# TATA STEEL

Endurance • Continuous Improvement • Growth

# 102nd Annual Report
# 2008-2009


*Mr. B Muthuraman, Managing Director*

*This is to certify that*

*TATA STEEL LIMITED*
*INDIA*

*has achieved outstanding performance by practicing Total Quality Management utilizing statistical concepts and methodology based on the company's excellent business philosophy and leadership as demonstrated by its senior management. In recognition thereof, the Deming Prize Committee hereby presents the Deming Application Prize 2008 to*

*TATA STEEL LIMITED*
*INDIA*

*Fujio Mitarai, Chairman*
*The Deming Prize Committee*
*November 12th, 2008*



## The Deming Application Prize

The **Deming Application Prize**, established in December 1950 in honour of **W. Edwards Deming**, was originally designed to reward Japanese companies for major advances in quality improvement.

Tata Steel India's Award of the Deming Application Prize-2008 for **excellence in Total Quality Management** was a first to an integrated steel company outside Japan.

Mr. B. Muthuraman, Managing Director, Tata Steel, received the coveted medal from Mr. Fujio Mitarai, Chairman of The Deming Prize Committee in Japan.



# Endurance • Continuous Improvement • Growth

The growth of a company is invariably determined not just by its strategy, but on how it responds to the challenges it encounters. Over the decades, Tata Steel has successfully countered several challenges that have come its way with innovative responses and continuous improvement which have enabled it to remain stable and even convert some of these challenges into opportunities.

It is this culture of endurance, that has accorded Tata Steel the insight and focus to deal with the current economic environment. Drawing from its inner strength and beliefs, Tata Steel responded by launching several initiatives across all its operations in various geographies that are helping the Group achieve sustainable growth even in the current times. It is also this very culture that will propel Tata Steel to continue on its growth trajectory in the years to come.

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**Consolidated Financial Statements**



The Annual General Meeting will be held on Thursday, 27th August, 2009 at Birla Matushri Sabhagar at 3.30 p.m.
As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies to the meeting.

Visit us at : www.tatasteel.com
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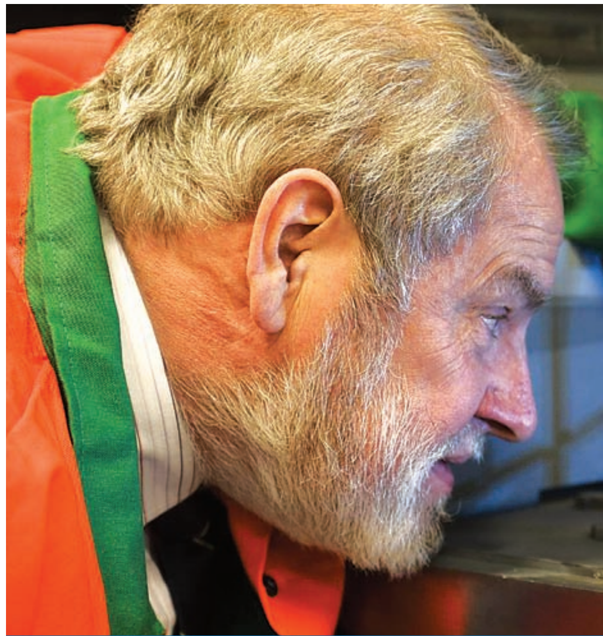
# Endurance • Continuous Improvement • Growth

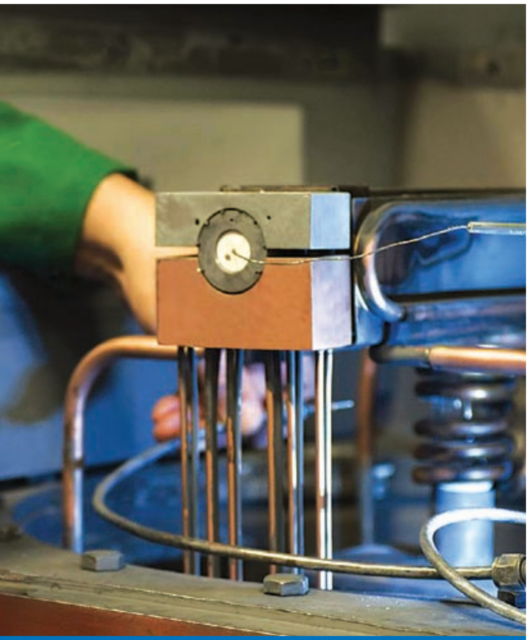


## endurance

Oneness with society, adaptability to the changing environment, empowerment of people, financial prudence and ethical governance have been the cornerstone of Tata Steel's **enduring** philosophy. These attributes have helped Tata Steel meet several challenges over the last 100 years.

## continuous improvement

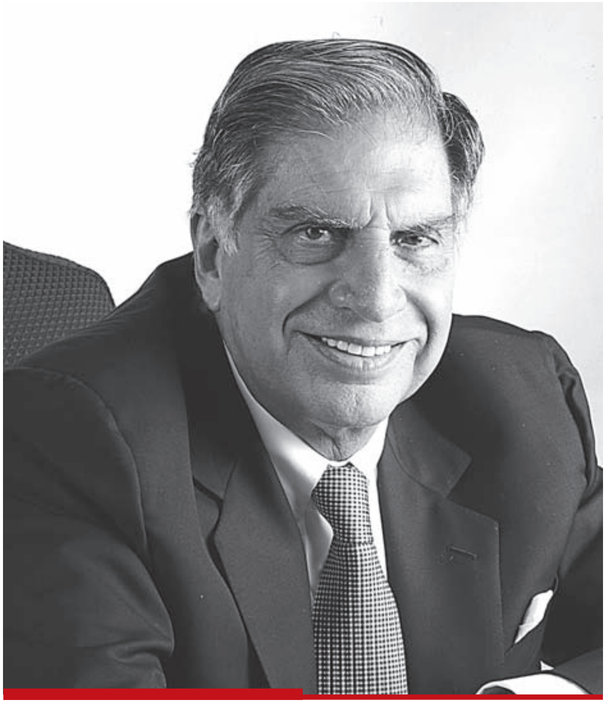
Tata Steel encourages its employees to work towards innovation in process and product development to drive efficiencies and create value. This approach has led to a work ethic that focusses on **continuous improvement** as a way of life.



# growth

A strong vision backed by focussed actions have enabled Tata Steel to **grow** over the last century. Tata Steel remains alert to every opportunity and has taken on several challenges to drive value and become one of the top 10 global steel companies.

# **Chairman's** Statement



**Ratan N. Tata** *Chairman*

**Dear Shareholder,**

## Global Meltdown

After decades of global growth, the world watched in horror as financial institutions collapsed, first in the United States followed by Western Europe and the United Kingdom. The crisis then spread to nations in Eastern Europe, Asia and other geographies. This global meltdown had a widespread and devastating effect on the world-wide banking system, stock markets, pension funds, individuals' net worth and ownership of assets. It was a financial crisis of proportions approaching that at the time of the Great Depression of 1929.

In their efforts to restore fiscal stability and credibility of the banks, various governments stepped in with financial packages to assist banks and other financial institutions, with a view to normalising the financial sector. However, in most cases, these funds were used by the receiving institutions to shore up their own balance sheets, and very little reached the "real economy".

The resultant lack of liquidity in the market, resulted in the drying up of consumer credit and working capital, leading to an unprecedented reduction in demand and the consequent inability of companies to finance their operations. This led to a domino-effect downward spiral in various industrial sectors like construction, automobiles, consumer products and capital goods. The effects of this downturn were initially felt in the industrialised nations but spread quickly to most other countries around the world.

The global downturn also had a major effect on various industries dependant on steel. Major contraction in the construction projects, automobiles, white goods demand from the third quarter of 2008-09 resulted in the global demand for steel dropping by 21% compared to the level consumed in the same quarter of the previous year.

While the economic scenario in India may look similar to that in the West, the situation was entirely different. Unlike the international banks and financial institutions, Indian banks did not hold toxic paper nor had they invested in sub-prime assets. Their loan portfolios were, by and large, healthy. What did happen was that in June 2008, the Reserve Bank of India raised the Repo Rates and the Cash Reserve Ratio of the banks, consciously curtailing liquidity in the system to combat inflation which had reached a level of around 11%. Predictably, the economy began to slow down in several sectors. The corporate sector and particularly small businesses increasingly faced difficulties in running their businesses, due to the lack of available finance and credit facilities. GDP growth declined from a level of 9% to 6.7% as new investments were deferred and output fell.

The situation was compounded when, as a result of the financial crisis in Western Europe and the United States, foreign financial institutions and foreign investors hurriedly liquidated their investments in India, leading to the collapse of Indian stock prices. Therefore from the second half of 2008-09 Indian industry was constrained to operate with very limited access to working capital, an inability to raise funds from market sources and a drastic drop in consumer demand.

The good news is that the economic revival in India is beginning to take place faster than most people expected and with the new government's plans for increased spending in infrastructure as well as rural development, the recovery in India is expected to be robust. Many believe the US economy has bottomed out, but that UK, Europe and Russia may fall still further. The general view is that an economic recovery in the Western world would probably only be in late 2010.

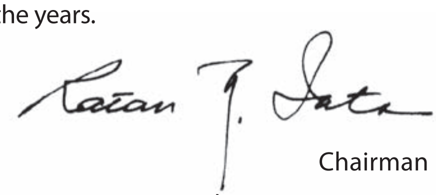
### *Tata Steel*

The effects of the world economic downturn seriously impacted our Company's global operations in the second half of the year under review. The demand for steel declined by 26% in the UK and Europe in the third quarter compared to a year earlier and after a further contraction in the fourth quarter, demand had fallen by 57% in the UK and 44% in Europe compared with a year ago. This reflected in a sharp downturn in private construction projects, as well as large falls in automotive and mechanical engineering, amplified by severe destocking by both end users and service centers. Indian operations witnessed a less pronounced drop in demand of 11% in the third quarter, reflecting the reduced activity in infrastructure and commercial vehicles. There are however signs that the infrastructure and road building activities in India are gaining momentum, as a result of some of the government's actions to revive the economy.

Tata Steel has taken aggressive steps to meet the challenges of these difficult times through major initiatives in cost reduction, process improvement and production rationalisation. The highest priority is being given to expanding steel producing capacity in Jamshedpur, and ensuring raw material security for the European operations which do not have captive iron ore and coal resources. Production rationalisation is also being undertaken in Europe and the UK to right-size manufacturing facilities to be in sync with the lower off-take by the market. The same approach is also being taken in the Company's Asian subsidiaries.

The past year and probably the next 12-18 months are likely to be difficult and challenging times for Tata Steel. However, the spirit of the Company's employees, coupled with their commitment to meet the challenges, I am sure, will see Tata Steel come out of this difficult period, as a more cost-effective steel manufacturer with a stronger global market presence and an enhanced capability in producing new grades of steel products to better serve its customers.

In ending I would like to thank all my colleagues and our unions at Tata Steel for their support and understanding through the year. They have collectively made the Company what it is today, and will help lead the Company into tomorrow. I would also like to thank our shareholders for the trust they have reposed in the Company over the years.



Chairman

Mumbai, 31st May, 2009

# **Message from the Managing Director**, Tata Steel

**B. Muthuraman** *Managing Director, Tata Steel*

The year 2008-09 was an eventful one. Tata Steel's Indian operations posted a record performance yet again. Compared to the previous financial year, deliveries were higher by 9%, turnover increased by 23%, EBITDA was higher by 14% and net profit higher by 11%. This, despite the fact that the world faced an unprecedented meltdown in the second half of the financial year, when the prices dropped to nearly half of what these were in the first half. Another high point for Tata Steel was to win the Deming Application Prize, which is the highest award for quality in the world. Tata Steel thus became the first steel company in the world outside Japan to have ever won the Deming Prize. The Deming Prize is a reflection of Tata Steel's commitment to its customers, employees, other business partners and the exceptional contribution the Company has made to the society as a whole. Tata Steel's longevity bears testimony to its long-term approach and its ability to embrace change with ease.

In contrast to Indian operations, our operations in Europe faced severe hardships, in line with the fate suffered by all other steel producers in Europe and the US. Our operations in South East Asia also felt the effect of the meltdown but to a lesser degree.

Financial year 2008 – 09 was an exceptional year in which we witnessed the best of times and the worst of times. After setting records of every kind in the first half, the year witnessed a dramatic reversal in the second half. The steel industry is used to cyclicality but what caught us and everyone by surprise was the speed and intensity of the downturn. Nations across the world responded to the crisis by introducing bail out and stimulus packages.

In its 102 years of history, Tata Steel has faced numerous challenges and has responded to each one appropriately. This crisis was no exception. The Tata Steel Group responded swiftly to the situation and took measures to 'weather the storm'. In our European operations, immediate steps were taken as tactical measures to align production and cost to the reduced market demand and there were medium and long-term strategic measures taken to ensure long-term competitiveness and sustainability. We took quick and decisive measures by curtailing production and introduced measures that reduced the cost by over one billion US$ in 2008-09. Our integration programme delivered significant gains accruing from improvement in operations in India and Europe. Our key cost savings and performance improvement initiatives are well advanced and are already giving significant results.

We shifted our priority to consolidation of ongoing initiatives and putting the current operations on even keel. Financial prudence remains the hallmark of any strategy that Tata Steel adopts and our efforts to de-leverage our balance sheet gained greater momentum. We gave a closer look to our capital expenditure programme and reduced the capex plan by over 40% in the first two years by re-phasing the outlay to later years and deferring some of the initiatives, yet retaining thrust on high yielding growth projects.

We remain committed to our long-term strategy and will continue to allocate capital towards our existing operations and new projects that are of strategic importance. Our inherent belief about the attractiveness of the steel industry has not been dented. We continue to dream and envision our future. The Tata Steel Group has developed a pipeline of high quality projects, which will be executed, though we will re-phase the sequence. Projects like the 3 million tonne expansion in Jamshedpur, the proposed steel plant in Orissa and raw material projects in Mozambique, South Africa and Canada are key drivers of our future value creation. We remain focussed on enhancing raw material security for our European operations and are looking at ways to speed up overseas raw material projects.

Tata Steel's philosophy of forging long-term partnerships with its stakeholders was vindicated once again during this downturn. Our employees have been a source of strength for us. The entire workforce worked as a team to fulfil the stretch targets that they set for themselves. Suppliers of equipment, materials and services responded positively to our requests by offering better payment terms and reducing prices to the extent they could. We are thankful to them for their understanding. The lenders too showed a great deal of understanding in resetting the covenants for our European borrowings. This speaks volumes about their confidence in Tata Steel and endorses the belief that the Tata Steel Group is as strong as it ever was.

The crisis in the second half of the year overshadowed some of the other achievements of the Tata Steel Group during the year. We set up the 'H' Blast Furnace at Jamshedpur during the year, which in addition to being the largest Blast Furnace in India, also achieved its rated capacity in a record time. The year also saw Tata Steel win the Economic Times' 'Company of the Year Award' and the Golden Peacock Global Award for Corporate Social Responsibility.

In times of crisis, Tata Steel did not lose sight of the long-term sustainability, which has been the cornerstone of Tata Steel's value systems. We continued to concentrate on safety and corporate social responsibility and sharpened our focus on climate change initiatives. Tata Steel along with Tata Power is setting up a captive power plant in IJmuiden, Netherlands using waste gases. This will reduce the carbon footprint of the Group significantly. Similarly 'H' Blast furnace will reduce $CO_2$ emissions in India in a significant way. These are just two of the many initiatives that were kick-started during the year. In order to institutionalise innovation, we have set up a Group-wide technology function headed by a senior executive to harvest innovative ideas in a structured manner.

On the outlook for the steel industry and of the economy as a whole, I believe the worst is behind us. The fact that we have reached the bottom of the cycle is itself a cause for satisfaction, as things can only improve from here. The buoyancy in the global economic activity was driven by trends of urbanisation and industrialisation in the Asian economies mainly of China and India. While the Indian economy remained largely on course even during this crisis, the revival of Chinese economy will be the turning point that will bring us back to the economic activity of the years 2007 and 2008.

I want to end by quoting Patanjali, who is credited with inventing yoga. This is what Patanjali said in 300 BC:

*"When you are inspired by some great purpose,*
*some extraordinary project,*
*all your thoughts break their bonds –*
*your mind transcends limitations,*
*your consciousness expands in every direction,*
*and you find yourself in a new, great, and wonderful world.*
*Dormant forces, faculties and talents become alive*
*and you discover yourself to be a greater person*
*by far than you ever dreamed".*

# **Board of Directors** as on 25th June, 2009

**Mr. Ratan N. Tata**
*Chairman*

**Mr. James Leng**

**Mr. Nusli N. Wadia**

**Mr. S. M. Palia**

**Mr. Jacobus Schraven**

**Dr. Anthony Hayward**

**Mr. Andrew Robb**

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| | |
|---|---|
| COMPANY SECRETARY | Mr. J.C. Bham |
| REGISTERED OFFICE | Bombay House, 24 Homi Mody Street, Fort, Mumbai 400 001.<br>Tel : (022) 6665 8282 Fax : (022) 6665 7724 / 6665 7725<br>E-mail : cosectisco@tata.com<br>Website : www.tatasteel.com |
| SHARE REGISTRARS | TSR Darashaw Limited<br>6-10, Haji Moosa Patrawala Industrial Estate,<br>20, Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011.<br>Tel : (022) 6656 8484 Fax : (022) 6656 8494 / 6656 8496<br>E-mail : csg-unit@tsrdarashaw.com<br>Website : http://www.tsrdarashaw.com |

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**Mr. Suresh Krishna**

**Mr. Ishaat Hussain**

**Dr. Jamshed J. Irani**

**Mr. Subodh Bhargava**

**Mr. B. Muthuraman**
*Managing Director*
*Tata Steel Limited*

**Mr. Kirby Adams**
*Chief Executive Officer*
*Tata Steel Europe*

**Mr. H.M. Nerurkar**
*Executive Director*
*(India & South East Asia)*

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| | |
|---|---|
| LEGAL ADVISORS | AZB & Partners<br>Amarchand & Mangaldas & Suresh. A. Shroff & Co.<br>Cleary Gottlieb Steen & Hamilton LLP<br>Freehills<br>Herbert Smith LLP<br>Linklaters LLP<br>Mulla & Mulla and Craigie Blunt & Caroe |
| AUDITORS | Messrs Deloitte Haskins & Sells |

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# **Tata Steel Group** Senior Management

## Group Corporate Centre

**B. Muthuraman**
*Managing Director,*
*Tata Steel Limited*

**Kirby Adams**
*Chief Executive Officer,*
*Tata Steel Europe*

**H. M. Nerurkar**
*Executive Director*
*(India & South East Asia)*

## Group Corporate Functions

**Koushik Chatterjee**
*Group Chief Financial Officer*

**Jean-Sébastien Jacques**
*Group Director*
*(Strategy)*

**Arun Baijal**
*Group Director*
*(Global Minerals)*

**Manzer Hussain**
*Group Director*
*(Communications)*

**Avneesh Gupta**
*Group Director*
*(Total Quality Management)*

## Senior Management

**R. P. Singh**
*Vice President (Engineering & Projects) TSL*

**Marjan Oudeman**
*Divisional Director (Strip Products) TSE*

**Anand Sen**
*Vice President (TQM & Flat Products) TSL*

**Scott MacDonald**
*Divisional Director (Distribution & Building Systems), TSE*

**Varun Jha**
*Vice President (Chhattisgarh Project) TSL*

**Phil Dryden**
*Divisional Director (Long Products) TSE*

**Abanindra M. Misra**
*Vice President (Raw Materials and Coke Sinter & Iron) TSL*

**Frank Royle**
*Director (Finance) TSE*

**Om Narayan**
*Vice President (Shared Services) TSL*

**Tor Farquhar**
*Director (Human Resources) TSE*

**Radhakrishnan Nair**
*Chief Human Resource Officer, TSL*

**Partha Sengupta**
*Vice President (Corporate Services) TSL*

**Hridayeshwar Jha**
*Vice President (Safety & Long Products) TSL*

**N. K. Misra**
*Group Head (Mergers & Acquisitions)*

**Binay Kumar Singh**
*Vice President (Orissa Project) TSL*

**Santi Charnkolrawee**
*President Tata Steel Thailand*

**T. V. Narendran**
*President & CEO NatSteel Holdings*

**V. S. N. Murty**
*Chief Financial Controller (Corporate) TSL*

**Helen Matheson**
*Director (Legal, Compliance & Secretariat) TSE*

**Sandip Biswas**
*Group Head (Corporate Finance, Treasury & Investor Relations)*

**Lim Say Yan**
*Group Head (Corporate Assurance & Risk Management)*

**Bimlendra Jha**
*Principal Executive Officer to Managing Director TSL*

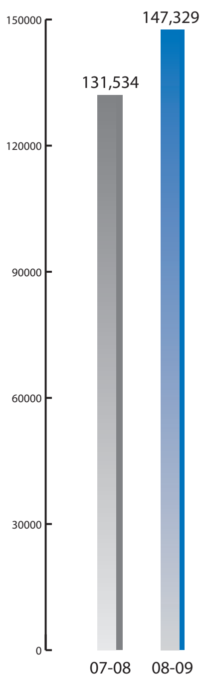
**Dr. Debashish Bhattacharjee**
*Director (Research, Development & Technology)*

**TSL** - Tata Steel Limited **TSE** - Tata Steel Europe

# Consolidated Financial Highlights 2008-09

## Turnover

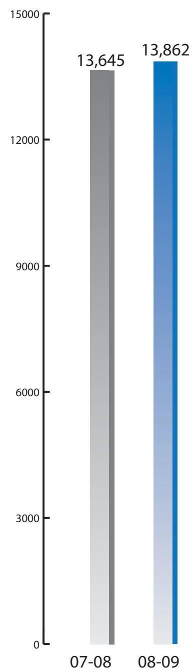
(Rs. in crores)




Turnover = Sales and Other operating income (-) Excise Duty

## Operating Profit

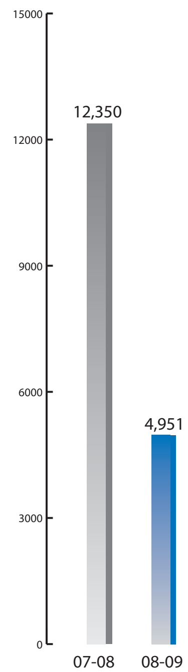
(Rs. in crores)




Operating Profit = Profit before exceptional items (+) Net Finance Charges (-) Other Income

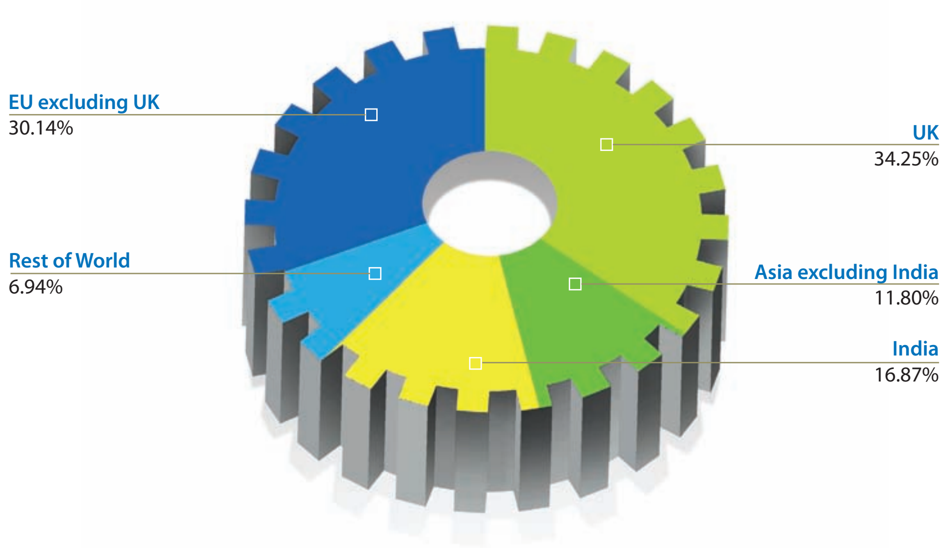
## Profit After Tax

(Rs. in crores)



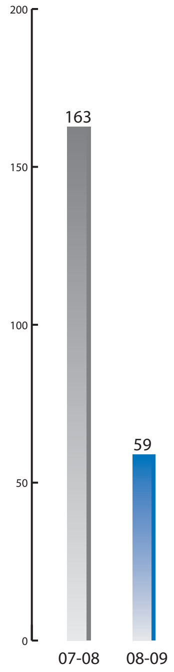

Profit after taxes, minority interest and share of profit of associates

## Geographical Distribution of Revenue



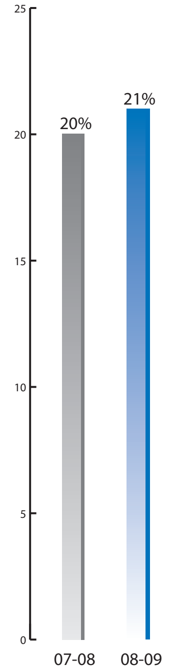
## Diluted Earnings Per Share

(Rs. per share)



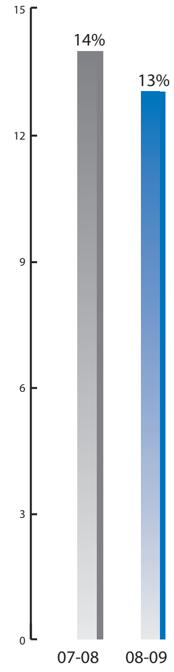

## Return on Invested Capital

(Pre-tax)

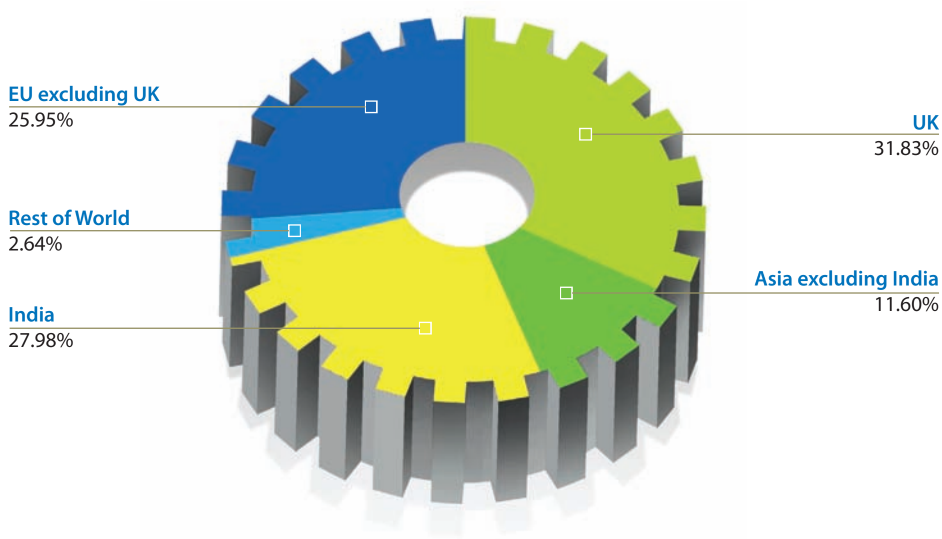



Net Operating Profit before tax and exceptional items / (Net Fixed Assets (excluding WIP) + Adjusted Net Current Assets)

## EBIDTA Margin




## Capital Employed by Geographies

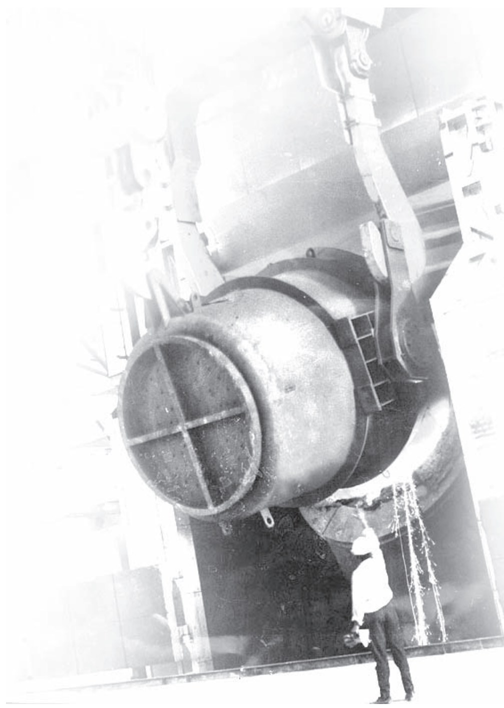


# **Current Global Scenario** and the Steel Industry

The steel industry has traditionally been very sensitive to the changing economic conditions. The recent economic meltdown has created several challenges – which when addressed appropriately, can be countered to positive effect. However, unlike the previous global recessions, this time around, all the countries have come together and taken action. Additionally, there has been a tremendous amount of governmental response to the global depression which is helping to bring about a possible easing of the situation.

## Economic Recovery

The world economic recession had put an abrupt end to the steel market upturn that began in 2002. The market had been turbulent over the last three decades but today, the steel industry is better prepared thanks to global restructuring and consolidation. The Group of Eight (G8) industrialised nations have begun preparing for an economic recovery, acknowledging signs of stabilisation in the economy and exploring options to establish procedures to unwind hefty stimulus packages. Despite short-term uncertainties, the long-term prospect of the global steel market is strong and growth in steel demand will resume eventually supported by domestic-led growth in many emerging economies. Such recovery might well be accompanied by significant structural changes in the industry worldwide.



The economic crisis has led to the cancellation or review of many planned investments in capacity expansions in the steel industry. However, since many expansion projects continue to advance in some emerging economies, world steel making capacity is expected to maintain an upward trend into 2010 which will well exceed future demand levels. This imbalance between capacity and demand is likely to hasten retirement of inefficient, more environmentally polluting or high cost capacities in certain countries, further affecting industry employment. Steel makers in developed countries will maintain their pursuit of a shift from volume to value. All this will further make the steel industry more competitive and efficient as the world economy recovers.


# **Current Global Scenario**
# and the Steel Industry

## Climate Change

Climate change is one of the most important issues that faces the steel industry in the 21st century. Steel fulfils a unique place in our lives and is essential for sustainable development. It is also key to infrastructure, energy delivery, transportation, housing, construction and consumer goods. All major steel producing countries are engaged in the process of substantive reduction in global emissions and learning to cope with climate change, a phenomenon caused by greenhouse gas emissions that are warming the atmosphere. The Tata Steel plant at Jamshedpur has reduced the $CO_2$ emissions by 36% over the past 12 years. This was possible through the adoption of several measures which included, among others, the installation of energy efficient equipment and processes, improving by-product fuel recovery and usage, and waste heat recovery. Tata Steel India is currently working on several projects that could yield a reduction of 2 million tonnes of $CO_2$ a year. In addition to this, Tata Steel Europe is also working with other steel makers in Europe on a major research and development project, ULCOS (Ultra Low $CO_2$ Steelmaking) with the ambitious objective of reducing carbon emissions per tonne of steel produced, by 50% by 2050.

Looking towards the future, the steel industry's main contribution to the reduction of $CO_2$ emissions should be to further develop the use of by-products and to work with its customers to help design better, long lasting, more energy and material efficient products. Additionally, improvements in areas other than primary steel production may offer further opportunities for $CO_2$ reduction.


## Health and Safety

The steel industry prioritises on health and safety. In most countries, the steel industry has been synonymous with economic growth and prosperity. Steel is used in everything from railroad tracks to automobiles to orthodontic instruments. However, the production of steel happens to be one of the most hazardous jobs. A workplace fatality is tragic no matter what the circumstances are. As an industry, we have the opportunity and responsibility to provide the best health and wellness solutions for our employees. Health and Safety remains the Tata Steel Group's priority with clear objectives for health, process safety and occupational safety. The Group has taken an integrated and systematic approach towards managing health and safety through structured programmes across all entities.

## Company Strategy

Despite the current slowdown in consolidation within the global steel industry, mergers and acquisitions remain a critically important business strategy for most corporates. Steel analysts are expecting a new wave of consolidation to take place in the next three years. Global giants are refocussing on positive markets by applying their resources to the core business where they are most needed. This creates opportunities to gain market share from competitors who diversify and split their focus. Acquisitions and strategic alliances are also critical to strengthen, refocus and position companies for increased growth and profitability. The Tata Steel Group is strongly pursuing its long-term strategy of acquiring and developing mining projects for its raw material security for iron ore and coking coal. The Group has been concentrating on the geographies that are logistically favourable with respect to its plants in Europe and Asia.

# Enduring the Turbulence

## and getting Fit for the Future

Following the steep downturn in the global economy, in the second half of 2008, the senior management of the Tata Steel Group, Mr. B. Muthuraman *(Managing Director, Tata Steel Ltd.)*, Mr. Kirby Adams *(Chief Executive Officer, Tata Steel Europe)*, Mr. H. M. Nerurkar *(Executive Director, India & South East Asia)*, Mr. Koushik Chatterjee *(Group Chief Financial Officer)* and Mr. Jean-Sébastien Jacques *(Group Director, Strategy)* have been interacting with various stakeholders including the media, several government bodies, equity analysts and global equity investors, banks and rating agencies to talk about the current environment, the industry, Tata Steel's response to the crisis and strategy. The following are the key themes of their discussions.

## *Q:* How has the global economic crisis affected the steel industry?

***A:*** The three key pillars of the international financial markets are confidence, capital and liquidity and these three are somewhat interrelated. Until September 2008, all these three pillars were on a high and therefore, businesses across the various sectors were performing in a robust manner. However, the confidence in the financial system was shaken with successive crises across various banks in the US and Europe. This then resulted in a significant erosion of capital in the banking industry in the developed world which eventually spiralled into an unprecedented global financial crisis. This phenomenon brought about a sharp decline in consumption of steel as it did in other products, affecting the steel demand across the globe. Consequently, global liquidity was choked and the manufacturing sectors including the consumers of the steel industry were severely affected. It is estimated that during the second half of the year, the steel demand declined by around 20% globally over the same period last year.

## **Enduring the Turbulence**
and getting Fit for the Future

### ***Q:*** How has Tata Steel responded to the situation?

***A:*** The Group has responded in time and with great speed executing several initiatives to counter the slowdown. Our actions have been geography specific and well planned.

In India, we have responded by increasing production post commissioning of the 1.8 mtpa programme and focussing on performance improvement to neutralise the effect of reduced realisations, whereas in South East Asia, the focus is on working capital management and cost reduction. In Europe we have cut production by idling blast furnaces at three sites in order to align production with demand as a part of the "Weathering the Storm" initiative which resulted in cash savings of £712 million (US$1.02 billion) in the second half of the financial year 2008-09. Further, these efforts have been supplemented by a strategic restructuring initiative launched as "Fit for Future" programme which when completed, will result in improvement of the operating profit of around £200 million annually. In all our sites across the Group, the journey of 'Continuous Improvement' stays on course, covering the entire range of manufacturing and mining processes.

### ***Q:*** What would be the Tata Steel Group's strategic levers in the near future?

***A:*** The strategic levers of the Group have remained the same over the last few years. The current global economic scenario has only rephased some of these strategies in terms of timing and speed. The four levers are

(a) Making our European operations competitive by hastening the speed of the "Weathering the Storm" and "Fit for the Future" programme.

(b) Quick completion of our expansion plans in India. The 3 mtpa project will be commissioned by 2011 and will add significant value to the Group. Further expansion in India through the Greenfield project in Orissa and Chhattisgarh are ongoing and their commencing will depend on ground realities and iron ore allocation.

(c) Investment in raw material assets to provide better raw material security especially to our European operations.

(d) Vigourous pursuit of continuous improvement across all our operations.

## *Q:* How important is the Indian growth story for Tata Steel?

***A:*** Our Indian operations are one of the most competitive assets in the global steel industry and therefore, capacity expansion in India is one of the key strategies for Tata Steel. In the financial year 2008-09, we have commissioned the 1.8 million tonnes of crude steel making capacity at Jamshedpur which will be further augmented by 3 million tonnes through ongoing brownfield expansion by 2011. The 3 mtpa expansion at Jamshedpur will enable Tata Steel to strengthen its market share in the Flat Products segment and simultaneously reduce the operating costs over a large volume of production. The above expansion will involve setting up a new 'I' Blast furnace, LD Shop, a Thin Slab Caster and Rolling facilities of 2.4 mtpa, New Coke ovens of 1.4 mtpa capacity, Pelletising plant of 6 mtpa and of course the augmentation of the existing mines. Post commissioning of the above facilities, Jamshedpur will be a single site with 10 million tonne capacity.

Our long term strategy is to continue to pursue capacity expansion in India through greenfield projects as well. We have made initial progress in Orissa in the last few years and we will continue to work towards developing the capacity in Orissa. The other projects in Jharkhand and Chhattisgarh are at a nascent stage and will take time to develop depending on the resolution of the ground level issues.

Therefore the India growth strategy remains a fundamental part of the long term strategy of the Tata Steel Group.

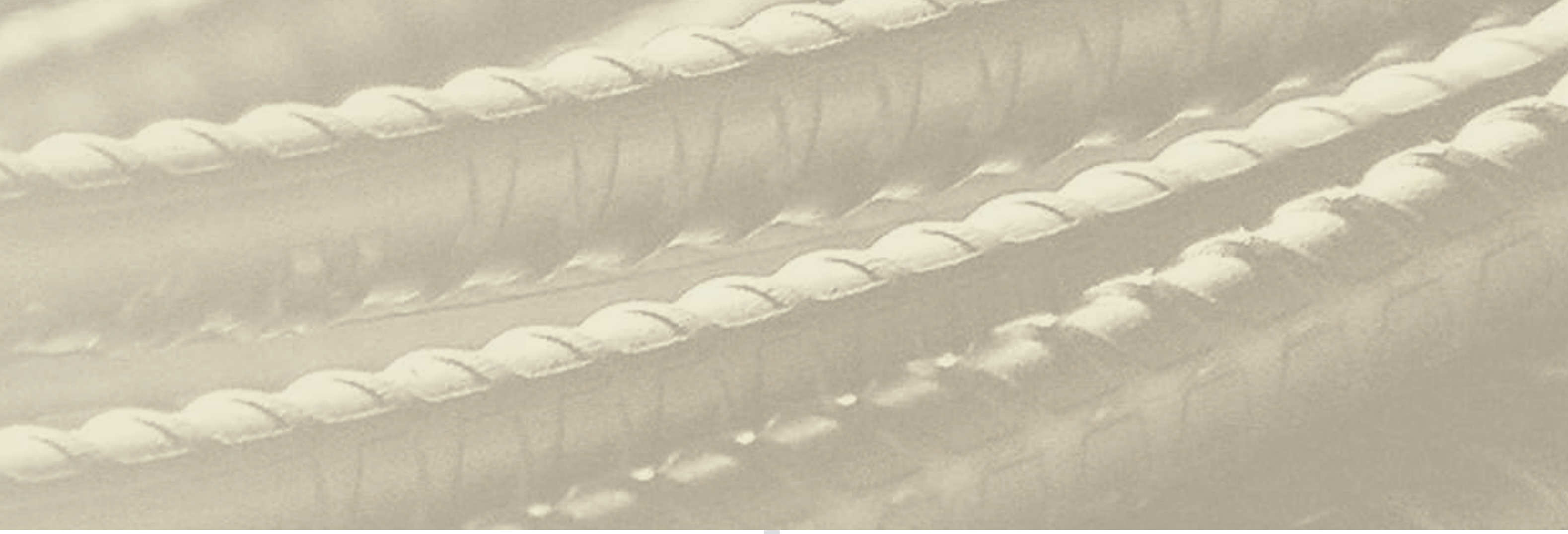
## Enduring the Turbulence
and getting Fit for the Future

### *Q:* How would the raw material strategy of Tata Steel unfold over the next few years?

***A:*** Tata Steel in India is an integrated player, for the majority of its raw material requirements. However, raw material self-sufficiency for the consolidated entity is at 25% post the Corus acquisition. It has been the stated objective of the company to increase self-sufficiency of raw materials to 50% in the medium to long term. We are actively pursuing raw material interests in coking coal and iron ore either in terms of virgin sites with significant resource potential or in terms of smaller existing ventures which can be quickly aligned to the requirements in Europe. Riversdale Energy Mining Limited, where we hold 35% stake, has announced an inferred reserve of around 4 billion tonnes in one tenement, in Mozambique, where its subsidiary has been awarded the Mining Concession. The feasibility study for the same is currently underway. Tata Steel also has a Joint Venture with New Millennium Capital Corp ("NML") in Canada, with an option to acquire 80% in the Direct Shipping Ore ("DSO") project. This has estimated reserves of around 100 million tonnes of iron ore. We also have an option in a South African iron ore mine, to enter into a Joint Venture with the promoters. This project is currently under evaluation. It is expected that iron ore from both the DSO project and the South African mines will service part requirement of the European operations starting from mid 2011.

### *Q:* Tata Steel Europe has a large pension scheme. Can you give us an update?

***A:*** The British Steel Pension Scheme (BSPS) had assets at March 31, 2009 of approximately £9 billion. As part of the strategy of de-risking the BSPS, the investment management team has been progressively altering the asset mix, out of equities into fixed income assets (bonds). This was largely carried out at a time when equity markets were at relatively high levels, with a resulting benefit to the scheme. As at March 31, 2009, the asset mix comprised 68% of fixed income assets, with the balance of 32% being principally equities. The comparable figures at December 2006 prior to the acquisition by Tata Steel were 50% and 50% respectively. The BSPS on an IAS19 accounting basis had a surplus of over £600 million as at March 31, 2009. The Company



has also completed discussions with the Pension Trustee on the triennial valuation of the scheme as at March 31, 2008 and the Company contributions to meet the cost of future service benefits will continue from April 1, 2009 at the rate of 12% of pensionable earnings subject to review at future actuarial valuations.

## *Q:* How has the debt position moved for the Tata Steel Group in the previous year?

***A:*** The gross debt in the Tata Steel Group was US$10.54 billion in March 2008 which increased to US$11.78 billion as at the end of March 2009. The increase was primarily on account of raising of new loans to the tune of US$2.07 billion, during the year in Tata Steel India, to fund growth projects and to ensure an adequate liquidity buffer in the wake of global liquidity crisis. During the year, we repaid debts to the extent of US$ 1.66 billion including a prepayment of debt in Tata Steel Europe of around £150 m (US$215 million). The entire foreign currency term debt in Tata Steel India is hedged into rupees at acceptable levels. Therefore the company was unaffected by the volatile movement of the rupee on account of the above loans. The only instrument which is unhedged are the Convertible Bonds (CARS) which have a convertible option.The gross debt as on March 2009, showed an increase of US$830 million, which was primarily on account of revaluation, due to currency movements. The corresponding value of the hedges taken to cover foreign currency loans in Tata Steel Limited, amounted to approximately US$611 million, which was reflected on the asset side of the Balance Sheet. Taking into account the liquid cash and cash equivalents on the books as at March 31, 2009 of US$1.9 billion, the net consolidated debt as at March 31, 2009 was US$9.9 billion.

## ***Q:*** The covenants for the debt in Europe have been restructured. Can you elaborate?

***A:*** The Senior Facility Debt in Europe is a non-recourse debt to Tata Steel Limited. This debt carries certain covenants, which are tested on a quarterly basis. Tata Steel Europe has performed strongly in 2008-09 and has met all its covenant obligations till March 2009 with a strong liquidity position at the year end.

We have informed our lenders that we are taking significant steps to restructure our operations and reduce costs to weather the downturn. This would enable us to emerge stronger with improved profitability in the future. In the near term, however, like most other companies in the industry, there could be an adverse impact on our EBITDA, which could put a stress on the covenant package in the forthcoming quarters.

As part of the pro-active discussions with our lenders on the covenant package, we had not sought any additional funding, as we had sufficient liquidity for our operations and had also not requested any re-scheduling of our debt servicing obligations as there are no material repayment/refinancing requirements in the near future. Furthermore, as part of the covenant reset package being sought, we volunteered to prepay £200 million of the non-recourse debt to continue with our objective to de-leverage our European operations. The Lenders voted unanimously in favour of the resolution, the redeeming feature being, that there will be no increase in the current level of interest costs for the remaining life of the loan.

The covenant reset package, as agreed, requires Tata Steel, the parent company, to inject £425 million into Tata Steel Europe in a phased manner, of which around £ 200 million will be used to prepay debt and de-leverage the European Balance Sheet.

The covenant resetting agreement demonstrates the strong relationship of the Tata Steel Group with its lenders and underlines the commitment of the parent company to its European operations.

## *Q:* Can you elaborate on the Financing & Liquidity Strategy of the Tata Steel Group in response to the crisis?

***A:*** Given the unprecedented scale of the global financial crisis, the company responded very quickly on many fronts and financing was certainly one of them. Recognising the uncertain financing environment and the fragile state of the global banking industry, we focussed on both internal and external levers. Internally as an organisation, we placed primary importance on conserving liquidity through reduced spend management and sharp reduction in working capital levels. We also focussed on improvement in the productivity levels and reduction in overheads. On capital expenditure, we have re-prioritised on the most value creating and critical projects and reworked the capital planning strategy.

On the external front, we raised long term capital which acted as a liquidity buffer in the current circumstance and would be deployed in value creating long term assets. The above actions ensured that the Tata Steel Group had adequate liquidity and also financial flexibility for growth and exigencies.

The liquidity position of the Group at the year end was approximately US$1.9 billion of cash and cash equivalents and undrawn lines.

## *Q:* Finally what are the key priorities of the Company for the next twelve months?

***A:*** Our near term focus is on the implementation of the "Fit for Future" restructuring in Europe, to continue with the 3 mtpa expansion project in Jamshedpur and overseas raw material projects, to increase production volume in India and optimise working capital management across the Group to preserve liquidity.

# A history of positive response

Over the past 100 years Tata Steel has witnessed many global crises. Every time the company has responded positively and proactively, enabling it not merely to overcome each crisis but to grow through the experience.

## The Swadeshi Movement (1905–1908)

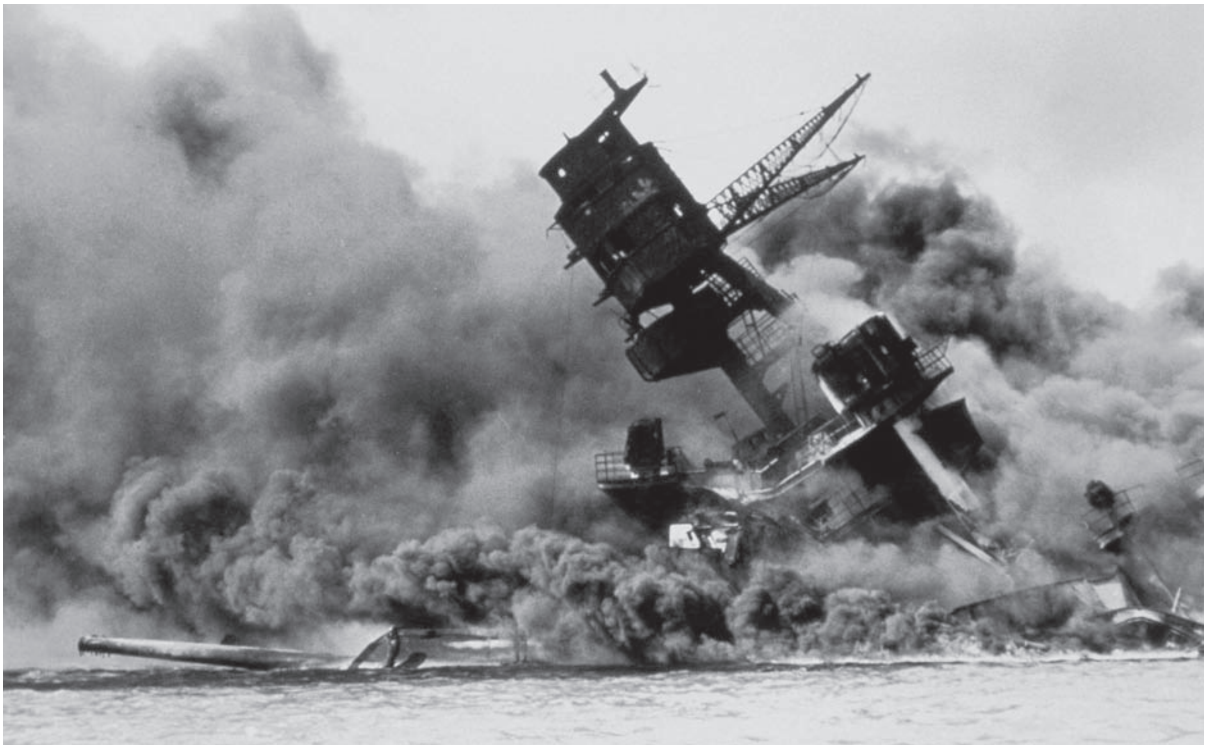
India's Swadeshi Movement began in the early 1900s. It encouraged the boycotting of imported goods in order to stimulate the demand for products made in India. As a part of the Indian Independence Movement, it was a successful economic strategy to improve economic conditions in India through the principles of self-sufficiency as well as to prove that Indians had what it takes to produce for themselves, administer themselves and be self-reliant. The market also needed a boost that would encourage Indian trade and enterprise.

The Movement gave tremendous impetus to the Indian industry, opening the way for the manufacture of swadeshi salt, sugar and other products.

### BIRTH OF TATA STEEL

The Swadeshi Movement encouraged Jamsetji Tata to set up Asia's first ever privately-owned integrated iron and steel plant. His interest in iron making was triggered in 1882 when he came across an official report on the Chanda district which identified large deposits of high-quality iron ore but also noted a lack of suitable coal in the region. His idea of endowing his country with its own iron and steel industry gained support within the government and in 1907, when the Swadeshi Movement was at its height, the Tata Iron and Steel Company Ltd. was incorporated.

The Tatas raised the finance to build the steel plant within India – a significant milestone in Indian economic history. They proved a point to the then British government that an Indian company had the vision and the wherewithal to build an industry from the ground up and had the know-how to apply international standards to meet local needs. The setting up of the Tata Iron and Steel Company Ltd. gave Indian industry a voice paving the way for many a future enterprise.



## World War I (1914 –1918)

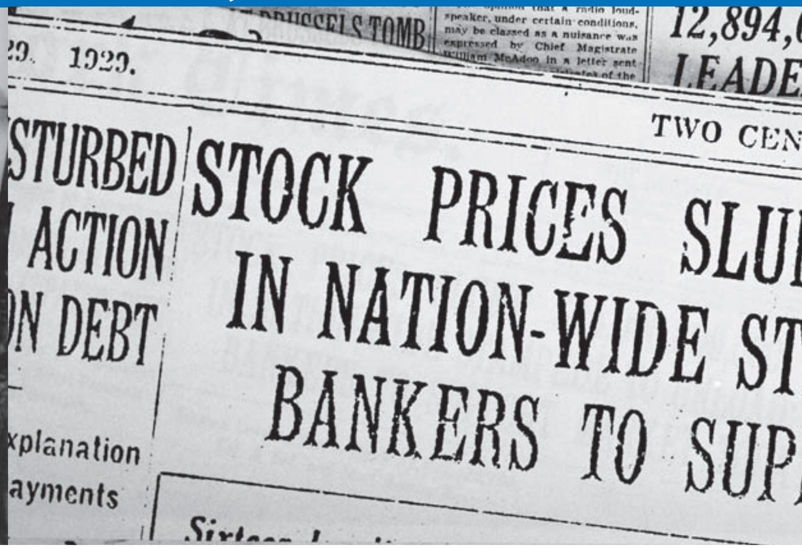
World War I began as a local European war on 28th July, 1914 and eventually became a global conflict spanning four years and involving 32 nations, before finally ending on 11th November, 1918. It caused unprecedented carnage and devastation across the world. During the war no fewer than 26 vessels carrying Tata Steel material were sunk. The war effort took almost 80% of Tata Steel's production.

### *Tata Steel responds*

During World War I there was a requirement for substantial amounts of steel to oppose the German aggression. Through innovative efforts like stopping the manufacture of highly profitable ferro-manganese in favour of using its blast furnaces to convert pig iron into the steel that the war effort required, Tata Steel supplied 1,500 miles of rail and 300,000 tonnes of steel material at concessional rates for the military campaigns. The plant was geared to meet the priority needs of the government. It worked on a 24-hour schedule, and sold its products to the government at a fraction of the price prevailing in the open market. Two more open hearth furnaces, each of 60 tonnes capacity, were added to make more steel. The British acknowledged at the end of the war that the allied victory would not have been possible without the 1,500 miles of railway track supplied by Tata Steel.

In 1919, in recognition of the Company's contribution to the war effort, Lord Chelmsford renamed Sakchi as Jamshedpur and Kalimati Railway Station as Tatanagar. It was also during this time that the Company decided to expand its capacity.

## The Great Depression (Late 1920s – early 1940s)

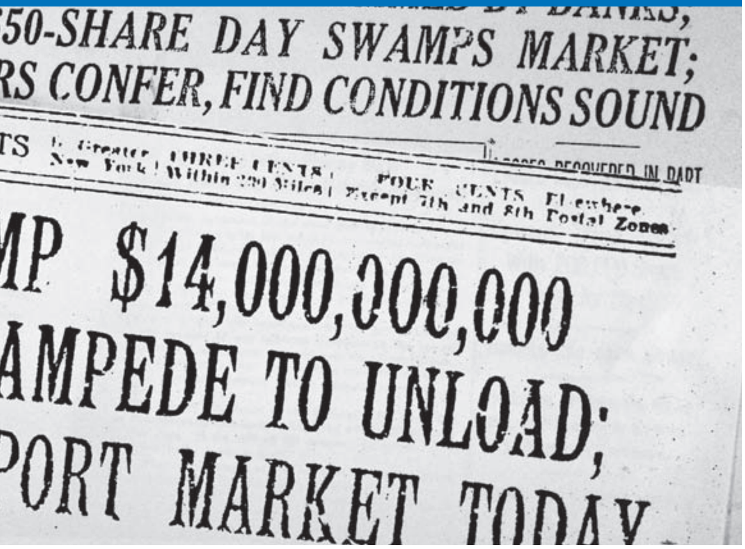



The Great Depression, which originated in the US with the Wall Street Crash of October 1929, was a worldwide economic downturn that had a disastrous effect on virtually every country. It was the most severe economic depression of the 20th century, wiping out the value of equities, wrecking the international currency system and causing world commodity prices to collapse. International trade plunged by half to two-thirds, as did personal income, tax revenues, prices and profits. Construction came to a virtual halt in many countries. Facing plummeting demand and rocketing unemployment, areas dependent on basic industries such as farming, mining and logging suffered the most. In the UK the Great Depression brought to a head the mounting discontent of the British steel industry's financial backers, some of which had already effectively taken control of many family-owned companies.

### *Tata Steel responds*

Early in World War I Tata Steel had embarked on an expansion of the Works and this was followed by a larger expansion programme in 1917 to raise its steel production to 500,000 tonnes.

The value of this expansion programme was not fully appreciated until the world was reeling under the pressure of the Great Depression. The Tatas survived the Depression and supplied nearly three quarters of the country's steel requirements at that time.




### *Formation of the British Iron & Steel Federation*

Co-ordinated by the Bank of England and boosted by a devaluation of the Sterling, which helped exports and hindered imports, a series of measures were adopted in the early 1930s to cure the industry's chronic ailments. In 1934 the British Iron & Steel Federation (BISF) was formed. Under its leader, Sir Andrew Duncan, the BISF espoused a policy of rationalised regional steel making. It left investment decisions to individual firms but retained a strong influence over policy matters, as well as control over the industry's relations with the government. This industry structure remained largely intact until the second nationalisation of the UK's steel industry in 1967 (the first was in 1949). The result was a swift improvement in business performance as living standards finally began to rise.

## BIRTH OF KONINKLIJKE NEDERLANDSCHE HOOGOVENS

In September 1918 Koninklijke Nederlandsche Hoogovens en Staalfabrieken was founded as a private-sector initiative. Inspite of the uncertain future, at the end of the War, a group of 23 men comprising bankers, industrialists, merchants and politicians founded the company under the leadership of the visionary Henry Wenckebach. In 1924 iron making started up in IJmuiden, using cutting-edge coke making and blast furnace technology. Skilled labour was attracted from all around Europe.

By 1929, as the Depression took hold, the company was operating its two blast furnaces at full capacity, selling all the pig iron output, as well as all the furnaces' by-products. However, a couple of loss-making years in the pre-Depression period made it financially impossible to realise the dream of expanding downstream into the melting and rolling of steel.

In 1931 Hoogovens made a profit and, with exports of 225,000 tonnes of pig iron, was the most important merchant iron supplier in the world. By carefully building up a dedicated worldwide customer base, establishing low-cost/high-quality integrated iron making operations and fully exploiting the opportunities to sell by-products, the new company had acquired the ingredients which would ensure its survival through the years of the Great Depression.

## World War II (1939-1945)

Beginning with the German invasion of Poland on 1st September, 1939, World War II was the largest armed conflict in history, spanning the entire world and involving more countries than any other war. It involved the great powers, organised into two opposing military alliances - the Allies and the Axis. In a state of "total war", the countries directed their entire economic, industrial, and scientific capabilities towards the war effort, erasing the distinction between civilian and military resources. Over seventy million people, the majority of whom were civilians, were killed, making it the deadliest conflict in human history.

### *Tata Steel responds*

During the years of World War II, Tata Steel again made a major contribution in supplying the materials necessary for war. The Company pledged its entire output to the war effort. The war also greatly challenged the ingenuity of Tata Steel's scientists and in the course of the next five years the Company produced 110 varieties of steel, despite the fact that there were hardly any worthwhile facilities available anywhere in the country except in the plant. In 1941 Tata Steel put up a wheel, tyre and axle plant to meet the requirements of the railways; in 1942 a mill to manufacture 1,000 tonnes per month of armour plates for defence carriers was added; a benzol recovery plant for producing toluene, needed for the manufacture of explosives, was put up in 1943. Tata Steel's major achievement was armour-plating for cars. After experimenting with different compositions of steel, the Company came out with '*The Tatanagar*', a light armoured vehicle that was used extensively during the war.

### *Hoogovens responds*

Not long after the war started and following the initial German western offensive, Hoogovens came under the supervision of the occupying army. Throughout the war years the Dutch management was faced with the challenge of steering the company through air-strikes, the constant threat that the occupier would force Hoogovens personnel to go to work in Germany, as well as German efforts to take over the company completely. The war took its toll and the main priority in the post-war period was to repair the damage caused and to secure scarce resources and spare parts in order to re-start operations. The heavy plate mill, which had been dismantled and shipped to Germany during the war, was also returned to IJmuiden.

In a country impoverished by the war, without financial resources, with a huge demand for steel and a government committed to rebuilding, Hoogovens faced many challenges. Although the government stressed the importance of providing materials for the home market, Hoogovens was convinced it should maintain its international outlook and was inspired by its new semi-continuous wide hot strip mill technology, which originated in the US and was obtained under the American Marshall Aid recovery programme after lengthy negotiations.

Having a long-term international vision, opting for completely new technologies, quick decision-making and fostering social cohesion among its workforce, all these things allowed Hoogovens to emerge successfully from the post-war period.

## Post Indian Independence Nation Building (Late 1940s)

Soon after India won her hard fought battle for independence in 1947, the country was hit by the Partition and its after-effects. In the next couple of years the government had the task of nation building to make India self-sufficient. Serious efforts began to boost industry and commerce and build a stable economy.

### *Tata Steel responds*

The Tatas were ready to take part in the Herculean task of nation building. The badly needed steel for the new Five-year Plans came from the Tata factory – steel for the Howrah Bridge in Kolkata, the Bhakra Nangal project, the Damodar Valley Corporation and many more important projects. Tata Steel played a key role in the recreation of post-independence India.

Initiatives such as Leave with Pay, the Workers' Provident Fund Scheme, the Workmens' Accident Compensation Scheme, Maternity Benefits, Eight-Hour Working Days, Free Medical Aid, Retirement Gratuity and Profit Sharing Bonus were introduced by Tata Steel long before they were enforced by law.

# **A history of** positive response

## Post-War Rebuilding of the UK Steel Industry (1946-1967)

At the end of World War II it seemed unlikely that the UK steel industry was about to enter a long period of growth, given the fact that the post-World War I boom had been short.

Despite being criticised for profiteering, UK steel makers had worked tirelessly, contributing 97% of their output to the War and related purposes. However, since the War had provided no opportunity to focus on capital expenditure or on consolidation, there were fears that the industry might sink or stagnate.

### BIRTH OF BRITISH STEEL

Initially, under the auspices of the Iron & Steel Control (set up during the war under the Ministry of Supply) and based on the recommendations of the 1945 Franks Report, a development plan for the steel industry was drawn up. Over the next two decades four more five-year plans were published, at the end of which the condition of the British steel industry had immensely improved. A succession of ambitious investment programmes were undertaken to build new blast furnaces and modern rolling mills (in particular hot strip mills). Production grew to keep pace with demand and reached a peak of 27 million tonnes of crude steel in 1965. However, problems caused by fragmented ownership continued until a solution was provided in 1967 by way of nationalisation under the Iron and Steel Act 1967. As a consequence, the British Steel Corporation was formed, which incorporated 90% of UK steel making.

## Economic Development of Singapore (1960s)

The 1960s was a time of economic uncertainty in Singapore. Infrastructure was poor and the existing industrial facilities were mainly for domestic consumption. There were few exports and very little foreign investment. In addition, Singapore was also battling unemployment and labour unrest after the withdrawal of British troops. The need of the hour was to give the country's economy a boost, accelerate industrial development and create jobs.

### BIRTH OF NATSTEEL

National Iron and Steel Mills Ltd. (NISM) was incorporated on 12th August, 1961 to manufacture, export and trade in iron and steel products for the construction industry in Singapore, Malaysia and the adjoining region. Tasked to support Singapore's nation-building efforts, NISM's products were used in most construction projects, such as HDB flats, MRT lines and Changi Airport. In 1990 NISM changed its name to NatSteel. By the beginning of the 21st century NatSteel had established a strategic footprint in the growing economies of the Asia Pacific and had built a premium brand name that was widely respected for its quality and production know-how. Since its inception NatSteel has nurtured an ethic of positive response to challenge, a tradition it continues as part of the Tata Steel Group.

## Economic Malaise and the Oil Crises (1967-1988)

During the late 1960s and the early 1970s UK steel demand dropped for the first time since the war. The oil shocks of 1974 and especially 1979 exacerbated the downturn in UK steel consumption, with output dropping in 1980 to less than 12 million tonnes. Britain was not alone in suffering the effects of the economic turbulence. Regulation of the steel industry had transferred to Brussels in 1973, when Britain joined the tariff-free Common Market. In 1980 the European Commission declared the steel industry to be in "manifest crisis", introducing production quotas, delivery ceilings, and state aid in return for capacity cuts.

### *British Steel responds*

British Steel entered the 1980s suffering from surplus capacity and chronic overmanning that had caused employment to rise to 38% of total costs. In 1980 the industry suffered a lengthy steel workers' strike. However, British Steel's workforce had shrunk to 53,000 by 1988 from 250,000 in 1967.

Furthermore, it had reversed ten years of heavy losses from the mid-1970s. By the late 1980s it was making a healthy profit and was hailed as one of the world's most efficient steel makers. In 1987 the government decided that it had made an impressive turnaround in performance and had a sufficiently healthy outlook for privatisation to take place. The sale of British Steel was a pioneering transaction that sparked off a mass migration from state to private ownership.

## Steel Denationalises and Consolidates (1988 onwards)

The 1990s were, in general, good years for British Steel plc, despite the continuing cyclicality of the industry that could still produce loss making years. By and large shareholders had opportunities to prosper and the privately-owned company continued to modernise and rationalise, so much so that at times the company was held up as a model for the rest of the world's steel makers. Meanwhile, the national players in a still-fragmented European and global industry were unable to cope with economic troughs and maintain the heavy capital expenditure the steel industry required. There arose an increasingly obvious need for the industry as a whole to free itself of state aid and to consolidate, which was recognised by the European Commission's shift in policy towards accepting "one-time last-time" state aid in exchange for removal of state ownership together with rationalisation and support for cross-border mergers.

### *Formation of Corus*

In 1999 British Steel plc and Koninklijke Hoogovens N.V. merged to form Corus in the largest European steel industry merger to date. Together they formed Europe's second largest steel maker and the world's fourth largest. In the first few years of the new millennium the global steel demand balance oscillated wildly and by 2003 Corus was in severe difficulty. The company adopted a programme of strategic reforms called "Restoring Success", which aimed at going beyond a mere adaptation to new market conditions. This 3-year programme restructured the Group's UK operations to give a focus on three core sites: Scunthorpe, Port Talbot and Rotherham. One of the key decisions was the closure of the hot end at Llanwern. By 2005 Corus had returned to profit and restored value to shareholders.

## Economic Liberalisation In India (1991 onwards)

The economic liberalisation reforms did away with the Licence Raj. In 1991, after being bailed out of bankruptcy by the International Monetary Fund, the government of P. V. Narasimha Rao initiated several breakthrough reforms, including opening up international trade and investment, deregulation, initiation of privatisation etc. This period was hailed as a breath of fresh air after the tight and rigid control of the licensing policy that was earlier prevalent in the country. India has been on a fast track of economic growth ever since.

### *Tata Steel responds*

The 1991-1992 government policy was a momentous change from the earlier trade controls and restrictions and brought with it a new era of growth for the country. The iron and steel industry became one of the foremost sectors to be opened under the New Economic Policy. Substantial private investment flowed in, with the consequent changes heralding a new beginning for the interplay of free market enterprise in this vital sector. Embracing these new liberalisation measures, Tata Steel, under the guidance and leadership of its senior officers, embarked on a series of modernisation and restructuring initiatives which helped it grow from strength to strength. The full impact of economic liberalisation, which meant that steel could be easily imported, was felt in 1993-94. The Company set targets to reduce costs of production and raise the level of net realisation. This was a turning point for the Company, which was judged Number 1 in the league table of world-class steel companies by World Steel Dynamics in the year 2001.

The Company also began work in earnest on Phase III of its multi-thousand crore modernisation programme and, after the fifth phase of modernisation, was awarded ISO-9000 certification. The Six Sigma programme was introduced thereafter. In addition, as a measure to upgrade quality, a model of the US's Malcolm Baldrige Awards was adopted under the banner of the JRD QV Awards. Tata Steel Limited (India) is today one of the lowest cost producers of steel in the world.

