

SCHEDULE M : NOTES ON BALANCE SHEET AND PROFIT AND LOSS ACCOUNT**1. Accounting Policies****(a) Basis for Accounting**

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

(b) Revenue Recognition

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

(c) Employee Benefits

- (i) Short-term employee benefits are recognised as an expense at the undiscounted amount in the Profit and Loss Account of the year in which the related service is rendered.
- (ii) Post employment benefits are recognised as an expense in the Profit and Loss Account for the year in which the employee has rendered services. The expense is recognised at the present value of the amount payable towards contributions. The present value is determined using the market yields of government bonds, at the balance sheet date, as the discounting rate.
- (iii) Other long-term employee benefits are recognised as an expense in the Profit and Loss Account for the period in which the employee has rendered services. Estimated liability on account of long-term benefits is discounted to the current value, using the market yield on government bonds, as on the date of balance sheet.
- (iv) Actuarial gains and losses in respect of post employment and other long-term benefits are charged to the Profit and Loss Account.
- (v) **Miscellaneous Expenditure**
In respect of the Employee Separation Scheme (ESS), net present value of the future liability for pension payable is amortised equally over five years or upto financial year ending 31st March, 2010, whichever is earlier.
The increase in the net present value of the future liability for pension payable to employees who have opted for retirement under the Employee Separation Scheme of the Company is charged to the Profit and Loss Account.

(d) Fixed Assets

All fixed assets are valued at cost less depreciation. Pre-operation expenses including trial run expenses (net of revenue) are capitalised. Borrowing costs during the period of construction is added to the cost of eligible fixed assets. Blast Furnace relining is capitalised. The written down value of the asset consisting of lining/relining expenditure embedded in the cost of the furnace is written off in the year of fresh relining.

(e) Depreciation

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

(f) Foreign Currency Transactions

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

The company has opted for accounting the exchange differences arising on reporting of long term foreign currency monetary items in line with Companies (Accounting Standards) Amendment Rules 2009 relating to Accounting Standard 11 (AS-11) notified by Government of India on 31st March, 2009. Accordingly the effect of exchange differences on foreign currency loans of the company is accounted by addition or deduction to the cost of the assets so far it relates to depreciable capital assets and in other cases by transfer to "Foreign Currency Monetary Items Translation Difference Account" to be amortised over the balance period of the long-term monetary items or period upto 31st March, 2011 whichever is earlier.

The differences in translation of FCT and forward exchange contracts used to hedge FCT (excluding the long term foreign currency monetary items accounted in line with Companies (Accounting Standards) Amendment Rules 2009 on Accounting Standard 11 notified by Government of India on 31st March, 2009) and realised gains and losses, other than those relating to

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fixed assets are recognised in the Profit and Loss Account. The outstanding derivative contracts at the balance sheet date other than forward exchange contracts used to hedge FCT are valued by marking them to market and losses, if any, are recognised in the Profit and Loss Account.

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

(g) Investments

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

(h) Inventories

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

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

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

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

(i) Relining Expenses

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

(j) Research and Development

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

(k) Deferred Tax

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

2. Contingent Liabilities

(a) Guarantees

The Company has given guarantees aggregating **Rs. 355.28** crores (31.03.2009 : Rs. 81.22 crores) to banks and financial institutions on behalf of others. As at 31st March, 2010, the contingent liabilities under these guarantees amounted to **Rs. 355.28** crores (31.03.2009 : Rs. 81.22 crores).

(b) Claims not acknowledged by the Company

	As at 31.03.2010 Rs. crores	As at 31.03.2009 Rs. crores
(i) Excise	296.59	216.72
(ii) Customs	13.68	13.68
(iii) Sales Tax and VAT	587.97	456.01
(iv) State Levies	173.62	154.67
(v) Suppliers and Service Contract	71.02	70.52
(vi) Labour Related	36.92	190.42
(vii) Income Tax	143.44	176.60

(c) Claim by a party arising out of conversion arrangement - **Rs. 195.82** crores (31.03.2009 : Rs. 195.82 crores). The Company has not acknowledged this claim and has instead filed a claim of **Rs. 139.65** crores (31.03.2009 : Rs. 139.65 crores) on the party. The matter is pending before the Calcutta High Court.

(d) The Excise Department has raised a demand of **Rs. 235.48** crores (31.03.2009 : Rs. 235.48 crores) denying the benefit of Notification No. 13/2000 which provides for exemption to the integrated steel plant from payment of excise duty on the freight amount incurred for transporting material from plant to stock yard and consignment agents. The Company filed an appeal with CESTAT, Kolkata and the order of the department was set aside. The department has filed an appeal in Supreme Court where the matter is pending.

(e) TMT bars and rods in coil form are sent to external processing agents (EPA) for decoiling and cutting into specified lengths before the products are despatched for sale. Excise department demanded duty from the EPA, holding the activity as manufacture and ignoring the payment of duty made by Tata Steel. An appeal against the order of the Commissioner of Central Excise, Jamshedpur was filed in CESTAT, Kolkata and was allowed in favour of the EPA. Subsequently, the department challenged the same in Jharkhand High Court, Ranchi, which is still pending for hearing. Subsequent demands in this regard have not been adjudicated. The liability till 31st March 2010, if materializes, will be to the tune of **Rs. 291.22** crores (31.03.2009 : Rs. 271.60 crores). However, the company has already paid duty amounting to **Rs. 189.52** crores (2008-09: Rs. 169.05 crores) till date based on the final sale price of the material.

