less: Provision for doubtful trade receivables		
(a) More than six months	11.96	16.67
(b) Others	2.00	-
	632.80	491.46
Unsecured and considered good	632.80	491.46
Doubtful	13.96	16.67
	646.76	508.13

19. Cash and Bank Balances

[Item No. 6(d), Page 154]

	(₹ crore)	
	As at	As at
	31st March, 2016	31st March, 2015
(a) Cash in hand	0.41	0.46
(b) Cheques, drafts on hand	24.53	42.21
(c) Remittances in-transit	0.27	0.13
(d) Balances with banks	928.02	379.13
Total cash and cash equivalents	953.23	421.93
(e) Earmarked balances with banks ⁽¹⁾	61.44	56.66
	1,014.67	478.59

Additional information:

(1) Includes balances with banks held as security against guarantees ₹9.32 crore (31.03.2015: ₹4.54 crore).

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to Balance Sheet and Statement of Profit and Loss

20. Other Current Assets

[Item No. 6(f), Page 154]

	As at 31st March, 2016	As at 31st March, 2015
(a) Interest accrued on deposits, loans and advances	11.84	6.63
(b) Others ⁽¹⁾	114.72	48.64
	126.56	55.27

Additional information:

(1) Includes ₹23.70 crore (31.03.2015: ₹25.56 crore) on account of loan issue expenses.

21. Revenue from Operations

[Item No. 1(a), Page 155]

	Year ended 31st March, 2016	Year ended 31st March, 2015
(a) Sale of products ⁽¹⁾	40,689.22	45,007.63
(b) Sale of power and water	1,468.37	1,118.91
(c) Income from town, medical and other services	133.05	99.54
(d) Other operating income ⁽²⁾	395.65	351.18
	42,686.29	46,577.26

Additional information:

(1) Details of products sold:

	Year ended 31st March, 2016	Year ended 31st March, 2015
Class of Products		
(i) Saleable Steel (Finished)	33,562.36	37,639.62
(ii) Agrico Products	149.36	156.95
(iii) Semi-finished Steel and Scrap	989.63	1,398.25
(iv) Welded Steel Tubes	2,089.15	2,347.29
(v) By-Products, etc.	336.59	445.78
(vi) Raw Materials:		
– Ferro Manganese	170.03	199.86
– Charge Chrome/Ferro Chrome	1,090.54	529.77
– Other Raw Materials	1,553.66	1,810.25
(vii) Bearings	183.14	174.19
(viii) Metallurgical Machinery	24.54	13.77
(ix) Sale of Purchased Materials:		
– Saleable Steel (Finished/Converted)	536.84	288.97
– Raw Materials/Scrap/Other Materials	3.38	2.93
	40,689.22	45,007.63

(2) Includes lease rentals of ₹0.20 crore (2014-15: ₹0.20 crore) on wagons leased to railways under Own Your Wagon Scheme.

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to Balance Sheet and Statement of Profit and Loss

22. Other Income

[Item No. 1(b), Page 155]

	(₹ crore)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
(a) Dividend income		
(i) Investment in subsidiaries	43.56	35.04
(ii) Investment in joint ventures and associates	20.58	26.23
(iii) Other non-current investments	42.94	58.33
(iv) From current investments	–	0.51
(b) Interest income	42.76	107.51
(c) Net gain/(loss) on sale of investments		
(i) On sale of other non-current investments	3,507.52	1.72
(ii) On sale of current investments	180.41	406.81
(d) Profit on sale of capital assets (net of loss on assets sold/written off)	(2.11)	0.97
(e) Gain/(Loss) on cancellation of forwards, swaps and options (net)	(1.21)	(77.41)
(f) Other miscellaneous income	56.25	23.07
	3,890.70	582.78

23. Raw Materials Consumed

[Item No. 2(a), Page 155]

	(₹ crore)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
(a) Iron Ore	3,119.97	3,666.84
(b) Coal [excluding ₹4,892.93 crore (2014-15: ₹5,411.30 crore) used for manufacturing coke]	1,406.17	1,247.47
(c) Coke	4,727.48	5,580.94
(d) Limestone and Dolomite	812.45	786.58
(e) Ferro Manganese	161.64	169.38
(f) Zinc and Zinc Alloys	273.29	296.23
(g) Sulphur and Other Materials	2,171.05	2,092.26
	12,672.05	13,839.70

Additional information:

- The consumption figures shown above are after adjusting excess and shortages ascertained on physical count, unserviceable items, etc.
- Raw materials consumed includes ₹2,972.04 crore (2014-15: ₹2,161.10 crore) charged to wages and salaries and other revenue accounts.

NOTES

to Balance Sheet and Statement of Profit and Loss

24. Purchase of Finished, Semi-finished and Other Products

[Item No. 2(b), Page 155]

	(₹ crore)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
(a) For Resale:		
(i) Finished/Semi-finished steel materials	588.64	442.63
(ii) Finished/Semi-finished steel materials - Agrico and Tubes	25.16	34.98
(b) For Own Consumption:		
(i) Finished/Semi-finished steel materials ⁽¹⁾	361.90	155.22
(ii) Sponge/Pig iron	5.88	45.86
(iii) Others	9.96	9.63
	991.54	688.32

Additional information:

(1) Includes components for manufacture of metallurgical machinery ₹22.64 crore (2014-15: ₹25.96 crore).

25. Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

[Item No. 2(c), Page 155]

	(₹ crore)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
INVENTORIES AT THE END OF THE YEAR		
(a) Work-in-progress	18.30	44.32
(b) Finished and semi-finished goods	2,739.12	2,888.47
(c) Stock-in-trade of goods acquired for trading	69.75	37.35
	2,827.17	2,970.14
INVENTORIES AT THE BEGINNING OF THE YEAR		
(a) Work-in-progress	44.32	35.99
(b) Finished and semi-finished goods	2,888.47	2,216.14
(c) Stock-in-trade of goods acquired for trading	37.35	2.07
	2,970.14	2,254.20
	(142.97)	715.94

NOTES

to Balance Sheet and Statement of Profit and Loss

25. Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade (contd.)

[Item No. 2(c), Page 155]

Additional information:

(1) Details of finished and semi-finished goods, stock-in-trade of goods acquired for trading:

Class of Products	(₹ crore)			
	As at		As at	
	31st March, 2016		31st March, 2015	
	Closing Stock	Opening Stock	Closing Stock	Opening Stock
(a) Saleable Steel (Finished)	1,510.97	1,925.05	1,925.05	1,195.65
(b) Agrico Products	11.85	14.35	14.35	11.08
(c) Semi-finished Steel and Scrap	931.04	662.37	662.37	761.66
(d) Welded Steel Tubes	84.38	85.93	85.93	93.54
(e) By-Products, etc.	51.89	18.98	18.98	15.79
(f) Other Products	121.47	134.83	134.83	115.97
(g) Bearings	25.22	26.45	26.45	21.97
(h) Sale of Purchased Materials –				
Saleable Steel (Finished/Converted)	70.81	55.96	55.96	0.48
Raw Materials/Scrap/Other Materials	1.24	1.90	1.90	2.07
	2,808.87	2,925.82	2,925.82	2,218.21

26. Employee Benefits Expense

[Item No. 2(d), Page 155]

	(₹ crore)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
(a) Salaries and wages, including bonus	3,607.79	3,568.86
(b) Contribution to provident and other funds	464.64	600.14
(c) Staff welfare expenses	252.47	432.92
	4,324.90	4,601.92

27. Depreciation and Amortisation Expense

[Item No. 2(e), Page 155]

	(₹ crore)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
(a) Depreciation on tangible assets	1,854.44	1,831.50
(c) Amortisation of intangible assets	78.67	166.09
	1,933.11	1,997.59

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to Balance Sheet and Statement of Profit and Loss

28. Finance Costs

[Item No. 2(f), Page 155]

	(₹ crore)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
(a) Interest expense		
(i) Debentures/bonds and fixed loans	2,084.98	2,325.58
(ii) Others ⁽¹⁾	105.26	199.77
(b) Other borrowing costs	302.59	97.85
	2,492.83	2,623.20
Less: Interest capitalised	1,032.56	647.25
	1,460.27	1,975.95

Additional information:

(1) Includes interest on service tax Nil (2015-14: ₹2.21 crore) and income tax Nil (2014-15: ₹80.40 crore).

29. Other Expenses

[Item No. 2(g), Page 155]

	(₹ crore)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
(a) Consumption of stores and spares	2,425.11	2,305.47
(b) Repairs to buildings	57.41	76.51
(c) Repairs to machinery	2,025.30	1,864.44
(d) Relining expenses	43.10	45.58
(e) Fuel oil consumed	138.07	134.26
(f) Purchase of power	2,743.10	2,570.16
(g) Conversion charges	2,204.43	1,885.98
(h) Freight and handling charges	2,994.88	2,883.32
(i) Rent	73.53	75.34
(j) Royalty	938.62	807.22
(k) Rates and taxes	752.83	684.85
(l) Insurance	56.82	57.18
(m) Commission, discounts and rebates	182.78	164.35
(n) Provision for wealth tax	-	2.00
(o) Provision for doubtful debts and advances	22.49	26.05
(p) Excise duty	(47.18)	106.93
(q) Others ⁽¹⁾⁽²⁾	1,826.77	2,420.35
	16,438.06	16,109.99

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to Balance Sheet and Statement of Profit and Loss

29. Other Expenses (contd.)

[Item No. 2(g), Page 155]

Additional information:

	(₹ crore)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
(1) Others include:		
(a) Adjustment to the carrying amount of investments	–	0.01
(b) Provision for impairment of fixed assets	–	51.50
(c) Net loss/(gain) on foreign currency transactions	4.35	656.69
(d) Auditors remuneration and out-of-pocket expenses		
(i) As auditors	6.53	5.00
(ii) For taxation matters	0.47	0.46
(iii) For other services	2.64	0.95
(iv) Auditors out-of-pocket expenses	0.17	0.36
(e) Cost audit fees [Including expenses ₹22,388 (2014-15: ₹25,064)]	0.12	0.12
(f) Donation to electoral trust	–	8.92

- (2) (i) Amount required to be spent by the Company on Corporate Social Responsibility (CSR) activities during the year was ₹150.36 crore (2014-15: ₹168.26 crore).
- (ii) Others include revenue expenditure charged to Statement of Profit and Loss in respect of Corporate Social Responsibility (CSR) activities undertaken during the year ₹195.64 crore [₹192.39 crore has been paid in cash and ₹3.25 crore is yet to be paid in cash] as compared to ₹161.28 crore for the year ended 31st March, 2015 [₹157.88 crore was paid in cash and ₹3.40 crore was unpaid.] Capital expenditure incurred during the year in construction of capital assets under CSR projects is ₹8.82 crore [₹8.49 crore paid in cash and ₹0.33 crore is yet to be paid in cash] as compared to ₹10.15 crore for the year ended 31st March, 2015 [₹9.43 crore was paid in cash and ₹0.72 crore was unpaid].