## Collapse of the Soviet Union (1992)

The disarray in the post-Soviet era created a flood of steel imports from East European countries. In 1992 the situation worsened due to a softening business cycle and the devaluation of the US Dollar. All these elements led to plummeting prices.

### *Hoogovens responds*

Inspired by Nippon Steel's Nagoya plant, a master plan was launched in 1990 which aimed at repositioning Hoogovens into the group of 'Best in Europe' by 1995. This plan covered a wide range of aspects such as organisation, education, complete customer focus and operational excellence. The basis for this improved competitiveness was a drastic reduction in cost-base by gradually reducing the number of personnel and by increasing output.

Alarming financial results in early 1992 forced the company to accelerate the master plan. Through the joint efforts of its personnel, trade unions, shareholders and a large group of very loyal customers in Europe and the US , the company was able to counter the threat within two years. The efforts paid off in the late 1990s, when Hoogovens in IJmuiden was declared the best plant in Europe for financial performance.

Corus IJmuiden, Netherlands

# The 2001 Financial Challenge

2001 was a dramatic year. The 9/11 disaster and the burst of the dot.com bubble sent strong negative messages rippling through the economy. Many American companies sought refuge under 'Chapter 11', which afforded them protection against possible bankruptcy. There was a concurrent impact on exports to the US, which affected steel makers elsewhere.

### *Corus IJmuiden responds*

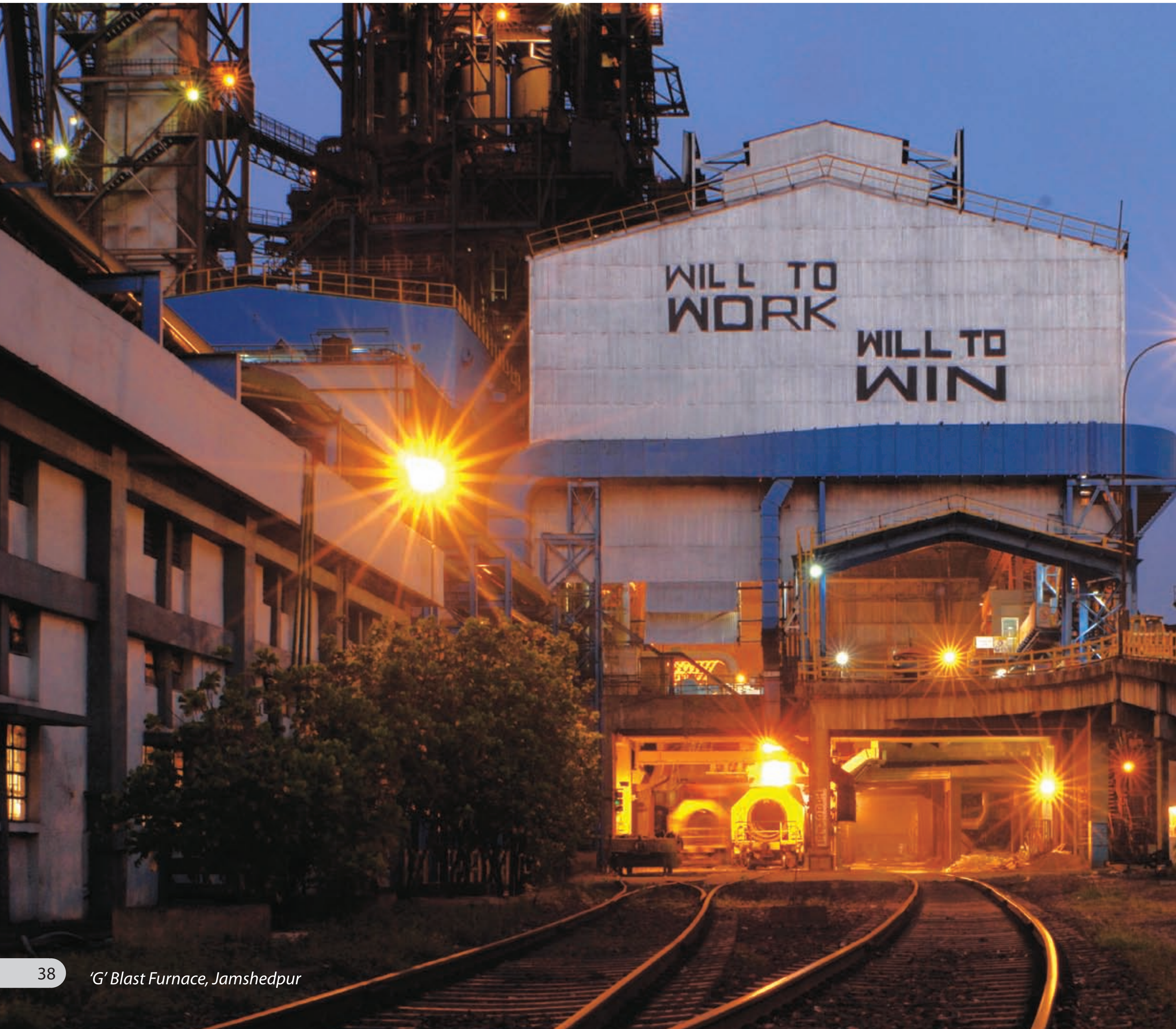
As a response to this business environment, on 5th March 2002 the US administration announced that under Section 201 of the US Trade Act it would impose a three-year safeguard duty on steel imports, which in practice meant tariffs of up to 30% on steel supplied from IJmuiden into the US. With over half a million tonnes of high-quality steel products supplied from the Netherlands to a stable group of US customers, this presented a major threat to IJmuiden's market position.

The first response was to assure US customers that Corus IJmuiden would do everything to keep them supplied. Already well-versed in legal battles with the US administration, IJmuiden stepped up its efforts. The basis of this confrontation revolved around the fact that much of the material that IJmuiden supplied simply could not be produced by US mills because of its specific physical properties and qualities. Politicians, ambassadors, US governors and the American customers played vital roles in keeping the trade channel open.

In order to continue dedicated services to its US customers, which in most cases had a history as far back as the 1960s, the plant in IJmuiden was able to secure a minimum lifeline to meet its customers' delivery needs. This included securing emergency supplies from other plants, in some cases. In May 2003 the US president withdrew the Section 201 tariffs.

A history of providing unique products along with the united defence against the trade restrictions served to reinforce the very valuable bond between US customers and Corus in IJmuiden.

# **Responding to the Crisis** - The Tata Steel Way




*'G' Blast Furnace, Jamshedpur*

The steel industry is no stranger to market turbulence. Since it was founded in 1907, Tata Steel has risen to each and every challenge, as have its subsidiaries. The latest challenge has come from the economic downturn, which has destroyed vast amounts of wealth across the globe. In response, the Tata Steel Group has reassessed its operating performance in order to strengthen its foundations.

The Company swung into action recognising that this economic downturn was deeper than what had been previously experienced and was also more global in scale. The operating plan was realigned to reflect the current realities of the marketplace while working capital generation and utilisation was optimised.

The Company looked at the slowdown **as an opportunity to act quickly and effectively to create value and has undertaken several initiatives over the last year**. Cross-functional strategic teams were assigned to drive transformational change across key process areas. Managers were asked to make resource allocation decisions while serving two competing yet equally critical goals: keeping the organisation viable during the economic downturn and readying it to surge forward when the winds are favourable again. This was a time to identify best working practices and act on them.

Tata Steel has been working to enhance customer satisfaction and expand relationships with existing clients. It has looked strategically at cost-cutting, which was an inevitable consequence of the economic downturn. To fight against rising costs, the Company reorganised its business plans, tightened budgets and eliminated unnecessary costs, and thus achieved **its primary goal of emerging as a leaner, cost-effective and more efficient operation**.

The Company's second goal was to grow despite the economic downturn. Tata Steel focussed on areas within its sphere of influence, communicated honestly and consistently, and negotiated better deals and contracts. Throughout this process, **it continued to maintain direct and unambiguous communication with its employees and ensured that its teams stayed motivated**.

To counter any effects of the downturn, Tata Steel has undertaken both tactical, or short-term, and strategic measures in order to benefit the organisation in the long run.

# Responding to the Crisis -
## Some Initiatives by Tata Steel
## (Indian & South East Asian Operations)

### *Tactical Initiatives*

Tata Steel has successfuly preserved cash by reducing net working capital and rephasing capex. In view of the liquidity constraints, capital expenditure outgoings during the year were contained at around Rs. 3,000 crore. Cash generated from operating activities this year came to Rs. 7,397 crore, almost 18% higher than last year.

Inventories were liquidated to release cash. Steel stock was brought down to 28 days by the end of March 2009 as against 71 days at the end of December 2008. Coal contracts were renegotiated and capacities maximised by using cheaper domestic scrap. Output from the large blast furnaces (BFs) was increased and smaller, uneconomical BFs were discontinued.

Efficiencies that led to yield improvement and reduced power consumption were stepped up. The Company bettered the Specific Energy Consumption record set last year by achieving a new record of 6.594 GCal per tonne of crude steel in 2008-2009.

The Hot Strip Mill (HSM) achieved its best ever production of 310,600 tonnes in March 2009 compared to the previous best record of 310,300 tonnes in August 2008. Key enablers have been the Mill Pacing Model and the Shutdown Management practices introduced from IJmuiden, which have improved NOH (net operating hours) and SOW (speed of work). In the January to March quarter, the HSM achieved a yield of 98.18% consistently over all three months, its best ever performance.

Renegotiations with suppliers and lenders led to better deals. An across-the-board cost-cutting initiative targeted and achieved a 15% reduction in general administrative expenses. Training and reskilling programmes to make use of any down periods were set up. Sales in the January-March quarter rose to 1.5 million tonnes.

### *Strategic Initiatives*

Tata Steel's 2.9 million tonne per annum (mtpa) expansion plans are on schedule. They will increase the Jamshedpur plant's crude steel making capacity from 6.8 mtpa to 9.7 mtpa, at an estimated cost of Rs. 13,900 crore. The scheduled date for completion of the project is April 2011.

Supporting robust processes and IT development to reshape its business relationships and become a true strategic partner, has been a key initiative.

## NatSteel Holdings Initiatives

NatSteel's Singapore operations have been working and continue to work on improvements in productivity and yield through various internal initiatives like reducing operating and overhead costs. Product mix has also been optimised by selling larger tonnages of downstream products with an estimated bottom line benefit of S$14 million.

As part of its efficiency drive NatSteel implemented its SAP IT project on schedule, thereby achieving better workflows. The company is working on programmes to restructure its businesses in order to be better prepared to deal with industry peaks and troughs.

## Tata Steel Thailand (TSTH) Initiatives

Cost control and cost reduction initiatives were carried out, including the reduction of overall maintenance costs by Bh 53 mn during the last quarter and reducing ferroalloy consumption to 12.9kg/tonne in the third quarter from 13.8kg/tonne in the second quarter. Cash conservation and liquidity enhancements were achieved through vigorous monitoring. The entire stockpile of inventory built up before the economic downturn was liquidated, resulting in gains worth Bh 4.7 billion by December 2008 compared with the previous quarter. In the absence of a stable domestic market demand, TSTH maximised its exports to India, delivering approximately 23,000 tonnes in the third quarter, and is expediting ACRS certification in order to facilitate exports to Australia.

Raw material sourcing for TSTH's new mini-blast furnace will be carried out under the Group's Global Procurement Policy. Iron ore & coke will be sourced using the Group's synergies, while limestone, other fluxes and injection coals will be sourced from the market.

Initiatives were undertaken to manufacture improved and higher grade medium carbon and high carbon wire rods.

# **Responding to the Crisis** - Some Initiatives by Tata Steel Europe (Corus Group)


*Corus employee at its Living Solutions Business*

# Initiatives over the years...

In the past Corus has had to address situations where the market has changed in such a way that simple adaptation has not been sufficient. After evaluating a longer-term view of the market, Corus has restructured or consolidated its manufacturing capacity, invested in the remaining sites to enrich the order book and to enhance capacity in order to meet future demand. Finally and most importantly, the company has continually invested in developing the skills of its workforce.

Between 2000 and 2005 Corus was required to manage fluctuation in European demand and adapt its sites to the changes in the market.

In 2003 Corus began its UK Restructuring Programme. The aim of this was to improve the efficiency of the UK steel making businesses in order to reduce costs and generate cash throughout the economic cycle. Crude steel production in the UK was to be focussed on just three sites – Rotherham, Port Talbot and Scunthorpe – with capacities more closely aligned to likely future demand. The programme required significant investment in the company's engineering steels business as it concentrated its steel making, casting and rolling at Rotherham. Its aim was to enable Corus Engineering Steels to achieve a competitive position in the European market.

# Responding to the Crisis -
## Initiatives over the years...

Other investment-led initiatives enhanced and increased the steel making capacity for strip products at Port Talbot and long products at Scunthorpe. These also included an improved process route for wire rod production and adaptation of the medium sections mill to make very long rail, as the existing facilities could no longer meet the needs of the market. Steel making at Llanwern was closed and Teesside Works was no longer seen as core to the company's needs. However, Teesside would need to be retained until the other investment programmes were completed. This led to the decision to enter into a long-term sales agreement for slabs produced at Teesside.

To complement these changes in its manufacturing capability, Corus embarked on **'Restoring Success'** – a change programme expected to last three years. A large part of this programme was focussed on skills improvement, examples of which are **'The Journey'** and **'World-Class IJmuiden'**.

By 2005 Corus had returned to profit. The **'Corus Way'** programme was launched, which was designed to embed continuous improvement into the culture of the company based on four principles:

- Best Supplier to Best Customers
- World-class Processes
- Selective Growth
- Passionate People

## Corus Strip Products UK (CSPUK)

### *The Journey*

**'The Journey'** was a programme that set about creating a consistent positive working culture to confront fundamental business issues, such as health and safety, environmental performance and profitability. In late 2005 CSPUK's management, senior union representatives and principal contractors and service providers began work on defining the programme. In a series of workshops involving more than 5,000 people, employees were invited to sign a commitment to a raft of values and beliefs. This was followed by the development of a system of "goals translation", which was applied consistently throughout the organisation. A programme of health and safety initiatives successfully transformed performance in the area – and CSPUK became a leading performer in its class. The business also set about some technical projects. The Port Talbot heavy end achieved a consistent annualised production rate of 5 million tonnes and the plant's Hot Rolling Mill met its target to roll more than 3.5 million tonnes of hot rolled coil. By early 2008 CSPUK was able to announce a string of performance records and had achieved much improved profitability.

## Corus Ijmuiden

### *World-Class Ijmuiden*

The **'World-Class IJmuiden'** project started in 2001 with the aim of returning the IJmuiden site to the ranks of Europe's top steel makers. A three-year programme was developed to improve the site's overall performance by €50 per tonne. Targets were set for market share and product and process development in such a way as not to compromise the company's commitment to its employees and surrounding communities. The site's safety record was to improve 30% year on year; there was a renewed commitment to value creation for customers and to on-time delivery; 50% of the product range was to be new, and return on net operating assets was to be 15% through the cycle. By the end of 2004 the programme was successfully completed.

### *Best Supplier to Best Customers*

By 2005 Corus Strip Products IJmuiden was ready for the next step: an improvement programme based on Lean Thinking. This would help it to remain ahead of its increasingly competitive international rivals, not only in Europe but around the world.

# Responding to the Crisis - Some Initiatives by Tata Steel Europe

The current economic downturn was first felt in the European manufacturing industry during the July-September quarter of 2008. Tata Steel Europe (TSE) reacted quickly to realign its output with the anticipated lower steel demand levels. It continued to monitor and adjust its output levels throughout the second half of the financial year as European steel demand deteriorated. The depth of the crisis required Tata Steel Europe to adopt a dual strategy and two series of measures were drawn up. The first, **'Weathering the Storm',** comprised several short-term actions designed to cut costs and keep supply and demand in balance. The second, **'Fit for Future',** addressed certain longer-term and structural issues that the downturn had brought into focus.

## *Weathering the Storm*

The severity of the crisis made it imperative for TSE to quickly align production with market demand.

TSE's crude steel output was cut by at least 40% in the six months to the end of March 2009.

The reduction was achieved largely through the temporary idling of three blast furnaces – one each at the IJmuiden, Port Talbot and Scunthorpe works.

At the same time, the company moved to reduce costs in line with expected reduced revenues.

A series of cost-cutting, working-capital and inventory management, and other short-term initiatives achieved more than £700 million in cash benefits for the business during the period October 2008-March 2009.

Much of the payroll-related cost cutting was achieved through measures such as the elimination of overtime, altering shift patterns (thus reducing shift bonus payments) and the implementation of work agreements that allowed the company to reduce the hours of employees who were experiencing shortages of work. There was also a reduction in the use of third-party services.

In addition the company took advantage of the drop in activity to institute retraining and upskilling programmes for the workforce. A Government payroll support scheme was effective in the Netherlands.

## *Fit for Future*

The main items in the **'Fit for Future'** initiative included divestment, asset restructuring and an efficiency and overhead review. Taken together these items will provide additional annual cost savings of more than £200 million. The initiative also put about 3,500 jobs out of the company's 42,000-strong workforce at risk, mainly in the UK and the Netherlands – a situation that has been sensitively and honestly handled.

- ***Divestments:*** During the last fiscal quarter, in February 2009, Tata Steel Europe completed the sale of its two aluminium smelters in the Netherlands and Germany to Klesch & Co.

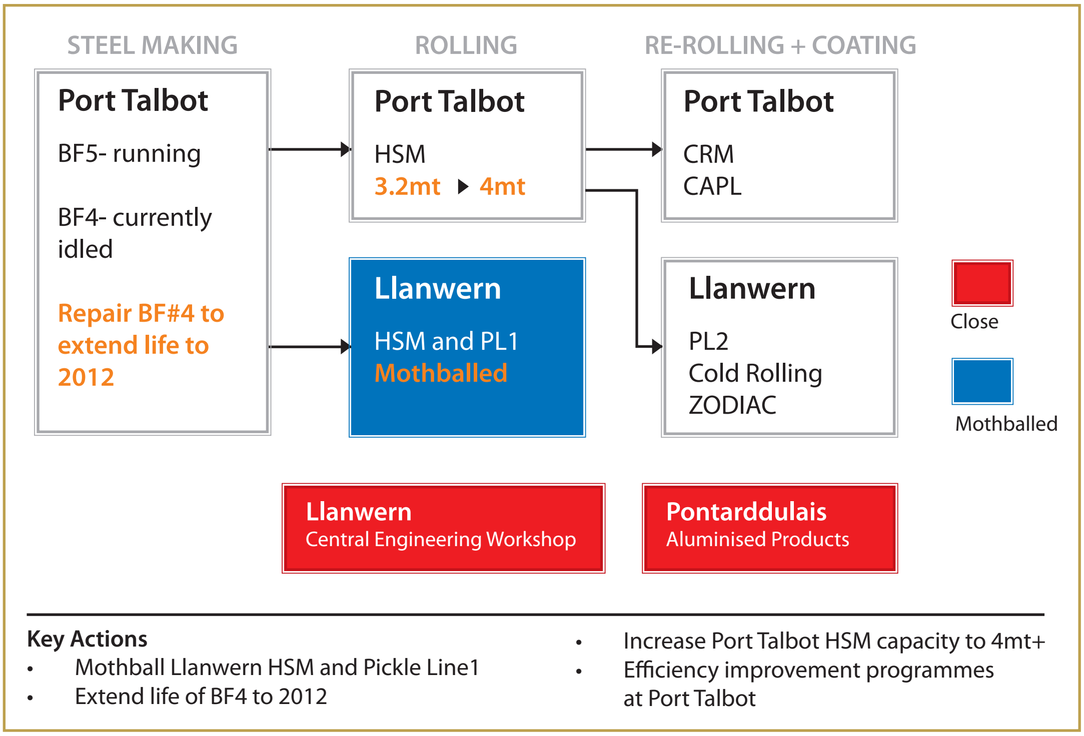
  In January it signed a non-binding Memorandum of Understanding with Marcegaglia SpA and Dongkuk Steel Mill Co. Ltd. on the sale of a majority stake in its Teesside Cast Products (TCP) business unit in northeast England. However, in April 2009 the consortium of Offtakers responsible for 80% of TCP's output issued Corus with a Notice of Termination of the binding 10-year Offtake Framework Agreement. As a direct consequence, in May 2009 the company announced that it has been forced to open negotiations that might result in a decision to mothball the TCP operation. Discussions with employees and their representatives are continuing but any decision to mothball is likely to lead to a significant number of redundancies.

# Responding to the Crisis -

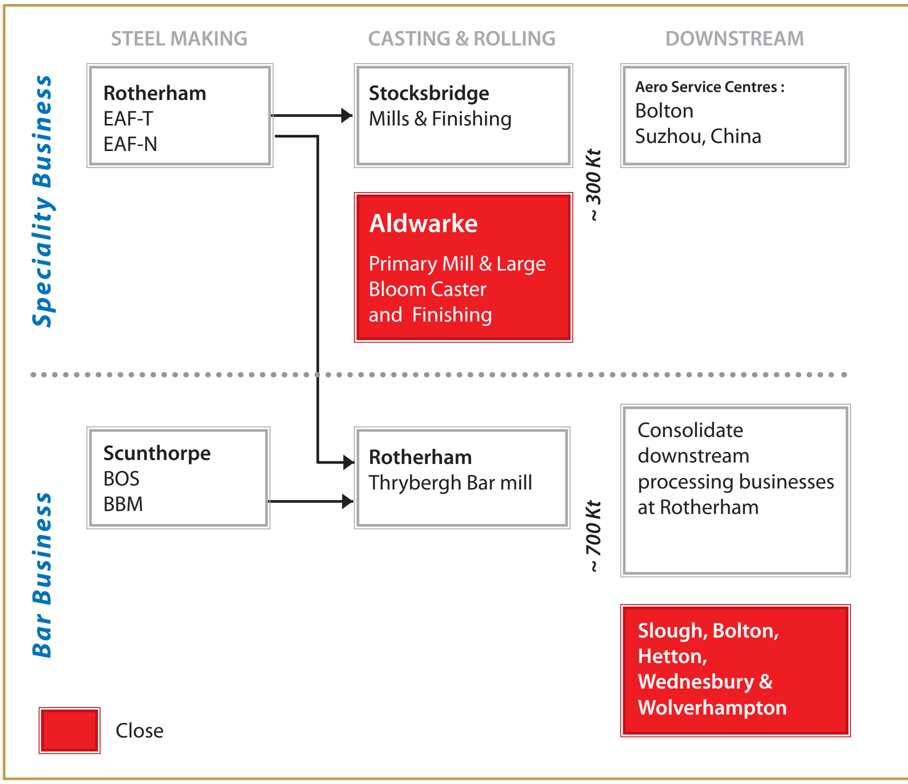
## Some Initiatives by Tata Steel Europe

- ***Asset Restructuring:*** The company mothballed some of the rolling equipment at its Llanwern plant in South Wales and drew up plans to expand the hot strip mill capacity at Port Talbot to over 4mt. A decision was also taken to restructure Corus Engineering Steels into two production routes: a specialised electric arc furnace based business, which will focus on higher-margin products, and a bar business that is integrated with the Scunthorpe works. Facilities in the downstream Corus Distribution and Building Systems division, in the downstream units of Corus' engineering steels business, and in the Corus Tubes businesses are being restructured and some site closures have been announced.

STRIP UK



### CES (CORUS ENGINEERING STEELS)




**Key Actions**

*Resize CES to 1mt & Create 2 businesses*

- Speciality business focussed on higher margin products (c 300kt)
- Bar Business (c 700 kt) to be integrated with Scunthorpe and supplied mainly through BOS route (c 550 kt) for cost competitiveness

*Efficiency Improvements*

- Reduce overhead structure and operate Rotherham with mini-mill philosophy
- Consolidate secondary activities

The above initiatives were drawn up with the intention of maintaining and developing the business's market share.

- ***Efficiency and Overhead Review :*** Partly in order to realign support functions with the new, smaller group scale, Tata Steel Europe initiated an efficiency and overhead review designed to cut manpower costs by 20% in areas such as IT, Human Resources and Finance among others. Overheads are targeted to be reduced by 20% through the leveraging of Tata Steel Group's capabilities worldwide and efficiency improvements in the areas of IT, Research & Development and the corporate centre.

Tata Steel Europe has opened consultations about the jobs identified at the end of January 2009 as being at risk with trade unions and other employee representatives. The company committed itself to seeking to reduce the workforce, wherever practical, through voluntary redundancies and offering those affected, comprehensive redundancy packages and outplacement support services. Finally, the company announced a proposal to close the defined-benefit British Steel Pension Scheme to new recruits and to take steps to ensure the company contribution to future service for existing members remains at 12%.

# **Review of Operations** India & South East Asia

*Aerial view of Tata Steel Works, Jamshedpur*

## Indian Operations

The year 2008-09 was a historical one epitomised by the acute global financial imbalance which initially appeared to have spared India only to impact the markets adversely as the year rolled on. The global economic slowdown has impacted the steel sector as well. Amidst the turmoil in the global marketplace, Jamshedpur Works performed remarkably creating many records on the way.

In its continuing quest for performance excellence, the Company reached a major milestone by winning the coveted Deming Application Prize. This makes the Company the only integrated steel company outside Japan to win this prestigious award.

The major highlights of the year included record breaking performances by many of the production units. Hot metal production in FY 09 was up by 74000 tonnes as compared to FY 08, achieved mainly due to the superior performance of the newly commissioned 'H' blast furnace. Prudent selective operation of the blast furnaces helped the Company to lower its cost of production of hot metal without affecting the crude steel output.

The 'H' blast furnace, despite the delayed startup, has surpassed its FY 09 target by 0.3 million tonnes in its very first year of operation. Various production units including the sinter plant, LD#1, slab caster and new bar mill achieved record production during the year.

The Raw Materials Division kept pace with the production units with the OMQ (Ores, Mines & Quarries) Division producing highest ever iron ore at 10.72 million tonnes (previous best 10.29 million tonnes in FY 08). Jharia collieries also recorded highest ever production of raw coal (1.58 million tonnes over 1.48 million tonnes in FY 08).

The Company bettered its Specific Energy Consumption record set last year by achieving 6.594 GCal per tonne of crude steel as against 6.655 GCal per tonne of crude steel in FY 08. $CO_2$ emissions reduced to 2.09 t/tonne of crude steel as against 2.146 t/tonne of crude steel in FY 08, an improvement of 2.61%.

The Company's continuing focus on safety resulted in a 10% reduction in Lost Time Injury Frequency (LTIF) rate in the Works and an 80% reduction in the Raw Material division as compared to the previous year. The Fatality Risk Control Programme was rolled out successfully across all the divisions during the year. More than 1168 fatality potential conditions were identified and corrected with irreversible engineering solutions.

The Long Products Division was awarded the prestigious certificate by CARES, UK for superior quality rebars. These rebars guarantee a minimum of 5 million cycles of fatigue strength. Tata Steel Limited is the only rebar manufacturer in India to be awarded this accreditation.

## *Marketplace Initiatives*

The performance of the Steel division in the marketplace has been exemplary and many new initiatives were undertaken to "weather the storm", especially in H2 FY 09.

In the automotive segment, market leadership was maintained and accolades were won from Hyundai, Tata Motors and Toyota. Approvals have been received from new auto companies like Nissan and Volkswagen.

In the construction segment, TATA TISCON increased its share of business with the enterprise account and key customers from 19% in H1 to 30% in H2 through innovative contracting and better availability of material. Tata Steel also increased its focus on government projects and Tata Group companies to spread the customer base. Its sales to the government and the Group companies increased from 14 kt in H1 to 41 kt in H2, this year. In the Galvanised steel roofing segment, TATA SHAKTEE improved its market share by 1% over FY 08 with best ever premium at consumer level of 22% compared to 18% in FY 08.

Despite the slowdown in key consumer areas, TATA *Steelium* was able to retain its market share at 18%. This has been achieved by acquiring new customers into retail untapped areas, aggressive forays into retail through exclusive shops called Steelium Zones. Customer relationship building programmes were undertaken in the area of knowledge and safety.

In the construction retail segment, the TATA TISCON brand pull and strength of the channel were displayed through a 22% increase in sales in H2 FY 09 over H1 FY 09 maintaining its consumer level premium at approx. 15%. Regular monitoring of stocks and disciplined replenishment to each of the 1700 dealers has ensured that its Due Date Performance (DDP) has improved to 93% with channel stocks of less than 15 days. High Inventory turns for distributors and dealers helped in improving channel motivation. Continuous monitoring of consumer sales gave early warning signals to launch marketing initiatives and consumer schemes to boost retail sales. TATA TISCON is the first rebar in India to be awarded the "Superbrand" status in the construction rebars category.

Recognising the stimulus being given by economic packages, a special drive was taken to pursue sales to government funded projects and the Railways.

In the Flat Products exports, the Company maintained its focus on the SAARC market with regular and long-term customers. It also encashed the window of opportunity and increased the volume in the spot market, like China and Korea by more than 2.5 times. Recognising the urgency, it operated from 5 ports vis-a-vis 2 ports in FY 08 and tracked the highly volatile Forex markets closely and booked covers at peak rates.

In Long Products, it exported 51 kt of wire rods and 91 kt of billets in FY 09, an increase by more than 3 times over the previous year. With the increase in availability of billets and the sudden downturn in the domestic market in H2 FY 09, exports helped in stabilising the home market. The exports to the SAARC countries were 66% higher than the previous year, mainly driven by higher realisations in this region. It exported a total of 70 kt of billets to NatSteel to maintain the cash within the Group and reduce dependence on the domestic market. One of the major highlights of H2 has been the remarkable drop in working capital from the September 2008 levels to end at 28 days of inventory for finished and semi-finished stock and 9 days of debtors at the end of March 2009.

### *Performance Landmarks at Other Divisions*

Various Divisions of the Indian Operations achieved significant performance landmarks. The Agrico division achieved its highest ever gross turnover of Rs. 116 crores in FY 09. This division expanded its product offerings by launching 3 other new products (axe, rotavator blade, chaff cutter) and 21 new variants in the existing product categories. It also extended its footprint in the Gulf countries by exporting to Oman. The Tubes division entered the hi-tech segment with the successful commissioning of its hydroforming

*Tubes Division, Jamshedpur*

line and commencement of supply of tubular hydroformed engine cradle for the Tata Nano cars. The division has also developed telescopic front fork for motorcycles. The Ferro Alloys & Mineral Division achieved its highest ever load factor of 90 as compared to 88 in previous year. LOW PHOS (0.018-0.020%) and LOW Titanium (0.20% MAX) ferro chrome were produced and dispatched to customers like SMI and Hitachi.

## Performance Improvement Initiatives

In addition to winning the coveted Deming prize, Tata Steel also won the Most Admired Knowledge Enterprise (MAKE) 2008 award and was recognised as the overall Asian MAKE winner.

Solution for Sales (SFS) offers based on the Theory of Constraints (TOC) concept saw stabilisation in the steel division. The replenishment module was extended to cover 100% of the retail channel of TATA TISCON, achieved 90% coverage in TATA SHAKTEE and 60% in TATA *Steelium*. This resulted in a reduction of stock outs in retail shops and more significantly, a reduction in channel stocks. Reliability solutions were extended to direct customers in the Steelium distribution. For the Construction Projects segment, an S-DBR (Simplified Drum Buffer Rope) mechanism was implemented under the Theory of Constraints supply chain improvement initiative which improved the availability of rebars at the warehouses, thereby reducing instances of delays and loss of orders.

# **Review of Operations** India & South East Asia

*Bandra-Worli Sea Link at Mumbai, India.*

## *Wire Division*

To bring about a greater focus to the Steel Wires Business, Tata Steel has brought all its wire manufacturing under one umbrella viz Global Wires Business. Tata Steel's Global Wires Business would be amongst the top three wire manufacturing companies across the world with 9 manufacturing operations in India, Sri Lanka, Thailand and China.

Tata Steel's Wire Division in India has completed 50 years and has brought in a plethora of new products from umbrella rib wires in the 1960s to tyre bead to PC strands and promoted their applications. In India, the division is setting up a world-class manufacturing facility at Tarapur and also modernising the facilities at The Indian Steel & Wire Products in Jamshedpur. Its Thailand plant Siam Industrial Wire Co. Ltd., completed the commissioning of its new PC strands manufacturing facility in a record 10 months in January 2009. The Wuxi Jinyang Metal Products Co. China plant, which is one of the largest exporters of PC strands for the construction industry, has been approved by Dubai, CARES -UK and Finland.

The Wire Division, was the sole supplier of prestressed concrete strands used in the construction of precast segments for the 8-lane cable-stayed bridge covering 4.7 kms – Bandra-Worli Sea Link at Mumbai, India.

## South East Asian Operations

The global economic crisis has had a significant impact on most of the East Asian economies. Export dependent economies like Japan, South Korea, Taiwan, Singapore, Malaysia and Thailand have fared far worse than the others in the region. However, many of the governments led by China, Australia and Singapore, have been quick to announce huge stimulus packages. These economies have been followed by the other economies in the region. The learnings from the 1997 crisis has also ensured that the South East Asian economies are now financially better positioned to weather the storm.

Over the last decade, the dependence of these economies on the Chinese economy has increased and hence a Chinese recovery will have a big impact on the region.

As most of the stimulus packages announced so far have a significant focus on infrastructure spending and construction which accounts for 65% of the steel consumption in the region, the steel industry is expected to benefit from the same.

The Company continues to invest to improve the competitiveness of its existing facilities, and to seek more opportunities to grow in the fast growth markets of the region. With a population of 550 million and a steel consumption of around 45 million tonnes, the South East Asian region continues to offer a lot of potential.

## NatSteel Holdings

In the year under review, the sales volume from the Singapore operations went up by 6% as against last year with a market share of about 58%. The down stream facility sold 20% more as compared to last year. It is one of the largest single cut and bend facilities in the world. The Xiamen operations in China, a 100% subsidiary of NatSteel, reported a higher sales volume of about 17% over that of last year's volume.

The Vietnam operations are making structural modifications required to reduce their vulnerability to volatile prices. A distribution network is also being built in northern and central Vietnam.

In Australia, NatSteel runs a network of service centres across all the states through two entities namely NatSteel Australia and Best Bar. In the year under review, the two entities reported a 12% higher sales volume (1,88,000 t) as against last year in the form of straight length rebars, mesh, cut & bend and other accessories.

### Continuous Improvement

NatSteel continued its focussed approach towards reducing cost, improving productivity and enhancing quality. In order to strengthen the business fundamentals by matching price and cost cycles and reducing the exposure of the business to frequent fluctuations in raw materials or finished product prices, the Singapore operations reduced the long-term sales contract from 12-18 months to 3 months.

During the year, the Singapore operations focussed on yield improvement, reduction in power consumption and improvement in downstream tonnages with an estimated bottom line benefit of S$14 million. The electric arc furnace shop achieved power consumption of 282 KWhr/tonne (last year 292 KWhr/tonne) and the rolling mill achieved power consumption of 79 KWHr/tonne. The implementation of the SAP project is on schedule and is expected to go live in the second quarter of 2009.

The Xiamen operations have also engaged in efforts to align the price-cost cycle to make themselves less vulnerable to price fluctuations. To this extent, the short-term supply of billets from the Tata

Steel operations has also helped. In Vietnam, the establishment of a distribution network in the northern and central regions has been undertaken.

### *Safety*

NatSteel Singapore embarked on the two-year DuPont Safety journey in FY 09. During the year, the Singapore operations made significant progress on safety with help from the DuPont consultants and have brought down the LTIF from over 10 to less than 6. The various initiatives include continuous communication and emphasis from senior management, safety training, formation of Apex council for review, formation of risk containment groups to identify and contain high risk activities and STOP teams to observe safety behaviour and interact with employees on safety. The other subsidiaries will gradually be aligned to the DuPont safety management system.

## *Tata Steel Thailand (TSTH)*

The Group's equity in Tata Steel Thailand (TSTH), headquartered in Bangkok, is 67.1%. It has three main subsidiaries SISCO, NTS and SCSC.

The impact of the global economic downturn has been felt more severely in the TSTH performance. The total production reduced by 22% (1.07 million tonnes) while sales at 1.1 million tonnes were lower by about 20% as compared to last year. TSTH launched various initiatives in the market place to understand the buying behaviour of the end-users better in order to produce a stronger value proposition. Examples include increasing sales from the cut and bend centre, conducting a retail value management programme, strengthening the brand equity of the 'Bor-Lor-Sor' brand and developing a network in the neighbouring countries of Laos, Cambodia, Myanmar and Vietnam.

### *Mini Blast Furnace*

In an attempt to bridge the gap between steel making and rolling mill capacities, to reduce the dependence on scrap and to meet the special steel requirements of the customers, TSTH is in the process of setting up a 0.5 mtpa mini blast furnace. This project is likely to begin its operations by the end of the second quarter of FY 10.

### *Continuous Improvement Initiatives*

Over the past year, the operations in Thailand focussed on cost reduction in the rolling process scheme by optimising the roll consumption cost and in the Alloy consumption scheme at the steel shop. The operations achieved a Fe-alloys consumption of 12.6 Kgs/tonne (13.6 Kgs/tonne last year) and roll consumption of 26.2 Kgs/tonne ( 28.7 Kgs/tonne last year).

### *Safety*

TSTH achieved a LTIF of 3.01 in the year and initiated initiatives like the line risk assessment for all work activity according to TIS 18000 and the Implementation of the 'Why-Why' analysis.

## *Vietnam Projects*

Vietnam is one of the fast growing economies in South East Asia with a GDP growth of 7-8% and an industrial growth rate of around 11%. The manufacturing sector share has grown from 28% in 1995 to 41% in 2008. Favourable demography, balanced economic policies coupled with investor-friendly incentives and the government's initiatives to create infrastructure for projects, makes Vietnam a good investment destination.

The total steel consumption in Vietnam is around 10 mtpa while the crude steel production is 2.5 mtpa, the balance met through imports of semi products or finished goods. There is thus, a good opportunity for an integrated steel project.

Tata Steel signed an MOU with Vietnam Steel Corporation in 2007 to set up a steel mill. Subsequently, it signed a Joint Venture (JV) agreement with Vietnam Steel Corporation (VNSTEEL) and Vietnam Cement Industries (VICEM) for the proposed steel complex in Vietnam. Tata Steel will have a 65% stake in the JV. An application for the investment license has been submitted to the Vung Ang Economic Zone.

The JV is also in the process of finalising the port-based land for the 3 phases of the steel complex and township.

Tata Steel will also take a 30% share in the nearby Thach Khe iron ore mine that is about 60 Kms from the steel project.

The Company has completed the feasibility study for the steel complex which will be developed in 3 phases. Tata Steel in co-operation with VNSTEEL and VICEM, has also completed the detailed project report for Phase 1 i.e. the cold rolling mill.

# **Review of Operations** UK & Europe


The operating strategy of Tata Steel is based on the aspiration to be a world steel industry benchmark in value creation and corporate citizenship.

In keeping with these objectives, Tata Steel Europe continues to focus on health and safety and a three-year plan has been developed that spans occupational safety, health and process safety. During 2008-09, particular emphasis was placed on contractor management. Building on the success of previous years, the lost time injury frequency rate for employees and contractors combined fell by a further 25% compared to the previous financial year. However, tragically there was one fatal accident during the financial year, in April 2008, with a third-party fatality to a customer's employee in April 2009. These events underline the fact that there is a need for constant vigilance to ensure a safe working environment for all.

Tata Steel Europe has three main operating divisions – Strip Products, Long Products and Distribution & Building Systems. The activities of each division are organised into individual business units, with their own managing directors who, with their respective management teams, hold responsibility for the performance of that business. Europe is the principal market for the Group, accounting for 80% of total turnover in 2008-09.

After a strong first half of the year, during which operations were generally loaded to capacity across all divisions, the economic downturn affected operations severely in the second half of the year. In response, a company-wide programme, **'Weathering the Storm'** was launched that aimed at offsetting the impact of reduced steel demand. Production was aligned with market demand and a cost-saving programme was initiated that generated estimated net savings of over £700 mn in the second half of the year. This involved a reduction in the use of third-party services, rationalisation of employment costs through reduced overtime and bonuses, and an alignment of the hedging position to new activity levels. In January 2009 the restructuring of European assets was accelerated through the launch of the **'Fit for Future'** programme, which will result in around 3,500 redundancies and produce steady-state benefits of more than £250mn per annum. The programme focusses on three areas: divestments, asset restructuring and a company-wide efficiency and overhead review.

Capital expenditure was lower by 13% this year over the last year, reflecting the slowing of investment as the impact of the downturn began to be felt. Nevertheless, two major schemes were completed during the year: a slab caster enhancement at Teesside and the replacement of the control system for the hot rolling mill at IJmuiden. Other major schemes in progress included:

1. Installation of a new continuous galvanising line and a 3-stand cold rolling mill at IJmuiden. Commercial production from both facilities has started. They will increase the company's ability to serve the automotive market, as they can process speciality high-strength steel grades.
2. A BOS gas recovery plant and an energy management system are being set up at Port Talbot to reduce emissions and energy costs.
3. The conversion of the 7-stand finishing mill at IJmuiden with heavy bending and hydraulic gauge control has been implemented in order to improve profile, shape and thickness control.
4. A ladle furnace scheme at IJmuiden is underway as part of the development of steel making capacity at the works.

## *Technology*

In keeping with the Vision announced in February 2008, whereby Innovation is one of the key elements in achieving targets, there was a continued emphasis on research and development and on continuous improvement of processes and products.

## *Process Development*

The Tata Steel Group is a major partner in the multi-partner ULCOS (Ultra Low $CO_2$ Steel making) project aimed at developing technology to achieve a 50% reduction of $CO_2$ emissions per tonne of steel produced by 2050. Tata Steel is playing a key role in the further development of two of the technologies that have been selected for pilot-scale demonstration, i.e. a blast furnace that uses pure oxygen and top gas recycling and the smelting reduction based process called ISARNA.

## *Product Development*

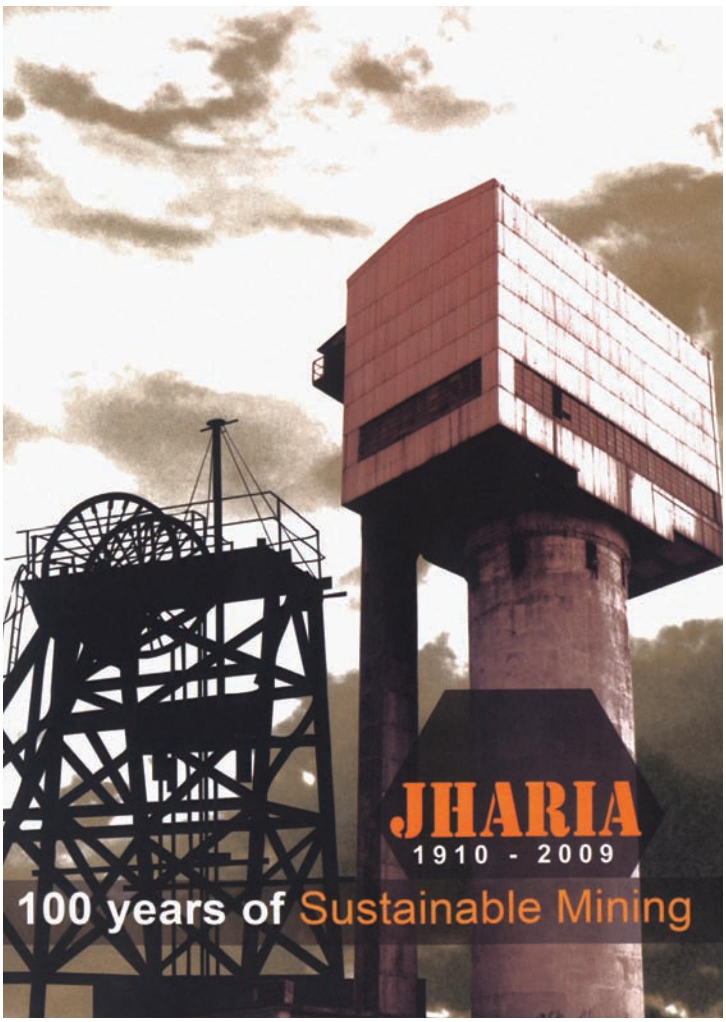
The main focus areas for strip products continued to be the further development of steel grades with high strength and good formability and coated steels with sophisticated coating properties. These developments are partly carried out in partnership with other companies, such as the development of High Strength and Ductility (HSD) steels in collaboration with Salzgitter and of a physical vapour deposition (PVD) based coating process in collaboration with POSCO.

## *Application Development*

A focus area is the continuous enhancement of customer support in the automotive market. For the construction sector, the group led the Framework 6 project ManuBuild aimed at developing advanced industrial construction techniques and supporting IT solutions for residential, education and healthcare buildings. This project ended in March 2009 and results were demonstrated at the Ecobuild and Futurebuild events that took place in London in the same month.

# A 100 year heritage of Mining

In the true spirit of enterprise, Tata Steel Limited, nearly 100 years ago, pioneered the discovery of the rich mineral wealth in Jharkhand and Orissa. Since then, it has continued to play a leading role by introducing modern mining techniques which today have become benchmarks in the steel industry.




### Jharia - 100 Years of Sustainable Mining

In 1903, eminent geologist, P. N. Bose discovered iron ore deposits in Gorumahisani hills in Mayurbhanj state. Following this, he wrote a letter to J.N. Tata on February 24, 1904 urging him to explore further. Since no geological data was available either with the Government or any other agency, J.N. Tata took steps to undertake prospecting in these areas to assess the quantity and quality of ore. It was this foresight that led to the setting up of Tata Iron and Steel Company at Sakchi, now Jamshedpur.

Today, the Jharia Division celebrates a century of sustainable mining. It began its operations at its Bhelatand 'A' collieries in 1910. Operations in Jharia began as late as 1890 when surveys by the Geological Survey of India drew the attention of entrepreneurs to this ore deposit for use in the blast furnaces.

*P. N. Bose*

From

To,

J. N. Tata Esqr.,

Dated Camp Mourbhanj the 24th February 1904.

Dear Sir,

As you are interested in the development of the iron industry of this country, I have to bring to your notice an exceedingly rich and extensive deposit of iron ore which I have just explored in this State. The ores consist of magnetite, haematite, and limonite. They occur in such abundance that for all practical purpose they may be considered to be inexhaustible, and lime-stone of good quality occurs close to them.

Almost touching the ground where the iron ores occur, there is a considerable area where the entire alluvium is more or less auriferous. Among minor minerals, I have come upon asbestos, opal & agate. Al-together, the area is one of great mineral possibilities.

Should you entertain the idea of start-ing iron works in this State, His Highness the Maharaja will, I have no doubt, afford you every facility and grant you liberal concessions. I see from a para in the pa-pers that you are about to start iron works in the neighbourhood of Barkar. Before you do so, you will, I trust, fully consider whether it would not be more advantageous to locate them in this State, as the ores here are incomparably richer than those of the Barakar area. There is only one draw-back. Coal appears to be absent. But coke from either Jharia or the Raniganj coal field could be brought at a comparatively small cost.

Yours faithfully,

P. N. Bose

P. N. Bose

State Geologist.

## Acquisition of the Coal Fields

About eight to ten tonnes of coal were sent to Germany and America for testing, together with a quantity of iron ore from Dhalli and Rajhara hills. With the smelting of coal with iron ore it was discovered that the result was highly satisfactory.

The economic advantage offered by the proximity of India's most important storehouse of prime coking coal to its richest iron ore deposits gave birth to the iron and steel industry in India.

On its creation, the first priority for the then Tata Iron & Steel Company Limited (now Tata Steel Limited) was to acquire mineral deposits and secure raw material supplies of iron ore, metallurgical coal and limestone – initially for the next 15 years. From 1910 to 1918, Tata Steel leased six of the metallurgical coal bearing properties in the Jharia coal fields, situated in the Damodar River Valley, with estimated reserves of 287 million tonnes. Spread across 5500 acres, these six collieries are grouped in two locations, Sijua and Jamadoba. The Bhelatand colliery of the Sijua Group was acquired by the Company from Barakar Coal Co. Ltd. Subsequently in 1918, Tata Steel acquired Malkera and Sijua as well as Jamadoba, Digwadih and 6&7 Pits Collieries of the Jamadoba Group.

The Indian operations of Tata Steel draws its greatest strength and its competitive position as one of the lowest cost producers of steel in the world from the quality and yield of its raw material units. The mines have successfully given it raw material security and have partially insulated it from the volatility of the global markets. The Company has, therefore, continuously modernised and expanded its raw material facilities right from the 1950s, when Tata Steel launched its two million tonne expansion programme.

# A 100 year heritage of Mining

### *Technological Progress in Jharia*

In the early years, good quality metallurgical coal for steel making was available in sufficient quantities in the market. The Company purchased coal from the market and extracted small quantities from its own mines. Coal was then mined with hand picks and loaded by baskets into tubs. It was hauled to the surface with the help of steam winders. Over the years, technological innovations led to the following improvements:

- The 1930s and 1940s saw the advent of mechanisation and coal cutting machines, electric drills and endless haulage were used to transport coal to the surface. In 1942, a three mile long ropeway was also built which made underground mining safer and more productive.

- Coal beneficiation began between 1950s and 1960s and a 300 tonne per hour Central Washery at Jamadoba was installed for all six collieries in 1952. Later in 1967, a Dense Media Cyclone was also installed.

- The installation of Koepe Winders in the 1970s helped increase production and transportation of miners.

- Ash reduction since 1980s has helped increase productivity. In 1988, a fluidised Bed Combustion Power Plant was set up.

- In the 1990s, Information Technology (IT) was used in planning and surveying. It was also used in the integration of the Division with the Jamshedpur Steel Works through an ERP System, which brought about superior connectivity.

- Winders with Programmable Logic Controllers (PLC) at Digwadih and the deepening of the 9 Pit shaft, prepared the division for the pace of things to come in the new millennium. A Tailing and Dewatering Plant and Rotary Breakers were added at Bhelatand.

- During the decade, modernisation of the Jamadoba Colliery was initiated. This was achieved by the commencement of opencast mining commencing at the Kalimela Colliery.

### *A Focus on Environment Sustainability*

Even before Tata Steel mined its first tonne of coal, it gave itself the aim of conserving the resources in its mines, taking the first step in environment sustainability. It is fully committed to preserving the ecological balance and safety and to learning from its mistakes. All its mines are ISO-14001-Environmental Management System Certified. In addition to conducting massive tree plantation campaigns, location specific, environmental management initiatives have been taken.

Today, the Jharia division fulfils the philosophy of putting back into the earth what has been extracted from it, by also using coarse ash from its captive power plants for stowing. Careful planning has resulted in mine water being conveyed from all the collieries to four water treatment plants which is then recycled for use in the residential colonies of employees. Energy conservation is continuously improved due to the involvement of the employees of the Jharia division. The division is also continuously cutting back on the use of conventional timber to provide roof support in underground mines by introduction of roof bolts,

using compressed air drill machines and adopting more efficient methods for coal extraction.

## *Commitment to Employee Welfare*

Underground operations pose both safety and health risks. At the same time, mine locations, by their very nature, are remote and lack connectivity.

In Jharia, Tata Steel has made available to its employees, amenities such as schools, hospitals, housing, water, power, sanitation, recreational facilities, telephone, internet connectivity and a clean living environment.

### *Safety and occupational health*

The Jharia division has adopted undoubtedly the best mines rescue procedures, as is evident from their track records at various competitions.

The division also follows the Tata Steel Safety Excellence Management and Review processes, which allows it to proactively assess risks and hazards and to control them through multi-level safety action plans.

### *Training and skill enhancements*

The advent of mechanisation in underground coal mining is as much a treatise on technology as it is on manpower training. In 1967, the first professional training institute in India for coal mines was set up in Digwadih. This was followed by institutes at Sijua and Malkera. A Mechanisation Training Centre was also set up at Jamadoba in 1971. These institutes have kept employees abreast of the latest technologies. The division has designed need-based training programmes for employees.

## *Social Sustainability*

Tata Steel was conceived by its founder, Jamsetji Tata, to serve the interests of his country. In the early years, as the Company invested in employee welfare amenities, it simultaneously allowed the local community access to them. In 1979, it set up the Tata Steel Rural Development Society (TSRDS), with the first rural welfare unit in Jamshedpur. Today over 20,000 patients are provided basic health care. TSRDS provides safe drinking water, higher farm yield and productivity and empowerment of individuals effected through sports and education.

# **A 100 year heritage** of Mining

*Jharia collieries, India*

### *A Continuing Raw Material Resource Strength*

Today, the raw materials division of Tata Steel raises over 14 million tonnes of ore from the states of Jharkhand and Orissa. Coal, iron ore, manganese ore, chrome ore and dolomite are produced at various mines and quarries for Jamshedpur's steel plant.

Tata Steel has two collieries in West Bokaro and Jharia. The West Bokaro unit is an open cast mine, while the Jharia unit is an underground one. The coal mines are located about 150 kms from the steel plant at Jamshedpur and produce superior grades of clean coal. Tata Steel's collieries use Surpac, a state-of-the-art mine planning software, that estimates the volume of coal in every seam. This is coupled with qualitative detailing that focusses on output consistency. To maximise productivity and utilisation, a voice and data equipped Global Positioning System is used, which helps to supervise mining activity for machine movement and engine status.

Iron ore mining is an integral part of steel making at Tata Steel and began with the discovery of iron ore deposits in 1903. The iron ore units are located in Noamundi, Joda and Katamandi in the states of Jharkhand and Orissa. The Company also has manganese mines and dolomite quarries in Orissa.

The Company's iron ore units produce 9 million tonnes per annum (mtpa) of various grades of high quality iron ore including rich blue dust ore. The mineral ore is crushed, right-sized and washed in-house at the site and transported to the steel works in Jamshedpur and to other customers. The mines division also provides technical services to the Bhutan Dolomite Mine in the Royal Kingdom of Bhutan.

### *Beyond Jharia - a Global Strategy for Securing Raw Material*

The Tata Steel Group is actively pursuing the long-term strategy of acquiring and developing mining projects for the security of iron ore and coking

West Bokaro collieries, India

Mozambique-Benga and Tete

coal. It has also explored mining opportunities overseas for ferro chrome and limestone.

To enrich its raw material supply, Tata Steel has also set up joint ventures outside India in Queensland, Australia and Thailand. With iron ore from its overseas mines at, New Millennium Corporation, Canada and Ivory Coast, iron ore security would gradually increase over the next few years. The overseas coal mines of the Group are located in Australia and Mozambique and the coal mines at CDJV, Australia are already producing coal. The Riversdale mines in Mozambique are likely to begin production in the near future.

### *Riversdale, Mozambique Coal Project*

Tata Steel has formed a JV with Riversdale Mining Limited, Australia for a 35% stake in two coal tenements in Mozambique - Benga and Tete including offtake rights to 40 per cent of coking coal produced from these mines. The production from Benga mine is expected to begin in 2011.

### *Carborough Downs Coal Project*

Tata Steel has 5% in the equity capital of the Carborough Downs JV, Australia in partnership with Vale, Nippon Steel, JFE, and POSCO. It was formed to develop a coal project in the Bowen Basin. The first raw coal production began in August 2006 and the mine is currently producing around 1 mtpa. The second phase of expansion is in progress.

### *New Millennium Capital Corp Iron ore Project*

In September 2008, Tata Steel entered into a Heads of Agreement with New Millennium Capital Corp, Canada to develop iron ore projects in northern Quebec. The Company has acquired a 19.9% stake in it.

### *Uyun Limestone Project*

In January 2008, Tata Steel signed a JV agreement with the Al Bahja Group, Oman for the mining of limestone in the Uyun region.

# **Research** & Development

## A Focus on Research & Development

An innovative approach is one of the key elements in driving and delivering the Tata Steel Group (TSG) vision that was formulated early in 2008. Innovation at Tata Steel means continuously developing cutting-edge solutions in technology, processes and products. Achieving this calls for substantial efforts in research and development, for which, to stay ahead of competitors, the Group maintains its own research centres.

Currently, the TSG operates four research centres: Tata Steel Limited's (TSL) laboratories in Jamshedpur and the Tata Steel Europe's (TSE) technology centres in IJmuiden, Netherlands and Rotherham and Teesside, United Kingdom. A total of over 1000 people are involved in R&D within the TSG. The Group's research programme is split between programmes funded by the separate business units, which make up the major part of the work done in the European research centres and work on a number of identified thrust areas that receive corporate funding. The thrust areas also incorporate the projects that were previously a part of Corus' strategic programme.

### *Economic Mineral Beneficiation*

The research in this area is aimed at identifying ways to maximise use of raw materials from captive sources and is focussed on three subjects:

#### *8% Ash coal maintaining yield*

Here the objective is to develop a cost-effective beneficiation route for producing clean coal with 8% ash, maintaining current yield from the captive collieries. A dense medium cyclone that can use coarse coal (2 mm and over) to produce 12% ash clean coal has been designed and tested on a laboratory scale in preparation of a plant test. A similar cyclone designed for beneficiating fines from 0.25 to 2 mm to produce 10% ash clean coal will be tested directly on the plant.

### *Complete beneficiation of iron ore*

Technologies are being developed and up-scaled to beneficiate high-alumina fractions and slimes with the aim to reduce alumina content to less than 1.5%. Efforts are also being made to commercially utilise the rejects.

### *Technology for cost-effective use of newly acquired raw material sources*

A direct reduction method was developed for zinc bearing iron ore that ensures that zinc is retained in the DRI to avoid problems associated with vaporisation of zinc. The DRI thus produced can be processed in electric arc furnaces, a well established route for steel production from scrap with high zinc content. A feasibility study was successfully carried out.

## *To Stretch the Raw Materials Envelope*

This programme was taken up to improve the process of lowering the phosphorus content in the converter during oxygen steel making. Themes addressed are design of a new supersonic lance, improvement in bottom stirring and assessment of the BOF slag system.

- Trials have been carried out at the LD2 steel plant in Jamshedpur with a new 6+1 hole top lance designed by R&D.

- Implementation of a new way of blowing argon from the vessel bottom called 'Differential Flow' at the LD2 plant in Jamshedpur has improved the phosphorus partition and reduced the argon consumption.

## *Heavy End of the Future*

The work in this area refers to the three main trends that have influenced the steel industry in recent years: the drive to increase output to follow demand, the massive increase of the cost of raw materials and energy and the growing concern over climate change.

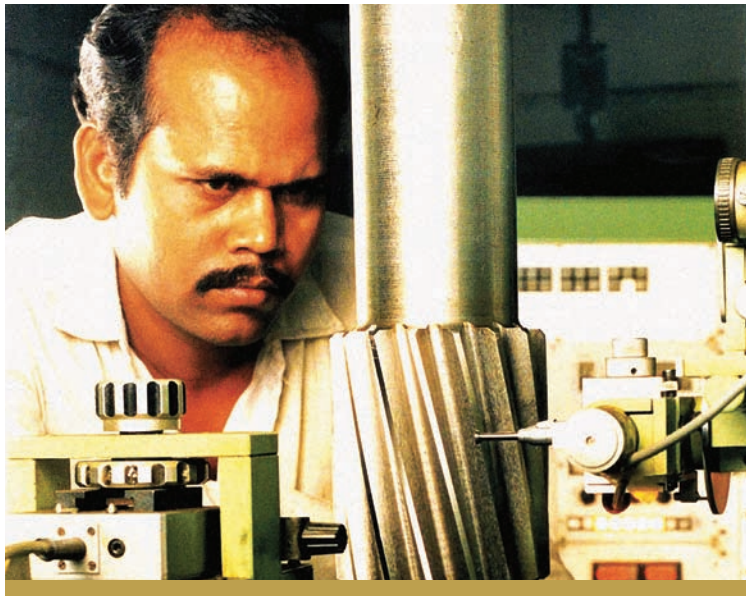
For the medium-term, the objective is to develop technology and operational practices to achieve cost-effective productivity rises with existing installations, maximise recycling, and reduce the environmental and $CO_2$ footprint. The focus in this area is on the use of cheaper raw materials without compromising blast furnace performance and on optimising the burden distribution and pulverised coal injection rate.

For the long-term, the focus is on the large scale multi-partner project ULCOS (Ultra Low $CO_2$ Steel making). This is aimed at reducing $CO_2$ emissions per tonne of steel produced by at least 50% by 2050. Out of four possible approaches that have been identified for further development, two are of interest to the Group, i.e. the blast furnace that uses pure oxygen and top gas recycling, and the process now known as ISARNA.

Pilot trials with the former process carried out in 2008 at the experimental blast furnace of LKAB in Lulea, Sweden, have shown that with top gas recycling, the carbon input per tonne of steel can be reduced by 24% and that with the storage of $CO_2$ gas removed from the top, the $CO_2$ emission to the atmosphere can be halved. For the ISARNA process, the core of which is the melting and pre-reduction of ore fines in a cyclone, the engineering of a pilot plant was completed. A decision is expected at the end of the year regarding the location of the pilot plant.

### *New Generation High Strength Steels*

This area comprises of projects to develop new metallurgical options to enable the Group to meet future demands for high strength steels.

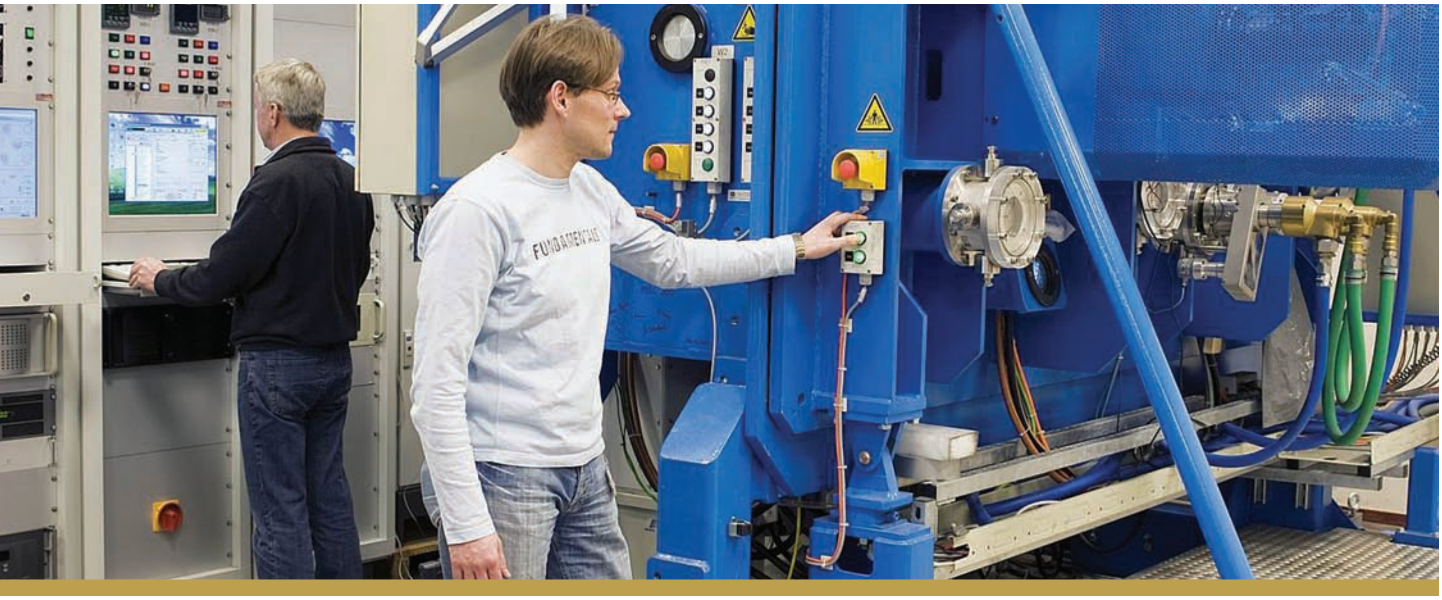


Among the multiple approaches, one related work aimed at meeting already known needs, is the development of high strength and ductility (HSD) steels. Since 2005, Corus and Salzgitter have been working together on identifying opportunities for the application of HSD steels in selected market sectors.

### *Advanced Coatings Developments*

Work on coatings is aimed at responding to the market drive to reduce coatings costs and maintain the Group's position in the market for coated products. Within this, four work streams have been defined i.e. physical vapour deposition, development of zinc free coated products for current and future applications, high speed galvanising and high speed organic coating lines.

The physical vapour deposition (PVD) project is a joint development with POSCO in Korea. It is based



on a PVD process developed by Tata Steel Europe that uses electromagnetic levitation of the metal(s) to be deposited.

## *Producing Ferro Chrome with Less Energy*

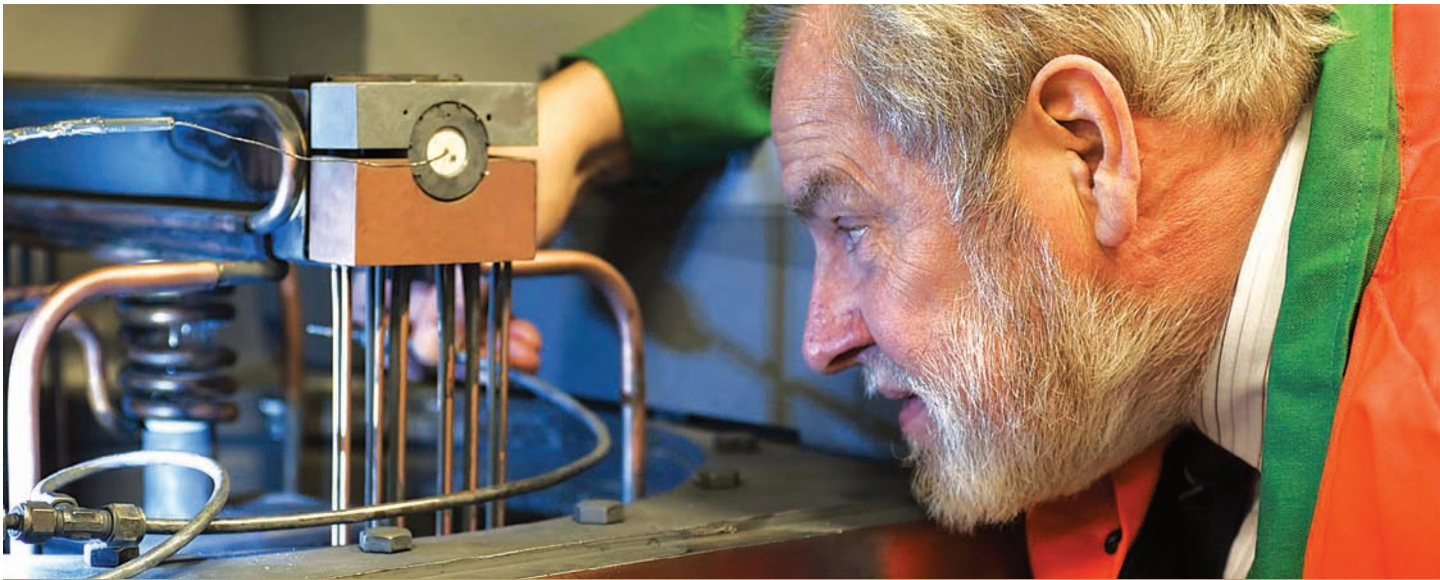
The Group's R&D centre at Jamshedpur has developed a novel process technology than can be applied either for the direct production of stainless steel or for producing ferro chrome in submerged arc furnaces (SAF) with reduced specific power and coke consumption. In 2008, scale-up trials were carried out to establish the technical and economical feasibility of the process. The research team also worked closely with the Institute of Minerals and Materials Technology (IMMT), Bhubaneswar on a fluidised bed reactor process.