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- (f) The State Government of Orissa introduced "Orissa Rural Infrastructure and Socio Economic Development Act 2004" with effect from February 2005 levying tax on mineral bearing land computed on the basis of value of minerals produced from the mineral bearing land. The Company had filed a Writ Petition in the High Court of Orissa, challenging the validity of the Act. Orissa High Court held in November 2005 that State does not have authority to levy tax on minerals. The State Government of Orissa moved the Supreme Court against the order of Orissa High Court and the case is pending with Supreme Court. The liability, if it materialises, as at 31.03.2010 would be **Rs. 1,277.74** crores (31.03.2009 : Rs. 1,041.67 crores).
- (g) In terms of the agreements entered into between Tata Teleservices Ltd. (TTSL), Tata Sons Ltd. (TSL) and NTT DoCoMo, Inc. of Japan (Strategic Partner-SP), the Company was given by Tata Sons an option to sell 52,46,590 equity shares in TTSL to the SP, as part of a secondary sale of 25,31,63,941 equity shares effected along with a primary issue of 84,38,79,801 shares by TTSL to the SP. In 2008-09, the company realised Rs. 60.91 crores on sale of these shares resulting in a profit of Rs. 49.77 crores.
- If certain performance parameters and other conditions are not met, should the SP decide to divest its entire shareholding in TTSL, acquired under the primary issue and the secondary sale, and should TSL be unable to find a buyer for such shares, the Company is obligated to acquire the shareholding of the SP, at the higher of fair value or 50 percent of the subscription purchase price, in proportion of the number of shares sold by the company to the aggregate of the secondary shares sold to the SP, or if the SP divests the shares at a lower price pay a compensation representing the difference between such lower sale price and the price referred to above.
- Further, in the event of breach of the representations and warranties (other than title and tax) and covenants not capable of specific performance, the Company is liable to reimburse TSL, on a pro rata basis, upto a maximum sum of Rs. 78.75 crores. The exercise of the option by SP being contingent on several variables the liability, if any, is remote and indeterminable.
- (h) The Company has been paying royalty on coal extracted from its quarries pursuant to the judgement and order dated 23.07.2002 passed by the Jharkhand High Court. However, the State Government demanded royalty on processed coal at rates applicable to processed coal. Though the Company has contested the above demand, it has started paying, under protest, royalty on processed coal from November 2008. The incremental royalty, paid under protest, during November 2008 to March 2010 of **Rs. 17.21** crores has been charged off to Profit and Loss Account. The incremental amount, if payable, for the period till October 2008 works out to **Rs. 344.19** crores (31.03.2009 : Rs. 232.57 crores) and has been considered as a contingent liability.
- (i) Uncalled liability on partly paid shares and debentures **Rs. 0.01** crore (31.03.2009 : Rs. 0.01 crore).
- (j) Bills discounted **Rs. 274.55** crores (31.03.2009 : Rs. 472.14 crores).
3. The Company has given undertakings to (a) IDBI Bank Ltd. not to dispose of its investment in The Tinplate Company of India Limited, (b) ICICI Bank Ltd., IFCI and IIBI not to dispose of its investment in the Indian Steel Rolling Mills Ltd. (ISRM). The ISRM is under liquidation, (c) IDBI not to dispose of its investment in Wellman Incandescent India Ltd., (d) IDBI and ICICI Bank Ltd. not to dispose of its investment in Standard Chrome Ltd., (e) State Bank of India not to dispose of its investment in Tata BlueScope Ltd. (f) Standard Chartered Bank, Hong Kong and Shanghai Banking Corporation and Nedbank not to dispose of majority stake in Tata Steel (KZN) (Pty) Ltd., (g) Mizuho Corporate Bank Limited, not to dispose of its investments in Tata NYK Shipping Pte. Limited, (minimal stake required to be able to provide a corporate guarantee towards long term debt), without the prior consent of the respective financial institutions/banks so long as any part of the loans/facilities sanctioned by the institutions/banks to these seven companies remains outstanding. Subsequent to Balance Sheet date, i.e. 30th April, 2010, the Company has given undertaking to State Bank and others not to dispose of its investment in Centennial Steel Company Ltd. (CSCL), below 51% of CSCL's paid up equity share capital.
- The Company has furnished a Security Bond in respect of its immovable property to the extent of Rs. 20 crores in favour of the Registrar of the Delhi High Court and has given an undertaking not to sell or otherwise dispose of the said property.
- The Promoters' (i.e. L & T Infrastructure Development Projects Ltd. and Tata Steel Ltd.) combined investments in The Dhamra Port Company Ltd., (DPCL) representing 51% of DPCL's paid-up equity share capital are pledged with IDBI Trusteeship Services Ltd.
- The Promoters' (i.e. The Tata Power Company Limited. and Tata Steel Ltd.) combined investments in Industrial Energy Limited., (IEL) representing 51% of IEL's paid-up equity share capital are pledged with Infrastructure Development Corporation Limited (IDFC).
- The Company has agreed to provide contingent support up to a maximum of £ 500 million to Tata Steel Europe Limited, a wholly-owned indirect subsidiary, only in the event Tata Steel Europe is unable to generate the required liquidity internally or externally.
4. The Company had, on 20th August, 2005, signed an agreement with the Government of Jharkhand to participate in a special health insurance scheme to be formulated by the Government of Jharkhand for the purpose of providing medical facilities to the families of the people below poverty line. The state government would develop a suitable scheme and the Company has agreed to contribute to such scheme, when operational, a sum of Rs. 25 crores annually for a period of 30 years or upto the year of operation of the scheme whichever is less. The scheme is yet to be formed and no contribution has been made till 31st March, 2010.
5. The Board of Industrial and Financial Reconstruction (BIFR) sanctioned a scheme for rehabilitation of The Indian Steel and Wire Products Limited (ISWP), a sick Company in FY 2003-04. In terms of the scheme, the Company –
- (a) took management control of ISWP; (b) acquired 4,74,130 Equity Shares from the existing promoters at Re. 1/- per share; (c) converted Rs. 5.00 crores of dues into 50,00,000 fully paid Equity Shares at Rs. 10 each and Rs. 10.88 crores into unsecured loan to be repaid by ISWP in 8 annual installments starting from FY 2004-05; (d) has an advance of **Rs. 14.91** crores as at 31.03.2010 (31.03.2009: Rs. 19.47 crores) with ISWP towards one time settlement with financial institutions for capital expenditure and margin for working capital.
6. Estimated amount of contracts remaining to be executed on Capital Account and not provided for : **Rs. 10,698.54** crores (31.03.2009 : Rs. 10,152.99 crores).

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7. The Company has taken on lease Plant and Machinery, having an aggregate cost of **Rs. 3.79** crores (31.03.2009 : Rs. 3.79 crores). The element of the lease rental applicable to the cost of the assets has been charged to the Profit and Loss Account over the estimated life of the asset and financing cost has been allocated over the life of the lease on an appropriate basis. The total charge to the Profit and Loss Account for the year is **Rs. 0.62** crore (2008-09 : Rs. 0.62 crore). The break up of total minimal lease payments due as at 31st March, 2010 and their corresponding present value are as follows :

Rs. crores

Period	As at 31.03.2010		As at 31.03.2009	
	Minimum Lease Payments	Present Value	Minimum Lease Payments	Present Value
Not later than one year	0.26	0.25	0.62	0.59
Later than one year but not later than five years	-	-	0.26	0.23
Later than five years	-	-	-	-
Total	0.26	0.25	0.88	0.82

8. Profit and Loss Account

- a) i) Provision for employee separation compensation (ESS) has been calculated on the basis of net present value of the future monthly payments of pension and lump sum benefits under the scheme including **Rs. 46.34** crores (31.03.2009 : Rs. 76.93 crores) in respect of schemes introduced during the year.
- ii) The amounts payable within one year under the ESS aggregates to **Rs. 192.85** crores (31.03.2009 : Rs. 199.93 crores).
- iii) Miscellaneous Expenditure (to the extent not written off) on ESS account in Balance Sheet represents the balance amount to be amortised over five years or the financial year ending 31st March, 2010, whichever is earlier. Accordingly, the balance as at 31st March, 2010 is Rs. Nil.
- b) The manufacturing and other expenses and depreciation shown in the Profit and Loss Account include **Rs. 41.43** crores (2008-09 : Rs. 37.65 crores) and **Rs. 1.94** crores (2008-09 : Rs. 2.05 crores) respectively in respect of Research and Development activities undertaken during the year.
- c) The company has opted for accounting the exchange differences arising on reporting of long term foreign currency monetary items in line with Companies (Accounting Standards) Amendment Rules 2009 relating to Accounting Standard 11 (AS-11) notified by Government of India on 31st March, 2009 which allows foreign exchange difference on long-term monetary items to be capitalised to the extent they relate to acquisition of depreciable assets and in other cases to amortise over the period of the monetary asset/liability or the period up to 31st March, 2011, whichever is earlier.

As on 31st March, 2010, a credit of **Rs. 206.95** crores (31.03.2009 : Debit of Rs. 471.66 crores) remains to be amortised in the "Foreign Currency Monetary Items Translation Difference Account" after taking a charge of **Rs. 85.67** crores (2008-09 : Rs. 30.79 crores) in the Profit & Loss Account and **Rs. 47.35** crores (net of deferred tax **Rs. 24.38** crores) [2008-09 : Rs. 32.54 crores (net of deferred tax Rs. 16.76 crores)] adjusted against Securities Premium Account during the current financial year on account of amortisation. The Depreciation for the year ended 31st March, 2010 is higher by **Rs. 0.41** crores (2008-09 : Rs. 2.04 crores) and the Profit before taxes for the year ended 31st March, 2010 is lower by **Rs. 561.60** crores (2008-09 : Higher by Rs. 889.47 crores).

9. Other Significant Disclosures

- (a) Pursuant to the sanction of the Honourable High Court of Calcutta to the Scheme of Amalgamation, the assets and liabilities of the erstwhile Hooghly Met Coke & Power Company Ltd. (HMPCL) whose principal business was manufacture of metallurgical coke, have been merged with the Company with effect from 1st April, 2009 in accordance with the Scheme so sanctioned. The effect of the merger has been given in the accounts as per the scheme sanctioned.

The amalgamation has been accounted for under the "Pooling of Interests method" as prescribed by Accounting Standard 14 (AS-14) as notified by the Government of India. Accordingly the assets, liabilities and other reserves of the erstwhile HMPCL as at 1st April, 2009 have been taken over at their book values. As a result reserves of the erstwhile HMPCL aggregating to Rs. 12.28 crores have been added to the reserves of the Company. The difference of Rs. 0.69 crore between the value of net assets taken over, and the investment of the Company in the shares of HMPCL has been adjusted to the Amalgamation Reserve of the Company.

Pursuant to the Scheme, referred to in (a) above, 58,26,63,618 shares held by the Company in the erstwhile HMPCL have been cancelled.

- (b) The Company raised Rs. 3,578.75 crores (US \$ 875 million) through the issue of Foreign Currency Convertible Alternative Reference Securities ("CARS") during FY 2007-08. The CARS will be convertible into either qualifying securities (which may be in the form of depository receipts with restricted rights of withdrawal representing underlying ordinary shares with differential rights as to voting) or ordinary shares only between 4th September, 2011 to 6th August, 2012 and are redeemable in foreign currency only in September 2012, if not converted into equity. The CARS will be convertible at a conversion price of Rs. 733.13 per share. The CARS carry a coupon rate of 1% p.a. The outstanding CARS, if any, at maturity will be redeemable at a premium of 23.34% of the principal amount, with an effective YTM of 5.15%.

