

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

1. Accounting Policies

(a) Basis for Accounting

The financial statements are prepared under the historical cost convention on an accrual basis of accounting in accordance with the generally accepted accounting principles, Accounting Standards issued by the Institute of Chartered Accountants of India, as applicable, and the relevant provisions of the Companies Act, 1956.

(b) Revenue Recognition

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

(c) Employee Benefits

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

(v) Miscellaneous Expenditure

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

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

(d) Fixed Assets

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

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

(e) Depreciation

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

(f) Foreign Currency Transactions

Foreign Currency Transactions (FCT) and forward exchange contracts used to hedge FCT (including firm commitments and forecast transactions) are initially recognised at the spot rate on the date of the transaction/contract.

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Monetary assets and liabilities relating to foreign currency transactions and forward exchange contracts remaining unsettled at the end of the year are translated at year end rates.

The differences in translation and realised gains and losses on foreign exchange transactions (including option contracts) are recognised in the profit and loss account. Further in respect of transactions covered by forward exchange contracts, the differences between the contract rate and the spot rate on the date of the transaction is charged to the profit and loss account over the period of the contract. Exchange difference relating to monetary items that are in substance forming part of the Company's net investment in non integral foreign operations are accumulated in Foreign Exchange Fluctuation Reserve Account.

Exchange differences (including arising out of forward exchange contracts) in respect of liabilities incurred to acquire fixed assets prior to April 1, 2004, are adjusted to the carrying amount of such fixed assets.

(g) Investments

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

(h) Inventories

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

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

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

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

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

(i) Relining Expenses

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

(j) Research and Development

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

(k) Deferred Tax

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

2. Contingent Liabilities

(a) Guarantees

The Company has given guarantees aggregating **Rs. 106.22** crores (31.3.2007 : Rs. 2,869.70 crores) to banks and financial institutions on behalf of others. As at 31st March, 2008, the contingent liabilities under these guarantees amounted to **Rs. 106.22** crores (31.3.2007 : Rs. 2,869.70 crores).

(b) Claims not acknowledged by the Company

	As at 31.3.2008 Rs. crores	<i>As at 31.3.2007 Rs. crores</i>
(i) Excise	193.47	<i>193.30</i>
(ii) Customs	13.66	<i>13.66</i>
(iii) Sales Tax	446.89	<i>321.71</i>
(iv) State Levies	96.78	<i>98.92</i>
(v) Suppliers and Service Contract	81.35	<i>89.38</i>
(vi) Labour Related	32.98	<i>31.95</i>
(vii) Income Tax	57.83	<i>52.41</i>

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- (c) Claim by a party arising out of conversion arrangement - **Rs. 195.82** crores (31.3.2007 : *Rs. 195.82 crores*). The Company has not acknowledged this claim and has instead filed a claim of **Rs. 139.65** crores (31.3.2007 : *Rs. 139.65 crores*) on the party. The matter is pending before the Calcutta High Court.
- (d) The Excise Department has raised a demand of **Rs. 235.48** crores (31.3.2007 : *Rs. 235.48 crores*) denying the benefit of Notification No. 13/2000 which provides for exemption to the integrated steel plant from payment of excise duty on the freight amount incurred for transporting material from plant to stock yard and consignment agents. The Company has filed an appeal with CESTAT Kolkata.
- (e) The State Government of Orissa introduced "Orissa Rural Infrastructure and Socio Economic Development Act 2004" with effect from February 2005 levying tax on mineral bearing land computed on the basis of value of minerals produced from the mineral bearing land. The Company had filed a Writ Petition in the High Court of Orissa, challenging the validity of the Act. Orissa High Court held in November 2005 that State does not have authority to levy tax on minerals. The State Government of Orissa moved to Supreme Court against the order of Orissa High Court and the case is pending with Supreme Court. The liability, if it materialises, as at 31.3.2008 would be **Rs. 588.78** crores (31.3.2007 : *Rs. 327.63 crores*).
- (f) The Industrial Tribunal, Ranchi has passed an award on 20.10.1998 with reference to an industrial dispute regarding permanent absorption of contract labourers engaged by the Company prior to 1981, directing the Company to absorb 658 erstwhile contract labourers w.e.f. 22.8.1990. A single bench of the Patna High Court has upheld this award. The Company challenged this award before the division bench of the Jharkhand High Court which has set aside the orders of the single bench of Patna High Court as well as the Tribunal and remanded back the case to the tribunal for fresh hearing on all issues in accordance with law. The Industrial Tribunal, Ranchi by its award dated 31.3.2006 pronounced on 13.6.2006 held that the contract workers were not engaged by the management of the Company in the permanent and regular nature of work before 11.2.1981 and they are not entitled to permanent employment under the principal employer. The Tata Workers Union has filed SLP against this award in the Supreme Court. The liability, if it materialises, would be to the tune of **Rs. 133.10** crores (31.3.2007 : *Rs. 119.35 crores*).
- (g) Uncalled liability on partly paid shares and debentures **Rs. 0.01** crore (31.3.2007 : *Rs. 0.01 crore*).
- (h) Bills discounted **Rs. 434.52** crores (31.3.2007 : *Rs. 383.99 crores*).
- (i) Cheques discounted : Amount indeterminate.
3. The Company has given undertakings to (a) IDBI Bank Ltd., IFCI, IIBI and State Bank of Patiala not to dispose of its investment in The Tinsplate Company of India Limited, (b) ICICI Bank Ltd. (formerly ICICI), IFCI and IIBI not to dispose of its investment in the Indian Steel Rolling Mills Ltd. (ISRM). The ISRM is under liquidation, (c) IDBI not to dispose of its investment in Wellman Incandescent India Ltd., (d) IDBI and ICICI Bank Ltd. (formerly ICICI) not to dispose of its investment in Standard Chrome Ltd., (e) Citibank N.A. New York and Bank of America not to dispose of its investment in Tata Incorporated, New York, (f) SBI, State Bank of Indore, State Bank of Hyderabad, State Bank of Patiala and WBIDC Ltd., not to dispose of its investment in Hooghly Met Coke and Power Co. Ltd., without the prior consent of the respective financial institutions/banks so long as any part of the loans/facilities sanctioned by the institutions/banks to these six Companies remains outstanding. The Company has also furnished a Security Bond in respect of its immovable property to the extent of Rs. 20.00 crores in favour of the Registrar of the Delhi High Court and has given an undertaking not to sell or otherwise dispose of the said property.
- The Promoters' (i.e. L & T Infrastructure Development Projects Ltd. and Tata Steel Ltd.) combined investments in The Dhamra Port Company Ltd., (DPCL) representing 51% of DPCL's paid-up equity share capital are pledged with IDBI Trusteeship Services Ltd.
- In respect of loan taken by Tata Steel Asia Holdings Pte. Limited the conditions of the loan agreement entered into with the lender requires that Tata Steel Limited continues to own legally and beneficially (directly or indirectly) all issued shares of the Company.
- In respect of loans taken by Tata Steel (KZN) (Pty) Limited and Tata Steel Global Minerals Holdings Pte. Limited, the conditions of the loan agreements entered into by the respective Companies with the lenders require that Tata Steel Limited continues to own legally and beneficially (directly or indirectly), 51% of the issued shares of the respective Companies.
4. The Company had, on 20th August, 2005, signed an agreement with the Government of Jharkhand to participate in a special health insurance scheme to be formulated by the Government of Jharkhand for the purpose of providing medical facilities to the families of the people below poverty line. The state government would develop a suitable scheme and the Company has agreed to contribute to such scheme, when operational, a sum of Rs. 25.00 crores annually for a period of 30 years or upto the year of operation of the scheme whichever is less. The scheme is yet to be formed and no contribution has been made till 31st March, 2008.
5. The Company had, on 20th August, 2005 signed an agreement with the Government of Jharkhand to partner with the State for developing sports infrastructure for the National Games 2007 to be held in Jharkhand. The Company had, on request from the Government of Jharkhand, paid Rs. 150.00 crores as advance towards the same. Based on the confirmation from the Government of Jharkhand about commencement of work, the amount of Rs. 150.00 crores has been charged to the profit and loss account during the year.
6. The Company, pursuant to the Sale Agreement signed on 2nd April, 2007 has sold its Cold Rolling Mill at Sisodra, as a going concern to Theis Precision Steel India Pvt. Ltd. (Theis), an indirect wholly owned subsidiary of Friedr. Gustav Theis Kaitwalzweke GmbH, Germany at a consideration of Rs. 67.00 crores.

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7. The Board of Industrial and Financial Reconstruction (BIFR) sanctioned a scheme for rehabilitation of The Indian Steel and Wire Products Limited (ISWP), a sick Company in FY 2003-04. In terms of the scheme, the Company –
 (a) took management control of ISWP; (b) acquired 4,74,130 Equity Shares from the existing promoters at Re. 1/- per share; (c) converted Rs. 5.00 crores of dues into 50,00,000 fully paid Equity Shares at Rs. 10 each and Rs. 10.88 crores into unsecured loan to be repaid by ISWP in 8 annual installments starting from FY 2004-05; (d) has an advance of **Rs. 27.12** crores as at 31.3.2008 (31.3.2007: Rs. 27.67 crores) with ISWP towards one time settlement with financial institutions for capital expenditure and margin for working capital.
8. The Company had issued during 1992-93, 1,15,50,000 Secured Premium Notes (SPN) of Rs. 300 each aggregating to Rs. 346.50 crores with Warrants attached for subscribing to one ordinary share of Rs. 10 each per SPN at a premium of Rs. 70 per share. The warrant holders have exercised their option in respect of 1,11,61,201 Detachable Warrants. For the balance of 3,88,799 Detachable Warrants for which option has not been exercised, the option is deemed to have lapsed except in respect of approximately 12,446 Detachable Warrants applicable to matters which are in dispute and for which the option is deemed to be kept alive for the time being. In terms of issue of SPNs, they have been redeemed on 24.8.1999.
9. Estimated amount of contracts remaining to be executed on Capital Account and not provided for : **Rs. 6,633.20** crores (31.3.2007 : Rs. 2,308.71 crores).
10. The Company has taken on lease Plant and Machinery, having an aggregate cost of **Rs. 3.79** crores (31.3.2007 : Rs. 3.79 crores). The element of the lease rental applicable to the cost of the assets has been charged to the profit and loss account over the estimated life of the asset and financing cost has been allocated over the life of the lease on an appropriate basis. The total charge to the profit and loss account for the year is **Rs. 0.73** crore (2006-07 : Rs. 0.62 crore). The break up of total minimal lease payments due as at 31st March, 2008 and their corresponding present value are as follows :

Period	As at 31.3.2008		As at 31.3.2007	
	Minimum Lease Payments	Present Value	Minimum Lease Payments	Present Value
Not later than one year	0.72	0.66	0.62	0.59
Later than one year but not later than five years	0.48	0.40	1.31	1.04
Later than five years	—	—	—	—
Total	1.20	1.06	1.93	1.63

11. Profit and Loss Account

- a) i) Provision for employee separation compensation has been calculated on the basis of net present value of the future monthly payments of pension and lump sum benefits under the scheme including **Rs. 57.31** crores (31.3.2007 : Rs. 46.86 crores) in respect of schemes introduced during the year.
- ii) The amounts payable within one year under the ESS aggregates to **Rs. 204.73** crores (31.3.2007 : Rs. 225.97 crores).
- iii) The amount shown under Miscellaneous Expenditure on ESS account, represents the balance amount to be amortised over five years or the financial year ending 31st March, 2010, whichever is earlier.
- b) The manufacturing and other expenses and depreciation shown in the profit and loss account include **Rs. 34.47** crores (2006-07 : Rs. 25.74 crores) and **Rs. 1.90** crores (2006-07 : Rs. 1.11 crores) respectively in respect of Research and Development activities undertaken during the year.