Two variants of this process are being developed for the production of pre-reduced chrome for use in production of ferro chrome in the existing SAF process and chrome nuggets that are used as alloying addition in stainless and alloy steel making. The novel process uses non-coking coal as a reducing agent and energy source. Thus there is reduced need for low ash, low phosphorus (imported) coke.

## *Hydrogen Harvesting*

The slag granulation or quenching processes commonly used for slag cooling are not environmentally friendly and the heat contained in the molten slag is wasted.

Tata Steel has developed a novel process to generate hydrogen-rich gas by utilising the heat of molten slag. This process was demonstrated on a pilot project basis using a set up with 10 tonnes slag capacity, designed and developed in-house with the help of Tata Growth Shop, producing gas that contains over 70% hydrogen. International and Indian patent applications have been filed and work is now in progress to optimise the process for commercialisation at the Ferro Alloys plant.



This novel process has the potential to generate low cost hydrogen which can save energy and reduce the consumption of fossil fuels in the steel plant.

### *Viable Photovoltaic Coating Systems*

The work in this area is aimed at developing state-of-the-art thin film photovoltaic systems that are suitable for integration into the Tata Steel Group products. Part of the work focusses on the further development of technology developed by DyeSol, a company specialising in photovoltaics, and is done in collaboration with that company. A second work stream concentrates on the further development of steel as a substrate for PV systems. In the course of the financial year, a dedicated facility for the development of PV systems based on steel substrates, including a pilot line, was set up on the site of Corus Colors in Shotton. The first coating trials on the pilot line were highly promising.

### *Energy Efficient Fluids*

The research in this area focusses on the development of efficient coolants and lubricants for rolling.

After laboratory tests had confirmed that suspending nanoparticles in an aqueous medium result in a higher heat transfer rate, subsequent tests have shown that the overall heat transfer was between 1.8 (at high temperatures) and 2.5 times (at low temperatures) that of water. For industrial scale use however, methods for large scale production and safe handling of these fluids were needed.

As a first step to solve these problems, an effervescent tablet was developed that would dissolve in water in five seconds. A patent application for this has been filed. As a second step, a novel concept of a high speed shear mixer for bulk nanofluid generation was demonstrated in October 2008 for 20,000 litres for use in wire box cooling in the wire rod mill of Indian Steel and Wire

Products Limited, Jamshedpur. The higher cooling rate compared to normal water cooling opens up a range of applications in process control and product design.

Other prospective application areas for nano-coolants that have been investigated include increased cooling rates at the hot strip mill to enable low cost manfacturing of Dual Phase (DP) steels, stove cooling in blast furnaces, and heat recovery from waste gases and exhaust pipes.

### *Examples of business unit implementation and customer support*

Early in 2008, TSE launched its new product MagiZinc®. MagiZinc® is a steel strip with a zinc coating to which small amounts of aluminium and magnesium have been added. In accelerated corrosion tests, the corrosion resistance of MagiZinc® proved to be at least four times as high as the corrosion resistance of conventional galvanised steel for the same coating thickness. This offers the opportunity to reduce the metallic coating weight while still improving the properties of the material. First applications can be seen in the construction industry and include channels for ventilation systems and cable trays in large commercial and residential buildings. In July 2008, MagiZinc® was awarded the Tata Group Innovation Award in the category of "Promising Innovations".

TSE has been working with the UK Ministry of Defence to develop a new high-strength armour plate at a lower cost. The basics of this new super bainite steel were originally developed by Cambridge University, QinetiQ and The Ministry of Defence Science and Technology Laboratory. TSE subsequently developed the product to industrial scale using its laboratory, pilot and full scale production facilities.

For the automotive industry, in addition to its efforts to develop advanced steel grades, excellent customer support is a key target. TSE's portable strain analysis system (PHAST) combines expertise in three-dimensional measurement technology with in-depth materials knowledge and has been used for some years with much success to support press shop operators in using new steel grades or help solve problems in pressing complex car parts.

In 2008, an upgraded version of this system was launched, which provides analysis results within a few hours, so allowing minor changes to tool geometry or press settings to be made and their effect analysed during one shift.

The current focus for the packaging market is on developments that lead to growth with existing products, particularly in the European market. For example, working closely with TSE, Italy's leading maker of cans for the paint and edible oil markets Gruppo ASA has developed PlatinunÒ, a new family of containers for paint based on TSE's ProtactÒ polymer-coated packaging steel. PlatinunÒ has attracted a great deal of interest among paint manufacturers.

## *Process Improvements*

Building on the experience gained with Process Improvement Groups in Corus, the Tata Steel Group Process Improvement Teams have been set up with the aim to ensure that best practice in process technology is applied throughout the Group. This involves among other things, transferring technology that has been proven in one plant to similar other installations. An example of this is an investment at Port Talbot steelworks in energy management technology similar to systems that already exist at other plants, including TSL's Jamshedpur plant.


The Group is continuously working on ways to reduce emissions. It is also working on the development of measuring techniques so that its operations comply with pollution reduction regulations. For example, the TSE RD&T has led a major European project to investigate the sources of fine and ultra fine particulate matter in the steel industry. The study has identified the major sources of such particulates as being emitted by a typical integrated steel plant, and also as effects of long range transport.

These results will help TSE to anticipate future legislation and to take appropriate measures to reduce any emissions from steel making to lower levels.

In India, experts from TSE RD&T's environment department have assisted in assessing ways to maintain emissions from the Jamshedpur works at current levels when production capacity is increased to 9.7 mtpa from the current 6.8 mtpa.

## Tata Steel Chair Professor

Supporting education and research in metallurgy at universities is one way to secure future resources for industrial research and development in metals. With this in mind, the Tata Steel Group has endowed a professorship in metallurgy at the University of Cambridge. The holder of the Chair, inaugurated on 24th November 2008, will be known as the Tata Steel Professor of Metallurgy and the first person to hold the chair is Dr. Harry Bhadeshia, a world renowned expert on the physical metallurgy of steels.

## Intellectual Property (IP) Rights

Good IP management can help the translation of the results of creativity and innovation into profits and valuable business options. The successful introduction and implementation of IP road mapping at Tata Steel and the continuous review of IP matters in multi-disciplinary platforms at TSE have resulted in a global Tata Steel Group portfolio of IP Rights (IPR) that is both youthful and mature. The patent portfolio currently comprises of over 850 patent applications at various stages between filing and grant and over 850 valid patents granting national exclusive rights owned by the respective group companies.

The Tata Steel Group IPR portfolio also comprises of some 250 pending trademark applications and over 1500 registered trademarks for premium products such as Shaktee® for Tata galvanised corrugated steel, MagiZinc® for a newly developed corrosion resistant Al-Mg-Zn coated steel and Colorcoat® for a range of pre-finished steel products for the building envelope.

In the years ahead, the Tata Steel Group will expand its IP portfolio to create and preserve exclusivity for the Group and to support commercialisation of R&D efforts in collaborations, strategic alliances, licensing and transfer of IP rights.

# **Human** Resources

While the impact of the global economic crisis has been felt in varied degrees across all the geographies in which the Tata Steel Group (TSG) operates, keeping the employees cheerful and motivated in these trying times has remained the focus of the Human Resources department. The Group realises that its employees are the most valuable human capital and that they play a major role in building the competitive advantage of the Company's business across the globe.

As the economic crisis hit the world, Tata Steel Europe (TSE) employees contributed to the 'Weathering the Storm' initiatives to reduce costs and increase value, in the second half of the financial year. The company, the employees and the trade unions demonstrated the strength of their relationships by working together in the difficult times. Despite the present economic crisis, TSE has been able to maintain its position as an employer of choice through the following initiatives:

- By demonstrating its commitment to health and safety.

- By maintaining a level of apprentice and graduate recruitment.

- By demonstrating the value of its culture of innovation and improvement by delivering value creation and cost reductions.

- By building and maintaining positive employee relations by agreeing to innovative partnership deals with employee representatives and trade unions to reduce employment costs and minimise redundancies.

- By taking the highest moral approach in its management of redundancies and their impact on the communities in which they occur.


- By working with governments and other agencies in support not only of its own workforce but those of its customers and manufacturing as a whole. This is done to support the industry and demonstrate its central role to society and the countries in which the Group operates in.

## *Recruitment*

Through 2008-2009, the Tata Steel Group has continued to demonstrate that the recruitment of the best of talent and the engagement of its employees is an asset through both high and low demand cycles in the industry.

The Tata Steel Management Trainee Programme and the Corus Graduate Programme continue to attract and offer exciting career options to young engineers who are from amongst the best colleges of the country. The Group has continued the recruitment of apprentices, graduates and targeted external middle and senior management staff to meet the current need and prepare the bench strength for future operations.

## *Training & Development*

The Group has continued to invest in and improve its managerial and technical capabilities through the internal development of its own employees across Europe, India and South East Asia.

To bridge functional skill gaps and to identify candidates for focussed learning in line with the current and future needs of Tata Steel, a scheme called 'Directed Learning Initiatives' was introduced in Tata Steel. The emphasis was to create a pool of experts in different technical areas. Apart from creating specialists, the policy also focusses on managerial learning which consists of modular programmes with tie-ups with various management institutes.


With a view to augment the technical capabilities of the employees, a pilot programme in line with the Technical Competency Assessment System was introduced in Tata Steel. Based on the results, the learnings from the programme will be introduced to the rest of the organisation.

The Performance Improvement Committee has continued to focus on improving both knowledge management and the adoption of best practices across the Tata Steel Group. This has benefitted TSE alongside the other operations of Tata Steel, NatSteel and Tata Steel Thailand.

During the year, a greater focus was assigned to the 'On-the-Job Learning' for executives. This is being offered through cross functional assignment/taskforce, role enhancement/enrichment and improvement Initiatives. The executives were also encouraged to undertake special projects arising from their work assignments which had focussed measures and deliverables.

### *Talent Management & Career Planning*

As part of the global talent management initiatives, the year saw a greater movement of executives between Tata Steel India, Tata Steel Europe, NatSteel and Tata Steel Thailand to enable the cross pollination of ideas and practices and also provide executives with a global experience. The Management Trainee Programme has been re-designed to include special modules of six months each in the areas of TQM, engineering and projects, and safety. This will help the fresh graduate engineers prepare in a better way, for future assignments.

### *Leadership Development*

Leadership Development across all levels continues to be the focus across the Tata Steel Group. The Executive

Committee owns the development and succession plans for the top positions. With regards to the next level of officers, this is done by the respective talent review committees. During the year, the Company continued to support and send senior executives to world-class leadership development programmes at some of the world's leading management development institutes.

A Global Leadership Development Programme was also initiated with the objective of shaping future Tata Steel Group leaders across the globe. This was done to convey to the would be leaders, what it means to be part of the Tata Group, to build a shared understanding of what needs to be done to be recognised as outstanding in the steel industry and to create an understanding of what inspiring leadership within the Group needs to be like.

## *Compensation Management & Better Synergy*

It is a fundamental principal of the Tata Steel Group that all the employees across the globe are compensated fairly. Last year, like the previous years, compensation was based on market benchmarking to ensure that Tata Steel remains an attractive and competitive employer in the market place. Throughout the year, greater synergy was established between TSE, Tata Steel India and the South East Asian operations. This included secondment of employees across geographies. The Performance Improvement Committee has improved both the Knowledge Management and the Adoption of Best Practices Initiatives across the Tata Steel Group and this has benefitted TSE alongside the other operations of Tata Steel.

# **Continuous** Improvement

*Pan view of Tata Steel Works, Jamshedpur*

From the year 2002, the global steel industry grew with the steel demand shooting from 2% to 8% year on year. The Indian steel industry with its 43 million tonnes of steel production in a booming economy, was also showing rapid growth. At such a time when the situation could not have been any better, in 2008 the global economic slowdown cast its shadow on almost all industries including steel. The steel industry was suddenly faced with a high locked up capital and is now having to resort to serious firefighting measures to overcome the current scenario.

Tata Steel India was also impacted by the economic slowdown. However, it still had the confidence that it would be able to continue to perform much better than many others in the industry. This confidence is an outcome of its understanding the cause and effect and its ability to use Total Quality Management (TQM) to achieve its desired goals. While there is no quick fix approach on this journey, Tata Steel believes that long years of perseverance and belief are needed to continue the journey of excellence.

Tata Steel has been pursuing TQM for business excellence formally since the late 1980s. With the vision of becoming a world-class steel company, it adopted various popular improvement initiatives practiced around the world. All this has resulted in recognition by various agencies from accreditation on ISO standards for quality systems, business excellence awards based on Malcolm Baldridge model- JRDQV award, EFQM (European Foundation for Quality Management) model- CII Exim Bank award and JIPM (Japanese Institute of Plant Maintenance)–TPM Excellence award to name a few.

With these laurels, Tata Steel believed that it was on the right track to be deemed a TQM company.

The process of working for and winning the coveted Deming Application Prize in 2008 has also been a humbling and enlightening experience for Tata Steel. Humbling, because it helped Tata Steel pinpoint inconsistencies in its approach of managing its business based on logical principles that are often camouflaged during the good times and surface only during a crisis. Enlightening, because the same process has helped Tata Steel focus on its strengths in areas that are most critical to its business.

The road to the Deming Application Prize forced Tata Steel to research some of the basic systems which exist (but may not be apparent) in an integrated steel industry.

## *Understanding Customer Needs*

Integrated steel plants are capital intensive with a long payback period. It is natural therefore, for steel plants to maximise capital productivity through volumes. Like any other steel plant in the past, Tata Steel's focus had been internal, primarily on cost and volumes. With its growing understanding of TQM and Theory of Constraints (TOC) on the journey towards the Deming Application Prize, its customer focus and approach to the market has undergone a significant change. It started changing the levers of improvement from an internally focussed efficiency driven culture to a culture of value creation with customers and suppliers.

Some specific approaches in the market that Tata Steel started were Customer Value Management (CVM), Retail Value Management (RVM) and Solution for Sales (SFS). These approaches focussed on the "needs" rather than "wants" of the customer. It is important to note that these approaches were continued or initiated in a supplier's market condition when the steel cycle was on a high. Even as the overall market experienced seasonality of demand, the retail sales (through which a significant volume of construction bars is sold) of Tata Steel India was rather insulated.

In a downturn, it is often tempting to chase sales. This inevitably results in a price war which is detrimental to the organisation and the industry. The objective therefore should be to create value for the customer or in other words, should help the customer make money. The assumption that the customer makes money when prices are low can often be unfounded. The journey towards the Deming Application Prize using TQM, provided a deep insight of the needs of the customer and how to capitalise on the need without jeopardising mutual interests.

Mirroring the CVM process, Tata Steel initiated the Supplier Value Management (SVM) programme with its key suppliers, which also works on the 'one firm concept' with the objective of mutual value creation. Similarly, focussed approaches to improve and effectively manage raw materials have been undertaken with the objective to maximise the use of captive resources.

## *Infrastructure Strengthening*

In its zeal to constantly conquer new frontiers especially during a boom period, maintenance, sustenance or standardisation of the current practices are often ignored by an organisation. In good times, the weaknesses in the daily work management system are not focussed upon which later are exposed even during mild storms in the market or economy. Robust daily work management practices, a clean and safe work environment and consistency


and stability of processes are essential building blocks to weather the economic storm. A robust base is essential to improve and sustain gains. The road to the Deming Application Prize emphasised the importance of a robust base and the process of ensuring deployment of the same.

## *The Improvement Philosophy*

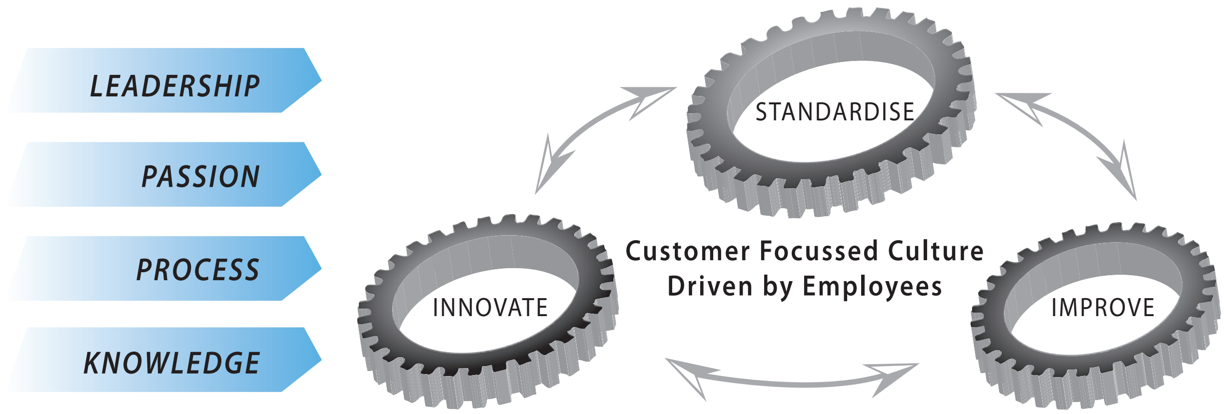
Just sustaining the current performance is inadequate under any environment. Today, most organisations continuously strive to improve. However, the following three aspects often remain as weaknesses:

1. Improvement is often inward looking and relatively less effort is made in distinctly differentiating the offerings to the customers
2. The objectives may not be challenging (aspirational)
3. The means to bring about improvements are often not tested for causality i.e. the means are not checked for necessary and sufficiency conditions to meet the desired objective. Failure to test interventions against appropriate causality leads to making the 'One size fits all' approach to target setting as well as the choice of tools and techniques.

The company's ASPIRE technique helps to set goals and choose the appropriate tools. Under this, certain parts of the planned improvements are checked for causality, explored for means (causes) and then the implementations are carried out using differentiated tools and techniques. For the remaining parts of the aspirational goals the means are innovated as we proceed in the implementation journey.

The future belongs to organisations that can increase the pace of standardisation (to have a robust base), improve quickly on their current operations and continuously innovate to differentiate themselves from the rest.

*Standardise, Improve and Innovate*




This can only be achieved by leadership, passion, process and knowledge.

Tata Steel's TQM journey has made it acknowledge the fact that the only sure way to prosperity in the long run, is to ensure value creation for the system as a whole, starting from the customers to the suppliers.

## Performance Improvement in the Tata Steel Group

Following its principle of driving all processes towards quality under TQM, Tata Steel in January 2008 set up the Performance Improvement Committee (PIC) to drive performance improvement on a continual and accelerated basis. In the next few months, the framework and structure of the PIC was finalised, with Performance Improvement (PI) Groups for iron making, steel making, flat rolling, long rolling, maintenance, distribution service centres and building systems. RD&T also represented in most of the PI teams under each of the groups.

Initially, projects were identified with bottom-line impact of $180 mn, of which 30% were cost projects and the balance were throughput (volume) related. With the change in market situation in H2, the sites reworked their projects and now cost related projects comprise 40%, though the total benefits have reduced to $ 150 mn.

## Early Success Areas

Some areas where Tata Steel's effort at continuous improvement bore fruit include:

- Higher usage of processed reverts at Scunthorpe and Port Talbot
- Reduction in hot metal manganese at Port Talbot
- Bottom stirring at IJmuiden leading to improved converter life and yield
- Higher usage of Low Cost Carbon Source (LCCS) in the blend at Ijmuiden, Port Talbot and Scunthorpe

# **Continuous** Improvement

*Summary: Latest view of Performance Improvement Projects*

| Site | Total Projects | Quantified Projects | Savings Potential | Cost Projects | Volume Projects | Cost Projects not linked to Volume | |
|---|---|---|---|---|---|---|---|
| | *Number* | *Number* | *$m* | *$m* | *$m* | *$m* | *%* |
| IJmuiden | 21 | 18 | 29 | 27 | 2 | 23 | 79 |
| Jamshedpur | 38 | 18 | 14 | 5 | 10 | 4 | 28 |
| Port Talbot | 31 | 24 | 74 | 53 | 21 | 43 | 58 |
| Scunthorpe | 30 | 24 | 33 | 15 | 18 | 7 | 20 |
| Teesside | 32 | | | | | 0 | 0 |
| Packaging Plus | 23 | 18 | 5 | 4 | 1 | 2 | 49 |
| **Total** | **175** | **102** | **155** | **104** | **51** | **79** | **51** |

a) 1 £ = 1.5 $ ; 1 $ = Rs. 48

- Vessel life improvement at Jamshedpur and Scunthorpe

- Blast Furnace and Coke Ovens operating process for lower production levels developed and successfully implemented in Tata Steel European operations without compromising equipment health and safety

## *Coke Self Sufficiency*

### *Coke oven availability improvements*

- Improvement in caster speed at LD2, Jamshedpur by implementing shop tracking system

- Improvement in HSM productivity, Jamshedpur by mill pacing model and effective shutdown management

- Improvement in PLTCM productivity at CRM, Jamshedpur by looper optimisation

## *Change In Performance Culture*

The Performance Improvement journey has resulted in some positive changes in the performance culture:

### *KPI Comparisons*

Each PI team has identified its top three to seven KPIs which are being tracked and compared across sites each month – commencing from July 2008. Such KPI comparisons have led to discussions on areas where there have been significant performance gaps within the Group and often, these have resulted in improvement project opportunities.

### *Bottom line Orientation*

Most projects are being identified with a view towards impacting bottom line improvement and most of the projects are conceptualised along with an expected financial benefit.

## *Knowledge Exchange with a Purpose*

Within the PI teams, knowledge exchange is principally to address common operational issues, address common weaknesses and pain areas and significant KPI gaps. For example, Blast Furnace PIT and Coke PIT have discussed how to manage operations at lower production levels in a safe manner and without damaging the equipment.

As part of the agenda, the PIC meetings drive specific knowledge exchange opportunities.

## *People Involvement*

The PI Team (PIT) meetings and the resulting project opportunities have had a positive influence on involving more people at each site in taking on improvement projects and participating in PIC / PIT reviews.

With a legacy of over 100 years, Tata Steel already had practices in place to manage its operations and situations. In the last twenty years, it has explored and practiced a number of improvement initiatives with TQM forming the holistic approach to manage its processes by quality.

Tata Steel believes that this approach will ensure sustainability while continuously improving its current practices to keep pace with changing market requirements.

It constantly strives to break away from the common place and to set new industry benchmarks for others to emulate.

# **Corporate** Citizenship

*"There is one kind of charity common enough among us, and which is certainly a good thing, though I do not think it is the best thing we have. It is patchwork philanthropy... What advances a nation or community is not so much to prop up its weakest and most helpless members as to lift up the best and most gifted so as to make them of greatest service to the country. I prefer this constructive philosophy".*

*– Jamsetji Tata*

As the Tata Steel Group's operations have expanded manifold to new geographies, it has retained a collective focus on the various areas of corporate sustainability that impact the environment, people and their health and society at large. As a policy, all its businesses promote and encourage economic, social and educational development within their communities while also giving active support to local initiatives. With economic growth, stakeholder expectations have also grown and hence, as compared to last year, the Group's focus on the area of Corporate Social Responsibility (CSR) stresses more on social and environmental sustainability, social welfare, sport and inclusive growth, in an attempt to ensure that its successes are shared by all its constituents.

From the policies on corporate accountability, drug abuse and alcohol, HIV prevention to a Code of Conduct which the company extends to its stakeholders, issues like ethics too are interwoven in the daily course of Tata Steel's business. CSR is an integral component of its business strategy and constitutes one of the Company's key enterprise processes.

### *Towards a Sustainable Future*

Within Tata Steel and other industries, as the demand for unskilled and semi-skilled labourers is reducing, the company is continually working to help local people harness resources and skills available towards sustainable livelihood opportunities, in rural and urban areas.

In India, the Tata Steel Rural Development Society (TSRDS) has focussed on improving agricultural productivity. This year, two major pilot projects were initiated. In the first collaborative project with the Agriculture Consultancy and Management Foundation, Chennai, interventions in approximately 20 acres, resulted in increased productivity of 2.25 tonnes per acre in the first year of the initiative against the target of two tonnes per acre.

The second pilot project on dry land farming with the International Crop Research Institute for Semi Arid

Tropic, Hyderabad, developed nearly 22 acres of land resulting in increased yields. In addition, 2800 acres of wasteland have been developed. The second and third croppings in about 3300 acres of land, have been facilitated through 65 water harvesting structures.

The Land and Water Management programme was initiated in the Ganjam district of Orissa. TSRDS took up the job of reviving non-functional lift irrigation systems, covering over 720 acres of land which benefitted 1400 families.

The Company is also training 3000 youths in different kinds of vocations to help them develop several skills. 780 youths from Kalinganagar in Orissa and Chhattisgarh have successfully found jobs.

As a platform to link rural craftsmen and women with potential markets and customers, Tata Steel hosted the 17th Gramshree Mela in March 2009. In this extremely successful initiative, a total of 209 stalls were put up with artisans displaying artefacts from 20 states of India.

Over the past 30 years, the TSE subsidiary UK, Steel Enterprise has provided finance and premises, together with help and advice, to more than 4200 growth businesses to support the economic regeneration of communities affected by changes in the steel industry. The total financial support is over £72 mn with over £50 mn in direct investment, which has enabled these businesses to create over 68,000 new jobs. Projects supported since April 2008 include financial support for community centres and sports projects such as the Stephen Harrison Academy, which uses sport to improve the lives of disadvantaged young people, sponsorship of youth activities such as a new Creative Training Academy project and the Lanarkshire final of the 2008 Prince's Scottish Youth Business Trust 'Young Entrepreneur of the Year' Awards, a grant to improve facilities for Middlesbrough's South Bank community and help residents find employment.

Over the last fiscal, NatSteel Australia Pty Ltd. donated $5000 to the Victorian Fire Appeal for the victims of the Victorian bush fires in February 2009.

The Sports & Recreation Club of NatSteel Holdings raised an amount of $53,500 which went into the purchase of a handicapped modified van. The company also launched its pilot CSR Leave project which entitles the staff to pro-rate one day leave per year to carry out activities with their adopted charities.

NatSteel Xiamen Ltd. (China), in May 2008, as part of their social sustainability programme, gave the Xiamen Red Cross Society an RMB $160,000 cheque in aid of the Sichuan Earthquake victims. Its employees also donated an RMB $80,000 check to the same.

The Siam Industrial Wire Co. Ltd. (Thailand) undertook the Watdonchan School Project and renovated the canteen, computer room along with the playground. The company also initiated the Bankhai Technical College & SIW Dual Vocational Training project where they trained students for specific careers in SIW.

The Wuxi Jinyang Metal Products Company donated RMB 120K for the disaster of earthquake in Sichuan province and NatSteelVina Co. Ltd. (Vietnam) donated to flood efforts in Bac Giang and Vinh Phuc Provinces.

### *Giving Back to the Community*

Since its inception, Tata Steel has been working towards improving the quality of life in its areas of operations.

In India, Project RISHTA (Regional Initiative for Sexual Health by Today's Adolescents) safeguards the youth from adverse effects of teenage pregnancy, sexual abuse and disease. This year, it reached out to 24,000 youth. 7750 children were immunised and 8400 women were covered through antenatal check-ups. Over 1640 cataract operations were also conducted. During the year, over 7000 couples were protected through permanent methods of family planning.

As part of the HIV/AIDS interventions, counselling at Sneh Kendra, Jamshedpur, has helped over 1440 'at risk' people. Under Project Kavach, various media

events, counselling sessions and Khushi clinics were organised throughout the year to minimise the risk of HIV/AIDS among truckers.

The Port Talbot steel plant of Tata Steel Europe welcomed Alexander Rose, the founder of the STOP (Solve This Ongoing Problem) Knife Crime campaign, to witness the destruction of 729 knives, blades, swords and axes handed in a knife amnesty in 2008 and their recycling into new steel slab.

During the year, Tata Steel Thailand organised an environmental conservation camp for 50 students and provided for rebars for the Yuwawitsawakornbopit 36 Bridge Construction Project operations. It also provided life bags for flood victims in Tambon Khao Sam Yord Lopburi Province and to the victims in Amphur Bangban, Ayudhya Province as well.

### *A Focus on Literacy and Education*

Tata Steel has endowed a Professorship of Metallurgy in the Department of Materials, Science and Metallurgy at the University of Cambridge. The first holder of the chair, inaugurated in November 2008, is Dr Harry Bhadeshia, a world-renowned expert on the physical metallurgy of steels. The endowment recognises the commitment of Tata Steel and the University to world-leading research in the field.

In India, the Company continued its efforts to improve literacy rate and has taken several initiatives to attain 'education for all' with a specific focus on rural and urban slum children, girls and youths from scheduled castes and tribes. In the urban areas, out of about 570 students who were enrolled in 12 centres, over 380 students (67%) have been integrated into formal schools. In the rural areas, 22 centres catered to 550 children in the age group of 3-6 year with a 100% success rate for 110 students in the 5-6 age groups. To help the underprivileged girl children enter the mainstream, a Camp School programme was initiated with the help of Jharkhand Education Project. This nine-month intensive learning course for students aged 9-14, helps them complete education up to the 5th standard and qualify for admission to class VI. Through adult literacy programmes, over 3800 persons were made functionally literate. Financial assistance programme for meritorious students under the Jyoti and Moodie Scholarships covered 660 students in FY 09.

In January 2009, the management and staff of NatSteel Holdings volunteered at the award presentation ceremony of the Society for the Physically Disabled (SPD) Education Programme. A cheque of SGD $50,000 was also presented as part of the bursary awards to the disabled students.

### *Towards Environmental Sustainability*

Tata Steel's approach to environmental management has been guided by the Tata Code of Conduct (Clause 8: Health, Safety & Environment), the Tata Steel Environmental Policy and the UN Global Compact Principles. Tata Steel is progressing well towards it key goal of $CO_2$ emission reduction.

In India, a project on Renewable Energy for Rural Livelihoods (RERL) was launched in 2006 in five villages. The major include 255 solar home lights, 21 street lights, 240 biogas plants and five woody biomass gasifiers. The project is being replicated in 10 more villages of the district covering 843 households. In the year 2008-09, 130 biogas plants have been constructed in three villages.

TSE and its supply chain management provider TDG, have unveiled a new trailer to reduce carbon emissions. This trailer has been designed to carry steel loads of various shapes and sizes and will further reduce 'empty running' as it offers increased versatility. TSE has cut a million truck miles a year, saving 1315 tonnes of $CO_2$ emissions and 500,000 litres of diesel.

REACH is a new European Union regulation concerning the Registration, Evaluation, Authorisation, and restriction of Chemicals. An important step in the REACH process is to collect all relevant (eco) toxicological information of substances so they can be manufactured and used in a safe way. Recognising its commitment to REACH, TSE has been working since June 2007 to comply with the regulation.

TSE is the largest steel recycler in the UK. Corus Steel Packaging Recycling promotes steel packaging

recycling to consumers, local authorities and the commercial sector, and offers an established end market for recovered used steel packaging.

Climate change is one of the most important issues facing the world today. In 2008, the Group launched its Climate Change Strategy, which recognises that the steel industry is a significant contributor to man-made greenhouse gas emissions as the manufacture of steel unavoidably produces carbon dioxide ($CO_2$). It continues to improve its current processes to increase its energy efficiency and to reduce its carbon footprint, with a goal of reducing $CO_2$ emissions per tonne of liquid steel by at least 20% (to less than 1.5t/tls) by 2020 compared to 1990 levels. In February 2008, TSE announced an investment of £60 mn in energy management technology at its Port Talbot site, an investment that will reduce $CO_2$ emissions from 2009 onwards. In addition to these improvements, TSE is also working with other steel makers in Europe on a major research and development project, ULCOS (Ultra-Low $CO_2$ Steel making) to investigate new technologies that could bring about a step change reduction of 50% $CO_2$ emissions per tonne of liquid steel by 2050.

NatSteel Holdings increased the use of NEWater (recycled water) in operations, to be 'greener' in its use of water. It is also in the process of building a baghouse to collect all fugitive dust generated from the scrap melting process.

NatSteel Australia Pty Ltd. implemented an energy audit/tracking programme this year and reduced the use of multi-machine servers. It also installed rainwater tanks to harvest rainwater.

The Siam Industrial Wire Co. Ltd. began its Stop Global Warming project, in which employees, 350 government officers, teachers, students and residents from the nearby communities planted saplings at the Nong Plalai Reservoir and Rayong Province.

### *Well-being Through Sport*

The Tata Steel Group has always actively encouraged and supported sport in multiple ways. From corporate sponsorship of promising sports persons, to making available sporting facilities to people across socio-economic stratas.

In India, Tata Steel runs residential academies of Football, Archery and Athletics and a majority of players in the Indian Football Team are from the Tata Football Academy (TFA). Tata Archery Academy students have already won medals at an international level and a Tata Athletics Academy student won a Bronze Medal at the Doha Asian Games.

Besides residential academies, Tata Steel also runs training centres in different sports disciplines for the community where over 500 children are trained regularly. From the Boxing Training Centre, Anthras Lakra went to the Beijing Olympics.

As a corporate partner of the British Triathlon Federation, TSE is committed to the development of triathletes from grassroots level through to potential Olympic champions. Since the start of its involvement with triathlon in 2006, it has helped British Triathlon build an environment that enables the sport and its participants to be the best that they can. TSE employees have volunteered at these events, getting local schools involved and helping to set up children's triathlon clubs. Over 7,000 children have taken part in the series so far.

Corus has teamed up with Study United to create the Corus Goal Challenge – an exploration of science, technology, engineering and mathematics in the world of sport for primary schools across North Lincolnshire. Pupils were challenged to design, build and test models of floodlights for Scunthorpe United Football Club and suggest the boots, players should wear on different pitch surfaces.

The 71st Corus Chess Tournament 2009 took place at Wijk aan Zee in the Netherlands in February 2009. The Tournament is one of the leading chess competitions in the world and the 2009 grandmaster participants include 14 of the world's top chess players.

### *Affirmative Action*

Tata Steel is fully committed to the need for growth and development of Scheduled Castes (SCs) and Scheduled Tribes (STs) in a spirit of Affirmative

Action. Though Affirmative Action was declared as a Policy in 2006 by the Government of India, Tata Steel has been practising it for over three decades now. Its focus population includes the SC/ST communities in Singhbhum (East & West) and Sareikela-Kharsawan in Jharkhand. An important initiative is the socio-economic development project at primitive tribe villages for which four hamlets, two each of Birhor and Savar have been identified, a detailed socio-economic survey conducted, and project implementation has been initiated in areas of sustainable livelihood, education, health and sanitation.

Tata Steel contributed towards the development of a self-learning kit for the Santhali language in collaboration with Santhal Engineers' Welfare Association, a group of Santhal professionals. The package is geared at the revival of Santhali language and comprises of basics of alphabet, elementary grammar, vocabulary and math to enable learners to read and write.

*"Humata, Hukhta, Hvarshta"* – These words in the ancient Avestan language, are inscribed on the crest of the founder of Tata Steel, Jamsetji Nusserwanji Tata. They mean: *Good Thoughts, Good Words and Good Deeds*. These words form the essence and the driving force of the Corporate Citizenship philosophy of Tata Steel, which amply communicates to all its stakeholders that "… *what comes from the people goes back to the people* …"

# **Awards, Recognitions** and Certifications

## The Deming Application Prize


The **Deming Application Prize**, established in December 1950 in honour of **W. Edwards Deming**, was originally designed to reward Japanese companies for major advances in quality improvement. It has grown under the guidance of the Japanese Union of Scientists and Engineers (JUSE) and is now also awarded to non-Japanese companies. The Prize is awarded to an individual or company and other operating organisations and factories located outside Japan. Worldwide, 160 companies have won the Deming Application Prize since it was instituted. Of these 160, 15 companies are Indian, primarily from the automotive sector.

## Tata Steel India Wins the Deming Application Prize-2008

Tata Steel India's Award of the Deming Application Prize-2008 for excellence in Total Quality Management was a first to an integrated steel company outside Japan. Mr. B. Muthuraman, Managing Director, Tata Steel, received the coveted medal from Mr. Fujio Mitarai, Chairman of the Deming Prize Committee, at a formal function in Tokyo, Japan.

While accepting the award at the function, Mr. Muthuraman dedicated the award to the employees and workers of Tata Steel. He said in his speech, " It is because we have taken the first steps, first firm and sure steps towards quality movement and because a large number of people in the entire organization are involved in that movement that we are being given this prestigious award."

And he added, "Our efforts to challenge the Deming Prize and the questions the Deming Examiners asked us made us humble and made us realize that we now have a tool and a system with which we can improve everything we do in a continuous and predictable basis, that our



Mr B Muthuraman, Managing Director

This is to certify that

TATA STEEL LIMITED
INDIA

has achieved outstanding performance by practicing
Total Quality Management
utilizing statistical concepts and methodology
based on the company's excellent business
philosophy and leadership as demonstrated by
its senior management.
In recognition thereof, the Deming Prize
Committee hereby presents
the Deming Application Prize 2008
to

TATA STEEL LIMITED
INDIA

Fujio Mitarai, Chairman
The Deming Prize Committee
November 12th, 2008

results would be based on our efforts and that we would be able to overcome any obstacles put on us by the external environment."

During the assessment process, the Japanese examiners were not only impressed by the quality parameters followed at Tata Steel, but also by the social commitment of Tata Steel and its work done in the rural areas over the last 100 years.

# Awards, Recognitions and Certifications

Tata Steel's leadership in sectors of economic, social and environmental significance brings a unique set of capabilities. The heritage of returning to society what the company earns evokes trust among all its stakeholders, including consumers, employees, shareholders, communities and government regulatory bodies. Because of its strong commitment to the cause of sustainable development, certification to environment management systems, quality standards, and the belief that better environmental management leads to superior business performance, the Company won a number of national and international awards and accolades during the year.

## Tata Steel Group – Some Key Awards

- The crowning glory this year was the Deming Application Prize 2008, which is the highest award for quality in the world. Tata Steel India earned the unique distinction of being the first integrated steel company outside Japan to win the Deming Prize.
- The Golden Peacock Global Corporate Social Responsibility Award for its continual commitment to ethical behaviour and its contribution to economic development while improving the quality of life of its workforce, their families as well as of the local community and society at large.
- The Economic Times Company of the Year Award for making a fundamental difference to the way business is done.
- The Best Establishment Award by the President of India, Mrs. Patibha Devi Singh Patil.
- The Most Admired Knowledge Enterprise (MAKE) Asia Award for the fifth time.
- The TERI Corporate Award for its HIV/AIDS initiatives.
- The Think Odisha Leadership Award for 100 years of service to the nation.
- National safety awards to the West Bokaro and Jharia divisions.
- HMS Faglig Forum, the organisation of professional and industrial bodies for health, environment and safety professionals in Norway awarded its 2008 prize to Corus Packaging Plus in March 2009.
- Corus' Scunthorpe site was recognised by the North Lincolnshire Health and Safety Group as one of the most improved companies for accident prevention within the group in March 2009.

- Corus Tubes Maastricht received a national 'Good Practice Award' from the European Agency for Safety and Health at Work in November 2008.
- Corus Distribution UK and Ireland's help in setting up a new approach to work experience was recognised with a CSR award from Walsall Town Council in March 2009.
- Confidex Sustain®, the world's first cradle-to-cradle CarbonNeutral building envelope from Corus Colors, was recognised by four major awards, including:
    1) A 2008 Welsh Marketing Award from The Chartered Institute of Marketing in Wales.
    2) The Chartered Institute for Waste Management's award for Sustainable Product Development of the Year, which rewards environmental excellence and products that have been designed or produced to improve sustainability.
- NatSteel Holdings bagged the Platinum Singapore HEALTH (Helping Employees Attain Life Time Health) Award in November 2008.
- For the third time running, NatSteel Holdings won the Work-Life Excellence (WLE) Award in August 2008.
- SCSC, a subsidiary of Tata Steel Thailand, received the Excellence in Manufacture Award for Quality, Environment and Safety Management and the award for Logistics Management from the Department of Primary Industries and Mines of Thailand's Ministry of Industry.
- NatSteel Xiamen Ltd. received accreditation from the Australian Certification Authority for Reinforcing Steel (ACRS).
- Wuxi Jinyang Metal Products Co. was awarded the ISO 14001 accreditation for environment protection.
- TSTH subsidiary, SISCO received the ISO 9001:2000, TIS 18001:1999 and OHSAS 18001:1999 quality management certifications.

TERI Corporate Award

BE Award

Platinum Singapore HEALTH

Blast Furnace, Jamshedpur

# Management of Business Ethics

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

- Leadership
- Systems and Processes
- Training and Awareness
- Measurement

The year 2008-09 was marked by the launch of the Tata Code of Conduct 2008. The Code has the flavour of globalisation and gender sensitivity, which reflected the presence of the Tata Group's footprints in many foreign countries. The revision of the Code included the following points keeping globalisation in mind:

- International nuances were added (originally perceived as India-centric was modified and the Code was made global).
- Gender bias was removed.
- An additional global focus area was incorporated, e.g. culture sensitivity, colluding to bribe, right to privacy, improving environment-greenhouse gases, preserving human rights, honouring commitments.
- Employee responsibility has been inserted under relevant clauses.
- Third party accountability has been added by obtaining Non Disclosure Agreements by the Tata Company with third parties and their employees.

Tata Steel took various steps to roll out the Code within the Company. The leadership team and all executives reconfirmed their dedication to the Code by an online acceptance of compliance through the SAPHR Portal. The changes in the new Code were made known to all by circulating two codes per week through Lotus Notes, which is the internal mailing system of the Company. This system has helped people within the organisation understand the Code better.

In addition to this, other initiatives were also taken to deploy the Code throughout the Company. These include printing of books, posters of the Code in English, Hindi and other regional languages which also carried the Managing Director's message. Posters were put up at strategic locations to help all employees to familiarise themselves with the Code. There were also several classroom training sessions and shop floor discussions. The Code has also been uploaded on the Company's website.

All partners including vendors, contractors and other agencies, were informed about the new Code through the e-Procurement and online business sites. Their non disclosure agreements were also taken online.

In order to make the Company's 'Whistle Blower Policy' effective and to encourage more whistle blowers, the 'Whistle Blower Reward Policy' was incorporated. In addition to this, a film on a whistle blower's role was also made and screened across all levels of the Company.

The Ethics Group of the Company was also subject to the Deming examinations this year and this has helped the function improve the monitoring of its processes.

For further details, please e-mail the Ethics Group at: ethics.counsellor@tatasteel.com

# Directors' Report

To the Members,

The Directors hereby present their 102nd annual report on the business and operations of the Company along with the standalone and consolidated financial accounts for the year ended 31st March, 2009.

Figures in Rupees crore

| | Tata Steel Standalone | | Tata Steel Group | |
|---|---|---|---|---|
| | 2008-09 | 2007-08 | 2008-09 | 2007-08 |
| Net Sales/Income | 24,315.77 | 19,691.03 | 147,329.26 | 131,533.63 |
| Total expenditure before depreciation (net of expenditure transferred to capital) | 15,182.34 | 11,677.25 | 129,201.59 | 113,751.20 |
| Operating Profit | 9,133.43 | 8,013.78 | 18,127.67 | 17,782.43 |
| Add: Dividend and Other Income | 308.27 | 242.80 | 265.67 | 475.86 |
| Profit before Interest, Depreciation, Exceptional Items and Taxes | 9,441.70 | 8,256.58 | 18,393.34 | 18,258.29 |
| Less: Net Finance Charges | 1,152.69 | 786.50 | 3,290.18 | 4,085.41 |
| Profit before Depreciation, Exceptional Items and Taxes | 8,289.01 | 7,470.08 | 15,103.16 | 14,172.88 |
| Less: Depreciation | 973.40 | 834.61 | 4,265.39 | 4,136.95 |
| Profit before Exception Items and Taxes | 7,315.61 | 6,635.47 | 10,837.77 | 10,035.93 |
| Add/(Less): Exceptional Items | — | 430.89 | (4,094.53) | 6,335.13 |
| Profit before taxes | 7,315.61 | 7,066.36 | 6,743.24 | 16,371.06 |
| Less: Provision for current taxation | 2,173.00 | 2,252.00 | 1,997.12 | 3,353.73 |
| Less: Provision for deferred taxation | (75.13) | 108.33 | (121.93) | 674.58 |
| Less: Provision for Fringe Benefit tax | 16.00 | 19.00 | 18.81 | 20.99 |
| Profit after taxes | 5,201.74 | 4,687.03 | 4,849.24 | 12,321.76 |
| Less: Minority interest | — | — | (40.94) | 139.94 |
| Add: Share of profit of Associates | — | — | 60.72 | 168.16 |
| Profit after minority interest and share of profit of Associates | — | — | 4,950.90 | 12,349.98 |
| Add: Balance brought forward from the previous year | 6,387.46 | 4,593.98 | 8,234.03 | 4,840.39 |
| Balance | 11,589.20 | 9,281.01 | 13,184.93 | 17,190.37 |
| Which the Directors have appropriated as under to:– | | | | |
| (i) Proposed dividend | 1,168.95 | 1,168.93 | 1,167.88 | 1,167.86 |
| (ii) Dividend on Compulsory Cumulative Preference Shares | 109.45 | 22.19 | 109.45 | 22.19 |
| (iii) Tax on Dividend | 214.10 | 202.43 | 217.64 | 207.75 |
| (iv) Special Reserve | — | — | 4.24 | 6.32 |
| (v) Actuarial gain/(Loss) | — | — | — | 5,906.84 |
| (vi) Statutory Reserve | — | — | 51.53 | 96.30 |
| (vii) General Reserve | 600.00 | 1,500.00 | 672.23 | 1,549.08 |
| **Total** | **2,092.50** | **2,893.55** | **2,222.97** | **8,956.34** |
| Balance to be carried forward | 9,496.70 | 6,387.46 | 10,961.96 | 8,234.03 |

## GLOBAL ECONOMY

After a period of robust global economic expansion for the last four years, the global economy slipped into a recession in the second half of 2008, lowering world GDP growth to 2.1% in 2008 (The IMF considers growth less than 3% as a recession). The financial meltdown resulting from the US housing crisis precipitated the recession leading to lower trade finance, lower purchasing power and falling demand in advanced economies with world trade growth dipping to 3.3% (6% in 2007). The IMF expects world trade to fall by 11% in 2009, recovering to positive growth of 0.6% in 2010.

Governments the world over have committed to provide significant liquidity and stimulus packages to support their fragile economies. Major nations through the G-20 forum have also committed to greater transparency in accounting practices by the banks and hedge funds and also closer monitoring of tax havens.

The Gross Domestic Product (GDP) in the Organisation of Economic and Co-operation and Development (OECD) area fell by 4.8% in the first quarter of calendar 2009 on a year-on-year basis following a fall of 1.7% in the fourth quarter of 2008. US GDP increased by 1.1% in 2008 but is expected to fall in 2009. A fiscal recovery package of around $800 billion was announced by the US government which included a combination of spending incentives and tax rebates to boost consumer spending. The Federal Reserve was very aggressive in cutting interest rates during the end of 2008 and early 2009, bringing down the Federal Funds rate to a current low of 0.18%.

The Euro currency grew by 0.85% in 2008 and is still likely to post negative growth in 2009, before a mild recovery in 2010. The UK GDP slowed to 0.7% in 2008 and is expected to fall further in 2009 with a slight improvement in 2010. Investment spending declined in the UK in the fourth quarter of 2008 as businesses facing weaker demand and tighter financing conditions cut back on production and employment. Automotive manufacturers and the steel producers were particularly badly hit resulting in layoffs and factory closures.

World GDP growth was sustained by the emerging and the developing economies, which grew at 6.1% in 2008, though this is projected to fall sharply in 2009. Growth in the Asian powerhouse, China, slowed down to 9% in 2008 and is expected to fall further to around 6.5-7% in 2009. The Chinese government is hoping that the stimulus package of $600 billion it announced in February 2009, would raise the growth rate to 8%, with the domestic economy picking up the slack in exports. The Indian economy which grew at an average rate of 8.8% between 2003-04 and 2007-08, saw the growth dip to 6.7% in 2008-09, mainly on account of a sharp dip in exports. The newly elected government has emphasised an expenditure and investment focussed agenda to enable the country return to an 8% growth in the near future.

## STEEL INDUSTRY

While most steel companies across geographies enjoyed strong demand and record earnings in the first half of 2008, the demand for steel weakened significantly after August 2008 with the global financial crisis adversely impacting the construction sector and capital spending. Steel companies across all major geographies announced substantial production cuts to align inventory levels with underlying demand. This affected the capacity utilisation level of the global steel industry. Further, tight credit conditions in the second half of the year and the need to generate cash flows resulted in a severe level of industry-wide destocking.

Steel prices also declined significantly across the world with more than a 50% reduction in the second half, compared to the first half of 2008-09. Similarly, the spot prices for iron ore and metallurgical coal also came down significantly in the latter part of 2008. It is very likely that the annual benchmark rates in 2009 for iron ore and metallurgical coal will be settled at a significantly lower level. For most of the world, the overall downward trend continued into the first quarter of 2009 in tandem with the global downturn. World steel production in the first quarter of calendar 2009 was 269 million tonnes, a decrease of 22.8% over the first quarter of calender 2008. The largest decline in steel demand was felt in the US, Europe and Japan.

Reduced demand and falling prices put extreme pressure on the profits, margins and liquidity of the steel companies. Capacity has been idled and capital expenditure has been curtailed for 2009 and onwards. Many manufacturers have utilised this downtime for overhaul and maintenance. Long-term contracts are being renegotiated with producers using the economic downturn to negotiate price concessions from raw material suppliers and vendors. Some steel companies are acquiring iron ore and coal mines to insulate themselves from the price volatility and to ensure a dependable supply of raw materials.

The slowdown in the real economy the world over is likely to delay recovery in the steel industry in 2009. Steel demand is likely to stabilise in the latter part of 2009 leading to a mild recovery in 2010.

Emerging economies were also affected by the economic crisis, but to a lesser degree. Steel consumption in the BRIC countries (Brazil, Russia, India and China) is expected to fall by 5.9% in 2009, with China, which has been the source of much of the global increase in steel demand, too seeing negative growth of about 5% in 2009.

The Indian economy, which is recovering faster than its global peers from the current slowdown, appears better positioned with the World Steel Association forecasting a 2% growth in the country's steel consumption in 2009. With India's GDP growth forecast to grow around 6.5% in 2009-10 on the back of robust infrastructure spending, it is likely that the World Steel Association's forecast may turn out to be too modest.

## BUSINESS RESULTS

### *Tata Steel Group*

The steel deliveries of the Tata Steel Group for the financial year 2008-09 at 28.54 million tonnes were 10% lower compared to 31.68 million tonnes during the financial year 2007-08. The Group recorded a turnover of Rs.147,329 crore (US$ 28,962 mn) for the financial year 2008-09, 12% higher than the turnover of Rs. 131,534 crore (US$ 25,857 mn) for the financial year 2007-08.

- The EBITDA for the Group at Rs. 18,495 crore (US$ 3,636 mn) for the financial year 2008-09 was 1% higher than the EBITDA of Rs.18,287 crore (US$ 3,595 mn) recorded during the financial year 2007-08.
- Profit before taxes and exceptional items was Rs.10,838 crore (US$ 2,130 mn) during the financial year 2008-09 against Rs.10,036 crore (US$ 1,973 mn) for the financial year 2007-08.
- Exceptional items during the financial year 2008-09 was a loss of Rs. 4,095 crore (US$ 805 mn) representing 'restructuring, impairment and disposals' relating to the disposal/impairment of assets and restructuring arising out of the 'Fit for Future' programme at Tata Steel Europe.

### *Tata Steel - Indian Operations*

The Steel Division of the Indian operations posted an increase of around 10% in its finished steel production and sales during 2008-09 riding high on the performances of the newly commissioned 'H' Blast Furnace, the Sinter Plant, the steel melting shops LD Shop 1 and LD Shop 2 and the Finishing Mills at both Flat and Long product divisions.

Total sales at 5.231 million tonnes were 9% higher than the previous year. Long products sales at 2.00 million tonnes increased by 25%. Flat products recorded a sales of 3.23 million tonnes, slightly higher than the previous year.

The Indian operations achieved a significant reduction in the consumption of coke, following increased production from the larger Blast Furnaces with higher productivity.

The Tubes Division commissioned a state-of-the-art 2" Mill during FY 09. This improved its operational efficiency, productivity and energy consumption and enabled it to offer improved products. With the installation of the new mill, the Tubes division capacity increased to 300,000 tonnes per annum. The division has started manufacturing high end precision tubes with the commissioning of the hydroforming facilities and has recently initiated the supplies of Engine Cradles for Tata Nano cars, tubes for Telescopic Front Fork (TFF) & Propeller Shaft applications.

The Bearings Division of the Company sold 26.34 million bearings during FY 09, 5% lower than the previous year. The Bearings division's major customer segment is the automobile sector and its performance is linked to the performance of the automobile industry. The automotive segment saw a robust growth of 12.7% during the first half of the financial year, but witnessed a steep decline of 13% in the third quarter before recovering marginally in the fourth quarter. The division put in place several cost reduction measures to meet the challenges of the highly competitive bearing market. It also introduced new products and branded grease in the market during the year.

### *Tata Steel Europe (TSE) – (Corus Group)*

Tata Steel Europe's liquid steel production in 2008-09 at 16 million tonnes was 20% lower than that of 2007-08. The production for the first six months was 10 million tonnes, which however fell to 6 million tonnes during the second half of the year, reflecting the planned reduction of production to match the sharp contraction in the demand environment during the second half of the year. The selling price of the steel products also dropped substantially with margins adversely affected because of the fixed annual contracts for raw material supplies.

The TSE Group turnover for the period was Rs. 1,09,570 crore (US$ 21,539 mn) [2007-08: Rs. 1,00,218 crore (US$ 19,701 mn)]. Average revenue per tonne increased for each of the Group's steel divisions by over 30%. Conversely, deliveries reduced sharply by approximately 18%. However, these overall movements indicated significant quarterly variations, as at first the buoyant steel market saw prices and volumes grow, followed by a market collapse in the second half of the year.

The TSE Group's operating profit for 2008-09 was Rs. 5,953 crore (US$ 1,170 mn) [2007-08: Rs. 6,041 crore (US$ 1,188 mn)]. The significant deterioration over the previous year was due to a combination of the fall in deliveries and a high level of net realisable value provisions against inventories, as prices fell sharply. Within the year, a similar pattern to the turnover of a buoyant first half followed by a substantial deterioration in the second half was evident in the result. The loss before tax of TSE amounted to Rs. 184 crore (US$ 36 mn) as against a profit of Rs. 9,187 crore (US$ 1,806 mn) in the previous year.

TSE's estimated UK market share in 2008-09 for main carbon steel products was 50% (2007-08: 49%). It is estimated that the other UK steel companies had a 4% market share, with imports amounting to 46%.

### *NatSteel Holdings*

The Tata Steel Group's Singapore operations consist of an Electric Arc Furnace-based steel making and rolling operations with a production capacity of about 750,000 tonnes per annum. During the financial year 2008-09 Singapore sold about 956,000 tonnes of steel, 6% more than the previous financial year, and achieved a market share of about 58%. The downstream facilities in Singapore sold over 4,75,000 tonnes in FY 09, 20% more compared to the previous year. Among other operations of the NatSteel Holdings, the Xiamen operations in China, a 100% subsidiary of NatSteel, sold 426,000 tonnes of rolled products during FY 09, 17% higher than the previous year and the Australian operations of NatSteel sold around 188,000 tonnes (12% higher than the previous year) of steel in straight length rebars, mesh, cut & bend and other accessories.

During the year, the Singapore operations focussed on working capital management to ensure adequate liquidity and also improved the operating parameters including an improvement in yield and downstream tonnages with an estimated benefit of S$14 million (US$ 9 million).

### *Tata Steel Thailand*

Production during FY 09 at 1.07 million tonnes was lower by 22%, while sales at 1.1 million tonnes were about 20% lower than the previous year. The political instability in Thailand and the economic downturn significantly impacted the construction industry in Thailand. Tata Steel Thailand took significant steps to readjust to the emerging economic environment including writing down of higher value inventory focussing on cost reduction in the Rolling Process Scheme by optimising the roll consumption cost and in Alloy Consumption at the steel shop and re-engineering working capital management.

## ENDURING THE DOWNTURN

Every steel maker worldwide faced an unprecedented decline in demand after October 2008 following the global economic downturn. The Tata Steel Group made a quick risk assessment of the consequential financial impact and initiated programmes labelled 'Weathering the Storm' and becoming 'Fit for Future', so as to remain competitive in the future.

### *Indian & South East Asian operations*

While India was not structurally impacted by the global financial crisis, the Indian economy slowed down considerably in the second half of the year. In order to retain its competitive position, the Indian operations initiated several cost reduction measures with targeted savings of about Rs. 440 crore which was achieved during the year. In line with the above, the output from the large Blast Furnaces were increased and the production from the smaller furnaces were scaled down to lower overall costs. The Company also focussed on gaining market share through increased volumes at competitive costs, a better product mix with increased flat product volumes and a reduction in maintenance costs. It also reduced the cost of hot metal production by improving the production of coke by 5% through better coke oven utilisation, reduced cost at the sinter plant, reduced use of refractories and reducing the power consumption at the Blast Furnaces.

The Capital Expenditure plan was also reviewed to focus only on those capital projects which had a higher Internal Rate of Return (IRR). Based on the above review, the 2.9 million tonnes per annum (mtpa) Jamshedpur project and the global raw material projects have been accorded priority and would be completed as per plan.

Tata Steel's South East Asian operations undertook various steps for cash conservation and liquidity enhancement such as the securitisation of receivables and reduction in net working capital. It also undertook several initiatives towards cost control and cost reduction by reducing the maintenance cost of the plant, and reducing administrative, employee and travel costs.

### *European Operations: Launch of the 'Weathering the Storm' Programme*

With a view to counter the adverse impact of the economic downturn, the European operations undertook a very significant initiative during the second half of the financial year under the 'Weathering the Storm' programme. Consequent to a lower volume of production, the focus under this programme was to review and reduce costs in manufacturing, material usage and employee related areas including a one-off monetisation of hedges. During the six month period of October 2008 to March 2009, the extent of value from the "Weathering the Storm" initiative was around £700 mn ($1 bn).

In January 2009, the restructuring of European assets was accelerated through the launch of the 'Fit for Future' programme that focusses primarily on three areas: divestments, asset restructuring and a company-wide efficiency and overhead review.

## TATA STEEL – CORUS INTEGRATION

During the year, considerable progress was made in institutionalising an integrated approach in various functional areas. In procurement, Lead Buyers have been appointed for high value items. Joint sourcing has resulted in renewed contracts with a savings of over $40 mn.

In manufacturing, knowledge exchange and synergy identification has been driven through Performance Improvement Teams (PITs) in 15 different areas. Recognising that the economic downturn would affect realisation of volume related synergies at Tata Steel Europe (TSE) sites, the PITs redirected their efforts to new cost related projects, the most important being the use of low cost coal for coke production and increased recycling of steel plant wastes. These initiatives contributed significantly to the realisation of $103 mn in manufacturing synergy against a target of $113 mn.

The total synergy realised in FY 09 was $256 mn comprising of manufacturing, procurement, corporate centre, and tax savings. The Group target is to achieve a synergy of $450 mn by March 2010.

With the outbound supply chain being strengthened at TSE with information technology (IT) support provided by Tata Steel India, IT teams of both entities are also working together to create online visibility of operating performance on a common platform.

During the course of the year, the Research, Development & Technology (RD&T) function was integrated into one function across the Tata Steel Group with a focus on 'Thrust Area Projects' of long-term value to the Group.

## CENTENARY YEAR OF JHARIA COALFIELDS

The Jharia Division of Tata Steel India celebrates a century of sustainable mining in 2010. The division started its operations in its Bhelatand 'A' collieries in 1910. The Jharia coalfields, spread across 5,500 acres, have been fulfilling the coal requirements of Tata Steel India. The Jharia division has pioneered several technological innovations which have revolutionised underground coal mining in India. Coal mining and beneficiation at Jharia are a benchmark in mining in India.

## DIVIDEND

The Board, for the year ended 31st March, 2009, has recommended Dividends as under:

(i) Rs. 2 per Convertible Cumulative Preference Shares (CCPS) on 547,266,011 CCPS of Rs. 100 each. (2007-08 Re. 0.41 pro rata from the date of allotment i.e. 18th January, 2008) on 547,251,605 CCPS of Rs. 100 each.

(ii) Rs. 16 per Ordinary Share on 730,592,471 Ordinary Shares (2007-08 on 730,584,320 Ordinary Shares @ Rs.16 per share).

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

The total dividend payout works out to 29% (2007-08: 30%) for the standalone company and on a consolidated basis is 30% (2007-08: 11%).

## COMPULSORILY CONVERTIBLE CUMULATIVE PREFERENCE SHARES (CCPS)

Six CCPS of face value of Rs.100 each will be compulsorily and automatically converted into one Ordinary Share of Rs.10 each, at a premium of Rs. 590 on September 1, 2009 without any application or further action on the part of the CCPS holders.

The Company will not issue any fractional certificates to CCPS holders on its conversion to Ordinary Shares. All such fractional entitlements to which the CCPS holders will be entitled to on allotment of the Ordinary Shares, will be consolidated and the Company will issue and allot Ordinary Shares in lieu thereof to a authorised person, which would be sold in the market within 15 days from the date of allotment. The sale proceeds thereof will be distributed proportionately to those persons who are entitled to fractional entitlements.

The CCPS holders will be eligible, as on record date, to the pro rata dividend from 1st April, 2009 to 31st August, 2009.

## FINANCE

During FY 09, the Company restructured its overseas investments into Tata Steel Global Holdings Pte Limited (TSGH), domiciled in Singapore. The major subsidiaries of TSGH include Tata Steel Europe (Corus), NatSteel Holdings, Tata Steel Thailand and Tata Steel Global Minerals, which includes all of Tata Steel's major overseas raw material ventures in Mozambique, Ivory Coast, Canada, Oman and Australia. In early 2008, the unprecedented increase in the prices of input costs, particularly raw materials, substantially increased the working capital requirements in the overseas businesses. In a complete reversal, a sharp decline in steel demand and prices globally adversely impacted the operating margins and cash flows in late 2008. Reduced capacity utilisation in Europe put further pressures on the operating margins. As a result, the Company focussed on maintaining adequate liquidity to cope with these challenges as well as for necessary capital expenditure and on significant cost reduction programmes and asset disposals. This allowed Tata Steel UK (TSUK) to comply with conditions stipulated under the senior (acquisition) debt up to March 2009. However, the reduction in profitability would have made it increasingly difficult for the company to comply with its financial covenants in the coming three quarters. As a result, TSUK approached its lenders with an amendment and waiver proposal. This proposal did not seek any new capital from the banks or any extended repayment profile. TSUK would also continue to meet interest and amortisation payments as they fall due.

As per the agreement reached with the banks, testing of the facility's earnings related covenants would largely be suspended till March 2010 and would then resume with significantly higher flexibility than in the case of the original covenants. Furthermore, there would be no increase in the current level of interest costs for the remaining life of the loan. The revised covenant package does not involve any additional finance from the lenders or rescheduling of its debt-servicing commitments. As part of these amendments, Tata Steel further infused GBP 200 mn in June 2009 and has committed to an additional GBP 225 mn by close of September 2009.

Tata Steel placed Non-Convertible Debentures totalling upto Rs. 2,000 crore in May 2008 comprising of 3 series having phased maturities. The Company further raised a 2-year term loan of Rs. 2,000 crore in May 2008. In November 2008, the Company raised Rs. 1,250 crore through Non-Convertible Debentures privately placed with the Life Insurance Corporation of India, repayable in equal instalments at the end of the 6th, 7th and 8th years. In April 2009, the Company further raised Rs. 2,000 crore from a term loan and in May 2009, it privately placed Rs. 2,150 crore of Non-Convertible Debentures repayable after 10 years. Thus the Company raised Rs. 9,400 crore in a year marked by tight liquidity.

The Company hedged the foreign currency risk on repayment of the major part of the USD 1.65 billion of external commercial borrowings drawn in FY 07. The foreign currency repayment risk on the Convertible Alternative Reference Securities (CARS) remains un-hedged, since they may be converted to underlying securities in FY 12 and FY 13. The Company has also selectively hedged a portion of the interest rate risk on its US dollar loans.

The Company's Credit Ratings have recently been revised downwards by its Rating Agencies. In the fourth quarter of FY 09, Moody's and S&P have downgraded Tata Steel to below investment grade (Ba2 and BB- respectively with a negative outlook). Fitch lowered the Company's credit rating to BB+ (with a negative outlook). The debt in the Company's consolidated balance sheet has increased considerably after the Corus acquisition. At the same time, the downturn in global steel markets has severely impacted the near term earnings of the overseas operations of the Company. As on 31st March, 2009, the cash and cash equivalents in Tata Steel Limited were Rs. 1,591 crore. The April 2009 Rs. 2,000 crore term loan and the May 2009 private placement of Rs. 2,150 crore of Non-Convertible Debentures may be used by the company for various purposes.

## SUBSIDIARIES

Pursuant to the Accounting Standards AS-21 issued by the Institute of Chartered Accountants of India, the consolidated financial statements presented by the Company includes financial information of its subsidiaries. The Company has made an application to the Government of India seeking exemption under Section 212(8) of the Companies Act, 1956, from attaching the balance sheet, profit and loss account and other documents of the subsidiary companies to the balance sheet of the Company. The Company will make available these documents/details upon request by any member of the Company.