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During 2009-10, the Company invited holders of the CARS to exchange their holdings for 4.5% Convertible Bonds due in 2014. The offer closed on 16th November, 2009 and CARS having face value of US\$ 493 million were exchanged into Convertible Bonds worth US\$ 546.94 million. The net exchange difference of **Rs. 143.15** crores has been recognised as an expense in the Profit and Loss Account during the year. The 4.5% Convertible Bonds are convertible at Rs. 605.53 at an exchange rate of 1 US\$ = Rs. 46.35 at any time on or after 31st December, 2009 and up to the close of business on 11th November, 2014. The aggregate principal amount of CARS remaining outstanding after this exchange is US\$ 382 million.

Premium payable on redemption and the expenses related to the issue of CARS are adjusted against the Securities Premium Account. Changes to premium payable on account of exchange fluctuation is transferred to "Foreign Currency Monetary Items Translation Difference Account" in line with Companies (Accounting Standards) Amendment Rules 2009 relating to Accounting Standard 11 (AS-11) notified by Government of India on 31st March, 2009. Such exchange fluctuation on the premium payable is amortised over the balance period of CARS but not beyond 31st March, 2011, by adjusting the same to Securities Premium Account. Accordingly, an amount of **Rs. 47.35** crores (net of deferred tax **Rs. 24.38** crores) [2008-09 : Rs. 32.54 crores (net of deferred tax Rs. 16.76 crores)] has been amortised and adjusted against Securities Premium Account.

- c) 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, 2010 are as under:

Sl. No.	Description	Rs. crores	
		2009-10	2008-09
1.	The principal amount remaining unpaid to supplier as at the end of accounting year [included in Item (a)(i)(1) to Schedule K – Page 148]	1.40	0.01
2.	The interest due thereon remaining unpaid to supplier as at the end of accounting year	0.02	*
3.	The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointment day during the year 2009-10	–	–
4.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	0.10	#
5.	The amount of interest accrued during the year and remaining unpaid at the end of the accounting year [included in Item (a)(iii)(1) to Schedule K – Page 148]	0.12	@

* Rs. 21,593.95

Rs. 13,259.95

@ Rs. 34,853.90

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

- e) Disclosure as per clause 32 of the Listing Agreement.

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

Name of the Company	Relationship	Amount outstanding as at 31.03.2010 Rs. crores	Maximum balance outstanding during the year Rs. crores	Investment by the loanee in the shares of parent company No. of Shares
Tata Korf Engineering Services Ltd.	Subsidiary	0.82 0.80	0.82 0.80	– –
The Indian Steel and Wire Products Ltd.	Subsidiary	14.91 19.47	20.37 31.96	– –
NatSteel Asia Pte. Ltd.	Subsidiary	– –	– 338.08	– –
Tata Steel (KZN) (Pty.) Ltd.	Subsidiary	441.04 128.01	468.32 136.80	– –
Rawmet Ferrous Industries Ltd.	Subsidiary	– –	– 8.00	– –
Jamshedpur Utilities & Services Co. Ltd.	Subsidiary	– –	– 18.00	– –
Tayo Rolls	Subsidiary	– –	– 10.00	– –
Industrial Energy Ltd.	Associate	– 15.07	15.07 79.16	– –
The Tinplate Company of India Ltd.	Associate	– 180.00	180.00 180.00	– –

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10. Employee Benefits

- a) The Company has recognised, in the Profit and Loss Account for the year ended 31st March, 2010, an amount of **Rs. 162.32** crores (2008-09 : *Rs. 147.20 crores*) expenses under defined contribution plans.

	Rs. crores	
Benefit (Contribution to)	2009-10	<i>2008-09</i>
Provident Fund	108.12	<i>94.72</i>
Superannuation Fund	26.20	<i>25.03</i>
Employees Pension Scheme/Coal Mines Pension Scheme	17.02	<i>16.90</i>
TISCO Employees Pension Scheme	10.98	<i>10.55</i>
Total	162.32	<i>147.20</i>

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

- b) The Company operates post retirement defined benefit plans as follows:
- a. Funded
 - i. Post Retirement Gratuity
 - b. Unfunded
 - i. Post Retirement Medical Benefits
 - ii. Pensions to Directors
 - iii. Farewell Gifts
 - iv. Packing and Transportation Costs on Retirement
- c) Details of the post retirement gratuity plan are as follows:

Description	Rs. crores	
	2009-10	<i>2008-09</i>
1. Reconciliation of opening and closing balances of obligation		
a. Obligation as at the beginning of the year	1,053.62	<i>761.17</i>
b. Current service cost	49.82	<i>35.26</i>
c. Interest cost	78.44	<i>57.97</i>
d. Acquisition*	0.64	<i>–</i>
e. Actuarial (gain)/loss	74.81	<i>272.27</i>
f. Benefits paid	(83.99)	<i>(73.05)</i>
g. Obligation as at the end of the year	1,173.34	<i>1,053.62</i>
* On amalgamation of Hooghly Met Coke and Power Company Ltd. w.e.f. 01.04.2009.		
2. Change in plan assets (reconciliation of opening & closing balances)		
a. Fair value of plan assets as at beginning of the year	809.93	<i>709.14</i>
b. Expected return on plan assets	71.12	<i>57.14</i>
c. Actuarial gain/(loss)	5.61	<i>33.35</i>
d. Contributions	241.92	<i>83.35</i>
e. Benefits paid	(83.99)	<i>(73.05)</i>
f. Fair value of plan assets as at the end of the year	1,044.59	<i>809.93</i>
3. Reconciliation of fair value of assets and obligations		
a. Fair value of plan assets as at the end of the year	1,044.59	<i>809.93</i>
b. Present value of obligation as at the end of the year	1,173.34	<i>1,053.62</i>
c. Net obligation/(assets) recognised in the balance sheet	128.75	<i>243.69</i>
4. Expense recognised in the period		
a. Current service cost	49.82	<i>35.26</i>
b. Interest cost	78.44	<i>57.97</i>
c. Expected return on plan assets	(71.12)	<i>(57.14)</i>
d. Actuarial (gain)/loss	69.20	<i>238.92*</i>
e. Expense recognised during the year	126.34	<i>275.01</i>

*Includes impact on account of wage settlement, provision for which was earlier included under wages and salaries, including bonus.

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	% invested 31.03.2010	% invested 31.03.2009
5. Investment details		
a. GOI securities	11.78	15.07
b. Public Sector Unit bonds	27.18	36.28
c. State/Central Guaranteed securities	12.71	11.79
d. Special deposit schemes	–	11.49
e. Private sector bonds	8.56	5.65
f. Deposit with LIC	39.61	–
g. Others (including bank balances)	0.16	19.72
	100.00	100.00
6. Assumptions	31.03.2010	31.03.2009
a. Discount rate (per annum)	8.00%	7.75%
b. Estimated rate of return on plan assets (per annum)	8.00%	8.00%
c. Rate of escalation in salary (per annum)	6 to 10%	6 to 10%

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

- d) Details of unfunded post retirement defined benefit obligations are as follows:

Description	Rs. crores			
	2009-10		2008-09	
	Medical	Others	Medical	Others
1. Reconciliation of opening and closing balances of obligation				
a. Obligation as at the beginning of the year	541.68	37.02	507.42	37.73
b. Current service cost	5.81	1.08	6.26	0.97
c. Interest cost	40.47	2.77	39.23	2.95
d. Acquisitions*	0.18	–	–	–
e. Actuarial (gain)/loss	52.00	6.61	22.94	(2.87)
f. Benefits paid	(39.42)	(2.46)	(34.17)	(1.76)
g. Obligation as at the end of the year	600.72	45.02	541.68	37.02
* On amalgamation of Hooghly Met Coke and Power Company Ltd. w.e.f. 01.04.2009.				
2. Expense recognised in the period				
a. Current service cost	5.81	1.08	6.26	0.97
b. Interest cost	40.47	2.77	39.23	2.95
c. Actuarial (gain)/loss	52.00	6.61	22.94	(2.87)
d. Expense recognised during the year	98.28	10.46	68.43	1.05
The expense in relation to (a) Medical – Rs. 98.28 crores (2008-09: Rs. 68.43 crores), and (b) Others – Rs. 10.46 crores (2008-09: Rs. 1.05 crores) is included in item 4 (n) – Other Expenses in Schedule 4 of the Profit and Loss Account.				
3. Assumptions				
a. Discount rate (per annum) as at the beginning of the year	7.75%	7.75%	8.00%	8.00%
b. Discount rate (per annum) as at the end of the year	8.00%	8.00%	7.75%	7.75%
c. Medical costs inflation rate	5.00%		5.00%	
d. Average medical cost (Rs./person) as at the beginning of the year	2,290		2,170	
e. Average medical cost (Rs./person) as at the end of the year	2,640		2,290	
f. Effect of a 1% change in health care cost, on	Increase	Decrease	Increase	Decrease
	(6% p.a.)	(4% p.a.)	(6% p.a.)	(4% p.a.)
– aggregate current service and interest cost	6.81	(6.26)	5.51	(5.24)
– closing balance of obligation	100.28	(50.94)	75.48	(61.86)