12. Other Significant Disclosures

- a) The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as on 31st March, 2008 as micro, small or medium enterprises. Consequently the amount paid/payable to these parties during the year is nil.
- b) No amount is paid/payable by the Company under Section 441A of the Companies Act, 1956 (cess on turnover) since the rules specifying the manner in which the cess shall be paid has not been notified yet by the Central Government.

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c) Disclosure as per clause 32 of the Listing Agreement.

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

Name of the Company	Relationship	Amount outstanding as at 31.3.2008 Rs. crores	Maximum balance outstanding during the year Rs. crores	Investment in Shares of the Company No. of Shares
Tata Korf Engineering Services Ltd.	Subsidiary	0.76 <i>0.70</i>	0.76 <i>0.70</i>	—
The Indian Steel and Wire Products Ltd.	Subsidiary	30.34 <i>31.66</i>	32.26 <i>38.68</i>	—
Kalimati Investment Co. Ltd.	Subsidiary	—	20.00	671,455
NatSteel Asia Pte. Ltd.	Subsidiary	298.68 <i>294.79</i>	298.68 <i>298.53</i>	—
Tata Steel (KZN) (Pty.) Ltd.	Subsidiary	101.38 <i>15.77</i>	116.45 <i>15.77</i>	—
Rawmet Ferrous Industries Pvt. Ltd.	Subsidiary	5.00 —	5.00 —	—
Jamshedpur Utilities & Services Co. Ltd.	Subsidiary	18.00 —	18.00 —	—
Industrial Energy Ltd.	Associate	60.15 —	60.15 —	—
The Tinplate Company of India Ltd.	Associate	70.00 —	70.00 —	—

13. Employee Benefits

a) The Company has adopted Accounting Standard (AS) 15 (revised 2005) on Employee Benefits on 1st April, 2006. Consequent to the clarification issued by the ASB of ICAI for implementing AS 15, the liability in respect of some of the benefits have been reworked as on 31st March, 2007. Accordingly an amount of Rs. 200.14 crores (Net of deferred tax, Rs. 103.05 crores) has been transferred to the opening balance of General Reserve. The profit and loss account for the current year ended 31st March, 2008 includes a write back of Rs. 17.21 crores on account of the rework of employee benefit charge debited to the profit and loss account during 2006-07.

Benefit	Rs. crores			
	2007-08 Debit / (Credit)		2006-07 Debit / (Credit)	
	Reserves	Def. Tax	Reserves	Def. Tax
Short Term Benefits:				
Leave (other than furlough leave)			100.35	(50.89)
Post Employment Benefits – Funded Defined Benefit Plans:				
Retiring Gratuity			(7.75)	3.93
Post Employment Benefits – Unfunded Defined Benefit Plans:				
Post Retirement Medical Benefits			309.29	(156.93)
Pensions to Directors			8.27	(4.20)
Farewell Gifts on Retirement			2.39	(1.22)
Packing and Transportation Costs on Retirement			3.24	(1.64)
Long Term Benefits				
Long Service Leave	(200.14)	103.05	(2.47)	1.26
Long Service Awards			3.68	(1.87)
Loyalty Bonus			2.63	(1.31)
Termination Benefits				
Employees Separation Scheme			(104.92)	53.23
Employees Family Benefit Scheme			(8.07)	4.09
Total	(200.14)	103.05	306.64	(155.55)

b) The Company has recognised, in the profit and loss account for the year ended 31st March, 2008, an amount of **Rs. 118.34** crores (31.3.2007 : Rs. 118.24 crores) expenses under defined contribution plans.

Benefit (Contribution to)	Rs. crores	
	2007-08	2006-07
Provident Fund	73.22	75.65
Superannuation Fund	20.38	17.68
Employees Pension Scheme / Coal Mines Pension Scheme	16.58	17.28
TISCO Employees Pension Scheme	8.16	7.63
Total	118.34	118.24

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

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

	Rs. crores	
Description	2007-08	<i>2006-07</i>
1. Reconciliation of opening and closing balances of obligation		
a. Obligation as at the beginning of the year	694.99	<i>619.06</i>
b. Current Service Cost	30.17	<i>25.18</i>
c. Interest Cost	54.84	<i>47.52</i>
d. Actuarial (Gain)/Loss	41.74	<i>57.79</i>
e. Benefits paid	(60.57)	<i>(54.56)</i>
f. Obligation as at the end of the year	761.17	<i>694.99</i>
The defined benefit obligation as at 31.03.08 is wholly funded by the company		
2. Change in Plan Assets (Reconciliation of opening & closing balances)		
a. Fair Value of Plan Assets as at beginning of the year	645.68	<i>630.74</i>
b. Expected Return on Plan Assets	52.34	<i>48.50</i>
c. Actuarial Gain/(Loss)	(6.02)	<i>(18.28)</i>
d. Contributions	77.72	<i>39.28</i>
e. Benefits Paid	(60.57)	<i>(54.56)</i>
f. Fair Value of Plan Assets as at the end of the year	709.14	<i>645.68</i>
3. Reconciliation of fair value of assets and obligations		
a. Fair Value of Plan Assets as at the end of the year	709.14	<i>645.68</i>
b. Present Value of Obligation as at the end of the year	761.17	<i>694.99</i>
c. Amount Recognised in the Balance Sheet	(52.03)	<i>(49.31)</i>
4. Expense recognized in the period		
a. Current Service Cost	30.17	<i>25.18</i>
b. Interest Cost	54.84	<i>47.52</i>
c. Expected Return on Plan Assets	(52.34)	<i>(48.50)</i>
d. Actuarial (Gain)/Loss	47.76	<i>76.07</i>
e. Expense Recognized during the year	80.43	<i>100.27</i>
The expense is disclosed in the line item – Payments to & Provisions for Employees (Company's Contribution to Provident & Other Funds)		
5. Investment Details	% invested 31.3.2008	<i>% invested 31.3.2007</i>
a. GOI Securities	16.45	<i>18.38</i>
b. Public Sector Unit Bonds	37.81	<i>36.13</i>
c. State / Central Guaranteed Securities	8.91	<i>7.41</i>
d. Special Deposit Schemes	27.11	<i>29.30</i>
e. Private Sector Bonds	4.80	<i>2.54</i>
f. Others (including bank balances)	4.92	<i>6.24</i>
	100.00	<i>100.00</i>
6. Assumptions	31.3.2008	<i>31.3.2007</i>
a. Discount Rate (per annum)	8.00%	<i>8.25%</i>
b. Estimated Rate of Return on Plan Assets (per annum)	8.00%	<i>8.00%</i>
c. Rate of Escalation in Salary (per annum)	5 to 10%	<i>5 to 10%</i>

The basis used to determine overall expected rate of return on assets and the effect on major categories of plan assets is as follows: The major portions of the assets are invested in PSU bonds and Special Deposits. Based on the asset allocation and prevailing yield rates on these asset classes, the long term estimate of the expected rate of return on the fund assets have been arrived at. Assumed rate of return on assets is expected to vary from year to year reflecting the returns on matching Government Bonds.

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

Description	Rs. crores			
	2007-08		2006-07	
	Medical	Others	Medical	Others
1. Reconciliation of opening and closing balances of obligation				
a. Obligation as at the beginning of the year	457.10	33.21	466.22	28.91
b. Current Service Cost	5.62	1.20	5.64	0.91
c. Interest Cost	36.38	2.68	36.40	2.32
d. Actuarial (Gain)/Loss	40.74	2.08	(21.67)	2.16
e. Benefits Paid	(32.42)	(1.44)	(29.49)	(1.09)
f. Obligation as at the end of the year	507.42	37.73	457.10	33.21
2. Expense recognised in the period				
a. Current Service Cost	5.62	1.20	5.64	0.91
b. Interest Cost	36.38	2.68	36.40	2.32
c. Actuarial (Gain)/Loss	40.74	2.08	(21.67)	2.16
d. Expense Recognised during the year	82.74	5.96	20.37	5.39
The expense amounting to (a) Medical – Rs. 82.74 crores (Previous year Rs. 20.37 crores), and (b) Others – Rs. 5.96 crores (Previous year Rs. 5.39 crores) is disclosed under the line item – Other Expenses.				
3. Assumptions				
a. Discount Rate (per annum) as at the beginning of the year	8.25%	8.25%	7.50%	7.50%
b. Discount Rate (per annum) as at the end of the year	8.00%	8.00%	8.25%	8.25%
c. Medical Costs Inflation Rate	5.00%		5.00%	
d. Average Medical Cost (Rs. / person) as at the beginning of the year	1,970		1,800	
e. Average Medical Cost (Rs. / person) as at the end of the year	2,170		1,970	
f. Effect of a 1 % change in health care cost, on				
	Increase	Decrease	<i>Increase</i>	<i>Decrease</i>
	(6 % p.a.)	(4 % p.a.)	(6 % p.a.)	(4 % p.a.)
– aggregate current service and interest cost	6.85	(4.11)	6.63	(4.26)
– closing balance of obligation	54.63	(52.75)	60.01	(51.11)

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

g) Experience Adjustment.

Benefit	Rs. crores	
	2007-08	2006-07
	Retiring Gratuity	
Defined Benefit Obligation	761.17	694.99
Plan Assets	709.14	645.68
Surplus / (Deficit)	(52.03)	(49.31)
Experience Adjustments on Plan Liabilities	27.15	14.48
Experience Adjustments on Plan Assets	(6.02)	(18.29)
	Medical	
Defined Benefit Obligation	507.42	457.10
Plan Assets	N.A.	N.A.
Surplus / (Deficit)	N.A.	N.A.
Experience Adjustments on Plan Liabilities	26.47	20.63
Experience Adjustments on plan Assets	N.A.	N.A.
	Others	
Defined Benefit Obligation	37.73	33.21
Plan Assets	N.A.	N.A.
Surplus / (Deficit)	N.A.	N.A.
Experience Adjustments on Plan Liabilities	1.13	0.41
Experience Adjustments on Plan Assets	N.A.	N.A.