A list of the Company's subsidiaries is given on page numbers 218-227 of this Report.

## EXPANSION PROJECTS

## BROWNFIELD PROJECT

***Brownfield Project of Tata Steel, Indian Operations***

The Company is in the process of increasing its crude steel capacity to 10 mtpa at its Jamshedpur Works by the year 2011. As part of this programme, the first phase which entails reaching a crude steel capacity of 6.8 mtpa has essentially been completed. Major facilities that were commissioned during this phase included the Sinter Plant No. 4, the 'H' Blast Furnace and the Continuous Caster No. 3 at LD Shop-1.

Project work pertaining to taking the capacity from 6.8 million tonnes to 9.7 million tonnes is moving at a rapid pace. This includes setting up a new 'I' Blast Furnace, a Pellet Plant with a capacity of 6 mtpa, Thin Slab Casters and Rolling Mill, two new Lime Kilns as well as augmentation of the iron ore mines at Noamundi and Joda. Orders for the supply of equipment have been placed. Site work is in progress for most of the facilities. The Company has committed an amount of Rs. 9,100 crore against the approved project cost of Rs. 13,900 crore towards various supplies and services pertaining to the project.

Simultaneously, the Company also has a few major capital projects underway like the capacity augmentation of the Hot Strip Mill, Coke Dry Quenching at Coke Ovens Batteries 5, 6 & 7 and setting up a new mill at Bara for producing Full Hard Cold Rolled (FHCR) coils.

## GREENFIELD PROJECTS

### *Kalinganagar Project*

Preliminary work on the 6 mtpa capacity greenfield steel plant at Kalinganagar, Orissa focussing on land acquisition, rehabilitation and resettlement work is in progress. In order to enhance the employment opportunities of the people in the area including the displaced families, the Company is conducting skill development training programmes at Kalinganagar to enable them to seek gainful employment.

As the Company has fulfilled its obligation of placing the order for equipment and services stipulated in the MOU signed with the Orissa state government, it is seeking the grant of the mining lease for iron ore from the Government.

### *Chhattisgarh & Jharkhand Projects*

The Company has also signed MOUs for setting up greenfield integrated steel plants with the State Governments of Chhattisgarh and Jharkhand for which the Company is pursuing with the respective State Governments for the acquisition of land and allotment of mining leases for iron ore and coal. The Company has also applied for environment clearances and other licenses.

## OTHER PROJECTS

### *Hooghly Met Coke and Power Company Ltd. (HMPCL)*

Incorporated in 2005, Hooghly Met Coke and Power Company Ltd. (HMCPCL) is a 100% subsidiary of Tata Steel. The company was set up to produce low ash metallurgical coke by adopting the heat recovery route, for Tata Steel's requirements at its Jamshedpur plant and also to supply hot gases to Tata Power for electricity generation by adopting heat recovery route. The plant is located in Haldia, West Bengal, on the banks of river Hooghly. Close proximity to the Haldia Dock Complex offers several advantages, including the import of coking coal in a more cost effective manner.

The company currently has a production capacity of 1.2 mtpa of coke and its capacity is likely to be increased to 1.6 mtpa in 2009.

### *Tata BlueScope Steel Limited*

Tata BlueScope Steel Limited (TBSL) is an equal stake joint venture between Tata Steel and BlueScope Steel Australia in the field of coated steel, steel building solutions and related building products. The company operates in the South Asian Association for Regional Cooperation (SAARC) region.

TBSL has two business divisions, the Buildings Division which is further divided into Building Solutions and Building Products and Distribution and the Coated Steel Division. This division has set up three manufacturing facilities one each at Pune, Chennai and Bhiwadi. TBSL executes building solutions projects under the Brand name of BUTLER™, Durashine™, PEBLite™, SMARTBUILD®, and SMARTRUSS®. Building Solutions division was awarded the Best Pre-Engineered Building project trophy on a national level at the Infrastructure Excellence Awards.

All the three manufacturing facilities of downstream business at Hinjewadi, Bhiwadi and Chennai are now certified for QMS (ISO 9001), EMS (ISI14001) & OHSAS (ISO 18001). The manufacturing facility for Coated Steel is under construction at Jamshedpur and is expected to be completed by March 2010. The Metal Coating line will manufacture ZINCALUME® brand and the Color Coated line will manufacture COLORBOND® brand."

The project to set up a Coated Steel manufacturing facility at Jamshedpur is well in progress and will be operational in the first quarter of 2010. This Joint Venture (JV) is a step in the direction of value addition to Tata Steel's hot rolled coil and offering the Indian consumer a world class product.

***Dhamra Port Company Limited***

Tata Steel and Larsen & Toubro Limited have formed a 50:50 joint venture for the development of a deep water port in Dhamra, Orissa. The project is being developed on a "Build, Own, Operate, Share and Transfer" (BOOST) basis, under a concession awarded by the Government of Orissa. The project will provide Tata Steel a competitive advantage in the logistics chain given the ongoing expansion and greenfield projects which will lead to an increased volume of imported raw material. The project is located on the eastern coast of India approximately 225 km southwest of Kolkata by sea route and is 205 km from Bhubaneswar by road.

Acquisition proceedings for a private land for the railway corridor have been largely completed in respect of a total of 2,033 acres and the construction of the port is more than 50% complete. The port is expected to be operational by April 2010.

Having received necessary environmental clearances, the port is taking a number of safeguards and measures under the direct advice and supervision of the International Union for Conservation of Nature (IUCN), the world's premier scientific body in environment and wildlife, to ensure that the construction and operation of the port does not pose any threat to the ecology of the area.

***Tata NYK Shipping Pte Limited***

Tata NYK Shipping Pte Limited is a Singapore based 50:50 joint venture between Tata Steel and Nippon Yusen Kabushiki Kaisha (NYK Line), a Japanese shipping major. The joint venture was set up to cater to the ship bulk cargo such as coal, iron ore and steel arriving in and departing from Indian shores. The shipping firm would cater to the needs of the Tata Steel Group for moving raw materials and finished steel. In future, Tata Steel would require to transport large quantities of raw materials and finished steel, which would necessitate strategic control over logistics and this joint venture is a step in that direction. Progressing towards the goal of achieving logistics control, Tata NYK has entered into a long-term charter for 8 Supramax/Panamax vessels and orders have been placed for building two new Supramax vessels. As part of its long term strategy, the Company plans to enter into a long term charter for capesize vessels in 2009.

The Company has handled a total of 4.48 million tonnes of cargo during the year ended 31st March, 2009, which included 1.98 million tonnes of cargo for the Tata Group. The global financial crisis has severely affected the shipping industry with the Baltic Dry Index (BDI) hitting a 20 year low after reaching a peak of more than 12000 in May 2008. Increase in demand for steel related raw materials is critical for improving the BDI.

***Tata Steel (KZN) (Pty) Ltd.***

Tata Steel KZN (TSKZN) is a South Africa-based subsidiary of Tata Steel that is in the business of producing high carbon ferrochrome and charge chrome. The plant, located at Richards Bay on the KwaZulu-Natal coast of South Africa was commissioned in 2008 with an annual production capacity of 1,51,000 tonnes. The briquette technology being used by the company is new to South Africa and is environmental friendly compared to the other competing technologies of agglomeration.

The ferro-chrome used in the manufacture of stainless steel will be exported to Tata Steel's customers in Asia, Europe, the US and elsewhere. TSKZN commenced commercial production on 1st July, 2008 and is one of the most environment compliant plants globally. It has a fully covered storage area for all fine raw materials, a wet gas scrubbing system (with 100% redundancy) linked with a closed furnace. This plant set new standards in environment management. In its first year of operations, TSKZN achieved a production of 63,479 mt of saleable grade charge chrome during the financial year 31st March, 2009.

## RAW MATERIAL SECURITY

Over the years, the Tata Steel Group's growth and globalisation strategy has been built upon a balanced focus on every node of the value chain – from raw material security to steel making to value added products to control over logistics. During 2008-09 the focus was not only on tapping new raw material opportunities but was also on consolidation of existing ventures. As a further step towards increasing its iron ore security for the European operations, two new iron ore projects were identified - one in Canada and the another in South Africa. Tata Steel also increased its equity stake in the Riversdale Mining Limited, Australia, which is currently progressing with its coking coal project in Mozambique. Another milestone was achieved when the Company's ferro-chrome venture in South Africa became operational during the financial year. With the signing of a definitive agreement for a steel project in Vietnam, Tata Steel took a significant step towards increasing its footprint in South East Asia. The Company continues to look for suitable downstream projects in geographies of interest, in order to add value to its steel.

The Tata Steel Group is currently self-sufficient to the extent of 25% for its iron ore requirements. With iron ore becoming available from its overseas mines at New Millennium Corporation in Canada and potentially from the Ivory Coast over a longer term, the iron ore security would gradually increase to around 62% by 2015. Iron ore from these mines will be primarily supplied to Tata Steel's European Operations.

Overall raw material security would reach approximately 50% by 2015 increasing to around 60% by 2018 from its current level of 25%. For this purpose, the Company would be required to make substantial investment in a phased manner to secure the raw material from its overseas mines. The Company is also evaluating several other mineral projects in Brazil and Australia.

The status of various ongoing raw material projects is as follows:

### *Coal Projects*

#### *Coking Coal Project in Mozambique (Riversdale)*

Tata Steel has formed a Joint Venture (JV) with Riversdale Mining Limited, Australia for a 35% stake in two coal tenements in Mozambique - Benga and Tete including offtake rights to 40% of the coking coal produced from these mines. The JV owns 24,960 hectares of coal tenements out of which the Benga license near Tete covers an area of 4,560 hectares. As per the press release of Riversdale, inferred resource in the Benga licence area is currently estimated at 4 billion tonnes compared to 1.2 billion tonnes estimated at the time of signing of definitive agreements. There is a potential for the resource base going up further. The government of Mozambique has approved the mining contract for the tenements which represents a significant step towards commencement of the Benga coal project.

The feasibility study for the project is in progress. The production from the Benga mine is expected to commence in 2017. Tata Steel plans to supply hard coking coal from this project to its facilities in Europe and also for the Company's enhanced requirements in India in the future.

Tata Steel also holds a 14.99% equity stake in the parent company, Riversdale Mining Limited.

#### *Coal Mining Project in Australia (CDJV)*

Tata Steel has a strategic interest of 5% in the coal mining project in Australia in partnership with Vale, Nippon Steel, JFE and POSCO with 20% off-take rights. The Joint Venture was formed for the development of a greenfield underground coal project in Bowen Basin, Queensland. The first raw coal production started in August 2006 and the mine is currently producing around 1 mtpa. During the year, the JV company had undertaken the second phase of expansion. On completion of the second phase, it is expected to produce 3.7 mtpa of coking coal and PCI coal.

#### *Joint Venture with SAIL for coking coal properties*

SAIL and Tata Steel formed a 50:50 Joint Venture company, S&T Mining Co. in September, 2008 with its registered office in Kolkata. The company has been working towards acquiring the coal blocks as per the recommendations of the joint working group of SAIL and Tata Steel and has identified some coal blocks for acquisition.

S&T Mining is also participating in tenders that are floated by PSUs who have been allotted coal blocks by the Government and who are looking for JV partners for mining and selling the coal. The JV company intends to leverage the mining strengths of both SAIL and Tata Steel in order to acquire coal mines to fulfill the increased requirements of its promoters.

***Iron Ore Projects***

***Iron Ore Project in Canada (New Millennium Capital Corp.)***

In September 2008, Tata Steel through its subsidiaries had signed a Heads of Agreement memorandum with New Millennium Capital Corporation (NML), a Canadian listed mining company aiming to develop iron ore projects in Northern Quebec, Labrador and Newfoundland provinces. Tata Steel holds a 19.9% stake in NML with an option to acquire an 80% equity interest in NML's Direct Shipping Ore project (DSO Project) located in the Province of Newfoundland and Labrador (NL) and the Province of Quebec (QC). The agreement provides exclusivity to Tata Steel with respect to both the DSO Project and the LabMag taconite iron ore property located in NL, with an 80:20 ownership by NML and Naskapi Nation of Kawawachikamach respectively.

The DSO resource is estimated to be approximately a 100 million tonnes. The feasibility study for the DSO Project is progressing and the production is expected to commence in 2011. Tata Steel will have 100% offtake rights to the produce of the mine. The iron ore from this project will be supplied to Tata Steel Group's facilities located in Europe.

The LabMag deposit consists of 3.5 billion tonnes of proven and probable mineral reserves. These reserves are contained in the 4.6 billion tonnes of measured and indicated resources and 1.2 billion tonnes of inferred resources. Tata Steel is jointly working with NML to find an economically viable solution to advance the LabMag Project.

***Limestone Projects***

***Limestone Project in Oman***

Limestone is a key raw material for producing quality steel. Tata Steel has so far been sourcing limestone from central India, Thailand and the Middle Eastern countries for its Indian operations. In order to reduce dependence on purchased limestone, Tata Steel signed a Joint Venture (JV) agreement with Al Bahja Group, Oman for a 70% stake in the JV. The project envisages mining in limestone in the Uyun region, believed to be rich in limestone deposits and is located in the Salalah province of Oman. Exploration and feasibility studies are in progress.

## HEALTH AND SAFETY

The Tata Steel Group is committed to ensuring the health and safety of its employees, its plants and its surrounding communities at all its operation sites. The Group constantly endeavours to provide safe and hygienic working conditions for its employees as well as its contract workers. It takes an integrated and systematic approach to managing health and safety, which is encompassed in the Tata Steel Safety Programme and the Corus Health and Safety Management System with a successful delivery reliant on employee engagement and felt leadership. Both the programmes have been developed with the support and expertise of DuPont consultants.

Since 2005, with the help of the DuPont Safety Resources organisation, a quantum jump has been achieved in the safety culture of the organisation through the implementation of the 'behavioural safety model'. Potentially fatal situations have been rectified with a focussed 'Fatality Risk Control Programme' (FRCP). Pursuing this initiative will help the Company realise its goal of becoming a fatality free organisation in the near future.

For the sustainability of its operations, the "Process Safety & Risk Management" (PSRM) programme has been started for the high hazard operations and processes, in order to ensure freedom from a high consequence, low frequency process incidents. PSRM will be implemented in all facilities by FY 12.

Tata Steel is also extending support to the community for improving their safety standards with the help of the Safety Awareness For Everyone (SAFE) organisation. School children are being given special training on road &

behaviour safety. A safety curriculum has been introduced in the schools in Jamshedpur to generate an awakening within the community.

With these initiatives, the Company has been able to reduce the Lost Time Injury Frequency Rate (LTIFR), an accepted measure of safety performance worldwide, to 0.80 for FY'09 from 1.70 in FY'08 and is confident of achieving its target of 0.40 LTIFR by 2012.

## ENVIRONMENT

Climate change is one of the most important issues facing the world today. The steel industry is a significant contributor to man-made greenhouse gas emissions as the manufacture of steel unavoidably produces carbon dioxide ($CO_2$). Tata Steel along with its subsidiaries and associate companies believe that respect for the environment is critical to the success of its business. It is committed to minimising the environmental impact of its operations and its products through the adoption of sustainable practices and continuous improvements in environmental performance.

The Tata Steel Group has set itself a target for reduction in $CO_2$ emission level to 1.5 tonnes of $CO_2$ per ton of liquid steel for its Indian operations by 2015 against the present level of 2.1 tonnes/tls. Several energy efficiency measures have been taken to reduce $CO_2$ emission during the year including a detailed carbon footprint exercise. A notable achievement was the registration of the 'G' Blast Furnace Top Pressure Recovery Turbine project of Jamshedpur unit at UNFCCC as a CDM project.

Tata Steel's European operations have taken several steps to reduce its total energy consumption. It has signed a voluntary agreement with the Dutch government for achieving an energy efficiency improvement of 2% per annum. In the UK, an agreement has been reached with the Government to reduce energy consumption by 15.8% by 2010 as compared to the 1997 levels. The Group is making an investment of approximately £ 60 million in energy management technology at its Port Talbot site to enable the plant reduce its $CO_2$ emission from the current year's level.

## DIRECTORS

Mr. Kirby Adams and Mr. H. M. Nerurkar were appointed additional Directors on the Board of the Company with effect from 9th April, 2009.

Mr. Kirby Adams has been appointed as the CEO of Tata Steel Europe Limited, a wholly owned indirect subsidiary of the Company. He would oversee the operations of Tata Steel in Europe. In addition, he would also be responsible for the Global Raw Material pursuits of Tata Steel. Mr. Adams was formerly the Chief Executive of BlueScope Steel, Australia.

Mr. H. M. Nerurkar was the Chief Operating Officer of the Company prior to his appointment as Executive Director, India and South East Asia. He would be responsible for the Indian and South East Asian operations of the Company. He joined the Company in 1972 and has held various posts since then. He is also on the Board of some of the Tata Steel Group companies.

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

Dr. T. Mukherjee stepped down from the Board of the Company effective 31st March, 2009. The Board records its appreciation of the contribution made by Dr. Mukherjee during his tenure as a director of the Company.

Mr. Philippe Varin, on taking charge as Chairman of the Management Board of PSA Peugeot Citroen, France, stepped down from the Board of the Company effective 27th May, 2009. The Board records its appreciation of the contribution made by Mr. Varin during his tenure with the Company.

Dr. J. J. Irani received the coveted Life Time Achievement Award from the Government of India in acknowledgement of his services and the outstanding contributions made by him in the area of metallurgy.

In accordance with the provisions of the Companies Act, 1956, and the Company's Articles of Association, Mr. R. N. Tata, Mr. Nusli N. Wadia, Mr. Subodh Bhargava and

Mr. Jacobus Schraven retire by rotation and are eligible for re-appointment.

## ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

Details of energy conservation and research and development activities undertaken by the Company along with the information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are given in Annexure 'A' to the Directors' Report.

## PARTICULARS OF EMPLOYEES

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

## CORPORATE GOVERNANCE

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

## DIRECTORS' RESPONSIBILITY STATEMENT

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

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

On behalf of the Board of Directors

**RATAN N. TATA**
*Chairman*

Mumbai, 25th June, 2009

# Declaration Regarding Compliance By Board Members And Senior Management Personnel With The Code Of Conduct

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

I confirm that the Company has in respect of the financial year ended March 31, 2009, received from the senior management team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, the Senior Management Team means Members of the Management one level below Executive Directors as on March 31, 2009.

**B. MUTHURAMAN**

Mumbai, 25th June 2009

*Managing Director*

# Annexure 'A' to Directors' Report

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

**A. Conservation of Energy**

**a. Energy Conservation measures taken :**

i. Installation and commissioning of Top Recovery Turbine in 'H' Blast Furnace to generate electrical energy.

ii. Application of fuel catalyst in Loco's to reduce HSD consumption.

iii. Injection of Propane in C.O. Gas for better CV control of Mixed Gas, thereby increasing the productivity of furnace & energy saving.

**b. Additional investments and proposal for reduction of consumption of energy :**

i. Installation and commissioning of Power House #6 on By-Product gases as a fuel, for 100% utilisation of By-Product gases.

ii. Installation and commissioning of Top Recovery Turbine at 'G' Blast Furnace.

iii. Upgradation of L.D. Gas export system to enhance L.D. Gas recovery.

iv. Recovery of sensible heat of coke by installation of Coke Dry Quenching system in Batteries 5, 6, 7, 8 & 9 at Coke Plant.

v. B.F. Gas fired re-heating furnace at Hot Strip Mill.

vi. Shut down of old & inefficient Blast Furnaces.

**c. Impact of the above measures :**

Energy Conservation measures during 2008-2009 has resulted in achieving :

i. Lowest ever Plant Specific Energy Consumption i.e. 6.587 Gcal/tcs.

ii. Lowest ever boiler coal consumption i.e. 24.84 kg/tss.

iii. Higher LD Gas Recovery i.e. 38,595 $Nm^3$/hr.

iv. Higher combine boiler efficiency i.e. 84.76%.

# Form - A

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

| Particulars | 2008-2009 | *2007-2008* |
|---|---|---|
| **A. POWER AND FUEL CONSUMPTION** | | |
| 1. ELECTRICITY | | |
| (a) Purchased | | |
| Units (M. KWH) | **2,194.54** | *2,031.07* |
| Total Amount (Rs. Lakhs) # | **63,605.96** | *55,934.67* |
| Average Rate/Unit (Rs. /KWH) | **2.90** | *2.75* |
| (b) Own Generation | | |
| (i) Through Diesel Generator | | |
| Units (M. KWH) | **12.48** | *14.05* |
| Units per litre of Diesel Oil (KWH) | **3.91** | *3.91* |
| Average Cost/Unit (Rs. /KWH) | **15.91** | *12.27* |
| (ii) Through Steam Turbine/Generator | | |
| Units (M. KWH) | **1,069.45** | *996.85* |
| Units per tonne of Coal (KWH) | **6,638** | *4,294* |
| Average Cost/Unit (Rs. /KWH) | **2.05** | *1.88* |
| (* This includes generation of PH4 in M. KWH * which is operated on by-product gases upto 95%) | **359.59** | *325.52* |
| 2. COAL | | |
| (i) Coking Coal & Cookeries | | |
| Quantity (Million Tonnes) | **4.75** | *3.37* |
| Total cost (Rs. Lakhs) | **2,87,419.20** | *98,770.88* |
| Average Rate (Rs. /Tonne) | **6,055.07** | *2,929.54* |
| (ii) Blast Furnace Injection Coal | | |
| Quantity (Million Tonnes) | **0.52** | *0.39* |
| Total cost (Rs. Lakhs) | **35,974.50** | *15,946.06* |
| Average Rate (Rs. /Tonne) | **6,884.06** | *4,122.84* |
| (iii) Middling Coal and ROM | | |
| Quantity (Million Tonnes) | **0.14** | *0.20* |
| Total cost (Rs. Lakhs) | **1,509.39** | *1,892.64* |
| Average Rate (Rs. /Tonne) | **1,107.85** | *942.33* |
| 3. FURNACE OIL | | |
| Quantity (Kilo litres) | **12,520.19** | *12,701.73* |
| Total Amount (Rs. Lakhs) | **3,020.91** | *2,300.14* |
| Average Rate (Rs. /KL) | **24,128.28** | *18,108.91* |
| 4. OTHERS | | |
| L.D.O. | | |
| Quantity (Kilo litres) | **6,221.55** | *7,920.11* |
| Total cost (Rs. Lakhs) | **2,394.17** | *2,294.54* |
| Average Rate (Rs. /KL) | **38,481.86** | *28,971.05* |
| 5. OTHERS | | |
| L.P.G. | | |
| Quantity (Tonnes) | **3,837.75** | *4,292.69* |
| Total cost (Rs. Lakhs) | **1,611.53** | *1,512.48* |
| Average Rate (Rs. /Tonnes) | **41,991.53** | *35,233.88* |
| 6. OTHERS | | |
| NG | | |
| Quantity (Tonnes) | **2,204.84** | *2,217.40* |
| Total cost (Rs. Lakhs) | **240.77** | *242.14* |
| Average Rate (Rs. /Tonnes) | **10,920.07** | *10,920.00* |

# Excludes electricity duty paid on purchases.

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

**B. CONSUMPTION PER UNIT OF PRODUCTION**

| Particulars | Steel (per tonne) | Tubes (per tonne) | Bearings (per no.) | F.A.M.D. (per tonne) | Growth Shop (per tonne) | CRC West (per tonne) | Wire Div. (per tonne) |
|---|---|---|---|---|---|---|---|
| Electricity (KWH) | 431.91 | 114.00 | 0.66 | 3704.34 | 463.87 | 137.51 | 214.94 |
| | *412.06* | *108.00* | *0.76* | *3556.70* | *528.98* | *133.11* | *229.06* |
| Furnace Oil (Litres) | | | | — | 16.94 | 7.41 | 24.76 |
| | | | | — | *21.99* | *7.03* | *21.99* |
| Coking Coal (Tonnes) | 0.66 | | | | | | |
| | *0.66* | | | | | | |
| Others : | | | | | | | |
| Light Diesel Oil (Litres) | 0.83 | 1.30 | | | | — | 6.90 |
| | *1.21* | *1.21* | | | | — | *7.82* |
| High Speed Diesel Oil (Litres) | | | | | | | |
| L.P.G. (kg) | | | | | | 12.92 | 10.39 |
| | | | | | | *13.25* | *10.08* |
| NG (kg) | | | | | | | 26.77 |
| | | | | | | | *23.21* |

# Form - B

Form for disclosure of particulars with respect of Technology Absorption 2008-09

**Research and Development**

1. **Specific Areas in which R&D was carried out by the Company :**

   R & D recognise energy and environment as the biggest single issue ever to confront our industry and we are determined to provide the solutions and aimed at reducing $CO_2$ emissions from the existing process technologies. R & D has taken projects in various areas which are broadly classified in 3 categories, 1) Raw Materials, 2) Processes and 3) Products, with the aim to achieve the goal.

2. **Benefits derived :**

   In order to address challenges, three thrust area projects were taken up :

   - Hydrogen Harvesting
   - NanoFluids
   - Power reduction in Ferro Chrome production

   Progress achieved in the above areas is briefly mentioned below :

   **Hydrogen Harvesting**

   "Several studies have been conducted to develop a process for recovery of waste heat causing environmental problems. One of the source of waste heat is molten slags. However, no process has been commercialised to recover thermal energy from molten slag, in spite of its huge potential. The extremely high temperature (>1500°C) of slag prevents the efficient recovery by conventional technology. Therefore a novel H2H technology is developed at Research & Development Department, Tata Steel Ltd., which can generate hydrogen ($H_2$)-rich gas by utilising the waste heat of molten slag. This is a step forward towards cleaner steel industry. Being an environmental friendly resource, $H_2$ is considered as an alternative source of energy. Presently most of the commercial processes used for production of $H_2$ rely on fossil fuel (coal, natural gas, etc.) or electricity. These processes generate $CO_2$ gas, hence not environment friendly and require additional process for separation and sequestration of $CO_2$ which increase the cost of production. On the other hand, the capital investment and cost of production of alternative energy resources (nuclear, solar, wind, tidal, etc.) make these techniques commercially less attractive. This novel H2H method of Tata Steel Ltd. has the potential to generate low cost hydrogen as by-product. Furthermore, it will contribute in promoting energy conservation in the steelmaking industry as hydrogen generated in the process will reduce the consumption of fossil fuels in steel plant or it will save the amount of energy consumed in production of hydrogen in the chemical industry. Thus, this novel process has the potential of solving an environmental problem besides offering substantial cost benefits to the steel industry. Presently research team is focusing on setting-up of technology demonstration plant at FAP, Bamnipal and for development of commercial technology package for steel making slag. The team is also actively pursuing research project on generation of hydrogen and $CO_2$ sequestration of blast furnace gas in collaboration with Indian Institute of Technology (IIT), Kharagpur."

**Nano-Fluids : Energy Efficient Fluids using nanofluids : Developments and Applications**

A nanofluid is defined as a fluid in which nanometer-sized particles are suspended. Research at Tata Steel in the area of nanofluids focuses on energy reduction, primarily through the development of efficient coolants and lubricants for rolling.

In early 2007, commercially available metal-oxide nanoparticles were used alongwith additives. The use of commercially available nanoparticles resulted in a better size control and the use of additives resulted in controlled pH and a stable dispersion of more than 240 hours. Five to ten litres of nanofluids were prepared using lab-scale sonicators. These nanofluids were tried out in low temperature regimes using the heat exchanger design and in high temperature regimes of cooling stationary instrumented hot plates. In both cases, the results were encouraging. In the low temperature regimes, overall heat transfer was of the order of 2.5 times that of water. In the high temperature regime, the heat transfer was 1.8 times more efficient. However, scale up was restricted because of handling issues, large scale production.

One of the innovations was to make an effervescent tablet that would disperse in water in five seconds. This was accomplished and first of its kind. A patent is being filed alongwith a plan for pilot scale manufacture and supply. The other innovation was to use a novel concept of high speed shear mixer for bulk nanofluid generation. This was accomplished in October 2008 and was first demonstrated for 20,000 litres for use in wire box cooling in the wire rod mill of Indian Steel and Wire Products Limited, Jamshedpur. The stable solution was produced in bulk with stability of more than 240 hours. This is also first of its kind. In the application of water box cooling in wire rod mill, a higher cooling rate (by approximately 100°C/sec) compared to normal water was achieved. This opens up a range of applications for new process control and product design.

A parallel application is presently ongoing in the batch annealing furnace of the cold rolling mill (CRM). Here, savings of one hour is being envisaged that would result in a cost saving of 5.67 crores per annum if the technology is applied to all bases. The target is to complete the installation for one base and take the trails in the first week of January 2009. The Research team is working closely with Tata Chemicals Innovation Centre to explore the use of custom designed nano-formulations. The trial at CRM will use one of the nano-particles designed at TCIC alongwith the commercially available nano-particles for the nanofluid formulation.

The Research team is also actively pursuing the following areas of application for nano-coolants.

(a) Increasing cooling rates at hot strip mill to enable low cost manufacturing of Dual Phase (DP) steels.

(b) Possibility of stove cooling in blast furnaces.

(c) Possibility of heat recovery from waste gases, exhaust pipes.

(d) Possibility of energy storage and recovery.

**Ferro-chrome : Reduction in specific power and coke consumption in Ferrochrome production**

Smelting-reduction process is used at Ferro Alloys Plant (FAP), Bamnipal for production of high-carbon ferrochrome from Sukinda chromite ores. Chromite ore is refractory in nature and therefore difficult to reduce. Current process at FAP, Bamnipal uses Submerged electric Arc Furnace (SAF) for smelt-reduction of chromite ore. This process is highly energy intensive and requires low-ash coke as a reducing agent. Low-ash coke and electricity are both expensive and there is also scarcity of these resources. Although Tata Steel has captive raw material (Chromite mine in Sukinda), power and coke availability/cost limits FAP, Bamnipal in global market completion. Therefore, a novel process technology is developed in R & D department which is capable for generating products that can be used either for direct production of stainless steel or for the production of ferrochrome in SAF with lower specific power and coke consumption.

***Challenges : (New process)***

- Engineering for implementation
- Improve process efficiency
- Utilisation of secondary energy/by-product (slag)

***Benefit Potential : (Combined process)***

- Value added product for FAMD for export
- 20% reduction in power consumption in SAF
- 30% reduction in coke consumption in SAF

**3. Projects in the areas of environment :**

The following projects have been taken in the areas of environment are :

**Reduction in $CO_2$ Emission – Carbonation of Slag**

It is globally acknowledged that reductions of $CO_2$ emissions are required for climate change mitigation. Steel industry is one of the major sources of emissions of pollutants where $CO_2$ emissions are concentrated in one location. At the same time, resources required for $CO_2$ absorptions or utilisation is also concentrated in the same location. For example, availability of lime in steelmaking slags provides an opportunity for carbonation using emitted $CO_2$. Significant reductions in $CO_2$ emission could be achieved by using steelmaking slag for carbon dioxide mineralisation, (i.e. mineral carbonation), and thereby enable realisation of Goal-3 of VISION-2012.

The main objective of the current work was to study feasibility of $CO_2$ absorption in steelmaking slag and to develop a functional sequestration process using steelmaking slag to permanently capture carbon dioxide emitted in steel plant. The study included thermodynamic feasibility and laboratory scale experiments followed by microstructural investigation for developing a functional $CO_2$ sequestration process through aqueous carbonation of steelmaking slag. All carbonation experiments were performed under atmospheric condition in a laboratory experimental set-up.

The study showed potential for $CO_2$ sequestration through carbonation of LD slag. Based on laboratory-scale data obtained for aqueous carbonation of LD slag at ambient temperature and pressure for 3 hrs reaction time, estimates show $CO_2$ capture potential to the tune of 30,000 tons of $CO_2$/year for 6 MT crude steel productions at Jamshedpur if all the slag is utilised for carbonation purpose.

Further studies are required primarily to enhance the kinetics of reaction for maximising rate of carbonation of slags and to arrive at optimum carbonation process parameters.

**$CO_2$ harvesting and utilisation**

As part of the company's vision, the reduction in the emissions of Carbon-di-oxide is attracting significant importance as a corporate strategy. This can be achieved either by improving the performance of the processes or using the emissions for producing valuable products. A number of initiatives have been taken plant-wide to improve the performance of the processes. However, the options in producing valuable products from the emissions are limited. First major challenge is segregating the Carbon-di-oxide from the flue gases of the stack. There are established technologies available to concentrate the Carbon-di-oxide to purity levels as high as 99.9%. It is also necessary to evaluate the cost of recovering pure Carbon-di-oxide from the various gas sources available within the plant such as blast furnace gas, LD gas, coke-oven gas and various other stacks. From the initial studies, the blast furnace gas and the stack of the lime calcination units show promising potentials to recover Carbon-di-oxide in large quantities.

At present, a techno-commercial feasibility study is carried out to establish the cost of recovery of Carbon-di-oxide from the different gas sources within the plant. Subsequently, this study will also provide the feasibility of utilising the recovered Carbon-di-oxide in producing chemicals of value. The study results are expected to be available by May 2009.

**4. Expenditure on R&D**

| | | (Rs. crores) |
|---|---|---|
| (a) | Capital | 1.89 |
| (b) | Recurring | 39.70 |
| (c) | Total | 41.59 |
| (d) | Total R&D expenditure as a % of Total Turnover | 0.17 |

## Technology Absorption, Adaptation and Innovation

***Efforts made On the Process Front …***

### Hydrogen Harvesting

At Bamnipal "Hydrogen Harvesting" trials were conducted by utilising the waste heat.

The purpose of the trials was to produce Hydrogen from the waste heat and utilise the gas to pre heat the ladles initially and extend further to dry the chrome ore.

We were successful in producing Hydrogen gas and also storing it tanker for a couple of hours. The second phase of the trial is to utilise the gas for Ladle heating which is likely to take place during May 2009.

### JODA

The following technological changes/new product developments were carried out :

1) Process for production of +75 grade FeMn was established. This will allow us to increase the market share. This product will help us to enter into international FeMn market. Increased NR is also expected.
2) Improvement in water quality by modifying the water treatment system. New equipments were also installed for the same.
3) Improvement in the pneumatic arrangement to reduce the down time (due to obsolete equipments)

### Raw Materials

Column flotation studies were carried out on different seams of coal of West Bokaro. On the implementation of the study results, the prime coal yield in the fine circuit will improve. This provides an opportunity to replace the inefficient mechanical cells.

Process was developed for the washing of Jhama coal to obtain consistency in yield and ash level and this facilitated its regular use in sinter plant as a replacement of imported anthracite.

Laboratory study was made for the direct utilisation of the briquetting of iron ore slime. The trials were successful and we are in the process of developing a party for the commercial production of briquettes. Cold bonded briquettes, produced out of iron ore slime will be used in steel making as coolant to replace prime iron ore, which is being used currently.

"Jhama" – a naturally partially 'burnt' coal found at Jharia, having low volatile matter content, was mined and washed separately; and successfully applied as substitute for imported anthracite in sintermaking.

### Iron Making

Application of local raw materials - viz. higher alumina bearing iron ore and higher ash coals – to ironmaking at large scale. The operation of 3800 $m^3$ 'H' BF was stabilised at competitive levels of performance. This was the first example, worldwide, of such a large BF being operated with these levels of alumina and ash loading – and is a landmark development for ironmaking in India.

HBF, the largest BF in India, with latest technological features such as stave cooling in stack, 4 tap hole operation, INBA slag granulation system, 1200 degC blast temperature, 2.5 bar high top pressure, use of electrical blowers for cold blast etc. has given record production and productivity in its very first year of operation.

A number of innovative techniques were developed to 'slow down' processes while continuing to maintain stability of operations in cokemaking and ironmaking. While these were prompted by developments arising from economic slowdown in European plants, the new knowledge developed on use of cheaper coal blends and pre-emptive steps required for slowing or shutting down BFs were leveraged in Indian operations as well.

Presence of carbonaceous materials present in ESP dust of sinter plants was identified as the possible cause of fire in the ESP. These were caused by presence of volatiles in the recycled wastes and solid fuels used in sintering. The study resulted in control over the type and quantity of fuels used in sintering.

### SteelMaking

A new ladle furnace has been commissioned at Steelmaking Shop #1.

A new 6-strand billet caster has been commissioned at Steelmaking Shop #1 with Deburring, Billet Marking, Mould & Final EMS Facilities.

Steelmaking Shop #1 started and stabilised 2/2 vessel operations to increase shop production which is not very common in the world.

Casting sequence length increased by 12.6% and 6% for Billet Caster-1 and Billet Caster-2 respectively.

Casting of 150mm square billet has been stabilised at Steelmaking Shop #1.

Installation of hot metal tracking system for display of torpedo position and hot metal buffer available at Steelmaking Shop #2.

Adoption of 100% usage of coated mould in caster B and C in Steelmaking Shop #2 resulting improved surface quality of cast slabs.

Additional tilter installed in the ladle bay to improve ladle management. Better control on superheat has been achieved.

A portable mini-scan technology has been installed to assess online the left over refractory thickness of the vessel and facilitate repair of hot spots.

Highest ever refractory life of 5014 heats for the vessel achieved at Steelmaking Shop #2.

Highest ever slab production of 3.52 MT achieved at Steelmaking Shop #2.

**Long Product**

High carbon wire rods with reduced variation in UTS (<40 Mpa) within a lap.

**WRM**

Increase in yield of TMT rebars at WRM by nearly 1% by improved performance of water boxes.

TMT facilities introduced at WRM (W) and production of rebars started.

**Product Development**

Obtained CARES certification for reinforcement bars from the Long Product Rolling Mills.

Non-microalloyed, non-TMT, air-cooled reinforcement bars produced for stirrup application for the first time.

Development of Low calcium wire rods for superior welding electrode performance.

Development of Plasma coated rebars for improved corrosion performance in concrete environment.

**Flat Products**

**LD-2**

Development of CR grade 440 by batch annealing for the automobile application.

High Strength formable grade such as SPRC-35 for skin panel applications in passenger car segment.

High Strength Steel with UTS 600 MPa with good hole expansion properties for wheel application.

Development of Chrome free passivation for export market

Development of coated Dual Phase Steel with 600 MPa strength.

**Technology Upgradation and Absorption in Tubes Division – 2007-08**

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

**ST Mills :**

Installation of state-of-the-art HF3 Mill size range ½" NB to 2" NB as a replacement of old FM mill.

Modernisation of Galvanising Bath no. 2.

Installation of screwing socketing and Mair packing machine.

ITW Signode auto strapping unit at HF 1.

**PT Mills :**

Installation of state-of-the-art Schuler German make Hydroforming unit with automatic & robotic control.

Installation of YLM Taiwan make tube bending machine for feeding to main hydroforming unit.

SOCO machine for precision unit length cutting of high end application tubes.

Replacement of 3 " mill cut off machine by OTO make cold saw cutting machine.

Hexagonal automatic tube packing line for auto and cold draw tubes.

Installation of express Lab at PT4 for in-process metallographic of weld quality.

**Some Major New products Developed through new technology absorption :**

- Number of new products developed PT 47 and ST 17.
- Development and commercialisation of TFF tubes in single pass 30.25 OD x 24 ID, 31.25 OD x 24 ID.
- Engine Cradle by hydro forming for NANO Car.
- Development of 152.40 mm Idler tubes at ST by in house modification in roll pass design.
- Usage of boron bearing steel for replacement of FM Tubes.
- Development and commercialisation of the 57 x 5 Graziano tube.
- Development of 50 x 6 & 40 x 6 for Rane Madras and TML as replacement of seamless tubes.
- Development of galvanised structural tube from pre-coated strip for Marco polo bus body.
- Development of 100 x 100 x 6.000 mm thick structura tube of Yst 310 grade.

**Efforts for Energy Conservation at Jharia**

Power generation from Fluidised Bed Power Plant was 55.42 million units in 2008-2009 by using coal washery rejects having more than 60% ash and low calorific value.

The following energy saving measure have been taken in jharia Division.

a. Rearrangement of pumping station at Digwadih and Jamadoba colliery.

b. Reduction in idle running of washing plant.

c. Introduction of power saver CFL Lamp in place of ordinary lamp in lighting load circuit.

The above measures have resulted to maintain the specific power consumption up to 17.79 KWH/ton of Clean coal .

Annual cost of power generation from Fluidised Bed Power Plant was only Rs. 1.95 paisa per unit as against Rs. 3.34 paisa per unit of purchased power.

**Particulars of technology imported during last five years :**

| | Steel Division | Absorption | Status of Implementation |
|---|---|---|---|
| a) | Upgradation of 'G' blast furnace (SMS Demag, Germany) | 2004 | Commissioned |
| b) | Upgradation of HSM | 2004 | Commissioned |
| c) | Upgradation of billet caster-1 at LD1 (Concast, Zurich) | 2004 | Commissioned |
| d) | Ladle furnace-2 at LD1 (SMS Demag, Germany) | 2004 | Commissioned |
| e) | New Rabar Mill (Morgan, USA) | 2004 | Commissioned |
| f) | Upgradation of caster at LD2 (Voest Alpine, Astria) | 2004 | Commissioned |
| g) | Imported design and engineering for hot metal desulphurisation unit at LD1 (Kuettner GmbH) | 2005 | Commissioned |
| h) | Supply of imported engineering for new induced draught fans, electrics & accessories for the LD Converter GCP at LD1 (Ebara Corporation) | 2005 | Commissioned |
| I) | Adequacy checking BOF converters for augmentation of heat size at LD2 (SMS Demag, Germany) | 2005 | Commissioned |
| j) | Imported design and engineering for upgradation of Caster 2 & 3 at LD2 (VAI, Astria) | 2005 | Commissioned |
| k) | Imported design and engineering for hot metal desulphurisation unit 2 & 3 at LD2 (Kuettner GmbH) | 2005 | Commissioned |
| l) | Imported design and engineering for capacity increase of slab reheating furnace nos. 1 & 2 of HSM (Techint) | 2005 | Commissioned |
| m) | Supply of design and engineering and training for 150 tph walking beam furnace to Rebar Mill (Bricmont) | 2005 | Commissioned |
| n) | Imported design and engineering (Mother well Bridge - Clayton walker) | 2005 | Commissioned |
| o) | Supply of imported design and engineering for LD gas b;oosters (Howden Power Ltd. U.K.) | 2005 | Commissioned |
| p) | Supply of imported design and drawing for Technology control system at HSM (SMS Demag, Germany) | 2005 | Commissioned |
| q) | Supply of imported design and drawing for Basic level automation at HSM (Alstom, USA) | 2005 | Commissioned |
| r) | Supply of imported design and drawing for dual zinc pot at CRM (CMI, Belgium) | 2005 | Commissioned |
| s) | Supply of imported design and drawing for BAF, CRM (LOI, Germany) | 2005 | Commissioned |
| t) | Supply of imported design and drawing for 4th Stove of 'G' Blast Furnace (Paul Wurth Italia, Italy) | 2006 | Commissioned |
| u) | Supply of imported design and drawing for 'H' Blast Furnace (Paul Wurth Italia, Italy) | 2006 | Commissioned |
| v) | Supply of imported design and drawing for Sinter Plant No. 4 (Outokumpu Technology , Germany) | 2006 | Commissioned |
| w) | Supply of imported design and drawing for LD2 expansion project. (SMS Demag, Germany) | 2006 | Commissioned |
| x) | Supply of imported design and drawings for convertor gas cleaning plants in LD shop 1 & 2 (SMS Demag, Germany) | 2006 | Commissioned |
| y) | Facility for quantitative estimation of minerals through Scanning Electron Microscope (Intellection Pty. Ltd., Australia) | 2006 | Commissioned |
| z) | Polarising Microscope with Photometer and Imaging at R&D (Leica Mikrosysteme Vertrieb GmbH, Germany and PRESI S.A., France) | 2006 | Commissioned |
| aa) | Variable Frequency Drive for Descaling Pump Motor at Hot Strip Mill (ABB, India) | 2007 | Commissioned |
| ab) | Sinter Plant No. 4, having a bed area of 204 sq. mtr. with ESP having lesser emission of 50 mg/ $Nm^3$ | 2007 | Commissioned |
| ac) | Double Jaw Eye Vertical Tong For Batch Annealing Furnace at CRM | 2007 | Commissioned |
| ad) | SCADA System for Water Utilities | 2007 | Commissioned |
| ae) | Quantitative Estimation of Minerals by SEM (Scanning Electron Microscope) | 2007 | Commissioned |
| af) | XRD (X-Ray Defraction) for quantitative phase and texture analysis | 2007 | Commissioned |
| ag) | Electric Blowers for 'H' Blast Furnace | 2009 | Commissioned |
| ah) | Top Gas Recovery Turbine for 'H' Blast Furnaces | 2009 | Commissioned |
| ai) | Flat Cast House Design for 'H' Blast Furnace | 2009 | Commissioned |
| aj) | Internal Stoves for 'H' Blast Furnace | 2009 | Commissioned |
| ak) | Use of mixed gas in place for CO gas, for firing in 7th Lime Kiln | 2009 | Commissioned |
| al) | New Billet Caster having all the latest facilities and having 9 m casting radius installed in an existing building suitable for 6 m casting radius, by going underground and taking the pass line to (-)3.3 m level. | 2009 | Commissioned |
| am) | Use of hydraulic mould occilator and hydraulically operated turn over cooling bed at CC 3 at LD Shop 1 | 2009 | Commissioned |
| an) | Robotised Sample Testing Laboratory at LD Shop No 1. | 2009 | Commissioned |

# Annexure 'B' to Directors' Report

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

| Sr. No. | Name | Age (Years) | Designation/ Nature of Duties | Gross Remune-ration Rs. | Net Remune-ration Rs. | Qualifications | Total Experi-ence (Years) | Date of Commence-ment of Employment | Last employment held Designation – Period for which post held |
|---|---|---|---|---|---|---|---|---|---|
| 1 | Ansari N. A. * | 57 | General Manager (Project) | 21,89,759 | 13,17,470 | B.Sc. (Engg.) | 34 | 28.12.1974 | – |
| 2 | Anupam Ashish | 40 | Chief (Marketing & Sales) | 26,76,603 | 15,09,690 | B.E. | 17 | 01.07.1991 | – |
| 3 | Asokan S. | 61 | EIC (Titania Project) & GM (Geolo. Srv.) | 33,66,008 | 18,41,845 | B.Sc., M.Sc., Ph.D., Cer. (Computer) | 34 | 09.12.1998 | HCL Group company, executive Director - 3 years |
| 4 | Baijal A. D. | 61 | Group Director, Global Minerals | 1,14,36,482 | 60,82,710 | B.Sc. ( Engg.), ( Met.), P.G.D.B.M | 39 | 13.12.1969 | – |
| 5 | Bham J. C. | 59 | Company Secretary | 25,66,523 | 14,71,230 | B.Com, C.S., C.A. | 36 | 17.10.2001 | OTIS Elevator Company (India) Limited, Company Secretary - 24 years |
| 6 | Bhaskar S. | 51 | Chief Mills & Utilities (Mech. Maint.) | 32,69,133 | 19,37,279 | B.E., Diploma in Management | 27 | 01.07.1981 | – |
| 7 | Bhaskaran Sunil | 44 | Executive-in-Charge (Global Wires) | 28,74,490 | 15,75,409 | B.Tech., PGD (Mgmt.) | 21 | 01.07.1987 | Tata International - 3 years |
| 8 | Bhattacharjee Debashish | 44 | Director Research, Develop. & Technology | 28,79,618 | 16,83,590 | B.E., M.Tech., Ph.D. | 12 | 01.04.1996 | – |
| 9 | Biswas Sandip | 40 | Group Head Corporate Finance, Treasury & Investor Relations | 39,06,638 | 22,90,782 | B.Com. (Hons), ACA, ACS | 16 | 01.04.2005 | First India Asset Management Co. (P) Ltd., Head Eastern India - 3 years |
| 10 | Chakrabarti Indranil | 56 | Chief (Scientific Services) | 24,09,444 | 14,54,703 | AMIE, B.E., M.E. | 24 | 03.05.1984 | – |
| 11 | Chakrabarty Asoke Kumar | 58 | Chief Cost Research & Standard Costing G | 28,47,863 | 17,26,106 | B.Sc., B.Com., I.C.W.A | 30 | 08.01.1981 | SAIL, Bokaro Steel Plant, Finance Executive - 2 years |
| 12 | Chakraborty Jayant | 43 | Chief (Corporate Acc. & Fin. Reporting) | 28,54,687 | 16,53,365 | B.Com. (Hons), C.A. | 18 | 30.04.1990 | – |
| 13 | Chandra Sanjay | 48 | Chief (L P Tech. Group) | 27,08,194 | 16,48,796 | B.Tech., Ph.D. (Engg.) | 25 | 08.08.1983 | – |
| 14 | Chatterjee Amit Kumar | 46 | Chief Electrical Maintenance | 30,76,875 | 19,84,316 | B.E. | 21 | 27.07.1987 | – |
| 15 | Chatterjee Koushik | 40 | Group Chief Financial Officer | 1,06,98,186 | 60,50,380 | B.Com. (Hons), F.C.A. | 13 | 13.11.1995 | Tata Sons Ltd. – General Manager - Corporate Finance - 4 years 7 months |
| 16 | Chaudhary Chanakya | 43 | Chief Resident Executive, New Delhi | 36,80,220 | 24,80,956 | B.E. | 20 | 16.12.1988 | – |
| 17 | Chaudhury S. B. | 53 | Head (System Integration) | 26,33,106 | 15,90,217 | B.E., M.Tech. | 16 | 22.04.1992 | RDCIS SAIL, Manager - 9 years 7 months |
| 18 | Chintak Rajesh | 41 | Chief Resident Executive, Bhubaneshwar | 26,06,157 | 17,70,901 | B.Sc. (Engg.) | 19 | 01.07.1989 | – |
| 19 | Choudhry Sanjay | 52 | Chief Corporate Affairs & Communications | 31,74,087 | 18,39,373 | M.A., P.G.D.B.M. | 28 | 16.09.2002 | Coca Cola Industries - Corporate affairs Manager - 6 years |
| 20 | Choudhury Dr. Shyamal Kumar | 57 | Sr. Specialist | 26,13,418 | 14,90,333 | MBBS, MD | 28 | 01.08.1980 | – |
| 21 | Chowdhary D. M. | 57 | Chief (Electrical Maint.) | 34,58,941 | 19,96,409 | B.Sc. (Engg.), P.G.D.B.M. | 33 | 20.03.1976 | – |
| 22 | Das Binod Kumar | 51 | Chief (Sinter Plant) | 35,99,321 | 21,13,066 | B.Tech., M.Tech. | 29 | 01.08.1980 | – |
| 23 | Das Debashis | 49 | Chief (LD1) | 32,10,072 | 19,02,609 | B.Tech. | 26 | 02.08.1982 | – |
| 24 | Das Dr. N. K. | 58 | Chief Medical Services | 30,32,925 | 17,74,495 | MBBS, MD | 26 | 29.01.1983 | – |
| 25 | Deshpande D. P. | 52 | Chief (Coke, Sinter & Iron) | 41,89,713 | 22,26,307 | B.Tech., P.G.D.B.M | 30 | 01.01.1979 | – |
| 26 | Dhar G. S. | 56 | Chief (Raw Material Project) | 28,58,511 | 16,90,453 | B.Tech. | 32 | 07.02.1977 | – |
| 27 | Divaker Chavala | 56 | General Manager (Jharia) | 33,43,987 | 19,58,834 | B.E. | 33 | 27.01.1977 | Singereni Collieries Company Limited |
| 28 | Garg C. P. * | 66 | Sr. Consultant Pilot | 28,16,121 | 18,13,492 | B.Com. | 46 | 13.08.2007 | Jagsons Airlines Pilot - 11 months |
| 29 | Ghatak S. N. | 59 | Chief Engineering Civil & Structurl | 27,05,116 | 14,25,163 | B.E. | 38 | 01.09.1970 | – |
| 30 | Ghose P. K. | 39 | Chief RM Project | 33,33,745 | 19,51,353 | B.Tech. | 17 | 01.07.1991 | – |
| 31 | Ghosh Santanu | 52 | Chief (Project Engg.) | 33,68,026 | 21,95,324 | B.E. | 28 | 01.08.1980 | – |
| 32 | Gupta Avneesh | 45 | Chief (TQM) | 25,61,882 | 15,40,503 | B.Tech., P.G.D.B.M. | 22 | 01.07.1986 | – |
| 33 | Gupta Dr. G. | 56 | Chief Medical Officer | 25,48,050 | 13,65,695 | MBBS, MS | 26 | 01.10.1982 | – |
| 34 | Gupta Peeyush | 40 | Chief (Marketing & Sales - Flat Products) | 32,21,090 | 17,95,981 | B.E., M.B.A. | 16 | 01.01.1993 | – |
| 35 | Hariharan S. | 56 | Chief (3MT Expansion Project) | 33,37,391 | 19,73,587 | B.Sc. (Engg.) | 35 | 29.12.1973 | – |
| 36 | Iyer Ramesh B. | 43 | Chief (LD#3 & TSCR) | 36,44,365 | 21,36,801 | B.E. | 20 | 01.07.1988 | – |
| 37 | Jha Bimlendra | 41 | Principal Executive Officer | 34,36,039 | 22,39,353 | B.Tech, P.G.D.B.M. | 18 | 02.07.1990 | – |
| 38 | Jha Dwarika Nand | 49 | Chief (Blast Furnace), Kalinganagar Proj. | 48,45,461 | 26,21,749 | B.Sc,. (Engg.), PGD (Mgmt.) | 28 | 01.08.1980 | – |
| 39 | Jha Hridayeshwar | 53 | Vice-President (Safety & Long Product) | 60,53,679 | 33,78,079 | B.Tech., M.Sc. (Engg.), P.G.D.B.M. | 30 | 01.01.1979 | – |
| 40 | Jha Varun K. | 57 | Vice-President (Chattisgarh Project) | 99,76,684 | 52,69,268 | B. Tech. (Hons), P.G.D.B.M. | 36 | 03.10.1972 | – |
| 41 | Kalha Sarbraj Singh | 63 | Sr. Consultant Pilot | 43,69,558 | 27,03,376 | — | 1 | 01.10.2007 | – |
| 42 | Kamra Vivek M. | 41 | Executive-in-Charge (Tubes) | 36,72,510 | 20,48,505 | B.Tech., Management Prog. | 19 | 01.07.1989 | – |

| Sr. No. | Name | Age (Years) | Designation/ Nature of Duties | Gross Remune-ration Rs. | Net Remune-ration Rs. | Qualifications | Total Experi-ence (Years) | Date of Commence-ment of Employment | Last employment held Designation – Period for which post held |
|---|---|---|---|---|---|---|---|---|---|
| 43 | Kant Neeraj | 45 | Chief Sales Manager (North) | 26,18,596 | 16,84,178 | B. Tech., M.B.A. | 23 | 16.07.2001 | SAIL, Asst. Divisional Manager - 15 years 9 months |
| 44 | Kharkar Hement C. * | 52 | Vice-President | 37,05,083 | 18,51,331 | B.E. (Met), P.G.D.B.M. | 31 | 22.01.1978 | – |
| 45 | Kumar Ashok | 47 | Chief (I M T G) | 34,76,986 | 19,81,573 | B.Tech. | 24 | 01.07.1984 | – |
| 46 | Kumar Rajiv | 41 | Chief (HSM) | 27,68,880 | 18,53,010 | B.Sc. (Engg.) | 18 | 01.10.1990 | – |
| 47 | Kumar Sanjay | 46 | Chief (G Blast Furnace) | 32,87,053 | 19,54,631 | B.Tech., P.G.D.B.M. | 24 | 02.07.1984 | – |
| 48 | Kumar Sudhanshu | 50 | Chief (Customer Service Division) | 27,06,325 | 16,68,808 | B.Sc. (Engg.), P.G.D.B.M. | 25 | 08.08.1983 | – |
| 49 | Kumar Suresh | 51 | Chief (Mechanical Maintenance) | 32,12,005 | 16,38,141 | B.Tech., P.G.D.B.M. | 29 | 01.08.1980 | – |
| 50 | Lal Mohan | 56 | Chief (Manufacturing), Long Product | 37,00,512 | 21,69,121 | B.Sc. (Engg.), P.G.D.B.M. | 30 | 09.01.1978 | – |
| 51 | Mahashabde Vinay V. | 43 | Chief (SMCT) and AGM (Steel), KPO | 28,38,213 | 17,16,263 | B.Tech. | 22 | 01.07.1986 | – |
| 52 | Makashir Wg. Cd. S. D. | 62 | Sr. Consultant Pilot | 44,54,694 | 28,60,178 | M.Sc. (Defence Studies) | 41 | 02.09.1997 | Indian Air Force, Wg. Commander - 12 years |
| 53 | Mangal Rajiv | 41 | Chief (Wire Division) | 35,02,124 | 19,92,140 | B.E., P.G.D.B.M. | 19 | 01.07.1989 | – |
| 54 | Mani R. | 51 | Chief (Corporate and International Taxation) | 28,87,045 | 19,14,567 | B.Com., C.A., I.C.W.A.I | 26 | 18.10.1982 | – |
| 55 | Misra Abanindra M. | 57 | VP (Raw Materials & Coke Sinter & Iron) | 80,42,438 | 43,98,628 | B.E., M.B.A. | 35 | 29.12.1973 | – |
| 56 | Misra Arun | 43 | General Manager (O M & Q) | 30,52,384 | 18,80,098 | B.Tech. | 20 | 01.07.1988 | – |
| 57 | Misra N. K. | 53 | Group Head - Mergers & Acquisition | 63,00,916 | 30,09,162 | B.Sc. , A.C.A. | 28 | 21.02.1981 | – |
| 58 | Mitra Nil Ratan * | 51 | Pilot | 34,33,614 | 21,41,198 | B.Sc., Commercial Helicopter Pilot's Licence | 30 | 02.06.2008 | Indian Air Force, Commissioned officer - 26 years |
| 59 | Mitra Samindra Narayan | 45 | Executive-in-Charge (Iran Chrome Project) | 24,72,712 | 14,21,736 | B.Tech., PGD (Mgmt.) | 18 | 02.07.1990 | Tata International limited, Chief (International Op.) - 3 years 8 months |
| 60 | Mokashi S. | 51 | Chief Information Technology | 39,39,269 | 22,62,944 | B.Tech., P.G.D.B.M | 27 | 01.02.1982 | – |
| 61 | Murthy R. N. | 44 | Chief Marketing OE | 28,14,540 | 16,95,436 | B.Tech. | 22 | 01.07.1986 | Tata International Limited, Product Manager - 3 years 8 months |
| 62 | Murty V. S. N. | 57 | Chief Financial Controller (Corporate) | 51,77,919 | 28,04,670 | B.Com., C.A. | 32 | 01.06.1976 | – |
| 63 | Muthuraman B. | 64 | Managing Director | 4,03,13,211 | 2,27,05,260 | B.Tech. (Met), P.G.D.B.M. | 42 | 14.11.1966 | – |
| 64 | Nair K. P. G. | 59 | Chief (Design & Technical Services) | 27,68,918 | 16,45,738 | Dip. in Mech. Engg., AMIE (India), P.G.D.B.M. | 37 | 04.10.1971 | – |
| 65 | Nair Radhakrishnan | 49 | Chief Human Resource Officer | 72,72,110 | 41,14,234 | B.Com., PGD (PM & IR) | 24 | 01.04.2007 | Tata Sons, Vice President - 5 years |
| 66 | Nandan Krishna | 53 | Head Corporate Relations | 24,37,587 | 15,04,831 | L.L.B. | 31 | 07.12.1977 | – |
| 67 | Narayan Om | 58 | Vice-President (Shared Services) | 78,28,807 | 41,44,762 | B.Sc. (Engg), P.G.D.B.M. | 36 | 03.10.1972 | – |
| 68 | Nerurkar H. M. | 60 | Chief Operating Officer (Steel) | 1,51,87,370 | 79,08,877 | B.Tech. (Met) | 37 | 01.02.1982 | U.M.I. Ltd., Manager (QC) - 5 years |
| 69 | Ojha Awadhesh Kumar | 57 | General Manager (W B) | 33,97,649 | 17,68,389 | B.Sc. (Engg.) | 33 | 01.08.1975 | – |
| 70 | Panda Amitabh | 40 | Chief (Procurement) | 26,06,165 | 15,63,189 | B.E., P.G.D.B.M. | 19 | 01.10.2004 | Free Markets Services Pvt. Ltd. |
| 71 | Pandey Subodh | 39 | Chief (Marketing - LP) | 24,39,863 | 13,76,166 | B.Tech. | 16 | 13.07.1992 | – |
| 72 | Pathak Sudhansu | 47 | Chief (LD2 & SC) | 35,39,411 | 21,17,892 | B.E., P.G.D.B.M. | 24 | 02.07.1984 | – |
| 73 | Pati Srikant Kumar | 50 | Chief (Power Systems) | 27,21,635 | 16,42,598 | B.Sc. (Engg.), P.G.D.B.M. | 27 | 01.07.1981 | – |
| 74 | Pattanaik S. K. | 49 | Chief Raw Material Strategy Group | 28,11,867 | 18,00,384 | B.E. | 25 | 01.07.1983 | – |
| 75 | Pattanayak Pradip K. R. | 55 | Chief (IR and R&R) | 24,62,044 | 14,14,118 | B.Sc. (Hons), M.A. | 30 | 01.03.1979 | – |
| 76 | Pillai Satish | 57 | Chief (Corporate Sustainability Services) | 26,58,622 | 15,62,219 | B.A. | 37 | 16.06.1971 | – |
| 77 | Pradhan Ganesh Chandra | 61 | Sr. Consultant Pilot | 25,57,418 | 16,82,712 | B.Sc., Commercial Pilot's Licence | 14 | 01.09.2008 | Poonawala Aviation Services - 2 years 8 months |
| 78 | Prakash Sunil | 55 | Chief (Manufacturing), Flat Product | 31,50,771 | 18,82,130 | B.Tech. | 16 | 14.05.1992 | – |
| 79 | Prasad Avinash | 61 | Chief Resident Executive, Ranchi | 58,47,830 | 34,43,664 | B.E. (Met.) | 37 | 14.06.1971 | – |
| 80 | Prasad Priya Ranjan | 48 | Chief (Sinter Plant) | 26,78,286 | 16,39,659 | B.Tech. | 25 | 08.08.1983 | – |
| 81 | Purohit Sushil Kumar | 46 | Pilot | 39,52,844 | 24,36,337 | L.L.B. | 16 | 03.04.2006 | Ran Air Limited, Pilot - 1 month |
| 82 | Rajesh N. | 42 | Chief (CRM) | 26,65,071 | 16,31,034 | B.Tech. | 20 | 01.07.1988 | – |
| 83 | Rammurty N. | 58 | Chief Strategic Project Procurement | 31,14,647 | 19,11,352 | B.Sc. (Engg.), P.G.D.B.M. | 35 | 03.01.1974 | – |
| 84 | Ranjan Amrendra | 49 | Chief Mills & Utilities (Elect. Maint.) | 26,97,086 | 15,96,875 | B.Tech., P.G.D.B.M. | 28 | 01.07.1980 | – |
| 85 | Ranjan Rajiv | 50 | Chief (1.8 MT Project) | 26,11,139 | 14,38,419 | B.Sc. (Engg.) | 28 | 01.08.1980 | – |
| 86 | Raste Pramod R. | 56 | Chief (IR-West) | 24,95,670 | 16,57,895 | B.A. (Hons), M.A. | 23 | 01.06.1985 | – |

| Sr. No. | Name | Age (Years) | Designation/ Nature of Duties | Gross Remune-ration Rs. | Net Remune-ration Rs. | Qualifications | Total Experi-ence (Years) | Date of Commence-ment of Employment | Last employment held Designation – Period for which post held |
|---|---|---|---|---|---|---|---|---|---|
| 87 | Rattan G. S.* | 61 | Executive-in-Charge (Bearings) | 28,19,087 | 15,22,725 | B.Sc. (Engg.) | 30 | 10.11.1978 | – |
| 88 | Ray Dr. Banambar | 61 | General Manager (Medical Services) | 47,02,487 | 24,77,252 | MBBS, MD | 29 | 01.03.1980 | – |
| 89 | Reddy P. S. | 45 | Chief MRO | 28,15,816 | 17,26,023 | B.Tech., M.Tech. | 21 | 30.01.1988 | Telgu Ganga Project - Asst. Excecutive Engineer - 4 months |
| 90 | Roy S. K. | 56 | Chief ('H' Blast Furnace) | 46,18,412 | 26,62,501 | B.Sc. (Engg.) | 32 | 19.03.1977 | – |
| 91 | Sachdev Harsh V. | 48 | Executive-in-Charge (Bearings) | 24,15,047 | 13,60,498 | B.Tech. | 25 | 01.07.1983 | – |
| 92 | Samaddar Dr. D. P. | 55 | Sr. Specialist & HOD (Anaesthesia) | 26,41,546 | 15,61,185 | MBBS, M.D | 23 | 03.06.1985 | – |
| 93 | Samaradivakera Lalith | 54 | General Manager (Operations) | 27,80,697 | 18,62,215 | B.Tech. | 31 | 01.09.1977 | – |
| 94 | Sarangi B. N. | 58 | Chief (Employee Training & Development) | 30,22,051 | 17,54,184 | B.A., PGD (Mgmt.) | 39 | 20.12.1969 | – |
| 95 | Sastry C. V. | 45 | Chief Corporate Quality Assurance & FPTG | 33,03,867 | 19,29,788 | B.E, P.G.D.B.M | 23 | 15.07.1985 | – |
| 96 | Satyanarayana Sistla | 53 | Chief (Automation) | 27,79,805 | 16,38,696 | M.Tech. | 30 | 07.04.1993 | Instrumentation Limited, Kota (Public Enterprice), Deputy Manager -14 years |
| 97 | Sen Anand | 49 | Vice-President (TQM & Flat Products) | 96,15,675 | 51,16,877 | B.Tech. (Hons), Met. Engg., P.G.D.B.M. | 27 | 27.07.1981 | – |
| 98 | Sengupta Dipankar | 63 | Adviser to M. D. | 53,04,919 | 29,77,993 | B.E. | 41 | 30.12.1967 | – |
| 99 | Sengupta Indronil | 38 | Executive-in-Charge (Vietnam Project) | 25,14,121 | 15,43,855 | B.E., P.G.D.B.M. | 16 | 13.07.1992 | – |
| 100 | Sengupta Partha | 51 | Vice-President (Corporate Services) | 59,18,283 | 29,85,896 | B.Tech. (Metallurgical) | 28 | 01.08.1980 | – |
| 101 | Sengupta Sibaji | 52 | Chief (Financial Reporting Center) | 26,25,316 | 16,03,849 | B.Com., C.A. | 27 | 12.12.1983 | Bank of Baroda, Dy. Manager - 1 year 3 months |
| 102 | Shukla Shobhit | 51 | Chief (Financial Transaction Center) | 25,37,667 | 15,60,300 | B.Com., C.A. | 23 | 19.03.1986 | – |
| 103 | Singh A. K. | 58 | Chief (IR - RM) | 25,88,375 | 15,43,846 | PGD (PM&IR) | 34 | 03.06.1974 | – |
| 104 | Singh Binay Kumar | 61 | Vice-President (Orissa Project) | 56,00,135 | 33,62,730 | B.E. (Met), M.Tech. (Process Metallurgy), | 38 | 19.12.1970 | Hoogly Met Coke & Power Co. Ltd., Managing Director - 3 years |
| 105 | Singh Jai Prakash | 52 | Chief, Blast Furnaces up-gradation Pelle | 25,25,102 | 15,02,827 | B.Sc. (Engg.) | 28 | 30.03.1981 | – |
| 106 | Singh P. K. | 59 | Chief (Spares & Services) | 24,71,535 | 15,08,115 | B.Sc. (Engg.) | 36 | 03.10.1972 | – |
| 107 | Singh Ram Prit | 64 | Vice-President (Engineering & Projects) | 1,17,32,754 | 58,81,116 | B.Sc. (Engg.) (Mech.) | 43 | 01.03.1996 | SAIL & R I N L, General Manager (Project) - 30 years |
| 108 | Singh R. P. | 56 | General Manager (IR) | 35,55,778 | 20,22,343 | B.Com, PGD (PM&IR) | 31 | 14.04.1977 | – |
| 109 | Singhal Rajeev | 45 | Chief (M & S - LP) | 30,44,061 | 17,18,839 | B.Tech., P.G.D.B.M. | 23 | 01.07.1985 | – |
| 110 | Singh S. K. | 40 | Chief (S E Block) | 25,21,970 | 14,96,166 | B.Tech. | 17 | 01.07.1991 | – |
| 111 | Singh Uttam | 40 | Chief ('I' Blast Furnance) | 27,85,154 | 16,66,881 | B.Tech. | 16 | 13.07.1992 | – |
| 112 | Sinha Arvind Kumar | 52 | Chief (Electrical T & D) | 27,03,018 | 16,34,063 | B.Tech., P.G.D.B.M. | 30 | 01.01.1979 | Hooglty Met Coke & Power Co. Ltd., Chief Construction - 1 year 5 months |
| 113 | Sinha Vinod Prasad | 60 | Advisor | 25,61,849 | 16,44,678 | B.Sc. (Hons), Ph. D. | 39 | 01.01.1970 | – |
| 114 | Srikanth R. | 46 | General Manager (Raw Material Projects) | 39,48,173 | 22,58,013 | B.Tech, M.S (Engg.), Ph.D. | 24 | 10.02.1997 | Penn State University USA, Research Assistant - 6 years |
| 115 | Srivastava Ved Prakash | 49 | Chief IT - Architecture | 28,69,241 | 17,25,994 | B.Tech., PGD (Mgmt.) | 28 | 01.08.1980 | – |
| 116 | Sundara Ramam D. B. | 39 | Chief (Noamundi) | 30,53,172 | 18,45,751 | B.Sc. (Engg.) | 18 | 28.07.1990 | – |
| 117 | Sunder Shyam | 47 | Chief Operations, Wire Division | 27,21,578 | 15,00,953 | B.E. | 25 | 08.08.1983 | – |
| 118 | Tiwari Kalika | 58 | Pilot | 33,17,715 | 22,36,416 | B.Sc. | 26 | 01.06.2006 | I.S.W.P, Chief Pilot - 15 years |
| 119 | Venugopalan T. | 56 | Chief Technology Officer | 43,17,226 | 25,04,000 | B.Tech. (Met. Engg.), M.Tech. (Ind. Metallurgy | 31 | 04.05.2001 | Ispat Ind., V.P. (Technical Services) - 4 years |
| 120 | Verma Gyan Prakash | 51 | Chief (Budgeting & Construction Plannin) | 25,44,782 | 15,27,661 | B.Sc. (Engg.), P.G.D.B.M. | 27 | 13.07.1981 | – |
| 121 | Verughese K. K. | 57 | Chief (Corporate Audit) | 35,49,754 | 20,91,840 | B.Sc., C.A. | 32 | 23.12.1976 | – |

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

* Indicates earnings for part of the year.

