

SCHEDULE M : NOTES ON BALANCE SHEET AND PROFIT AND LOSS ACCOUNT**1. Accounting Policies :**

- (a) The financial statements are prepared under the historical cost convention on an accrual basis.
- (b) Sale of Products and Services :
- (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) Gratuity :
Provision for gratuity liability to employees is made on the basis of actuarial valuation.
- (d) Leave Salaries :
Provision is made for value of unutilised leave due to employees at the end of the year.
- (e) Relining Expenses :
Relining expenses other than expenses on Blast Furnace relining are charged as an expense in the year in which they are incurred.
- (f) 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.
- (g) Depreciation :
- (I) Capital assets whose ownership does not vest in the Company have been depreciated over the estimated period of their utility 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 as under :—
- (i) In respect of plant and machinery, railway siding, buildings and vehicles acquired before 1.4.1993 the specified period has been re-calculated by applying the revised rates in force in terms of the notification dated 16.12.1993 and the unamortised value of the asset has been allocated equally over the remaining part of the specified period and on assets acquired after 31.3.1993 at the revised rates.
For the purposes of determining the appropriate depreciation rates plant and machinery falling in the category of continuous process plants has been identified on the basis of technical opinion obtained by the Company. Extra shift depreciation, wherever applicable is calculated on actual shift basis in respect of each mill/shop/unit.
- (ii) In respect of furniture, fixtures and office equipment acquired before 1.4.1993 at the rates in force prior to the abovementioned notification and at the revised rates for assets acquired thereafter.
- (iii) Development of Property and Mining Rights are depreciated over the useful life of the mine or lease period whichever is shorter.
- (iv) Blast Furnace relining is depreciated over a period of 10 years (average expected life).
- (v) Freehold land and leasehold land are not depreciated.
- (h) Foreign Exchange Transactions :
Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year end rates.
The difference in translation of monetary assets and liabilities and realised gains and losses on foreign exchange transactions other than those relating to fixed assets are recognised in the Profit and Loss Account. In respect of transactions covered by forward exchange contracts, the difference 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, except in case of liabilities incurred for acquiring fixed assets.
Exchange differences (including arising out of forward exchange contracts) in respect of liabilities incurred to acquire fixed assets are adjusted to the carrying amount of such fixed assets.
- (i) 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.
- (j) 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.
- (k) 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 or below cost.
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.
- (l) Miscellaneous Expenditure :
Compensation to employees who have opted for retirement under the Employee Separation Schemes of the Company is amortised over 120 months.
- (m) Compensation to employees who have been separated under the Employees Family Benefit Scheme of the Company is calculated on the basis of the net present value of the future monthly payments and charged to profit and loss account.
- (n) Secured Loans :
Discount Charges on Discount Bonds are written off over the period of the Bonds.
- (o) 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. 134.54** crores (31.3.2001 : *Rs. 94.54 crores*) to banks and financial institutions on behalf of others. As at 31st March, 2002 the contingent liabilities under these guarantees amounted to **Rs. 134.54** crores (31.3.2001 : *Rs. 94.54 crores*).