30. Exceptional Items

[Item No. 4, Page 155]

- (a) 'Profit on sale of non-current investments' represents profit of ₹104.29 crore on sale of investments held by the Company in its subsidiaries, associates and others.

The previous year amount of ₹806.10 crore represents profit on investment in The Dhamra Port Company Limited and Lanka Special Steels Ltd.

- (b) The previous year amount of 'Profit on sale of non-current assets' represents profit on sale of a land at Borivali, Mumbai.

- (c) During the year, the Company carried out impairment testing of its exposure in some of its affiliate companies due to the existence of factors indicating probable impairment.

Consequently, an amount of ₹126.04 crore majorly on account of exposure in Tayo Rolls Limited (a subsidiary), Adityapur Toll Bridge Company Limited (a subsidiary), Tata Korf Engineering Services Ltd (a subsidiary) and Strategic Energy Technology Systems Private Limited (an associate) has been provided for.

Further, a provision of ₹72.99 crore has been created on account of the Company's exposure in its Chhattisgarh Project.

The previous year provision of ₹198.40 crore relates to provision on account of investment exposure in subsidiaries, Tayo Rolls Limited and Adityapur Toll Bridge Company Limited.

NOTES

to Balance Sheet and Statement of Profit and Loss

30. Exceptional Items (contd.)

[Item No. 4, Page 155]

- (d) 'Provision for impairment on non-current assets' of ₹51.51 crore represents non-cash write down of fixed assets and inventory in certain non-performing business units.
- (e) 'Provisions for demands and claims' of ₹880.05 crore represents provisions created during the year for certain demands and claims.

The previous year reversal of impairment loss of ₹136.29 crore was in respect of land acquired in Gopalpur.

- (f) 'Employee Separation Compensation' represents the charge of ₹556.25 crore taken on Employee Separation Scheme.

31. Earnings Per Share (EPS)

[Item No. 9 and 10, Page 155]

		(₹ crore)	
		As at 31st March, 2016	As at 31st March, 2015
(a)	Profit after tax	4,900.95	6,439.12
	Less: Distribution on Hybrid Perpetual Securities (net of tax)	174.06	175.66
	Profit attributable to Ordinary Shareholders – for Basic EPS	4,726.89	6,263.46
	Profit attributable to Ordinary Shareholders – for Diluted EPS	4,726.89	6,263.46
		Nos.	Nos.
(b)	Weighted average no. of Ordinary Shares for Basic EPS	97,12,15,439	97,12,15,416
	Weighted average no. of Ordinary Shares for Diluted EPS	97,12,15,439	97,12,15,416
(c)	Nominal value per Ordinary Share	₹10.00	₹10.00
(d)	Basic Earnings per Ordinary Share	₹48.67	₹64.49
(e)	Diluted Earnings per Ordinary Share	₹48.67	₹64.49 ⁽¹⁾

Additional information:

- (1) 4.5% Foreign Currency Convertible Bonds are anti-dilutive.

32. Contingent Liabilities and Commitments

A. CONTINGENT LIABILITIES

(a) Claims not acknowledged by the Company

		(₹ crore)	
		As at 31st March, 2016	As at 31st March, 2015
(i)	Excise and Service Tax	470.14	451.32
(ii)	Customs	13.72	13.72
(iii)	Sales Tax and VAT	567.88	432.33
(iv)	State Levies	391.40	264.97
(v)	Suppliers and Service Contract	86.83	82.07
(vi)	Labour Related	54.30	51.71
(vii)	Income Tax	354.57	301.11
(viii)	Royalty	14.01	14.01

NOTES

to Balance Sheet and Statement of Profit and Loss

32. Contingent Liabilities and Commitments (contd.)

A. CONTINGENT LIABILITIES

- (b) Claim by a party arising out of conversion arrangement- ₹195.82 crore (31.03.2015: ₹195.82 crore). The Company has not acknowledged this claim and has instead filed a claim of ₹139.65 crore (31.03.2015: ₹139.65 crore) on the party. The matter is pending before the Calcutta High Court.
- (c) The State Government of Odisha 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 Odisha moved to the Supreme Court against the order of Orissa High Court and the case is pending with Supreme Court. The potential liability, as of 31st March, 2016 would be approximately ₹5,501.98 crore (31.03.2015: ₹4,805.18 crore).
- (d) Interest expenditure on loans taken for acquisition of a subsidiary has been disallowed in assessments with tax demand raised for ₹958.06 crore (31.03.2015: ₹715.01 crore). Company has deposited ₹415.00 crore (31.03.2015: ₹340.00 crore) as part payment as a precondition to obtain stay of demand. The Company expects to sustain its position on ultimate resolution of the appeals.
- (e) For the purpose of payment of royalty, there are two salient provisions viz: Section 9 in Mines and Minerals (Development and Regulation) Act (MMDR) 1957 related to the incidence of royalty and Rules 64B and 64C of Mineral Concession Rules (MC Rules), 1960. The Company has been paying royalty on coal extracted from its quarries pursuant to the judgment and order dated 23rd July, 2002 passed by the Jharkhand High Court. However, the State Government demanded royalty at rates applicable to processed coal. Though the Company contested the above demand, it started paying, under

protest, royalty on processed coal from November 2008. The demand of the state mining authority was confirmed by the High Court vide its Judgment dated 12th March, 2014. The Court concluded that the State cannot claim interest till the Hon'ble Supreme Court decides the pending Special Leave Petitions (SLP) filed by State and Company in the year 2004.

In the appeals filed by Tata Steel in respect of the issues related to Coal royalty, the Hon'ble Supreme Court has pronounced the judgment on 17th March, 2015 in which it has interpreted Section 9 and approved the law that removal of coal from the seam in the mine and extracting it through the pithead to the surface satisfies the requirement of Section 9 (charging section) of the MMDR Act in order to give rise to a liability for royalty. In regard to the interpretation of Rules 64B and 64C of MC Rules, the Supreme Court has clarified that the constitutional validity or the vires of the Rules has not been adjudicated upon. Therefore it is open to Tata Steel either to revive the appeals limited to this question or to separately challenge the constitutionality and vires of these Rules. Accordingly, Tata Steel has filed writ petitions challenging the constitutionality and vires of Rules 64B and 64C of MC Rules on 19th May, 2015 at Hon'ble High Court of Jharkhand. Vide its judgment dated 26.06.2015, High Court has held that, the writ petitions are maintainable. It is also pertinent to mention that the Union of India in its counter-affidavit has stated that the provisions of Rules 64B and 64C may not be applicable to the mineral coal.

All demands are solely based on application of Rules 64B and 64C. In view of (i) the clear interpretation of charging Section 9 by Supreme Court by three judges Bench following two earlier three Judge Bench orders (ii) the affidavit of Union of India and (iii) the liberty given by Supreme Court, the Company is of the opinion that any related present/probable demands are not payable. Out of the principal demand of ₹190.25 crore, an amount of ₹163.80 crore has been paid till FY 15 and balance has been provided for. Interest amount of ₹324.06 crore (31.03.2015: ₹318.45 crore) has been considered as contingent liability.

NOTES

to Balance Sheet and Statement of Profit and Loss

32. Contingent Liabilities and Commitments (contd.)

A. CONTINGENT LIABILITIES

- (f) The Company pays royalty on ore on the basis of quantity removed from the leased area at the rates based on notification by the Ministry of Mines, Government of India and the price published by India Bureau of Mines (IBM) on a monthly basis.

A demand of ₹411.08 crore has been raised by Deputy Director of Mines, Joda, claiming royalty at sized ore rates on despatches of ore fines. The Company has filed a revision petition on 14th November, 2013 before the Mines Tribunal, Government of India, Ministry of Mines, New Delhi, challenging the legality and validity of the demand raised and also to grant refund of royalty excess paid by the Company. Mines tribunal vide its order dated 13th November, 2014 has stayed the demand of royalty on iron ore for Joda east of ₹314.28 crore upto the period ending 31st March, 2014. For the demand of ₹96.80 crore for April, 2014 to September, 2014, a separate revision application was filed before Mines Tribunal. The matter was heard by Mines Tribunal on 14th July, 2015 and stay was granted on the total demand with directive to Government of Odisha not to take any coercive action for realization of this demanded amount. Accordingly, the demand of ₹411.08 crore (31.03.2015: ₹411.08 crore) has been considered as a contingent liability.

- (g) In 2008-09, NTT DoCoMo Inc (Docomo) entered into an Agreement with Tata Teleservices Ltd (TTSL) and Tata Sons Limited to acquire 20% of the equity share capital under the primary issue and 6% under the secondary sale from Tata Sons Limited. In terms of the Agreements with Docomo, Tata Sons Limited, inter alia, agreed to provide various indemnities and a Sale Option entitling Docomo to sell its entire shareholding in 2014 at a minimum pre-determined price of ₹58.045 per share if certain performance parameters were not met by TTSL. The minimum pre-determined price represented 50% of the acquisition price of 2008-09. The Agreements are governed by Indian Law.

The Company in 2008-09 had accepted an offer made voluntarily by Tata Sons Limited to all shareholders

of TTSL to participate pro-rata in the secondary sale to Docomo together with bearing liabilities, if any, including the Sale Option in proportion of the number of shares sold by the Company to the aggregate Secondary Sale to Docomo. Accordingly, an Inter se Agreement was executed by the Company with Tata Sons and other Selling Shareholders. The Company sold 52,46,590 shares of TTSL to Docomo at ₹116.09 per share, resulting in a profit of ₹49.77 crore. The Company is obliged to acquire 2,58,83,846 shares of TTSL in the above proportion in the event the Sale Option is exercised by Docomo.