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14. Information about Primary Business Segments

Particulars	Business Segments			Unallocable Rs. crores	Eliminations Rs. crores	Total Rs. crores
	Steel Rs. crores	Ferro Alloys and Minerals Rs. crores	Others Rs. crores			
Revenue :						
Total External Sales	16,541.57	1,807.83	1,343.88			19,693.28
	14,857.34	1,454.05	1,239.70			17,551.09
Inter segment sales	959.08	197.95	16.14		(1,173.17)	—
	769.59	120.30	17.80		(907.69)	—
Total Revenue	17,500.65	2,005.78	1,360.02		(1,173.17)	19,693.28
	15,626.93	1,574.35	1,257.50		(907.69)	17,551.09
Segment result before interest, exceptional items and tax	6,728.41	840.58	6.10	148.84		7,723.93
	5,643.82	573.67	53.62	316.54		6,587.65
Less : Interest (See Schedule 3, Page 148)						878.70
						173.90
Profit before Exceptional items and tax						6,845.23
						6,413.75
Exceptional items						
Employee Separation Compensation (See Note 11(a), Page 166)						(226.18)
						(152.10)
Contribution for Sports Infrastructure (See Note 5, Page 165)						(150.00)
						—
Exchange Gain/(Loss) (See Note 31, Page 186)						597.31
						—
Profit before Taxes						7,066.36
						6,261.65
Taxes						2,379.33
						2,039.50
Profit after Taxes						4,687.03
						4,222.15
Segment Assets	15,853.20	532.22	409.10	1,491.27		18,285.79
	14,262.34	345.20	414.79	7,596.71		22,619.04
Segment Liabilities	3,960.05	235.53	130.75	2,442.46		6,768.79
	3,636.97	195.30	138.59	1,482.80		5,453.66
Total cost incurred during the year to acquire segment assets	2,416.90	(0.79)	42.86			2,458.97
	1,831.39	90.06	88.13			2,009.58
Segment Depreciation	801.30	15.32	17.99			834.61
	793.00	15.37	10.92			819.29
Non-Cash Expenses other than depreciation	45.20	1.32	1.26	57.99		105.77
	14.71	3.42	0.82	65.20		84.15

Information about Secondary Segments : Geographical

	2007-08 Rs. crores	2006-07 Rs. crores
Revenue by Geographical Market		
India	17,491.97	15,506.00
Outside India	2,201.31	2,045.09
	19,693.28	17,551.09
Additions to Fixed Assets and Intangible Assets		
India	2,458.97	2,007.68
Outside India	—	—
	2,458.97	2,007.68
	As at	As at
	31.3.2008	31.3.2007
	Rs. crores	Rs. crores
Carrying Amount of Segment Assets		
India	18,284.81	15,383.52
Outside India	0.98	7,235.52
	18,285.79	22,619.04

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

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

(iii) Total Unallocable Assets exclude :	As at 31.3.2008 Rs. crores	<i>As at 31.3.2007 Rs. crores</i>
Investments	4,103.19	6,106.18
Advance against Equity/Shareholders' Loan	31,300.21	2,123.41
Miscellaneous Expenditure	155.11	202.53
	<u>35,558.51</u>	<u>8,432.12</u>
Total Unallocable Liabilities exclude :		
Secured Loans	3,520.58	3,758.92
Unsecured Loans	14,501.11	5,886.41
Provision for Employee Separation Compensation	1,071.30	1,107.08
Deferred Tax Liability (Net)	681.80	748.94
	<u>19,774.79</u>	<u>11,501.35</u>

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

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

Sl. No.	Name	Country	Sl. No.	Name	Country
A.	Subsidiary - The Ownership, Directly or Indirectly through Subsidiary (ies)		27	Brish Steel Benelux B.V.	Netherlands
1	Adityapur SEZ Ltd.	India	28	British Steel Corporation Ltd.	UK
2	Adityapur Toll Bridge Company Ltd.	India	29	British Steel De Mexico S.A. de C.V.	Mexico
3	Al Rimal Mining LLC @	Oman	30	British Steel Directors (Nominees) Limited	UK
4	Almana Steel Dubai (Jersey) Limited	Jersey	31	British Steel Employee Share Ownership Trustees Ltd.	UK
5	Aluminium Delfzijl B.V.	Netherlands	32	British Steel Engineering Steels (Exports) Limited	UK
6	Apollo Metals Ltd.	USA	33	British Steel International B.V.	Netherlands
7	Ashorne Hill Management College	UK	34	British Steel Samson Limited	UK
8	Augusta Grundstücks GmbH	Germany	35	British Steel Service Centres Ltd.	UK
9	Automotive Laser Technologies Limited	UK	36	British Steel Tubes Exports Ltd.	UK
10	Automotive Tailored Blanks B.V.	Netherlands	37	British Transformer Cores Ltd.	UK
11	B S Pension Fund Trustee Ltd.	UK	38	British Tubes Stockholding Ltd.	UK
12	Bangla Steel & Mining Co. Ltd.	Bangladesh	39	BS Quest Trustee Limited	UK
13	Beheermaatschappij Industriële Producten B.V.	Netherlands	40	BSKH Corporate Services (UK) Limited	UK
14	Belfin Beheermaatschappij B.V.	Netherlands	41	Burgdorfer Grundstücks GmbH (Formerly Burgdorfer Entzinnungswerk GmbH)	Germany
15	Bell & Harwood Limited	UK	42	Burwill Trading Pte. Ltd.	Singapore
16	Best Bar (Vic) Pte. Ltd.	Australia	43	Business Park Ymond B.V.	Netherlands
17	Best Bar Pty. Ltd.	Australia	44	C V Benine	Netherlands
18	Black Ginger 461 Proprietary Ltd. @	South Africa	45	C Walker & Sons (Steel) Ltd.	UK
19	Blastmega Limited (United Steel Forgings Ltd.)	UK	46	C Walker & Sons Ltd.	UK
20	Blume Stahlservice GmbH	Germany	47	Catnic GmbH	Germany
21	Blume Stahlservice Polska Sp. Z.O.O	Poland	48	Catnic Limited	UK
22	Bore Samson Group Ltd.	UK	49	CBS Investissements SAS	France
23	Bore Steel Ltd.	UK	50	Cladding & Decking (UK) Limited	UK
24	British Guide Rails Ltd.	UK	51	Cogent Power Inc.	Canada
25	British Steel Holdings B.V.	Netherlands	52	Cogent Power Inc.	USA
26	British Steel Nederland International B.V.	Netherlands	53	Cogent Power Inc.	Mexico

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

Sl. No.	Name	Country	Sl. No.	Name	Country
54	Cogent Power Limited	UK	98	Corus Electrical Limited	UK
55	Cold Drawn Tubes Ltd.	UK	99	Corus Engineering Limited	UK
56	Color Steels Limited	UK	100	Corus Engineering Steels (UK) Limited (Formerly British Steel Engineering Steels (UK) Ltd)	UK
57	Corbeil Les Rives SCI	France	101	Corus Engineering Steels Holdings Limited (Formerly British Steel Engineering Steels Holdings Ltd.)	UK
58	Corby (Northants) & District Water Co.	UK	102	Corus Engineering Steels Limited (Formerly British Steel Engineering Steels Limited)	UK
59	Cordor (C & B) Limited	UK	103	Corus Engineering Steels Overseas Holdings Limited (Formerly B S E S O H Ltd.)	UK
60	Corus - Sistemas Constructivos E Revestimentos Metalicos, Lda	Portugal	104	Corus Finance Limited	UK
61	Corus Aluminium Beheer B.V.	Netherlands	105	Corus Finland Oy (Formerly British Steel Finland Oy)	Finland
62	Corus Aluminium Limited	UK	106	Corus France SAS (Formerly British Steel France SA)	France
63	Corus Aluminium Verwaltungsgesellschaft Mbh	Germany	107	Corus Group Limited	UK
64	Corus Aluminium Voerde GmbH	Germany	108	Corus Holdings (Thailand) Limited (Formerly British Steel Holdings (Thailand) Ltd.)	Thailand
65	Corus America Holdings Inc.	USA	109	Corus Holdings Ltd.	UK
66	Corus America Inc.	USA	110	Corus Holdings SA (Formerly British Steel Holdings SA)	France
67	Corus Asia Limited	Hong Kong	111	Corus Hungary Trading Limited Liability Company	Hungary
68	Corus Batiment Et Systemes SAS	France	112	Corus India Ltd. (Formerly Bs Johnson Limited)	India
69	Corus Bausysteme GmbH	Germany	113	Corus International (Guangzhou) Limited	China
70	Corus Bausysteme Osterreich GmbH	Austria	114	Corus International (India) Pvt. Limited	India
71	Corus Belgium Bvba	Belgium	115	Corus International (Overseas Holdings) Limited (Formerly B S I (O H) Ltd.)	UK
72	Corus Benelux B.V.	Netherlands	116	Corus International (Shanghai) Limited	China
73	Corus Beteiligungs GmbH	Germany	117	Corus International (Singapore) Holding Pte. Ltd. @	Singapore
74	Corus Brokers Limited	UK	118	Corus International Deutschland GmbH (Formerly Corus Metallvertrieb Deutschland GmbH, Formerly B S Deutschland)	Germany
75	Corus Building Systems (Guangzhou) Limited	China	119	Corus International Limited (Formerly British Steel International Limited)	UK
76	Corus Building Systems Inc. (Formerly Corus Aluminium Service Centers Inc.)	USA	120	Corus International Representacoes Do Brasil Ltda.	Brazil
77	Corus Building Systems N.V.	Belgium	121	Corus International Romania SRL	Romania
78	Corus Building Systems Pte. Limited	Singapore	122	Corus International Services N.V (Formerly Sidal Coordinatie Centrum N.V)	Belgium
79	Corus Building Systems SAS	France	123	Corus International Trading Limited	USA
80	Corus Byggesystemer A/S	Denmark	124	Corus International Trading Limited (Formerly Corus Trading Limited)	UK
81	Corus Byggsystem AB	Sweden	125	Corus International Trading Limited (Formerly Corus Trading Limited)	Hong Kong
82	Corus Byggsystemer A/S	Norway	126	Corus Investment B.V. (Formerly Control Systems Nederland B.V.)	Netherlands
83	Corus Central Europe S.R.O.	Czech Republic	127	Corus Investments Ltd.	UK
84	Corus Cic Holdings Inc.	Canada	128	Corus Ireland Ltd. (Formerly British Steel Ireland Ltd.)	Eire
85	Corus Cic Inc.	Canada	129	Corus Italia SRL (Formerly Hoogovens Steel Italia SRL)	Italy
86	Corus Cnbv Investments	UK	130	Corus Laminacion Y Derivados, S.L. (Formerly Corus Iberia, S.L.)	Spain
87	Corus Coatings Usa Inc. (Formerly Hoogovens Coatings Usa Inc.)	USA	131	Corus Large Diameter Pipes Limited (Formerly British Steel Large Diameter Pipes Limited)	UK
88	Corus Cold Drawn Tubes Limited (Formerly British Steel Cold Drawn Tubes Limited)	UK	132	Corus Liaison Services (India) Limited (Formerly British Steel Liaison Services (India) Ltd.)	UK
89	Corus Construction Products (Thailand) Limited (Formerly British Steel Ssp Ltd.)	Thailand	133	Corus Management Limited (Formerly British Steel Management Limited)	UK
90	Corus Consulting and Technical Services B.V. (Formerly Hoogovens Tech Serv Mercurius B.V.)	Netherlands	134	Corus Met B.V. (Formerly Hoogovens Aluminium Trading B.V.)	Netherlands
91	Corus Consulting B.V. (Formerly Hoogovens Tech Serv Technical & Operational Assistance B.V.)	Netherlands	135	Corus Metal Iberica S.A. (Formerly British Steel S.A.)	Spain
92	Corus Consulting Limited (Formerly British Steel Consultants Ltd.)	UK	136	Corus Metals (Malaysia) Sdn. Bhd.	Malaysia
93	Corus Consulting Romania SRL	Romania	137	Corus Metals (Thailand) Limited (British Steel (Thailand) Ltd.)	Thailand
94	Corus Degels GmbH (Formerly August Degels Eisengrosshandel GmbH)	Germany			
95	Corus Denmark A/S (Formerly British Steel Denmark A/S)	Denmark			
96	Corus Deutschland GmbH (Formerly Hoogovens Deutschland GmbH)	Germany			
97	Corus Distribution & Building Systems Central Europe B.V. (Formerly Aluminium Handelmaatschappij Mercal (Ahm) B.V.)	Netherlands			