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- (b) Claims for taxes and miscellaneous items not acknowledged by the Company —
 (i) Gross — **Rs. 700.14** crores (31.3.2001 : Rs. 548.14 crores).
 (ii) Net of tax — **Rs. 467.76** crores (31.3.2001 : Rs. 374.70 crores).
- (c) Claim by a party arising out of conversion arrangement — **Rs. 195.82** crores (31.3.2001 : Rs. 195.82 crores). The Company has not acknowledged this claim and has instead filed a claim of **Rs. 139.65** crores (31.3.2001 : Rs. 139.65 crores) on the party. The dispute is under arbitration.
- (d) Uncalled liability on partly paid shares and debentures **Rs. 0.10** crore (31.3.2001 : Rs. 0.01 crore).
- (e) Bills discounted **Rs. 80.86** crores (31.3.2001 : Rs. 155.65 crores).
- (f) Cheques discounted: Amount indeterminate.
3. The Company has given undertakings to (a) IDBI, IFCI, LIC, IIBI, Union Bank of India and ICICI not to dispose of its investment in Tinsplate Company of India Limited, (b) ICICI, IFCI and IIBI not to dispose of its investment in the Indian Steel Rolling Mills Ltd., (c) IDBI not to dispose of its investment in Wellman Incandescent India Ltd., (d) IDBI and ICICI not to dispose of its investment in Standard Chrome Ltd., (e) Citibank N.A. New York, Chase Manhattan Bank, New York and ANZ Banking Group Ltd. not to dispose of its investment in Tata Incorporated, New York, (f) IDBI not to dispose of its investment in Tata Metaliks Ltd. and (g) ABN-Amro Bank N. V. not to dispose of its investment in Tata Korf Engineering Services Ltd., without the prior consent of the respective financial institutions/banks so long as any part of the loans/facilities sanctioned by the institutions/banks to these seven companies remains outstanding. The Company's investments in Tata Teleservices Ltd. cannot be disposed of till 29.9.2002 pursuant to the conditions imposed by Department of Telecommunications. The Company has also 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.
4. The total future liability for retiring gratuities payable in accordance with the Payment of Gratuity Act and the Company's Rules is actuarially determined as on 31st March, 2002 at **Rs. 260.00** crores (31.3.2001 : Rs. 238.00 crores). Having regard to the amounts available with the Gratuity Fund and the balance of **Rs. 17.69** crores (31.3.2001 : Rs. 10.66 crores) in Provision for Retiring Gratuities Account, the liability is fully covered.
5. The long term Wage Agreements entered into by the Company with the employees at Jamshedpur and certain other locations expired during 1996-97. The new long term Wage Agreements entered into by the Company for these locations have been implemented with effect from 1.1.2001. Outstanding issue, if any, will be discussed with the local union.
 The long term Wage Agreements for the employees of the Collieries expired on 30.6.2001. As the full basic salary of majority of coal employees is covered under 100% DA neutralisation scheme, the Company is of the view that further additional wage is not payable.
6. (a) Provision for employee separation compensation has been calculated on the basis of the net present value of the future monthly payments of pension and lumpsum benefit under the scheme including **Rs. 178.20** crores (31.3.2001 : Rs. 201.07 crores) in respect of schemes introduced during the year.
 (b) The amount shown under Miscellaneous Expenditure on this account represents the balance amount to be amortised over the future years.
 (c) The amounts payable within one year under the schemes aggregate to **Rs. 261.81** crores (31.3.2001 : Rs. 248.60 crores).
7. The manufacturing and other expenses and depreciation shown in the Profit and Loss Account include **Rs. 6.72** crores (2000-2001 : Rs. 9.46 crores) and **Rs. 0.59** crore (2000-2001 : Rs. 0.52 crore) respectively in respect of Research and Development activities undertaken during the year.
8. The expenditure on relining of Blast Furnaces which hitherto was charged as an expense in the year in which it was incurred is being capitalised from the current year. As a result of this change the profit for the year is higher by **Rs. 29.45** crores.
9. (a) Sundry Creditors [Item No. (b)(i) and (iii) to Schedule K - Page No. 49] include **Rs. 2.89** crores (31.3.2001 : Rs. 2.93 crores), due to small scale and ancillary undertakings.
 (b) Sundry Creditors [Item No. b(iii) to Schedule K - Page No. 49] include grant of **Rs. 19.30** crores (31.3.2001 : Rs. 13.70 crores) for research project financed by Steel Development Fund.
 (c) The undertakings from whom amounts outstanding for more than 30 days in respect of small scale undertakings where such dues exceed Rs. 1 lakh are as under :
 (1) Precision Engg. concern (2) H. D. Enterprises (3) Jolley Industries (4) Vibro Screen Industries (5) Mona Engineering (6) Atlanta Engg. Company (7) Neepaz Tubes (P) Ltd. (8) Krishna Industries (9) M.K. Industries (10) National Automotive Components (11) West Bengal Engg. Works (12) Raghunath Engineering Industries (13) Spare Age (I) Pvt. Ltd. (14) Shree Purohit Engineering Works (15) Sardul Auto Works (P) Ltd., (16) Duro Engineering Complex (17) Brij Automobile & General Indust (18) General Hardwaste Co. (19) Electromag Methods (20) Asian Engineering Co. (21) Golchha Chemical Industries (22) Eastern Machinery Works (23) Singhbhum Refractory (24) BMC Metalcast Limited (25) Ankur Engg. Works (26) Darshanlal & Co. (27) Empire Industries (28) Associated Engg. Co. (29) General Engg. Co. (30) G.R. Industries (31) Hans Engineering Co. (32) Globe Engg. Works (33) Govind Engg. Works (34) Indian Forging & Stamping Co. (35) Kumar Udyog (36) K.A. Industries (37) Mehta Engg. Works (38) Gajanand Udyog (39) Raj Technical Works (40) Sandhu Technocrats Pvt. Ltd. (41) S.G. Metal Industries (42) Hindusthan Tech. (43) M.S.P. India Pvt. Ltd. (44) Mahato & Co. (45) New Empire Industries (46) New Allenbery Works (47) National Engg. Pvt. Ltd. (48) Pioneer Technocrats (49) Regular Engg. Co. (50) Sundaran Industries (51) Sokhi Engg. Co. Pvt. Ltd. (52) Taurus Flexibles (53) Tatanagar Engg. & M/C (54) Unique Engineers (55) B.C. Engineering Works (56) M/s Electro Chemicals (57) Mim Plastics (58) Techno Enterprise (59) United Industries (60) Mayur Offset Pvt. Ltd. (61) Vinyas Engineers.
 The above information has been compiled in respect of parties to the extent to which they could be identified as small scale and ancillary undertakings on the basis of information available with the Company.
10. (a) The Company has an investment of **Rs. 95.68** crores (31.3.2001 : Rs. 95.68 crores) in Tinsplate Company of India Ltd. (TCIL). A net amount of **Rs. 77.74** crores (31.3.2001 : Rs. 70.08 crores) is due from TCIL on account of inter-corporate deposits, supply of steel materials, power etc. TCIL has accumulated losses.
 (b) The Company has an investment of **Rs. 0.12** crore (31.3.2001 : Rs. 0.12 crore) in Tata Korf Engineering Services Ltd. (TAKES). A net amount of **Rs. 0.93** crore (31.3.2001 : Rs. 1.90 crores) is due from TAKES on account of supply of steel materials, etc. TAKES has accumulated losses.
 (c) Having regard to the long term involvement in the above companies no provision is considered necessary on these accounts.
11. 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