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

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

f) Other disclosures:

	Rs. crores			
Benefit	2009-10	<i>2008-09</i>	<i>2007-08</i>	<i>2006-07</i>
	Retiring Gratuity			
Defined benefit obligation	1,173.34	<i>1,053.62</i>	<i>761.17</i>	<i>694.99</i>
Plan assets	1,044.59	<i>809.93</i>	<i>709.14</i>	<i>645.68</i>
Surplus/(deficit)	(128.75)	<i>(243.69)</i>	<i>(52.03)</i>	<i>(49.31)</i>
Experience adjustments on plan liabilities – loss/(gain)	98.15	<i>192.98</i>	<i>27.15</i>	<i>14.48</i>
Experience adjustments on plan assets – gain/(loss)	5.61	<i>33.35</i>	<i>(6.02)</i>	<i>(18.29)</i>
	Medical			
Defined benefit obligation	600.72	<i>541.68</i>	<i>507.42</i>	<i>457.10</i>
Plan assets	N.A.	<i>N.A.</i>	<i>N.A.</i>	<i>N.A.</i>
Surplus/(deficit)	N.A.	<i>N.A.</i>	<i>N.A.</i>	<i>N.A.</i>
Experience adjustments on plan liabilities – loss/(gain)	70.27	<i>6.78</i>	<i>26.47</i>	<i>20.63</i>
Experience adjustments on plan assets	N.A.	<i>N.A.</i>	<i>N.A.</i>	<i>N.A.</i>
	Others			
Defined benefit obligation	45.02	<i>37.02</i>	<i>37.73</i>	<i>33.21</i>
Plan assets	N.A.	<i>N.A.</i>	<i>N.A.</i>	<i>N.A.</i>
Surplus/(deficit)	N.A.	<i>N.A.</i>	<i>N.A.</i>	<i>N.A.</i>
Experience adjustments on plan liabilities – loss/(gain)	7.70	<i>3.70</i>	<i>1.13</i>	<i>0.41</i>
Experience adjustments on plan assets	N.A.	<i>N.A.</i>	<i>N.A.</i>	<i>N.A.</i>

SCHEDULE M : NOTES ON BALANCE SHEET AND PROFIT AND LOSS ACCOUNT :- continued
11. Information about Primary Business Segments

Particulars	Business Segments			Unallocable Rs. crores	Eliminations Rs. crores	Total Rs. crores
	Steel	Ferro Alloys and Minerals	Others			
	Rs. crores	Rs. crores	Rs. crores			
Revenue :						
Total External Sales	21,928.19	1,553.01	1,540.78			25,021.98
	20,455.98	2,323.64	1,536.15			24,315.77
Inter segment sales	1,034.36	301.66	32.51		(1,368.53)	–
	1,210.69	313.22	30.08		(1,553.99)	–
Total Revenue	22,962.55	1,854.67	1,573.29		(1,368.53)	25,021.98
	21,666.67	2,636.86	1,566.23		(1,553.99)	24,315.77
Segment result before interest, exceptional items and tax	7,941.92	340.44	113.69	326.65		8,772.70
	7,391.31	1,233.94	(29.54)	(127.41)		8,468.30
Less : Net finance charges (See Schedule 3, Page 132)						1,508.40
						1,152.69
Profit before Taxes						7,214.30
						7,315.61
Taxes						2,167.50
						2,113.87
Profit after Taxes						5,046.80
						5,201.74
Segment Assets	19,588.31	421.44	386.22	5,985.35		26,381.32
	18,423.27	664.31	408.21	5,006.91		24,502.70
Segment Liabilities	6,488.80	233.35	162.43	2,115.03		8,999.61
	5,692.86	238.80	129.54	2,895.85		8,957.05
Total cost incurred during the year to acquire segment assets	2,089.82	7.78	4.44			2,102.04
	2,735.76	19.56	30.97			2,786.29
Segment Depreciation	1,040.22	20.23	22.73			1,083.18
	931.00	21.87	20.53			973.40
Non-Cash Expenses other than depreciation	42.12	0.67	(0.04)	37.71		80.46
	25.74	1.46	3.02	32.81		63.03

Information about Secondary Segments : Geographical

	2009-10	<i>2008-09</i>
	Rs. crores	<i>Rs. crores</i>
Revenue by Geographical Market		
India	22,954.43	<i>20,914.02</i>
Outside India	2,067.55	<i>3,401.75</i>
	25,021.98	<i>24,315.77</i>
Additions to Fixed Assets and Intangible Assets		
India	2,102.04	<i>2,786.29</i>
Outside India	–	–
	2,102.04	<i>2,786.29</i>
	As at	<i>As at</i>
	31.03.2010	<i>31.03.2009</i>
	Rs. crores	<i>Rs. crores</i>
Carrying Amount of Segment Assets		
India	26,176.46	<i>24,501.54</i>
Outside India	204.86	<i>1.16</i>
	26,381.32	<i>24,502.70</i>

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

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

	As at 31.03.2010 Rs. crores	<i>As at 31.03.2009 Rs. crores</i>
Investments	44,979.67	<i>42,371.78</i>
Advance against Equity	1,871.40	<i>247.61</i>
Foreign Currency Monetary Item Translation Difference Account	–	<i>471.66</i>
Miscellaneous Expenditure	–	<i>105.07</i>
	<u>46,851.07</u>	<i><u>43,196.12</u></i>
Total Unallocable Liabilities exclude :		
Secured Loans	2,259.32	<i>3,913.05</i>
Unsecured Loans	22,979.88	<i>23,033.13</i>
Foreign Currency Monetary Item Translation Difference Account	206.95	–
Provision for Employee Separation Compensation	957.16	<i>1,033.60</i>
Deferred Tax Liability (Net)	867.67	<i>585.73</i>
	<u>27,270.98</u>	<i><u>28,565.51</u></i>