Docomo has exercised the Sale Option in July 2014 and has called upon Tata Sons Limited to acquire its entire shareholding in TTSL at the pre-determined price of ₹58.045 per share. Tata Sons Limited has in turn informed the Company that they may be called upon to acquire 2,58,83,846 shares, in terms of its original offer to the Company and the inter-se agreement to participate in the Secondary Sale.

Tata Sons have also informed the Company that the Reserve Bank of India have not permitted acquisition of the shares at the pre-determined price and have advised that the acquisition can only be made at Fair Market Value (FMV) prevailing at the time of the acquisition. Docomo reiterated its position that the shares be acquired at minimum pre-determined price of 50% of the acquisition price in 2008-09.

Docomo had initiated Arbitration in the matter before the LCIA, London. The evidentiary hearing was completed on 6th May 2016. The arbitral award is awaited.

The liability, if any, to the extent of the difference between the amount sought by Docomo and the Fair Market Value is dependent upon the outcome of the Arbitration and prevailing FEMA Regulations.

- (h) Bills discounted ₹360.28 crore (31.03.2015: ₹260.83 crore).

NOTES

to Balance Sheet and Statement of Profit and Loss

32. Contingent Liabilities and Commitments (contd.)

B. COMMITMENTS

	(₹ crore)	
	As at 31st March, 2016	As at 31st March, 2015
(a) Capital Commitments		
Estimated amount of contracts remaining to be executed on Capital account and not provided for	5,416.16	6,466.63
(b) Other Commitments		
(i) Export obligation against import of capital goods under EPCG Scheme	23,751.00	23,557.00
(ii) Uncalled liability on partly paid shares and debentures	0.01	0.01

33. The Company has given undertakings to: (a) IDBI not to dispose of its investment in Wellman Incandescent India Ltd., (b) IDBI and ICICI Bank Limited (formerly ICICI) not to dispose of its investment in Standard Chrome Ltd., (c) Mizuho Corporate Bank Limited and Japan Bank for International Co-operation, not to dispose of its investments in Tata NYK Shipping Pte Limited (to retain minimal stake required to be able to provide a corporate guarantee towards long-term debt), (d) ICICI Bank Limited to directly or indirectly continue to hold at least 51 % shareholding in Jamshedpur Continuous Annealing & Processing Company Private Limited, (e) Sumitomo Mitsui Banking Corporation not to dispose of the management control in Tata Metaliks DI Pipes Limited (Formerly known as Tata Metaliks Kubota Pipes Limited) held through Tata Metaliks Ltd. so long as the dues to Sumitomo Mitsui Banking Corporation is subsisting.

The Company has furnished a security bond in respect of its immovable property to the extent of ₹20 crore 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 of Tata BlueScope Steel Limited (TBSL) (i.e. Bluescope Steel Asia Holdings Pty Limited, Australia and Tata Steel

Limited) have given an undertaking to IDBI Trusteeship Services Ltd., Debenture Trustees, and State Bank of India not to reduce collective shareholding in TBSL, below 51 % without prior consent of the Lender. Further, the Company has given an undertaking to State Bank of India to intimate them before diluting its shareholding in TBSL below 50%.

The Company, as a promoter, has pledged 4,41,55,800 equity shares of Industrial Energy Limited with Infrastructure Development Finance Corporation Limited.

The Company has agreed, if requested by Tata Steel UK Holdings Limited (TSUKH) (an indirect wholly owned subsidiary), to procure an injection of funds to reduce the outstanding net debt in TSUKH and its subsidiaries, to a mutually accepted level.

The Company along with TS Alloys Limited (Promoters) has given an undertaking to Power Finance Corporation Limited (PFC) and Rural Electrification Corporation Limited (REC) (Lenders) not to dispose off /transfer their equity holding of 26% of total equity in Bhubaneswar Power Private Limited (BPPL) without prior written approval of lenders. Such shareholding of promoters may be transferred to the Company or its affiliates subject to compliance of applicable laws. The Company along with TS Alloys Limited has pledged 60% of their equity contribution in BPPL to PFC and REC.

The Company has given guarantees aggregating ₹11,741.71 crore (31.03.2015: ₹13,761.45 crore).

- (a) In favour of Timken India Limited for ₹80.00 crore (31.03.2015: ₹80.00 crore) against renewal of lease of land pending with State Government and further ₹1.07 crore (31.03.2015: ₹1.07 crore) on behalf of Timken India Limited to Commissioner of Customs in respect of goods imported.
- (b) In favour of Mizuho Corporate Bank Ltd., Japan for ₹65.04 crore (31.03.2015: ₹78.89 crore) against the loan granted to Tata NYK Shipping Pte. Ltd.
- (c) In favour of The President of India for ₹177.18 crore (31.03.2015: ₹177.18 crore) against performance of export obligation under the various bonds executed

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to Balance Sheet and Statement of Profit and Loss

by Jamshedpur Continuous Annealing & Processing Company Private Limited.

- (d) In favour of the Note holders against due and punctual repayment of the 100% amounts outstanding as on 31st March, 2016 towards issued Guaranteed Notes by ABJA Investment Co. Pte. Ltd for ₹9,937.88 crore (31.03.2015: ₹11,718.75 crore) and ₹1,480.39 crore (31.3.2015: ₹1,705.41 crore). The guarantee is capped at an amount equal to 125% of the outstanding principal amount of the Notes as detailed in "Terms and Conditions" of the Offering Memorandum.
- (e) In favour of President of India for ₹0.15 crore (31.03.2015: ₹0.15 crore) as bank guarantee against advance license.

34. Odisha legislative assembly issued an amendment to Indian Stamp Act on 9th May, 2013 and inserted a new provision (Section 3a) in respect of stamp duty payable on grant/renewal of mining leases. As per the amended provision, stamp duty is levied equal to 15% of the average royalty that would accrue out of the highest annual extraction of minerals under the approved mining plan multiplied by the period of such mining lease. The Company had filed a writ petition challenging the constitutionality of the Act on 5th July, 2013. The Hon'ble High Court, Cuttack passed an order on 9th July, 2013 granting interim stay on the operation of the Amendment Act, 2013. As a result of the stay, as on date, the Act is not enforceable and any demand received by the Company is not liable to be proceeded with. Meanwhile, the Company received demand notices for the various mines at Odisha totalling to ₹5,579 crore. On the basis of external legal opinion, the Company has concluded that it is remote that the claim will sustain on ultimate resolution of the legal case by the courts.

In April, 2015 the Company has received an intimation from Government of Odisha, granting extension of validity period for leases under the MMDR Amendment Act, 2015 up to 31st March, 2030 in respect of eight mines and up to 31st March,

2020 for two mines subject to execution of supplementary lease deed within 3 months from the date of the intimation. Liability has been provided in the books of accounts as on 31st March, 2016 as per the existing provisions of the Stamp Act 1899 and the Company has since paid the stamp duty and registration charges totalling ₹353.08 crore for supplementary deed execution in respect of eight mines out of the above mines.

35. Demand notices have been raised by Deputy Director of Mines, Odisha amounting to ₹3,828 crore for the excess production over the quantity permitted under the mining plan scheme, environment clearance or consent to operate, during the period 2000-01 to 2009-10. The demand notices have been raised under Section 21(5) of the Mines & Minerals (Development and Regulations) Act (MMDR). However, the Act specifies that demand can be raised only when the land is occupied without lawful authority. The Company is of the view that Section 21(5) of the MMDR Act is not applicable as the mining is done within the sanctioned mining lease area and accordingly the Company has filed revision petitions before the Mines Tribunal against all such demand notices. Consequent to it stay has been granted by the Mines Tribunal against the entire demand of ₹3,828 crore and directed the State that no coercive action should be taken for recovery of demand.

Based on the judgment of Hon'ble High court of Jharkhand on 11th December, 2014 in the matter of our writ petition for renewal of lease and continuation of operation at Noamundi iron mine, the Government of Jharkhand approved the renewal of lease of Noamundi Mines by an express order on 31st December, 2014. Express Order also held that the mining operation carried out between 1st January, 2012 to 31st August, 2014 to be unlawful and computed an amount of ₹3,568 crore on account of such alleged unlawful mining. The Mines and Minerals Development and Regulation (MMDR) Amendment Ordinance 2015 promulgated on 12th January, 2015 provides for renewal of the above mines.

NOTES to Balance Sheet and Statement of Profit and Loss

Based on the new Ordinance, Jharkhand Government revised the Express Order on 12th February, 2015 for lease renewal up to 31st March, 2030 with following terms and conditions:

- Value of Iron Ore produced by alleged unlawful mining during the period 1.1.12 to 20.04.2014 for ₹2,994.49 crore to be decided on the basis of disposal of our writ petition before Hon'ble High Court of Jharkhand.
- Value of Iron Ore produced from 21.4.2014 to 17.7.2014 amounting to ₹421.83 crore to be paid in maximum 3 installments.
- Value of Iron Ore produced from 18.7.2014 to 31.08.2014 i.e. ₹152 crore to be paid immediately.

The Company paid ₹152 crore under protest. District Mining Officer Chaibasa on 16th March, 2015 has issued demand note for payment of ₹421.83 crore, payable in three monthly installments. The Company replied on 20th March, 2015, since the lease has been extended till 31st March, 2030, the above demand is not tenable. The Company paid ₹50 crore under protest on 27th July, 2015.

A writ petition was filed before Hon'ble High Court of Jharkhand and heard on 9th September, 2015. An interim order has been given by Hon'ble High Court of Jharkhand on 18th September, 2015 wherein court has directed the company to pay outstanding amount of ₹ 371.83 crore in 3 equal installments, first installment by 15th October, 2015, second installment by 15th November, 2015 and third installment by 15th December, 2015.

In view of the order of Hon'ble High Court of Jharkhand ₹124 crore was paid on 28th September, 2015, ₹124 crore was paid on 12th November, 2015 and ₹123.83 crore on 14th December, 2015 under protest.