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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.

12. Estimated amount of contracts remaining to be executed on Capital Account and not provided for : **Rs. 198.48** crores (31.3.2001 : Rs. 569.11 crores).
13. Consequent on the realignment of the value of foreign currency loans, the rupee liability of the Company in respect of such loans has increased by a net amount of **Rs. 63.99** crores (2000-2001 : Rs. 47.37 crores). This increase has been adjusted in the carrying cost of the fixed assets to the extent of **Rs. 63.99** crores (2000-2001 : Rs. 47.37 crores) and **Rs. Nil** (2000-2001 : Rs. Nil) charged to revenue.
14. Fixed Assets as at 31.3.2002 (Schedule E, Page 42) include Land (Rs. 135.93 crores), and Buildings, Plant and Machinery etc., under erection (Rs. 4.58 crores) in respect of Gopalpur project for which work has been suspended due to delay in development of port and other facilities at Gopalpur, Orissa and the Company is exploring the possibility of alternative use of the land acquired for the steel project.
15. During the year the transfer process in respect of 31,481 equity shares of Tata SSL Ltd. acquired during the previous year was completed. Pursuant to the second open offer and third and final offer, the Company acquired 36,60,524 fully paid-up equity shares and 36,285 partly paid-up equity shares of Tata SSL Ltd.
16. The Company has taken on lease Plant and Machinery, having an aggregate cost of **Rs. 63.08** crores (31.3.2001 : Rs. 76.85 crores). Future obligations by way of lease rentals in respect of these lease agreements (net of provisions made) amount to **Rs. 49.78** crores (31.3.2001 : Rs. 68.46 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. 17.41** crores (2000-2001 : Rs. 16.23 crores).
17. Information about Primary Business Segments:

Particulars	Business Segments		Unallocable Rs. crores	Total Rs. crores
	Steel Rs. crores	Others Rs. crores		
Revenue:				
External Sales – Domestic	6,191.06	835.67	—	7,026.73
– Exports	421.54	159.21	—	580.75
Total External Sales	6,612.60	994.88	—	7,607.48
Add: Inter segment sales	317.79	34.80	—	352.59
Total Sales	6,930.39	1,029.68	—	7,960.07
Less : Inter segment sales	317.79	34.80	—	352.59
Total Revenue	6,612.60	994.88	—	7,607.48
Segment result before interest, exceptional/extraordinary items and tax	776.65	55.93	(0.52)	832.06
Less : Interest				369.75
Profit before Exceptional/Extraordinary items and tax				462.31
Exceptional/Extraordinary items				
Less : Employee Separation Compensation				(227.02)
Add : Profit on Sale of Long Term Investments				15.71
Profit before Tax				251.00
Taxes				46.10
Profit after Taxes				204.90
Segment Assets	9,646.55	591.43	401.11	10,639.09
Segment Liabilities	1,416.59	162.43	428.17	2,007.19
Total Cost incurred during the year to acquire Segment assets	530.66	4.29	—	534.95
Segment Depreciation	506.99	17.76	—	524.75
Non-Cash Expenses other than depreciation	32.75	9.00	28.91	70.66

Notes :

- (i) The Company has disclosed Business Segment as the primary segment. Segments have been identified taking into account the nature of the products, the differing risks and returns, the organisational structure and internal reporting system. The Company's operations predominantly relate to manufacture of steel. Other business segments comprise Tubes, Bearings and Ferro Alloys and Minerals Division.
- (ii) The Company caters mainly to the needs of the domestic market. The export turnover is not significant in the context of the total turnover. As such there are no reportable geographical segments.
- (iii) 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.

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(iv) Total Unallocable assets exclude :	Rs. crores
Investments	912.74
Miscellaneous expenditure	988.99
	<u>1,901.73</u>
Total Unallocable Liabilities exclude :	
Secured Loans	4,056.93
Unsecured Loans	650.89
Provision for Employee Separation Compensation	989.50
Deferred Tax Liability (Net)	1,390.35
	<u>7,087.67</u>

(v) Transactions between segments are primarily for materials which are transferred at market determined prices and for apportionment of certain common expenses at cost.

(vi) Being the first year of application of Accounting Standard (AS) 17 - Segment Reporting, previous year's figures have not been disclosed.

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

Party	Relation
A. Stewarts & Lloyds of India Ltd. Tata SSL Ltd. Kalimati Investment Company Ltd. Tata Refractories Ltd. Tata Pigments Ltd. Tata Korf Engg. Services Ltd. Tata Incorporated	Subsidiary
B. Tata Services Ltd. Nicco Jubilee Park Ltd. Jamshedpur Injection Powder Ltd. Kalinga Aquatics Ltd. Adityapur Toll Bridge Ltd. Tinplate Company of India Ltd. TRF Ltd. Tata Yodogawa Ltd. Tata Sponge Iron Ltd. Metaljunction.com Pvt. Ltd. Tata Metaliks Ltd. Tata Ryerson Ltd. Tata Construction & Projects Ltd. Rujuvalika Investments Ltd. Indian Steel Rolling Mills Ltd. Kumardhubi Fireclay & Silica Works Ltd. Kumardhubi Metal Casting & Engg. Ltd. TKM Overseas Ltd. TKM Transport Management Services Private Ltd. Almora Magnesite Ltd. Nilachal Refractories Ltd.	Associate - Shareholding of the Company on its own or along with subsidiaries is 20% or more
C. Joint Ventures T.M. International Ltd.	Holdings and/agreements in conjunction with group Companies
D. Tata Sons Ltd.	Promoters holding together with its Subsidiary is more than 20%
E. Key Management Personnel Mr. B. Muthuraman Dr. T. Mukherjee Mr. A.N. Singh Mr. F.A. Vandrevale (part of the year) Dr. J.J. Irani (part of the year)	Whole Time Directors