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

Sl. No.	Name	Country	Sl. No.	Name	Country
138	Corus Metals Limited	UK	180	Cpn (85) Limited	UK
139	Corus Middle East FZE	UAE	181	Crucible Insurance Company Ltd.	I Of Man
140	Corus Multi-Metals Limited	UK	182	Demka B.V.	Netherlands
141	Corus Nederland B.V. (Formerly Koninklijke Hoogovens N.V.)	Netherlands	183	Dsrn Group Plc.	UK
142	Corus New Zealand Limited (Formerly British Steel New Zealand Ltd.)	New Zealand	184	Easteel Construction Services Pte. Ltd.	Singapore
143	Corus Norge A/S (Formerly British Steel Norge A/S)	Norway	185	Easteel Services (M) Sdn. Bhd.	Malaysia
144	Corus Packaging Plus Belgium N.V.	Belgium	186	Eastern Steel Fabricators Phillipines, Inc.	Phillipines
145	Corus Packaging Plus Norway AS (Formerly Hoogovens Packaging Steel Norway AS)	Norway	187	Eastern Steel Services Pte. Ltd.	Singapore
146	Corus Perfo B.V. (Formerly Hoogovens Perfo B.V.)	Netherlands	188	Eastern Wire Pte. Ltd.	Singapore
147	Corus Polska Sp. Z.O.O. (Formerly British Steel Polska Sp. Z.O.O)	Poland	189	Ees Group Services Limited (Formerly Britshelco (No. 11) Limited)	UK
148	Corus Primary Aluminium B.V. (Formerly Hoogovens Aluminium Primaire Producten B.V.)	Netherlands	190	Ees Nederland B.V. (Formerly Lycurgus Ijmuiden B.V.)	Netherlands
149	Corus Properties (Germany) Limited	UK	191	Eric Olsson & Soner Forvaltnings AB	Sweden
150	Corus Property (Formerly British Steel Property Limited)	UK	192	Esmil B.V.	Netherlands
151	Corus Quest Trustee Limited	UK	193	Euro-Laminations Limited	UK
152	Corus Rail Consultancy Limited (Formerly Cedg Ltd.)	UK	194	European Electrical Steels Limited (Formerly Cogent Power Ltd.)	UK
153	Corus Rail France S.A (Formerly Sogeraill S.A.)	France	195	European Profiles Limited	UK
154	Corus Rail Limited (Formerly Britshelco (No. 10) Limited)	UK	196	Europressings Limited	UK
155	Corus Republic of Ireland Subsidiaries Pension Scheme Trustee Limited	Eire	197	Firsteel Coated Strip Limited	UK
156	Corus Schweiz AG	Switzerland	198	Firsteel Cold Rolled Products Limited	UK
157	Corus Service Center Milano Spa (Hoogovens Aluminium Italia Spa)	Italy	199	Firsteel Group Limited	UK
158	Corus Service Centre Maastricht B.V. (Formerly Feijen Staalservice B.V.)	Netherlands	200	Firsteel Group Pension Trustee Limited	UK
159	Corus Services Nederland B.V. (Formerly Sarpedon B.V.)	Netherlands	201	Firsteel Holdings Limited	UK
160	Corus Sheet & Tube Inc. (Formerly British Steel (Sheet & Tube) Corporation Inc.)	USA	202	Firsteel Resources Limited	UK
161	Corus Sistemas Constructivos, SI	Spain	203	Firsteel Steel Processing Limited	UK
162	Corus South East Asia Pte Limited (Formerly British Steel (Sea) Pte Ltd.)	Singapore	204	Firsteel Strip Mill Products Limited	UK
163	Corus Special Strip Asia Limited	Hong Kong	205	Fischer Profielen NV	Belgium
164	Corus Staal B.V. (Formerly Hoogovens Staal B.V.)	Netherlands	206	Fischer Profil GmbH	Germany
165	Corus Stahl GmbH (Formerly Hoogovens Stahlholding GmbH)	Germany	207	Gamble Simms Metals Ltd.	Eire
166	Corus Stainless Limited	UK	208	Gopalpur Special Economic Zone Ltd.	India
167	Corus Stainless NI B.V.	Netherlands	209	Grant Lyon Eagre Ltd.	UK
168	Corus Stainless UK Ltd.	UK	210	H E Samson Ltd.	UK
169	Corus Star-Frame B.V. (Formerly Hoogovens Star - Frame B.V.)	Netherlands	211	Hadfields Holdings Ltd.	UK
170	Corus Steel Limited	UK	212	Hammermega Limited	UK
171	Corus Steel Usa Inc. (Formerly Hoogovens Steel Usa Inc.)	USA	213	Harrowmills Properties Ltd.	UK
172	Corus Sverige AB (Formerly British Steel Svenska AB)	Sweden	214	Hille & Muller GmbH (Formerly Hille & Muller GmbH & Co. Kg)	Germany
173	Corus Technology B.V. (Formerly Hoogovens Corporate Services B.V.)	Netherlands	215	Hille & Muller Italia SRL	Italy
174	Corus Trico Holdings Inc. (Formerly British Steel Trico Holdings Inc.)	USA	216	Hille & Muller Usa Inc.	USA
175	Corus Tubes B.V. (Formerly Hoogovens Buizen B.V.)	Netherlands	217	Holorib GmbH	Germany
176	Corus Tuscaloosa Corp.	USA	218	Hooghly Metcoke And Power Company Ltd.	India
177	Corus Uk Limited (Formerly British Steel Limited)	UK	219	Hoogovens (UK) Limited	UK
178	Corus Vlietjonge B.V. (Formerly Van Der Vliet & De Jonge)	Netherlands	220	Hoogovens Aluminium Building Systems Limited	UK
179	Corus Yasan Metal Sanayi Ve Ticaret AS (Formerly British Steel Yasan Profil Tic Ve San AS)	Turkey	221	Hoogovens Aluminium UK Limited	UK
			222	Hoogovens Finance B.V.	Netherlands
			223	Hoogovens Technical Services Coahuila B.V.	Netherlands
			224	Hoogovens Technical Services Mexico De S. De R.L. De C.V.	Mexico
			225	Hoogovens Technical Services Monclova B.V.	Netherlands
			226	Hoogovens Tubes Poland Spolka Z.O.O. (Corus Tubes Poland Sp Z.O.O.)	Poland
			227	Hoogovens Usa Inc.	USA
			228	Huizenbezit "Breesaap" B.V.	Netherlands