- 36.** In Financial Year 2014-15, the Income Tax department had reopened assessments of earlier years on account of excess mining and raised cumulative demand for ₹1,086 crore. During the current financial year, the Commissioner of Income Tax (Appeals) has adjudicated the matter in favour of the Company and quashed the entire demand on account of reopened assessments. The demand outstanding as on 31st March, 2016 is **Nil** (31.03.2015: ₹1,086 crore).

37. Statement of Profit and Loss

(A) VALUE OF DIRECT IMPORTS (C.I.F. VALUE):

	(₹ crore)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
(i) Raw materials	4,406.87	7,570.66
(ii) Semi-finished products	685.26	398.70
(iii) Components, stores and spare parts	679.93	618.75
(iv) Capital goods	598.29	696.21
	6,370.35	9,284.32

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to Balance Sheet and Statement of Profit and Loss

(B) 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:

	Year ended 31st March, 2016		Year ended 31st March, 2015	
	₹ crore	%	₹ crore	%
(i) Raw materials				
– Directly imported	7,194.82	56.78%	8,163.97	58.99%
– Indigenously obtained	5,477.23	43.22%	5,675.73	41.01%
	12,672.05	100.00%	13,839.70	100.00%
(ii) Components, stores and spare parts				
– Directly imported	661.94	15.22%	817.19	19.45%
– Indigenously obtained	3,685.78	84.78%	3,384.85	80.55%
	4,347.72	100.00%	4,202.04	100.00%
Less: Consumption charged to other revenue accounts	1,727.33		1,687.66	
	2,620.39		2,514.38	

Additional information:

- The consumption figures shown above are after adjusting excess and shortages ascertained on physical count, unserviceable items, etc.
- 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.
- Raw materials consumed includes ₹**2,972.04** crore (2014-15: ₹2,161.10 crore) charged to wages and salaries and other revenue accounts.
- Stores and spares consumed (including write-off of obsolete spares, if any) includes ₹**57.21** crore (2014-15: ₹ 74.65 crore) being cost of stores manufactured departmentally and charged to wages and salaries and other revenue accounts.

(C) EXPENDITURE IN FOREIGN CURRENCY:

	(₹ crore)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
(i) Technical know-how and technical consultant's fees (net of taxes) [including ₹174.69 crore (2014-15: ₹133.28 crore) on capital account]	216.88	206.49
(ii) Interest, commitment and bank charges	103.12	295.92
(iii) Commission	14.15	14.20
(iv) Payable on other accounts [including ₹4.64 crore (2014-15: Nil) on capital account]	210.10	118.33

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to Balance Sheet and Statement of Profit and Loss

(D) REMITTANCE IN FOREIGN CURRENCIES FOR DIVIDEND:

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

	Year ended 31st March, 2016	Year ended 31st March, 2015
(i) Number of non-resident shareholders	13,129	11,943
(ii) Number of Ordinary Shares held by them	16,09,92,882	20,77,84,354
(iii) Gross amount of dividend	₹128.79 crore	₹207.78 crore

Gross amount of dividend declared in current and previous year pertain to FY 2014-15 and FY 2013-14 respectively.

(E) EARNINGS IN FOREIGN EXCHANGE:

	Year ended 31st March, 2016	Year ended 31st March, 2015
	(₹ crore)	
(i) Export of steel and other materials (F.O.B.) (including value of exports through export houses)	1,001.37	883.79
(ii) Interest received	22.58	30.36
(iii) Others	65.65	25.82

(F) Revenue expenditure charged to Statement of Profit and Loss in respect of research and development activities undertaken during the year is ₹116.25 crore (2014-15: ₹107.87 crore) including depreciation of ₹6.75 crore (2014-15: ₹4.80 crore). Capital expenditure in respect of research and development activities undertaken during the year is ₹13.06 crore (2014-15: ₹25.93 crore).

38. The Committee of Directors (Committee) in April 2013 had approved the scheme of amalgamation of Tata Metaliks Ltd. and Tata Metaliks Kubota Pipes Limited (Scheme) with the Company, subject to the approval of the High Courts of Judicature at Bombay and Calcutta. The Bombay High Court vide its Order dated August 21, 2015 (Order) had approved the Scheme subject to similar approval being obtained from the Calcutta High Court. However, on May 17, 2016 the Committee, after careful consideration of various factors, approved the proposal of the Company to file appropriate application before the Hon'ble High Court of Bombay seeking recall of the said Order.

39. The Company has entered into operating lease arrangements for certain facilities. The leases are non-cancellable and for a period of 20 years and may be renewed for a further period of 5 years based on mutual agreement of the parties. Lease payments recognised in the Statement of Profit and Loss Account for the year is ₹2.32 crore (2014-15 : Nil). Future minimum lease payments are as follows:

	As at 31st March, 2016	As at 31st March, 2015
Period	(₹ crore)	
	Minimum Lease Payments	Minimum Lease Payments
Not later than one year	27.78	-
Later than one year but not later five years	111.12	-
Later than five years	634.59	-
	773.49	-

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to Balance Sheet and Statement of Profit and Loss

40. Employee Benefits

(A) The Company has recognised, in the Statement of Profit and Loss for the year ended 31st March, 2016, an amount of ₹303.65 crore (2014-15: ₹283.34 crore) as expenses under the following defined contribution plans.

Benefit (Contribution to)	(₹ crore)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
Provident Fund	210.86	201.58
Superannuation Fund	25.07	26.02
Employees Pension Scheme/Coal Mines Pension Scheme/ National Pension Scheme	45.44	36.62
TISCO Employees Pension Scheme	22.28	19.12
	303.65	283.34

The Company's Provident Fund is exempted under Section 17 of The Employees' Provident Funds and Miscellaneous Provisions Act, 1952

(B) THE COMPANY OPERATES POST RETIREMENT DEFINED BENEFIT PLANS AS FOLLOWS:

- (i) Funded
 - Post Retirement Gratuity
- (ii) Unfunded
 - Post Retirement Medical Benefits
 - Pensions to Directors
 - Farewell Gifts
 - Packing and Transportation Costs on Retirement

(C) DETAILS OF THE POST RETIREMENT GRATUITY PLAN ARE AS FOLLOWS:

Description	(₹ crore)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
(i) Reconciliation of opening and closing balances of obligation		
Obligation as at beginning of the year	2,572.91	2,003.16
Current service cost	116.71	87.68
Interest cost	187.65	175.30
Actuarial (gain)/loss	66.21	522.87
Benefits paid	(303.26)	(216.10)
Obligation as at end of the year	2,640.22	2,572.91
(ii) Reconciliation of opening and closing balances of plan assets		
Fair value of plan assets as at beginning of the year	2,011.53	1,888.96
Expected return on plan assets	171.26	147.04
Actuarial gain/(loss)	38.36	77.43
Contributions	561.64	114.20
Benefits paid	(303.26)	(216.10)
Fair value of plan assets as at end of the year	2,479.53	2,011.53

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to Balance Sheet and Statement of Profit and Loss

40. Employee Benefits (contd.)

(C) DETAILS OF THE POST RETIREMENT GRATUITY PLAN ARE AS FOLLOWS:

	(₹ crore)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
(iii) Reconciliation of fair value of assets and obligations		
Fair value of plan assets as at end of the year	2,479.53	2,011.53
Present value of obligation as at end of the year	2,640.22	2,572.91
Net obligation/(asset) recognised in the balance sheet (included in the line item - Provision for employee benefits)	160.69	561.38
(iv) Expenses recognised during the year		
Current service cost	116.71	87.68
Interest cost	187.65	175.30
Expected return on plan assets	(171.26)	(147.04)
Actuarial (gain)/loss	27.85	445.44
Expense recognised during the year (included in the line item - Employee benefits expense)*	160.95	561.38
(v) Investment details	%	%
GOI securities	8.76	10.51
Public sector unit bonds	5.23	7.92
Central/State Government guaranteed securities	7.21	8.62
Private sector unit bonds	6.88	9.30
Deposit with LIC	64.14	55.94
Others (including bank balances)	7.78	7.71
	100.00	100.00
(vi) Assumptions		
Discount rate (per annum)	7.75%	7.75%
Expected return on plan assets (per annum)	8.00%	8.00%
Rate of escalation in salary (per annum)	7.50 to 10.00%	7.50% to 10.00%

* Includes impact of Nil (2014-15: ₹244.57 crore) on account of arrear wage settlement, provision for which was included under salaries and wages including bonus

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

The estimate of future salary increases take into account inflation, seniority, promotion and other relevant factors.

NOTES

 to Balance Sheet and Statement of Profit and Loss

40. Employee Benefits (contd.)

(D) DETAILS OF THE UNFUNDED POST RETIREMENT DEFINED BENEFIT OBLIGATION ARE AS FOLLOWS:

Description	(₹ crore)			
	Year ended		Year ended	
	31st March, 2016		31st March, 2015	
	Medical	Others	Medical	Others
(i) Reconciliation of opening and closing balances of obligation				
Obligation as at beginning of the year	1,034.18	79.19	775.67	63.62
Current service cost	17.27	5.44	10.67	3.58
Interest cost	78.24	5.94	69.70	5.65
Plan amendment cost/(credit)	–	–	–	2.56
Actuarial (gain)/loss	(16.51)	(0.98)	222.42	8.88
Benefits paid	(49.25)	(5.21)	(44.28)	(5.10)
Obligation as at end of the year	1,063.93	84.38	1,034.18	79.19
(ii) Expenses recognised during the year				
Current service cost	17.27	5.44	10.67	3.58
Interest cost	78.24	5.94	69.70	5.65
Plan amendment cost/(credit)	–	–	–	2.56
Actuarial (gain)/loss	(16.51)	(0.98)	222.42	8.88
Expense recognised during the year (included in the line item - Employee benefits expense)	79.00	10.40	302.79	20.67
(iii) Assumptions				
Discount rate (per annum) as at the beginning of the year	7.75%	7.75%	9.25%	9.25%
Discount rate (per annum) as at the end of the year	7.75%	7.75%	7.75%	7.75%
Medical costs inflation rate	8.00%	–	8.00%	–
Effect of a 1% change in health care cost on				
Increase	9% p.a		9% p.a	
– aggregate current service and interest cost	(15.40)		13.04	
– closing balance of obligation	164.29		163.74	
Decrease	7% p.a		7% p.a	
– aggregate current service and interest cost	(35.83)		(10.40)	
– closing balance of obligation	(137.28)		(131.33)	