On behalf of the Board of Directors

**RATAN N. TATA**
Chairman

Mumbai, 25th June, 2009.

# Management Discussion and Analysis 2008-09

## Business Review

Tata Steel Limited, Asia's first integrated private sector Steel Company, is the world's second most geographically diversified steel producer with major operations in India, Europe and South East Asia. Listed as a Fortune 500 company and with an annual crude steel capacity of around 31 million tonnes, the Company has manufacturing units in 26 countries and a strong presence in 50 European and Asian markets. Tata Steel India is the first integrated steel company in the world, outside of Japan, to be awarded the coveted Deming Application Prize 2008 for excellence in Total Quality Management.

Over the past decades, the Company has carried out several modernisation and expansion programmes – including the acquisition of businesses in Europe and South East Asia, which have helped it to grow and diversify.

The strategic focus of the Company has been to increase the steel making capacity in excess of 50 million tonnes by 2015 through organic and inorganic growth. The key enablers identified to achieve the strategic goal and to build a sustainable value centric culture are:

- Being the employer of choice
- Oneness with the society
- Leadership & talent management
- Adaptability to changes in the external environment
- Security of raw materials
- Research & development and technological upgradation
- Branding
- Financial prudence through capital stewardship & performance management

## Tata Steel Group Performance

## A. Business Overview

### *a. Tata Steel India:*

**1. Steel Division:**

The production and sales figures of the Steel division of the Company are shown in the following table:

Figures in million tonnes

| | FY 09 | FY 08 | Change % |
|---|---|---|---|
| Hot Metal | **6.25** | 5.51 | 14% |
| Crude Steel | **5.65** | 5.01 | 13% |
| Saleable Steel | **5.37** | 4.86 | 11% |
| **Sales** | **5.23** | **4.78** | **9%** |

The division posted an increase of around 11% in its Finished Steel production and 9% in sales during the financial year 2008-09 owing to the newly commissioned 'H' Blast Furnace, Sinter Plant #4, Billet Caster #3 etc. The major production and sales highlights for the financial year 2008-09 are shown below:

### *Production*

- Best ever Hot metal (6.25 million tonnes), Crude steel (5.65 million tonnes) and saleable steel (5.37 million tonnes) production.
- Newly commissioned Blast Furnace ('H' furnace) in its very first year of operation surpassed its yearly target and is running above the rated capacity.
- One of the Steel Melting Shops (LD#2 & Slab Caster) achieved the best ever slab production of 3.52 million tonnes (previous best 3.35 million tonnes in FY 08).

- LD#1, another Steel Melting Shop also achieved the best ever annual billet production of 2.12 million tonnes (previous best 1.76 million tonnes in FY 07).
- Sinter Plant produced 6.5 million tonnes sinter which is the best ever (previous best 5.88 million tonnes in FY 08). Highest ever solid waste utilisation at 90% (previous best 85.4% in FY 08).
- One of the finishing mills i.e. New Bar Mill achieved highest ever production of 0.611 million tonnes (previous best 0.549 million tonnes in FY 08).

### *Sales*

- Overall sales at 5.231 million tonnes, grew by 9% over last year (4.782 million tonnes in FY 08).
- 25% increase in Long products sales at 2.00 million tonnes (1.60 million tonnes in FY 08).
- Highest ever sales of Flat products at 3.23 million tonnes (3.18 million tonnes in FY 08).

### *Other major highlights of the division were:*

- Maximisation of production from bigger Blast Furnaces with higher productivity resulting in a significant reduction in the coke rate.
- Increased vessel life in both the steel making shops.
- The revenue generation through sale of by-products was enhanced as compared to the previous year.
- Reduction in dust emission per tonne of crude steel compared to FY 08.

**2. Ferro Alloys and Minerals Division (FAMD):**

The production and sales volume of Ferro Alloys and Minerals Division for the financial year 2008-09 against the last financial year are shown in the following tables:

**Saleable Production**

Figures in million tonnes

| Products | FY 09 | FY 08 | Change % |
|---|---|---|---|
| Chrome Concentrate | **0.270** | 0.379 | (29)% |
| Ferro-chrome | **0.170** | 0.202 | (16)% |
| Ferro Manganese | **0.055** | 0.055 | (1)% |
| Pyroxenite | **0.229** | 0.235 | (3)% |
| Dolomite | **0.362** | 0.467 | (23)% |
| Silico Manganese | **0.071** | 0.070 | 1% |
| **Total** | **1.157** | **1.409** | **(18)%** |

**Sales Performance**

Figures in million tonnes

| Products | FY 09 | FY 08 | Change % |
|---|---|---|---|
| Chrome Concentrate | **0.254** | 0.392 | (35)% |
| Ferro-chrome | **0.177** | 0.186 | (5)% |
| Ferro Manganese | **0.034** | 0.041 | (16)% |
| Dolomite | **0.342** | 0.468 | (27)% |
| Silico Manganese | **0.042** | 0.040 | (5)% |
| **Total** | **0.867** | **1.143** | **(24)%** |

Robust demand for ferroalloys and consequent higher prices during the first half of FY 09 were affected by the market slowdown during the second half. In spite of the slowdown, the division ranked sixth among ferro-chrome producers in the world at the end of the financial year. Cost competitiveness and market and product developments were the key enablers in increasing the customer base and expanding the market reach.

Global ferro-chrome producers struggled to meet the soaring demand from consumers and for the first time in the history of its business, High Carbon Ferro-Chrome spot market prices crossed the level of US $2 / lb CIF in the first half of FY 09. The Company's ferro-chrome exports touched an all time high and the division recorded its highest ever global market share of 4% in FY 09. In India, FAMD is the market leader in the ferro-chrome business with a market share of around 36%.

Shortage of the High Grade Manganese Ore and rising costs led to a substantial appreciation in both Silico Manganese and Ferro Manganese prices in FY 09.

Manganese alloys sales recorded an all time high in FY 09. FAMD with its unique advantage of being the lowest cost Manganese alloy producer in India, has attained the status of being the largest producer of Manganese alloys in India with a market share of approximately 14%.

While the prices of Chrome Concentrate almost doubled over FY 08, ferro-chrome prices moved north by 35% and Ferro Manganese & Silico Manganese prices increased by 75% and 72% respectively over the last financial year.

**3. Tubes Division:**

The production and sales performance of the division are shown below:

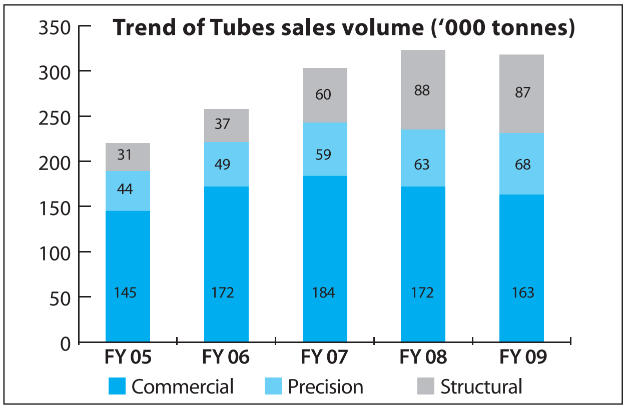
Figures in million tonnes

| Production | FY 09 | FY 08 | Change % |
|---|---|---|---|
| Commercial Tubes | **0.163** | 0.169 | (4)% |
| Precision Tubes | **0.085** | 0.087 | (2)% |
| Structural Tubes | **0.068** | 0.066 | 3% |
| **Total** | **0.316** | **0.322** | **(2)%** |

Figures in million tonnes

| Sales | FY 09 | FY 08 | Change % |
|---|---|---|---|
| Commercial Tubes | **0.163** | 0.172 | (5)% |
| Precision Tubes | **0.068** | 0.063 | 8% |
| Structural Tubes | **0.087** | 0.088 | (1)% |
| **Total** | **0.318** | **0.323** | **(2)%** |

Trend of Sales volume over the last few years is shown below:




The division commissioned a second state-of-the-art Mill during FY 09 in order to improve manpower productivity, lower energy consumption, increase operational efficiency and offer improved products. The division's thrust in High end Precision Tubes started to bear fruit, with the commissioning of the Hydroforming facilities and has recently initiated the supplies of Engine Cradles for the Tata Nano car, production of tubes for Telescopic Front Fork (TFF) & Propeller Shaft applications.

There was a substantial progress in Customer Relationship Building and IT based solutions. Some highlights include the implementation of web based VMI, replenishment system for all distributors and EVI with large construction companies. Inspite of the market slowdown especially in construction activities during the second half of FY 09, the sales volume remained at the same level as that of FY 08 mainly due to the development of new products and sizes for Structural applications under the "TATA STRUCTURA" brand.

While the tubes industry witnessed a negative growth of 3-4%, the Tubes division maintained its volume at FY 08 levels. In line with recent investments, the Precision tubes business of the division grew by 7% even though growth in the industry was largely stagnant. In the Commercial tubes segment, in spite of a drop in volumes, the market share grew by 2% over FY 08 in the retail trade.

**4. Bearings Division:**

The production and sales performance of the division are shown below:

Figures in million numbers

| | FY 09 | FY 08 | Change | Change % |
|---|---|---|---|---|
| Production | **27.40** | 26.36 | 1.04 | 4% |
| Sales | **26.34** | 27.61 | (1.27) | (5%) |

A major customer segment for the Bearings Division of the Company is the automobile sector. In the first half of FY 09, the automotive segment saw a robust growth of 12.7% but witnessed a steep 13% negative growth in the third quarter before recovering to a 1% growth in the fourth quarter.

### *b. Tata Steel Europe (TSE):*

Tata Steel Europe is Europe's second largest steel producer operating three main divisions — Strip Products, Long Products and Distribution & Building Systems. The fourth division — Primary Aluminium was hived off to Klesch & Company during February 2009.

The production and sales performance of TSE is shown below:

Figures in million tonnes

| | FY 09 | FY 08 | Change | Change % |
|---|---|---|---|---|
| Liquid Steel Production | **16** | 20 | (4) | (20)% |
| Sales | **20** | 23 | (3) | (14)% |

TSE's liquid steel production in FY 09 was around 16 million tonnes, 20% lower than FY 08. While during the first half of FY 09 the production was around 10 million tonnes, almost at the same level of FY 08, the production for the second half of FY 09 was 6 million tonnes against the level of around 10 million tonnes recorded during FY 08.

The sales for FY 09 at around 20 million tonnes were lower by 14% as compared to sales of 23 million tonnes registered during FY 08.

The demand for TSE's carbon steel products was around 8.9 million tonnes, lower by 15% than FY 08. The drop in demand was mainly due to the sharp downturn in steel consumption during the second half of the financial year along with the effects of the stock correction, particularly for strip products.

### *c. NatSteel Holdings:*

The Singapore operations are an Electric Arc Furnace (EAF) based steel making and rolling operations with a production capacity of about 0.750 million tonnes per annum.

The first half of the financial year saw a rise in the prices and volume due to buoyant market conditions. However, in the second half of FY 09, South East Asia experienced the effects of the global slowdown bringing down the volume as well as prices significantly, offsetting the increases achieved during the first half.

During the year, the Singapore operations mainly focussed on yield improvement, reduction in power consumption and improvement in downstream tonnages.

The Singapore operations sold about 0.956 million tonnes of steel during FY 09, 6% more than the last financial year. Out of total sales, the sales of the downstream facility in Singapore, the world's largest single cut-and-bend operations facility, were around 0.475 million tonnes, 20% higher as compared to the previous year.

The Chinese subsidiary of NatSteel sold 0.426 million tonnes of rolled products during FY 09, 17% higher than the previous year.

In Australia, NatSteel Australia and Best Bar sold around 0.188 million tonnes (12% higher than FY 08) of steel in the form of straight length rebars, mesh, cut-and-bend and other accessories.

### *d. Tata Steel Thailand:*

Production during FY 09 at 1.07 million tonnes was lower by 22% than FY 08 while sales at 1.1 million tonnes were about 20% lower compared to the previous year. While the first half of FY 09 witnessed a rise in demand, the latter half saw a drastic drop in the prices of domestic and international scrap, which in turn led to a decrease in prices for finished products. The high stocks in the supply chain also added to the adverse performance. During the year, the operations in Thailand focussed on cost reduction in the Rolling Process by optimising the roll consumption cost and in the Alloy Consumption at the steel shop.

### *e. Tata Refractories Ltd.:*

Tata Refractories Ltd. (TRL), is India's No 1 Refractories Producer with service backup for Total Refractory Solutions (Design & Application) & Total Refractories Management. The company also has a manufacturing facility in China.

The company has a wide range of refractory products like Basic refractories, Dolomite refractories, Flow Control refractories, High Alumina refractories, Monolithic refractories and Silica Refractories. With operations in China, Gujarat, Jamshedpur, Salem and Belpahar, TRL has been meeting the growing needs of a wide variety of customers in different markets viz., Steel, Cement, Glass, Copper, Zinc, Aluminium, and the Petrochemical industry.

During FY 09, the production was lower by 1% from 234 k tonnes during FY 08 to 231 k tonnes in FY 09 while the sales were higher by 1% from 264 k tonnes during FY 08 to 267 k tonnes in FY 09.

### *f. TM International Logistics Limited:*

TM International Logistics Limited is involved in the activity of running port operations at the Ports of Haldia and Paradip on the east coast of India backed by a fully dedicated customs clearance and shipping agency services at both ports. The company runs a clean dry cargo terminal at berth # 12 at Haldia which is equipped with modern handling facilities including heavy equipments, shore cranes and vast large open storage area as well as covered warehousing facilities.

The main performance highlights of the company during the financial year 2008-09 are the following:

| | | FY 09 | FY 08 | Growth |
|---|---|---|---|---|
| Port Operations | Million tonnes | **7.01** | 6.04 | 16% |
| Shipping | Million tonnes | **2.28** | 1.87 | 22% |
| Clearing & Inland Logistics | Rs. crore | **4,047** | 3,667 | 10% |
| Freight forwarding | Volume in TEUs | **25,495** | 26,106 | (2%) |

### *g. Tata Metaliks Limited:*

Tata Metaliks Limited became a subsidiary of Tata Steel Ltd. w.e.f 1st Februrary, 2008 and is the largest producer of foundry grade Pig Iron in the country. The company, which has an annual total capacity of 650,000 tonnes, is the largest producer of foundry grade Pig Iron in the country and has two plants: one at Kharagpur, West Bengal and the other at Redi, Maharashtra. The company also has a joint venture Tata Metaliks Kubota Pipes Limited with M/s. Kubota Corporation, Japan for producing ductile iron pipes with an annual capacity of 110,000 tonnes.

During the last two financial years, the company has graduated from low-end ballast weight castings to high-end crank case castings. The operational highlights of the company during the financial year 2008-09 are shown below:

Figures in '000 tonnes

| | |
|---|---|
| Hot Metal Production | 387 |
| Pig Iron (capacity) | 650 |
| Pig Iron Production | 378 |
| Sales | 379 |

During FY 09, while the Kharagpur unit of the company operated at 78% of the total capacity (92% in the first half and 62% in the second half), the Redi unit operated at 20% of its capacity primarily due to the complete shutdown of one furnace throughout the year and slowdown of automotive sector during the second half of the financial year.

## Raw Materials:

### *India:*

Tata Steel India is self-sufficient in iron ore due to its captive mines. With regard to coking coal, the company is self-sufficient to an extent of 52%, the balance amount being procured mostly through imports largely covered by annual contracts. At the Jharia collieries, the raw coal production was slightly higher than FY 08 (1.582 million tonnes) at 1.587 million tonnes with flexibility in ash% between 16.5% to 17.0% in Jamadoba and 15.5% to 17.0% in Bhelatand. The West Bokaro division achieved the highest ever raw coal production at 5.68 million tonnes (1.96 million tonnes of clean coal at 13.96% ash). The iron ore sized production was 4.14 million tonnes and the fines production was higher by 8% to reach a level of 5.91 million tonnes.

### *Europe:*

During FY 09, approximately 22 million tonnes of iron ore and 11 million tonnes of coal were imported by TSE. While iron ore was imported mainly from Australia, Canada, South Africa and South America, coal was principally imported from Australia, Canada and the US.

Supply contracts lasting typically anywhere between three and ten years are entered into for certain raw materials for steel production wherein the prices are generally agreed upon on an annual basis. The TSE policy for these raw materials is to ensure that at least 60% of the requirement is accounted for by long-term contracts. The remaining raw materials are purchased through one year contracts, options and spot purchases at market rates providing flexibility and commercial leverage.

The market reference price of iron ore fines for the calendar year 2008 saw increases of around 65% as compared to 2007. This significant increase in price was driven by growth in demand, predominantly from China. The price of hard coking coal increased even more significantly, by more than 200% in 2008 compared to 2007. Severe flooding in Australia, which resulted in a massive under supply of coal further exacerbated the unprecedented increase in price. During the second half of 2008, the global demand for steel and therefore, steel making raw materials deteriorated sharply and spot prices fell. As a result, significant contract price reductions are anticipated for both iron ore and coal in 2009.

## B. STRATEGY:

In February 2008, the Tata Steel Group launched a new Vision with the aim of setting a world benchmark in Value Creation and Corporate Citizenship.

With regard to Value Creation, the Tata Steel Group set itself a target of increasing the return on invested capital of its existing assets to 30% by 2012-13 and to generate selective growth. In order to meet this target, the Group has developed a two-fold strategy:

- In order to increase the quality of earnings of its existing assets, the Group will pursue the optimisation of its European assets, restructure low profitability assets and continue to derive benefits through continuous improvement and synergies across the Group.

- In order to generate selective growth, the Group will pursue capacity expansions and securing access to raw materials. The Group is increasing its capacity in India, through expansion of its current operations in Jamshedpur and through the construction of a greenfield site in Orissa, and assessment of raw material investment opportunities as and when they arise.

Corporate citizenship involves providing a safe working place, respecting the environment, caring for its communities and demonstrating high ethical standards.

The Group wants to be a part of the climate change solution and has set a target to reduce its $CO_2$ emission from the current 2.07 tonnes of $CO_2$ per tonne of liquid steel to 1.5 tonnes of $CO_2$ per tonne of liquid steel by 2012 through process improvements, breakthrough technologies and development of new products and services. More specifically, the emission target is planned to be achieved through:

- Large investments including BOS gas recovery and back pressure valves at Port Talbot and a new ladle furnace at IJmuiden.
- Burden optimisation, e.g. through switching to pellet feed, increased scrap ratio, reduced slag volume and increased coal injection.
- Smaller investments and housekeeping actions e.g. yield improvements, lighting efficiency and variable speed drives across all entities.

During the year, the Group has continued to execute its long-term strategy and the tactical planning for development of new markets is well underway. South East Asia is one of the key growth regions and the Group is focussed on developing a greenfield expansion in Vietnam and optimising operations in both NatSteel and Tata Steel Thailand. In the construction sector, the Group is exploring options to develop strong positions in India and in South East Asia through leveraging its European expertise. The Group also continued to explore raw material opportunities to improve the cost competitiveness of its European and South East Asian operations.

## C. FINANCIAL ANALYSIS OF TATA STEEL INDIAN OPERATIONS (Standalone entity in India):

**1. Net Sales / Income from Operations:**

Figures in Rs. crore

| | FY 09 | FY 08 | Change | Change % |
|---|---|---|---|---|
| Sale of products | **25,945** | 21,392 | 4,553 | 21% |
| Sale of power and water | **566** | 546 | 20 | 4% |
| Income from town, medical and other services | **41** | 41 | (0) | 0% |
| Other operating income | **291** | 210 | 81 | 39% |
| Total Sale of products and services | **26,844** | 22,190 | 4,654 | 21% |
| Less: Excise Duty | **2,528** | 2,499 | 29 | 1% |
| **Net sales/Income from Operations** | **24,316** | **19,691** | **4,625** | **23%** |

The net sales increased by 23% during FY 09 over FY 08 mainly due to higher prices realised on Steel as well as other products during the first half of the financial year. While realisation declined following the global economic slowdown, Steel volumes improved significantly in the second half as can be seen from the following table:

Figures in million tonnes

| Steel volume | H1 | H2 | Change % |
|---|---|---|---|
| FY 09 | 2.38 | 2.85 | 20% |
| FY 08 | 2.26 | 2.52 | 12% |

The divisional net sales of the Company are shown below:

Figures in Rs. crore

| Net Sales | FY 09 | FY 08 | Change | Change % |
|---|---|---|---|---|
| Steel | **20,456** | 16,539 | 3,917 | 24% |
| Tubes | **1,410** | 1,217 | 193 | 16% |
| Ferroalloys and Minerals | **2,324** | 1,808 | 516 | 29% |
| Bearings | **127** | 127 | (0) | 0% |
| **Total** | **24,316** | **19,691** | **4,625** | **23%** |

As explained above net sales in the Steel division increased by 23% due to increase in prices in the first half of FY 09 and increase in volume in the second half of FY 09. Similarly sales of Tubes and Ferroalloys improved mainly due to higher realisations experienced during the year on account of increase in prices with lower volumes as compared to the last year.

**2. Raw Materials Consumed:**

Figures in Rs. crore

| | FY 09 | FY 08 | Change | Change % |
|---|---|---|---|---|
| Raw Materials consumed | **5,710** | 3,355 | 2,355 | 70% |

Raw Materials consumption showed significant increase over the previous year mainly due to higher prices of Coal and Coke and also due to higher production resulting from the commissioning of 'H' Blast Furnace as well as other facilities and operational improvements. Increase in the prices of Ferroalloys also contributed to the increase in raw materials consumed.

**3. Payments to and Provisions for Employees:**

Figures in Rs. crore

| | FY 09 | FY 08 | Change | Change % |
|---|---|---|---|---|
| Payments to and provisions for employees | **2,306** | 1,816 | 490 | 27% |

The increase of staff cost over last financial year represents the revised wages, arrears and impact of change in discounting rate for valuation of employee benefits as per Accounting Standards (AS15).

**4. Conversion Charges:**

Figures in Rs. crore

| | FY 09 | FY 08 | Change | Change % |
|---|---|---|---|---|
| Conversion charges | **1,042** | 857 | 185 | 22% |

Conversion charges increased by 22% over FY 08 mainly due to an increase in the conversion activities at the Long Products division as well as an increase in the conversion of tin coated products.

**5. Stores and Spares Consumed:**

Figures in Rs. crore

| | FY 09 | FY 08 | Change | Change % |
|---|---|---|---|---|
| Stores consumed | **1,249** | 936 | 313 | 33% |

Stores consumption has gone up by 33% as compared to FY 08 primarily on account of higher production which was due to the commissioning of 'H' Blast Furnace as well as other facilities and operational improvements and an increase in the price of operational refractories in Steel melting shops.

**6. Purchase of Power:**

Figures in Rs. crore

| | FY 09 | FY 08 | Change | Change % |
|---|---|---|---|---|
| Purchase of Power | **1,091** | 933 | 159 | 17% |

There was an increase in expenses related to the purchase of power at the Jamshedpur Works during the year as fourth unit of Tata Power was shutdown for maintenance activities and the Company (Tata Steel) had to purchase power at higher rate from alternate sources. Increase in production, increase in sale of power to other consumers also led to higher purchase of power.

### 7. Other Expenses:

Figures in Rs. crore

| | FY 09 | FY 08 | Change | Change % |
|---|---|---|---|---|
| Other expenses | **1,266** | 1,069 | 196 | 18% |

Other expenses have gone up mainly due to consultancy charges, exchange fluctuation on raw material supplies, port charges due to increased exports, increase in brand equity payment, software development charges, packing charges due to increase in prices of steel packing materials and higher payments for contractual jobs.

### 8. Net Finance Charges:

Figures in Rs. crore

| | FY 09 | FY 08 | Change | Change % |
|---|---|---|---|---|
| Net Finance charges | **1,153** | 787 | 366 | 47% |

The net finance charges were higher by 47% over the previous financial year mainly due to interest on new non-convertible debentures issued during the year, interest on fresh term loans taken during the year, interest on working capital loans partly offset by the increase in interest income from current investments, advances, and deposits.

### 9. Fixed Assets:

Figures in Rs. crore

| | FY 09 | FY 08 | Change | Change % |
|---|---|---|---|---|
| Gross Block | **23,545** | 20,847 | 2,698 | 13% |
| Less: Impairment | **100** | 100 | — | 0% |
| Less: Depreciation | **8,962** | 8,123 | 839 | 10% |
| Net Block | **14,482** | 12,624 | 1,859 | 15% |

The Gross Block increased during the year primarily on account of the 1.8 million tonne steel expansion programme and the 3 million tonne steel expansion programme (commenced in the last quarter of FY 09) at Jamshedpur.

### 10. Investments:

Figures in Rs. crore

| | FY 09 | FY 08 | Change | Change % |
|---|---|---|---|---|
| Trade investments | **1,744** | 1,152 | 592 | 51% |
| Investment in subsidiary companies | **37,359** | 1,914 | 35,444 | 1852% |
| Investment in mutual funds | **3,269** | 1,028 | 2,241 | 218% |
| Other current investments | — | 9 | (9) | (100%) |
| **Total investments** | **42,372** | **4,103** | **38,269** | **933%** |

Increase in Investments in subsidiary companies was due to conversion of advance against equity to Tata Steel Holdings (included in loans and advances as on 31.3.08) and also on account of further contributions to the capital of Tata Steel Holdings apart from contributions to equity of some subsidiary companies in India.

### 11. Stock-in-trade and Stores & Spares:

Figures in Rs. crore

| | FY 09 | FY 08 | Change | Change % |
|---|---|---|---|---|
| Stock-in-trade | **2,868** | 2,047 | 821 | 40% |
| Stores & Spares | **612** | 558 | 55 | 10% |
| **Total inventories** | **3,480** | **2,605** | **875** | **34%** |

The Stock-in-trade as on 31st March, 2009 was higher than the level of 31st March, 2008 by Rs. 821 crore primarily due to increase in the stock of finished and semi-finished materials (Rs. 289 crore) as well as increase in stock of raw materials (Rs. 532 crore).

The finished, semi-finished and scrap inventory went up at the Works and Conversion agents. The raw materials inventory was higher than last year for the steel works and at the Ferro Alloys and Minerals Division due to a significant increase in the prices of imported coal and coke as on

31st March, 2009 as compared to prices as on 31st March, 2008. The increase was also partly due to increase in the stock level to support higher volume of operations.

The stores stock has gone up by Rs. 55 crore as on 31st March, 2009 over 31st March, 2008 mainly due to an increase in stores and spares required to support the upgraded Steel Melting Shops and Hot Strip Mill, new facilities like the 'H' Blast Furnace and Sinter Plant #4 etc.

**12. Sundry Debtors:**

Figures in Rs. crore

| | FY 09 | FY 08 | Change | Change % |
|---|---|---|---|---|
| Gross Debtors | **662** | 577 | 85 | 15% |
| Less: Provision for doubtful debts | **26** | 34 | (8) | (23%) |
| Net Debtors | **636** | 543 | 93 | 17% |

The debtors as on 31st March, 2009 was higher by Rs. 93 crore than the level of 31st March, 2008. The increase is in line with the increase in turnover.

**13. Loans and Advances:**

Figures in Rs. Crore

| | FY 09 | FY 08 | Change | Change % |
|---|---|---|---|---|
| Loans and advances | **4,578** | 33,349 | (28,771) | (86%) |

The loans and advances reduced substantially as the advance against equity was converted into investments during the financial year and accordingly there was an increase in the investments.

**14. Cash Flow and Net Debt:**

*Net cash flow from operating activities:* The net cash from operating activities was Rs. 7,397 crore during FY 09 as compared to Rs. 6,254 crore during FY 08. The cash operating profit before working capital changes and direct taxes during FY 09 was Rs. 9,457 crore, as compared to Rs. 8,138 crore during the previous year (Depreciation was Rs. 973 crore in FY 09, FY 08: Rs. 835 crore). The change in working capital, during the financial year, was mainly due to increase in inventories on account of volumes and prices partly offset by an increase in creditors. The payment of income taxes during FY 09 was higher than in FY 08 by Rs. 737 crore.

*Net cash from investing activities:* The net cash outflow from investing activities amounted to Rs. 9,428 crore in FY 09. The outflow broadly represents a capex of Rs. 2,786 crore, increase in investments in mutual funds of Rs. 2,241 crore and an incremental investment in Tata Steel Holdings of Rs. 4,286 crore.

*Net cash from financing activities:* The net cash from financing activities was Rs. 3,156 crore during FY 09 as compared to Rs. 15,848 crore during FY 08. The incremental borrowing of Rs. 6,494 crore in the current year is mainly from the issue of non-convertible debentures and term loans from Banks partly offset by interest payment of Rs. 1,214 crore and a dividend payment of Rs. 1,187 crore .

***Net Debt:***

Figures in Rs. crore

| | FY 09 | FY 08 | Change |
|---|---|---|---|
| Secured loans | **3,913** | 3,521 | 392 |
| Unsecured loans | **23,033** | 14,501 | 8,532 |
| **Total Debt** | **26,946** | **18,022** | **8,924** |
| Less : Cash and Bank balances | **1,591** | 465 | 1,126 |
| Less: Current investments | **3,269** | 1,037 | 2,233 |
| **Net Debt** | **22,086** | **16,520** | **5,566** |

Net debt as on 31st March, 2009 stood at Rs. 22,086 crore as compared to Rs. 16,520 crore as on 31st March, 2008. During the current fiscal year, the secured and unsecured loans increased by Rs. 8,924 crore as compared to the balances as on 31st March, 2008 mainly due to issue of privately placed non-convertible debentures, term loans taken from Banks and other short term borrowings.

## D. FINANCIAL ANALYSIS OF THE TATA STEEL GROUP:

### 1. Net Sales/Income from Operations:

Figures in Rs. crore

| | FY 09 | FY 08 | Change |
|---|---|---|---|
| Tata Steel | **24,316** | 19,691 | 4,625 |
| Tata Steel Europe | **109,570** | 100,218 | 9,351 |
| NatSteel | **13,468** | 7,658 | 5,811 |
| Tata Steel Thailand | **3,965** | 4,077 | (112) |
| Others | **4,606** | 3,327 | 1,279 |
| Eliminations & Adjustments | **(8,596)** | (3,438) | (5,159) |
| **Total** | **147,329** | **131,534** | **15,796** |

Sales (net of duties) increased by 12% during FY 09 primarily due to higher sales during the first six months partly offset by lower sales in the second half on account of the impact of the global slowdown. Other than Tata Steel India, all other steel units had a lower volume of sales during FY 09 as compared to FY 08. NatSteel had higher sales from the minerals business. Tata Metaliks Limited, which became a subsidiary of Tata Steel in Q4FY 08 contributed Rs. 805 crore to the increase in net sales.

### 2. Purchase of Finished, Semi-finished and Other Products:

Figures in Rs. crore

| | FY 09 | FY 08 | Change |
|---|---|---|---|
| Tata Steel | **359** | 388 | (29) |
| Tata Steel Europe | **23,513** | 19,151 | 4,362 |
| NatSteel | **6,817** | 4,876 | 1,941 |
| Tata Steel Thailand | **2,652** | 2,500 | 152 |
| Others | **795** | 1,063 | (268) |
| Eliminations & Adjustments | **(2,731)** | (1,009) | (1,722) |
| **Total** | **31,406** | **26,969** | **4,437** |

The purchase of finished and semi-finished products increased by 16% during FY 09 over FY 08 mainly on account of increases in prices experienced in Tata Steel Europe, NatSteel and Tata Steel Thailand (TSTH), especially during the first half year of the current fiscal partly offset during Q3 and Q4 of FY 09 by lower volume of operations on account of pullback of demand.

### 3. Raw Materials consumed:

Figures in Rs. crore

| | FY 09 | FY 08 | Change |
|---|---|---|---|
| Tata Steel | **5,710** | 3,355 | 2,355 |
| Tata Steel Europe | **34,063** | 29,317 | 4,746 |
| NatSteel | **4,907** | 1,694 | 3,213 |
| Tata Steel Thailand | **225** | 165 | 60 |
| Others | **1,498** | 428 | 1,071 |
| Eliminations & Adjustments | **(4,872)** | (1,700) | (3,172) |
| **Total** | **41,532** | **33,259** | **8,272** |

Raw Materials consumed increased by 25% primarily due to an increase in the prices of raw materials (especially iron ore, coal, and coke) partly offset by the reduction in the production volume of TSE and South East Asia.

### 4. Payments to and Provisions for Employees:

Figures in Rs. crore

| | FY 09 | FY 08 | Change |
|---|---|---|---|
| Tata Steel | **2,306** | 1,816 | 490 |
| Tata Steel Europe | **14,931** | 14,513 | 418 |
| NatSteel | **364** | 303 | 61 |
| Tata Steel Thailand | **79** | 75 | 4 |
| Others | **295** | 193 | 102 |
| Eliminations & Adjustments | **—** | 0 | (0) |
| **Total** | **17,975** | **16,900** | **1,075** |

The staff cost increased by 6% mainly due to the increase of Rs. 418 crore in Tata Steel Europe and Rs. 490 crore in Tata Steel India. The increases in Tata Steel Europe were on account of increase in the average number of employees in the first half of the year, offset by the fall in employment costs experienced in Q4FY 09 as a result of the production cutbacks. The increases in Tata Steel Indian operations were for revised wages, arrears and impact of change in discounting rate for valuation of employee benefits as per Accounting Standards (AS15).

**5. Purchase of Power:**

Figures in Rs. crore

| | FY 09 | FY 08 | Change |
|---|---|---|---|
| Tata Steel | **1,091** | 933 | 159 |
| Tata Steel Europe | **4,288** | 3,448 | 840 |
| NatSteel | **212** | 211 | 0 |
| Tata Steel Thailand | **237** | 271 | (34) |
| Others | **150** | 83 | 67 |
| Eliminations & Adjustments | **(20)** | (16) | (4) |
| **Total** | **5,957** | **4,929** | **1,028** |

Power charges increased by 21% mainly due to increase in electricity prices over the last 12 months in Tata Steel Europe and in the Indian Operations due to higher purchase of power expenses at the Jamshedpur Works as a fourth unit of Tata Power was shutdown for maintenance activities and the company (Tata Steel) had to purchase power at higher rates from alternate sources. Increase in production, increase in sale of power to other consumers also led to higher consumption of power at the Indian operations.

**6. Freight and Handling Charges:**

Figures in Rs. crore

| | FY 09 | FY 08 | Change |
|---|---|---|---|
| Tata Steel | **1,251** | 1,141 | 111 |
| Tata Steel Europe | **4,134** | 4,269 | (135) |
| NatSteel | **257** | 218 | 39 |
| Tata Steel Thailand | **29** | 50 | (21) |
| Others | **613** | 545 | 68 |
| Eliminations & Adjustments | **(260)** | (184) | (76) |
| **Total** | **6,025** | **6,039** | **(14)** |

Increase in freight and handling charges on account of increase in sales volume for Indian operations was offset by reduction in volume at Tata Steel Europe.

**7. Other Expenditure:**

Figures in Rs. crore

| | FY 09 | FY 08 | Change |
|---|---|---|---|
| Tata Steel | **4,754** | 4,083 | 671 |
| Tata Steel Europe | **17,882** | 21,978 | (4,097) |
| NatSteel | **577** | 531 | 46 |
| Tata Steel Thailand | **411** | 525 | (114) |
| Others | **1,378** | 712 | 666 |
| Eliminations & Adjustments | **(672)** | (526) | (146) |
| **Total** | **24,331** | **27,304** | **(2,974)** |

Other Expenditure represents the following expenses:

Figures in Rs. crore

| | FY 09 | FY 08 | Change |
|---|---|---|---|
| Stores and Spares consumed | **9,520** | 8,413 | 1,107 |
| Fuel Oil Consumed | **1,028** | 719 | 309 |
| Repairs to Buildings | **576** | 432 | 144 |
| Repairs to Machinery | **5,817** | 6,345 | (528) |
| Relining Expenses | **101** | 63 | 38 |
| Conversion Charges | **1,086** | 880 | 206 |
| Rent | **3,689** | 3,757 | (68) |
| Royalty | **235** | 178 | 57 |
| Rates and Taxes | **627** | 571 | 56 |
| Others(*) | **1,652** | 5,947 | (4,294) |
| **Total** | **24,331** | **27,304** | **(2,974)** |

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

The other expenditure during FY 09 was lower by 11% as compared to FY 08. Decrease in other expenditure of Tata Steel Europe was due to Gains on financial derivatives and foreign exchange fluctuation more than offsetting increases in stores consumption (on account of increase in energy costs), repairs, rent and rates, legal and professional fees and other administrative expenses, resulting in overall decrease in other expenses. Increases in Other Expenditure for Tata Steel India were mainly on account of increase in stores consumption on account of increase in volume of operations, higher maintenance expenses, conversion charges for Ferroalloys and tin coated products, export duty on steel exports, higher royalty charges, exchange fluctuation on supplies etc.

**8. Net Finance Charges:**

Figures in Rs. crore

| | FY 09 | FY 08 | Change |
|---|---|---|---|
| Tata Steel | **1,153** | 786 | 366 |
| Tata Steel Europe | **2,043** | 2,760 | (718) |
| NatSteel | **74** | 56 | 17 |
| Tata Steel Thailand | **23** | 32 | (9) |
| Others | **(2)** | 450 | (453) |
| **Total** | **3,290** | **4,085** | **(795)** |

The reduction in net finance charges is primarily on account of benefit of interest rate reduction achieved in Tata Steel Europe as a part of redenomination of the senior loan facilities during end 2007 partly offset by the term loans taken and NCDs issued during the year by Tata Steel India.

**9. Stock-in-trade:**

Figures in Rs. crore

| Stock-in-trade | FY 09 | FY 08 | Inc./(Dec.) |
|---|---|---|---|
| Tata Steel | **2,868** | 2,047 | 821 |
| Tata Steel Europe | **14,931** | 17,447 | (2,516) |
| NatSteel | **1,115** | 1,005 | 110 |
| Tata Steel Thailand | **428** | 450 | (22) |
| Others | **474** | 460 | 14 |
| **Total** | **19,816** | **21,409** | **(1,593)** |

Stock-in-trade (Raw materials, WIP and Finished and semi finished) for the Group was lower on 31st March, 2009 as compared to 31st March, 2008, primarily on account of a net realisable value provision at TSE. The stock value was higher in Tata Steel India primarily due to higher valued raw material stock (imported coal and coke) and increase in finished, semi-finished and scrap inventory at Works and with conversion agents.

**10. Stores and Spares Stock:**

Figures in Rs. crore

| Stores and Spaces | FY 09 | FY 08 | Inc./(Dec.) |
|---|---|---|---|
| Tata Steel | **612** | 558 | 55 |
| Tata Steel Europe | **780** | 845 | (65) |
| NatSteel | **77** | 55 | 23 |
| Tata Steel Thailand | **298** | 158 | 140 |
| Others | **85** | 39 | 46 |
| **Total** | **1,853** | **1,655** | **198** |

The Stores stock was higher in Indian operations due to an increase in stores and spares for new and upgraded facilities (CC3 in LD1, Hot Strip Mill (rolls), 'H' Blast Furnace etc.). Tata Steel Thailand experienced stock increases due to a decrease in stores consumption on account of lower volume.

**11. Debtors:**

Figures in Rs. crore

| Debtors | FY 09 | FY 08 | Inc./(Dec.) |
|---|---|---|---|
| Tata Steel | **636** | 543 | 93 |
| Tata Steel Europe | **11,480** | 16,951 | (5,471) |
| NatSteel | **924** | 648 | 276 |
| Tata Steel Thailand | **73** | 305 | (232) |
| Others | **(81)** | 251 | (331) |
| **Total** | **13,032** | **18,698** | **(5,666)** |

The debtors balances for the Group decreased by Rs. 5,666 crore at the end of March, 2009 over the level at the end of March 2008 mainly due to a decrease in debtors balances in Tata Steel Europe on account of lower sales during the fourth quarter.

**12. Cash Flow and Net Debt:**

*Net cash flow from operating activities:* The net cash from operating activities was Rs. 15,630 crore during FY 09 as compared to Rs. 13,394 crore during FY 08. The cash operating profit before working capital changes and direct taxes during FY 09 was Rs. 18,792 crore as compared to Rs. 18,302 crore during FY 08. The working capital during FY 09 reduced by Rs. 225 crore, mainly due to a reduction in Inventory (with reduction in finished and semi-finished inventory and increase in raw materials inventory) and Debtors.

*Net cash from investing activities:* The net cash outflow from investing activities amounted to Rs. 10,757 crore in FY 09 as against an outflow of Rs. 46,198 crore in FY 08. The outflow during the current year represents capital expenditure of Rs. 8,433 crore and investments in mutual funds of Rs. 2,825 crore (net of sale). The outflow in the previous year was on account of capital expenditure of Rs. 8,420 crore and Rs. 40,740 crore towards acquisition of Corus Group plc.

*Net cash from financing activities:* The net cash outflow from financing activities was Rs. 2,754 crore during FY 09 as compared to inflow of Rs. 20,543 crore during FY 08. There is a net borrowing (net of payments) of Rs. 2,052 crore during the current year mainly from the issue of debentures, term loan from Banks and other borrowings partly offset by repayment of external debts and other repayments. The last year's borrowings represent the loans taken for funding the acquisition of Corus Group Plc.

*Net Debt:*

Figures in Rs. crore

| | FY 09 | FY 08 | Change |
|---|---|---|---|
| Secured loans | **34,329** | 35,415 | (1,086) |
| Unsecured loans | **25,571** | 18,210 | 7,361 |
| **Total Debt** | **59,901** | **53,625** | **6,276** |
| Less: Cash and Bank Balances | **6,148** | 4,232 | 1,917 |
| Less: Current investments | **3,398** | 1,134 | 2,264 |
| **Net Debt** | **50,354** | **48,259** | **2,095** |

The increase in net debt by Rs. 2,095 crore represents an increase in the gross debt by Rs. 6,276 crore due to the issue of non-convertible debentures and term loans taken from Banks, by Tata Steel India, partly compensated by repayment of external debts at Tata Steel Europe. The increase in gross debts was offset by an increase in current investments (in growth funds) by Rs. 2,264 crore and an increase in the cash and bank balance by Rs. 1,917 crore.

## E. INTERNAL CONTROLS & SYSTEMS:

### *Indian Operations:*

The Company has adequate internal control systems and procedures in place commensurate with the size and nature of its business. The effectiveness of the internal controls is continuously monitored by the Corporate Audit Division of the Company. Corporate Audit's main objective is to provide to the Audit Committee and the Board of Directors, an independent, objective and reasonable assurance of the adequacy and effectiveness of the organisation's risk management, control and governance processes. Corporate Audit also assesses opportunities for improvement in business processes, systems & controls and may provide recommendations, designed to add value to the organisation. The division also follows up on the implementation of corrective actions and improvements in business processes after review by the Audit Committee and Senior Management.

The scope and authority of the Corporate Audit division is derived from the Audit Charter approved by the Audit Committee. The Charter is designed in a manner that the Audit Plan is focussed on the following objectives:

- Review of the identification and management of Risks.
- All operational and related activities are performed efficiently and effectively.
- Significant financial, managerial and operating information is relevant, accurate, reliable and is provided timely.
- Resources are acquired economically, used efficiently and safeguarded adequately.
- Employees' actions are in accordance with the Company's policies and procedures, the Tata Code of Conduct and applicable laws and regulations.
- Significant legislative and regulatory provisions impacting the organisation are recognised and addressed appropriately.
- Opportunities identified during audits, for improving management control, business targets and profitability, process efficiency and the organisation's image, are communicated to the appropriate level of management.
- Shareholders' and other Stakeholders' wealth and welfare are preserved, protected and enhanced.

The audit activities are undertaken as per the Annual Audit Plan developed by Corporate Audit based on the risk profile of business processes/sub-processes of various functions. The Audit Plan is approved by the Audit Committee which regularly reviews compliance to the Plan.

During the year, the Audit Committee met regularly to review the reports submitted by the Corporate Audit Division. All significant audit observations and follow-up actions thereon were reported to the Audit Committee.

The Audit Committee also met the Company's Statutory Auditors to ascertain their views on the adequacy of internal control systems in the Company and their observations on financial reports. The Audit Committee's observations and suggestions were acted upon by the Management.

### *UK & European Operations:*

TSE has a well-established internal audit function that reports to the Director Finance on a day-to-day basis and has direct access to the chairman of the Audit Committee, who meets with the Director Audit several times each year. The Audit Committee receives reports from the internal audit function four times a year and also considers the terms of reference, plans and effectiveness of the function. The internal audit function works closely with the external auditors. It provides independent and objective assurance to the Board, the Audit Committee and the Executive Committee on the systems of internal control employed in the Group, and provides a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and governance procedures.

The Board of Directors is responsible for TSE's system of internal control and reviewing its effectiveness.

There were no changes in internal control over financial reporting that occurred during the period under review that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting. However, the asset protection function has been reorganised and strengthened during the year.

TSE's system of internal control has been designed in order to provide the directors with reasonable assurance that its assets are safeguarded, that transactions are authorised and properly recorded and that material errors and irregularities are either prevented or detected within a timely period.

## F. RISK MANAGEMENT:

### *Industry Cyclicality:*

The steel industry is subject to cyclical swings arising from factors such as excessive capacity expansion, volatile demand swings etc.

The current global economic crisis which accelerated during the second half of the financial year resulted in a sharp contraction in global steel demand, especially in the construction and automotive sectors of the developed economies of UK, Europe and United States. To align with significantly lower demand, TSE quickly implemented reductions in output and put in place programmes aimed at short term cost reduction as well as streamlining operations and assets with a view to positioning the operational readiness for the eventual market recovery. Such measures are now substantially in place and are already accruing savings and have allowed the Group to avert the worst effects of this sharp and sudden downturn.

The Group has profitable operations in India that are expected to experience positive growth in steel demand and in South East Asia which are expected to recover more quickly from the current downturn and this diversity will help the Group to cushion the shortfall in the UK and European sphere.

### *Raw Materials Security and Price Volatility:*

During the first half of FY 09 strong economic growth experienced by the global economies, led by China and India led to strong demand for steel worldwide. Even as the mining and shipping industry struggled to respond to the massive growth in demand, prices for iron making materials like iron ore, coal, Ferroalloys, scrap and freight climbed relentlessly. Although the economic downturn has dampened short-term sentiments, the underlying demand for scarce resources is expected to resume once the world economies progressively recover.

The Group has therefore identified it as a priority to increase its overall raw material security threshold from its current level of 25% to 60% within the next few years. To this end, the group's 35% stake in the Benga Coal Project with Riversdale Mining in Mozambique is a major step. The Government of Mozambique has approved the Mining Contract for the tenements which represents a significant step towards commencement of the project. Under the offtake agreement with Riversdale, the Group has rights to 40% of the mine's output. Tata Steel also holds 14.99% equity stake in the parent company Riversdale Mining Limited. The Group is also well positioned to benefit from the Direct Shipping Ore ("DSO") project with New Millennium Capital Corp ("NML") in Canada.

Operationally, the Group enters into long-term contracts and annual benchmark pricing contracts for its key raw material requirements. This approach provides price certainty and an objective basis for the recovery of cost increases from its customers.

### *Growth Strategy:*

The Company's growth strategy comprises of various capital expenditure programmes and/or acquisitions in different locations. Integration and project execution risks therefore exist.

In light of the current economic situation, except for critical raw material related investments and those approved capital expenditure programmes at the Jamshedpur site which are expected to deliver immediate incremental earnings on completion, all other major group investments and capital projects have been put on hold. This prudent approach will allow the accumulation of cash resources and its subsequent deployment will be based on new priorities of profit contributions and quick time to market principles.

The integration of TSE post 2007 is critical to achieving the promised synergies for the Tata Steel Group. It is now two years in the making and the integration process is proceeding well at all levels of interaction.

### *Health, Safety & Environmental Risks:*

The manufacture of steel involves steps that are potentially hazardous and which are likely to cause disruptions to normal operations if not executed with due care. The Company's businesses are subject to numerous laws, regulations and contractual commitments relating to health, safety and the environment in the countries in which it operates. These rules are becoming more stringent.

The Group has set specific goals to be achieved by 2012 in the areas of $CO_2$ emissions (1.5 tonnes per tonne of liquid steel) and LTIF (below 0.4).

### *Technology Risks:*

One of the biggest risks before the Group is to ensure that the its plants are equipped with upto date technologies that can give it cost competitiveness and R & D leadership.

For this purpose, the Group has not cut back the necessary capital investments in relation to the same and continues to enhance and deploy R & D capabilities.

### *Regulatory & Compliance Risks:*

Global operations require compliance with multiple and complex laws and regulations. In countries where the political systems are still evolving, frequent changes in economic policy are common, investment guarantees and property rights are secured, any unforeseen changes can expose the Group's businesses to uncertainties.

The Group operations are primarily in countries where investment flows are freer and where there are established political, business and legal frameworks in place. There is an established due process to independently evaluate country risk exposures for investments in emerging economies.

### *Financing:*

The Company funded the acquisition of Corus with a significant level of debt that was assumed at the acquired company level. Sharp decline in steel demand and prices particularly during the second half of the financial year has adversely affected the cash flow generation of TSE and potentially put a strain on its ability to meet the current scheduled debt repayment obligations under the existing Senior Facility Agreement.

The Group has successfully renegotiated specific terms relating to debt repayments and financial covenant measurements. Unless the current economic crisis does not get protracted, these reset criteria are expected to provide TSE with the necessary space and time to work towards returning to sustainable profit levels.

### *Pensions:*

The Tata Steel business in Europe provides retirement benefits for substantially all of its employees, including defined benefit plans. The market value of pension assets and liabilities is significantly greater than the net assets of TSE and therefore, any change can have a material impact on the financial statements as well as impacting the level of company pension contributions.

Despite the steep decline encountered in the financial markets, none of the Group's funded schemes are in under-funded positions. In its continuing search to ensure that pension obligations remain sustainable and affordable, it was decided to close the UK defined benefit scheme to new members and replace it with a defined contribution arrangement.

### *Forex, Credit, Liquidity and Counterparty Risks:*

Through its global operations, the Group operates in several currency areas. The major currencies used in its sales and procurement activities are the US Dollar, Euro and Sterling pound. Any major fluctuations or change in currency trends can greatly affect not only the Group's short-term trading positions but the long-term economic competitive position vis-à-vis imports. The current economic crisis has also raised credit and counterparty risks, especially with the withdrawal of credit insurance.

The Group has a hedging policy in place to protect its trading and manufacturing margins against rapid and significant movements in its major trading currencies. Under current market conditions, all cash is swept into regional centres for more effective concentration and deployment. The Group does not enter into leveraged derivative instruments.

## G. STATUTORY COMPLIANCE:

The Managing Director makes a declaration at each Board Meeting regarding the compliance with provisions of various statutes after obtaining confirmation from all the units of the company. The Company Secretary ensures compliance with the SEBI regulations and provisions of the Listing Agreement. The Group Chief Financial Officer as the Compliance Officer ensures compliance with the guidelines on the insider trading for prevention of insider trading.

## H. CAUTIONARY STATEMENT:

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.

# Highlights

*Figures in Rupees crores*

| | Tata Steel Standalone | | Tata Steel Group | |
|---|---|---|---|---|
| | **2008-09** | 2007-08 | **2008-09** | *2007-08* |
| Gross revenue | **27,152.00** | *22,432.35* | **1,50,250.61** | *1,34,562.63* |
| Profit before taxes | **7,315.61** | *7,066.36* | **6,743.24** | *16,371.06* |
| Profit after taxes | **5,201.74** | *4,687.03* | **4,849.24** | *12,321.76* |
| Profit after minority interest and share of profit of associates | | | **4,950.90** | *12,349.98* |
| Dividends (including Tax on Dividends) | **1,492.50** | *1,393.55* | **1,494.97** | *1,397.80* |
| Retained earnings | **4,682.64** | *4,128.09* | **7,721.32** | *15,089.13* |
| Capital employed | **58,165.04** | *46,920.41* | **90,777.94** | *92,037.98* |
| Net worth | **29,599.53** | *27,145.62* | **27,137.14** | *34,018.35* |
| Borrowings | **26,946.18** | *18,021.69* | **59,900.50** | *53,624.74* |
| | **Ratio** | *Ratio* | **Ratio** | *Ratio* |
| Net Debt : Equity | **0.78** | *0.81* | **1.65** | *1.99* |
| | **Rupees** | *Rupees* | **Rupees** | *Rupees* |
| Net worth per Share as at year end | **360.18** | *376.28* | **330.70** | *472.27* |
| Earnings per Share : | | | | |
| *Basic* | **69.45** | *66.80* | **66.07** | *176.81* |
| *Diluted* | **61.78** | *61.29* | **58.99** | *162.62* |
| Dividend per Share | **160%** | *160%* | **160%** | *160%* |
| Employees (Numbers) | **34,918** | *35,870* | **86,548** | *87,598* |
| Shareholders (Numbers) | **8,57,041** | *6,87,564* | | |

# Sources and Utilisation of Funds

(Rupees crores)

| | 2008-09 | 2007-08 | 2006-07 | 2005-06 | 2004-05 | Total for 2004-05 to 2008-09 |
|---|---|---|---|---|---|---|
| **SOURCES OF FUNDS :** | | | | | | |
| 1. FUND GENERATED FROM OPERATIONS | | | | | | |
| (a) PROFIT AFTER TAXES .............. | **5,201.74** | 4,687.03 | 4,222.15 | 3,506.38 | 3,474.16 | **21,091.46** |
| (b) DEPRECIATION........................... | **973.40** | 834.61 | 819.29 | 775.10 | 618.78 | **4,021.18** |
| (c) OTHER INCOME AND ADJUSTMENTS .......................... | **(636.20)** | 208.67 | 853.79 | 136.68 | (14.08) | **548.86** |
| (d) TOTAL ......................................... | **5,538.94** | 5,730.31 | 5,895.23 | 4,418.16 | 4,078.86 | **25,661.50** |
| 2. SHARE CAPITAL (INCLUDING SHARE PREMIUM) ......... | **(278.85)** | 9,666.03 | 174.06 | — | — | **9,561.24** |
| 3. NET INCREASE / (DECREASE) IN BORROWINGS ................................ | **8,924.49** | 8,376.36 | 7,129.18 | (223.55) | (642.51) | **23,563.97** |
| | **14,184.58** | 23,772.70 | 13,198.47 | 4,194.61 | 3,436.35 | **58,786.71** |
| **UTILISATION OF FUNDS :** | | | | | | |
| 4. CAPITAL EXPENDITURE .................... | **2,846.79** | 2,448.35 | 2,007.68 | 1,527.58 | 1,978.36 | **10,808.76** |
| 5. INVESTMENTS (NET) .......................... | **38,268.59** | (2,002.99) | 2,036.22 | 1,637.31 | 238.53 | **40,177.66** |
| 6. DIVIDENDS# ........................................ | **1,492.50** | 1,393.55 | 1,104.33 | 820.43 | 821.37 | **5,632.18** |
| 7. NET INCREASE / (DECREASE) IN WORKING CAPITAL*............................ | **(28,882.62)** | 21,945.43 | 7,819.35 | 45.29 | 290.44 | **1,217.89** |
| 8. MISC. EXPENDITURE** ........................ | **459.32** | (11.64) | 230.89 | 164.00 | 107.65 | **950.22** |
| | **14,184.58** | 23,772.70 | 13,198.47 | 4,194.61 | 3,436.35 | **58,786.71** |

# Including tax on dividend **Rs. 214.10** crores (2007-08 : Rs. 202.43 crores, 2006-07 : Rs. 160.42 crores, 2005-06 : Rs. 100.92 crores, 2004-05 : Rs. 101.86 crores).

* Stocks and stores, book debts, advances and cash balances less trade creditors, provisions etc.

** Expenses of Employee Separation Compensation not amortised (Net of Provision).

# Auditors' Report

TO THE MEMBERS OF
TATA STEEL LIMITED

1. We have audited the attached Balance Sheet of TATA STEEL LIMITED, as at 31st March, 2009, the Profit and Loss Account for the year ended on that date and the Cash Flow Statement for the year ended on that date both annexed thereto in which are incorporated the Returns from the Singapore Branch audited by another auditor. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable.
4. Further to our comments in the Annexure referred to in paragraph (3) above, we report that :
   (a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
   (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books and proper returns adequate for the purposes of our audit have been received from the Singapore Branch not visited by us. The Branch Auditor's Report has been forwarded to us and appropriately dealt with;
   (c) the Balance Sheet, the Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account and with the audited returns from the branch;
   (d) in our opinion, the Balance Sheet, the Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
   (e) in our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
      (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
      (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
      (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
5. On the basis of written representations received from the directors, as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For DELOITTE HASKINS & SELLS
*Chartered Accountants,*

P. R. RAMESH
*Partner.*
Membership No. : 70928

*Mumbai, 25th June, 2009*

# Annexure to the Auditors' Report

[Referred to in paragraph (3) of our report of even date]

The nature of the Company's business/activities during the year is such that clauses (xii), (xiii) and (xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company

(i) In respect of its fixed assets :

(a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) Some of the fixed assets have been physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.

(c) The fixed assets disposed off during the year, in our opinion, do not constitute substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

(ii) In respect of its inventories :

(a) As explained to us, the inventories of finished and semi-finished goods and raw materials at Works, Mines and Collieries were physically verified during the year by the Management. In respect of stores and spare parts and stocks at stockyards and with Consignment/Conversion Agents, the Company has a programme of verification of stocks over a three-year period. In our opinion, having regard to the nature and location of stocks, the frequency of verification is reasonable. In case of materials lying with third parties, certificates confirming stocks have been received in respect of a substantial portion of the stocks held.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

(iii) According to the information and explanations given to us, the Company has not granted or taken any secured or unsecured loan to or from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Consequently, clauses (iii)(a) to (iii)(g) of paragraph 4 of the order are not applicable.

(iv) In our opinion and according to the information and explanations given to us, having regard to the explanation that some of the items purchased are of special nature and suitable alternative sources do not exist for obtaining comparable quotations, there is adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventories and fixed assets and for the sale of goods and services and we have not observed any continuing failure to correct major weaknesses in such internal control system.

(v) According to the information and explanations given to us, the Company has not entered into any contract or arrangement with other parties, which needs to be entered in the register maintained under Section 301 of the Companies Act, 1956. Consequently, clause (v)(a) and (v)(b) of paragraph 4 of the order are not applicable.

(vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.

(vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.

(viii) We have broadly reviewed the books of account and records maintained by the Company relating to the manufacture of bearings, steel tubes and pipes, steel, chrome ore and alloys and electricity, pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that *prima facie*, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete. To the best of our knowledge and according to the information given to us, the Central Government has not prescribed the maintenance of cost records for any other product of the Company.

(ix) In respect of Statutory Dues :

(a) According to the information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues with the appropriate authorities during the year. We are informed that the Company intends to obtain exemption from the operation of the Employees' State Insurance Act at all locations and necessary steps have been taken by the Company. We are also informed that action taken by the authorities at some locations to bring the employees of the Company under the Employees' State Insurance Scheme has been contested by the Company and accordingly full payment has not been made of the contributions demanded.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Custom Duty, Excise Duty, Cess and other material statutory dues, were in arrears, as at 31st March, 2009 for a period of more than six months from the date they became payable, except for collection of sales tax which we are informed are refundable to customers because they have been collected in excess or which have been collected pending receipt of the relevant certificates from the customers.

(c) According to the information and explanations given to us, details of dues of sales tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited as on 31st March, 2009 on account of any dispute are given below :

| Name of the Statute (Nature of the Dues) | Period to which the amount relates | Forum where matter is pending | Amount Rs. crores |
|---|---|---|---|
| Customs duty | 1990-91, 1993-94 | Supreme Court | 9.66 |
| | 2002-03 | High Court | 0.03 |
| | 1993-94 | Commissioner | 3.92 |
| Excise duty | 2005-06 | Supreme Court | 235.48 |
| | 1988-89 to 1995-99, 2000-01, 2003-04 to 2005-08 | High Court | 152.77 |
| | 1985-1987, 1990-91, 1992-93 to 1994-95, 1996-97 to 2008-09 | Tribunal | 158.93 |
| | 1987-88 to 1989-90, 1994-95 to 2008-09 | Commissioner | 60.15 |
| | 1998-99 | Deputy Commissioner | 0.06 |
| | 1983-84 to 2005-06 | Assistant Commissioner | 2.09 |
| Sales tax | 1969-1973, 2006-2009 | Supreme Court | 23.50 |
| | 1970-71 to 1971-72,1973-74 to 1974-75,1980-81 to 1981-82,1991-92 to 1992-93,1994-95 to 1995-96,1998-99, 2000-01 to 2005-06 | High Court | 17.49 |
| | 1977-78 to 1980-81,1982-83 to 1986-87,1988-89 to 1989-90, 1991-92 to 2003-04 | Tribunal | 6.56 |
| | 1985-86 to 1986-87, 1988-89, 1993-94 to 2007-08 | Commissioner | 55.63 |
| | 1975-76,1977-78 to 1979-80,1981-82, 1983-84 to 1985-86, 1987-88 to 1994-95, 1996-97 to 2008-09 | Deputy Commissioner | 331.37 |
| | 1973-74,1980-81,1983-84 to 1998-99, 2000-01 to 2008-09 | Assistant Commissioner | 25.53 |
| Cess on royalty, education, welfare etc. | 1956 to 1994, 1996-97 to 2007-08 | High Court | 29.84 |
| | 1979-80, 1989-91, 1992-2003 | Commissioner | 1.10 |
| | 2002-03 | Deputy Commissioner | 3.80 |

(x) The Company does not have any accumulated losses and has not incurred cash loss during the financial year covered by our audit and the immediately preceding financial year.

(xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.

(xii) In our opinion and according to information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks or financial institutions, are not *prima facie* prejudicial to the interest of the Company.