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

Sl. No.	Name	Country	Sl. No.	Name	Country
229	Ickles Cottage Trust	UK	277	Rawmet Ferrous Industries Pvt. Ltd.	India
230	Immobiliere De Construction De Maubeuge Et Louvroil SAS	France	278	Richard Thomas And Baldwins (1978) Limited	New Zealand
231	Industrial Steels Limited	UK	279	Richard Thomas And Baldwins (Australia) Pty. Ltd.	Australia
232	Inter Metal Distribution SAS	France	280	Round Oak Steelworks Ltd.	UK
233	International Shipping Logistics FZE	UAE	281	Runblast Limited	UK
234	Jamshedpur Utilities & Services Company Ltd.	India	282	Runmega Limited	UK
235	K&S Management Service Limited	UK	283	S A B Profiel B.V.	Netherlands
236	Kalimati Coal Company Pty. Ltd.	Australia	284	S A B Profil GmbH	Germany
237	Kalimati Investment Company Ltd.	India	285	SA Intertubes	Belgium
238	Lanka Special Steels Ltd.	Sri Lanka	286	Sacra-Nord SAS	France
239	Lister Tubes Ltd.	Eire	287	Scrap Processing Holding B.V. (Formerly Hoogovens Scrap Processing B.V.)	Netherlands
240	London Works Steel Company Ltd.	UK	288	Seamless Tubes Ltd.	UK
241	Materials Recycling Pte. Ltd.	Singapore	289	Sia Corus Building Systems	Latvia
242	Midland Steel Supplies Ltd.	UK	290	Siam Construction Steel Co. Ltd.	Thailand
243	Mistbury Investments Limited	UK	291	Siam Industrial Wire Company Ltd.	Thailand
244	Montana Bausysteme AG	Switzerland	292	Siam Iron and Steel Co. Ltd.	Thailand
245	Myriad Deutschland GmbH (Formerly Hoogovens Myriad Deutschland GmbH)	Germany	293	Sila Eastern Ltd.#	Thailand
246	Myriad Espana SI (Formerly Hoogovens Myriad Espana SI)	Spain	294	Simiop Investments Ltd.	UK
247	Myriad Nederland B.V. (Formerly Hoogovens Myriad Nederland B.V.)	Netherlands	295	Simiop Ltd.	UK
248	Myriad SA (Formerly Hoogovens Myriad SA)	France	296	Simms Steel Holdings Ltd.	UK
249	Myriad United Kingdom Limited (Formerly Hoogovens Myriad UK Limited)	UK	297	Skruv Erik AB	Sweden
250	Naba Diganta Water Management Ltd. @	India	298	Societe Europeenne De Galvanisation (Segal) Sa (Formerly Segal, Societe Cooperative)	Belgium
251	Namascor B.V.	Netherlands	299	Staalverwerking En Handel B.V. (Formerly Hoogovens Staalverwerking En Handel B.V.)	Netherlands
252	Natferrous Pte. Ltd.	Singapore	300	Steel Company (N.I.) Ltd.	UK
253	Nationwide Steelstock Limited	UK	301	Steel Stockholdings Ltd.	UK
254	NatSteel (Xiamen) Ltd.	China	302	Steelstock Ltd.	UK
255	NatSteel Asia (S) Pte. Ltd.	Singapore	303	Stewarts & Lloyds of Ireland Ltd.	Eire
256	NatSteel Asia Pte. Ltd.	Singapore	304	Stewarts and Lloyds (Overseas) Ltd.	UK
257	NatSteel Australia Pty. Ltd.	Australia	305	Stocksbridge Cottage Trust	UK
258	NatSteel Equity IV Pte. Ltd.	Singapore	306	Stra-Color (Coated Steels) Limited	UK
259	NatSteel Iranian Private Joint Stock Company@	Iran	307	Surahammar Bruks AB	Sweden
260	NatSteel Middle East FZE	UAE	308	Swinden Housing Association	UK
261	NatSteel Trade International (Shanghai) Company Ltd.	China	309	Tata Incorporated	USA
262	NatSteel Trade International Pte. Ltd.	Singapore	310	Tata Korf Engineering Services Ltd.	India
263	NatSteel Vina Co. Ltd.	Vietnam	311	Tata Metaliks Kubota Pipes Ltd. @	India
264	Nebam Nedelandse Bevrachting En Agentuur Maatschappij B.V.	Netherlands	312	Tata Metaliks Ltd.*	India
265	N.T.S Steel Group Public Co. Ltd.	Thailand	313	Tata Refractories Ltd.	India
266	Oostflank B.V.	Netherlands	314	Tata Steel (KZN) (Pty.) Ltd.	South Africa
267	Orb Electrical Steels Limited	UK	315	Tata Steel (Thailand) Public Company Ltd.	Thailand
268	Ore Carriers Ltd.	UK	316	Tata Steel Asia Holdings Pte. Ltd.	Singapore
269	Oremco Inc.	USA	317	Tata Steel Netherlands B.V.	Netherlands
270	Plated Strip International Limited	UK	318	Tata Steel UK Ltd.	UK
271	Precision Metal Forming Limited	UK	319	Telmag (Holdings) Limited	UK
272	Precoat International Limited (Formerly Precoat International Plc.)	UK	320	Telmag Magnetic Components Limited	UK
273	Precoat Limited	UK	321	The Indian Steel and Wire Products Ltd.	India
274	Pt Materials Recycling Indonesia	Indonesia	322	The Newport And South Wales Tube Company Ltd.	UK
275	Rafferty-Brown North Carolina Co.	USA	323	The Stanton Housing Company Ltd.	UK
276	Rafferty-Brown Steel Co Inc of Conn.	USA	324	The Steel Company of Ireland Limited	Eire
			325	The Tata Pigments Ltd.	India
			326	The Templeborough Rolling Mills Ltd.	UK

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

Sl. No.	Name	Country	Sl. No.	Name	Country
327	Thomas Processing Company	USA	15	Danieli Corus Construction Services Usa Inc. (Formerly Hoogovens Contr Serv Usa Inc.)	USA
328	Thomas Steel Strip Corp.	USA	16	Danieli Corus Do Brasil Ltda.	Brazil
329	Tinsley Trailers Limited (Formerly Britshelfoo (No. 9) Limited)	UK	17	Danieli Corus Inc. (Formerly Hoogovens Technical Services Inc (Usa))	USA
330	TKM Global GmbH (Formerly TKM Overseas Transport (Europe) GmbH)	Germany	18	Danieli Corus Services Usa Inc. (Formerly Hoogovens Eng And Con Usa Inc.)	USA
331	TKM Global Logistics Ltd. (TKM Transport Management Services Private Ltd.)	India	19	Danieli Corus South Africa Pty. Ltd. (Formerly Hoogovens Technical Services Sth Africa)	South Africa
332	TM International Logistics Ltd.	India	20	Endex European Energy Derivates Exchanges N.V.	Netherlands
333	Toronto Industrial Fabrications Ltd.	UK	21	European Profiles (Marketing) Sdn. Bhd.	Malaysia
334	Trierer Walzwerk GmbH	Germany	22	European Profiles Malaysia (M) Sdn. Bhd.	Malaysia
335	TRL Asia Private Limited	Singapore	23	Galvpro LP.	USA
336	TRL China Limited	China	24	Gietwalsonderhoudcombinatie B.V.	Netherlands
337	TS Asia (Hongkong) Pte. Ltd.	Hongkong	25	Hoogovens Court Chrome Vof	Netherlands
338	Tata Steel Global Mineral Holdings Pte. Ltd.	Singapore	26	Hoogovens Gan Multimedia S.A. De C.V.	Mexico
339	TS Resources Australia Pty. Ltd.	Australia	27	Indian Steel Rolling Mills Ltd.	India
340	Tulip Netherlands (No.1) B.V.	Netherlands	28	Industrial Energy Ltd.	India
341	Tulip Netherlands (No.2) B.V.	Netherlands	29	Isolation Du Sud SA	France
342	Tulip UK Holdings (No.1) Ltd.	UK	30	Issb Limited	UK
343	Tulip UK Holdings (No.2) Ltd.	UK	31	Jamipol Ltd. (Formerly Jamshedpur Injection Powder Ltd.)	India
344	Tulip UK Holdings (No.3) Ltd.	UK	32	Kalinga Aquatics Ltd.	India
345	U.E.S. Bright Bar Limited	UK	33	Kumardhubi Fireclay & Silica Works Ltd.	India
346	UK Steel Enterprise Ltd. (Formerly British Steel (Industry) Ltd.)	UK	34	Kumardhubi Metal Casting & Engineering Ltd.	India
347	Ukse Fund Managers Limited	UK	35	Metal Corporation of India Ltd.	India
348	Ukse Fund Mangers (General Partner) Limited	UK	36	Nicco Jubilee Park Ltd.	India
349	United Steels Co (N Z) Ltd.	New Zealand	37	Regionale Ontwikkelingsmaatschappij Voor Het Noordzeekanaalgebied N.V.	Netherlands
350	Unitol SAS	France	38	Richard Lees Steel Decking Asia Snd. Bhd.	Malaysia
351	Walker Manufacturing And Investments Ltd.	UK	39	Rsp Holding B.V. (Formerly Rsp Products B.V.)	Netherlands
352	Walkersteel (Ni) Ltd.	UK	40	Rujuvalika Investments Ltd.	India
353	Walkersteelstock Ireland Limited	Eire	41	Schreiner Fleischer AS	Norway
354	Walkersteelstock Ltd.	UK	42	Shanghai Bao Yi Beverage Can Making Co. Ltd.	China
355	Westwood Steel Services Ltd.	UK	43	SMS Mevac UK Limited (Formerly Vacmetal (UK) Ltd.)	UK
356	Whitehead (Narrow Strip) Ltd.	UK	44	Southern Steel, Berhard	Malaysia
357	Wuxi Jinyang Metal Products Co. Ltd.	China	45	Srutech Tubes (India) Pvt. Ltd.	India
358	Wuxi NatSteel Metal Products Co. Ltd.	China	46	Steel Asia Development and Management Corporation	Singapore
			47	Steel Asia Industries Inc.	Singapore
			48	Steel Asia Manufacturing Corporation	Singapore
			49	Stuwadoorsbedrijf Velserkom B.V.	Netherlands
			50	Tata Construction & Projects Ltd.	India
			51	Tata Sponge Iron Ltd.	India
			52	Tayo Rolls Ltd.	India
			53	Thoresen & Thorvaldsen AS	Norway
			54	Tinplate Company of India Ltd.	India
			55	TKM Overseas Ltd.	India
			56	TRF Ltd.	India
			57	Trico LLC	USA
			58	Weirton/Hoogovens GP	USA
			59	Workington Cottage Trust	UK
			60	Wupperman Staal Nederland B.V.	Netherlands
B.	Associate - Where the Company Exercises Significant Influence				
1	Ab Norsktal AS	Norway			
2	Albi Profils SRL	France			
3	Almora Magnesite Ltd.	India			
4	Altos Hornos De Mexico S.A. de C.V.	Mexico			
5	Antheus Magnesium B.V.	Netherlands			
6	Appleby Frodingham Cottage Trust Limited	UK			
7	Business Park@	Netherlands			
8	Combulex B.V.	Netherlands			
9	Cv Gasexpansie Ijmond	Netherlands			
10	Danieli Corus Canada Inc. (Hoogovens Technical Services Inc (Canada))	Canada			
11	Danieli Corus Asia B.V. (Formerly Hoogovens Technical Services Asia B.V.)	Netherlands			
12	Danieli Corus B.V. (Formerly Hoogovens Technical Services Europe B.V.)	Netherlands			
13	Danieli Corus Braseq Ltda.	Brazil			
14	Danieli Corus Construction Services B.V.	Netherlands			

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

Sl. No.	Name	Country	Sl. No.	Name	Country
C.	Joint Ventures		20	Norsk Stal Tynnplater AS	Norway
1	Afon Tinplate Company Limited	UK	21	Ravenscraig Limited (Formerly Stamek Limited)	UK
2	Air Products Llanwern Limited	UK	22	Riversdale Energy (Mauritius) Ltd. @	Mauritius
3	B V Ijzerleew	Netherlands	23	Tata Bluescope Steel Ltd.	India
4	Bsr Pipeline Services Limited	UK	24	Tata NYK Shipping Pte. Ltd. @	Singapore
5	Caparo Merchant Bar Plc.	UK	25	Tata Ryerson Ltd.	India
6	Cindu Chemicals B.V.	Netherlands	26	Texturing Technology Limited	UK
7	Corus Celik Ticaret AS	Turkey	27	The Dhamra Port Company Ltd.	India
8	Corus Cogifer Switches And Crossings Limited	UK	D.	Promoters holding together with its Subsidiary is more than 20%	
9	Corus Kalpinis Simos Rom SRL	Romania	1	Tata Sons Ltd.	India
10	Corus-Kalpinis Simos Cladding Industry SA (Formerly BS Kalpinis Simos Com and Ind SA)	Greece	E.	Key Management Personnel - Whole Time Directors	
11	Danieli Corus Technical Services B.V.	Netherlands	1	Mr. B. Muthuraman	
12	Framing Solutions Plc.	UK	2	Dr. T. Mukherjee @	
13	Grantrail Group Ltd.	UK	3	Mr. A. N. Singh @	
14	Hks Scrap Metals B.V.	Netherlands	F.	Relatives of Key Management Personnel - (Disclosure will be given only if there have been transactions)	
15	Ijzerhandel Geertsema Staal B.V.	Netherlands	1	Ms. Sumathi Muthuraman	
16	Industrial Rail Services Ijmond B.V.	Netherlands	2	Ms. Shurva Mukherjee @	
17	Laura Metaal Holding B.V.	Netherlands	3	Ms. Ipshita Kamra @	
18	Mjunction Services Ltd.	India			
19	Norsk Stal AS	Norway			

@ Part of the year.