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to Balance Sheet and Statement of Profit and Loss

40. Employee Benefits (contd.)

(E) OTHER DISCLOSURES:

Benefits	(₹ crore)				
	2015-16	2014-15	2013-14	2012-13	2011-12
	Retiring Gratuity				
Present value of defined benefit obligation	2,640.22	2,572.91	2,003.16	1,888.22	1,635.57
Fair value of plan assets	2,479.53	2,011.53	1,888.96	1,700.44	1,554.61
Surplus/(Deficit) in plan assets	(160.69)	(561.38)	(114.20)	(187.78)	(80.96)
Experience adjustment on obligation - (gain)/loss	66.22	272.17	208.87	92.33	78.04
Experience adjustment on plan assets - gain/(loss)	38.36	77.43	7.24	59.57	20.65
Expected contribution (best estimate) to funded plans in subsequent financial year	160.69	561.38	114.20	187.78	80.96
	Medical				
Present value of defined benefit obligation	1,063.93	1,034.18	775.67	832.25	695.80
Experience adjustment on obligation - (gain)/loss	(16.51)	36.95	44.89	48.53	104.39
	Others				
Present value of defined benefit obligation	84.38	79.19	63.62	62.54	54.13
Experience adjustment on obligation - (gain)/loss	(0.98)	(1.25)	3.79	1.92	5.32

NOTES

to Balance Sheet and Statement of Profit and Loss

41. Segment Reporting

PRIMARY SEGMENT INFORMATION (BUSINESS SEGMENT)

Particulars						(₹ crore)
	Steel	Ferro Alloys and Minerals	Others	Unallocable	Eliminations	Total
Segment revenue						
External revenue	34,808.11	1,333.63	2,068.60	–	–	38,210.34
	38,586.59	875.29	2,323.12	–	–	41,785.00
Inter segment revenue	1,485.89	318.03	51.02	–	(1,854.94)	–
	1,757.26	279.60	55.27	–	(2,092.13)	–
Total revenue	36,294.00	1,651.66	2,119.62	–	(1,854.94)	38,210.34
	40,343.85	1,154.89	2,378.39	–	(2,092.13)	41,785.00
Segment results before finance costs, exceptional items and tax	5,503.68	135.80	96.72	3,433.14	–	9,169.34
	8,749.47	108.79	48.64	(312.91)	–	8,593.99
Less: Finance costs						1,460.27
						1,975.95
Profit before exceptional items and tax						7,709.07
						6,618.04
Exceptional items						
(a) Profit on sale of non-current investments						104.29
						806.10
(b) Provision for diminution in the value of investment/doubtful advances						(199.03)
						(198.40)
(c) (Provision)/reversal for impairment on non-current assets						(51.51)
						136.29
(d) Profit on sale of non-current assets						–
						1,146.86
(e) Provision for demands and claims						(880.05)
						–
(f) Employee separation compensation						(556.25)
						–
Profit before tax						6,126.52
						8,508.89
Tax expense						1,225.57
						2,069.77
Profit after tax						4,900.95
						6,439.12
Segment assets	62,905.16	719.67	334.83	2,567.90	–	66,527.56
	59,239.37	637.91	356.19	2,444.57	–	62,678.04
Segment liabilities	13,885.62	518.29	321.42	2,917.53	–	17,642.86
	11,982.30	371.59	248.68	3,299.69	–	15,902.26

NOTES

 to Balance Sheet and Statement of Profit and Loss

41. Segment Reporting (contd.)

SECONDARY SEGMENT INFORMATION (GEOGRAPHICAL SEGMENT)

Particulars	(₹ crore)					
	Steel	Ferro Alloys and Minerals	Others	Unallocable	Eliminations	Total
Capital expenditure	6,034.00	102.43	1.06	-	-	6,137.49
Segment depreciation	7,581.72	70.30	3.64	-	-	7,655.66
	1,896.54	29.33	7.24	-	-	1,933.11
	1,943.80	46.73	7.06	-	-	1,997.59
Non-cash expenditure other than depreciation	33.28	-	1.39	-	-	34.67
	92.23	0.40	0.43	-	-	93.06

SECONDARY SEGMENT INFORMATION (GEOGRAPHICAL SEGMENT)

	(₹ crore)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
Segment Revenue		
- Within India	37,153.16	40,869.09
- Outside India	1,057.18	915.91
	38,210.34	41,785.00
Capital Expenditure		
- Within India	6,137.49	7,655.66
- Outside India	-	-
	6,137.49	7,655.66
	As at 31st March, 2016	As at 31st March, 2015
Segment Assets		
- Within India	66,527.56	62,653.48
- Outside India	-	24.56
	66,527.56	62,678.04

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to Balance Sheet and Statement of Profit and Loss

41. Segment Reporting (contd.)

SECONDARY SEGMENT INFORMATION (GEOGRAPHICAL SEGMENT)

Additional information:

- (1) 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.
- (2) 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.
- (3) Unallocable Assets and Liabilities exclude:

	As at 31st March, 2016	(₹ crore) As at 31st March, 2015
Assets		
Non-current investments	52,360.42	52,164.24
Current investments	4,320.17	1,000.08
Advance against equity	-	21.28
	56,680.59	53,185.60
Liabilities		
Long-term borrowings	23,457.77	23,900.37
Short-term borrowings	5,261.02	34.88
Current maturities of long-term borrowings	924.37	4,263.19
Hybrid perpetual securities	2,275.00	2,275.00
Provision for employee separation compensation	990.58	573.64
Deferred tax liabilities (net)	2,179.83	2,250.41
	35,088.57	33,297.49

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

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to Balance Sheet and Statement of Profit and Loss

42. Related Party Transactions

(A) LIST OF RELATED PARTIES AND RELATIONSHIPS

Name of the Party	Country	Name of the Party	Country
A. Subsidiaries:		9. NatSteel Recycling Pte Ltd.	Singapore
i) ABA Investment Co. Pte. Ltd.	Singapore	10. NatSteel Trade International (Shanghai) Company Ltd.	China
ii) Adityapur Toll Bridge Company Limited	India	11. NatSteel Trade International Pte. Ltd.	Singapore
iii) Bangla Steel & Mining Co. Ltd.	Bangladesh	12. NatSteel Vina Co. Ltd.	Vietnam
iv) Tata Steel Special Economic Zone Limited	India	13. The Siam Industrial Wire Company Ltd.	Thailand
v) Indian Steel & Wire Products Ltd.	India	14. TSN Wires Co., Ltd.	Thailand
vi) Jamshedpur Continuous Annealing & Processing Company Private Limited	India	III. Tata Steel Europe Limited	UK
vii) Jamshedpur Utilities & Services Company Limited	India	1. Almana Steel Dubai (Jersey) Limited	Jersey
1. Haldia Water Management Limited	India	2. Apollo Metals Limited	USA
2. Naba Diganta Water Management Limited	India	3. Ashorne Hill Management College*	UK
3. SEZ Adityapur Limited	India	4. Augusta Grundstucks GmbH	Germany
viii) Mohar Export Services Pvt. Ltd.^	India	5. Automotive Laser Technologies Limited	UK
ix) NatSteel Asia Pte. Ltd.	Singapore	6. B S Pension Fund Trustee Limited	UK
1. TS Asia (Hong Kong) Ltd.	Hong Kong SAR	7. Beheermaatschappij Industriële Produkten B.V.	Netherlands
2. Tata Steel Resources Australia Pty. Ltd.*	Australia	8. Belfin Beheermaatschappij B.V.*	Netherlands
x) Rujvalika Investments Limited^	India	9. Bell & Harwood Limited	UK
xi) T M Mining Company Limited	India	10. Blastmega Limited	UK
xii) T S Alloys Limited	India	11. Blume Stahlservice GmbH	Germany
xiii) Tata Incorporated*	USA	12. Blume Stahlservice Polska Sp.Z.O.O	Poland
xiv) Tata Korf Engineering Services Ltd.	India	13. Bore Samson Group Limited	UK
xv) Tata Metaliks Ltd.	India	14. Bore Steel Limited	UK
1. Tata Metaliks Di Pipes Limited	India	15. British Guide Rails Limited	UK
xvi) Tata Sponge Iron Limited	India	16. British Steel Corporation Limited	UK
1. TSIL Energy Limited	India	17. British Steel De Mexico S.A. de C.V.*	Mexico
xvii) Tata Steel (KZN) (Pty) Ltd.	South Africa	18. British Steel Directors (Nominees) Limited	UK
xviii) T Steel Holdings Pte. Ltd.	Singapore	19. British Steel Engineering Steels (Exports) Limited	UK
1. T S Global Holdings Pte Ltd.	Singapore	20. British Steel Nederland International B.V.	Netherlands
I. Orchid Netherlands (No.1) B.V.	Netherlands	21. British Steel Samson Limited	UK
II. NatSteel Holdings Pte. Ltd.	Singapore	22. British Steel Service Centres Limited	UK
1. Burwill Trading Pte. Ltd.*	Singapore	23. British Tubes Stockholding Limited	UK
2. Easteel Services (M) Sdn. Bhd.	Malaysia		
3. Eastern Steel Fabricators Phillipines, Inc.	Phillipines		
4. Eastern Steel Services Pte. Ltd.*	Singapore		
5. Eastern Wire Pte. Ltd.*	Singapore		
6. NatSteel (Xiamen) Ltd.	China		
7. NatSteel Asia (S) Pte. Ltd.*	Singapore		
8. NatSteel Equity IV Pte. Ltd.*	Singapore		