(xiii) To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, term loans availed by the Company were, *prima facie*, applied by the Company during the year for the purposes for which the loans were obtained, other than temporary deployment pending application.

(xiv) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, funds raised on short-term basis have, *prima facie*, not been used during the year for long term investment.

(xv) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.

(xvi) According to the information and explanations given to us and the records examined by us, securities/charges have been created in respect of debentures issued.

(xvii) During the period covered by our audit report, the Company has not raised any money by public issues.

(xviii) To the best of our knowledge and belief and according to the information and explanations given to us, no significant fraud on or by the Company was noticed or reported during the year.

For DELOITTE HASKINS & SELLS
*Chartered Accountants,*

P. R. RAMESH
*Partner.*
Membership No.: 70928

*Mumbai, 25th June, 2009*

# Balance Sheet as at 31st March, 2009

| Schedule | Page | | Rupees crores | **Rupees crores** | *As at 31-03-2008 Rupees crores* |
|---|---|---|---|---|---|
| | | **FUNDS EMPLOYED :** | | | |
| A | 155 | 1. SHARE CAPITAL | | **6,203.45** | *6,203.30* |
| B | 156 | 2. RESERVES AND SURPLUS | | **23,972.81** | *21,097.43* |
| | | 3. TOTAL SHAREHOLDERS' FUNDS | | **30,176.26** | *27,300.73* |
| | | 4. LOANS | | | |
| C | 157 | *a.* Secured | 3,913.05 | | *3,520.58* |
| D | 158 | *b.* Unsecured | 23,033.13 | | *14,501.11* |
| | | *c.* Total Loans | | **26,946.18** | *18,021.69* |
| | | 5. DEFERRED TAX LIABILITY (NET) (See Note 16, Page 186) | | **585.73** | *681.80* |
| | | 6. PROVISION FOR EMPLOYEE SEPARATION COMPENSATION (See Note 9(a), Page 172) | | **1,033.60** | *1,071.30* |
| | | 7. TOTAL FUNDS EMPLOYED | | **58,741.77** | *47,075.52* |
| | | **APPLICATION OF FUNDS :** | | | |
| E | 159 | 8. FIXED ASSETS | | | |
| | | *a.* Gross Block | 23,544.69 | | *20,847.04* |
| | | *b.* *Less* — Impairment | 100.47 | | *100.47* |
| | | *c.* *Less* — Depreciation | 8,962.00 | | *8,123.01* |
| | | *d.* Net Block | | **14,482.22** | *12,623.56* |
| F | 160 | 9. INVESTMENTS | | **42,371.78** | *4,103.19* |
| | | 10. FOREIGN CURRENCY MONETARY ITEM TRANSLATION DIFFERENCE ACCOUNT (See Note 9(c), Page 172) | | **471.66** | *–* |
| | | 11. A. CURRENT ASSETS | | | |
| | | *a.* Stores and spare parts | 612.19 | | *557.67* |
| G | 166 | *b.* Stock-in-trade | 2,868.28 | | *2,047.31* |
| H | 166 | *c.* Sundry debtors | 635.98 | | *543.48* |
| | | *d.* Interest accrued on investments | – | | *0.20* |
| I | 167 | *e.* Cash and Bank balances | 1,590.60 | | *465.04* |
| | | | 5,707.05 | | *3,613.70* |
| J | 167 | B. LOANS AND ADVANCES | 4,578.04 | | *33,348.74* |
| | | | 10,285.09 | | *36,962.44* |
| | | 12. *Less :* CURRENT LIABILITIES AND PROVISIONS | | | |
| K | 168 | A. Current Liabilities | 6,039.86 | | *3,855.26* |
| L | 168 | B. Provisions | 2,934.19 | | *2,913.52* |
| | | | 8,974.05 | | *6,768.78* |
| | | 13. NET CURRENT ASSETS | | **1,311.04** | *30,193.66* |
| | | 14. MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted) Employee Separation Compensation (See Note 9(a), Page 172) | | **105.07** | *155.11* |
| | | 15. TOTAL ASSETS (Net) | | **58,741.77** | *47,075.52* |
| | | Contingent Liabilities (See Note 2, Page 170) | | | |
| M | 169 | NOTES ON BALANCE SHEET AND PROFIT AND LOSS ACCOUNT | | | |

As per our report attached
For DELOITTE HASKINS & SELLS
*Chartered Accountants,*

P R RAMESH
*Partner.*

For and on behalf of the Board
RATAN N TATA — *Chairman*

JAMES LENG
NUSLI N WADIA
S M PALIA
ISHAAT HUSSAIN
JAMSHED J IRANI
SUBODH BHARGAVA
JACOBUS SCHRAVEN
ANDREW ROBB
— *Directors*

B MUTHURAMAN — *Managing Director*
KIRBY ADAMS — *Director*
H M NERURKAR — *Executive Director*

J C BHAM
*Company Secretary*

*Mumbai, 25th June, 2009*

# Profit and Loss Account for the year ended 31st March, 2009

| Schedule | Page | | Rupees crores | **Rupees crores** | *Previous Year Rupees crores* |
|---|---|---|---|---|---|
| | | **INCOME :** | | | |
| 1 | 152 | 1. SALES AND OTHER OPERATING INCOME | | **26,843.73** | *22,189.55* |
| | | *Less* — Excise Duty | | **2,527.96** | *2,498.52* |
| | | | | **24,315.77** | *19,691.03* |
| 2 | 152 | 2. OTHER INCOME | | **308.27** | *242.80* |
| | | | | **24,624.04** | *19,933.83* |
| | | **EXPENDITURE :** | | | |
| 4 | 153 | 3. MANUFACTURING AND OTHER EXPENSES | 15,525.99 | | *11,852.75* |
| | | 4. DEPRECIATION | 973.40 | | *834.61* |
| | | | 16,499.39 | | *12,687.36* |
| | | 5. *Less* — EXPENDITURE (OTHER THAN INTEREST) TRANSFERRED TO CAPITAL AND OTHER ACCOUNTS | 343.65 | | *175.50* |
| | | | 16,155.74 | | *12,511.86* |
| 3 | 152 | 6. NET FINANCE CHARGES | 1,152.69 | | *786.50* |
| | | 7. TOTAL EXPENDITURE | | **17,308.43** | *13,298.36* |
| | | **PROFIT BEFORE TAXES AND EXCEPTIONAL ITEMS** | | **7,315.61** | *6,635.47* |
| | | 8. *a.* CONTRIBUTION FOR SPORTS INFRASTRUCTURE | | – | *(150.00)* |
| | | *b.* EXCHANGE GAIN/(LOSS) | | – | *580.89* |
| | | | | | *430.89* |
| | | **PROFIT BEFORE TAXES** | | **7,315.61** | *7,066.36* |
| | | 9. TAXES | | | |
| | | *a.* CURRENT TAX | 2,173.00 | | *2,252.00* |
| | | *b.* DEFERRED TAX (See Note 16, Page 186) | (75.13) | | *108.33* |
| | | *c.* FRINGE BENEFIT TAX | 16.00 | | *19.00* |
| | | | | **2,113.87** | *2,379.33* |
| | | **PROFIT AFTER TAXES** | | **5,201.74** | *4,687.03* |
| | | 10. BALANCE BROUGHT FORWARD FROM LAST YEAR | | **6,387.46** | *4,593.98* |
| | | **AMOUNT AVAILABLE FOR APPROPRIATIONS** | | **11,589.20** | *9,281.01* |
| | | 11. APPROPRIATIONS : | | | |
| | | *a.* PROPOSED DIVIDENDS (Details as per Directors' Report, Page 103) | 1,168.95 | | *1,168.93* |
| | | *b.* DIVIDEND ON CUMULATIVE CONVERTIBLE PREFERENCE SHARES | 109.45 | | *22.19* |
| | | *c.* TAX ON DIVIDENDS | 214.10 | | *202.43* |
| | | | 1,492.50 | | *1,393.55* |
| | | *d.* GENERAL RESERVE | 600.00 | | *1,500.00* |
| | | | | **2,092.50** | *2,893.55* |
| | | **BALANCE CARRIED TO BALANCE SHEET** | | **9,496.70** | *6,387.46* |
| | | **Basic Earnings per Share Rs.** | | **69.45** | *66.80* |
| | | **Diluted Earnings per Share Rs.** (See Note 15, Page 186) | | **61.78** | *61.29* |
| M | 169 | NOTES ON BALANCE SHEET AND PROFIT AND LOSS ACCOUNT | | | |

As per our report attached
For DELOITTE HASKINS & SELLS
*Chartered Accountants,*

P R RAMESH
*Partner.*

*Mumbai, 25th June, 2009*

J C BHAM
*Company Secretary*

For and on behalf of the Board

RATAN N TATA — *Chairman*

JAMES LENG
NUSLI N WADIA
S M PALIA
ISHAAT HUSSAIN
JAMSHED J IRANI
SUBODH BHARGAVA
JACOBUS SCHRAVEN
ANDREW ROBB
— *Directors*

B MUTHURAMAN — *Managing Director*
KIRBY ADAMS — *Director*
H M NERURKAR — *Executive Director*

# Cash Flow Statement for the year ended 31st March, 2009

| | Year Ended 31-03-2009 Rupees crores | | Year Ended 31-03-2008 Rupees crores | |
|---|---|---|---|---|
| **A. Cash Flow from Operating Activities :** | | | | |
| Net Profit before tax | | **7,315.61** | | 7,066.36 |
| Adjustments for : | | | | |
| Depreciation | 973.40 | | 834.61 | |
| (Profit)/Loss on sale of Assets/Discarded Assets written off | 6.43 | | (28.26) | |
| (Profit)/Loss on sale of other investments | (186.46) | | (0.03) | |
| Impairment of Assets | – | | 0.06 | |
| (Gain)/Loss on cancellation of forward covers/options | (26.62) | | (124.30) | |
| Provision for diminution in value of investments | 0.10 | | – | |
| Interest and income from current investment | (336.81) | | (142.53) | |
| Income from other investments | (101.62) | | (88.42) | |
| Interest charged to Profit and Loss Account | 1,489.50 | | 929.03 | |
| Amortisation of employee separation compensation | 222.34 | | 226.18 | |
| Provision for Wealth Tax | 1.00 | | 0.95 | |
| Contribution for sports infrastructure written off | – | | 150.00 | |
| Exchange (Gain)/Loss on revaluation of foreign currency loans | 67.91 | | (743.60) | |
| Amortisation of long term loan expenses | 32.71 | | 57.99 | |
| | | **2,141.88** | | 1,071.68 |
| Operating Profit before Working Capital Changes | | **9,457.49** | | 8,138.04 |
| Adjustments for : | | | | |
| Trade and Other Receivables | (159.25) | | (143.44) | |
| Inventories | (875.49) | | (272.00) | |
| Trade Payables and Other Liabilities | 1,772.03 | | 591.80 | |
| | | **737.29** | | 176.36 |
| Cash Generated from Operations | | **10,194.78** | | 8,314.40 |
| Direct Taxes paid | | **(2,797.56)** | | (2,060.20) |
| **Net Cash from Operating Activities** | | **7,397.22** | | 6,254.20 |
| **B. Cash Flow from Investing Activities :** | | | | |
| Purchase of fixed assets | (2,786.29) | | (2,458.97) | |
| Sale of fixed assets | 15.18 | | 63.88 | |
| Purchase of investments | (59,903.25) | | (31,605.12) | |
| Purchase of investments in Subsidiaries | (4,439.80) | | (29,587.40) | |
| Sale of investments | 57,181.61 | | 34,110.46 | |
| Inter-corporate deposits | 90.73 | | (85.80) | |
| Interest and income from current investments received | 312.12 | | 155.95 | |
| Dividend received | 101.62 | | 88.42 | |
| **Net Cash used in Investing Activities** | | **(9,428.08)** | | (29,318.58) |

# Cash Flow Statement for the year ended 31st March, 2009

| | Year Ended 31-03-2009 Rupees crores | | Year Ended 31-03-2008 Rupees crores | |
|---|---|---|---|---|
| **C. Cash Flow from Financing Activities :** | | | | |
| Issue of Equity Capital | 0.25 | | *4,881.45* | |
| Issue of Cumulative Convertible Preference Shares | 0.14 | | *5,472.52* | |
| Proceeds from borrowings | 6,494.43 | | *17,632.70* | |
| Repayment of borrowings | (894.39) | | *(10,386.61)* | |
| Amount received on cancellation of forward covers/options | (10.17) | | *134.41* | |
| Long term loan expenses | (32.51) | | *(202.38)* | |
| Interest paid | (1,213.96) | | *(746.07)* | |
| Dividends paid | (1,187.37) | | *(937.95)* | |
| **Net Cash from Financing Activities** | | **3,156.42** | | *15,848.07* |
| **Net increase/(decrease) in Cash or Cash equivalents (A+B+C)** | | **1,125.56** | | *(7,216.31)* |
| **Opening Cash and Cash equivalents** [See Schedule I, Page 167] | | **465.04** | (iv) | *7,681.35* |
| **Closing Cash and Cash equivalents** [See Schedule I, Page 167] | (v) | **1,590.60** | (v) | *465.04* |

**Notes :** (i) Figures in brackets represent outflows.

(ii) Interest paid is exclusive of and purchase of fixed assets is inclusive of interest capitalised **Rs. 29.11** crores *(31.03.2008 : Rs. 12.24 crores).*

(iii) Investment in subsidiaries represents the portion of purchase consideration discharged in cash during the period and includes application money on investments **Rs. 4,439.80** crores *(31.03.2008 : Rs. 29,587.40 crores)*.

(iv) Includes Rs. 7,225.94 crores ringfenced for a specific purpose.

(v) Includes **Rs. 0.24** crores *(31.03.2008 : Rs. 5.65 crores)* refund orders issued on account of over subscription of Rights Issue of Equity Shares not encashed as on 31st March, 2009.

(vi) Previous year figures have been recast/restated wherever necessary.

As per our report attached
For DELOITTE HASKINS & SELLS
*Chartered Accountants,*

P R RAMESH
*Partner.*

*Mumbai, 25th June, 2009*

J C BHAM
*Company Secretary*

For and on behalf of the Board

RATAN N TATA — *Chairman*

JAMES LENG
NUSLI N WADIA
S M PALIA
ISHAAT HUSSAIN
JAMSHED J IRANI
SUBODH BHARGAVA
JACOBUS SCHRAVEN
ANDREW ROBB — *Directors*

B MUTHURAMAN — *Managing Director*
KIRBY ADAMS — *Director*
H M NERURKAR — *Executive Director*

# Schedules forming part of the profit and loss account

**SCHEDULE 1 : SALES AND OTHER OPERATING INCOME :—**
(Item No. 1, Page 149)

| | Rupees crores | **Rupees crores** | *Previous Year Rupees crores* |
|---|---|---|---|
| *(a)* Sale of products | | **25,945.45** | *21,392.39* |
| *(b)* Sale of power and water | | **566.31** | *546.33* |
| *(c)* Income from town, medical and other services | | **40.65** | *40.66* |
| *(d)* Other operating income [Including lease rentals of **Rs. 0.20** crore *(2007-08 : Rs. 0.19 crore)* on Wagons leased to Railways under Own Your Wagon Scheme] | | **291.32** | *210.17* |
| | | **26,843.73** | *22,189.55* |

**SCHEDULE 2 : OTHER INCOME :—**
(Item No. 2, Page 149)

| | Rupees crores | **Rupees crores** | *Previous Year Rupees crores* |
|---|---|---|---|
| *(a)* Income from Investments | | | |
| (i) Trade investments | 64.39 | | *71.72* |
| (ii) Investments in subsidiary companies | 37.23 | | *16.70* |
| | | **101.62** | *88.42* |
| *(b)* Profit on sale/redemption of other investments | | **186.46** | *0.03* |
| *(c)* Profit on sale of capital assets (net of loss on assets sold/scrapped/written off) | | **(6.43)** | *28.26* |
| *(d)* Gain from swaps and cancellation of forward covers/options | | **26.62** | *124.30* |
| *(e)* Miscellaneous income | | **–** | *1.79* |
| | | **308.27** | *242.80* |

**SCHEDULE 3 : NET FINANCE CHARGES:—**
(Item No. 6, Page 149)

| | Rupees crores | **Rupees crores** | *Previous Year Rupees crores* |
|---|---|---|---|
| 1. Interest on | | | |
| (i) Debentures and Fixed Loans | 1,440.06 | | *880.81* |
| (ii) Others | 78.55 | | *60.46* |
| | | **1,518.61** | *941.27* |
| *Less* - Interest capitalised | | **29.11** | *12.24* |
| | | **1,489.50** | *929.03* |
| 2. *Less* - (i) Interest received on sundry advances, deposits, customers' balances etc. [Gross, inclusive of tax deducted at source **Rs. 16.27** crores *(2007-08 : Rs. 8.54 crores)*] | | **103.07** | *50.33* |
| (ii) Income from current investments | | **100.47** | *82.25* |
| (iii) Profit/(loss) on sale of current investments | | **133.27** | *9.95* |
| | | **1,152.69** | *786.50* |

## Schedules forming part of the profit and loss account

**SCHEDULE 4 : MANUFACTURING AND OTHER EXPENSES :—**

(Item No. 3, Page 149)

| | | | Rupees crores | **Rupees crores** | *Previous Year Rupees crores* |
|---|---|---|---|---|---|
| 1. | PURCHASE OF FINISHED, SEMI-FINISHED STEEL AND OTHER PRODUCTS | | | **358.87** | *387.94* |
| 2. | RAW MATERIALS CONSUMED | | | **5,709.91** | *3,355.20* |
| 3. | PAYMENTS TO AND PROVISIONS FOR EMPLOYEES : | | | | |
| | *(a)* | Wages and salaries, including bonus | 2,015.06 | | *1,616.87* |
| | *(b)* | Company's contributions to provident and other funds | 290.75 | | *199.08* |
| | | | | **2,305.81** | *1,815.95* |
| 4. | OPERATION AND OTHER EXPENSES : | | | | |
| | *(a)* | Stores and spares consumed | 1,248.70 | | *936.11* |
| | *(b)* | Fuel oil consumed | 131.11 | | *115.33* |
| | *(c)* | Repairs to buildings | 47.37 | | *48.88* |
| | *(d)* | Repairs to machinery | 809.62 | | *739.21* |
| | *(e)* | Relining expenses | 48.69 | | *30.14* |
| | *(f)* | Conversion charges | 1,041.50 | | *856.86* |
| | *(g)* | Purchase of power | 1,091.37 | | *932.78* |
| | *(h)* | Rent | 11.95 | | *10.57* |
| | *(i)* | Royalty | 227.67 | | *171.91* |
| | *(j)* | Rates and taxes | 202.02 | | *151.18* |
| | *(k)* | Insurance charges | 25.54 | | *25.37* |
| | *(l)* | Commission, discounts and rebates | 61.49 | | *52.53* |
| | *(m)* | Provision for wealth tax | 1.00 | | *0.95* |
| | *(n)* | Other expenses | 1,265.55 | | *1,069.28* |
| | | | | **6,213.58** | *5,141.10* |
| 5. | FREIGHT AND HANDLING CHARGES | | | **1,251.23** | *1,140.63* |
| 6. | PROVISION FOR DOUBTFUL DEBTS AND ADVANCES | | | **8.61** | *12.16* |
| 7. | EXCISE DUTY | | | **(32.75)** | *38.50* |
| | | | | **15,815.26** | *11,891.48* |
| 8. | ACCRETION/(REDUCTION) IN STOCKS OF FINISHED AND SEMI-FINISHED PRODUCTS AND WORK-IN-PROGRESS (DEDUCTED)/ADDED: | | | | |
| | *(a)* | Opening Stock | 1,145.75 | | *1,107.02* |
| | *(b)* | *Less* – Closing Stock | 1,435.02 | | *1,145.75* |
| | | | | **(289.27)** | *(38.73)* |
| | | | | **15,525.99** | *11,852.75* |

# Notes to Schedule 4 (Page 153)

| | | | Previous Year |
|---|---|---|---|
| | | **Rupees crores** | *Rupees crores* |
| Item 2 | Raw materials consumed excludes amounts charged to wages & salaries and other revenue accounts | **487.14** | *412.35* |
| Item 4 *(a)* | Stores and spares consumed (including write-off of obsolete spares, if any) exclude cost of stores manufactured departmentally and charged to wages and salaries and other revenue accounts | **95.88** | *54.62* |
| Item 4 *(c)* | Repairs to buildings exclude amounts charged to wages & salaries and other revenue accounts | **4.50** | *3.92* |
| Item 4 *(d)* | Repairs to machinery exclude amounts charged to wages & salaries and other revenue accounts | **244.46** | *209.29* |
| Item 4 *(l)* | Commission, discounts and rebates include — | | |
| | (1) Commission paid to selling agents | **13.97** | *16.37* |
| | (2) Consignment agency handling charges | **45.35** | *34.92* |
| | (3) Discounts | **2.17** | *3.18* |
| Item 4 *(n)* | Other expenses include — | | |
| | (1) Provision for diminution in value of investments | **0.10** | *–* |
| | (2) Exchange (Gain)/Loss | **42.11** | *(8.86)* |
| | (3) Fees and out-of-pocket expenses paid/payable to Auditors : | **Rupees** | *Rupees* |
| | (i) For services as Auditors | **2,41,00,000** | *1,95,00,000* |
| | (ii) For other services (excluding payment of Rs. 52,000 made to a firm in which some of the partners of the audit firm are partners) | **85,68,011** | *85,99,063* |
| | (iii) Reimbursement of travelling and out-of-pocket expenses | **22,23,663** | *18,90,428* |
| | (iv) For Branch Audit | **2,94,096** | *2,90,800* |
| | (4) Cost Audit Fees [including expenses **Rs. 64,954** *(2007-08 : Rs. 25,191)*] | **1,21,244** | *1,09,517* |

**Managerial Remuneration**

| Managerial Remuneration for Managing Director, other Whole-time Directors and Non Whole-time Directors | **Rupees crores** | *Rupees crores* |
|---|---|---|
| *(a)* Salaries (including Company's contribution to Provident and Superannuation fund) | **1.06** | *1.65* |
| *(b)* Commission | **8.50** | *9.55* |
| *(c)* Perquisites | **0.51** | *0.64* |
| *(d)* Sitting Fees | **0.33** | *0.24* |
| | **10.40** | *12.08* |

*Note :*

In addition, the Managing Director is entitled to free supply of water and use of medical facilities at the Company's hospital at Jamshedpur. The above figures do not include contribution to Gratuity Fund, as separate figure is not available for the Managing Director and retirement benefits of **Rs. 0.88** crore *(2007-08 : Rs. 2.72 crores)* relating to eight former directors and retirement benefits of **Rs. 0.36** crore *(2007-08 : Rs. 0.35 crore)* paid to a former Managing Director. Previous year includes the remuneration paid to two Whole-time Directors other than the Managing Director.

COMPUTATION OF NET PROFIT IN ACCORDANCE WITH SECTION 309(5) OF THE COMPANIES ACT, 1956.

| | | **Rupees crores** | *Rupees crores* |
|---|---|---|---|
| Profit before taxes | | **7,315.61** | *7,066.36* |
| *Add —* | *(a)* Managerial remuneration | **10.40** | *12.08* |
| | *(b)* Provision for bad & doubtful debts and advances | **8.61** | *12.16* |
| | *(c)* Provision for diminution in value of investments | **0.10** | *–* |
| | *(d)* Provision for wealth tax | **1.00** | *0.95* |
| | | **7,335.72** | *7,091.55* |
| *Deduct —* | *(a)* Bad debts written off (net of recoveries) | **27.07** | *6.20* |
| | *(b)* Profit on sale/redemption of Investments | **319.73** | *9.98* |
| | *(c)* Capital profit on sale of fixed assets | **–** | *0.51* |
| | | **346.80** | *16.69* |
| Net profit as per Section 309(5) | | **6,988.92** | *7,074.86* |

| Commission : | **Rupees** | *Rupees* |
|---|---|---|
| *(a)* Whole-time Directors | **3,50,00,000** | *4,55,00,000* |
| *(b)* Non Whole-time Directors — 1% of the net profits : **Rs. 69.89** crores *(2007-08 : Rs. 70.75 crores)* restricted to | **5,00,00,000** | *5,00,00,000* |
| | **8,50,00,000** | *9,55,00,000* |

# Schedules forming part of the balance sheet

**SCHEDULE A : SHARE CAPITAL :—**
(Item No. 1, Page 148)

| | | Rupees crores | As at 31-03-2008 Rupees crores |
|---|---|---|---|
| **Authorised :** | | | |
| **1,75,00,00,000** | Ordinary Shares of Rs. 10 each *(31.03.2008 :1,75,00,00,000 Ordinary Shares of Rs. 10 each)* | **1,750.00** | *1,750.00* |
| **2,50,00,000** | Cumulative Redeemable Preference Shares of Rs. 100 each *(31.03.2008 : 2,50,00,000 Shares of Rs. 100 each)* | **250.00** | *250.00* |
| **60,00,00,000** | 2% Cumulative Convertible Preference Shares of Rs. 100 each *(31.03.2008: 60,00,00,000 Shares of Rs. 100 each)* | **6,000.00** | *6,000.00* |
| | | **8,000.00** | *8,000.00* |
| **Issued :** | | | |
| **73,13,69,503** | Ordinary Shares of Rs. 10 each *(31.03.2008 : 73,13,69,503 Ordinary Shares of Rs. 10 each)* | **731.37** | *731.37* |
| **54,80,75,571** | 2% Cumulative Convertible Preference Shares of Rs. 100 each *(31.03.2008: 54,80,75,571 Shares of Rs. 100 each)* | **5,480.76** | *5,480.76* |
| **Subscribed :** | | | |
| **73,05,92,471** | Ordinary Shares of Rs. 10 each fully paid up *(31.03.2008 : 73,05,84,320 Ordinary Shares of Rs. 10 each)* | **730.59** | *730.58* |
| | *Add* — Amount paid up on 3,89,516 Ordinary Shares forfeited *(31.03.2008 : 3,89,516 Shares of Rs. 10 each)* | **0.20** | *0.20* |
| | | **730.79** | *730.78* |
| **54,72,66,011** | 2% Cumulative Convertible Preference Shares of Rs. 100 each *(31.03.2008 : 54,72,51,605 Shares of Rs. 100 each)* | **5,472.66** | *5,472.52* |
| | | **6,203.45** | *6,203.30* |

1. **Of the 73,05,92,471 Ordinary Shares :**

   *(a)* 95,63,300 shares represent after sub-division 9,56,330 shares (including 9,35,000 shares issued pursuant to the Scheme of Arrangement for the conversion of Deferred Shares into Ordinary Shares and the issue of additional fully paid shares) of the face value of Rs. 75 per share which were issued as fully paid up pursuant to contracts for consideration other than cash. The nominal value of these 9,56,330 shares was increased from Rs. 75 to Rs. 100 each with effect from 1.01.1977.

   *(b)* 1,98,12,460 shares represent after sub-division 19,81,246 shares of the face value of Rs. 75 per share which were issued as fully paid bonus shares by utilisation of Rs. 3,81,44,470 from Share Premium Account and Rs. 11,04,48,980 from General Reserve. The nominal value of these 19,81,246 shares was increased from Rs. 75 to Rs. 100 each with effect from 1.01.1977.

   *(c)* 5,14,40,270 shares represent after sub-division 51,44,027 Ordinary Shares whose face value was increased during the year 1976-77 from Rs. 75 to Rs. 100 per share by utilisation of Rs. 49,760 from Share Premium Account and Rs. 12,85,50,915 from General Reserve.

   *(d)* 2,05,76,110 shares represent after sub-division 20,57,611 shares of the face value of Rs. 100 per share which were issued as fully paid bonus shares by utilisation of Rs. 20,57,61,100 from General Reserve.

   *(e)* 7,21,530 shares represent after sub-division 72,153 shares of the face value of Rs. 100 per share which were issued as fully paid up to the shareholders of the erstwhile Indian Tube Company Limited on its amalgamation with the Company, for consideration other than cash.

   *(f)* 3,30,51,470 shares represent after sub-division 33,05,147 shares of the face value of Rs. 100 per share which were issued as fully paid bonus shares by utilisation of Rs. 33,05,14,700 from General Reserve.

   *(g)* 12,10,003 shares of the face value of Rs. 10 per share were issued as fully paid up to the shareholders of the erstwhile Tata SSL Ltd. on its amalgamation with the Company, for consideration other than cash.

   *(h)* 18,44,90,952 shares of face value of Rs. 10 per share were issued as fully paid bonus shares by utilisation of Rs. 1,84,49,09,520 from Securities Premium Account during the year 2004-05.

   *(i)* 2,70,00,000 shares of face value of Rs. 10 per share issued to Tata Sons Limited on a preferential basis during the year 2006-07.

   *(j)* 2,85,00,000 shares of face value of Rs. 10 per share allotted to Tata Sons Limited on a preferential basis during the year 2007-08.

   *(k)* 12,16,11,464 shares of face value of Rs. 10 per share allotted at a premium of Rs. 290 per share to the shareholders on Rights basis during the year 2007-08.

   *(l)* 8,151 shares of face value of Rs. 10 per share allotted on Rights basis at a premium of Rs. 290 per share during 2008-09 to the shareholders whose shares were kept in abeyance in the Rights issue made in 2007, leaving a balance of 1,74,956 shares being kept in abeyance.

2. **2% Cumulative Convertible Preference Shares**

   54,72,51,605 CCPS of face value Rs. 100 per share were allotted at a price of Rs. 100 per share to the shareholders on Rights basis during the year 2007-08. Further, 14,406 CCPS have been allotted during 2008-09 at a price of Rs. 100 per share to the shareholders whose shares were kept in abeyance in the Right issue made in 2007, leaving 8,09,560 CCPS which are now kept in abeyance.

   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.

# Schedules forming part of the balance sheet

**SCHEDULE B : RESERVES AND SURPLUS :—**
(Item No. 2, Page 148)

| | Rupees crores | **Rupees crores** | *As at 31-03-2008 Rupees crores* |
|---|---|---|---|
| *(a)* SECURITIES PREMIUM ACCOUNT : | | | |
| Balance as per last account | 6,391.92 | | *2,201.46* |
| *Add* — Amount received on conversion of warrants | – | | *1,351.67* |
| *Add* — Amount received on Rights Issue | 0.24 | | *3,526.73* |
| *Less* — Expenses related to Rights/CARS/NCD Issues (See Note 27, Page 192) | (238.56) | | *(147.04)* |
| *Less* — Premium on CARS (See Note 27, Page 192) | (40.68) | | *(540.90)* |
| | | **6,112.92** | *6,391.92* |
| *(b)* AMALGAMATION RESERVE : | | | |
| Balance as per last account | | **1.12** | *1.12* |
| *(c)* DEBENTURE REDEMPTION RESERVE : | | | |
| Balance as per last account | | **646.00** | *646.00* |
| *(d)* CAPITAL REDEMPTION RESERVE : | | | |
| Balance as per last account | | **0.83** | *0.83* |
| *(e)* CAPITAL RESERVE : | | | |
| Balance as per last account | | **1.49** | *1.49* |
| *(f)* GENERAL RESERVE : | | | |
| Balance as per last account | 7,484.96 | | *5,784.82* |
| *Add* — Adjustment as per transitional provisions of AS 15 | – | | *200.14* |
| *Less* — Adjustment as per AS 11 Notification (See Note 9(c), Page 172) | (529.15) | | *–* |
| | 6,955.81 | | *5,984.96* |
| *Add* — Amount transferred from Profit and Loss Account | 600.00 | | *1,500.00* |
| | | **7,555.81** | *7,484.96* |
| *(g)* EXPORT PROFITS RESERVE : | | | |
| Balance as per last account | | **1.25** | *1.25* |
| *(h)* FOREIGN EXCHANGE FLUCTUATION RESERVE : | | | |
| Balance as per last account | 39.71 | | *(5.22)* |
| *Add/(Less)* — Exchange Fluctuation on long term loans and advances to non-integral foreign operations | (25.71) | | *44.93* |
| | | **14.00** | *39.71* |
| *(i)* CONTRIBUTIONS FOR CAPITAL EXPENDITURE : | | | |
| Balance as per last account | | **42.65** | *42.65* |
| *(j)* CONTINGENCY RESERVE : | | | |
| Balance as per last account | | **100.00** | *100.00* |
| *(k)* DEBENTURE FORFEITURE RESERVE : | | | |
| Balance as per last account | | **0.04** | *0.04* |
| *(l)* PROFIT AND LOSS ACCOUNT : | | | |
| Balance carried forward | | **9,496.70** | *6,387.46* |
| | | **23,972.81** | *21,097.43* |

# Schedules forming part of the balance sheet

**SCHEDULE C : SECURED LOANS :—**
(Item No. 4(a), Page 148)

| | | Rupees crores | *As at 31-03-2008 Rupees crores* |
|---|---|---|---|
| *(a)* | Joint Plant Committee-Steel Development Fund [including funded interest **Rs. 233.91** crores *(31.03.2008 : Rs. 227.82 crores)*] | **1,752.40** | *1,700.63* |
| *(b)* | 14.25% Non-Convertible Debentures (privately placed with LIC Mutual Fund) | **8.50** | *16.75* |
| *(c)* | 10.50% Non-Convertible Debentures (privately placed with Life Insurance Corporation of India) | **33.33** | *66.67* |
| *(d)* | International Finance Corporation, Washington - A Loan US $ 100 million equivalent* | **507.20** | *401.20* |
| *(e)* | International Finance Corporation, Washington - B Loan US $ 300 million equivalent* | **1,521.60** | *1,203.60* |
| *(f)* | Cash Credit/Packing Credit from Banks | | |
| | (i) State Bank of India | – | – |
| | (ii) Others | **90.00** | *131.71* |
| | Borrowing from State Bank of India and Other Banks under items *f(i)* & f*(ii)* above are secured by hypothecation of stocks, stores and book debts, ranking in priority to the floating charge under items *(a)* to *(e)* hereof. | | |
| *(g)* | Government of India | | |
| | (i) for constructing a hostel for trainees at Jamshedpur | **0.01** | *0.01* |
| | (ii) for setting up a dispensary and a clinic at Collieries | **0.01** | *0.01* |
| | Secured respectively by a first mortage on the lands together with the buildings for hostel and dispensary and clinic constructed thereon. | | |
| | | **3,913.05** | *3,520.58* |

* Repayable in foreign currency

Loan from the Joint Plant Committee-Steel Development Fund, the 14.25% Non-Convertible Debentures and the 10.50% Non-Convertible Debentures [items *(a)*, *(b)* & *(c)* above] from the above institutions/banks are secured by mortgages, ranking *pari passu inter se*, on all present and future fixed assets, excluding land and buildings mortgaged in favour of Government of India under item *(g)* hereof, land and buildings, plant and machinery and movables of the Tubes Division and the Bearings Division mortgaged in favour of the financial institutions and banks, assets of the Ferro Alloys Plant at Bamnipal mortgaged in favour of State Bank of India and assets of Cold Rolling Complex (West) at Tarapur and a floating charge on other properties and assets (excluding investments) of the Company, subject to the prior floating charge in favour of State Bank of India and other banks under items *f(i)* and *f(ii)* hereof.

Loan from the Joint Plant Committee-Steel Development Fund included in item *(a)* above is not secured by charge on movable assets of the Company and includes **Rs. 1,053.45** crores *(31.03.2008: Rs. 879.63 crores)* representing repayments and interest on earlier loans for which applications of funding are awaiting sanction.

The 14.25% Non-Convertible Debentures under item *(b)* (allotted on 28.10.1998) are redeemable at par in 3 annual installments in the ratio of 33:33:34 commencing at the end of the 9th year from the date of allotment. The second installment of **Rs. 8.25** crores has been repaid during the year.

The 10.50% Non-Convertible Debentures under item *(c)* (allotted on 29.10.1998) are redeemable at par in 3 equal installments at the end of 9th, 10th and 11th year from the date of allotment. The second installment of **Rs. 33.33** crores has been repaid during the year.

Loans A & B from IFCW included in items *(d)* and *(e)* above are secured by charge on the immovable properties of the Company at Jamshedpur and additionally secured on all the movable properties of the Company (excluding current assets) located at Jamshedpur ranking *pari passu* with the security for the debentures (items *(b)* and *(c)* above).

# Schedules forming part of the balance sheet

**SCHEDULE D : UNSECURED LOANS :—**
(Item No. 4(b), Page 148)

| | | **Rupees crores** | *As at 31-03-2008 Rupees crores* |
|---|---|---|---|
| *(a)* | Fixed Deposits | **4.24** | *12.74* |
| *(b)* | Housing Development Finance Corporation Ltd. | **3.03** | *5.50* |
| *(c)* | Privately Placed Non-convertible Debentures | **3,250.00** | *–* |
| *(d)* | Japan Bank for International Cooperation and various Financial Institutions* | **87.48** | *95.54* |
| *(e)* | JPY Syndicated ECB Loan – US $ 495 million equivalent* | **3,028.55** | *2,362.74* |
| *(f)* | JPY Syndicated Standard Chartered Bank Loan – US $ 750 million equivalent* | **4,619.68** | *3,604.06* |
| *(g)* | Canara Bank, London ECB Loan US $ 5 million equivalent* | **25.36** | *20.06* |
| *(h)* | Euro Hermes Loan from Deutsche Bank, Frankfurt* | **39.32** | *41.05* |
| *(i)* | Euro Sace Loan from Deutsche Bank, Frankfurt* | **261.12** | *179.04* |
| *(j)* | 1% Convertible Alternative Reference Securities – US $ 875 million equivalent* (See Note 27, Page 192) | **5,473.92** | *4,329.92* |
| *(k)* | Term loan from IDBI Bank Ltd. | **1,100.00** | *1,350.00* |
| *(l)* | Term loan from SBI | **2,500.00** | *2,500.00* |
| *(m)* | Term loan from Axis Bank | **2,000.00** | *–* |
| *(n)* | Buyers' credit * | **639.98** | *–* |
| *(o)* | Interest free loans under Sales Tax Deferral Scheme | **0.45** | *0.46* |
| | | **23,033.13** | *14,501.11* |

*Note :* Amounts repayable within one year **Rs. 1,811.25** crores *(31.03.2008 : Rs. 43.63 crores).*

* Repayable in foreign currency.

# Schedules forming part of the balance sheet

**SCHEDULE E : FIXED ASSETS :—**
(Item No. 8, Page 148)

Rupees crores

| Fixed Assets | Land and Roads | Buildings (3) | Lease-hold | Railway Sidings | Plant and Machinery | Furniture, Fixture and Office Equipment | Develop-ment of Property (4) | Vehicles | Intangibles | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| Gross Block as at 1.04.2008 | **211.10** | **1,006.52** | **117.91** | **122.65** | **14,282.91** | **127.78** | **361.62** | **181.80** | **67.30** | **16,479.59** |
| | *196.85* | *951.13* | *80.03* | *114.44* | *13,943.32* | *120.51* | *383.87* | *174.82* | *64.52* | *16,029.49* |
| Additions during the year (1) & (5) | **69.98** | **58.20** | **–** | **35.61** | **3,531.30** | **16.90** | **0.02** | **8.54** | **6.01** | **3,726.56** |
| | *14.50* | *60.19* | *38.21* | *8.21* | *429.67* | *10.50* | *2.57* | *11.65* | *2.84* | *578.34* |
| Deductions during the year (2) | **–** | **0.61** | **–** | **–** | **112.44** | **31.37** | **–** | **4.36** | **0.36** | **149.14** |
| | *0.25* | *4.80* | *0.33* | *–* | *90.08* | *3.23* | *24.82* | *4.67* | *0.06* | *128.24* |
| | **281.08** | **1,064.11** | **117.91** | **158.26** | **17,701.77** | **113.31** | **361.64** | **185.98** | **72.95** | **20,057.01** |
| | *211.10* | *1,006.52* | *117.91* | *122.65* | *14,282.91* | *127.78* | *361.62* | *181.80* | *67.30* | *16,479.59* |
| Capital Work in progress [including advances for capital expenditure **Rs. 1,235.62** crores *(31.03.2008 : Rs. 466.24 crores)*] | | | | | | | | | | **3,487.68** |
| | | | | | | | | | | *4,367.45* |
| Gross Block as at 31.03.2009 | | | | | | | | | | **23,544.69** |
| | | | | | | | | | | *20,847.04* |
| Impaired Assets as at 1.04.2008 | **99.22** | **1.25** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **100.47** |
| | *99.16* | *1.25* | *–* | *–* | *–* | *–* | *–* | *–* | *–* | *100.41* |
| Impairment during the year | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| | *0.06* | *–* | *–* | *–* | *–* | *–* | *–* | *–* | *–* | *0.06* |
| Impairment reversed during the year | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| | *–* | *–* | *–* | *–* | *–* | *–* | *–* | *–* | *–* | *–* |
| Impaired Assets as at 31.03.2009 | **99.22** | **1.25** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **100.47** |
| | *99.22* | *1.25* | *–* | *–* | *–* | *–* | *–* | *–* | *–* | *100.47* |
| Accumulated Depreciation upto 1.04.2008 | **14.50** | **290.51** | **4.21** | **63.87** | **7,355.46** | **98.08** | **171.92** | **80.48** | **43.98** | **8,123.01** |
| | *12.65* | *264.86* | *3.17* | *58.84* | *6,703.75* | *80.73* | *160.53* | *66.51* | *34.92* | *7,385.96* |
| Depreciation during the year | **2.80** | **28.73** | **1.45** | **6.59** | **862.74** | **14.99** | **34.39** | **15.05** | **6.66** | **973.40** |
| | *1.85* | *28.03* | *1.37* | *5.03* | *714.97* | *20.01* | *36.21* | *18.06* | *9.08* | *834.61* |
| Depreciation on assets written off during the year (including adjustments for transfers) | **–** | **0.11** | **–** | **–** | **99.59** | **30.58** | **–** | **3.77** | **0.36** | **134.41** |
| | *–* | *2.38* | *0.33* | *–* | *63.26* | *2.66* | *24.82* | *4.09* | *0.02* | *97.56* |
| Accumulated Depreciation upto 31.03.2009 | **17.30** | **319.13** | **5.66** | **70.46** | **8,118.61** | **82.49** | **206.31** | **91.76** | **50.28** | **8,962.00** |
| | *14.50* | *290.51* | *4.21* | *63.87* | *7,355.46* | *98.08* | *171.92* | *80.48* | *43.98* | *8,123.01* |
| Total Accumulated Depreciation & Impairment upto 31.03.2009 | **116.52** | **320.38** | **5.66** | **70.46** | **8,118.61** | **82.49** | **206.31** | **91.76** | **50.28** | **9,062.47** |
| | *113.72* | *291.76* | *4.21* | *63.87* | *7,355.46* | *98.08* | *171.92* | *80.48* | *43.98* | *8,223.48* |
| Net Block as at 31.03.2009 | **164.56** | **743.73** | **112.25** | **87.80** | **9,583.16** | **30.82** | **155.33** | **94.22** | **22.67** | **10,994.54** |
| | *97.38* | *714.76* | *113.70* | *58.78* | *6,927.45* | *29.70* | *189.70* | *101.32* | *23.32* | *8,256.11* |
| Capital Work in progress [including advances for capital expenditure **Rs. 1,235.62** crores *(31.03.2008 : Rs. 466.24 crores)*] | | | | | | | | | | **3,487.68** |
| | | | | | | | | | | *4,367.45* |
| | | | | | | | | | | **14,482.22** |
| | | | | | | | | | | *12,623.56* |

(1) Additions include adjustments for inter se transfers.

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

(3) Buildings include **Rs. 2.32** crores *(31.03.2008 : Rs. 2.32 crores)* being cost of shares in Co-operative Housing Societies & Limited Companies.

(4) Development of property represents expenditure incurred on development of mines/collieries. It includes **Rs. 57.57** crores *(31.03.2008 : Rs. 57.57 crores)* towards provision for final mines closure expenditure as per the circular dated 8th August, 2003 issued by Indian Bureau of Mines and subsequent clarification issued under Mineral Conservation & Development (Amendment) Rules 2003 as per Section 18 of the Mines and Minerals (Development and Regulation) Act, 1957.

(5) Rupee Liability has increased by a net amount of **Rs. 67.39** crores *(2007-08 : Rs. 6.45 crores)* arising out of realignment of the value of foreign currency loans for procurement of fixed assets, including **Rs. 45.58** crores considered pursuant to the Accounting Standard 11 vide notification No. GSR 225(E) dated 31.03.2009 issued by Ministry of Corporate Affairs which was charged off in previous years. The increase has been adjusted to the carrying cost of respective fixed assets and has been depreciated over their remaining depreciable life. The depreciation for the current year includes **Rs. 2.04** crores arising on account of this adjustment.

# Schedules forming part of the balance sheet

**SCHEDULE F : INVESTMENTS :—**
(Item No. 9, Page 148)

| | No. of equity shares of Face Value of Rs. 10 each fully paid-up unless otherwise specified | Rupees crores | **Rupees crores** | As at 31-03-2008 *Rupees crores* | As at 31-03-2008 *Rupees crores* |
|---|---|---|---|---|---|
| **A. LONG TERM INVESTMENTS** (At Cost less provision for diminution in value) | | | | | |
| **Trade Investments :** | | | | | |
| SHARES AND DEBENTURES (Quoted) — | | | | | |
| 1. Tata Motors Ltd. (55,37,729 Shares of face value subscribed during the year) | 3,79,16,139 | 335.31 | | *147.03* | |
| 2. Tata Motors Ltd. – DVR – A (55,37,729 Shares of face value subscribed during the year) | 55,37,729 | 168.90 | | – | |
| 3. The Tinplate Company of India Ltd. | 88,75,000 | 29.68 | | *29.68* | |
| 4. TRF Ltd. | 19,13,314 | 4.67 | | *4.67* | |
| 5. Kumardhubi Fireclay and Silica Works Ltd. (Book Value : Re. 1) | 1,50,001 | – | | – | |
| 6. Tata Construction and Projects Ltd. (Book Value : Re. 1) | 5,61,335 | – | | – | |
| 7. Indian Steel Rolling Mills Ltd. (Book Value : Re. 1) | 3,30,315 | – | | – | |
| 8. Wellman Incandescent India Ltd. (Book Value : Re. 1) | 8,99,100 | – | | – | |
| 9. Sanderson Industries Ltd. (Book Value : Re. 1) | 2,27,642 | – | | – | |
| 10. Tata Sponge Iron Ltd. | 61,19,960 | 7.20 | | *7.20* | |
| 11. Tata Construction & Projects Ltd.– 10% Convertible Debentures of Rs.100 each (Non-Convertible Portion) (Book Value : Re. 1) | 43,000 | – | | – | |
| 12. Standard Chrome Ltd. (Book Value : Re. 1) | 5,58,000 | – | | – | |
| 13. The Tata Power Company Ltd. | 56,81,818 | 100.00 | | *100.00* | |
| 14. Housing Development Finance Corporation Ltd. | 1,580 | 0.01 | | *0.01* | |
| 15. Other **Rs. 40,272** *(31.03.2008: 40,272)* (See Note 3, Page 162) | | 0.01 | | *0.01* | |
| | | | **645.78** | | *288.60* |
| SHARES AND DEBENTURES (Unquoted) | | | | | |
| 16. Kumardhubi Metal Casting and Engineering Ltd. (Book Value : Re. 1) | 10,70,000 | – | | – | |
| 17. Tata Industries Ltd. (Face value of Rs. 100 each) | 56,28,388 | 72.23 | | *72.23* | |
| 18. Tata Services Ltd. (Face value of Rs. 1,000 each) | 1,621 | 0.16 | | *0.16* | |
| 19. Tata International Ltd. (Face value of Rs. 1,000 each) | 3,740 | 0.49 | | *0.49* | |
| 20. Tata Projects Ltd. (Face value of Rs. 100 each) (75,000 Bonus Shares received during the year) | 90,000 | 0.18 | | *0.18* | |
| 21. Rallis India Ltd. (7.50% cumulative preference shares) | 85,00,000 | 8.50 | | *8.50* | |
| 22. IFCI Venture Capital Funds Ltd. | 1,00,000 | 0.10 | | *0.10* | |
| 23. Kalinga Aquatics Ltd. (Book Value : Re. 1) | 10,49,920 | – | | – | |
| 24. Jamipol Ltd. | 31,75,000 | 3.18 | | *3.18* | |
| 25. mjunction services ltd. | 40,00,000 | 4.00 | | *4.00* | |
| 26. Tata Teleservices Ltd. (Reduction in Share capital to half; 52,46,590 shares sold during the year) | 6,31,53,638 | 134.06 | | *145.20* | |
| 27. Tata Teleservices Ltd. (0.10% Redeemable Non-Cumulative Convertible Preference Shares) | 6,83,54,569 | 50.00 | | *50.00* | |
| 28. Tata Ryerson Ltd. | 3,41,25,000 | 34.12 | | *34.12* | |
| 29. The Tinplate Company of India Ltd. 12.5% Optionally Convertible Redeemable Non-Cumulative Preference Shares (Face value of Rs. 100 each) (1,46,000 Shares acquired during the year) | 1,09,90,000 | 108.17* | | *106.70** | |
| 30. Tata Autocomp Systems Ltd. (7% Cumulative Redeemable Preference Shares) (70,00,000 Shares sold during the year) | – | – | | *7.00* | |
| 31. Nicco Jubilee Park Ltd. (Book Value : Re. 1) | 3,40,000 | – | | – | |
| 32. The Dhamra Port Co. Ltd. (3,50,00,000 Shares of face value Rs. 10 each subscribed during the year; 1,78,50,000 shares pledged during the year) | 15,85,59,106 | 158.56 | | *123.56* | |
| Carried forward | | 573.75 | **645.78** | *555.42* | *288.60* |

* Includes Rs. 0.03 crore incurred towards stamp duty.

## Schedules forming part of the balance sheet

**SCHEDULE F : INVESTMENTS :—** continued
(Item No. 9, Page 148)

| | No. of equity shares of Face Value of Rs. 10 each fully paid-up unless otherwise specified | Rupees crores | **Rupees crores** | *As at 31-03-2008* *Rupees crores* | *Rupees crores* |
|---|---|---|---|---|---|
| Brought forward............................ | | 573.75 | **645.78** | 555.42 | *288.60* |
| **Trade Investments :** | | | | | |
| SHARES AND DEBENTURES (Unquoted) – | | | | | |
| 33. Tata BlueScope Steel Ltd. ................................................... (6,70,00,000 Shares subscribed during the year) | 32,80,00,000 | 328.00 | | *261.00* | |
| 34. Panatone Finvest Ltd........................................................... | 45,000 | 0.05 | | *0.05* | |
| 35. Tarapur Environment Protection Society .............................. | 15,726 | 0.16 | | *0.16* | |
| 36. Industrial Energy Ltd............................................................ (6,05,80,000 Shares subscribed during the period) | 8,65,80,000 | 86.58 | | *26.00* | |
| 37. Tata NYK Shipping Pte Ltd (Face value of USD 1 each)....... (1,97,00,000 Shares subscribed during the year) | 2,47,00,000 | 108.85 | | *21.01* | |
| 38. Steelscape Consultancy Private Limited ............................. | 50,000 | 0.05 | | *0.05* | |
| 39. Bhubneshwar Power Private Limited.................................... (1,42,270 Shares subscribed during the year) | 1,42,270 | 0.14 | | – | |
| 40. Strategic Energy Technology Systems ................................ (25,000 Shares subscribed during the year) | 25,000 | 0.03 | | – | |
| 41. S &T Mining Company Private Ltd........................................ (5,25,000 Shares subscribed during the year) | 5,25,000 | 0.53 | | – | |
| 42. Others **Rs. 32,495** *(31.03.2008: 32,495)*.............................. (See Note 4, Page 162) | | – | | – | |
| | | | **1,098.14** | | *863.69* |
| **Investments in Subsidiary Companies :** | | | | | |
| SHARES (Quoted) – | | | | | |
| 43. Tata Metaliks Ltd................................................................... | 1,17,99,992 | 11.80 | | *11.80* | |
| 44. The Indian Steel & Wire Products Ltd. (Book Value : Re. 1)... | 54,74,030 | – | | – | |
| 45. Tayo Rolls Ltd. ....................................................................... (35,88,022 Shares subscribed during the year) | 55,87,372 | 48.57 | | *3.36* | |
| | | | **60.37** | | *15.16* |
| SHARES (Unquoted) – | | | | | |
| 46. Kalimati Investment Co.Ltd................................................... | 1,63,87,469 | 86.68 | | *86.68* | |
| 47. Tata Refractories Ltd............................................................. | 1,48,98,360 | 90.97 | | *90.97* | |
| 48. The Tata Pigments Ltd. (Face value of Rs. 100 each) .......... | 75,000 | 0.70 | | *0.70* | |
| 49. Tata Korf Engineering Services Ltd. (Book Value : Re. 1)..... | 2,40,386 | – | | – | |
| 50. Tata Incorporated (Face value of US $ 1,000 each)............. | 1,500 | 1.64 | | *1.64* | |
| 51. TM International Logistics Ltd............................................... | 91,80,000 | 9.18 | | *9.18* | |
| 52. Lanka Special Steels Ltd. (Face value of LKR 10 each) ....... | 25,00,000 | 1.16 | | *1.16* | |
| 53. Jamshedpur Utilities & Services Co.Ltd. .............................. (2,00,00,000 Shares subscribed during the year) | 2,03,50,000 | 20.35 | | *0.35* | |
| 54. NatSteel Asia Pte. Ltd. (Face value of S$ 1 each) ............... | 28,00,00,000 | 768.41 | | *768.41* | |
| 55. Sila Eastern Ltd. (Face value of THB 100 each) .................. | 9,800 | 0.10 | | *0.10* | |
| 56. Hooghly Met Coke & Power Co. Ltd. ........................................ (3,34,63,462 Shares purchased during the year) | 54,76,63,618 | 548.36 | | *514.20* | |
| 57. Tata Steel (KZN) (Proprietary) Ltd. (Face value of ZAR1 each) .... | 12,96,00,000 | 84.70 | | *84.70* | |
| 58. Tata Steel Holdings Pte. Ltd. (Face value of GBP 1 each).... (Formerly Tata Steel Asia Holdings Pte. Ltd.) (4,32,32,10,757 Shares subscribed during the year) | 432,32,92,418 | 35,633.38 | | *0.72* | |
| 59. Adityapur Toll Bridge Co. Ltd. (Book Value : Re. 1).............. (1,00,000 Shares subscribed during the year) | 5,63,600 | – | | – | |
| 60. Rawmet Ferrous Industries Ltd ............................................ (80,00,000 Shares subscribed during the year) | 3,86,00,071 | 51.53 | | *43.53* | |
| 61. Gopalpur SEZ Ltd................................................................. | 10,00,000 | 1.00 | | *1.00* | |
| 62. Tata Steel (Thailand) Public Company Ltd. (Face value ....... of THB 1 each) (2,10,45,43,058 Shares sold during the year) | | – | | *295.60** | |
| | | | **37,298.16** | | *1,898.94* |
| Carried forward............................ | | | **39,102.45** | | *3,066.39* |

* Includes Rs. 15.92 crores expendure in connection with investment.

# Schedules forming part of the balance sheet

**SCHEDULE F : INVESTMENTS :—** continued
(Item No. 9, Page 148)

| | No. of equity shares of Face Value of Rs. 10 each fully paid-up unless otherwise specified | Rupees crores | **Rupees crores** | *As at 31-03-2008 Rupees crores* | *As at 31-03-2008 Rupees crores* |
|---|---|---|---|---|---|
| Brought forward | | | **39,102.45** | | *3,066.39* |
| **B. CURRENT INVESTMENTS (at lower of cost and fair value)** | | | | | |
| **Other Investments (Quoted) :** | | | | | |
| 1. 6.75% Tax Free Bonds of Unit Trust of India (Face value of Rs. 100 each) (8,95,982 sold during the year) | – | | **–** | | *8.96* |
| **Other Investments (Unquoted) :** | | | | | |
| 2. Investment in Mutual Fund / Bonds: | | | | | |
| Fixed Maturity Funds | | – | | – | |
| Liquid Funds | | 3,269.33 | | *1,027.84* | |
| | | | **3,269.33** | | *1,027.84* |
| | | | **42,371.78** | | *4,103.19* |

*Notes :*

| | No. of equity shares of Face Value of Rs. 10 each fully paid-up unless otherwise specified | **Rupees crores** | *As at 31-03-2008 Rupees crores* |
|---|---|---|---|
| (1) Aggregate amount of Quoted Investments | | **706.15** | *312.72* |
| Market value as at 31.03.2009 : **Rs. 1,491.89** crores *(31.03.2008 : Rs. 3,260.65 crores)* | | | |
| (2) Aggregate amount of Unquoted Investments | | **41,665.63** | *3,790.47* |
| | | **42,371.78** | *4,103.19* |
| (3) Shares and Debentures (Quoted) — Others include : | | **Rupees** | *Rupees* |
| *(a)* Reliance Firebrick and Pottery Co. Ltd. (partly paid up) (Book Value : Re. 1) | 16,800 | **1** | *1* |
| *(b)* Reliance Firebrick and Pottery Co. Ltd. (Book Value : Re. 1) | 2,400 | **1** | *1* |
| *(c)* Sijua (Jherriah) Electric Supply Co. Ltd. | 4,144 | **40,260** | *40,260* |
| *(d)* Timken India Ltd. | 1 | **10** | *10* |
| | | **40,272** | *40,272* |
| (4) Shares and Debentures (Unquoted) — Others include : | | | |
| *(a)* Bokaro and Ramgarh Ltd. | 100 | **16,225** | *16,225* |
| *(b)* Jamshedpur Educational and Cultural Co-operative Society Ltd. (Face value of Rs. 100 each) | 50 | **5,000** | *5,000* |
| *(c)* Barajamda Iron Ore Mine Workers' Central Co-operative Stores Ltd. (Face value of Rs. 25 each) | 200 | **5,000** | *5,000* |
| *(d)* Joda East Iron Mine Employees' Consumer Co-operative Society Ltd. (Face value of Rs. 25 each) | 100 | **2,500** | *2,500* |
| *(e)* Ferro-Manganese Plant Employees' Consumer Co-operative Society Ltd. (Face value of Rs. 25 each) | 100 | **2,500** | *2,500* |
| *(f)* Jamshedpur Co-operative House Building Society Ltd. (Face value of Rs. 100 each) | 10 | **1,000** | *1,000* |
| *(g)* Jamshedpur Co-operative Stores Ltd. (Face value of Rs. 5 each) | 50 | **250** | *250* |
| *(h)* Malusha Travels Pvt. Ltd. | 2 | **20** | *20* |
| | | **32,495** | *32,495* |

# Schedules forming part of the balance sheet

**SCHEDULE F : INVESTMENTS :—** continued
(Item No. 9, Page 148)

(5) **INVESTMENT IN MUTUAL FUNDS**

| Name of Mutual Fund | Balance As at 1.04.2008 No. of Units | Balance As at 1.04.2008 Rupees crores | Purchased during the year No. of Units | Purchased during the year Rupees crores | Sold during the year No. of Units | Sold during the year Rupees crores | Balance As at 31.03.2009 No. of Units | Balance As at 31.03.2009 Rupees crores |
|---|---|---|---|---|---|---|---|---|
| **FIXED MATURITY FUNDS** | | | | | | | | |
| Birla Sun Life Interval Income Fund Monthly Plan - Series II - Institutional Plan - Growth | – | – | 4,71,40,459.71 | 50.00 | 4,71,40,459.71 | 50.00 | – | – |
| Canara Robeco Interval Scheme - Monthly - Institutional Plus - Dividend | – | – | 5,03,02,939.32 | 50.32 | 5,03,02,939.32 | 50.32 | – | – |
| Canara Robeco Interval Scheme - Monthly - Institutional Plus - Growth | – | – | 9,37,27,682.54 | 99.08 | 9,37,27,682.54 | 99.08 | – | – |
| ICICI Prudential FMP - Series 44 - 1M - Plan A - Ret - Dividend | – | – | 25,00,00,000.00 | 250.00 | 25,00,00,000.00 | 250.00 | – | – |
| ICICI Prudential FMP - Series 44 - 1M - Plan C - Ret - Dividend | – | – | 12,50,00,000.00 | 125.00 | 12,50,00,000.00 | 125.00 | – | – |
| ICICI Prudential FMP - Series 44 - 1M - Plan D - Ret - Dividend | – | – | 15,00,00,000.00 | 150.00 | 15,00,00,000.00 | 150.00 | – | – |
| ICICI Prudential Interval Fund - Monthly Interval I - IP - Growth | – | – | 15,00,00,000.00 | 150.00 | 15,00,00,000.00 | 150.00 | – | – |
| ICICI Prudential Interval Fund - Monthly Interval III - Dividend | – | – | 10,06,31,122.20 | 100.63 | 10,06,31,122.20 | 100.63 | – | – |
| ICICI Prudential Interval Fund - Monthly Interval III - Institutional - Growth | – | – | 5,00,00,000.00 | 50.00 | 5,00,00,000.00 | 50.00 | – | – |
| Religare Monthly Interval Fund - Plan A - Dividend | – | – | 5,06,64,297.43 | 50.66 | 5,06,64,297.43 | 50.66 | – | – |
| Principal PNB FMP 30 Days - Series I - IP - Growth | – | – | 9,99,72,116.99 | 99.97 | 9,99,72,116.99 | 99.97 | – | – |
| Reliance Interval Fund - Monthly Series I - IP - Dividend | – | – | 53,70,51,335.78 | 537.29 | 53,70,51,335.78 | 537.29 | – | – |
| UTI Fixed Income Interval Fund - Monthly Plan I - IP - Dividend | – | – | 12,58,97,807.50 | 125.90 | 12,58,97,807.50 | 125.90 | – | – |
| UTI Fixed Income Interval Fund - Monthly Plan II - IP - Growth | – | – | 3,93,78,217.94 | 40.00 | 3,93,78,217.94 | 40.00 | – | – |
| **TOTAL FIXED MATURITY FUNDS** | **–** | **–** | **186,97,65,979.41** | **1,878.85** | **186,97,65,979.41** | **1,878.85** | **–** | **–** |
| **LIQUID FUNDS** | | | | | | | | |
| Birla Sun Life Cash Plus - Institutional Premium Plan - Daily Dividend | 21,67,36,204.41 | 217.16 | 97,88,95,526.23 | 980.81 | 119,56,31,730.64 | 1,197.97 | – | – |
| Birla Sun Life Cash Plus - Institutional Premium Plan - Growth | – | – | 224,43,02,961.46 | 3,101.48 | 193,50,37,085.34 | 2,666.98 | 30,92,65,876.12 | 434.50 |
| Birla Sun Life Savings Fund - Institutional Plus - Daily Dividend | – | – | 55,97,38,577.67 | 560.12 | 55,97,38,577.67 | 560.12 | – | – |
| Birla Sun Life Savings Fund - Institutional Plus - Growth | – | – | 100,29,75,070.19 | 1,618.70 | 100,29,75,070.19 | 1,618.70 | – | – |
| Canara Robeco Liquid - Institutional Plus - Growth | – | – | 27,65,50,509.71 | 424.50 | 27,65,50,509.71 | 424.50 | – | – |
| Canara Robeco Liquid - Institutional Plus - Daily Dividend | – | – | 31,49,03,339.93 | 316.19 | 31,49,03,339.93 | 316.19 | – | – |
| Canara Robeco Liquid - Super Institutional Plus - Growth | – | – | 123,51,40,881.10 | 1,260.58 | 123,51,40,881.10 | 1,260.58 | – | – |
| Canara Robeco Treasury Advantage Fund - Institutional Plus - Daily Dividend | – | – | 25,25,06,490.03 | 313.29 | 25,25,06,490.03 | 313.29 | – | – |
| Canara Robeco Treasury Advantage Fund - Super Institutional Plus - Growth | – | – | 32,96,34,777.56 | 415.00 | 32,96,34,777.56 | 415.00 | – | – |
| DWS Insta Cash Plus Fund - Super Institutional Plus - Daily Dividend | 5,08,35,377.21 | 50.94 | 4,52,56,493.05 | 45.35 | 9,60,91,870.26 | 96.29 | – | – |
| DWS Insta Cash Plus Fund - Super Institutional Plus - Growth | – | – | 192,94,25,766.22 | 2,185.50 | 167,42,85,702.22 | 1,894.50 | 25,51,40,064.00 | 291.00 |