* Earlier an Associate, became a subsidiary during the year.

Subsidiary on account of management control.

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

Rs. crores

Transactions	Subsidiaries	Associates & JVs #	Key Management Personnel	Relatives of Key Management Personnel	Promoter	Grand Total
Purchase of Goods						
TS Resources Australia Pte. Ltd.	666.24	—	—	—	—	666.24
	79.86	—	—	—	—	79.86
Others	120.90	181.64	—	—	—	302.54
	108.57	94.83	—	—	—	203.40
	787.14	181.64	—	—	—	968.78
	188.43	94.83	—	—	—	283.26
Sale of Goods						
TS Asia (Hongkong) Pte. Ltd.	819.62	—	—	—	—	819.62
	134.53	—	—	—	—	134.53
Tata Ryerson Ltd.	—	795.12	—	—	—	795.12
	—	655.35	—	—	—	655.35
Others	294.95	428.58	—	—	—	723.53
	271.84	200.98	—	—	—	472.82
	1,114.57	1,223.70	—	—	—	2,338.27
	406.37	856.33	—	—	—	1,262.70
Receiving of Services						
Jamshedpur Utilities & Services Co. Ltd.	227.26	—	—	—	—	227.26
	218.60	—	—	—	—	218.60
T M International Logistics Ltd.	242.66	—	—	—	—	242.66
	127.39	—	—	—	—	127.39
Tinplate Company of India Ltd.	—	222.73	—	—	—	222.73
	—	222.72	—	—	—	222.72
Others	189.43	112.93	0.02	0.02	0.69	303.09
	94.96	100.74	0.02	0.02	1.00	196.74
	659.35	335.66	0.02	0.02	0.69	995.74
	440.95	323.46	0.02	0.02	1.00	765.45
Rendering of Services						
The Indian Steel & Wire Products Ltd.	10.89	—	—	—	—	10.89
	13.62	—	—	—	—	13.62
Tinplate Company of India Ltd.	—	35.83	—	—	—	35.83
	—	34.24	—	—	—	34.24
Tata BlueScope Steel Ltd.	—	16.98	—	—	—	16.98
	—	1.13	—	—	—	1.13
Others	20.38	11.03	—	—	0.14	31.55
	11.04	10.43	—	—	0.14	21.61
	31.27	63.84	—	—	0.14	95.25
	24.66	45.80	—	—	0.14	70.60
Purchase of Fixed Assets						
TRF Ltd.	—	43.25	—	—	—	43.25
	—	27.61	—	—	—	27.61
Others	0.32	—	—	—	—	0.32
	—	—	—	—	—	—
	0.32	43.25	—	—	—	43.57
	—	27.61	—	—	—	27.61
Sale of Fixed Assets						
T M International Logistics Ltd.	—	—	—	—	—	—
	0.04	—	—	—	—	0.04
	—	—	—	—	—	—
	0.04	—	—	—	—	0.04
Dividend expense						
Tata Sons Ltd.	—	—	—	—	260.81	260.81
	—	—	—	—	144.64	144.64
Others	1.04	—	*	**	—	1.04
	0.87	—	***	****	—	0.87
	1.04	—	*	**	260.81	261.85
	0.87	—	***	****	144.64	145.51
Dividend income						
Tata Steel (Thailand) Public Co. Ltd	6.66	—	—	—	—	6.66
	—	—	—	—	—	—
Tata Metaliks Ltd.	7.08	—	—	—	—	7.08
	7.08	—	—	—	—	7.08
Tata Refractories Ltd.	5.21	—	—	—	—	5.21
	5.68	—	—	—	—	5.68
Others	4.83	9.31	—	—	—	14.14
	4.65	23.40	—	—	—	28.05
	23.78	9.31	—	—	—	33.09
	17.41	23.40	—	—	—	40.81

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

						Rs. crores
Transactions	Subsidiaries	Associates & JVs #	Key Management Personnel	Relatives of Key Management Personnel	Promoter	Grand Total
Interest Income						
NatSteel Asia Pte. Ltd.	10.76	—	—	—	—	10.76
	13.36	—	—	—	—	13.36
Tata Steel KZN Pty. Ltd.	9.37	—	—	—	—	9.37
	0.20	—	—	—	—	0.20
Others	3.01	2.41	—	—	—	5.42
	6.28	—	—	—	—	6.28
	23.14	2.41	—	—	—	25.55
	19.84	—	—	—	—	19.84
Management contracts including deputation of employees						
Tata Sons Ltd.	—	—	—	—	42.79	42.79
	—	—	—	—	37.85	37.85
	—	—	—	—	42.79	42.79
	—	—	—	—	37.85	37.85
Finance Provided						
Tata Steel Asia Holdings Pte. Ltd.	28,802.75	—	—	—	—	28,802.75
	1,524.09	—	—	—	—	1,524.09
Others	919.04	267.15	—	—	—	1,186.19
	517.64	271.72	—	—	—	789.36
	29,721.79	267.15	—	—	—	29,988.94
	2,041.73	271.72	—	—	—	2,313.45
Unsecured advances / Deposits given						
Jamshedpur Utilities & Services Co. Ltd.	5.88	—	—	—	—	5.88
	—	—	—	—	—	—
T M International Logistics Ltd.	4.84	—	—	—	—	4.84
	—	—	—	—	—	—
	10.72	—	—	—	—	10.72
	—	—	—	—	—	—
Unsecured advances / Deposits accepted						
Tinplate Company of India Ltd.	—	0.95	—	—	—	0.95
	—	—	—	—	—	—
Others	*****	—	—	—	—	*****
	*****	0.06	—	—	—	0.06
	*****	0.95	—	—	—	0.95
	*****	0.06	—	—	—	0.06
Remuneration Paid						
Mr. B. Muthuraman	—	—	3.66	—	—	3.66
	—	—	2.48	—	—	2.48
Dr. T. Mukherjee (upto 31.10.2007)	—	—	1.91	—	—	1.91
	—	—	1.98	—	—	1.98
Mr. A. N. Singh (upto 30.9.2007)	—	—	1.27	—	—	1.27
	—	—	1.41	—	—	1.41
	—	—	6.84	—	—	6.84
	—	—	5.87	—	—	5.87
Provision for receivables made during the year						
The Indian Steel & Wire Products Ltd.	0.25	—	—	—	—	0.25
	—	—	—	—	—	—
Hoogly Met Coke & Power Co. Ltd.	0.11	—	—	—	—	0.11
	—	—	—	—	—	—
Others	0.18	0.11	—	—	—	0.29
	0.19	0.61	—	—	—	0.80
	0.54	0.11	—	—	—	0.65
	0.19	0.61	—	—	—	0.80
Bad debts written off						
The Indian Steel & Wire Products Ltd.	—	—	—	—	—	—
	0.20	—	—	—	—	0.20
TRF Limited	—	*****	—	—	—	*****
	—	—	—	—	—	—
	0.20	*****	—	—	—	0.20
Provision for diminution in value of investments made during the year						
Adityapur Toll Bridge Co. Ltd.	—	—	—	—	—	—
	0.10	—	—	—	—	0.10
	—	—	—	—	—	—
	0.10	—	—	—	—	0.10

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

Rs. crores

Transactions	Subsidiaries	Associates & JVs #	Key Management Personnel	Relatives of Key Management Personnel	Promoter	Grand Total
Guarantees and Collaterals given during the year						
Tata Steel (Thailand) Public Co. Ltd.	—	—	—	—	—	—
	625.59	—	—	—	—	625.59
Tulip UK Holdings (No. 1) Ltd.	—	—	—	—	—	—
	2,557.05	—	—	—	—	2,557.05
	—	—	—	—	—	—
	3,182.64	—	—	—	—	3,182.64
Guarantees outstanding						
Tinplate Company of India Ltd.	—	25.00	—	—	—	25.00
Others	—	—	—	—	—	—
	2,692.04	96.44	—	—	—	2,788.48
	—	25.00	—	—	—	25.00
	2,692.04	96.44	—	—	—	2,788.48
Outstanding Receivables						
Tata Steel Asia Holdings Pte. Ltd.	30,326.12	—	—	—	—	30,326.12
	1,523.37	—	—	—	—	1,523.37
Others	1,199.98	256.02	0.01	0.01	3.36	1,459.38
	754.19	89.22	0.01	0.01	2.60	846.03
	31,526.10	256.02	0.01	0.01	3.36	31,785.50
	2,277.56	89.22	0.01	0.01	2.60	2,369.40
Provision for outstanding receivables						
The Indian Steel & Wire Products Ltd.	3.48	—	—	—	—	3.48
	4.19	—	—	—	—	4.19
Tata Korf Engineering Services Ltd.	0.76	—	—	—	—	0.76
	0.70	—	—	—	—	0.70
Others	1.09	2.05	—	—	*****	3.14
	0.64	2.27	—	—	*****	2.91
	5.33	2.05	—	—	*****	7.38
	5.53	2.27	—	—	*****	7.80
Outstanding Payables						
Jamshedpur Utilities & Services Co. Ltd.	76.76	—	—	—	—	76.76
	67.35	—	—	—	—	67.35
Tata Ryerson Ltd.	—	28.80	—	—	—	28.80
	—	12.96	—	—	—	12.96
Tata Sons Ltd.	—	—	—	—	46.95	46.95
	—	—	—	—	41.97	41.97
Others	38.98	52.70	—	—	—	91.68
	35.26	16.10	—	—	—	51.36
	115.74	81.50	—	—	46.95	244.19
	102.61	29.06	—	—	41.97	173.64

Notes:

*	Rs. 33,883
**	Rs. 19,995
***	Rs. 28,418
****	Rs. 16,770
*****	Rs. 30,000
*****	Rs. 43,957
*****	Rs. 1,781
*****	Rs. 6,600

Transactions with Joint Ventures have been disclosed at full value.