NOTES to Balance Sheet and Statement of Profit and Loss

42. Related Party Transactions (contd.)

(A) LIST OF RELATED PARTIES AND RELATIONSHIPS

Name of the Party	Country
24. C V Benine	Netherlands
25. C Walker & Sons Limited	UK
26. Catnic GmbH	Germany
27. Catnic Limited	UK
28. CBS Investissements SAS	France
29. Cladding & Decking (UK) Limited	UK
30. Cogent Power Inc.	Canada
31. Cogent Power SA DE CV	Mexico
32. Cogent Power Inc.	USA
33. Cogent Power Limited	UK
34. Color Steels Limited	UK
35. Corbeil Les Rives SCI	France
36. Corby (Northants) & District Water Co.	UK
37. Cordor (C&B) Limited	UK
38. Corus Aluminium Verwaltungsgesellschaft Mbh	Germany
39. Corus Beteiligungs GmbH	Germany
40. Corus Building Systems Bulgaria AD	Bulgaria
41. Corus Building Systems SAS	France
42. Corus CNBV Investments	UK
43. Corus Cold drawn Tubes Limited	UK
44. Corus Engineering Steels (UK) Limited	UK
45. Corus Engineering Steels Holdings Limited	UK
46. Corus Engineering Steels Limited	UK
47. Corus Engineering Steels Overseas Holdings Limited	UK
48. Corus Engineering Steels Pension Scheme Trustee Limited	UK
49. Corus Group Limited	UK
50. Corus Holdings Limited	UK
51. Corus International (Overseas Holdings) Limited	UK
52. Corus International Limited	UK
53. Corus International Romania SRL	Romania
54. Corus Investments Limited	UK
55. Corus Ireland Limited	Ireland
56. Corus Large Diameter Pipes Limited	UK

Name of the Party	Country
57. Corus Liaison Services (India) Limited	UK
58. Corus Management Limited	UK
59. Corus Primary Aluminium B.V.	Netherlands
60. Corus Properties (Germany) Limited	UK
61. Corus Property	UK
62. Corus Republic Of Ireland Subsidiaries Pension Scheme Trustee Limited	Ireland
63. Corus Service Centre Limited	N Ireland
64. Corus Steel Service STP LLC	Russia
65. Corus Tubes Poland Spolka Z.O.O	Poland
66. Corus UK Healthcare Trustee Limited	UK
67. Corus Ukraine LLC	Ukraine
68. CPN (85) Limited	UK
69. Crucible Insurance Company Limited	I of Man
70. Degels GmbH	Germany
71. Demka B.V.	Netherlands
72. DSRM Group Plc.	UK
73. Eric Olsson & Soner Forvaltnings AB	Sweden
74. Esmil B.V.	Netherlands
75. Europressings Limited	UK
76. Firsteel Group Limited	UK
77. Firsteel Holdings Limited	UK
78. Firsteel Strip Mill Products Limited	UK
79. Fischer Profil GmbH	Germany
80. Gamble Simms Metals Limited	Ireland
81. Grant Lyon Eagre Limited	UK
82. H E Samson Limited	UK
83. Hadfields Holdings Limited	UK
84. Halmstad Steel Service Centre AB	Sweden
85. Hammermega Limited	UK
86. Harrowmills Properties Limited	UK
87. Hille & Muller GmbH	Germany
88. Hille & Muller USA Inc.	USA
89. Hoogovens (UK) Limited	UK

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to Balance Sheet and Statement of Profit and Loss

42. Related Party Transactions (contd.)

(A) LIST OF RELATED PARTIES AND RELATIONSHIPS

Name of the Party	Country
90. Hoogovens Aluminium UK Limited	UK
91. Hoogovens Finance B.V.	Netherlands
92. Hoogovens USA Inc.	USA
93. Huizenbezit "Breesaap" B.V.	Netherlands
94. Ickles Cottage Trust Limited	UK
95. Inter Metal Distribution SAS	France
96. Kalzip Asia Pte Limited	Singapore
97. Kalzip FZE	UAE
98. Kalzip GmbH	Germany
99. Kalzip GmbH	Austria
100. Kalzip Guangzhou Limited	China
101. Kalzip Inc	USA
102. Kalzip India Private Limited	India
103. Kalzip Italy SRL	Italy
104. Kalzip Limited	UK
105. Kalzip Spain S.L.U.	Spain
106. Layde Steel S.L.	Spain
107. Lister Tubes Limited	Ireland
108. London Works Steel Company Limited	UK
109. Longs Steel UK Limited	UK
110. Midland Steel Supplies Limited	UK
111. Mistbury Investments Limited	UK
112. Montana Bausysteme AG	Switzerland
113. Myriad Nederland B.V.*	Netherlands
114. Naantali Steel Service Centre OY	Finland
115. Namascor B.V.*	Netherlands
116. Nationwide Steelstock Limited	UK
117. Norsk Stal Tynnplater AS	Norway
118. Orb Electrical Steels Limited	UK
119. Ore Carriers Limited	UK
120. Oremco Inc.	USA
121. Plated Strip (International) Limited	UK
122. Precoat International Limited	UK
123. Precoat Limited	UK
124. Rafferty-Brown Steel Co Inc Of Conn.	USA
125. Round Oak Steelworks Limited	UK

Name of the Party	Country
126. Runblast Limited	UK
127. Runmega Limited	UK
128. S A B Profiel B.V.	Netherlands
129. S A B Profil GmbH	Germany
130. Seamless Tubes Limited	UK
131. Service Center Gelsenkirchen GmbH	Germany
132. Service Centre Maastricht B.V.	Netherlands
133. Skruv Erik AB	Sweden
134. Societe Europeenne De Galvanisation (Segal) Sa	Belgium
135. Staalverwerking en Handel B.V.	Netherlands
136. Stainless Velsen-Noord BV	Netherlands
137. Steel StockHoldings Limited	UK
138. Steelstock Limited	UK
139. Stewarts & Lloyds Of Ireland Limited	Ireland
140. Stewarts And Lloyds (Overseas) Limited	UK
141. Stocksbridge Works Cottage Trust Limited	UK
142. Surahammar Bruks AB	Sweden
143. Swinden Housing Association Limited	UK
144. Tata Steel Belgium Packaging Steels N.V.	Belgium
145. Tata Steel Belgium Services N.V.	Belgium
146. Tata Steel Denmark Byggsystemer A/S	Denmark
147. Tata Steel Europe Distribution BV	Netherlands
148. Tata Steel Europe Metals Trading BV	Netherlands
149. Tata Steel France Batiment et Systemes SAS	France
150. Tata Steel France Holdings SAS	France
151. Tata Steel France Rail SAS	France
152. Tata Steel Germany GmbH	Germany
153. Tata Steel IJmuiden BV	Netherlands
154. Tata Steel International (Americas) Holdings Inc	USA
155. Tata Steel International (Americas) Inc	USA

NOTES to Balance Sheet and Statement of Profit and Loss

42. Related Party Transactions (contd.)

(A) LIST OF RELATED PARTIES AND RELATIONSHIPS

Name of the Party	Country
156. Tata Steel International (Benelux) BV	Netherlands
157. Tata Steel International (Canada) Holdings Inc	Canada
158. Tata Steel International (Czech Republic) S.R.O	Czech Republic
159. Tata Steel International (Denmark) A/S	Denmark
160. Tata Steel International (Finland) OY	Finland
161. Tata Steel International (France) SAS	France
162. Tata Steel International (Germany) GmbH	Germany
163. Tata Steel International (South America) Representações LTDA	Brazil
164. Tata Steel International Hellas SA	Greece
165. Tata Steel International (Italia) SRL	Italy
166. Tata Steel International (Middle East) FZE	UAE
167. Tata Steel International (Nigeria) Ltd.	Nigeria
168. Tata Steel International (Poland) sp Zoo	Poland
169. Tata Steel International (Schweiz) AG	Switzerland
170. Tata Steel International (Sweden) AB	Sweden
171. Tata Steel International (India) Limited	India
172. Tata Steel International Iberica SA	Spain
173. Tata Steel Istanbul Metal Sanayi ve Ticaret AS	Turkey
174. Tata Steel Latvia Building Systems SIA	Latvia
175. Tata Steel Logistics and Shipping BV*	Netherlands
176. Tata Steel Maubeuge SAS	France
177. Tata Steel Nederland BV	Netherlands
178. Tata Steel Nederland Consulting & Technical Services BV	Netherlands
179. Tata Steel Nederland Services BV	Netherlands
180. Tata Steel Nederland Star-Frame BV	Netherlands

Name of the Party	Country
181. Tata Steel Nederland Technology BV	Netherlands
182. Tata Steel Nederland Tubes BV	Netherlands
183. Tata Steel Netherlands Holdings B.V.	Netherlands
184. Tata Steel Norway Byggsystemer A/S	Norway
185. Tata Steel Speciality Service Centre Suzhou Co. Limited	China
186. Tata Steel Sweden Byggsystem AB	Sweden
187. Tata Steel Speciality Service Centre Xian Co. Limited	China
188. Tata Steel UK Consulting Limited	UK
189. Tata Steel UK Holdings Limited	UK
190. Tata Steel UK Limited	UK
191. Tata Steel UK Rail Consultancy Limited	UK
192. Tata Steel USA Inc.	USA
193. The Newport And South Wales Tube Company Limited	UK
194. The Stanton Housing Company Limited	UK
195. The Steel Company of Ireland Limited	Ireland
196. The Templeborough Rolling Mills Limited	UK
197. Thomas Processing Company	USA
198. Thomas Steel Strip Corp.	USA
199. Toronto Industrial Fabrications Limited	UK
200. Trierer Walzwerk GmbH	Germany
201. TS South Africa Sales Office Proprietary Limited* ^A ■	South Africa
202. Tulip UK Holdings (No.2) Limited	UK
203. Tulip UK Holdings (No.3) Limited	UK
204. Tuscaloosa Steel Corporation	USA
205. U.E.S. Bright Bar Limited	UK
206. UK Steel Enterprise Limited	UK
207. Ukse Fund Managers (General Partner) Limited*	UK
208. UKSE Fund Managers Limited	UK
209. Unitol SAS	France
210. Walker Manufacturing And Investments Limited	UK

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to Balance Sheet and Statement of Profit and Loss