# Schedules forming part of the balance sheet

**SCHEDULE F : INVESTMENTS :—** continued
(Item No. 9, Page 148)

| Name of Mutual Fund | Balance As at 1.04.2008 No. of Units | Balance As at 1.04.2008 Rupees crores | Purchased during the year No. of Units | Purchased during the year Rupees crores | Sold during the year No. of Units | Sold during the year Rupees crores | Balance As at 31.03.2009 No. of Units | Balance As at 31.03.2009 Rupees crores |
|---|---|---|---|---|---|---|---|---|
| DWS Ultra Short-Term Fund - Institutional Plus - Growth | – | – | 44,29,20,652.67 | 454.02 | 44,29,20,652.67 | 454.02 | – | – |
| HDFC Cash Mgmt Fund - Savings Plan - Daily Dividend | 13,89,552.92 | 1.48 | 74,56,89,566.35 | 793.15 | 74,70,79,119.27 | 794.63 | – | – |
| HDFC Cash Mgmt Fund - Savings Plan - Growth | – | – | 68,26,07,778.52 | 1,231.62 | 68,26,07,778.52 | 1,231.62 | – | – |
| HDFC Cash Mgmt Fund - Treasury Advantage - WP - Daily Dividend | – | – | 52,26,80,677.72 | 524.33 | 52,26,80,677.72 | 524.33 | – | – |
| HDFC Cash Mgmt Fund - Treasury Advantage - WP - Growth | – | – | 67,49,91,121.64 | 1,265.90 | 67,49,91,121.64 | 1,265.90 | – | – |
| HDFC Liquid Fund - Premium Plus Plan - Growth | – | – | 92,32,11,606.29 | 1,619.50 | 45,39,40,902.83 | 791.50 | 46,92,70,703.45 | 828.00 |
| HSBC Cash Fund - Institutional Plus - Daily Dividend | 1,01,32,014.52 | 10.14 | 68,05,94,552.44 | 680.98 | 69,07,26,566.96 | 691.12 | – | – |
| HSBC Cash Fund - Institutional Plus - Growth | – | – | 19,47,85,904.99 | 257.54 | 19,47,85,904.99 | 257.54 | – | – |
| HSBC Ultra Short Term Bond Fund - IP Plus - Growth | – | – | 34,80,51,209.20 | 404.05 | 34,80,51,209.20 | 404.05 | – | – |
| HSBC Ultra Short Term Bond Fund - IP Plus - Daily Dividend | – | – | 43,84,93,186.31 | 439.05 | 43,84,93,186.31 | 439.05 | – | – |
| ICICI Prudential Flexible Income Plan - Premium - Daily Dividend | – | – | 55,75,60,592.37 | 589.54 | 55,75,60,592.37 | 589.54 | – | – |
| ICICI Prudential Flexible Income Plan - Premium - Growth | – | – | 99,65,54,442.88 | 1,578.68 | 99,65,54,442.88 | 1,578.68 | – | – |
| ICICI Prudential Liquid - Super IP - Daily Dividend | 3,99,49,087.85 | 39.95 | 162,91,61,932.22 | 1,629.24 | 166,91,11,020.07 | 1,669.19 | – | – |
| ICICI Prudential Liquid - Super IP - Growth | – | – | 225,00,61,449.35 | 2,850.67 | 191,51,66,041.54 | 2,416.17 | 33,48,95,407.81 | 434.50 |
| IDFC Cash Fund - Plan C - Super I P - Growth | – | – | 110,60,49,877.28 | 1,176.00 | 110,60,49,877.28 | 1,176.00 | – | – |
| IDFC Liquid Fund - Daily Dividend | 4,399.89 | 0.44 | 25,54,594.86 | 255.49 | 25,58,994.76 | 255.93 | – | – |
| IDFC Liquid Fund - Growth | – | – | 3,77,893.21 | 46.00 | 3,77,893.21 | 46.00 | – | – |
| IDFC Liquidity Manager Fund Plus - Growth | – | – | 49,976.33 | 5.95 | 49,976.33 | 5.95 | – | – |
| IDFC Money Manager - Invest Plan - Plan B - Daily Dividend | – | – | 17,16,65,118.54 | 171.76 | 17,16,65,118.54 | 171.76 | – | – |
| IDFC Money Manager - Invest Plan - Plan B - Growth | – | – | 5,16,09,151.77 | 66.76 | 5,16,09,151.77 | 66.76 | – | – |
| IDFC Money Manager - Treasury Plan - Plan B - Growth | – | – | 58,54,38,410.87 | 813.40 | 58,54,38,410.87 | 813.40 | – | – |
| ING Liquid Fund - Super IP - Daily Dividend | 7,42,24,803.56 | 74.26 | 64,08,69,257.21 | 641.18 | 71,50,94,060.77 | 715.44 | – | – |
| ING Liquid Fund - Super IP - Growth | – | – | 25,30,81,495.61 | 317.00 | 25,30,81,495.61 | 317.00 | – | – |
| ING Treasury Advantage Fund - IP - Daily Dividend | – | – | 37,78,57,148.67 | 377.98 | 37,78,57,148.67 | 377.98 | – | – |
| JM High Liquidity - Super I P - Daily Dividend | 4,05,98,057.69 | 40.67 | 50,046.34 | 0.05 | 4,06,48,104.03 | 40.72 | – | – |
| Kotak Flexi Debt Fund - Daily Dividend | – | – | 39,74,45,421.23 | 398.68 | 39,74,45,421.23 | 398.68 | – | – |
| Kotak Flexi Debt Fund - IP - Daily Dividend | – | – | 37,04,98,645.47 | 372.26 | 37,04,98,645.47 | 372.26 | – | – |
| Kotak Flexi Debt Fund - IP - Growth | – | – | 67,21,76,386.58 | 691.26 | 67,21,76,386.58 | 691.26 | – | – |
| Kotak Floater - LT - Growth | – | – | 39,73,22,860.26 | 549.21 | 39,73,22,860.26 | 549.21 | – | – |
| Kotak Liquid - Institutional Premium Plan - Daily Dividend | 46,75,126.10 | 5.72 | 45,70,47,503.44 | 558.88 | 46,17,22,629.54 | 564.60 | – | – |
| Kotak Liquid - Institutional Premium Plan - Growth | – | – | 139,44,87,298.66 | 2,442.60 | 118,95,53,158.32 | 2,077.60 | 20,49,34,140.34 | 365.00 |
| LIC MF Liquid Fund - Daily Dividend | 23,74,277.68 | 2.61 | 17,82,58,795.60 | 195.73 | 18,06,33,073.29 | 198.34 | – | – |
| LIC MF Liquid Fund - Growth | – | – | 34,09,57,835.90 | 540.00 | 24,75,34,816.47 | 390.00 | 9,34,23,019.43 | 150.00 |
| Lotus India Liquid Fund - Super IP - Growth | – | – | 1,15,93,775.13 | 13.26 | 1,15,93,775.13 | 13.26 | – | – |
| Lotus India Liquid Plus Fund - IP - Daily Dividend | – | – | 50,05,31,726.42 | 501.32 | 50,05,31,726.42 | 501.32 | – | – |
| Lotus India Liquid Plus Fund - IP - Growth | – | – | 27,79,29,885.45 | 316.32 | 27,79,29,885.45 | 316.32 | – | – |
| Lotus India Liquid Fund- Super IP - | | | | | | | | |

# Schedules forming part of the balance sheet

**SCHEDULE F : INVESTMENTS :—** continued
(Item No. 9, Page 148)

| Name of Mutual Fund | Balance As at 1.04.2008 No. of Units | Rupees crores | Purchased during the year No. of Units | Rupees crores | Sold during the year No. of Units | Rupees crores | Balance As at 31.03.2009 No. of Units | Rupees crores |
|---|---|---|---|---|---|---|---|---|
| Daily Dividend | 1,43,66,597.63 | 14.37 | 73,26,61,376.55 | 732.89 | 74,70,27,974.18 | 747.26 | – | – |
| PRINCIPAL Cash Mgmt Fund LO - Inst Prem. Plan - Daily Dividend | 16,57,10,412.08 | 165.72 | 45,35,68,280.86 | 453.60 | 61,92,78,692.93 | 619.32 | – | – |
| PRINCIPAL Cash Mgmt Fund LO - Inst Prem. Plan - Growth | – | – | 87,15,30,590.70 | 1,162.04 | 87,15,30,590.70 | 1,162.04 | – | – |
| PRINCIPAL Floating Rate Fund - FMP - IP - Daily Dividend | – | – | 35,64,38,281.90 | 356.88 | 35,64,38,281.90 | 356.88 | – | – |
| PRINCIPAL Floating Rate Fund - FMP - IP - Growth | – | – | 36,38,82,275.47 | 486.45 | 36,38,82,275.47 | 486.45 | – | – |
| PRINCIPAL Money Manager Fund - IP - Monthly Dividend | – | – | 9,68,66,735.34 | 100.75 | 9,68,66,735.34 | 100.75 | – | – |
| Reliance Liquidity Fund - Daily Dividend | 7,54,65,350.11 | 75.49 | 103,21,66,755.62 | 1,032.49 | 110,76,32,105.73 | 1,107.98 | – | – |
| Reliance Liquidity Fund - Growth | – | – | 83,11,78,677.34 | 1,069.98 | 83,11,78,677.34 | 1,069.98 | – | – |
| Reliance Money Manager Fund - IP - Daily Dividend | – | – | 44,33,691.76 | 443.87 | 44,33,691.76 | 443.87 | – | – |
| Reliance Money Manager Fund - IP - Growth | – | – | 29,75,761.90 | 343.87 | 29,75,761.90 | 343.87 | – | – |
| Religare Liquid Fund - Super IP - Growth | – | – | 74,60,66,568.15 | 899.00 | 53,82,56,321.43 | 648.00 | 20,78,10,246.73 | 251.00 |
| Religare Ultra Short Term Fund - IP - Growth | – | – | 25,14,90,917.99 | 301.14 | 25,14,90,917.99 | 301.14 | – | – |
| SBI Premier Liquid Fund - Super IP - Daily Dividend | – | – | 43,20,51,589.06 | 433.46 | 43,20,51,589.06 | 433.46 | – | – |
| SBI Premier Liquid Fund - Super IP - Growth | – | – | 15,97,11,120.03 | 217.46 | 15,97,11,120.03 | 217.46 | – | – |
| SBI SHF - Ultra Short Term - IP - Daily Dividend | – | – | 40,60,42,017.76 | 406.25 | 40,60,42,017.76 | 406.25 | – | – |
| SBI SHF - Ultra Short Term - IP - Growth | – | – | 47,09,29,832.85 | 518.27 | 47,09,29,832.85 | 518.27 | – | – |
| Sundaram BNP Paribas Money Fund - Super IP - Daily Dividend | 5,46,23,873.12 | 55.14 | 1,50,343.89 | 0.15 | 5,47,74,217.00 | 55.29 | – | – |
| Tata Dynamic Bond Fund - Option B - Dividend | – | – | 99,35,91,921.03 | 1,018.95 | 99,35,91,921.03 | 1,018.95 | – | – |
| Tata Dynamic Bond Fund - Option B - Growth | – | – | 74,94,72,947.42 | 1,018.94 | 74,94,72,947.42 | 1,018.94 | – | – |
| Tata Floater Fund - Daily Dividend | – | – | 44,78,11,003.25 | 449.41 | 44,78,11,003.25 | 449.41 | – | – |
| Tata Floater Fund - Growth | – | – | 64,39,09,507.61 | 813.14 | 64,39,09,507.61 | 813.14 | – | – |
| Tata Liquid Fund - SHIP - Daily Dividend | 1,56,323.30 | 17.41 | 67,41,075.63 | 751.31 | 68,97,398.93 | 768.72 | – | – |
| Tata Liquid Fund - SHIP - Growth | – | – | 2,18,92,982.24 | 3,464.17 | 1,95,37,499.17 | 3,081.06 | 23,55,483.08 | 383.11 |
| Templeton India TMA - Super IP - Daily Dividend | 3,57,993.01 | 35.81 | 14,55,509.60 | 145.63 | 18,13,502.60 | 181.44 | – | – |
| Templeton India TMA - Super IP - Growth | – | – | 1,28,81,362.75 | 1,635.00 | 1,28,81,362.75 | 1,635.00 | – | – |
| Templeton India Ultra Short Bond Fund - Super IP - Growth | – | – | 21,64,41,637.94 | 232.00 | 21,64,41,637.94 | 232.00 | – | – |
| UTI Liquid Cash Plan Institutional - Daily Income Reinvestment | 21,63,260.38 | 220.53 | 24,68,230.26 | 251.62 | 46,31,490.64 | 472.15 | – | – |
| UTI Liquid Fund - Cash Plan - IP - Dly Dividend | – | – | 31,00,753.71 | 316.11 | 31,00,753.71 | 316.11 | – | – |
| UTI Liquid Fund - Cash Plan - IP - Growth | – | – | 71,95,296.68 | 1,017.11 | 62,79,773.72 | 884.89 | 9,15,522.96 | 132.22 |
| UTI Money Market - Growth | – | – | 14,95,83,782.90 | 366.00 | 14,95,83,782.90 | 366.00 | – | – |
| UTI Treasury Advantage Fund - IP - Daily Dividend | – | – | 10,21,233.81 | 102.15 | 10,21,233.81 | 102.15 | – | – |
| UTI Treasury Advantage Fund - IP - Growth | – | – | 74,95,426.93 | 862.44 | 74,95,426.93 | 862.44 | – | – |
| **TOTAL LIQUID FUNDS** | | **1,027.84** | | **57,393.41** | | **55,151.92** | | **3,269.33** |
| **TOTAL MUTUAL FUNDS INVESTMENTS** | | **1,027.84** | | **59,272.26** | | **57,030.77** | | **3,269.33** |

# Schedules forming part of the balance sheet

**SCHEDULE G : STOCK-IN-TRADE :—**
(Item No. 11A(b), Page 148)

| | | Rupees crores | *As at 31-03-2008 Rupees crores* |
|---|---|---|---|
| *(a)* | Finished and semi-finished products produced and purchased by the Company, at lower of cost and net realisable value (including purchased goods-in-transit) | **1,361.85** | *1,074.27* |
| *(b)* | Work-in-progress (at lower of cost and net realisable value) | **73.17** | *71.48* |
| | | **1,435.02** | *1,145.75* |
| *(c)* | Coal, iron ore and other raw materials produced and purchased by the Company, at lower of cost and net realisable value (including purchased raw materials-in-transit) | **1,433.26** | *901.56* |
| | | **2,868.28** | *2,047.31* |

**SCHEDULE H : SUNDRY DEBTORS :—**
(Item No. 11A(c), Page 148)

| | | Rupees crores | *As at 31-03-2008 Rupees crores* |
|---|---|---|---|
| *(a)* | Over six months old | **42.36** | *73.25* |
| *(b)* | Others | **619.51** | *503.90* |
| | | **661.87** | *577.15* |
| | *Less* — Provision for doubtful debts | **25.89** | *33.67* |
| | | **635.98** | *543.48* |

| | Rupees crores | *As at 31-03-2008 Rupees crores* |
|---|---|---|
| Sundry debts, unsecured and considered good | **635.98** | *543.48* |
| Sundry debts, considered doubtful | **25.89** | *33.67* |
| | **661.87** | *577.15* |

TATA

# Schedules forming part of the balance sheet

**SCHEDULE I : CASH AND BANK BALANCES :—**
(Item No. 11A(e), Page 148)

| | | Rupees crores | *As at 31-03-2008 Rupees crores* |
|---|---|---|---|
| *(a)* | Cash in hand [including cheques : **Rs. 70.09** crores *(31.03.2008 : Rs. 124.03 crores)*] | **70.58** | *124.51* |
| *(b)* | Remittance in transit | **1.07** | *13.11* |
| *(c)* | Current accounts with Scheduled Banks | **390.90** | *326.50* |
| *(d)* | Current account with Bank of Bhutan (❖ **Rs. 1,000.00**) | **❖ *** | *❖ ** |
| *(e)* | Current account with CitiBank Singapore | **0.15** | *0.19 ** |
| *(f)* | Current account with Standard Chartered Bank, London | **0.88** | *0.69** |
| *(g)* | Deposit accounts with Scheduled Banks | **1,127.02** | *0.04* |
| | | **1,590.60** | *465.04* |

* Maximum balances in current account with.

| | | 2008-09 Rupees crores | *2007-08 Rupees crores* |
|---|---|---|---|
| 1. | Bank of Bhutan (**# Rs. 1,000.00**) | **#** | *#* |
| 2. | CitiBank Singapore | **0.27** | *0.30* |
| 3. | Standard Chartered Bank, London | **0.88** | *3,555.95* |

**SCHEDULE J : LOANS AND ADVANCES :—**
(Item No. 11(B), Page 148)

| | | Rupees crores | *As at 31-03-2008 Rupees crores* |
|---|---|---|---|
| *(a)* | Advances with public bodies[1] | **379.78** | *369.98* |
| *(b)* | Other advances[2] | **3,739.24** | *1,621.32* |
| *(c)* | Advance against equity | | |
| | (i) Tata Steel Holdings Pte. Ltd. | **237.61** | *30,326.12* |
| | (ii) Others | **10.00** | *570.04* |
| *(d)* | Loans and Advances to subsidiary companies[3] | **187.50** | *480.38* |
| *(e)* | Advance payment against taxes | **95.80** | *63.48* |
| | | **4,649.93** | *33,431.32* |
| | *Less* — Provision for doubtful advances | **71.89** | *82.58* |
| | | **4,578.04** | *33,348.74* |

| | Rupees crores | *As at 31-03-2008 Rupees crores* |
|---|---|---|
| Loans and Advances, unsecured and considered good | **4,578.04** | *33,348.74* |
| Loans and Advances, considered doubtful | **71.89** | *82.58* |
| | **4,649.93** | *33,431.32* |

*Notes :* 1. Advances with public bodies include balances with Customs, Port Trust, etc. **Rs. 340.16** crores *(31.03.2008 : Rs. 357.53 crores).*

2. Other advances include :

*(a)* Loan due by an Officer of the Company **Rs. 73,750** *(31.03.2008 : Rs. 88,750).* Maximum balance during the year **Rs. 88,750** *(2007-08 : Rs. 1,03,750).*

*(b)* Intercorporate deposits of **Rs. 17.07** crores *(31.03.2008 : Rs. 89.80 crores).*

3. Loans and Advances to subsidiary companies include Loans and Advances in the nature of Loans given to subsidiaries **Rs. 148.28** crores *(31.03.2008 : Rs. 454.16 crores)* - [See Note 10(c), Page 173].

# Schedules forming part of the balance sheet

**SCHEDULE K : CURRENT LIABILITIES :—**
(Item No. 12(A), Page 148)

| | | Rupees crores | **Rupees crores** | *As at 31-03-2008 Rupees crores* |
|---|---|---|---|---|
| (a) | Sundry creditors : | | | |
| | (i) For supplies/services | 2,230.41 | | 2,182.52 |
| | (ii) For accrued wages and salaries | 653.07 | | 469.16 |
| | (iii) For other liabilities | 959.30 | | 591.74 |
| | | | **3,842.78** | 3,243.42 |
| (b) | Subsidiary companies | | **1,358.12** | 115.74 |
| (c) | Interest accrued but not due | | **506.68** | 231.05 |
| (d) | Advances received from customers | | **297.37** | 226.03 |
| (e) | Liability towards Investors Education and Protection Fund under Section 205C of the Companies Act, 1956 | | | |
| | Due as on | | | |
| | (i) Unpaid Dividends | | **–** | – |
| | (ii) Application Money Pending Refund | | **–** | – |
| | (iii) Unpaid Matured Deposits | | **0.01** | 0.02 |
| | (iv) Unpaid Matured Debentures | | **–** | – |
| | (v) Interest Accrued on (i) to (iv) above | | **0.07** | 0.08 |
| | Not due as on | | | |
| | (i) Unpaid Dividends | | **33.08** | 29.33 |
| | (ii) Application Money Pending Refund | | **0.24** | 5.65 |
| | (iii) Unpaid Matured Deposits | | **1.03** | 1.73 |
| | (iv) Unpaid Matured Debentures | | **0.14** | 1.79 |
| | (v) Interest Accrued on (i) to (iv) above | | **0.34** | 0.42 |
| | | | **6,039.86** | 3,855.26 |

| | **Rupees crores** | *As at 31-03-2008 Rupees crores* |
|---|---|---|
| Note : Sundry creditors for other liabilities include: Liability for Employees Family Benefit Scheme | **54.54** | 48.02 |

**SCHEDULE L : PROVISIONS :—**
(Item No. 12(B), Page 148)

| | | **Rupees crores** | *As at 31-03-2008 Rupees crores* |
|---|---|---|---|
| (a) | Provision for employee benefits [including provision for leave salaries **Rs. 312.99** crores *(31.03.2008: Rs. 228.52 crores)*] | **1,143.08** | 848.54 |
| (b) | Provision for taxation | **493.59** | 854.74 |
| (c) | Provision for fringe benefit tax | **19.12** | 19.12 |
| (d) | Proposed dividends | **1,278.40** | 1,191.12 |
| | | **2,934.19** | 2,913.52 |

Signatures to Schedules 1 to 4 and A to L and Notes on pages 169 to 192

For and on behalf of the Board

RATAN N TATA — *Chairman*

JAMES LENG
NUSLI N WADIA
S M PALIA
ISHAAT HUSSAIN
JAMSHED J IRANI
SUBODH BHARGAVA
JACOBUS SCHRAVEN
ANDREW ROBB — *Directors*

B MUTHURAMAN — *Managing Director*
KIRBY ADAMS — *Director*
H M NERURKAR — *Executive Director*

*Mumbai, 25th June, 2009*

J C BHAM
*Company Secretary*

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

1. **Accounting Policies**

   **(a) Basis for Accounting**

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

   **(b) Revenue Recognition**

   (i) Sales comprises sale of goods and services, net of trade discounts.

   (ii) Export incentive under the Duty Entitlement Pass Book Scheme has been recognised on the basis of credits afforded in the pass book.

   **(c) Employee Benefits**

   (i) Short-term employee benefits are recognised as an expense at the undiscounted amount in the Profit and Loss Account of the year in which the related service is rendered.

   (ii) Post employment benefits are recognised as an expense in the Profit and Loss Account for the year in which the employee has rendered services. The expense is recognised at the present value of the amount payable towards contributions. The present value is determined using the market yields of government bonds, at the balance sheet date, as the discounting rate.

   (iii) Other long-term employee benefits are recognised as an expense in the Profit and Loss Account for the period in which the employee has rendered services. Estimated liability on account of long-term benefits is discounted to the current value, using the market yield on government bonds, as on the date of balance sheet, 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. Borrowing 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 of assets 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. Monetary assets and liabilities relating to foreign currency transactions and forward exchange contracts remaining unsettled at the end of the year are translated at year end rates.

   The company has opted for accounting the exchange differences arising on reporting of long term foreign currency monetary items in line with Companies (Accounting Standards) Amendment Rules 2009 relating to Accounting Standard 11 (AS-11) notified by

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

Government of India on 31st March, 2009. Accordingly the effect of exchange differences on foreign currency loans of the company is accounted by addition or deduction to the cost of the assets so far it relates to depreciable capital assets and in other cases by transfer to "Foreign Currency Monetary Items Translation Difference Account" to be amortised over the balance period of the long-term monetary items or 31st March, 2011 whichever is earlier. Exchange difference recognised in the Profit & Loss Account up to last financial year ended 31st March, 2008 relating to said long term monetary items in foreign currency has been adjusted against opening revenue reserve as provided in the rules.

The differences in translation of FCT and forward exchange contracts used to hedge FCT (excluding the long term foreign currency monetary items accounted in line with Companies (Accounting Standards) Amendment Rules 2009 on Accounting Standard 11 notified by Government of India on 31st March, 2009) and realised gains and losses, other than those relating to fixed assets are recognised in the Profit and Loss Account. The outstanding derivative contracts at the balance sheet date other than forward exchange contracts used to hedge FCT are valued by marking them to market and losses, if any, are recognised in the Profit and Loss Account.

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

**(g) Investments**

Long term investments are carried at cost less provision for permanent diminution, if any, 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.

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

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

Stores and spare parts are carried at cost. Necessary provision is made and 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. 81.22** crores *(31.03.2008 : Rs. 106.22 crores)* to banks and financial institutions on behalf of others. As at 31st March, 2009, the contingent liabilities under these guarantees amounted to **Rs. 81.22** crores *(31.03.2008 : Rs. 106.22 crores)*.

**(b) Claims not acknowledged by the Company**

| | **As at 31.03.2009 Rs. crores** | *As at 31.03.2008 Rs. crores* |
|---|---|---|
| (i) Excise | **340.61** | *193.47* |
| (ii) Customs | **13.68** | *13.66* |
| (iii) Sales Tax | **456.01** | *446.89* |
| (iv) State Levies | **154.67** | *96.78* |
| (v) Suppliers and Service Contract | **70.52** | *81.35* |
| (vi) Labour Related | **34.63** | *32.98* |
| (vii) Income Tax | **176.60** | *57.83* |

**(c)** Claim by a party arising out of conversion arrangement - **Rs. 195.82** crores *(31.03.2008 : Rs. 195.82 crores)*. The Company has not acknowledged this claim and has instead filed a claim of **Rs. 139.65** crores *(31.03.2008 : Rs. 139.65 crores)* on the party. The matter is pending before the Calcutta High Court.

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

**(d)** The Excise Department has raised a demand of **Rs. 235.48** crores *(31.03.2008 : Rs. 235.48 crores)* denying the benefit of Notification No. 13/2000 which provides for exemption to the integrated steel plant from payment of excise duty on the freight amount incurred for transporting material from plant to stock yard and consignment agents. The Company filed an appeal with CESTAT, Kolkata and the order of the department was set aside. The department has filed an appeal in Supreme Court where the matter is pending.

**(e)** The State Government of Orissa introduced "Orissa Rural Infrastructure and Socio Economic Development Act 2004" with effect from February 2005 levying tax on mineral bearing land computed on the basis of value of minerals produced from the mineral bearing land. The Company had filed a Writ Petition in the High Court of Orissa, challenging the validity of the Act. Orissa High Court held in November 2005 that State does not have authority to levy tax on minerals. The State Government of Orissa moved the Supreme Court against the order of Orissa High Court and the case is pending with Supreme Court. The liability, if it materialises, as at 31.03.2009 would be **Rs. 1,041.67** crores *(31.03.2008 : Rs. 588.78 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. 22.08.1990. 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 order 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 31.03.2006 pronounced on 13.06.2006, 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. 155.79** crores *(31.03.2008 : Rs. 133.10 crores)*.

**(g)** In terms of the agreements entered into between Tata Teleservices Ltd. (TTSL), Tata Sons Ltd. (TSL) and NTT DoCoMo, Inc. of Japan (Strategic Partner-SP), the Company was given by Tata Sons an option to sell 52,46,590 equity shares in TTSL to the SP, as part of a secondary sale of 25,31,63,941 equity shares effected along with a primary issue of 84,38,79,801 shares by TTSL to the SP. Accordingly, the company realised Rs. 60.91 crores on sale of these shares resulting in a profit of Rs. 49.77 crores.

If certain performance parameters and other conditions are not met, should the SP decide to divest its entire shareholding in TTSL, acquired under the primary issue and the secondary sale, and should TSL be unable to find a buyer for such shares, the Company is obligated to acquire the shareholding of the SP, at the higher of fair value or 50 percent of the subscription purchase price, in proportion of the number of shares sold by the company to the aggregate of the secondary shares sold to the SP, or if the SP divests the shares at a lower price pay a compensation representing the difference between such lower sale price and the price referred to above.

Further, in the event of breach of the representations and warranties (other than title and tax) and covenants not capable of specific performance, the Company is liable to reimburse TSL, on a pro rata basis, upto a maximum sum of Rs. 78.75 crores. The exercise of the option by SP being contingent on several variables the liability, if any, is remote and indeterminable.

**(h)** The Company has been paying royalty on coal extracted from its quarries pursuant to the judgement and order dated 23.07.2002 passed by the Jharkhand High Court. However, the State Government demanded royalty on processed coal at rates applicable to processed coal. Though the Company has contested the above demand, it has started paying, under protest, royalty on processed coal from November 2008. The incremental royalty, paid under protest, during November 2008 to March 2009 of **Rs. 4.07** crores has been charged off to Profit and Loss Account. The incremental amount, if payable, for the period till October 2008 works out to **Rs. 232.57** crores *(31.03.2008 : Nil)* and has been considered as a contingent liability.

**(i)** Uncalled liability on partly paid shares and debentures **Rs. 0.01** crore *(31.03.2008 : Rs. 0.01 crore)*.

**(j)** Bills discounted **Rs. 472.14** crores *(31.03.2008 : Rs. 434.52 crores)*.

**(k)** Cheques discounted : Amount indeterminate.

**3.** The Company has given undertakings to (a) IDBI Bank Ltd. and IFCI not to dispose of its investment in The Tinplate Company of India Limited, (b) ICICI Bank Ltd. (formerly ICICI), IFCI and IIBI not to dispose of its investment in the Indian Steel Rolling Mills Ltd. (ISRM). The ISRM is under liquidation, (c) IDBI 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) 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., (f) State Bank of India not to dispose of its investment in Tata BlueScope Ltd. (g) Standard Chartered Bank and Hong Kong and Shanghai Banking Corporation, not to dispose of majority stake in Tata Steel (KZN) (Pty) Ltd., (h) Mizuho Corporate Bank Limited, not to dispose of its investments in Tata NYK Shipping Pte. Limited, (minimal stake required to be able to provide a corporate guarantee towards long term debt), without the prior consent of the respective financial institutions/banks so long as any part of the loans/facilities sanctioned by the institutions/banks to these eight companies remains outstanding.

The Company has furnished a Security Bond in respect of its immovable property to the extent of Rs. 20 crores in favour of the Registrar of the Delhi High Court and has given an undertaking not to sell or otherwise dispose of the said property.

The Promoters' (i.e. L & T Infrastructure Development Projects Ltd. and Tata Steel Ltd.) combined investments in The Dhamra Port Company Ltd., (DPCL) representing 51% of DPCL's paid-up equity share capital are pledged with IDBI Trusteeship Services Ltd.

The Promoters' (i.e. The Tata Power Company Limited. and Tata Steel Ltd.) combined investments in Industrial Energy Limited., (IEL) representing 51% of IEL's paid-up equity share capital are pledged with Infrastructure Development Corporation Limited (IDFC).

The Company has provided a financing commitment to the extent of £ 425 million to Tata Steel Europe Limited, an indirect wholly-owned subsidiary of the Company, to enable it to meet the financial covenants of the Senior Facilities Agreements with its Lenders.

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

**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, 2009.

**5.** The Board of Industrial and Financial Reconstruction (BIFR) sanctioned a scheme for rehabilitation of The Indian Steel and Wire Products Limited (ISWP), a sick Company in FY 2003-04. In terms of the scheme, the Company –
*(a)* took management control of ISWP; *(b)* acquired 4,74,130 Equity Shares from the existing promoters at Re. 1/- per share; *(c)* converted Rs. 5.00 crores of dues into 50,00,000 fully paid Equity Shares at Rs. 10 each and Rs. 10.88 crores into unsecured loan to be repaid by ISWP in 8 annual installments starting from FY 2004-05; (d) has an advance of **Rs. 19.47** crores as at 31.03.2009 *(31.03.2008: Rs. 27.12 crores)* with ISWP towards one time settlement with financial institutions for capital expenditure and margin for working capital.

**6.** 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 24.08.1999.

**7.** Estimated amount of contracts remaining to be executed on Capital Account and not provided for : **Rs. 10,152.99** crores *(31.03.2008 : Rs. 6,633.20 crores)*.

**8.** The Company has taken on lease Plant and Machinery, having an aggregate cost of **Rs. 3.79** crores *(31.03.2008 : 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 *(2007-08 : Rs. 0.73 crore)*. The break up of total minimal lease payments due as at 31st March, 2009 and their corresponding present value are as follows :

**Rs. crores**

| | **As at 31.03.2009** | | *As at 31.03.2008* | |
|---|---|---|---|---|
| **Period** | **Minimum Lease Payments** | **Present Value** | *Minimum Lease Payments* | *Present Value* |
| Not later than one year | **0.46** | **0.42** | *0.72* | *0.66* |
| Later than one year but not later than five years | **–** | **–** | *0.48* | *0.40* |
| Later than five years | **–** | **–** | *–* | *–* |
| **Total** | **0.46** | **0.42** | *1.20* | *1.06* |

**9. 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. 76.93** crores *(31.03.2008 : Rs. 57.31 crores)* in respect of schemes introduced during the year.

ii) The amounts payable within one year under the ESS aggregates to **Rs. 199.93** crores *(31.03.2008 : Rs. 204.73 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. 37.65** crores *(2007-08 : Rs. 34.47 crores)* and **Rs. 2.05** crores *(2007-08 : Rs. 1.90 crores)* respectively in respect of Research and Development activities undertaken during the year.

c) The company has opted for accounting the exchange differences arising on reporting of long term foreign currency monetary items in line with Companies (Accounting Standards) Amendment Rules 2009 relating to Accounting Standard 11 (AS-11) notified by Government of India on 31st March, 2009.

As a result of this change in the accounting, the exchange difference of **Rs. 529.15** crores (net of tax) recognised in the Profit & Loss Account up to last financial year ended 31st March, 2008 relating to long term monetary items in foreign currency has been adjusted against opening revenue reserve. As on 31st March, 2009, **Rs. 471.66** crores remains to be amortised in the "Foreign Currency Monetary Items Translation Difference Account" after taking a charge of **Rs. 30.79** crores in the Profit & Loss Account and **Rs. 32.54** crores (net of deferred tax Rs. 16.76 crores) adjusted against Securities Premium Account during the current financial year on account of amortisation. Consequently the Depreciation for the year ended 31st March, 2009 is higher by **Rs. 2.04** crores and the Profit before taxes for the year ended 31st March, 2009 is higher by **Rs. 889.47** crores.

## 10. Other Significant Disclosures

a) The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises as at 31st March, 2009 are as under:

**Rupees**

| Sl. No. | Description | 2008-09 |
|---|---|---|
| 1. | The principal amount remaining unpaid to supplier as at the end of accounting year [included in Item (a)(i) to Schedule K – Page 168] | **1,35,960.00** |
| 2. | The interest due thereon remaining unpaid to supplier as at the end of accounting year | **21,593.95** |
| 3. | The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointment day during the year 2008-09 | **–** |
| 4. | The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act | **13,259.95** |
| 5. | The amount of interest accrued during the year and remaining unpaid at the end of the accounting year [included in Item (a)(i) to Schedule K – Page 168] | **34,853.90** |

The previous year's figures are not given, as there were no reported Micro and Small Enterprises upto 31st March, 2008.

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.

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 31.03.2009 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 | **0.80** | **0.80** | **–** |
| | | *0.76* | *0.76* | *–* |
| The Indian Steel and Wire Products Ltd. | Subsidiary | **19.47** | **31.96** | **–** |
| | | *30.34* | *32.26* | *–* |
| Kalimati Investment Co. Ltd. | Subsidiary | **–** | **–** | **6,71,455** |
| | | *–* | *20.00* | *6,71,455* |
| NatSteel Asia Pte. Ltd. | Subsidiary | **–** | **338.08** | **–** |
| | | *298.68* | *298.68* | *–* |
| Tata Steel (KZN) (Pty.) Ltd. | Subsidiary | **128.01** | **136.80** | **–** |
| | | *101.38* | *116.45* | *–* |
| Rawmet Ferrous Industries Ltd. | Subsidiary | **–** | **8.00** | **–** |
| | | *5.00* | *5.00* | *–* |
| Jamshedpur Utilities & Services Co. Ltd. | Subsidiary | **–** | **18.00** | **–** |
| | | *18.00* | *18.00* | *–* |
| Tayo Rolls | Subsidiary | **–** | **10.00** | **–** |
| | | *–* | *–* | *–* |
| Industrial Energy Ltd. | Associate | **15.07** | **79.16** | **–** |
| | | *60.15* | *60.15* | *–* |
| The Tinplate Company of India Ltd. | Associate | **180.00** | **180.00** | **–** |
| | | *70.00* | *70.00* | *–* |

## 11. Employee Benefits

a) The Company has recognised, in the Profit and Loss Account for the year ended 31st March, 2009, an amount of **Rs. 147.20** crores *(31.03.2008 : Rs. 118.34 crores)* expenses under defined contribution plans.

**Rs. crores**

| Benefit (Contribution to) | 2008-09 | *2007-08* |
|---|---|---|
| Provident Fund | **94.72** | *73.22* |
| Superannuation Fund | **25.03** | *20.38* |
| Employees Pension Scheme/Coal Mines Pension Scheme | **16.90** | *16.58* |
| TISCO Employees Pension Scheme | **10.55** | *8.16* |
| **Total** | **147.20** | *118.34* |

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

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

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

c) Details of the post retirement gratuity plan are as follows:

**Rs. crores**

| Description | 2008-09 | 2007-08 |
|---|---|---|
| **1. Reconciliation of opening and closing balances of obligation** | | |
| a. Obligation as at the beginning of the year | **761.17** | *694.99* |
| b. Current Service Cost | **35.26** | *30.17* |
| c. Interest Cost | **57.97** | *54.84* |
| d. Actuarial (Gain)/Loss | **272.27** | *41.74* |
| e. Benefits paid | **(73.05)** | *(60.57)* |
| f. Obligation as at the end of the year | **1,053.62** | *761.17* |
| **2. Change in Plan Assets (Reconciliation of opening & closing balances)** | | |
| a. Fair Value of Plan Assets as at beginning of the year | **709.14** | *645.68* |
| b. Expected Return on Plan Assets | **57.14** | *52.34* |
| c. Actuarial Gain/(Loss) | **33.35** | *(6.02)* |
| d. Contributions | **83.35** | *77.72* |
| e. Benefits Paid | **(73.05)** | *(60.57)* |
| f. Fair Value of Plan Assets as at the end of the year | **809.93** | *709.14* |
| **3. Reconciliation of fair value of assets and obligations** | | |
| a. Fair Value of Plan Assets as at the end of the year | **809.93** | *709.14* |
| b. Present Value of Obligation as at the end of the year | **1,053.62** | *761.17* |
| c. Amount Recognised in the Balance Sheet | **(243.69)** | *(52.03)* |
| **4. Expense recognised in the period** | | |
| a. Current Service Cost | **35.26** | *30.17* |
| b. Interest Cost | **57.97** | *54.84* |
| c. Expected Return on Plan Assets | **(57.14)** | *(52.34)* |
| d. Actuarial (Gain)/Loss | **238.92*** | *47.76* |
| e. Expense Recognised during the year | **275.01** | *80.43* |

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

| 5. Investment Details | **% invested 31.03.2009** | *% invested 31.03.2008* |
|---|---|---|
| a. GOI Securities | **15.07** | *16.45* |
| b. Public Sector Unit Bonds | **36.28** | *37.81* |
| c. State/Central Guaranteed Securities | **11.79** | *8.91* |
| d. Special Deposit Schemes | **11.49** | *27.11* |
| e. Private Sector Bonds | **5.65** | *4.80* |
| f. Others (including bank balances) | **19.72** | *4.92* |
| | **100.00** | *100.00* |

| 6. Assumptions | **31.03.2009** | *31.03.2008* |
|---|---|---|
| a. Discount Rate (per annum) | **7.75%** | *8.00%* |
| b. Estimated Rate of Return on Plan Assets (per annum) | **8.00%** | *8.00%* |
| c. Rate of Escalation in Salary (per annum) | **6 to 10%** | *5 to 10%* |

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

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

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

Rs. crores

| Description | 2008-09 | | *2007-08* | |
|---|---|---|---|---|
| | **Medical** | **Others** | *Medical* | *Others* |
| **1. Reconciliation of opening and closing balances of obligation** | | | | |
| a. Obligation as at the beginning of the year | **507.42** | **37.73** | *457.10* | *33.21* |
| b. Current Service Cost | **6.26** | **0.97** | *5.62* | *1.20* |
| c. Interest Cost | **39.23** | **2.95** | *36.38* | *2.68* |
| d. Actuarial (Gain)/Loss | **22.94** | **(2.87)** | *40.74* | *2.08* |
| e. Benefits Paid | **(34.17)** | **(1.76)** | *(32.42)* | *(1.44)* |
| f. Obligation as at the end of the year | **541.68** | **37.02** | *507.42* | *37.73* |
| **2. Expense recognised in the period** | | | | |
| a. Current Service Cost | **6.26** | **0.97** | *5.62* | *1.20* |
| b. Interest Cost | **39.23** | **2.95** | *36.38* | *2.68* |
| c. Actuarial (Gain)/Loss | **22.94** | **(2.87)** | *40.74* | *2.08* |
| d. Expense Recognised during the year | **68.43** | **1.05** | *82.74* | *5.96* |
| The expense amounting to (a) Medical – **Rs. 68.43** crores *(31.03.2008: Rs. 82.74 crores)*, and (b) Others – **Rs. 1.05** crores *(31.03.2008: Rs. 5.96 crores)* is disclosed under the line item – Other Expenses | | | | |
| **3. Assumptions** | | | | |
| a. Discount Rate (per annum) as at the beginning of the year | **8.00%** | **8.00%** | *8.25%* | *8.25%* |
| b. Discount Rate (per annum) as at the end of the year | **7.75%** | **7.75%** | *8.00%* | *8.00%* |
| c. Medical Costs Inflation Rate | **5.00%** | | *5.00%* | |
| d. Average Medical Cost (Rs./person) as at the beginning of the year | **2,170** | | *1,970* | |
| e. Average Medical Cost (Rs./person) as at the end of the year | **2,290** | | *2,170* | |
| f. Effect of a 1% change in health care cost, on | **Increase (6% p.a.)** | **Decrease (4% p.a.)** | *Increase (6% p.a.)* | *Decrease (4% p.a.)* |
| – aggregate current service and interest cost | **5.51** | **(5.24)** | *6.85* | *(4.11)* |
| – closing balance of obligation | **75.48** | **(61.86)** | *54.63* | *(52.75)* |

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

f) Other disclosures:

Rs. crores

| Benefit | 2008-09 | *2007-08* | *2006-07* |
|---|---|---|---|
| | | **Retiring Gratuity** | |
| Defined Benefit Obligation | **1,053.62** | *761.17* | *694.99* |
| Plan Assets | **809.93** | *709.14* | *645.68* |
| Surplus/(Deficit) | **(243.69)** | *(52.03)* | *(49.31)* |
| Experience Adjustments on Plan Liabilities | **192.98** | *27.15* | *14.48* |
| Experience Adjustments on Plan Assets | **33.35** | *(6.02)* | *(18.29)* |
| | | **Medical** | |
| Defined Benefit Obligation | **541.68** | *507.42* | *457.10* |
| Plan Assets | **N.A.** | *N.A.* | *N.A.* |
| Surplus/(Deficit) | **N.A.** | *N.A.* | *N.A.* |
| Experience Adjustments on Plan Liabilities | **6.78** | *26.47* | *20.63* |
| Experience Adjustments on plan Assets | **N.A.** | *N.A.* | *N.A.* |
| | | **Others** | |
| Defined Benefit Obligation | **37.02** | *37.73* | *33.21* |
| Plan Assets | **N.A.** | *N.A.* | *N.A.* |
| Surplus/(Deficit) | **N.A.** | *N.A.* | *N.A.* |
| Experience Adjustments on Plan Liabilities | **3.70** | *1.13* | *0.41* |
| Experience Adjustments on Plan Assets | **N.A.** | *N.A.* | *N.A.* |

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

### 12. Information about Primary Business Segments

| Particulars | Business Segments | | | Unallocable | Eliminations | Total |
|---|---|---|---|---|---|---|
| | Steel | Ferro Alloys and Minerals | Others | | | |
| | Rs. crores | Rs. crores | Rs. crores | Rs. crores | Rs. crores | Rs. crores |
| **Revenue :** | | | | | | |
| **Total External Sales** | **20,455.98** | **2,323.64** | **1,536.15** | | | **24,315.77** |
| | *16,539.72* | *1,807.37* | *1,343.94* | | | *19,691.03* |
| Inter segment sales | **1,210.69** | **257.14** | **30.08** | | **(1,497.91)** | **–** |
| | *959.08* | *197.95* | *16.14* | | *(1,173.17)* | *–* |
| **Total Revenue** | **21,666.67** | **2,580.78** | **1,566.23** | | **(1,497.91)** | **24,315.77** |
| | *17,498.80* | *2,005.32* | *1,360.08* | | *(1,173.17)* | *19,691.03* |
| **Segment result before interest, exceptional items and tax** | **7,391.31** | **1,233.94** | **(29.54)** | **(127.41)** | | **8,468.30** |
| | *6,736.51* | *832.48* | *6.10* | *(153.12)* | | *7,421.97* |
| Less : Net finance charges (See Schedule 3, Page 152) | | | | | | **1,152.69** |
| | | | | | | *786.50* |
| Profit before Exceptional items and tax | | | | | | **7,315.61** |
| | | | | | | *6,635.47* |
| **Exceptional items** | | | | | | |
| Contribution for Sports Infrastructure | | | | | | **–** |
| | | | | | | *(150.00)* |
| Exchange Gain/(Loss) | | | | | | **–** |
| | | | | | | *580.89* |
| **Profit before Taxes** | | | | | | **7,315.61** |
| | | | | | | *7,066.36* |
| Taxes | | | | | | **2,113.87** |
| | | | | | | *2,379.33* |
| **Profit after Taxes** | | | | | | **5,201.74** |
| | | | | | | *4,687.03* |
| Segment Assets | **18,423.27** | **664.31** | **408.21** | **5,023.91** | | **24,519.70** |
| | *15,853.20* | *532.22* | *409.10* | *1,895.32* | | *18,689.84* |
| Segment Liabilities | **5,692.86** | **238.80** | **129.54** | **2,912.85** | | **8,974.05** |
| | *3,960.05* | *235.53* | *130.75* | *2,442.45* | | *6,768.78* |
| Total cost incurred during the year to acquire segment assets | **2,735.75** | **19.56** | **30.97** | | | **2,786.28** |
| | *2,416.90* | *(0.79)* | *42.86* | | | *2,458.97* |
| Segment Depreciation | **931.00** | **21.87** | **20.53** | | | **973.40** |
| | *793.20* | *23.42* | *17.99* | | | *834.61* |
| Non-Cash Expenses other than depreciation | **25.74** | **1.46** | **3.02** | **32.81** | | **63.03** |
| | *45.20* | *1.32* | *1.26* | *57.99* | | *105.77* |

**Information about Secondary Segments : Geographical**

| | **2008-09** | *2007-08* |
|---|---|---|
| | **Rs. crores** | *Rs. crores* |
| Revenue by Geographical Market | | |
| India | **20,914.02** | *17,492.15* |
| Outside India | **3,401.75** | *2,198.88* |
| | **24,315.77** | *19,691.03* |
| Additions to Fixed Assets and Intangible Assets | | |
| India | **2,786.28** | *2,458.97* |
| Outside India | **–** | *–* |
| | **2,786.28** | *2,458.97* |

| | **As at 31.03.2009** | *As at 31.03.2008* |
|---|---|---|
| | **Rs. crores** | *Rs. crores* |
| Carrying Amount of Segment Assets | | |
| India | **24,518.54** | *18,688.86* |
| Outside India | **1.16** | *0.98* |
| | **24,519.70** | *18,689.84* |

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

**Notes :**

(i) The Company has disclosed Business Segment as the primary segment. Segments have been identified taking into account the nature of the products, the differing risks and returns, the organisational structure and internal reporting system. The Company's operations predominantly relate to manufacture of Steel and Ferro Alloys and Minerals business. Other business segments comprise Tubes and Bearings.

(ii) Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis. The expenses, which are not directly relatable to the business segment, are shown as unallocated corporate cost. Assets and liabilities that cannot be allocated between the segments are shown as unallocated corporate assets and liabilities respectively.

(iii) Total Unallocable Assets exclude :

| | **As at 31.03.2009 Rs. crores** | *As at 31.03.2008 Rs. crores* |
|---|---|---|
| Investments | **42,371.78** | *4,103.19* |
| Advance against Equity/Shareholders' Loan | **247.61** | *30,896.16* |
| Foreign Currency Monetary Item Translation Difference Account | **471.66** | – |
| Miscellaneous Expenditure | **105.07** | *155.11* |
| | **43,196.12** | *35,154.46* |
| Total Unallocable Liabilities exclude : | | |
| Secured Loans | **3,913.05** | *3,520.58* |
| Unsecured Loans | **23,033.13** | *14,501.11* |
| Provision for Employee Separation Compensation | **1,033.60** | *1,071.30* |
| Deferred Tax Liability (Net) | **585.73** | *681.80* |
| | **28,565.51** | *19,774.79* |

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

**13. Related Party Disclosures**

**(a) List of Related Parties and Relationships**

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

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

| | | Name of the Party | Country |
|---|---|---|---|
| | 5. | Easteel Services (M) Sdn. Bhd. | Malaysia |
| | 6. | Eastern Steel Fabricators Phillipines, Inc. | Phillipines |
| | 7. | Eastern Steel Services Pte. Ltd. | Singapore |
| | 8. | Eastern Wire Pte. Ltd. | Singapore |
| | 9. | Materials Recycling Pte. Ltd. | Singapore |
| | 10. | Natferrous Pte. Ltd. | Singapore |
| | 11. | NatSteel (Xiamen) Ltd. | China |
| | 12. | NatSteel Asia (S) Pte. Ltd. | Singapore |
| | 13. | NatSteel Australia Pty. Ltd. | Australia |
| | 14. | NatSteel Equity IV Pte. Ltd. | Singapore |
| | 15. | NatSteel Trade International (Shanghai) Company Ltd. | China |
| | 16. | NatSteel Trade International Pte. Ltd. | Singapore |
| | 17. | NatSteel Vina Co. Ltd. | Vietnam |
| | 18. | PT Materials Recycling Indonesia | Indonesia |
| | 19. | Siam Industrial Wire Company Ltd. | Thailand |
| | 20. | Wuxi Jinyang Metal Products Co. Ltd. | China |
| III | | **Orchid Netherlands (No.1) B.V. *** | Netherlands |
| IV | | **Tata Steel Europe Ltd.** | UK |
| | 1. | Almana Steel Dubai (Jersey) Limited | Jersey |
| | 2. | Aluminium Delfzijl B.V. * | Netherlands |
| | 3. | Apollo Metals Ltd. | USA |
| | 4. | Ashorne Hill Management College | UK |
| | 5. | Augusta Grundstucks GmbH | Germany |
| | 6. | Automotive Laser Technologies Limited | UK |
| | 7. | Automotive Tailored Blanks B.V. * | Netherlands |
| | 8. | B S Pension Fund Trustee Ltd. | UK |
| | 9. | Bailey Steels Limited * | UK |
| | 10. | Beheermaatschappij Industriele Produkten B.V. | Netherlands |
| | 11. | Belfin Beheermaatschappij B.V. | Netherlands |
| | 12. | Bell & Harwood Limited | UK |
| | 13. | Blastmega Limited (United Steel Forgings Ltd.) | UK |
| | 14. | Blume Stahlservice GmbH | Germany |
| | 15. | Blume Stahlservice Polska Sp. Z.O.O | Poland |
| | 16. | Bore Samson Group Ltd. | UK |
| | 17. | Bore Steel Ltd. | UK |
| | 18. | British Guide Rails Ltd. | UK |
| | 19. | British Steel Holdings B.V. | Netherlands |
| | 20. | British Steel Nederland International B.V. | Netherlands |
| | 21. | British Steel Benelux B.V. | Netherlands |
| | 22. | British Steel Corporation Ltd | UK |
| | 23. | British Steel De Mexico S.A. de C.V. | Mexico |
| | 24. | British Steel Directors (Nominees) Limited | UK |
| | 25. | British Steel Employee Share Ownership Trustees Ltd. | UK |
| | 26. | British Steel Engineering Steels (Exports) Limited | UK |
| | 27. | British Steel International B.V. | Netherlands |
| | 28. | British Steel Samson Limited | UK |
| | 29. | British Steel Service Centres Ltd. | UK |
| | 30. | British Steel Tubes Exports Ltd. | UK |
| | 31. | British Transformer Cores Ltd. | UK |
| | 32 | British Tubes Stockholding Ltd. | UK |
| | 33. | Bs Quest Trustee Limited | UK |
| | 34. | Bskh Corporate Services (UK) Limited | UK |
| | 35. | Burgdorfer Grundstuecks GmbH | Germany |
| | 36. | Business Park Ymond B.V. * | Netherlands |
| | 37. | C V Benine | Netherlands |
| | 38. | C Walker & Sons (Steel) Ltd. | UK |
| | 39. | C Walker & Sons Ltd. | UK |
| | 40. | Catnic GmbH | Germany |
| | 41. | Catnic Limited | UK |
| | 42. | Cbs Investissements SAS | France |
| | 43. | Cladding & Decking (UK) Limited | UK |
| | 44. | Cogent Power Inc. | Canada |
| | 45. | Cogent Power Inc. | Mexico |
| | 46. | Cogent Power Inc. | USA |
| | 47. | Cogent Power Limited | UK |
| | 48. | Cold Drawn Tubes Ltd. | UK |
| | 49. | Color Steels Limited | UK |
| | 50. | Corbeil Les Rives SCI | France |
| | 51. | Corby (Northants) & District Water Co. | UK |
| | 52. | Cordor (C& B) Limited | UK |
| | 53. | Corus - Sistemas Constructivos E Revestimentos Metalicos, Lda | Portugal |
| | 54. | Corus Aerospace Service Centre Suzhou Co Ltd * | China |
| | 55. | Corus Aluminium Beheer B.V. | Netherlands |
| | 56. | Corus Aluminium Limited | UK |
| | 57. | Corus Aluminium Verwaltungsgesellschaft Mbh | Germany |
| | 58. | Corus Aluminium Voerde GmbH * | Germany |
| | 59. | Corus America Holdings Inc. | USA |
| | 60. | Corus America Inc. | USA |
| | 61. | Corus Batiment Et Systemes SAS | France |
| | 62. | Corus Belgium Bvba | Belgium |
| | 63. | Corus Benelux B.V. | Netherlands |
| | 64. | Corus Beteiligungs GmbH | Germany |
| | 65. | Corus Brokers Limited | UK |
| | 66. | Corus Building Systems Bulgaria AD * | Bulgaria |
| | 67. | Corus Building Systems N.V. | Belgium |
| | 68. | Corus Building Systems SAS | France |
| | 69. | Corus Byggesystemer A/S | Denmark |
| | 70. | Corus Byggsystem AB | Sweden |
| | 71. | Corus Byggsystemer A/S | Norway |
| | 72. | Corus Central Europe S.R.O. | Czech Republic |
| | 73. | Corus Cic Holdings Inc. | Canada |
| | 74. | Corus Cic Inc. | Canada |
| | 75. | Corus CNBV Investments | UK |
| | 76. | Corus Coatings Usa Inc. | USA |
| | 77. | Corus Cold Drawn Tubes Limited | UK |
| | 78. | Corus Construction Products (Thailand) Limited | Thailand |
| | 79. | Corus Consulting And Technical Services B.V. | Netherlands |

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

| | Name of the Party | Country |
|---|---|---|
| 80. | Corus Consulting B.V. | Netherlands |
| 81. | Corus Consulting Limited | UK |
| 82. | Corus Consulting Romania SRL | Romania |
| 83. | Corus Degels GmbH | Germany |
| 84. | Corus Denmark A/S | Denmark |
| 85. | Corus Deutschland GmbH | Germany |
| 86. | Corus Distribution Europe BV | Netherlands |
| 87. | Corus Electrical Limited | UK |
| 88. | Corus Engineering Limited | UK |
| 89. | Corus Engineering Steels (UK) Limited | UK |
| 90. | Corus Engineering Steels Holdings Limited | UK |
| 91. | Corus Engineering Steels Limited | UK |
| 92. | Corus Engineering Steels Overseas Holdings Limited | UK |
| 93. | Corus Finance Limited | UK |
| 94. | Corus Finland Oy | Finland |
| 95. | Corus France SAS | France |
| 96. | Corus Group Limited | UK |
| 97. | Corus Holdings Ltd. | UK |
| 98. | Corus Holdings SA | France |
| 99. | Corus Hungary Trading Limited Liability Company | Hungary |
| 100. | Corus India Ltd. | India |
| 101. | Corus International (India) Pvt. Limited | India |
| 102. | Corus International (Overseas Holdings) Limited | UK |
| 103. | Corus International Bulgaria Limited * | Bulgaria |
| 104. | Corus International Deutschland GmbH | Germany |
| 105. | Corus International Limited | UK |
| 106. | Corus International Nigeria * | Nigeria |
| 107. | Corus International Representacoes Do Brasil Ltda. | Brazil |
| 108. | Corus International Romania SRL | Romania |
| 109. | Corus International Services N.V | Belgium |
| 110. | Corus International Trading Limited | UK |
| 111. | Corus International Trading Limited | USA |
| 112 | Corus Investment B.V. | Netherlands |
| 113. | Corus Investments Ltd. | UK |
| 114. | Corus Ireland Ltd. | Ireland |
| 115. | Corus Italia SRL | Italy |
| 116. | Corus Laminacion Y Derivados, S.L. | Spain |
| 117. | Corus Large Diameter Pipes Limited | UK |
| 118. | Corus Liaison Services (India) Limited | UK |
| 119. | Corus Management Limited | UK |
| 120. | Corus Met B.V. | Netherlands |
| 121. | Corus Metal Iberica S.A | Spain |
| 122. | Corus Metals Limited | UK |
| 123. | Corus Middle East FZE | UAE |
| 124. | Corus Multi-Metals Limited | UK |
| 125. | Corus Nederland B.V. | Netherlands |
| 126. | Corus New Zealand Limited | New Zealand |
| 127. | Corus Norge A/S | Norway |
| 128. | Corus Packaging Plus Belgium N.V | Belgium |
| 129. | Corus Packaging Plus Norway A/S | Norway |

| | Name of the Party | Country |
|---|---|---|
| 130. | Corus Perfo B.V. | Netherlands |
| 131. | Corus Polska Sp.Z.O.O. | Poland |
| 132. | Corus Primary Aluminium B.V. | Netherlands |
| 133. | Corus Properties (Germany) Limited | UK |
| 134. | Corus Property | UK |
| 135. | Corus Quest Trustee Limited | UK |
| 136. | Corus Rail Consultancy Limited | UK |
| 137. | Corus Rail France S.A | France |
| 138. | Corus Rail Limited | UK |
| 139. | Corus Republic Of Ireland Subsidiaries Pension Scheme Trustee Limited | Ireland |
| 140. | Corus Schweiz AG | Switzerland |
| 141. | Corus Service Center Milano Spa | Italy |
| 142. | Corus Service Centre Maastricht B.V. | Netherlands |
| 143. | Corus Services Nederland B.V. | Netherlands |
| 144. | Corus Sheet & Tube Inc. | USA |
| 145. | Corus Special Strip Asia Limited | Hong Kong |
| 146. | Corus Staal B.V. | Netherlands |
| 147. | Corus Stahl GmbH | Germany |
| 148. | Corus Stainless Limited | UK |
| 149. | Corus Stainless Nl B.V. | Netherlands |
| 150. | Corus Stainless UK Ltd. | UK |
| 151. | Corus Star-Frame B.V. | Netherlands |
| 152. | Corus Steel Limited | UK |
| 153. | Corus Steel Usa Inc. | USA |
| 154. | Corus Sverige AB | Sweden |
| 155. | Corus Technology B.V. | Netherlands |
| 156. | Corus Trico Holdings Inc. | USA |
| 157. | Corus Tubes B.V. | Netherlands |
| 158. | Corus Tuscaloosa Corp. | USA |
| 159. | Corus UK Healthcare Trustee Limited * | UK |
| 160. | Corus UK Limited | UK |
| 161. | Corus Vlietjonge B.V. | Netherlands |
| 162. | Corus Yasan Metal Sanayi Ve Ticaret AS | Turkey |
| 163. | Cpn 85 Limited | UK |
| 164. | Crucible Insurance Company Ltd. | I of Man |
| 165. | Demka B.V. | Netherlands |
| 166. | Dsrm Group Plc. | UK |
| 167. | Ees Group Services Limited | UK |
| 168. | Ees Nederland B.V. | Netherlands |
| 169. | Eric Olsson & Soner Forvaltnings AB | Sweden |
| 170. | Esmil B.V. | Netherlands |
| 171. | Euro-Laminations Limited | UK |
| 172. | European Electrical Steels Limited | UK |
| 173. | European Profiles Limited * | UK |
| 174. | Europressings Limited | UK |
| 175. | Firsteel Coated Strip Limited * | UK |
| 176. | Firsteel Cold Rolled Products Limited * | UK |
| 177. | Firsteel Group Limited | UK |
| 178. | Firsteel Group Pension Trustee Limited | UK |
| 179. | Firsteel Holdings Limited | UK |
| 180. | Firsteel Resources Limited * | UK |
| 181. | Firsteel Steel Processing Limited | UK |

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

| | Name of the Party | Country |
|---|---|---|
| 182. | Firsteel Strip Mill Products Limited | UK |
| 183. | Fischer Profielen NV | Belgium |
| 184. | Fischer Profil GmbH | Germany |
| 185. | Gamble Simms Metals Ltd. | Ireland |
| 186. | Grant Lyon Eagre Ltd. | UK |
| 187. | H E Samson Ltd. | UK |
| 188. | Hadfields Holdings Ltd. | UK |
| 189. | Hammermega Limited | UK |
| 190. | Harrowmills Properties Ltd. | UK |
| 191. | Hille & Muller GmbH | Germany |
| 192. | Hille & Muller Italia SRL. | Italy |
| 193. | Hille & Muller Usa Inc. | USA |
| 194. | Holorib GmbH | Germany |
| 195. | Hoogovens (UK) Limited | UK |
| 196. | Hoogovens Aluminium UK Limited | UK |
| 197. | Hoogovens Finance B.V. | Netherlands |
| 198. | Hoogovens Technical Services Coahuila B.V. | Netherlands |
| 199. | Hoogovens Technical Services Mexico De S. De R.L. De C.V. | Mexico |
| 200. | Hoogovens Technical Services Monclova B.V. | Netherlands |
| 201. | Hoogovens Tubes Poland Spolka Z.O.O | Poland |
| 202. | Hoogovens Usa Inc. | USA |
| 203. | Huizenbezit “Breesaap” B.V. | Netherlands |
| 204. | Ickles Cottage Trust | UK |
| 205. | Immobilliere De Construction De Maubeuge Et Louvroil SAS | France |
| 206. | Industrial Steels Limited | UK |
| 207. | Inter Metal Distribution SAS | France |
| 208. | K&S Management Service Limited | UK |
| 209. | Kalzip Asia Pte | Singapore |
| 210. | Kalzip GmbH | Austria |
| 211. | Kalzip GmbH | Germany |
| 212. | Kalzip Guanhzou Limited | China |
| 213. | Kalzip Inc | USA |
| 214. | Kalzip Limited | UK |
| 215. | Kalzip Spain S.L.U. | Spain |
| 216. | Lister Tubes Ltd. | Ireland |
| 217. | London Works Steel Company Ltd. | UK |
| 218. | Midland Steel Supplies Ltd. | UK |
| 219. | Mistbury Investments Limited | UK |
| 220. | Montana Bausysteme AG | Switzerland |
| 221. | Myriad Deutschland GmbH | Germany |
| 222. | Myriad Espana Sl | Spain |
| 223. | Myriad Nederland B.V. | Netherlands |
| 224. | Myriad SA | France |
| 225. | Myriad United Kingdom Limited | UK |
| 226. | Namascor B.V. | Netherlands |
| 227 | Nationwide Steelstock Limited | UK |
| 228. | Nebam Nedelandse Bevrachting En Agentuur Maatschappij B.V. | Netherlands |
| 229. | Oostflank B.V. | Netherlands |
| 230. | Orb Electrical Steels Limited | UK |
| 231. | Ore Carriers Ltd. | UK |
| 232. | Oremco Inc. | USA |
| 233. | Plated Strip International Limited | UK |
| 234. | Precision Metal Forming Limited | UK |
| 235. | Precoat International Limited | UK |
| 236. | Precoat Limited | UK |
| 237. | Rafferty-Brown North Carolina Co. * | USA |
| 238. | Rafferty-Brown Steel Co Inc Of Conn. | USA |
| 239. | Richard Thomas And Baldwins 1978 Limited | New Zealand |
| 240. | Richard Thomas And Baldwins (Australia) Pty Ltd. | Australia |
| 241. | Round Oak Steelworks Ltd. | UK |
| 242 | Runblast Limited | UK |
| 243. | Runmega Limited | UK |
| 244. | S A B Profiel B.V. | Netherlands |
| 245. | S A B Profil GmbH | Germany |
| 246. | SA Intertubes | Belgium |
| 247. | Sacra-Nord SAS | France |
| 248. | Scrap Processing Holding B.V. | Netherlands |
| 249. | Seamless Tubes Ltd. | UK |
| 250. | Sia Corus Building Systems | Latvia |
| 251. | Simiop Investments Ltd. | UK |
| 252. | Simiop Ltd. | UK |
| 253. | Simms Steel Holdings Ltd. | UK |
| 254. | Skruv Erik AB | Sweden |
| 255. | Societe Europeenne De Galvanisation (Segal) Sa | Belgium |
| 256. | Staalverwerking En Handel B.V. | Netherlands |
| 257. | Steel Company (N.I.) Ltd. | UK |
| 258. | Steel Stockholdings Ltd. | UK |
| 259. | Steelstock Ltd. | UK |
| 260. | Stewarts & Lloyds Of Ireland Ltd. | Ireland |
| 261. | Stewarts And Lloyds (Overseas) Ltd. | UK |
| 262. | Stocksbridge Cottage Trust | UK |
| 263. | Strata-Color (Coated Steels) Limited * | UK |
| 264. | Surahammar Bruks AB | Sweden |
| 265. | Swinden Housing Association | UK |
| 266. | Tata Steel Netherlands B.V. | Netherlands |
| 267. | Tata Steel UK Ltd. | UK |
| 268. | Telmag (Holdings) Limited | UK |
| 269. | Telmag Magnetic Components Limited | UK |
| 270. | The Newport And South Wales Tube Company Ltd. | UK |
| 271. | The Stanton Housing Company Ltd. | UK |
| 272. | The Steel Company Of Ireland Limited | Ireland |
| 273. | The Templeborough Rolling Mills Ltd. | UK |
| 274. | Thomas Processing Company | USA |
| 275. | Thomas Steel Strip Corp. | USA |
| 276. | Tinsley Trailers Limited | UK |
| 277. | Toronto Industrial Fabrications Ltd. | UK |
| 278. | Trierer Walzwerk GmbH | Germany |
| 279. | Tulip Netherlands (No. 1) B.V. | Netherlands |
| 280. | Tulip Netherlands (No. 2) B.V. | Netherlands |