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

16. The Company has the following Joint Ventures as on 31st March, 2007 and its proportionate share in the Assets, Liabilities, Income and Expenditure of the Joint Venture Companies is given below :

Name of the Joint Venture Company	Percentage of Holding	As at 31st March, 2008				For the year ended 31st March, 2008	
		Assets	Liabilities	Contingent Liabilities	Capital Commitment	Income	Expenditure
Tata Ryerson Ltd. (incorporated in India)	50%	253.27 197.69	143.39 109.01	30.40 7.90	18.10 4.06	641.38 517.84	621.10 500.38
mjunction Services Ltd. (formerly known as Metaljunction Services Ltd. (incorporated in India)	50%	38.62 50.86	24.25 39.43	0.29 0.37	— —	34.87 25.20	26.40 17.40
The Dhamra Port Company Ltd. (incorporated in India)	50%	343.34 94.77	220.34 1.71	— —	477.10 534.72	0.03 0.03	0.08 0.69
Tata BlueScope Steel Ltd. (incorporated in India)	50%	308.45 237.03	47.15 27.80	7.91 —	135.96 5.78	143.57 41.29	151.50 54.43
Tata NYK Shipping Pte. Ltd. (incorporated in Singapore)	50%	32.58 —	7.46 —	— —	— —	145.94 —	140.76 —

17. Earnings Per Share (EPS)

	2007-08 Rs. crores	2006-07 Rs. crores
(i) Profit after Tax	4,687.03	4,222.15
Profit after Tax – for Diluted EPS	4,668.27	4,222.15
	Nos.	Nos.
(ii) Weighted average No. of Ordinary Shares for Basic EPS	69,77,48,601	64,68,23,122
Add : Adjustment for 8,750 (2006-07 : Nil) Convertible Alternative Reference Securities (See Note 8, Page 166)	3,59,84,623	—
Adjustment for Options relating to 12,446 (2006-07 : 12,446) Detachable Warrants (See Note 29(a), Page 186)	11,010	10,231
Adjustment for 5,47,251,605 (2006-07 : Nil) Cumulative Convertible Preference Shares to (See Note 29(c), Page 186)	2,36,74,364	—
Weighted average no. of Ordinary Shares for Diluted EPS.....	75,74,18,598	64,68,33,353
(iii) Nominal value of Ordinary Shares.....	Rs. 10.00	Rs. 10.00
(iv) Basic Earnings per Ordinary Share	Rs. 67.17	Rs. 65.28
(v) Diluted Earnings per Ordinary Share.....	Rs. 61.63	Rs. 65.27

Note: In accordance with Accounting Standard (AS) 20, EPS has been calculated taking the effects of Rights Issue.

18. Deferred Tax Liability (Net) (Item No. 5, Page 144)

	Deferred Tax (Asset)/Liability as at 1.4.2007 Rs. crores	Current year charge/(credit) Rs. crores	Deferred Tax (Asset)/Liability as at 31.3.2008 Rs. crores
Deferred Tax Liabilities			
(i) Difference between book and tax depreciation	1,682.15	(53.35)	1,628.80
(ii) Prepaid Expenses	36.81	1.73	38.54
(iii) Revaluation of Foreign Currency Loans	—	248.36	248.36
(A)	<u>1,718.96</u>	<u>196.74</u>	<u>1,915.70</u>
Deferred Tax Assets			
(i) Employee Separation Compensation	(506.87)	3.18	(503.69)
(ii) Wage Provision	(10.43)	(54.85)	(65.28)
(iii) Provision for doubtful debts & advances	(31.00)	(2.02)	(33.02)
(iv) Disallowance under Section 43B	(100.17)	(11.80)	(111.97)
(v) Provision for Leave Salary	(128.27)	(7.42)	(135.69)
(vi) Provision for Employee Benefits (Rs. 103.05 crores adjusted against the opening balance. See Note 13(a), Page 167)	(68.79)	(1.73)	(70.52)
(vii) Differences in written down value of development of property....	(20.97)	(1.48)	(22.45)
(viii) Other Deferred Tax Assets/Liabilities	(0.47)	(12.29)	(12.76)
(ix) Redemption premium on CARS (See Note 30, Page 186)	—	—	(278.52)
(B)	<u>(866.97)</u>	<u>(88.41)</u>	<u>(1,233.90)</u>
Deferred Tax Liability (Net)	(A)+(B)	<u>851.99</u>	<u>681.80</u>

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

19. Licensed and installed capacities and production : ⁽¹⁾	Installed capacity ⁽²⁾	Production ⁽³⁾
	Tonnes	Tonnes
Class of Products		
(i) Saleable Steel (Jamshedpur works)	48,08,000 (48,08,000)	48,58,401 ⁽⁴⁾ (49,28,548)
(ii) Cold Rolled Coils (Tarapur)	1,00,000 (1,00,000)	1,53,488 (1,37,038)
(iii) Wire Rods (Tarapur)	2,65,000 (2,65,000)	2,45,370 (2,60,748)
Wires (Borivali, Tarapur, Indore & Bangalore)	2,38,400 (2,38,400)	2,11,001 (1,95,661)
Cold Rolled Coils & Profiles (Sisodra)	— ⁽⁵⁾ (46,000)	— ⁽⁵⁾ (27,958)
(iv) Ferro Manganese & Silico Manganese (Joda)	30,500 (30,500)	50,230 (51,014)
(v) Charge Chrome (Bamnipal)	50,000 (50,000)	55,251 (43,712)
(vi) Welded Steel Tubes (Jamshedpur)	3,08,000 (3,08,000)	2,68,698 ⁽⁶⁾ (2,61,347)
(vii) Carbon and Alloy Steel Bearing Rings, Annular Forgings and Flanges (Jamshedpur)	— ⁽⁷⁾ (5,250)	— ⁽⁷⁾ (2,612)
(viii) Metallurgical Machinery (Jamshedpur)	— (—)	12,994 ⁽⁸⁾ (6,287)
(ix) Alloy Steel Ball Bearing Rings (Jamshedpur)	— ⁽⁷⁾ (2,05,00,000)	— ⁽⁷⁾ (1,21,67,121)
(x) Bearings (Kharagpur)	2,50,00,000 (2,50,00,000)	2,63,55,459 (3,00,13,421)

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

(1) Excluding items intended for captive consumption.

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

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

(4) Including semi-finished steel produced **3,86,251** tonnes (2006-07 : 5,05,753 tonnes) and steel transferred for manufacture into Tubes/ C.R. Strips at the Company's Tubes Division **3,37,987** tonnes (2006-07 : 3,03,788 tonnes) / steel transferred for manufacture of Cold Rolled Coils at the Company's Cold Rolling Mill Division (West) **1,71,942** tonnes (2006-07 : 1,61,984 tonnes) and steel transferred for manufacture of Wire Rods **2,08,973** tonnes (2006-07 : 2,47,821 tonnes) at the Company's Wire Rod Mill (West) division.

(5) CRM (Sisodra) sold on 2nd April, 2007.

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

(7) Rings Division closed from 1st April, 2007.

(8) There is no separate installed capacity.

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

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

Class of Products	Turnover ⁽¹⁾		Closing Stock		Opening Stock	
	Tonnes	Rs. crores	Tonnes	Rs. crores	Tonnes	Rs. crores
(i) Saleable Steel (Finished) ⁽²⁾	44,75,886	16,012.13	3,39,546	646.63	3,86,455	683.64
	44,83,029	14,511.03	3,86,455	683.64	3,94,829	641.90
Agrico Products		111.23		9.67		5.07
		84.65		5.07		3.41
		16,123.36		656.30		688.71
		14,595.68		688.71		645.31
(ii) Semi-finished Steel and Scrap	2,54,959	571.68	2,80,630	230.57	2,57,121	217.73
	2,23,050	486.29	2,57,121	217.73	2,38,748	191.49
(iii) Welded Steel Tubes ⁽³⁾	2,33,413	1,018.42	19,861	48.21	24,508	57.19
	2,39,890	999.45	24,508	57.19	22,267	49.47
(iv) Carbon and Alloy Steel Bearing Rings	417	1.99	—	—	417	3.46
	2,598	20.48	417	3.46	352	2.29
(v) By-products, etc.		95.25		3.09		4.15
		111.85		4.15		4.67
(vi) Raw Materials :						
(a) Ferro Manganese	40,631	219.29	—	—	—	—
	38,920	129.76	—	—	—	—
(b) Charge Chrome/Ferro Chrome ⁽⁴⁾ ...	1,86,384	978.70	—	—	—	—
	1,50,158	596.98	—	—	—	—
(c) Other Raw Materials	—	1,661.38	—	—	—	—
		1,471.86	—	—	—	—
(vii) Other Products ⁽⁵⁾		379.69		96.44		65.03
		260.61		65.03		70.49
(viii) Alloy Steel Ball Bearing Rings ⁽⁶⁾	Numbers		Numbers		Numbers	
	13,77,379	8.56	4,89,680	0.90	17,51,468	11.34
	1,22,56,394	75.59	17,51,468	11.34	24,46,088	12.76
(ix) Bearings	2,76,12,219	149.88	28,39,692	13.14	40,39,790	19.85
	2,89,65,897	162.78	40,39,790	19.85	29,88,022	13.50
(x) Metallurgical Machinery	Tonnes		Tonnes		Tonnes	
	12,994	172.70	—	—	—	—
	6,166	95.52	—	—	—	—
(xi) Sale of Purchased Materials						
(a) Saleable Steel (finished / converted)	1,516	6.91	6,945	25.62	2,963	10.62
	1,200	5.19	2,963	10.62	2,520	10.64
(b) Raw Materials / Scrap / Other Materials	—	7.00	—	—	—	—
		6.16	—	—	—	—
		21,394.81		1,074.27		1,078.08
		19,018.20		1,078.08		1,000.62

Notes :

- (1) Turnover includes exchange gain (net) **Rs. 2.43** crores [2006-07 : exchange loss (net) Rs. 4.77 crores].
- (2) Including steel material converted by re-rollers : **9,57,743** tonnes (2006-07 : 10,48,574 tonnes).
- (3) Includes Welded Steel Tubes converted under conversion arrangement **48,585** tonnes (2006-07 : 38,608 tonnes).
- (4) Turnover includes Ferro Chrome converted under conversion arrangement **1,04,269** tonnes (2006-07 : 1,07,685 tonnes).
- (5) Includes tubular steel structures **Rs. 327.37** crores (2006-07 : Rs. 205.69 crores).
- (6) Turnover includes sale proceeds of Salvaged Rings, Stock includes Semi-Finished Rings/Flanges.
- (7) Previous years figures have been regrouped and recast wherever necessary.