42. Related Party Transactions (contd.)

(A) LIST OF RELATED PARTIES AND RELATIONSHIPS

Name of the Party	Country
211. Walkersteelstock Ireland Limited	Ireland
212. Walkersteelstock Limited	UK
213. Westwood Steel Services Limited	UK
214. Whitehead (Narrow Strip) Limited	UK
IV. T S Global Minerals Holdings Pte Ltd.	Singapore
1. Al Rimal Mining LLC	Oman
2. Black Ginger 461 (Proprietary) Ltd.	South Africa
3. Howse Minerals Ltd.	Canada
4. Kalimati Coal Company Pty. Ltd.	Australia
5. Sedibeng Iron Ore Pty. Ltd.	South Africa
6. Tata Steel Cote D'ivoire S.A	Ivory Coast
7. Tata Steel Minerals UK Limited	UK
8. Tata Steel Minerals Canada Limited	Canada
9. T S Canada Capital Ltd.	Canada
V. Tata Steel International (Singapore) Holdings Pte. Ltd.	Singapore
1. TSIA Holdings (Thailand) Limited	Thailand
2. Tata Steel International (Shanghai) Ltd.	China
3. Tata Steel International (Thailand) Limited	Thailand
4. Tata Steel International (Singapore) Pte. Ltd.	Singapore
5. Tata Steel International (Asia) Limited	Hong Kong S.A.R
VI. Tata Steel (Thailand) Public Company Ltd.	Thailand
1. N.T.S Steel Group Plc.	Thailand
2. The Siam Construction Steel Co. Ltd.	Thailand
3. The Siam Iron And Steel (2001) Co. Ltd.	Thailand
VII. T S Global Procurement Company Pte. Ltd.	Singapore
1. ProCo Issuer Pte. Ltd.	Singapore
xix) Tata Steel Odisha Limited	India
xx) Tata Steel Processing and Distribution Limited	India
xxi) Tayo Rolls Limited	India
xxii) TM International Logistics Limited	India

Name of the Party	Country
1. International Shipping and Logistics FZE	UAE
2. TKM Global China Ltd.	China
3. TKM Global GmbH	Germany
4. TKM Global Logistics Limited	India
5. TM Harbour Services Private Limited	India
xxiii) Tata Pigments Limited	India
xxiv) The Tinplate Company of India Ltd.	India
B. Joint Ventures of:	
i) Tata Steel Ltd.	
1. Bhubaneswar Power Private Limited	India
2. Himalaya Steel Mill Services Private Limited	India
3. mjunction services limited	India
4. S & T Mining Company Private Limited	India
5. Tata BlueScope Steel Limited	India
6. Tata NYK Shipping Pte Ltd.	Singapore
ii) T Steel Holdings Pte. Ltd.	
a) T S Global Holdings Pte Ltd.	
I. NatSteel Holdings Pte. Ltd.	
1. TVSC Construction Steel Solutions Limited	Hong Kong S.A.R
II. Tata Steel Europe Limited	
1. Afon Tinplate Company Limited	UK
2. Air Products Llanwern Limited	UK
3. BSR Pipeline Services Limited	UK
4. Caparo Merchant Bar Plc	UK
5. Corus Kalpinis Simos Cladding Industry SA	Greece
6. Danieli Corus Technical Services B.V.*	Netherlands
7. Fabsec Limited	UK
8. Industrial Rail Services IJmond B.V.	Netherlands
9. Laura Metaal Holding B.V.	Netherlands
10. Norsk Stal AS*	Norway
11. Ravenscraig Limited	UK
12. Redcar Bulk Terminal Limited	UK
13. Tata Elastron Steel Service Center SA	Greece
14. Tata Steel Ticaret AS	Turkey
15. Texturing Technology Limited	UK
III. T S Global Minerals Holdings Pte. Ltd.	
1. Minas De Benga (Mauritius) Limited	Mauritius

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to Balance Sheet and Statement of Profit and Loss

42. Related Party Transactions (contd.)

(A) LIST OF RELATED PARTIES AND RELATIONSHIPS

Name of the Party	Country
C. Associate of:	
i) Tata Steel Limited	
1. Industrial Energy Limited	India
2. Jamipol Limited	India
3. Kalinga Aquatics Ltd.	India
4. Kumardhubi Fireclay & Silica Works Ltd.	India
5. Kumardhubi Metal Casting and Engineering Limited	India
6. Nicco Jubilee Park Limited	India
7. Rujvalika Investments Limited*^	India
8. Strategic Energy Technology Systems Private Limited	India
9. Tata Construction & Projects Ltd.	India
10. TRL Krosaki Refractories Limited	India
11. TRF Limited	India
12. Malusha Travels Pvt Ltd.	India
13. Mohar Export Services Pvt. Ltd.*^	India
ii) T Steel Holdings Pte. Ltd.	
a) T S Global Holdings Pte Ltd.	
I. Tata Steel International (Singapore) Holdings Pte. Ltd.	
1. European Profiles (M) Sdn. Bhd.	Malaysia
II. Tata Steel Europe Limited	
1. Albi Profils SRL	France

Name of the Party	Country
2. Appleby Frodingham Cottage Trust Limited	UK
3. GietWalsOnderhoudCombinatie B.V.	Netherlands
4. Hoogovens Court Roll Service Technologies VOF	Netherlands
5. Hoogovens Gan Multimedia S.A. De C.V.	Mexico
6. ISSB Limited	UK
7. Wupperman Staal Nederland B.V.	Netherlands
III. T S Global Minerals Holdings Pte Ltd.	
1. New Millennium Iron Corp.	Canada
iii) Indian Steel & Wire Products Ltd.	
1. Metal Corporation of India Limited	India
D. Promoters holding together with its subsidiary is more than 20%	
Tata Sons Limited	
E. Key Managerial Personnel	
Mr. Koushik Chatterjee – Group Executive Director (Finance & Corporate)	
Mr. T. V. Narendran – Managing Director (India & South East Asia)	

- * Part of the year
- ^ Became subsidiary during the year
- Incorporated during the year

NOTES

to Balance Sheet and Statement of Profit and Loss

42. Related Party Transactions (contd.)

(B) RELATED PARTY TRANSACTIONS

Transactions	(₹ crore)					
	Subsidiaries	Associates and JVs#	Key Management Personnel	Relatives of Key Management Personnel	Promoter	Grand Total
Purchase of Goods						
T S Global Procurement Company Pte. Ltd.	3,570.15	-	-	-	-	3,570.15
	6,421.58	-	-	-	-	6,421.58
Others	541.58	363.11	-	-	-	904.69
	358.46	477.94	-	-	-	836.40
	4,111.73	363.11	-	-	-	4,474.84
	6,780.04	477.94	-	-	-	7,257.98
Sale of Goods						
Tata Steel Processing and Distribution Limited	1,595.49	-	-	-	-	1,595.49
	1,810.27	-	-	-	-	1,810.27
Tata BlueScope Steel Limited	-	707.92	-	-	-	707.92
	-	823.09	-	-	-	823.09
T S Asia (Hong Kong) Ltd	469.11	-	-	-	-	469.11
	285.81	-	-	-	-	285.81
Others	676.08	243.84	-	-	-	919.92
	610.50	262.25	-	-	-	872.75
	2,740.68	951.76	-	-	-	3,692.44
	2,706.58	1,085.34	-	-	-	3,791.92
Receiving of Services						
Jamshedpur Utilities & Services Company Limited	463.50	-	-	-	-	463.50
	460.38	-	-	-	-	460.38
The Tinplate Company of India Ltd.	602.64	-	-	-	-	602.64
	570.55	-	-	-	-	570.55
Industrial Energy Limited	-	458.18	-	-	-	458.18
	-	516.37	-	-	-	516.37
Others	875.08	113.23	-	-	4.81	993.12
	798.03	137.69	-	-	1.39	937.11
	1,941.22	571.41	-	-	4.81	2,517.44
	1,828.96	654.06	-	-	1.39	2,484.41
Rendering of Services						
Jamshedpur Utilities & Services Company Limited	190.12	-	-	-	-	190.12
	110.19	-	-	-	-	110.19
The Tinplate Company of India Ltd.	98.10	-	-	-	-	98.10
	67.09	-	-	-	-	67.09
ABJA Investment Co. Pte. Ltd.	55.10	-	-	-	-	55.10
	23.07	-	-	-	-	23.07
Tata BlueScope Steel Limited	-	54.55	-	-	-	54.55
	-	18.63	-	-	-	18.63
Others	120.08	11.38	-	-	0.14	131.60
	93.92	8.51	-	-	0.08	102.51
	463.40	65.93	-	-	0.14	529.47
	294.27	27.14	-	-	0.08	321.49
Sale of Fixed Assets						
Tata Sponge Iron Limited	-	-	-	-	-	-
	0.13	-	-	-	-	0.13
	-	-	-	-	-	-
	0.13	-	-	-	-	0.13

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to Balance Sheet and Statement of Profit and Loss

42. Related Party Transactions (contd.)

(B) RELATED PARTY TRANSACTIONS

Transactions	(₹ crore)					
	Subsidiaries	Associates and JVs#	Key Management Personnel	Relatives of Key Management Personnel	Promoter	Grand Total
Dividend Paid						
Tata Sons Limited	-	-	-	-	231.12	231.12
	-	-	-	-	288.90	288.90
Others	0.93	-	*	***	-	0.93
	-	1.17	**	****	-	1.17
	0.93	-	*	***	231.12	232.05
	-	1.17	**	****	288.90	290.07
Dividend Income						
Industrial Energy Limited	-	16.35	-	-	-	16.35
	-	17.32	-	-	-	17.32
Tata Sons Limited	-	-	-	-	29.70	29.70
	-	-	-	-	9.90	9.90
The Tinplate Company of India Ltd.	16.49	-	-	-	-	16.49
	20.60	-	-	-	-	20.60
Others	27.07	4.23	-	-	-	31.30
	14.43	8.91	-	-	-	23.34
	43.56	20.58	-	-	29.70	93.84
	35.03	26.23	-	-	9.90	71.16
Interest Income						
Tata Steel (KZN) (Pty) Ltd.	13.47	-	-	-	-	13.47
	25.69	-	-	-	-	25.69
Others	4.69	1.79	-	-	-	6.48
	2.70	19.24	-	-	-	21.94
	18.16	1.79	-	-	-	19.95
	28.39	19.24	-	-	-	47.63
Management contracts						
Tata Sons Limited	-	-	-	-	75.00	75.00
	-	-	-	-	75.00	75.00
	-	-	-	-	75.00	75.00
	-	-	-	-	75.00	75.00
Finance Provided						
Tayo Rolls Limited	59.63	-	-	-	-	59.63
	63.00	-	-	-	-	63.00
Tata Steel Special Economic Zone Limited	59.67	-	-	-	-	59.67
	8.44	-	-	-	-	8.44
Jamshedpur Continuous Annealing & Processing Company Private Limited	29.58	-	-	-	-	29.58
	-	-	-	-	-	-
Others	7.29	18.11	-	-	-	25.40
	11.99	190.69	-	-	-	202.68
	156.17	18.11	-	-	-	174.28
	83.43	190.69	-	-	-	274.12