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

12. Related Party Disclosures
(a) List of Related Parties and Relationships

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

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

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

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

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

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

Name of the Party	Country	Name of the Party	Country
169. Firsteel Holdings Limited	UK	217. Nebam Nedelandse Bevrachting En	
170. Firsteel Steel Processing Limited	UK	Agentuur Maatschappij B.V.	Netherlands
171. Firsteel Strip Mill Products Limited	Ireland	218. Oostflank B.V.	Netherlands
172. Fischer Profielen NV	Belgium	219. Orb Electrical Steels Limited	UK
173. Fischer Profil GmbH	Germany	220. Ore Carriers Ltd.	UK
174. Gamble Simms Metals Ltd.	Ireland	221. Oremco Inc.	USA
175. Grant Lyon Eagre Ltd.	UK	222. Plated Strip International Limited	UK
176. H E Samson Ltd.	UK	223. Precoat International Limited	UK
177. Hadfields Holdings Ltd.	UK	224. Precoat Limited	UK
178. Hammermega Limited	UK	225. Rafferty-Brown Steel Co Inc Of Conn.	USA
179. Harrowmills Properties Ltd.	UK	226. Richard Thomas And Baldwins	
180. Hille & Muller GmbH	Germany	1978 Limited	New Zealand
181. Hille & Muller Italia SRL.	Italy	227. Richard Thomas And Baldwins	
182. Hille & Muller Usa Inc.	USA	(Australia) Pty Ltd.	Australia
183. Holorib GmbH	Germany	228. Round Oak Steelworks Ltd.	UK
184. Hoogovens (UK) Limited	UK	229. Runblast Limited	UK
185. Hoogovens Aluminium UK Limited	UK	230. Runmega Limited	UK
186. Hoogovens Finance B.V.	Netherlands	231. S A B Profiel B.V.	Netherlands
187. Hoogovens Technical		232. S A B Profil GmbH	Germany
Services Coahuila B.V.	Netherlands	233. SA Intertubes	Belgium
188. Hoogovens Technical Services		234. Sacra-Nord SAS	France
Mexico De S. De R.L. De C.V.	Mexico	235. Scrap Processing Holding B.V.	Netherlands
189. Hoogovens Technical Services		236. Seamless Tubes Ltd.	UK
Monclova B.V.	Netherlands	237. Sia Corus Building Systems	Latvia
190. Hoogovens Tubes Poland Spolka Z.O.O	Poland	238. Simiop Investments Ltd.	UK
191. Hoogovens Usa Inc.	USA	239. Simiop Ltd.	UK
192. Huizenbezit "Breesaap" B.V.	Netherlands	240. Simms Steel Holdings Ltd.	UK
193. Ickles Cottage Trust	UK	241. Skruv Erik AB	Sweden
194. Immobiliere De Construction De		242. Societe Europeenne De	
Maubeuge Et Louvroil SAS	France	Galvanisation (Segal) Sa	Belgium
195. Industrial Steels Limited	UK	243. Staalverwerking En Handel B.V.	Netherlands
196. Inter Metal Distribution SAS	France	244. Steel Company (N.I.) Ltd.	UK
197. K&S Management Service Limited	UK	245. Steel Stockholdings Ltd.	UK
198. Kalzip Asia Pte	Singapore	246. Steelstock Ltd.	UK
199. Kalzip GmbH	Austria	247. Stewarts & Lloyds Of Ireland Ltd.	Ireland
200. Kalzip GmbH	Germany	248. Stewarts And Lloyds (Overseas) Ltd.	UK
201. Kalzip Guanzhou Limited	China	249. Stocksbridge Cottage Trust	UK
202. Kalzip Inc	USA	250. Surahammar Bruks AB	Sweden
203. Kalzip Limited	UK	251. Swinden Housing Association	UK
204. Kalzip Spain S.L.U.	Spain	252. Tata Steel International (Italia) SRL	Italy
205. Lister Tubes Ltd.	Ireland	253. Tata Steel International (Schweiz) AG	Switzerland
206. London Works Steel Company Ltd.	UK	254. Tata Steel Netherlands B.V.	Netherlands
207. Midland Steel Supplies Ltd.	UK	255. Tata Steel UK Ltd.	UK
208. Mistbury Investments Limited	UK	256. Telmag (Holdings) Limited	UK
209. Montana Bausysteme AG	Switzerland	257. Telmag Magnetic Components Limited	UK
210. Myriad Deutschland GmbH	Germany	258. The Newport And South Wales	
211. Myriad Espana SI	Spain	Tube Company Ltd.	UK
212. Myriad Nederland B.V.	Netherlands	259. The Stanton Housing Company Ltd.	UK
213. Myriad SA	France	260. The Steel Company Of Ireland Limited	Ireland
214. Myriad United Kingdom Limited	UK	261. The Templeborough Rolling Mills Ltd.	UK
215. Namascor B.V.	Netherlands	262. Thomas Processing Company	USA
216. Nationwide Steelstock Limited	UK	263. Thomas Steel Strip Corp.	USA

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

Name of the Party	Country	Name of the Party	Country
264. Tinsley Trailers Limited	UK	3. Jamipol Ltd.	India
265. Toronto Industrial Fabrications Ltd.	UK	4. Kalinga Aquatics Ltd.	India
266. Trierer Walzwerk GmbH	Germany	5. Kumardhubi Fireclay & Silica Works Ltd.	India
267. Tulip Netherlands (No. 1) B.V.	Netherlands	6. Kumardhubi Metal Casting & Engineering Ltd.	India
268. Tulip Netherlands (No. 2) B.V.	Netherlands	7. Nicco Jubilee Park Ltd.	India
269. Tulip UK Holdings (No. 2) Ltd.	UK	8. Strategic Energy Technology Systems Private Limited *	India
270. Tulip UK Holdings (No. 3) Ltd.	UK	9. Tata Construction & Projects Ltd.	India
271. U.E.S. Bright Bar Limited	UK	10. Tata Sponge Iron Ltd.	India
272. UK Steel Enterprise Ltd.	UK	11. Tinplate Company of India Ltd.	India
273. Ukse Fund Managers Limited	UK	12. TRF Ltd.	India
274. Ukse Fund Mangers (General Partner) Limited	UK	vi) Tata Steel Holdings Pte. Ltd.	
275. United Steels Co (N Z) Ltd.	New Zealand	a) Tata Steel Global Holdings Pte Ltd.	
276. Unitol SAS	France	I Corus International (Singapore) Holding Pte. Ltd.	
277. Walker Manufacturing And Investments Ltd.	UK	1. European Profiles Malaysia (M) Sdn.Bhd.	Malaysia
278. Walkersteelstock Ireland Limited	Ireland	II NatSteel Holdings Pte. Ltd.	
279. Walkersteelstock Ltd.	UK	1. Southern Steel, Berhard	Malaysia
280. Westwood Steel Services Ltd.	UK	III Tata Steel Europe Ltd.	
281. Whitehead (Narrow Strip) Ltd.	UK	1. Ab Norskstal AS	Norway
V Tata Steel Global Minerals Holdings Pte Ltd.	Singapore	2. Albi Profils SRL	France
1. Al Rimal Mining LLC	Oman	3. Altos Hornos De Mexico S.A. de C.V.	Mexico
2. Black Ginger 461 Proprietary Ltd	South Africa	4. Appleby Frodingham Cottage Trust Limited	UK
3. Kalimati Coal Company Pty. Ltd.	Australia	5. Combulex B.V.	Netherlands
4. Tata Steel Cote D' Ivoire S.A. @	Ivory Coast	6. Cv Gasexpansie Ijmond	Netherlands
VI Tata Steel (Thailand) Public Company Ltd.	Thailand	7. Danieli Corus Canada Inc.	Canada
1. NTS Steel Group Plc	Thailand	8. Danieli Corus Asia B.V.	Netherlands
2. The Siam Construction Steel Co. Ltd.	Thailand	9. Danieli Corus B.V.	Netherlands
3. The Siam Iron And Steel (2001) Co. Ltd.	Thailand	10. Danieli Corus Braseq Ltda.	Brazil
xvii) Tata Steel Processing And Distribution Limited *	India	11. Danieli Corus Construction Services B.V.	Netherlands
xviii) TM International Logistics Ltd.	India	12. Danieli Corus Construction Services Usa Inc.	USA
1. International Shipping Logistics FZE	UAE	13. Danieli Corus Do Brasil Ltda.	Brazil
2. TKM Global China Ltd.	China	14. Danieli Corus Inc.	USA
3. TKM Global GmbH	Germany	15. Danieli Corus Services Usa Inc.	USA
4. TKM Global Logistics Ltd.	India	16. Danieli India (PVT) Ltd.	India
5. TM Harbour Services Private Ltd.*	India	17. Endex European Energy Derivates Exchanges N.V.*	Netherlands
xix) The Indian Steel and Wire Products Ltd.	India	18. European Profiles (Marketing) Sdn. Bhd.	Malaysia
xx) The Tata Pigments Ltd.	India	19. Galvpro LP.	USA
B. Associate through		20. Gietwalsonderhoudcombinatie B.V.	Netherlands
i) Kalimati Investment Company Ltd.		21. Hoogovens Court Roll Service Technologies Vof	Netherlands
1. Rujvalika Investments Ltd.	India	22. Hoogovens Gan Multimedia S.A. De C.V.	Mexico
ii) NatSteel Asia Pte. Ltd.		23. Isolation Du Sud SA	France
1. Steel Asia Development and Management Corp.	Singapore	24. Issb Limited	UK
2. Steel Asia Industries Inc.	Singapore	25. MDC Sublance Probe Technology	Shanghai
3. Steel Asia Manufacturing Corp.	Singapore	26. Regionale Ontwikkelingsmaatschappij Voor Het Noordzeekanaalgebied N.V.	Netherlands
iii) Tata Incorporated		27. Richard Lees Steel Decking Asia Snd. Bhd.	Malaysia
1. TKM Overseas Ltd.	India	28. Rsp Holding B.V.	Netherlands
iv) Tata Refractories Ltd.		29. Schreiner Fleischer AS	Norway
1. Almora Magnesite Ltd.	India		
v) Tata Steel Ltd.			
1. Indian Steel Rolling Mills Ltd.	India		
2. Industrial Energy Ltd.	India		

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

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

* Part of the Year.