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18. (b) Related Party Transactions

Transactions	Amount in Rs. crores				
	Subsidiaries	Associates & JVs	Key Management Personnel	Promoters	Total
Purchase of Goods	87.61	96.12	—	—	183.73
Sale of Goods	103.77	102.72	—	—	206.49
Purchase of Fixed Assets	1.54	—	—	—	1.54
Sale of Assets	—	0.01	—	—	0.01
Rendering of Services	2.17	50.68	—	0.18	53.03
Receiving of Services	12.85	165.14	—	0.19	178.18
Agency arrangements (income)	—	0.54	—	0.15	0.69
Leasing or Hire Purchase arrangements	—	1.01	—	—	1.01
Finance provided (including Loans and equity contributions in cash or in kind)	65.44	24.28	—	23.00	112.72
Interest income during the year	3.81	4.45	—	0.05	8.31
Finance received (including Loans and equity contributions in cash or in kind)	—	16.00	—	146.50	162.50
Interest paid during the year	—	0.99	—	0.40	1.39
Guarantees and Collaterals given	40.00	1.44	—	—	41.44
Management contracts including deputation of employees	0.03	0.17	—	12.25	12.45
Dividend income	4.49	15.06	—	—	19.55
Provision for receivables made during the year	0.62	6.23	—	—	6.85
Unsecured advances / deposits given	—	0.20	—	0.30	0.50
Agency commission paid	—	0.41	—	0.01	0.42
Dividend paid to shareholders	—	0.19	*	36.51	36.70
Diminution in value of investments	—	1.04	—	—	1.04
Unsecured advances/deposits accepted	—	—	—	0.61	0.61
Remuneration paid	—	—	2.45	—	2.45
Debit balances outstanding as on 31.3.2002					
Outstanding Receivables	14.01	135.66	0.04	1.95	151.66
Credit balances outstanding as on 31.3.2002					
Provision for outstanding receivables	0.93	9.99	—	—	10.92
Outstanding payable	14.67	25.67	—	16.01	56.35

* indicates figures below Rs. 50,000

Note - Being the first year of application of Accounting Standard (AS) 18 - Related Party Disclosures, the previous year's figures have not been disclosed.

	2001-2002 Rs. crores	2000-2001 Rs. crores
19. Earnings Per Share (EPS):		
(i) Profit after tax	204.90	553.44
Less : Preference Dividend including tax thereon	2.28	14.96
Profit attributable to Ordinary Shareholders	202.62	538.48
	Nos.	Nos.
(ii) Weighted average No. of Ordinary Shares for Basic EPS	36,77,71,901	36,77,71,901
Add : Adjustment for Options relating to 12,446 Detachable Warrants (2000-2001 : 12,446) (see Note 11, Page 51)	3,848	4,308
Weighted average no. of Ordinary Shares for Diluted EPS	36,77,75,749	36,77,76,209
(iii) Nominal value of Ordinary Shares	Rs. 10	Rs. 10
(iv) Basic/Diluted Earnings per Ordinary Share	Rs. 5.51	Rs. 14.64

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20. Deferred Tax Liability (Net) (Item No. 5, Page 32)	Deferred tax liability/(asset) as at 1.4.2001 Rs. crores	Current year charge/(credit) Rs. crores	Deferred tax liability/(asset) as at 31.3.2002 Rs. crores
Deferred Tax Liabilities			
(i) Difference between book and tax depreciation	1487.90	128.43	1616.33
(ii) Prepaid Expenses	7.70	0.10	7.80
(A)	<u>1495.60</u>	<u>128.53</u>	<u>1624.13</u>
Deferred Tax Assets			
(i) Early Separation Scheme	(45.89)	(53.99)	(99.88)
(ii) Wage Provision	(37.71)	8.25	(29.46)
(iii) Provision for doubtful debts & advances	(44.62)	(16.63)	(61.25)
(iv) Disallowance under Section 43B	(5.00)	(1.25)	(6.25)
(v) Provision for Leave Salary	—	(32.61)	(32.61)
(vi) Euro Issue expenses	(0.88)	0.43	(0.45)
(vii) Provision for Retiring Gratuity	(0.73)	(2.61)	(3.34)
(viii) Other Deferred Tax Assets	(1.02)	0.48	(0.54)
(B)	<u>(135.85)</u>	<u>(97.93)</u>	<u>(233.78)</u>
Deferred Tax Liability (net) (A)-(B)	<u>1359.75</u>	<u>30.60</u>	<u>1390.35</u>