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

	Tonnes	Rs. crores
21. Purchase of Finished, Semi-Finished Steel and Other Products : ⁽¹⁾		
A. For Resale :		
Finished/Semi-Finished Steel Materials	994	9.11
	1,850	12.27
B. For Own Consumption :		
(i) Finished/Semi-Finished Steel Materials ⁽²⁾	86,310	378.75
	87,900	358.37
(ii) Sponge/Pig Iron.....	40,064	58.32
	57,692	24.14
(iii) Others.....		0.77
		55.82
		446.95
		450.60
(1) including exchange loss (net) of Rs. 0.02 crore [2006-07 : exchange gain (net) Rs. 0.09 crore]		
(2) includes components for manufacture of metallurgical machinery Rs. 40.02 crores (2006-07 : Rs. 38.50 crores)		
22. Raw materials consumed : @	Tonnes	Rs. crores
(i) Iron ore	86,81,492	445.35
	87,24,458	368.29
(ii) Coal [excluding 33,71,551 tonnes (2006-07 : 31,46,172 tonnes) valued at Rs. 987.71 crores (2006-07 : Rs. 1,030.68 crores)] used for manufacturing coke	706,076	206.85
	713,982	287.91
(iii) Coke	30,88,582	1,883.24
	31,33,450	1,510.72
(iv) Limestone and Dolomite.....	18,65,223	318.45
	17,29,070	316.76
(v) Ferro Manganese	16,165	48.52
	15,824	50.94
(vi) Zinc and Zinc Alloys	17,903	277.58
	19,299	327.00
(vii) Spelter, sulphur and other materials [excluding 2,34,830 tonnes valued at Rs. 80.75 crores (2006-07 : 1,95,765 tonnes valued at Rs. 58.96 crores) used in the manufacture of Ferro Manganese].....	11,61,517	661.88
	784,802	557.84
		3,841.87
		3,419.46

Note : @ The consumption figures shown above are after adjusting excess and shortages ascertained on physical count, unserviceable items, etc. including exchange gain (net) **Rs. 9.64** crores [2006-07 : exchange gain (net) Rs. 8.44 crores]

SCHEDULE M : NOTES ON BALANCE SHEET AND PROFIT AND LOSS ACCOUNT :- continued
23. Value of direct imports (C.I.F. Value)

	Rs. crores
(i) Raw materials.....	1,542.79 1,592.25
(ii) Semi-finished products.....	16.44 24.04
(iii) Components, stores and spare parts	233.18 290.81
(iv) Capital goods	433.23 295.05

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

	Raw materials		Components, stores and spare parts	
	Rs. crores	%	Rs. crores	%
(a) Directly imported	1,940.58 1,673.43	50.51 48.94	364.08 348.13	18.23 17.92
(b) Indigenously obtained	1,901.29 1,746.03	49.49 51.06	1,633.69 1,594.65	81.77 82.08
	3,841.87 3,419.46	100.00 100.00	1,997.77 1,942.78	100.00 100.00
<i>Less : Consumption charged to other revenue accounts</i>			748.29 699.17	
			1,249.48 1,243.61	

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

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

(iii) Stores consumed includes exchange gain (net) of **Rs. 0.98** crore [2006-07 : exchange gain (net) Rs. 1.66 crores].

25. Expenditure in foreign currency

	Current Year Rs. crores	<i>Previous Year Rs. crores</i>
(i) Technical Know-how and Technical Consultants' Fees (net of taxes) including Rs. 107.20 crores (2006-07 : Rs. 117.94 crores) on capital account	109.30	123.55
(ii) Interest and Commitment charges payable in foreign currencies	502.95	82.23
(iii) Commission	12.75	13.09
(iv) Payable on other accounts [including Rs. 15.28 crores (2006-07 : Rs. 64.00 crores) on capital account]	58.77	186.34

SCHEDULE M : NOTES ON BALANCE SHEET AND PROFIT AND LOSS ACCOUNT :- continued
26. Remittance in foreign currencies for dividends

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

	Current Year	<i>Previous Year</i>
(i) Number of non-resident shareholders	4,461	3,899
(ii) Number of Ordinary shares held by them	13,60,48,173	12,33,64,686
(iii) Gross amount of dividends	Rs. 210.87 crores	<i>Rs. 160.37 crores</i>

27. Earnings in Foreign Exchange

- (i) Export of steel and other materials (at F.O.B. value) **Rs. 2,123.41** crores (2006-07 : *Rs. 1,957.76 crores*) [including value of exports through export houses].
- (ii) Interest received **Rs. 33.45** crores (2006-07 : *Rs. 58.20 crores*).
- (iii) Others **Rs. 131.75** crores (2006-07 : *Rs. 87.93 crores*).

28. Derivative Instruments

- l) The Company has entered into the following derivative instruments:

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

Outstanding Forward Exchange Contracts entered into by the Company :

As at	No. of Contracts	US Dollar Equivalent (million)	INR Equivalent (Rs. crores)
31.3.2008	5	30.64	122.91
31.3.2007	4	16.90	73.58

(Short Term Forward Exchange Contracts as on 31st March, 2008 include Forward Sales of Great Britain Pound and Euro against Indian National Rupees for contracted exports).

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

As at	No. of Contracts	US Dollar Equivalent (million)	INR Equivalent (Rs. crores)
31.3.2008	35	1,885.86	7,564.18
31.3.2007	—	—	—

(Long Term Forward Exchange Contracts outstanding as on 31st March, 2008 have been used to hedge the Foreign Currency Risk on repayment of External Commercial Borrowings of the Company).

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

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

As at	No. of Contracts	US Dollar Equivalent (million)	INR Equivalent (Rs. crores)
31.3.2008	1	17.34	69.54
31.3.2007	1	22.29	97.05

- ii) Outstanding Currency and Interest Rate Swap to hedge against fluctuations in changes in exchange rate and interest rate :

As at	No. of Contracts	US Dollar Equivalent (million)	INR Equivalent (Rs. crores)
31.3.2008	—	—	—
31.3.2007	4	90.09	392.14

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

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

As at	No. of Contracts	US Dollar Equivalent (million)	INR Equivalent (Rs. crores)
31.3.2008	2	2.75	11.03
31.3.2007	6	1,683.01	7,325.36

(Currency options have been used to selectively hedge the Company's exports from April 2008 to May 2008).

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

	As at 31.3.2008		As at 31.3.2007	
	US Dollar Equivalent (million)	INR Equivalent (Rs. crores)	US Dollar Equivalent (million)	INR Equivalent (Rs. crores)
A. Amounts receivable in foreign currency on account of the following :				
Loans drawn and placed as deposits in JPY/USD	—	—	1,662.37	7,234.80
Interest receivable on JPY/USD deposits	—	—	4.27	18.58
Bill Discounted & Outstanding	9.41	37.74	—	—
B. Amounts payable in foreign currency on account of the following :				
Import of goods and services	4.96	19.90	2.62	11.39
Capital imports	26.53	106.44	8.04	35.02
Interest and commitment charges payable	13.72	55.03	7.49	32.63
Loans payable	57.94	232.47	1,664.21	7,249.75

The above disclosures have been made consequent to an announcement by the Institute of Chartered Accountants of India on 2nd December, 2005, which is applicable to the financial periods ending on or after 31st March, 2006.

29. During the year:

- 2,85,00,000 Warrants allotted to Tata Sons Limited on a preferential basis during Financial Year 2006-07, were converted into 2,85,00,000 Ordinary Shares of Rs. 10 each at a price (determined in accordance with SEBI prescribed pricing formula applicable at the time of exercise of Warrants), of Rs. 484.27 per share, involving an amount of Rs. 1,380.17 crores.
- The Company issued 12,17,94,571 Ordinary Shares of Rs. 10 each at premium of Rs. 290 per share, to the existing equity shareholders of the Company on a Rights basis in the ratio of 1:5 as on the Record date i.e. 5th November, 2007. Out of this, 1,83,107 Ordinary Shares are kept in abeyance in respect of disputed matters before various forums, courts etc. and the Company allotted 12,16,11,464 Ordinary Shares of Rs. 10 each at a premium of Rs. 290 per share, aggregating to Rs. 3,648.34 crores. Expenses relating to the issue, Rs. 35.18 crores have been adjusted against the Securities Premium Account during the year ended 31st March, 2008.
- The Company issued 54,80,75,571 Cumulative Convertible Preference Shares (CCPS) of Rs. 100 each at an issue price of Rs. 100 per share, to the existing equity shareholders of the Company on a Rights basis in the ratio of 9:10 as on the Record date i.e. 5th November, 2007. Out of this, 8,23,966 CCPS are kept in abeyance in respect of disputed matters before various forums, courts etc. and the Company allotted 54,72,51,605 CCPS of Rs. 100 each at an issue price of Rs. 100 per share, aggregating to Rs. 5,472.52 crores. As per the terms of the issue, 6 CCPS of Rs. 100 each are compulsorily and automatically convertible on 1st September, 2009 into 1 Ordinary Share of Rs. 10 each at a premium of Rs. 590 per share.

30. The Company has raised Rs. 3,578.75 crores (US \$ 875 million, including the green shoe option US \$ 150 million) through the issue of Foreign Currency Convertible Alternative Reference Securities ("CARS"). The CARS will be convertible into either qualifying securities (which may be in the form of depository receipts with restricted rights of withdrawal representing underlying ordinary shares with differential rights as to voting) or ordinary shares. The CARS will be convertible at a conversion price of Rs. 758.10 per share as adjusted for the rights issue. The CARS carry a coupon rate of 1% p.a. The outstanding CARS, if any, at maturity will be redeemable at a premium of 23.34% of the principal amount, with an effective YTM of 5.15%.

Premium payable on redemption and the expenses related to the issue of CARS are adjusted against the Securities Premium Account. Changes to this premium payable on account of conversion or exchange fluctuation are adjusted to the Securities Premium Account. Accordingly Rs. 551.41 crores (net of deferred tax asset of Rs. 283.93 crores) being the premium on redemption, Rs. 111.86 crores being the expenses related to the issue and Rs. 10.51 crores (net of deferred tax Rs. 5.41 crores) being the loss on revaluation of the premium payable have been adjusted against the Securities Premium Account during the year ended 31st March, 2008.

31. Item 8 (c) of the Exceptional items represents a net gain of Rs. 597.31 crores due to appreciation of the rupee against various foreign currencies during the year ended 31st March, 2008.

32. Previous year's figures have been recast/restated wherever necessary.

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