@ By virtue of management control.

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

Rs. crores

Transactions	Subsidiaries	Associates & JVs #	Key Management Personnel	Relatives of Key Management Personnel	Promoter	Grand Total
Purchase of Goods						
TS Resources Australia Pte Ltd.	2,639.27 3,065.56	— —	— —	— —	— —	2,639.27 3,065.56
Others	196.56 165.73	107.28 136.66	— —	— —	— —	303.84 302.39
	2,835.83 3,231.29	107.28 136.66	— —	— —	— —	2,943.11 3,367.95
Sale of Goods						
TS Asia (Hongkong) Pte.	553.11 1,072.31	— —	— —	— —	— —	553.11 1,072.31
Tata Steel Processing and Distribution Ltd.	684.43	141.37 773.31	— —	— —	— —	825.80 773.31
Tinplate Company of India Ltd.	—	241.93	—	—	—	241.93
Others	— 384.58 510.49	— 255.28 194.53 199.31	— — — —	— — — —	— — — —	255.28 579.11 709.80
	1,622.12 1,582.80	577.83 1,227.90	— —	— —	— —	2,199.95 2,810.70
Receiving of Services						
Jamshedpur Utilities & Services Co. Ltd.	206.27 229.82	— —	— —	— —	— —	206.27 229.82
TM International Logistics Ltd.	161.77	—	—	—	—	161.77
Tinplate Company of India Ltd.	—	370.03 358.63	— —	— —	— —	370.03 358.63
Others	266.22 387.27	49.47 112.51	— —	— —	1.36 53.83	317.05 553.61
	634.26 795.78	419.50 471.14	— —	— —	1.36 53.83	1,055.12 1,320.75
Rendering of Services						
Jamshedpur Utilities & Services Co. Ltd.	37.04 11.54	— —	— —	— —	— —	37.04 11.54
The Indian Steel & Wire Products Ltd.	18.49	—	—	—	—	18.49
Tinplate Company of India Ltd.	—	42.10 45.19	— —	— —	— —	42.10 45.19
Others	27.23 36.36	10.52 23.14	— —	— —	0.24 0.24	37.99 59.74
	82.76 61.58	52.62 68.33	— —	— —	0.24 0.24	135.62 130.15
Purchase of Fixed Assets						
TRF Ltd.	—	3.17 17.10	— —	— —	— —	3.17 17.10
Others	— 0.91	0.31 0.06	— —	— —	— —	0.31 0.97
	— 0.91	3.48 17.16	— —	— —	— —	3.48 18.07
Sale of Fixed Assets						
Jamipol Ltd.	—	0.07	—	—	—	0.07
Lanka Special Steels Ltd.	—	—	—	—	—	—
	0.18	—	—	—	—	0.18
	0.18	0.07	—	—	—	0.25
	—	—	—	—	—	—
Dividend Expense						
Tata Sons Ltd.	—	—	—	—	408.42 333.07	408.42 333.07
Others	1.08 1.08	1.86 1.86	0.01 **	* ***	— —	2.95 2.94
	1.08 1.08	1.86 1.86	0.01 **	* ***	408.42 333.07	411.37 336.01

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

Transactions	Subsidiaries	Associates & JVs #	Key Management Personnel	Relatives of Key Management Personnel	Promoter	Rs. crores Grand Total
Dividend Income						
Kalimati Investment Co. Ltd.	180.26 4.10	— —	— —	— —	— —	180.26 4.10
Others	10.84 33.13	23.52 8.43	— —	— —	— —	34.36 41.56
	191.10 37.23	23.52 8.43	— —	— —	— —	214.62 45.66
Interest Income						
Tinplate Company of India Ltd.	— —	15.20 17.22	— —	— —	— —	15.20 17.22
Tata Steel KZN Pty. Ltd.	19.15 15.81	— —	— —	— —	— —	19.15 15.81
Others	1.73 6.93	1.26 6.27	— —	— —	— —	2.99 13.20
	20.88 22.74	16.46 23.49	— —	— —	— —	37.34 46.23
Management contracts (including deputation of employees)						
Tata Sons Ltd.	— —	— —	— —	— —	50.00 50.00	50.00 50.00
	— —	— —	— —	— —	50.00 50.00	50.00 50.00
Finance Provided						
Tata Steel Holdings Pte. Ltd.	4,334.94 4,718.30	— —	— —	— —	— —	4,334.94 4,718.30
Centennial Steel Company Ltd.	1,644.87 —	— —	— —	— —	— —	1,644.87 —
Others	329.13 158.88	371.09 400.53	— —	— —	— —	700.22 559.41
	6,308.94 4,877.18	371.09 400.53	— —	— —	— —	6,680.03 5,277.71
Unsecured Advances/Deposits given						
Jamshedpur Utilities & Services Co. Ltd.	2.91 2.96	— —	— —	— —	— —	2.91 2.96
Others	0.02 29.20	— —	— —	— —	— —	0.02 29.20
	2.93 32.16	— —	— —	— —	— —	2.93 32.16
Remuneration Paid						
Mr. B. Muthuraman (upto 30.09.2009)	— —	— —	4.01 5.07	— —	— —	4.01 5.07
Mr. H. M. Nerurkar	— —	— —	3.01 —	— —	— —	3.01 —
	— —	— —	7.02 5.07	— —	— —	7.02 5.07
Guarantees and collaterals given						
Corus UK Ltd., Corus Rail Consultancy, Industrial Steels Ltd., Corus International Trading Ltd.	139.28 —	— —	— —	— —	— —	139.28 —
Tata NYK Shipping Ltd.	— —	134.78 —	— —	— —	— —	134.78 —
Others	— —	— 25.00	— —	— —	— —	— 25.00
	139.28 —	134.78 25.00	— —	— —	— —	274.06 25.00

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

Rs. crores

Transactions	Subsidiaries	Associates & JVs #	Key Management Personnel	Relatives of Key Management Personnel	Promoter	Grand Total
Guarantees Outstanding						
Corus UK Ltd., Corus Rail Consultancy, Industrial Steels Ltd., Corus International Trading Ltd.	139.28	–	–	–	–	139.28
Tata NYK Shipping Ltd.	–	134.78	–	–	–	134.78
	139.28	134.78	–	–	–	274.06
Outstanding Receivables						
Tata Steel KZN Pty. Ltd.	490.76	–	–	–	–	490.76
Centennial Steel Company Ltd.	1,671.86	–	–	–	–	1,671.86
Others	333.15	20.97	–	–	4.01	358.13
	2,495.77	20.97	–	–	4.01	2,520.75
	<i>574.55</i>	<i>240.48</i>	–	–	<i>4.01</i>	<i>819.04</i>
Outstanding Payables						
TS Resources Australia Pte Ltd.	1,379.26	–	–	–	–	1,379.26
Others	135.04	42.31	–	–	56.10	233.45
	1,514.30	42.31	–	–	56.10	1,612.71
	<i>1,358.12</i>	<i>68.10</i>	–	–	<i>55.68</i>	<i>1,481.90</i>
Bad Debts Recovered						
The Indian Steel & Wire Products Ltd.	3.07	–	–	–	–	3.07
	<i>2.16</i>	–	–	–	–	<i>2.16</i>
	3.07	–	–	–	–	3.07
	<i>2.16</i>	–	–	–	–	<i>2.16</i>

* 23,891.15

** 43,389.30

*** 20,828.81

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

13. The Company has the following Joint Ventures as on 31st March, 2010 and its proportionate share in the Assets, Liabilities, Income and Expenditure of the Joint Venture Companies is given below :

Rs. crores

Name of the Joint Venture Company	Country of Incorporation	Percentage of Holding	As at 31st March, 2010				For the year ended 31st March, 2010	
			Assets	Liabilities	Contingent Liabilities	Capital Commitment	Income	Expenditure
mjunction services ltd.	India	50%	71.93	26.66	0.72	–	38.76	23.54
			60.29	30.24	0.32	–	34.14	24.08
The Dhamra Port Company Ltd.	India	50%	1,449.28	1,203.87	–	208.46	0.02	0.45
			750.93	593.10	–	432.99	–	0.09
Tata BlueScope Steel Ltd.	India	50%	576.70	315.10	9.37	114.32	213.75	222.98
			380.73	109.89	13.36	172.37	178.87	206.32
Tata NYK Shipping Pte. Ltd.	Singapore	50%	277.15	151.97	–	252.98	353.36	356.49
			138.71	5.75	–	439.44	250.59	249.35
Bhubaneshwar Power Private Ltd.	India	26%	2.00	1.83	1.30	–	–	0.09
			0.96	0.70	1.00	–	–	–
S & T Mining Company Private Ltd.	India	50%	0.57	0.31	–	–	–	0.49
			0.45	0.10	0.25	–	–	0.17