Pursuant to Accounting Standard (AS) 22 - Accounting for taxes on Income, the Company has recorded a net cumulative deferred tax liability of Rs. 1359.75 crores upto 31.3.2001 as reduction in General Reserve. Further the impact of Deferred Tax Liability of Rs. 30.60 crores for the year ended 31.3.2002 has been debited to Profit and Loss Account.

21. Licensed and installed capacities and production : ⁽¹⁾	Licensed capacity Tonnes	Installed capacity ⁽²⁾ Tonnes	Production ⁽³⁾ Tonnes
Class of Products			
(i) Saleable Steel	N.A. N.A.	3,320,000 3,280,000	3,635,592⁽⁴⁾ 3,429,697
(ii) Cold Rolled Coils	N.A. N.A.	100,000 100,000	103,669 118,871
(iii) Ferro Manganese & Silico Manganese	N.A. N.A.	30,500 30,500	31,792 35,954
(iv) Charge Chrome	N.A. N.A.	50,000 50,000	44,059 35,016
(v) Welded Steel Tubes	N.A. N.A.	185,000 185,000	173,643⁽⁵⁾ 171,806
(vi) Cold Rolled Strips	N.A. N.A.	15,800 15,800	— —
(vii) Carbon and Alloy Steel Bearing Rings, Annular Forgings and Flanges	N.A. N.A.	5,250 5,250	3,032 2,584
(viii) Metallurgical Machinery	N.A. N.A.	— ⁽⁶⁾ —	8,271 5,671
	Numbers	Numbers	Numbers
(ix) Alloy Steel Ball Bearing Rings	N.A. N.A.	20,500,000 20,500,000	14,628,778⁽⁷⁾ 13,999,787
(x) Bearings	N.A. N.A.	25,000,000 15,000,000	17,623,049 16,354,827

N.A. 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 & for conversion by the third parties into finished goods for sale but excluding **5,467.41** tonnes (2000-2001 : 44,251.95 tonnes) of CRM products produced during the trial run period.

(4) Including semi-finished steel produced **565,588** tonnes (2000-2001 : 646,957 tonnes) and Steel transferred for manufacture into Tubes/C.R. Strips at Company's Tubes Division **211,050** tonnes (2000-2001 : 209,647 tonnes) and steel transferred for manufacture of Cold Rolled Coils at the Company's Cold Rolling Mill Division **106,165** tonnes (2000-2001 : 90,556 tonnes).

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

(6) There is no separate installed capacity.

(7) Including rings transferred for manufacture of Bearings.

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22. Turnover, Closing and Opening Stocks :