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to Balance Sheet and Statement of Profit and Loss

42. Related Party Transactions (contd.)

(B) RELATED PARTY TRANSACTIONS

Transactions	(₹ crore)					
	Subsidiaries	Associates and JVs#	Key Management Personnel	Relatives of Key Management Personnel	Promoter	Grand Total
Purchase of Investment						
TRF Limited	-	8.15	-	-	-	8.15
The Tinplate Company of India Ltd.	8.15	-	-	-	-	8.15
	8.15	8.15	-	-	-	16.30
	-	-	-	-	-	-
Remuneration						
Mr. Koushik Chatterjee	-	-	8.94	-	-	8.94
	-	-	5.62	-	-	5.62
Mr. T.V. Narendran	-	-	8.30	-	-	8.30
	-	-	6.47	-	-	6.47
	-	-	17.24	-	-	17.24
	-	-	12.09	-	-	12.09
Provision for receivables made during the year						
Tayo Rolls Limited	69.05	-	-	-	-	69.05
	-	-	-	-	-	-
Tata Steel (KZN) (Pty) Ltd.	17.22	-	-	-	-	17.22
	22.58	-	-	-	-	22.58
Others	2.52	0.03	-	-	-	2.55
	17.93	-	-	-	-	17.93
	88.79	0.03	-	-	-	88.82
	40.51	-	-	-	-	40.51
Guarantees and collaterals given						
ABJA Investment Co. Pte. Ltd.	-	-	-	-	-	-
	11,580.00	-	-	-	-	11,580.00
	-	-	-	-	-	-
	11,580.00	-	-	-	-	11,580.00
Guarantees outstanding						
ABJA Investment Co. Pte. Ltd.	11,418.27	-	-	-	-	11,418.27
	13,424.16	-	-	-	-	13,424.16
Others	177.18	65.04	-	-	-	242.22
	177.18	78.89	-	-	-	256.07
	11,595.45	65.04	-	-	-	11,660.49
	13,601.34	78.89	-	-	-	13,680.23
Outstanding Receivables						
Tata Steel (KZN) (Pty) Ltd.	707.12	-	-	-	-	707.12
	689.90	-	-	-	-	689.90
Others	339.44	23.27	-	-	1.25	363.96
	252.43	106.49	-	-	1.25	360.17
	1,046.56	23.27	-	-	1.25	1,071.08
	942.33	106.49	-	-	1.25	1,050.07

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 to Balance Sheet and Statement of Profit and Loss

42. Related Party Transactions (contd.)

(B) RELATED PARTY TRANSACTIONS

Transactions						(₹ crore)
	Subsidiaries	Associates and JVs#	Key Management Personnel	Relatives of Key Management Personnel	Promoter	Grand Total
Provision for outstanding receivables						
Tata Steel (KZN) (Pty) Ltd.	707.12	-	-	-	-	707.12
	689.90	-	-	-	-	689.90
Others	89.50	0.03	-	-	-	89.53
	17.93	-	-	-	-	17.93
	796.62	0.03	-	-	-	796.65
	707.83	-	-	-	-	707.83
Outstanding Payables						
T S Global Procurement Company Pte. Ltd.	1,517.40	-	-	-	-	1,517.40
	1,410.38	-	-	-	-	1,410.38
Others	447.16	136.07	-	-	73.51	656.74
	278.51	138.46	-	-	73.43	490.40
	1,964.56	136.07	-	-	73.51	2,174.14
	1,688.89	138.46	-	-	73.43	1,900.78
Safe of Investment						
Tata Sons Ltd.	-	-	-	-	2,592.01	2,592.01
	-	-	-	-	-	-
	-	-	-	-	2,592.01	2,592.01
	-	-	-	-	-	-

Transaction with Joint Ventures have been disclosed at full value.

*	₹21,936.00
**	₹27,420.00
***	₹2,648.00
****	₹3,310.00

43. The Company has the following Joint Ventures as on 31st March, 2016 and its proportionate share in the Assets, Liabilities, Income and Expenditure of the Joint Ventures is given below:

Name of the Joint Ventures	Country of Incorporation	Percentage of Holding	As at 31st March, 2016				2015-16	
			Assets	Liabilities	Contingent Liabilities	Capital Commitment	Income	Expenditure
mjunction services limited	India	50%	155.35	61.33	2.08	1.13	91.31	60.05
			137.92	58.06	-	1.49	69.55	48.42
Tata BlueScope Steel Limited	India	50%	777.42	617.46	28.79	0.07	787.23	767.13
			791.86	651.06	34.35	0.02	774.22	798.10
Tata NYK Shipping Pte Ltd.	Singapore	50%	770.52	739.65	-	-	704.06	736.66
			815.38	769.00	-	-	712.02	749.99
Bhubaneshwar Power Private Limited	India	14.23%	143.92	111.82	3.09	-	0.30	0.60
			113.40	88.92	0.39	8.77	1.85	2.11
S & T Mining Company Private Limited	India	50%	3.86	1.84	-	-	0.19	2.26
			4.91	0.81	-	0.07	0.16	2.29
Himalaya Steel Mill Services Private Limited	India	26%	5.42	3.28	-	-	3.94	4.33
			6.32	3.92	-	-	4.04	4.64

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to Balance Sheet and Statement of Profit and Loss

44. Derivative instruments

(a) The Company has entered into the following derivative instruments. All the swaps and forward contracts are accounted for as per Accounting Policies stated in Note 1 annexed to Balance Sheet and Statement of Profit and Loss.

- (i) The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations. The use of foreign currency forward contracts is governed by the Company's strategy approved by the Board of Directors, which provides principles on the use of such forward contracts consistent with the Company's Risk Management Policy. The Company does not use forward contracts for speculative purposes.

Outstanding short-term forward exchange contracts and option contracts entered into by the Company on account of payables including forecast payables:

	As at 31st March, 2016	As at 31st March, 2015
No. of contracts	226	125
US Dollar equivalent (million)	442.32	547.00
INR equivalent (crore)	2,930.46	3,418.75

Outstanding short-term forward exchange contracts and option contracts entered into by the Company on account of receivables including forecast receivables:

	As at 31st March, 2016	As at 31st March, 2015
No. of contracts	12	12
US Dollar equivalent (million)	10.50	12.00
INR equivalent (crore)	69.55	74.99

Outstanding long-term forward exchange contracts entered into by the Company:

	As at 31st March, 2016	As at 31st March, 2015
No. of contracts	11	10
	14*	16*
US Dollar equivalent (million)	104.00	385.00
INR equivalent (crore)	689.03	2,406.25

* Represents outstanding long-term forward exchange contracts used to hedge currency risk of Euro and GBP against USD. The corresponding USD exposure has been disclosed under unhedged loans payable. (Long-term forward exchange contracts outstanding as on 31st March, 2016 have been used to hedge the foreign currency risk on repayment of External Commercial Borrowings of the Company).

- (ii) The Company also uses derivative contracts other than forward contracts to hedge the interest rate and currency risk on its capital account. Such transactions are governed by the strategy approved by the Board of Directors which provides 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.

NOTES

 to Balance Sheet and Statement of Profit and Loss

44. Derivative instruments (contd.)

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

	As at 31st March, 2016	As at 31st March, 2015
No. of contracts	8	8*
US Dollar equivalent (million)	301.88	335.00
INR equivalent (crore)	2,000.00	2,093.75

* The above interest rate swap is part of full currency swap and the number of contract is also reflected in the outstanding long-term forward exchange contract as part of hedging the exchange risk.

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

	As at 31st March, 2016		As at 31st March, 2015	
	US Dollar equivalent (million)	INR equivalent (₹ crore)	US Dollar equivalent (million)	INR equivalent (₹ crore)
Amounts receivable in foreign currency on account of the following:				
(i) Loans receivable	81.60	540.51	84.90	530.57
(ii) Interest receivable	25.15	166.60	25.49	159.33
(iii) Debtors outstanding	13.00	86.13	7.81	48.82
Amounts payable in foreign currency on account of the following:				
(i) Import of goods and services	128.06	848.40	157.15	982.21
(ii) Capital imports	72.29	478.93	82.93	518.30
(iii) Interest and commitment charges payable	3.72	24.66	7.91	49.46
(iv) Loans payable	325.35	2,155.49	562.61	3,516.28

45. The Board recommended dividend of ₹8.00 per Ordinary Share (2014-15: ₹8.00 per Ordinary Share) of ₹10 each for the year ended 31st March, 2016. The dividend is subject to the approvals of the shareholders at the Annual General Meeting. The total dividend payout (including tax on dividend) works out to ₹926.27 crore (2014-15: ₹929.99 crore) for the Company.

46. Previous year's figures have been recast/restated where necessary.

For and on behalf of the Board of Directors

sd/- CYRUS P. MISTRY Chairman (DIN: 00010178)	sd/- NUSLI N. WADIA Director (DIN: 00015731)	sd/- ISHAAT HUSSAIN Director (DIN: 00027891)	sd/- SUBODH BHARGAVA Director (DIN: 00035672)	sd/- JACOBUS SCHRAVEN Director (DIN: 01462126)	sd/- D. K. MEHROTRA Director (DIN: 00142711)
sd/- O. P. BHATT Director (DIN: 00548091)	sd/- ANDREW ROBB Director (DIN: 01911023)	sd/- KOUSHIK CHATTERJEE Group Executive Director (Finance & Corporate) (DIN: 00004989)	sd/- T. V. NARENDRAN Managing Director (DIN: 03083605)	sd/- PARVATHEESAM K. Company Secretary (ACS: 15921)	

Mumbai, May 25, 2016