14. Earnings Per Share (EPS)

	2009-10 Rs. crores	2008-09 Rs. crores
(i) Profit after tax.....	5,046.80	5,201.74
Less : Preference dividend including tax thereon	53.68	128.05
Profit attributable to ordinary shareholders.....	4,993.12	5,073.69
Profit attributable to ordinary shareholders – for Diluted EPS.....	5,054.70	5,464.58
	Nos.	Nos.
(ii) Weighted average No. of Ordinary Shares for Basic EPS	82,85,50,811	73,05,84,834
Add : Adjustment for Nil (2008-09 : 8,750) Convertible Alternative Reference Securities.....	–	4,64,56,339
Adjustment for 5,469.35 (2008-09: Nil) 4.5% Foreign Currency Convertible Bonds (See Note 9(b), Page 153).....	1,51,43,378	–
Adjustment for Options relating to Nil (2008-09 : 12,446) Detachable Warrants.....	–	7,613
Adjustment for 54,72,66,011 (2008-09 : 54,72,66,011) Cumulative Convertible Preference Shares	3,82,33,652	9,12,08,752
Weighted average no. of Ordinary Shares for Diluted EPS.....	88,19,27,841	86,82,57,538
(iii) Nominal value of Ordinary Shares.....	Rs. 10.00	<i>Rs. 10.00</i>
(iv) Basic Earnings per Ordinary Share.....	Rs. 60.26	<i>Rs. 69.45</i>
(v) Diluted Earnings per Ordinary Share.....	Rs. 57.31	<i>Rs. 62.94</i>

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

15. Deferred Tax Liability (Net) (Item No. 5, Page 128)	<i>Deferred Tax (Asset)/Liability as at 1.04.2009</i>	<i>Deferred Tax (Asset)/Liability as at 1.04.2009 on account of HMPCL – amalgamation</i>	Current year charge/(credit)	Deferred Tax (Asset)/Liability as at 31.03.2010
	<i>Rs. crores</i>	<i>Rs. crores</i>	Rs. crores	Rs. crores
Deferred Tax Liabilities				
(i) Difference between book and tax depreciation	1,860.64	76.13	36.46	1,973.23
(ii) Prepaid Expenses	31.66	–	41.36	73.02
	<u>1,892.30</u>	<u>76.13</u>	<u>77.82</u>	<u>2,046.25</u>
Deferred Tax Assets				
(i) Employee Separation Compensation	(504.21)	–	12.42	(491.79)
(ii) Wage Provision	(69.47)	–	(58.08)	(127.55)
(iii) Provision for doubtful debts & advances	(35.96)	–	6.13	(29.83)
(iv) Disallowance under Section 43B	(165.86)	–	0.75	(165.11)
(v) Provision for Leave Salary	(143.23)	(0.13)	3.26	(140.10)
(vi) Provision for Employee Benefits	(70.52)	–	1.60	(68.92)
(vii) Other Deferred Tax Assets/Liabilities	(17.86)	(66.84)	62.00	(22.70)
	<u>(1,007.11)</u>	<u>(66.97)</u>	<u>28.08</u>	<u>(1,046.00)</u>
	<u>885.19</u>	<u>9.16</u>	<u>105.90</u>	<u>1,000.25</u>
(viii) Impact of change in tax rates in the current year on deferred tax asset created on unamortised ESS earlier adjusted against Securities Premium Account in 2002-03			(11.40)	
(ix) Deferred tax on redemption premium on CARS exchanged during the year charged to Profit and Loss Account (deferred tax on the premium on CARS was adjusted against Securities Premium Account on issue of CARS in 2007-08) (See Note 9(b), Page 153)			75.00	
Net amount charged to Profit and Loss Account (Item 8(b), Page 129)			<u>169.50</u>	
Deferred tax asset on the redemption premium on CARS adjusted against Securities Premium Account on issue of CARS in 2007-08 (See Note 9(b), Page 153)	(299.46)	–	166.88	(132.58)
Deferred Tax Liabilities (Net)	<u>585.73</u>	<u>9.16</u>		<u>867.67</u>

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

16. Licensed and installed capacities and production :	Installed capacity ⁽²⁾	Production ⁽³⁾
	Tonnes	Tonnes
Class of Products		
(i) Crude Steel (Jamshedpur, Jharkhand)	68,00,000 <i>61,10,000</i>	65,63,690 <i>56,45,755</i>
(ii) Saleable Steel (Jamshedpur, Jharkhand)	65,00,000 <i>58,40,000</i>	64,39,286 ^{(1) & (4)} <i>53,74,939</i>
(iii) Cold Rolled Coils (Tarapur, Maharashtra)	1,00,000 <i>1,00,000</i>	1,63,279 <i>1,40,932</i>
(iv) Wire Rods (Tarapur, Maharashtra)	2,65,000 <i>2,65,000</i>	2,73,909 <i>2,53,410</i>
Wires (Borivali, Tarapur, Indore; Maharashtra) & (Bengaluru, Karnataka)	2,02,650 <i>2,75,200</i>	1,70,997 <i>1,94,041</i>
(v) Ferro Manganese & Silico Manganese (Joda, Orissa)	30,500 <i>30,500</i>	50,240 <i>46,974</i>
(vi) Charge Chrome (Bamnipal, Orissa)	50,000 <i>50,000</i>	50,576 <i>45,010</i>
(vii) Welded Steel Tubes (Jamshedpur, Jharkhand)	2,88,000 <i>2,84,000</i>	2,68,557 ⁽⁵⁾ <i>2,56,199</i>
(viii) Metallurgical Machinery (Jamshedpur, Jharkhand)	– ⁽⁶⁾ –	9,054 <i>14,148</i>
	Numbers	Numbers
(ix) Bearings (Kharagpur, West Bengal)	2,50,00,000 <i>2,50,00,000</i>	2,93,27,053 <i>2,72,89,212</i>

Licensed capacity is not applicable in terms of the Government of India's Notification No. S.O. 477 (E) dated 25th July, 1991.

(1) Excluding items intended for captive consumption.

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

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

(4) Including semi-finished steel produced **14,20,963** tonnes (2008-09 : 8,32,695 tonnes) and steel transferred for manufacture into Tubes/C.R. Strips at the Company's Tubes Division **3,72,110** tonnes (2008-09 : 3,31,550 tonnes)/ steel transferred for manufacture of Cold Rolled Coils at the Company's Cold Rolling Mill Division (West) **2,05,227** tonnes (2008-09 : 1,62,270 tonnes) and steel transferred for manufacture of Wire Rods **2,68,635** tonnes (2008-09 : 2,26,475 tonnes) and wires **2,42,894** tonnes (2008-09 : 2,64,197 tonnes) at the Company's Wire Rod Mill (West) division.

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

(6) There is no separate installed capacity.

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

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

Class of Products	Turnover		Closing Stock		Opening Stock	
	Tonnes	Rs. crores	Tonnes	Rs. crores	Tonnes	Rs. crores
(i) Saleable Steel (Finished) ⁽¹⁾	55,18,047	19,333.49	3,58,246	658.08	3,25,699	671.38
	47,60,572	19,313.42	3,25,699	671.38	3,39,546	646.63
Agrico Products.....		126.86		6.87		6.33
		116.21		6.33		9.67
		19,460.35		664.95		677.71
		19,429.63		677.71		656.30
(ii) Semi-finished Steel and Scrap.....	7,68,127	1,554.88	2,54,344	291.05	5,10,653	488.25
	4,46,069	1,004.86	5,10,653	488.25	2,80,630	230.57
(iii) Welded Steel Tubes ⁽²⁾	2,53,802	1,110.28	20,657	51.47	18,680	51.67
	2,27,156	1,130.92	18,680	51.67	19,861	48.21
(iv) By-products, etc.		237.44		1.76		1.51
		166.07		1.51		3.09
(v) Raw Materials :						
(a) Ferro Manganese	38,976	183.47	-	-	-	-
	34,515	290.73	-	-	-	-
(b) Charge Chrome/Ferro Chrome ⁽³⁾ ...	1,45,899	733.21	-	-	-	-
	1,77,029	1,251.47	-	-	-	-
(c) Other Raw Materials.....	-	1,802.44	-	-	-	-
	-	1,879.93	-	-	-	-
(vi) Other Products ⁽⁴⁾		382.58		116.57		119.59
		465.52		119.59		96.44
(vii) Alloy Steel Ball Bearing Rings	Numbers		Numbers		Numbers	
	-	-	-	-	-	-
	2,280	0.07	-	-	4,89,680	0.90
(viii) Bearings	3,13,38,852	166.15	19,50,087	15.44	39,68,430	22.97
	2,63,39,660	144.00	39,68,430	22.97	28,39,692	13.14
(ix) Metallurgical Machinery	Tonnes		Tonnes		Tonnes	
	9,054	116.95	-	-	-	-
	14,148	165.17	-	-	-	-
(x) Sale of Purchased Materials						
(a) Saleable Steel (finished/converted)	715	2.98	27	0.16	21	0.15
	2,017	10.67	21	0.15	6,945	25.62
(b) Raw Materials/Scrap/Other Materials	-	4.79	-	-	-	-
	-	6.41	-	-	-	-
		25,755.52		1,141.40		1,361.85
		25,945.45		1,361.85		1,074.27