Class of Products	Turnover ^{(1)&(2)}		Closing Stock		Opening Stock	
	Tonnes	Rupees crores	Tonnes	Rupees crores	Tonnes	Rupees crores
(i) Saleable Steel (Finished)	2,726,620⁽³⁾	4719.50	203,332	267.15	209,999	269.88
	2,440,746	4535.94	209,999	269.88	250,974	317.34
Agrico Products		42.96		3.51		2.75
		45.88		2.75		3.14
		4762.46		270.66		272.63
		4581.82		272.63		320.48
(ii) Semi-finished Steel and Scrap	850,904	850.19	73,142	65.06	82,859	63.87
	1,066,536	1,145.24	82,859	63.87	127,917	91.29
(iii) Welded Steel Tubes	161,063⁽⁴⁾	427.00	14,753	27.14	11,264	20.24
	167,609	447.22	11,264	20.24	10,065	18.67
(iv) Carbon and alloy steel bearing rings ...	2,774	15.47	437	1.95	250	1.28
	2,490	13.49	250	1.28	277	1.01
(v) By-products, etc.		68.51		0.22		0.44
		61.58		0.44		0.77
(vi) Raw Materials :—						
(a) Ferro Manganese	19,676	41.95	—	—	—	—
	20,784	48.02	—	—	—	—
(b) Charge Chrome/Ferro Chrome ⁽⁵⁾	78,586	162.84	5,470	6.76	28,172	44.08
	97,550	239.62	28,172	44.08	20,358	29.84
(c) Other Raw Materials	—	486.54	—	—	—	—
	—	375.20	—	—	—	—
(vii) Other Products ⁽⁶⁾		69.24		37.24		28.41
		65.02		28.41		27.50
(viii) Alloy Steel Ball Bearing Rings ⁽⁷⁾	Numbers 12,434,014	44.81	Numbers 2,716,236	6.73	Numbers 2,511,929	6.48
	11,603,680	40.15	2,511,929	6.48	2,236,723	7.00
(ix) Bearings	16,894,860	108.00	2,582,894	13.22	1,965,004	9.77
	15,785,641	103.14	1,965,004	9.77	1,559,116	8.49
(x) Metallurgical Machinery	Tonnes 8,271	46.72	Tonnes —	—	Tonnes —	—
	5,671	43.49	—	—	—	—
(xi) Sale of Purchased Materials						
(a) Saleable Steel (finished/converted)	4,808	7.89	35	0.06	129	0.16
	5,452	7.24	129	0.16	95	0.11
(b) Scrap/Other Materials/Raw Materials	81,687⁽⁸⁾	31.50⁽⁸⁾		0.15		0.15
	280,446	65.07		0.15		0.14
		7123.12		429.19		447.51
		7,236.30		447.51		505.30

Notes :

- (1) Turnover includes exchange gain (net) **Rs. 3.40** crores (2000-2001 : Rs. 5.36 crores).
- (2) Turnover excludes **Rs. 1.29** crores (2000-2001 : Rs. 86.86 crores) towards capitalisation of CRM products produced during the trial run period.
- (3) Including steel material converted by re-rollers : **348,704** tonnes (2000-2001 : 463,822 tonnes).
- (4) Includes Welded Steel Tubes converted under conversion arrangement **6,788** tonnes (2000-2001 : 13,694 tonnes).
- (5) Turnover includes Ferro Chrome converted under conversion arrangement **24,949** tonnes (2000-2001 : 70,670 tonnes).
- (6) Includes tubular steel structures **Rs. 40.76** crores (2000-2001 : Rs. 31.40 crores).
- (7) Turnover includes sale proceeds of Salvaged Rings, Stock includes Semi-Finished Rings/Flanges.
- (8) Turnover includes Bearings – **Rs. Nil** (2000-2001 : Rs. 0.11 crore), Ferro Chrome **Rs. Nil** (2000-2001 : Rs. 0.18 crore) and Ferro Manganese **709 MT – Rs. 1.60** crores (2000-2001 : 654 MT - Rs. 1.49 crores).

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

	Tonnes	Rupees crores
23. Purchase of Finished, Semi-Finished Steel and Other Products : (1)		
A. For Resale :		
(i) Finished/Semi-Finished Steel Materials	6,095	6.85
	5,566	7.54
(ii) Others (2)		1.19
		1.43
B. For Own Consumption :		
(i) Finished/Semi-Finished Steel Materials	32,225	87.93
	29,900	84.03
(ii) Others (Rings, Sockets etc.) (3)		88.35
		42.88
		<u>184.32</u>
		<u>135.88</u>
(1) including exchange loss (net) of Rs. 0.01 crore [(2000-2001 : exchange gain (net) Rs. 0.06 crore)]		
(2) includes value of Bearings Rs. Nil (2000-2001 : Rs. 0.06 crore), and Ferro Chrome Rs. Nil (2000-2001 : Rs. 0.15 crore)		
(3) includes components for manufacture of metallurgical machinery Rs. 6.46 crores (2000-2001 : Rs. 6.79 crores)		
24. Raw materials consumed : @	Tonnes	Rupees crores
(i) Iron ore	6,003,776	160.20
	5,882,897	160.54
(ii) Coal [excluding 3,324,820 tonnes (2000-2001 : 3,337,350 tonnes) valued at Rs. 656.02 crores (2000-2001 : Rs. 620.55 crores) used for manufacturing coke]	1,037,241	111.67
	1,138,964	111.39
(iii) Coke	2,298,611	612.18
	2,261,890	596.32
(iv) Limestone and Dolomite	1,374,727	165.77
	1,350,575	151.49
(v) Ferro Manganese	15,935	35.44
	16,442	34.95
(vi) Zinc and Zinc Alloys	9,238	48.59
	2,190	16.86
(vii) Spelter, sulphur and other materials [excluding 90,590 tonnes valued at Rs. 23.00 crores (2000-2001 : 101,551 tonnes valued at Rs. 25.05 crores) used in the manufacture of Ferro Manganese]	467,812	291.81
	542,982	263.02
		<u>1425.66</u>
		<u>1334.57</u>