Notes :

- (1) Including steel material converted by re-rollers : **12,90,621** tonnes (2008-09 : 9,16,548 tonnes).
- (2) Includes Welded Steel Tubes converted under conversion arrangement **39,570** tonnes (2008-09 : 33,492 tonnes).
- (3) Turnover includes Ferro Chrome converted under conversion arrangement **96,435** tonnes (2008-09 : 1,28,576 tonnes).
- (4) Includes tubular steel structures **Rs. 331.71** crores (2008-09 : Rs. 399.62 crores).
- (5) Previous years figures have been regrouped and recast wherever necessary.

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

	Tonnes	Rs. crores
18. Purchase of Finished, Semi-Finished Steel and Other Products :		
A. For Resale :		
(i) Finished/Semi-Finished Steel Materials	262	4.60
	2,466	22.51
(ii) Finished/Semi-Finished Steel Materials – Agrico	20,48,366*	7.77
	–	–
* in numbers		
B. For Own Consumption :		
(i) Finished/Semi-Finished Steel Materials ⁽¹⁾	21,528	148.47
	52,147	319.80
(ii) Sponge/Pig Iron.....	–	–
	7,085	13.19
(iii) Others.....		8.24
		3.37
		169.08
		358.87
(1) Includes components for manufacture of metallurgical machinery Rs. 55.83 crores (2008-09 : Rs. 67.10 crores)		

	Tonnes	Rs. crores
19. Raw materials consumed : @		
(i) Iron ore	1,11,81,574	662.08
	95,45,665	504.52
(ii) Coal [excluding 49,05,467 tonnes (2008-09 : 47,46,755 tonnes) valued at Rs. 2,811.75 crores (2008-09 : Rs. 2,750.17 crores) used for manufacturing coke]	11,19,944	1,108.07
	7,51,972	789.23
(iii) Coke	34,22,334	3,120.28
	33,15,206	3,695.00
(iv) Limestone and Dolomite.....	22,12,529	412.07
	19,49,523	391.89
(v) Ferro Manganese	21,799	70.49
	18,895	62.99
(vi) Zinc and Zinc Alloys	22,842	210.55
	22,137	210.03
(vii) Spelter, sulphur and other materials [excluding 1,41,402 tonnes valued at Rs. 50.46 crores (2008-09 : 1,01,889 tonnes valued at Rs. 43.90 crores) used in the manufacture of Ferro Manganese].....	11,85,336	1,019.93
	12,00,105	877.29
		6,603.47
		6,530.95

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

	Rs. crores
20. Value of direct imports (C.I.F. Value)	
(i) Raw materials.....	3,102.57
	4,146.75
(ii) Semi-finished products	5.38
	28.02
(iii) Components, stores and spare parts	261.88
	288.42
(iv) Capital goods	672.71
	542.28

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

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

	Raw materials		Components, stores and spare parts	
	Rs. crores	%	Rs. crores	%
(a) Directly imported	3,941.88	59.69	521.94	20.23
	4,266.89	65.33	419.02	17.33
(b) Indigenously obtained	2,661.59	40.31	2,057.92	79.77
	2,264.06	34.67	1,999.42	82.67
	6,603.47	100.00	2,579.86	100.00
	6,530.95	100.00	2,418.44	100.00
Less : Consumption charged to other revenue accounts			994.04	
			942.75	
			1,585.82	
			1,475.69	

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

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

22. Expenditure in foreign currency

	Current Year Rs. crores	Previous Year Rs. crores
(i) Technical Know-how and Technical Consultants' Fees (net of taxes) including Rs. 212.17 crores (2008-09 : Rs. 319.53 crores) on capital account	212.79	320.83
(ii) Interest, commitment and bank charges payable in foreign currencies.....	727.12	604.87
(iii) Commission	16.47	15.29
(iv) Payable on other accounts [including Rs. 102.14 crores (2008-09 : Rs. 6.15 crores) on capital account].....	253.20	196.76

23. Remittance in foreign currencies for dividends

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

	Current Year	Previous Year
(i) Number of non-resident shareholders	8,713	5,914
(ii) Number of Ordinary shares held by them.....	11,47,06,926	14,85,95,480
(iii) Gross amount of dividends	Rs. 183.53 crores	Rs. 237.75 crores

24. Earnings in Foreign Exchange

- (i) Export of steel and other materials (at F.O.B. value) **Rs. 2,034.81** crores (2008-09 : Rs. 3,309.78 crores) [including value of exports through export houses].
- (ii) Interest received **Rs. 20.60** crores (2008-09 : Rs. 19.01 crores).
- (iii) Others **Rs. 44.07** crores (2008-09 : Rs. 46.87 crores).

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

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

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

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

As at	No. of Contracts	US Dollar Equivalent (million)	INR Equivalent (Rs. crores)
31.03.2010	42	267.91	1,203.65
31.03.2009	34	347.80	1,764.02

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

As at	No. of Contracts	US Dollar Equivalent (million)	INR Equivalent (Rs. crores)
31.03.2010	–	–	–
31.03.2009	16	62.18	315.32

(Forward exchange contracts outstanding as on 31st March 2009 include Forward Purchase of United States Dollars against Indian National Rupees for contracted imports).

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

As at	No. of Contracts	US Dollar Equivalent (million)	INR Equivalent (Rs. crores)
31.03.2010	31	1,639.61	7,364.74
31.03.2009	39	1,967.17	9,977.47

(Long Term Forward Exchange Contracts outstanding as on 31st March, 2010 have been used to hedge the Foreign Currency Risk on repayment of External Commercial Borrowings and Export Credit Agency Borrowings of the Company).

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

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

As at	No. of Contracts	US Dollar Equivalent (million)	INR Equivalent (Rs. crores)
31.03.2010	4	242.67	1,090.00
31.03.2009	15	636.11	3,226.36

All the above swaps and forward contracts are accounted for as per Accounting Policies stated in Notes on Balance Sheet and Profit and Loss Account, Schedule M 1(f).

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

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

	As at 31.03.2010		<i>As at 31.03.2009</i>	
	US Dollar Equivalent (million)	INR Equivalent (Rs. crores)	<i>US Dollar Equivalent (million)</i>	<i>INR Equivalent (Rs. crores)</i>
A. Amounts receivable in foreign currency on account of the following :				
Loans Receivable	98.19	441.04	<i>25.24</i>	<i>128.01</i>
Deposits	45.55	204.62	<i>–</i>	<i>–</i>
Interest receivable	11.07	49.74	<i>5.20</i>	<i>26.39</i>
Bill Discounted and Debtors Outstanding	45.84	205.92	<i>38.36</i>	<i>194.52</i>
B. Amounts payable in foreign currency on account of the following :				
Import of goods and services	43.90	197.24	<i>68.37</i>	<i>346.80</i>
Capital imports	20.40	91.67	<i>23.97</i>	<i>121.58</i>
Interest and commitment charges payable	17.30	77.74	<i>47.73</i>	<i>242.07</i>
Loans payable	1,135.96	5,103.59	<i>1,160.72</i>	<i>5,887.19</i>

26. Previous year's figures have been recast/restated where necessary. The assets and liabilities of Hooghly Met Coke and Power Company Ltd. (HMPCL) were transferred to and vested in the Company w.e.f. 1st April, 2009 in accordance with the scheme of amalgamation. Accordingly the figures for the previous year do not include HMPCL.

27. Figures in italics are in respect of the previous year.