Note : @ The consumption figures shown above are after adjusting excesses and shortages ascertained on physical count, unserviceable items, etc. including exchange loss (net) **Rs. 0.16** crore (2000-2001 : Rs. 7.40 crores)

25. Value of direct imports (C.I.F. value) :				Rupees crores
(i) Raw materials				478.38
				450.86
(ii) Semi-finished products				5.99
				2.10
(iii) Components, stores and spare parts				110.35
				87.99
(iv) Capital goods				80.69
				123.82
(v) Exchange adjustment (See Note 13, Page 52)				
26. 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
	Rupees crores	Percentage	Rupees crores	Percentage
(a) Directly imported	591.86	41.51	110.79	12.30
	474.59	35.56	71.81	7.62
(b) Indigenously obtained	833.80	58.49	789.58	87.70
	859.98	64.44	870.08	92.38
	<u>1425.66</u>	<u>100.00</u>	<u>900.37</u>	<u>100.00</u>
	1334.57	100.00	941.89	100.00
Less : Consumption charged to other revenue accounts			450.87	
			488.67	
			<u>449.50</u>	
			453.22	

Notes : (i) The consumption figures shown above are after adjusting excesses and shortages ascertained on physical count, unserviceable items, etc.
(ii) In respect of items which are purchased both from indigenously and imported sources, the identity of individual items consumed cannot be established but segregation of consumption between imported and indigenously sources has been made on a reasonable approximation determined from the Company's records.

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

27. Expenditure in foreign currency :

	Rupees crores	<i>Previous Year Rupees crores</i>
(i) Technical Know-how and Technical Consultants' Fees (net of taxes) including Rs. 41.02 crores on capital account (2000-2001 : Rs. 64.67 crores)	42.82	64.96
(ii) Interest and Commitment charges payable in foreign currencies	61.61	73.48
(iii) Commission	5.02	2.22
(iv) Payable on other accounts	12.58	8.22

28. 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 for the year 2000-2001 payable to non-resident shareholders, which dividends were declared during the year, are as under :

	Current Year	<i>Previous Year</i>
(i) Number of non-resident shareholders	1,757	1,577
(ii) Number of Ordinary shares held by them	18,509,160	16,049,451
(iii) Gross amount of dividends	Rs. 925.46 lakhs	<i>Rs. 641.98 lakhs</i>

29. Earnings in foreign exchange :

- (i) Export of steel and other materials (at F.O.B. value) **Rs. 580.75** crores (2000-2001 : Rs. 757.11 crores) [including value of exports through export house and exports of **Rs. Nil** (2000-2001 : Rs. 17.92 crores), sale proceeds having been realised in rupees].
- (ii) Interest received on balances with State Bank of India and Barclays Bank **Rs. Nil** (2000-2001 : Rs. 1.49 crores).
- (iii) Interest received on swap deals **Rs. 4.47** crores (2000-2001 : Rs. Nil)
- (iv) Dividend **Rs. 2.16** crores (2000-2001 : Rs. 1.52 crores).
- (v) Agency Commission **Rs. 2.74** crores (2000-2001 : Rs. 2.10 crores).
- (vi) Others **Rs. 9.49** crores (2000-2001 : Rs. 6.42 crores).

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

31. Figures have been shown in rupees crores only, in accordance with the approval received from the Company Law Board.

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