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

| Name of the Party | Country |
|---|---|
| 281. Tulip UK Holdings (No. 2) Ltd. | UK |
| 282. Tulip UK Holdings (No. 3) Ltd. | UK |
| 283. U.E.S. Bright Bar Limited | UK |
| 284. UK Steel Enterprise Ltd. | UK |
| 285. Ukse Fund Managers Limited | UK |
| 286. Ukse Fund Mangers (General Partner) Limited | UK |
| 287. United Steels Co (N Z) Ltd. | New Zealand |
| 288. Unitol SAS | France |
| 289. Walker Manufacturing And Investments Ltd. | UK |
| 290. Walkersteel (Ni) Ltd. * | UK |
| 291. Walkersteelstock Ireland Limited | Ireland |
| 292. Walkersteelstock Ltd. | UK |
| 293. Westwood Steel Services Ltd. | UK |
| 294. Whitehead (Narrow Strip) Ltd. | UK |
| V **Tata Steel Global Minerals Holdings Pte Ltd.** | Singapore |
| 1. Al Rimal Mining LLC | Oman |
| 2. Black Ginger 461 Proprietary Ltd | South Africa |
| 3. Kalimati Coal Company Pty. Ltd. | Australia |
| 4. Tata Steel Cote D' Ivoire S.A.*# | Ivory Coast |
| VI **Tata Steel (Thailand) Public Company Ltd.** | Thailand |
| 1. NTS Steel Group Plc | Thailand |
| 2. The Siam Construction Steel Co. Ltd. | Thailand |
| 3. The Siam Iron And Steel (2001) Co. Ltd. | Thailand |
| xvii) **TM International Logistics Ltd.** | India |
| 1. International Shipping Logistics FZE | UAE |
| 2. TKM Global China Ltd.* | China |
| 3. TKM Global GmbH | Germany |
| 4. TKM Global Logistics Ltd. | India |
| xviii) **The Indian Steel and Wire Products Ltd.** | India |
| xix) **The Tata Pigments Ltd.** | India |
| **B. Associates through** | |
| i) **Kalimati Investment Company Ltd.** | |
| 1. Rujuvalika Investments Ltd. | India |
| ii) **NatSteel Asia Pte. Ltd.** | |
| 1. Steel Asia Development and Management Corp. | Singapore |
| 2. Steel Asia Industries Inc. | Singapore |
| 3. Steel Asia Manufacturing Corp. | Singapore |
| iii) **Tata Incorporated** | |
| 1. TKM Overseas Ltd. | India |
| iv) **Tata Refractories Ltd.** | |
| 1. Almora Magnesite Ltd. | India |
| v) **Tata Steel Ltd.** | |
| 1. Indian Steel Rolling Mills Ltd. | India |
| 2. Industrial Energy Ltd. | India |
| 3. Jamipol Ltd. | India |
| 4. Kalinga Aquatics Ltd. | India |
| 5. Kumardhubi Fireclay & Silica Works Ltd. | India |
| 6. Kumardhubi Metal Casting & Engineering Ltd. | India |
| 7. Nicco Jubilee Park Ltd. | India |
| 8. Tata Construction & Projects Ltd. | India |

| Name of the Party | Country |
|---|---|
| 9. Tata Sponge Iron Ltd. | India |
| 10. Tayo Rolls Ltd.* | India |
| 11. Tinplate Company of India Ltd. | India |
| 12. TRF Ltd. | India |
| vi) **Tata Steel Holdings Pte. Ltd.** | |
| a) **Tata Steel Global Holdings Pte Ltd**. | |
| I **Corus International (Singapore) Holding Pte. Ltd.** | |
| 1. European Profiles Malaysia (M) Sdn.Bhd. | Malaysia |
| II **NatSteel Holdings Pte. Ltd.** | |
| 1. Southern Steel, Berhard | Malaysia |
| III **Tata Steel Europe Ltd.** | |
| 1. Ab Norskstal AS | Norway |
| 2. Albi Profils SRL | France |
| 3. Altos Hornos De Mexico S.A. de C.V. | Mexico |
| 4. Antheus Magnesium B.V. * | Netherlands |
| 5. Appleby Frodingham Cottage Trust Limited | UK |
| 6. Combulex B.V. | Netherlands |
| 7. Cv Gasexpansie Ijmond | Netherlands |
| 8. Danieli Corus Canada Inc. | Canada |
| 9. Danieli Corus Asia B.V. | Netherlands |
| 10. Danieli Corus B.V. | Netherlands |
| 11. Danieli Corus Braseq Ltda. | Brazil |
| 12. Danieli Corus Construction Services B.V. | Netherlands |
| 13. Danieli Corus Construction Services Usa Inc. | USA |
| 14. Danieli Corus Do Brasil Ltda. | Brazil |
| 15. Danieli Corus Inc. | USA |
| 16. Danieli Corus Services Usa Inc. | USA |
| 17. Danieli Corus South Africa Pty. Ltd. | South Africa |
| 18. Danieli India (PVT) Ltd * | India |
| 19. Endex European Energy Derivates Exchanges N.V. | Netherlands |
| 20. European Profiles (Marketing) Sdn. Bhd. | Malaysia |
| 21. Galvpro LP. | USA |
| 22. Gietwalsonderhoudcombinatie B.V. | Netherlands |
| 23. Hoogovens Court Chrome Vof | Netherlands |
| 24. Hoogovens Gan Multimedia S.A. De C.V. | Mexico |
| 25. Isolation Du Sud SA | France |
| 26. Issb Limited | UK |
| 27. MDC Sublance Probe Technology * | Shanghai |
| 28. Regionale Ontwikkelingsmaatschappij Voor Het Noordzeekanaalgebied N.V. | Netherlands |
| 29. Richard Lees Steel Decking Asia Snd. Bhd. | Malaysia |
| 30. Rsp Holding B.V. | Netherlands |
| 31. Schreiner Fleischer AS | Norway |
| 32. Shanghai Bao Yi Beverage Can Making Co Ltd. | China |

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

| Name of the Party | Country |
|---|---|
| 33. Sms Mevac UK Limited | UK |
| 34. Stuwadoorsbedrijf Velserkom B.V. | Netherlands |
| 35. Thoresen & Thorvaldsen AS | Norway |
| 36. Trico LLC | USA |
| 37. Weirton/Hoogovens GP | USA |
| 38. Workington Cottage Trust | UK |
| 39. Wupperman Staal Nederland B.V. | Netherlands |
| vii) **The Indian Steel and Wire Products Ltd.** | |
| 1. Metal Corporation of India Ltd. | India |
| **C. Joint Ventures of** | |
| i) **Jamshedpur Utilities & Services Company Ltd.** | |
| 1. Haldia Water Management Limited* | India |
| ii) **Tata Steel Ltd.** | |
| 1. Bhubaneshwar Power Pvt. Ltd.* | India |
| 2. mjunction services ltd. | India |
| 3. S & T Mining Company Pvt. Ltd.* | India |
| 4. Tata Bluescope Steel Ltd. | India |
| 5. Tata NYK Shipping Pte Ltd. | Singapore |
| 6. Tata Ryerson Ltd. | India |
| 7. The Dhamra Port Company Ltd. | India |
| iii) **Tata Steel Holdings Pte. Ltd.** | |
| a) **Tata Steel Global Holdings Pte Ltd.** | |
| I **Tata Steel Europe Ltd.** | |
| 1. Afon Tinplate Company Limited | UK |
| 2. Air Products Llanwern Limited | UK |
| 3. B V Ijzerleew | Netherlands |
| 4. Bsr Pipeline Services Limited | UK |
| 5. Caparo Merchant Bar Plc | UK |
| 6. Cindu Chemicals B.V. | Netherlands |
| 7. Corus Celik Ticaret AS | Turkey |
| 8. Corus Cogifer Switches And Crossings Limited | UK |
| 9. Corus Kalpinis Simos Rom SRL. | Romania |
| 10. Danieli Corus Technical Services B.V. | Netherlands |
| 11. Framing Solutions Plc. * | UK |
| 12. Grantrail Group Ltd. * | UK |
| 13. Hks Scrap Metals B.V. | Netherlands |
| 14. Ijzerhandel Geertsema Staal B.V. | Netherlands |
| 15. Industrial Rail Services Ijmond B.V. | Netherlands |
| 16. Laura Metaal Holding B.V. | Netherlands |
| 17. Norsk Stal AS | Norway |
| 18. Norsk Stal Tynnplater AS | Norway |
| 19. Ravenscraig Limited | UK |
| 20. Tata Elastron SA | Greece |
| 21. Tata Elastron SA Steel Service Center* | Greece |
| 22. Texturing Technology Limited | UK |
| II **Tata Steel Global Minerals Holdings Pte. Ltd.** | |
| 1. Riversdale Energy (Mauritius) Ltd. | Mauritius |

**D. Promoters holding together with its Subsidiary is more than 20%**

1. Tata Sons Ltd.

**E. Key Management Personnel - Whole Time Directors**

1. Mr. B. Muthuraman

**F. Relatives of Key Management Personnel - (Disclosure will be given only if there have been transactions)**

1. Ms. Sumathi Muthuraman

* Part of the year

# By virtue of management control

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

### 13. (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 | **3,065.56** | **–** | **–** | **–** | **–** | **3,065.56** |
| | *666.24* | *–* | *–* | *–* | *–* | *666.24* |
| Others | **165.73** | **136.66** | **–** | **–** | **–** | **302.39** |
| | *120.90* | *181.64* | *–* | *–* | *–* | *302.54* |
| | **3,231.29** | **136.66** | **–** | **–** | **–** | **3,367.95** |
| | *787.14* | *181.64* | *–* | *–* | *–* | *968.78* |
| **Sale of Goods** | | | | | | |
| TS Asia (Hongkong) Pte. | **1,072.31** | **–** | **–** | **–** | **–** | **1,072.31** |
| | *819.62* | *–* | *–* | *–* | *–* | *819.62* |
| Tata Ryerson Ltd. | **–** | **773.31** | **–** | **–** | **–** | **773.31** |
| | *–* | *795.12* | *–* | *–* | *–* | *795.12* |
| Others | **510.49** | **454.59** | **–** | **–** | **–** | **965.08** |
| | *294.95* | *428.58* | *–* | *–* | *–* | *723.53* |
| | **1,582.80** | **1,227.90** | **–** | **–** | **–** | **2,810.70** |
| | *1,114.57* | *1,223.70* | *–* | *–* | *–* | *2,338.27* |
| **Receiving of Services** | | | | | | |
| Jamshedpur Utilities & Services Co. Ltd. | **229.82** | **–** | **–** | **–** | **–** | **229.82** |
| | *227.26* | *–* | *–* | *–* | *–* | *227.26* |
| T M International Logistics Ltd. | **178.69** | **–** | **–** | **–** | **–** | **178.69** |
| | *242.66* | *–* | *–* | *–* | *–* | *242.66* |
| Tinplate Company of India Ltd. | **–** | **358.63** | **–** | **–** | **–** | **358.63** |
| | *–* | *222.73* | *–* | *–* | *–* | *222.73* |
| Hoogly Metcoke & Power Co. Ltd. | **165.07** | **–** | **–** | **–** | **–** | **165.07** |
| | *8.66* | *–* | *–* | *–* | *–* | *8.66* |
| Others | **222.20** | **112.51** | **–** | **–** | **53.83** | **388.54** |
| | *180.77* | *112.93* | *0.02* | *0.02* | *0.69* | *294.43* |
| | **795.78** | **471.14** | **–** | **–** | **53.83** | **1,320.75** |
| | *659.35* | *335.66* | *0.02* | *0.02* | *0.69* | *995.74* |
| **Rendering of Services** | | | | | | |
| The Indian Steel & Wire Products Ltd. | **13.68** | **–** | **–** | **–** | **–** | **13.68** |
| | *10.89* | *–* | *–* | *–* | *–* | *10.89* |
| Tinplate Company of India Ltd. | **–** | **45.19** | **–** | **–** | **–** | **45.19** |
| | *–* | *35.83* | *–* | *–* | *–* | *35.83* |
| Hoogly Metcoke & Power Co. Ltd. | **14.14** | **–** | **–** | **–** | **–** | **14.14** |
| | *1.01* | *–* | *–* | *–* | *–* | *1.01* |
| Others | **33.76** | **23.14** | **–** | **–** | **0.24** | **57.14** |
| | *19.37* | *28.01* | *–* | *–* | *0.14* | *47.52* |
| | **61.58** | **68.33** | **–** | **–** | **0.24** | **130.15** |
| | *31.27* | *63.84* | *–* | *–* | *0.14* | *95.25* |
| **Purchase of Fixed Assets** | | | | | | |
| TRF Ltd. | **–** | **17.10** | **–** | **–** | **–** | **17.10** |
| | *–* | *43.25* | *–* | *–* | *–* | *43.25* |
| Others | **0.91** | **0.06** | **–** | **–** | **–** | **0.97** |
| | *0.32* | *–* | *–* | *–* | *–* | *0.32* |
| | **0.91** | **17.16** | **–** | **–** | **–** | **18.07** |
| | *0.32* | *43.25* | *–* | *–* | *–* | *43.57* |
| **Dividend expense** | | | | | | |
| Tata Sons Ltd. | **–** | **–** | **–** | **–** | **333.07** | **333.07** |
| | *–* | *–* | *–* | *–* | *260.81* | *260.81* |
| Others | **1.08** | **–** | ***** | ****** | **–** | **1.08** |
| | *1.04* | *–* | ***** | ****** | *–* | *1.04* |
| | **1.08** | **–** | ***** | ****** | **333.07** | **334.15** |
| | *1.04* | *–* | ***** | ****** | *260.81* | *261.85* |

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

**13. (b) Related Party Transactions**

Rs. crores

| Transactions | Subsidiaries | Associates & JVs # | Key Management Personnel | Relatives of Key Management Personnel | Promoter | Grand Total |
|---|---|---|---|---|---|---|
| **Dividend income** | | | | | | |
| Tata Steel (Thailand) Public Co. Ltd. | **18.56** | **–** | **–** | **–** | **–** | **18.56** |
| | *6.66* | *–* | *–* | *–* | *–* | *6.66* |
| Tata Metaliks Ltd. | **8.26** | **–** | **–** | **–** | **–** | **8.26** |
| | *7.08* | *–* | *–* | *–* | *–* | *7.08* |
| Tata Refractories Ltd. | **5.21** | **–** | **–** | **–** | **–** | **5.21** |
| | *5.21* | *–* | *–* | *–* | *–* | *5.21* |
| Others | **5.20** | **8.43** | **–** | **–** | **–** | **13.63** |
| | *4.83* | *9.31* | *–* | *–* | *–* | *14.14* |
| | **37.23** | **8.43** | **–** | **–** | **–** | **45.66** |
| | *23.78* | *9.31* | *–* | *–* | *–* | *33.09* |
| **Interest Income** | | | | | | |
| Tinplate Company of India Ltd. | **–** | **17.22** | **–** | **–** | **–** | **17.22** |
| | *–* | *0.65* | *–* | *–* | *–* | *0.65* |
| Tata Steel KZN Pty Ltd. | **15.81** | **–** | **–** | **–** | **–** | **15.81** |
| | *9.37* | *–* | *–* | *–* | *–* | *9.37* |
| Industrial Energy Ltd. | **–** | **6.10** | **–** | **–** | **–** | **6.10** |
| | *–* | *1.76* | *–* | *–* | *–* | *1.76* |
| Others | **6.93** | **0.17** | **–** | **–** | **–** | **7.10** |
| | *13.77* | *–* | *–* | *–* | *–* | *13.77* |
| | **22.74** | **23.49** | **–** | **–** | **–** | **46.23** |
| | *23.14* | *2.41* | *–* | *–* | *–* | *25.55* |
| **Management contracts including deputation of employees** | | | | | | |
| Tata Sons Ltd. | **–** | **–** | **–** | **–** | **50.00** | **50.00** |
| | *–* | *–* | *–* | *–* | *42.79* | *42.79* |
| | **–** | **–** | **–** | **–** | **50.00** | **50.00** |
| | *–* | *–* | *–* | *–* | *42.79* | *42.79* |
| **Finance Provided** | | | | | | |
| Tata Steel Asia Holdings Pte. Ltd. | **4,718.30** | **–** | **–** | **–** | **–** | **4,718.30** |
| | *28,802.75* | *–* | *–* | *–* | *–* | *28,802.75* |
| Others | **158.88** | **400.53** | **–** | **–** | **–** | **559.41** |
| | *919.04* | *267.15* | *–* | *–* | *–* | *1,186.19* |
| | **4,877.18** | **400.53** | **–** | **–** | **–** | **5,277.71** |
| | *29,721.79* | *267.15* | *–* | *–* | *–* | *29,988.94* |
| **Unsecured advances/Deposits given** | | | | | | |
| T M International Logistics Ltd. | **15.20** | **–** | **–** | **–** | **–** | **15.20** |
| | *4.84* | *–* | *–* | *–* | *–* | *4.84* |
| The Indian Steel & Wire Products Ltd. | **14.00** | **–** | **–** | **–** | **–** | **14.00** |
| | *–* | *–* | *–* | *–* | *–* | *–* |
| Others | **2.96** | **–** | **–** | **–** | **–** | **2.96** |
| | *5.88* | *–* | *–* | *–* | *–* | *5.88* |
| | **32.16** | **–** | **–** | **–** | **–** | **32.16** |
| | *10.72* | *–* | *–* | *–* | *–* | *10.72* |
| **Unsecured advances/Deposits accepted** | | | | | | |
| Tinplate Company of India Ltd. | **–** | **–** | **–** | **–** | **–** | **–** |
| | *–* | *0.95* | *–* | *–* | *–* | *0.95* |
| Others | **–** | **–** | **–** | **–** | **–** | **–** |
| | ***** | *–* | *–* | *–* | *–* | ***** |
| | **–** | **–** | **–** | **–** | **–** | **–** |
| | ***** | *0.95* | *–* | *–* | *–* | *0.95* |
| **Remuneration Paid** | | | | | | |
| Mr. B. Muthuraman | **–** | **–** | **5.07** | **–** | **–** | **5.07** |
| | *–* | *–* | *3.66* | *–* | *–* | *3.66* |
| Dr. T. Mukherjee (upto 31.10.2007) | **–** | **–** | **–** | **–** | **–** | **–** |
| | *–* | *–* | *1.91* | *–* | *–* | *1.91* |
| Mr. A. N. Singh (upto 30.09.2007) | **–** | **–** | **–** | **–** | **–** | **–** |
| | *–* | *–* | *1.27* | *–* | *–* | *1.27* |
| | **–** | **–** | **5.07** | **–** | **–** | **5.07** |
| | *–* | *–* | *6.84* | *–* | *–* | *6.84* |

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

**13. (b) Related Party Transactions**

Rs. crores

| Transactions | Subsidiaries | Associates & JVs # | Key Management Personnel | Relatives of Key Management Personnel | Promoter | Grand Total |
|---|---|---|---|---|---|---|
| **Bad Debts Recovered** | | | | | | |
| The Indian Steel & Wire Products Ltd. | **2.16** | **–** | **–** | **–** | **–** | **2.16** |
| | – | – | – | – | – | – |
| | **2.16** | **–** | **–** | **–** | **–** | **2.16** |
| | – | – | – | – | – | – |
| **Guarantees and collaterals given** | | | | | | |
| Tinplate Company of India Ltd. | **–** | **25.00** | **–** | **–** | **–** | **25.00** |
| | – | – | – | – | – | – |
| | **–** | **25.00** | **–** | **–** | **–** | **25.00** |
| | – | – | – | – | – | – |
| **Guarantees outstanding** | | | | | | |
| Others | **–** | **–** | **–** | **–** | **–** | **–** |
| | – | *25.00* | – | – | – | *25.00* |
| | **–** | **–** | **–** | **–** | **–** | **–** |
| | – | *25.00* | – | – | – | *25.00* |
| **Outstanding Receivables** | | | | | | |
| Tata Steel Asia Holdings Pte. Ltd. | **237.61** | **–** | **–** | **–** | **–** | **237.61** |
| | *30,326.12* | – | – | – | – | *30,326.12* |
| Tinplate Company of India Ltd. | **–** | **191.18** | **–** | **–** | **–** | **191.18** |
| | – | *115.48* | – | – | – | *115.48* |
| Tata Steel KZN Pty. Ltd. | **153.39** | **–** | **–** | **–** | **–** | **153.39** |
| | *131.00* | – | – | – | – | *131.00* |
| Others | **183.55** | **49.30** | **–** | **–** | **4.01** | **236.86** |
| | *1,068.98* | *140.54* | *0.01* | *0.01* | *3.36* | *1,212.90* |
| | **574.55** | **240.48** | **–** | **–** | **4.01** | **819.04** |
| | *31,526.10* | *256.02* | *0.01* | *0.01* | *3.36* | *31,785.50* |
| **Outstanding Payables** | | | | | | |
| TS Resources Australia Pte Ltd | **1,231.91** | **–** | **–** | **–** | **–** | **1,231.91** |
| | – | – | – | – | – | – |
| Others | **126.21** | **68.10** | **–** | **–** | **55.68** | **249.99** |
| | *115.74* | *81.50* | – | – | *46.95* | *244.19* |
| | **1,358.12** | **68.10** | **–** | **–** | **55.68** | **1,481.90** |
| | *115.74* | *81.50* | – | – | *46.95* | *244.19* |

Notes:

| | |
|---|---|
| * | 43,389.30 |
| ** | 20,828.81 |
| *** | 33,883.00 |
| **** | 19,995.00 |
| ***** | 30,000.00 |

# Transactions with Joint Ventures have been disclosed at full value.

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

**14.** The Company has the following Joint Ventures as on 31st March, 2009 and its proportionate share in the Assets, Liabilities, Income and Expenditure of the Joint Venture Companies is given below :

Rs. crores

| Name of the Joint Venture Company | Country of Incorporation | Percentage of Holding | As at 31st March, 2009 Assets | Liabilities | Contingent Liabilities | Capital Commitment | For the year ended 31st March, 2009 Income | Expenditure |
|---|---|---|---|---|---|---|---|---|
| Tata Ryerson Ltd. | India | 50% | **234.34** | **118.28** | **30.49** | **10.21** | **649.00** | **641.94** |
| | | | *253.27* | *143.39* | *30.40* | *18.10* | *640.83* | *620.55* |
| mjunction services ltd. | India | 50% | **60.29** | **30.24** | **0.32** | **–** | **34.14** | **24.08** |
| | | | *38.62* | *18.63* | *0.29* | *–* | *33.00* | *24.53* |
| The Dhamra Port Company Ltd. | India | 50% | **750.93** | **593.10** | **–** | **432.99** | **–** | **0.09** |
| | | | *343.27* | *220.34* | *–* | *518.20* | *–* | *0.05* |
| Tata BlueScope Steel Ltd. | India | 50% | **380.73** | **109.89** | **13.36** | **172.37** | **178.87** | **206.32** |
| | | | *308.60* | *47.31* | *7.91* | *135.96* | *143.57* | *151.50* |
| Tata NYK Shipping Pte. Ltd. | Singapore | 50% | **138.71** | **5.75** | **–** | **439.44** | **250.59** | **249.35** |
| | | | *32.58* | *7.47* | *–* | *–* | *145.94* | *140.76* |
| Bhubaneshwar Power Private Ltd. | India | 26% | **0.96** | **0.70** | **1.00** | **–** | **–** | **–** |
| | | | *–* | *–* | *–* | *–* | *–* | *–* |
| S & T Mining Company Private Ltd. | India | 50% | **0.45** | **0.10** | **0.25** | **–** | **–** | **0.17** |
| | | | *–* | *–* | *–* | *–* | *–* | *–* |

**15. Earnings Per Share (EPS)**

| | **2008-09 Rs. crores** | *2007-08 Rs. crores* |
|---|---|---|
| (i) Profit after tax | **5,201.74** | *4,687.03* |
| Less : Preference dividend including tax thereon | **128.05** | *25.96* |
| Profit attributable to ordinary shareholders | **5,073.69** | *4,661.07* |
| Profit attributable to ordinary shareholders – for Diluted EPS | **5,464.58** | *4,642.31* |
| | **Nos.** | *Nos.* |
| (ii) Weighted average No. of Ordinary Shares for Basic EPS | **73,05,84,834** | *69,77,48,601* |
| Add : Adjustment for **8,750** *(2007-08 : 8,750)* Convertible Alternative Reference Securities (See Note 27, Page 192) | **6,27,16,057** | *3,59,84,623* |
| Adjustment for Options relating to **12,446** *(2007-08 : 12,446)* Detachable Warrants (See Note 6, Page 172) | **7,613** | *11,010* |
| Adjustment for **54,72,66,011** *(2007-08 : 54,72,51,605)* Cumulative Convertible Preference Shares (See Note 2 to Schedule A, Page 155) | **9,12,08,752** | *2,36,74,364* |
| Weighted average no. of Ordinary Shares for Diluted EPS | **88,45,17,256** | *75,74,18,598* |
| (iii) Nominal value of Ordinary Shares | **Rs. 10.00** | *Rs. 10.00* |
| (iv) Basic Earnings per Ordinary Share | **Rs. 69.45** | *Rs. 66.80* |
| (v) Diluted Earnings per Ordinary Share | **Rs. 61.78** | *Rs. 61.29* |

**16. Deferred Tax Liability (Net) (Item No. 5, Page 148)**

| | *Deferred Tax (Asset)/Liability as at 1.04.2008 Rs. crores* | Current year charge/(credit) Rs. crores | Deferred Tax (Asset)/Liability as at 31.03.2009 Rs. crores |
|---|---|---|---|
| **Deferred Tax Liabilities** | | | |
| (i) Difference between book and tax depreciation | *1,606.35* | 254.29 | 1,860.64 |
| (ii) Prepaid Expenses | *38.54* | (6.88) | 31.66 |
| (iii) Revaluation of Foreign Currency Loans | *248.37* | (248.37) | – |
| | *1,893.26* | **(0.96)** | **1,892.30** |
| **Deferred Tax Assets** | | | |
| (i) Employee Separation Compensation | *(503.69)* | (0.52) | (504.21) |
| (ii) Wage Provision | *(65.28)* | (4.19) | (69.47) |
| (iii) Provision for doubtful debts & advances | *(33.03)* | (2.93) | (35.96) |
| (iv) Disallowance under Section 43B | *(111.97)* | (53.89) | (165.86) |
| (v) Provision for Leave Salary | *(135.69)* | (7.54) | (143.23) |
| (vi) Provision for Employee Benefits | *(70.52)* | – | (70.52) |
| (vii) Other Deferred Tax Assets/Liabilities | *(12.76)* | (5.10) | (17.86) |
| | *(932.94)* | **(74.17)** | **(1,007.11)** |
| | *960.32* | **(75.13)** | **885.19** |
| (viii) Deferred Tax Assets adjusted against Securities Premium Account (See Note 27, Page 192) | *(278.52)* | (20.94) | (299.46) |
| **Deferred Tax Liability (Net)** | *681.80* | | **585.73** |

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

**17. Licensed and installed capacities and production :**[1]

| Class of Products | Installed capacity[2] Tonnes | Production[3] Tonnes |
|---|---|---|
| (i) Saleable Steel (Jamshedpur, Jharkhand) | **58,40,000** | **53,74,939** |
| | *48,08,000* | *48,58,401* [4] |
| (ii) Cold Rolled Coils (Tarapur, Maharashtra) | **1,00,000** | **1,60,209** |
| | *1,00,000* | *1,53,488* |
| (iii) Wire Rods (Tarapur, Maharashtra) | **2,65,000** | **2,53,410** |
| | *2,65,000* | *2,45,370* |
| Wires (Borivali, Tarapur, Indore; Maharashtra) & (Bengalaru, Karnataka) | **2,38,400** | **1,94,073** |
| | *2,38,400* | *2,11,001* |
| (iv) Ferro Manganese & Silico Manganese (Joda, Orissa) | **30,500** | **46,974** |
| | *30,500* | *50,230* |
| (v) Charge Chrome (Bamnipal, Orissa) | **50,000** | **45,010** |
| | *50,000* | *55,251* |
| (vi) Welded Steel Tubes (Jamshedpur, Jharkhand) | **2,84,000** | **2,56,199** * |
| | *3,08,000* | *2,68,698* [5] |
| (vii) Metallurgical Machinery (Jamshedpur, Jharkhand) | **–** [6] | **14,148** |
| | – | *12,994* |
| | Numbers | Numbers |
| (viii) Bearings (Kharagpur, West Bengal) | **2,50,00,000** | **2,72,89,212** |
| | *2,50,00,000* | *2,63,55,459* |

* FM mill was discontinued from December 2008 onwards but the actual production has been included in the above figure.

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 **8,32,695** tonnes *(2007-08 : 3,86,251 tonnes)* and steel transferred for manufacture into Tubes/C.R. Strips at the Company's Tubes Division **3,31,550** tonnes *(2007-08 : 3,37,987 tonnes)* / steel transferred for manufacture of Cold Rolled Coils at the Company's Cold Rolling Mill Division (West) **1,62,270** tonnes *(2007-08 : 1,71,942 tonnes)* and steel transferred for manufacture of Wire Rods **2,26,475** tonnes *(2007-08 : 2,08,973 tonnes)* at the Company's Wire Rod Mill (West) division.

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

(6) There is no separate installed capacity.

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

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

### 18. Turnover, Closing and Opening Stocks

| Class of Products | Turnover Tonnes | Turnover Rs. crores | Closing Stock Tonnes | Closing Stock Rs. crores | Opening Stock Tonnes | Opening Stock Rs. crores |
|---|---|---|---|---|---|---|
| (i) Saleable Steel (Finished)[1] | **47,60,572** | **19,313.42** | **3,25,699** | **671.38** | **3,39,546** | **646.63** |
| | *44,75,886* | *16,010.10* | *3,39,546* | *646.63* | *3,86,455* | *683.64* |
| Agrico Products | | **116.21** | | **6.33** | | **9.67** |
| | | *111.23* | | *9.67* | | *5.07* |
| | | **19,429.63** | | **677.71** | | **656.30** |
| | | *16,121.33* | | *656.30* | | *688.71* |
| (ii) Semi-finished Steel and Scrap | **4,46,069** | **1,004.86** | **5,10,653** | **488.25** | **2,80,630** | **230.57** |
| | *2,54,959* | *571.68* | *2,80,630* | *230.57* | *2,57,121* | *217.73* |
| (iii) Welded Steel Tubes[2] | **2,27,156** | **1,130.92** | **18,680** | **51.67** | **19,861** | **48.21** |
| | *2,33,413* | *1,018.47* | *19,861* | *48.21* | *24,508* | *57.19* |
| (iv) Carbon and Alloy Steel Bearing Rings | **–** | **–** | **–** | **–** | **–** | **–** |
| | *417* | *1.99* | *–* | *–* | *417* | *3.46* |
| (v) By-products, etc. | | **166.07** | | **1.51** | | **3.09** |
| | | *95.25* | | *3.09* | | *4.15* |
| (vi) Raw Materials : | | | | | | |
| (a) Ferro Manganese | **34,515** | **290.73** | **–** | **–** | **–** | **–** |
| | *40,631* | *219.29* | *–* | *–* | *–* | *–* |
| (b) Charge Chrome/Ferro Chrome[3] | **1,77,029** | **1,251.47** | **–** | **–** | **–** | **–** |
| | *1,86,384* | *978.24* | *–* | *–* | *–* | *–* |
| (c) Other Raw Materials | **–** | **1,879.93** | **–** | **–** | **–** | **–** |
| | *–* | *1,661.38* | *–* | *–* | *–* | *–* |
| (vii) Other Products[4] | | **465.52** | | **119.59** | | **96.44** |
| | | *379.69* | | *96.44* | | *65.03* |
| | Numbers | | Numbers | | Numbers | |
| (viii) Alloy Steel Ball Bearing Rings[5] | **2,280** | **0.07** | **–** | **–** | **4,89,680** | **0.90** |
| | *13,77,379* | *8.56* | *4,89,680* | *0.90* | *17,51,468* | *11.34* |
| (ix) Bearings | **2,63,39,660** | **144.00** | **39,68,430** | **22.97** | **28,39,692** | **13.14** |
| | *2,76,12,219* | *149.90* | *28,39,692* | *13.14* | *40,39,790* | *19.85* |
| | Tonnes | | Tonnes | | Tonnes | |
| (x) Metallurgical Machinery | **14,148** | **165.17** | **–** | **–** | **–** | **–** |
| | *12,994* | *172.70* | *–* | *–* | *–* | *–* |
| (xi) Sale of Purchased Materials | | | | | | |
| (a) Saleable Steel (finished/converted) | **2,017** | **10.67** | **21** | **0.15** | **6,945** | **25.62** |
| | *1,516* | *6.91* | *6,945* | *25.62* | *2,963* | *10.62* |
| (b) Raw Materials/Scrap/Other Materials | **–** | **6.41** | **–** | **–** | **–** | **–** |
| | *–* | *7.00* | *–* | *–* | *–* | *–* |
| | | **25,945.45** | | **1,361.85** | | **1,074.27** |
| | | *21,392.39* | | *1,074.27* | | *1,078.08* |

*Notes :*

(1) Including steel material converted by re-rollers : **9,16,548** tonnes *(2007-08 : 9,57,743 tonnes)*.

(2) Includes Welded Steel Tubes converted under conversion arrangement **60,213** tonnes *(2007-08 : 48,585 tonnes)*.

(3) Turnover includes Ferro Chrome converted under conversion arrangement **1,28,576** tonnes *(2007-08 : 1,04,269 tonnes)*.

(4) Includes tubular steel structures **Rs. 399.62** crores *(2007-08 : Rs. 327.37 crores)*.

(5) Turnover includes sale proceeds of Salvaged Rings, Stock includes Semi-Finished Rings/Flanges.

(6) Previous years figures have been regrouped and recast wherever necessary.

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

**19. Purchase of Finished, Semi-Finished Steel and Other Products :**

| | | Tonnes | Rs. crores |
|---|---|---|---|
| **A. For Resale :** | | | |
| | Finished/Semi-Finished Steel Materials | **2,466** | **22.51** |
| | | *994* | *9.11* |
| **B. For Own Consumption :** | | | |
| (i) | Finished/Semi-Finished Steel Materials [(1)] | **52,147** | **319.80** |
| | | *86,310* | *319.74* |
| (ii) | Sponge/Pig Iron | **7,085** | **13.19** |
| | | *40,064* | *58.32* |
| (iii) | Others | | **3.37** |
| | | | *0.77* |
| | | | **358.87** |
| | | | *387.94* |

(1) Includes components for manufacture of metallurgical machinery **Rs. 67.10** crores *(2007-08 : Rs. 40.02 crores)*

**20. Raw materials consumed : @**

| | | Tonnes | Rs. crores |
|---|---|---|---|
| (i) | Iron ore | **95,45,665** | **504.52** |
| | | *86,81,492* | *445.35* |
| (ii) | Coal [excluding **47,46,755** tonnes *(2007-08 : 33,71,551 tonnes)* valued at **Rs. 2,874.19** crores *(2007-08 : Rs. 987.71 crores)*] used for manufacturing coke | **7,51,972** | **455.32** |
| | | *7,06,076* | *206.85* |
| (iii) | Coke | **33,15,206** | **3,695.00** |
| | | *30,88,582* | *1,873.60* |
| (iv) | Limestone and Dolomite | **19,49,523** | **391.89** |
| | | *18,65,223* | *318.45* |
| (v) | Ferro Manganese | **18,895** | **62.99** |
| | | *16,165* | *48.52* |
| (vi) | Zinc and Zinc Alloys | **22,137** | **210.03** |
| | | *22,325* | *345.30* |
| (vii) | Spelter, sulphur and other materials [excluding **22,82,034** tonnes valued at **Rs. 129.77** crores *(2007-08 : 2,34,830 tonnes valued at Rs. 80.75 crores)* used in the manufacture of Ferro Manganese | **12,00,105** | **877.30** |
| | | *11,57,095* | *529.48* |
| | | | **6,197.05** |
| | | | *3,767.55* |

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

**21. Value of direct imports (C.I.F. Value)**

| | | Rs. crores |
|---|---|---|
| (i) | Raw materials | **4,146.75** |
| | | *1,542.79* |
| (ii) | Semi-finished products | **28.02** |
| | | *16.44* |
| (iii) | Components, stores and spare parts | **288.42** |
| | | *233.18* |
| (iv) | Capital goods | **542.28** |
| | | *433.23* |

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

**22.** 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 | **4,266.89** | **68.85** | **419.02** | **17.33** |
| | *1,950.22* | *51.76* | *364.97* | *18.26* |
| *(b)* Indigenously obtained | **1,930.16** | **31.15** | **1,999.42** | **82.67** |
| | *1,817.33* | *48.24* | *1,633.41* | *81.74* |
| | **6,197.05** | **100.00** | **2,418.44** | **100.00** |
| | *3,767.55* | *100.00* | *1,998.38* | *100.00* |
| *Less :* Consumption charged to other revenue accounts | | | **942.75** | |
| | | | *892.32* | |
| | | | **1,475.69** | |
| | | | *1,106.06* | |

*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.

**23. Expenditure in foreign currency**

| | Current Year Rs. crores | *Previous Year Rs. crores* |
|---|---|---|
| (i) Technical Know-how and Technical Consultants' Fees (net of taxes) including **Rs. 319.53** crores *(2007-08 : Rs. 107.20 crores)* on capital account | **320.83** | *109.30* |
| (ii) Interest and Commitment charges payable in foreign currencies | **569.42** | *502.95* |
| (iii) Commission | **15.29** | *12.75* |
| (iv) Payable on other accounts [including **Rs. 6.15** crores *(2007-08 : Rs. 15.28 crores)* on capital account] | **232.21** | *157.47* |

**24. Remittance in foreign currencies for dividends**

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

| | Current Year | *Previous Year* |
|---|---|---|
| (i) Number of non-resident shareholders | **5,914** | *4,461* |
| (ii) Number of Ordinary shares held by them | **14,85,95,480** | *13,60,48,173* |
| (iii) Gross amount of dividends | **Rs. 237.75 crores** | *Rs. 210.87 crores* |

**25. Earnings in Foreign Exchange**

(i) Export of steel and other materials (at F.O.B. value) **Rs. 3,308.67** crores *(2007-08 : Rs. 2,120.98 crores)* [including value of exports through export houses].

(ii) Interest received **Rs. 19.01** crores *(2007-08 : Rs. 33.45 crores)*.

(iii) Others **Rs. 46.87** crores *(2007-08 : Rs. 131.75 crores)*.

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

**26. Derivative Instruments**

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

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

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

| As at | No. of Contracts | US Dollar Equivalent (million) | INR Equivalent (Rs. crores ) |
|---|---|---|---|
| 31.03.2009 | **34** | **347.80** | **1,764.02** |
| *31.03.2008* | – | – | – |

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

| As at | No. of Contracts | US Dollar Equivalent (million) | INR Equivalent (Rs. crores ) |
|---|---|---|---|
| 31.03.2009 | **16** | **62.18** | **315.32** |
| *31.03.2008* | *5* | *30.64* | *122.91* |

(Forward exchange contracts outstanding as on 31st March 2009 include Forward Sales of Great Britain Pound, Euro and United States Dollar against Indian National Rupees, Forward Sales of United States Dollar against Japanese Yen, Forward Sales of Euro against USD, Forward Purchases of Euro and Great Britain Pound against United States Dollars and Forward Purchase of Euro and United States Dollars against Indian National Rupees for contracted exports and imports and planned remittances between April 2009 and February 2010).

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

| As at | No. of Contracts | US Dollar Equivalent (million) | INR Equivalent (Rs. crores) |
|---|---|---|---|
| 31.03.2009 | **39** | **1,967.17** | **9,977.47** |
| *31.03.2008* | *35* | *1,885.86* | *7,564.18* |

(Long Term Forward Exchange Contracts outstanding as on 31st March, 2009 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 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) |
|---|---|---|---|
| 31.03.2009 | **15** | **636.11** | **3,226.36** |
| *31.03.2008* | *1* | *17.34* | *69.54* |

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

| As at | No. of Contracts | US Dollar Equivalent (million) | INR Equivalent (Rs. crores) |
|---|---|---|---|
| 31.03.2009 | **–** | **–** | **–** |
| *31.03.2008* | *2* | *2.75* | *11.03* |

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

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

| | **As at 31.03.2009** | | *As at 31.03.2008* | |
|---|---|---|---|---|
| | **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 Receivable | **25.24** | **128.01** | *25.28* | *101.38* |
| Interest receivable | **5.20** | **26.39** | *0.79* | *3.17* |
| Bill Discounted and Debtors Outstanding | **38.36** | **194.52** | *62.60* | *251.08* |
| B. Amounts payable in foreign currency on account of the following : | | | | |
| Import of goods and services | **68.37** | **346.80** | *19.34* | *77.57* |
| Capital imports | **23.97** | **121.58** | *27.02* | *108.39* |
| Interest and commitment charges payable | **47.73** | **242.07** | *14.22* | *57.06* |
| Loans payable | **1,160.72** | **5,887.19** | *1,162.91* | *4,665.61* |

**27.** The Company raised Rs. 3,578.75 crores (US $ 875 million) through the issue of Foreign Currency Convertible Alternative Reference Securities ("CARS") during FY 2007-08. The CARS will be convertible into either qualifying securities (which may be in the form of depository receipts with restricted rights of withdrawal representing underlying ordinary shares with differential rights as to voting) or ordinary shares only between 4th September, 2011 to 6th August, 2012 and are redeemable in foreign currency only in September, 2012, if not converted into equity. The CARS will be convertible at a conversion price of Rs. 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 premium payable on account of exchange fluctuation is transferred to "Foreign Currency Monetary Items Translation Difference Account" in line with Companies (Accounting Standards) Amendment Rules 2009 relating to Accounting Standard 11 (AS-11) notified by Government of India on 31st March, 2009. Such exchange fluctuation on the premium payable is amortised over the balance period of CARS but not beyond 31st March, 2011, by adjusting the same to Securities Premium Account. Accordingly, an amount of **Rs. 32.54** crores (net of deferred tax **Rs. 16.76** crores) has been amortised and adjusted against Securities Premium Account during the current financial year. During 2007-08, Rs. 10.51 crores (net of deferred tax Rs. 5.41 crores) being the gain on revaluation of the premium payable was adjusted against the Securities Premium Account. Fees to Mandated Lead Arrangers for revision in certain terms and conditions of standby letter of credit in the issue of CARS has been considered as issue expenses based on a legal opinion. The issue expenses of **Rs. 229.74** crores *(2007-08: Rs. 111.86 crores)* has been adjusted to Securities Premium Account.

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

**29.** Figures in italics are in respect of the previous year.

# Balance Sheet Abstract and Company's General Business Profile

**I. Registration Details**

| | | | | |
|---|---|---|---|---|
| Registration No. | 260 | | | State Code 11 |
| Balance Sheet Date | 31 | 03 | 2009 | |
| | Date | Month | Year | |

**II. Capital raised during the year (Amount in Rs. Thousands)**

| Public Issue | Rights Issue |
|---|---|
| Nil | 3,886 |
| **Bonus Issue** | **Private Placement** |
| Nil | Nil |

**III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)**

| | | |
|---|---|---|
| | Total Liabilities | Total Assets |
| | 58,74,17,548 | 58,74,17,548 |
| **Sources of Funds** | Paid-up Capital | Reserves & Surplus |
| | 6,20,34,472 | 23,97,28,098 |
| | Secured Loans | Unsecured Loans |
| | 3,91,30,558 | 23,03,31,286 |
| | Other Liabilities | |
| | 1,61,93,134 | |
| **Application of Funds** | Net Fixed Assets | Investments |
| | 14,48,22,126 | 42,37,17,819 |
| | Net Current Assets | Misc. Expenditure |
| | 1,31,10,363 | 57,67,240 |

**IV. Performance of the Company (Amount in Rs. Thousands)**

| | |
|---|---|
| Turnover | Total Expenditure |
| 24,62,40,432 | 17,30,84,372 |
| Exceptional Items | Profit/(Loss) Before Tax |
| Nil | 7,31,56,060 |
| Profit/(Loss) After Tax | Earnings per Share in Rs. (Weighted Average - Basic) |
| 5,20,17,360 | 69.45 |
| Dividend rate % | |
| 160 | |

**V. Generic Names of Principal Products/Services of Company (as per monetary terms)**

| | |
|---|---|
| Item Code No. (ITC Code) | 72082600 |
| Product Description | Flat Rolled Products of Non Alloy Steel of a width of 600 mm and more hot rolled coils of thickness 1.66 mm to 12 mm |
| Item Code No. (ITC Code) | 73045901 |
| Product Description | Tubes/Pipes etc. of circular section with outer diameter upto 114.3 mm, not cold rolled |
| Item Code No. (ITC Code) | 72091600/72091700 |
| Product Description | Flat Rolled Products of Iron or Non Alloy Steel, of a width of 600 mm or more, cold rolled (cold-reduced), not clad, plated or coated of a thickness of 0.5 mm or more but less than 3 mm |

# Production Statistics

('000 Tonnes)

| Year | Iron Ore | Coal | Iron | Crude Steel | Rolled/ Forged Bars & Structurals | Plates | Sheets | Hot Rolled Coils/ Strips | Cold Rolled Coils | Railway Materials | Semi-Finished for Sale | Total Saleable Steel |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1955-56 | 2,001 | 1,536 | 1,168 | 1,076 | 246 | 61 | 148 | — | — | 130 | 227 | 812 |
| 1956-57 | 1,999 | 1,528 | 1,169 | 1,088 | 220 | 64 | 161 | 35 | — | 106 | 226 | 812 |
| 1957-58 | 2,074 | 1,488 | 1,109 | 1,122 | 210 | 72 | 161 | 71 | — | 103 | 182 | 799 |
| 1958-59 | 2,198 | 1,590 | 1,149 | 1,166 | 212 | 71 | 134 | 103 | — | 77 | 302 | 899 |
| 1959-60 | 2,551 | 1,705 | 1,591 | 1,555 | 298 | 89 | 134 | 164 | — | 98 | 454 | 1,237 |
| 1960-61 | 2,275 | 1,714 | 1,586 | 1,622 | 369 | 85 | 132 | 161 | — | 112 | 404 | 1,263 |
| 1961-62 | 2,104 | 1,700 | 1,645 | 1,643 | 449 | 77 | 134 | 173 | — | 114 | 371 | 1,318 |
| 1962-63 | 2,616 | 2,047 | 1,764 | 1,799 | 472 | 90 | 149 | 178 | — | 131 | 393 | 1,413 |
| 1963-64 | 2,953 | 2,173 | 1,809 | 1,892 | 534 | 96 | 154 | 162 | — | 127 | 434 | 1,507 |
| 1964-65 | 3,125 | 2,264 | 1,885 | 1,956 | 548 | 101 | 164 | 197 | — | 133 | 425 | 1,568 |
| 1965-66 | 3,232 | 2,175 | 1,917 | 1,979 | 555 | 98 | 166 | 181 | — | 128 | 440 | 1,568 |
| 1966-67 | 3,009 | 2,088 | 1,926 | 2,001 | 556 | 104 | 152 | 177 | — | 114 | 465 | 1,568 |
| 1967-68 | 2,728 | 1,974 | 1,798 | 1,933 | 518 | 111 | 155 | 138 | — | 118 | 494 | 1,534 |
| 1968-69 | 2,821 | 2,108 | 1,715 | 1,816 | 510 | 110 | 163 | 186 | — | 125 | 371 | 1,465 |
| 1969-70 | 2,564 | 2,172 | 1,624 | 1,708 | 479 | 104 | 159 | 179 | — | 120 | 399 | 1,440 |
| 1970-71 | 2,402 | 1,959 | 1,664 | 1,716 | 512 | 101 | 164 | 180 | — | 78 | 340 | 1,375 |
| 1971-72 | 2,844 | 1,940 | 1,631 | 1,709 | 497 | 106 | 184 | 185 | — | 85 | 330 | 1,387 |
| 1972-73 | 3,231 | 1,997 | 1,681 | 1,690 | 530 | 99 | 175 | 187 | — | 55 | 412 | 1,458 |
| 1973-74 | 2,922 | 2,134 | 1,435 | 1,514 | 482 | 93 | 131 | 169 | — | 22 | 303 | 1,200 |
| 1974-75 | 2,940 | 2,209 | 1,668 | 1,722 | 562 | 103 | 166 | 179 | — | 38 | 413 | 1,461 |
| 1975-76 | 2,965 | 2,181 | 1,652 | 1,787 | 547 | 111 | 164 | 173 | — | 46 | 445 | 1,486 |
| 1976-77 | 3,138 | 2,135 | 1,754 | 1,908 | 522 | 112 | 146 | 178 | — | 48 | 544 | 1,550 |
| 1977-78 | 2,972 | 2,239 | 1,762 | 1,968 | 510 | 107 | 129 | 165 | — | 56 | 634 | 1,601 |
| 1978-79 | 2,808 | 2,134 | 1,672 | 1,866 | 493 | 103 | 132 | 180 | — | 53 | 555 | 1,516 |
| 1979-80 | 2,549 | 2,065 | 1,516 | 1,781 | 409 | 73 | 122 | 154 | — | 34 | 656 | 1,448 |
| 1980-81 | 2,698 | 2,196 | 1,648 | 1,875 | 381 | 82 | 121 | 148 | — | 28 | 777 | 1,537 |
| 1981-82 | 2,991 | 2,327 | 1,774 | 1,962 | 525 | 99 | 151 | 149 | — | 22 | 660 | 1,606 |
| 1982-83 | 3,224 | 2,671 | 1,793 | 1,957 | 501 | 103 | 137 | 119 | — | 11 | 750 | 1,621 |
| 1983-84 | 3,137 | 3,335 | 1,746 | 1,973 | 488 | 107 | 129 | 138 | — | 20 | 744 | 1,626 |
| 1984-85 | 3,454 | 3,582 | 1,804 | 2,049 | 512 | 122 | 139 | 168 | — | 19 | 754 | 1,714 |
| 1985-86 | 3,184 | 3,739 | 1,752 | 2,094 | 484 | 108 | 134 | 169 | — | 18 | 859 | 1,702 |
| 1986-87 | 3,305 | 3,796 | 1,940 | 2,250 | 436 | 93 | 122 | 152 | — | 13 | 1,091 | 1,861 |
| 1987-88 | 3,237 | 3,793 | 2,018 | 2,275 | 591 | 99 | 127 | 155 | — | 13 | 929 | 1,862 |
| 1988-89 | 3,569 | 3,793 | 2,238 | 2,313 | 637 | 93 | 131 | 166 | — | 13 | 904 | 1,900 |
| 1989-90 | 3,726 | 3,754 | 2,268 | 2,323 | 553 | 91 | 117 | 155 | — | 17 | 1,033 | 1,913 |
| 1990-91 | 3,509 | 3,725 | 2,320 | 2,294 | 558 | 88 | 118 | 153 | — | 14 | 1,013 | 1,901 |
| 1991-92 | 3,996 | 3,848 | 2,400 | 2,415 | 599 | 92 | 123 | 170 | — | 9 | 1,045 | 1,978 |
| 1992-93 | 4,126 | 3,739 | 2,435 | 2,477 | 575 | 78 | 122 | 163 | — | 7 | 1,179 | 2,084 |
| 1993-94 | 4,201 | 3,922 | 2,598 | 2,487 | 561 | — | 124 | 281 | — | 6 | 1,182 | 2,117 |
| 1994-95 | 4,796 | 4,156 | 2,925 | 2,788 | 620 | — | 137 | 613 | — | 2 | 1,074 | 2,391 |
| 1995-96 | 5,181 | 4,897 | 3,241 | 3,019 | 629 | — | 133 | 1,070 | — | — | 869 | 2,660 |
| 1996-97 | 5,766 | 5,294 | 3,440 | 3,106 | 666 | — | 114 | 1,228 | — | — | 811 | 2,783 |
| 1997-98 | 5,984 | 5,226 | 3,513 | 3,226 | 634 | — | 60 | 1,210 | — | — | 1,105 | 2,971 |
| 1998-99 | 6,056 | 5,137 | 3,626 | 3,264 | 622 | — | — | 1,653 | — | — | 835 | 3,051 |
| 1999-2000 | 6,456 | 5,155 | 3,888 | 3,434 | 615 | — | — | 2,057 | — | — | 615 | 3,262 |
| 2000-01 | 6,989 | 5,282 | 3,929 | 3,566 | 569 | — | — | 1,858 | 356 | — | 647 | 3,413 |
| 2001-02 | 7,335 | 5,636 | 4,041 | 3,749 | 680 | — | — | 1,656 | 734 | — | 566 | 3,596 |
| 2002-03 | 7,985 | 5,915 | 4,437 | 4,098 | 705 | — | — | 1,563 | 1,110 | — | 563 | 3,975 |
| 2003-04 | 8,445 | 5,842 | 4,466 | 4,224 | 694 | — | — | 1,578 | 1,262 | — | 555 | 4,076 |
| 2004-05 | 9,803 | 6,375 | 4,347 | 4,104 | 706 | — | — | 1,354 | 1,445 | — | 604 | 4,074 |
| 2005-06 | 10,834 | 6,521 | 5,177 | 4,731 | 821 | — | — | 1,556 | 1,495 | — | 679 | 4,551 |
| 2006-07 | 9,776 | 7,041 | 5,552 | 5,046 | 1,230 | — | — | 1,670 | 1,523 | — | 506 | 4,929 |
| 2007-08 | 10,022 | 7,209 | 5,507 | 5,014 | 1,241 | — | — | 1,697 | 1,534 | — | 386 | 4,858 |
| **2008-09** | **10,417** | **7,282** | **6,254** | **5,646** | **1,350** | **—** | **—** | **1,745** | **1,447** | **—** | **833** | **5,375** |

*Notes :*
Figures of total saleable steel are adjusted for :
(a) From 1985-86 and onwards - steel transferred to and produced at the Company's Tubes Division.
(b) Total saleable steel for 2003-04 includes production of the erstwhile Tata SSL Ltd., pursuant to its merger with the Company.

# Financial Statistics

(Rupees Crores)

| | CAPITAL ACCOUNTS | | | | | | REVENUE ACCOUNTS | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Year | Capital | Reserves and Surplus | Borrowings | Gross Block | Net Block | Investments | Gross Revenue | Expenditure | Depreciation | Profit before Taxes | Taxes | Profit after Taxes | Net Transfer to Reserves | Dividends |
| 1956-57 | 25.94 | 20.20 | 21.53 | 93.45 | 54.79 | 5.38 | 44.14 | 32.69 | 2.47 | 8.98 | 3.42 | 5.56 | 3.70 | 1.93 |
| 1957-58 | 30.66 | 24.50 | 60.19 | 147.06 | 105.04 | 5.41 | 48.26 | 38.47 | 3.91 | 5.88 | 0.90 | 4.98 | 2.92 | 2.41 |
| 1958-59 | 30.72 | 26.15 | 83.78 | 171.79 | 124.78 | 5.94 | 56.12 | 47.72 | 5.53 | 2.87 | 0.17 | 2.70 | 0.57 | 2.47 |
| 1959-60 | 38.97 | 27.09 | 77.07 | 177.92 | 122.95 | 8.84 | 76.46 | 62.31 | 8.47 | 5.68 | — | 5.68 | 1.92 | 3.76 |
| 1960-61 | 38.97 | 27.67 | 69.04 | 185.52 | 116.76 | 8.85 | 87.08 | 68.07 | 13.92 | 5.09 | — | 5.09 | 0.52 | 4.65 |
| 1961-62 | 38.97 | 27.97 | 64.08 | 190.23 | 109.06 | 8.87 | 92.48 | 73.24 | 13.15 | 6.09 | — | 6.09 | 1.44 | 4.65 |
| 1962-63 | 38.97 | 40.27* | 54.62 | 195.88 | 103.32 | 8.85 | 103.44 | 81.22 | 11.66 | 10.56 | 0.80 | 9.76 | 4.86 | 4.89 |
| 1963-64 | 38.97 | 47.41* | 47.27 | 200.38 | 100.15 | 9.86 | 115.20 | 90.76 | 7.97 | 16.47 | 4.75 | 11.72 | 6.45 | 5.25 |
| 1964-65 | 38.97 | 50.94* | 43.74 | 204.45 | 94.52 | 10.62 | 126.91 | 102.06 | 10.14 | 14.71 | 6.15 | 8.56 | 3.30 | 5.25 |
| 1965-66 | 38.97 | 56.35* | 34.87 | 211.87 | 92.27 | 11.66 | 134.00 | 106.86 | 10.40 | 16.74 | 7.10 | 9.64 | 4.40 | 5.25 |
| 1966-67 | 50.00 | 48.44* | 51.47 | 238.03 | 107.36 | 11.26 | 130.78 | 107.32 | 11.49 | 11.97 | 4.40 | 7.57 | 2.32 | 5.27 |
| 1967-68 | 50.00 | 50.23* | 50.23 | 251.56 | 109.07 | 11.29 | 137.67 | 117.21 | 12.12 | 8.34 | 2.45 | 5.89 | 0.62 | 5.27 |
| 1968-69 | 50.00 | 51.82* | 44.05 | 258.08 | 103.62 | 12.28 | 142.87 | 120.11 | 12.94 | 9.82 | 3.60 | 6.22 | 0.95 | 5.27 |
| 1969-70 | 50.00 | 52.71* | 37.73 | 268.31 | 101.51 | 12.22 | 151.21 | 126.69 | 13.19 | 11.33 | 5.20 | 6.13 | 0.86 | 5.27 |
| 1970-71 | 50.00 | 55.58* | 36.10 | 287.86 | 106.02 | 12.21 | 158.51 | 128.29 | 16.10 | 14.12 | 6.70 | 7.42 | 2.15 | 5.27 |
| 1971-72 | 50.00 | 56.92* | 43.80 | 305.78 | 109.98 | 12.22 | 171.95 | 143.91 | 16.07 | 11.97 | 5.80 | 6.17 | 0.90 | 5.27 |
| 1972-73 | 50.00 | 58.46* | 48.03 | 329.74 | 118.36 | 12.24 | 210.22 | 187.19 | 17.51 | 5.52 | — | 5.52 | 0.25 | 5.27 |
| 1973-74 | 50.00 | 63.16* | 49.49 | 346.18 | 121.31 | 12.17 | 197.95 | 167.10 | 16.63 | 14.32 | 4.45 | 9.77 | 6.48 | 3.29** |
| 1974-75 | 50.00 | 75.55* | 63.45 | 366.57 | 127.30 | 11.01 | 279.72 | 236.63 | 15.11 | 27.98 | 12.80 | 15.18 | 10.07 | 5.11** |
| 1975-76 | 50.00 | 77.97 | 88.30 | 395.84 | 142.34 | 11.09 | 287.63 | 258.76 | 16.20 | 12.67 | 3.25 | 9.42 | 4.59 | 4.83 |
| 1976-77 | 62.86 | 71.17 | 94.36 | 417.99 | 149.57 | 11.14 | 332.84 | 297.51 | 17.28 | 18.05 | 6.00 | 12.05 | 6.06 | 5.99 |
| 1977-78 | 62.86 | 73.60 | 87.68 | 438.51 | 156.02 | 11.17 | 361.30 | 335.18 | 18.25 | 7.87 | 0.10 | 7.77 | 1.27 | 6.50 |
| 1978-79 | 62.86 | 80.26 | 77.74 | 464.30 | 165.11 | 11.45 | 380.85 | 335.83 | 20.12 | 24.90 | 7.35 | 17.55 | 10.53 | 7.02 |
| 1979-80 | 62.86 | 88.11 | 84.82 | 499.70 | 184.51 | 12.05 | 454.94 | 407.04 | 22.97 | 24.93 | 9.00 | 15.93 | 8.14 | 7.79 |
| 1980-81 | 62.86 | 106.01 | 104.65 | 550.48 | 216.76 | 14.01 | 520.86 | 445.10 | 23.70 | 52.06 | 25.60 | 26.46 | 17.90 | 8.56 |
| 1981-82 | 83.44 | 120.60 | 233.74 | 650.14 | 304.05 | 14.04 | 704.69 | 599.83 | 27.21 | 77.65 | 30.00 | 47.65 | 34.56 | 13.09† |
| 1982-83 | 83.44 | 152.80 | 310.34 | 789.76 | 420.31 | 20.04 | 798.16 | 729.52 | 23.77 | 44.87 | — | 44.87 | 31.78 | 13.09 |
| 1983-84 | 72.02+ | 160.61 | 380.62 | 843.64 | 453.46 | 20.22 | 889.54 | 826.39 | 43.14 | 20.01 | — | 20.01 | 7.77 | 12.24 |
| 1984-85 | 72.02 | 230.24 | 398.52 | 911.55 | 451.55 | 103.12 | 1105.02 | 938.33 | 69.95@ | 96.74 | 12.00 | 84.74 | 69.62 | 15.12 |
| 1985-86 | 82.74 | 334.19 | 447.43 | 1115.76 | 577.41 | 144.54 | 1285.51 | 1078.55 | 49.28 | 157.68 | 50.00 | 107.68 | 90.88 | 20.60 |
| 1986-87 | 82.63 | 401.05 | 517.83 | 1299.84 | 708.09 | 130.12 | 1416.39 | 1259.27 | 57.60 | 99.52 | 12.00 | 87.52 | 66.86 | 20.66 |
| 1987-88 | 136.01 | 476.33 | 576.65 | 1525.46 | 861.88 | 163.52 | 1526.78 | 1340.65 | 73.98 | 112.15 | 20.00 | 92.15 | 62.81 | 29.34 |
| 1988-89 | 156.09 | 645.53 | 611.64 | 1753.13 | 998.71 | 234.44 | 1861.77 | 1587.74 | 93.69 | 180.34 | 26.00 | 154.34 | 108.17 | 46.17 |
| 1989-90 | 229.43 | 1103.11 | 954.11 | 2062.76 | 1200.09 | 795.32 | 2135.57 | 1840.95 | 118.79 | 175.83 | 27.30 | 148.53 | 97.94 | 50.59 |
| 1990-91 | 229.89 | 1194.22 | 1183.75 | 2703.29 | 1713.79 | 571.86 | 2330.83 | 1955.67 | 137.03 | 238.13 | 78.00 | 160.13 | 88.79 | 71.34 |
| 1991-92 | 230.12 | 1315.36 | 2051.30 | 4026.16 | 2878.19 | 248.77 | 2869.70 | 2426.65 | 164.89 | 278.16 | 64.00 | 214.16 | 133.61 | 80.55 |
| 1992-93 | 278.45 | 1707.94 | 3039.55 | 5463.13 | 4107.64 | 170.06 | 3423.33 | 3094.84 | 215.37 | 127.12 | — | 127.12 | 62.30 | 64.82 |
| 1993-94 | 335.21 | 2189.53 | 3428.59 | 6439.94 | 4924.39 | 261.62 | 3822.64 | 3464.10 | 177.70 | 180.84 | — | 180.84 | 84.29 | 96.55 |
| 1994-95 | 336.87 | 2351.17 | 3561.24 | 6962.89 | 5213.48 | 220.65 | 4649.06 | 4120.01 | 247.93 | 281.12 | — | 281.12 | 162.88 | 118.24 |
| 1995-96 | 367.23 | 3375.17 | 3842.14 | 7408.46 | 5393.56 | 410.94 | 5879.96 | 5016.56 | 297.61 | 565.79 | — | 565.79 | 408.82 | 156.97 |
| 1996-97 | 367.38 | 3606.64 | 4082.65 | 7850.82 | 5526.40 | 664.90 | 6409.43 | 5540.39 | 326.83 | 542.21 | 73.00 | 469.21 | 286.98 | 182.23# |
| 1997-98 | 367.56 | 3697.32 | 4579.14 | 8948.52 | 6300.04 | 623.45 | 6516.58 | 5810.02 | 343.23 | 363.33 | 41.25 | 322.08 | 160.10 | 161.98# |
| 1998-99 | 367.97 | 3796.45 | 4938.93 | 10032.17 | 7058.58 | 585.44 | 6335.60 | 5638.19 | 382.18 | 315.23 | 33.00 | 282.23 | 118.94 | 163.29# |
| 1999-2000 | 517.97 | 4040.43 | 4907.23 | 10668.33 | 7426.38 | 803.10 | 6943.33 | 6040.20 | 426.54 | 476.59 | 54.00 | 422.59 | 250.69 | 171.90# |
| 2000-01 | 507.97 | 4380.46 | 4672.22 | 11258.17 | 7538.09 | 846.92 | 7810.05 | 6715.36 | 492.25 | 602.44 | 49.00 | 553.44 | 335.83 | 217.61# |
| 2001-02 | 367.97 | 3077.99 | 4705.48 | 11742.44 | 7543.70 | 912.74 | 7682.70 | 6906.95 | 524.75 | 251.00 | 46.10 | 204.90 | 55.51 | 149.39# |
| 2002-03 | 369.18 | 2816.84 | 4225.61 | 12393.79 | 7543.80 | 1194.55 | 9843.66 | 8025.68 | 555.48 | 1262.50 | 250.19 | 1012.31 | 679.30 | 333.01# |
| 2003-04 | 369.18 | 4146.68 | 3382.21 | 13269.47 | 7857.85 | 2194.12 | 12069.62 | 8778.55 | 625.11 | 2665.96 | 919.74 | 1746.22 | 1329.97 | 416.25# |
| 2004-05 | 553.67 | 6506.25 | 2739.70 | 14957.73 | 9112.24 | 2432.65 | 16053.48 | 10137.42 | 618.78 | 5297.28 | 1823.12 | 3474.16 | 2652.79 | 821.37# |
| 2005-06 | 553.67 | 9201.63 | 2516.15 | 16470.71 | 9865.05 | 4069.96 | 17398.98 | 11383.92 | 775.10 | 5239.96 | 1733.58 | 3506.38 | 2685.95 | 820.43# |
| 2006-07 | 727.73 | 13368.42 | 9645.33 | 18426.52 | 11040.56 | 6106.18 | 20196.24 | 13115.30 | 819.29 | 6261.65 | 2039.50 | 4222.15 | 3117.82 | 1104.33 |
| 2007-08 | 6203.30 | 21097.43 | 18021.69 | 20746.57 | 12623.56 | 4103.19 | 22526.80 | 14625.83 | 834.61 | 7066.36 | 2379.33 | 4687.03 | 3293.48 | 1393.55 |
| **2008-09** | **6203.45** | **23972.81** | **26946.18** | **23444.22** | **14482.22** | **42371.78** | **27152.00** | **18862.99** | **973.40** | **7315.61** | **2113.87** | **5201.74** | **3709.24** | **1492.50#** |

* Inclusive of Dividends subsequently paid from Reserves and Surplus.

** Payable as per the Companies (Temporary Restrictions on Dividends) Act, 1974.

† Including an additional Jubilee Dividend of Rs. 2 per share.

\+ Excluding Preference Shares which have been cancelled with effect from 1-4-1983 and Non-Convertible Bonds issued in lieu thereof.

@ Including Rs. 15.05 crores additional depreciation for 1983-84.

\# Including tax on dividends.

# Dividend Statistics

| Year | First Preference (Rs. 150)[a] | | Second Preference (Rs. 100)[a] | | Ordinary (Rs. 75 upto 1975-76 Rs. 100 from 1976-77[b] and Rs. 10 from 1989-90)[h] | | Deferred (Rs. 30)[c] | | Total |
|---|---|---|---|---|---|---|---|---|---|
| | Rate Rs. a.p. | Amount Rs. lakhs | Rate Rs. a.p. | Amount Rs. lakhs | Rate Rs. a.p. | Amount Rs. lakhs | Rate Rs. a.p. | Amount Rs. lakhs | Rs. lakhs |
| 1955-56 | 9.00 | 4.50 | 7.80 | 52.04 | 10.80[d] | 134.92 | — | — | 191.46 |
| 1960-61 | 9.00 | 4.50 | 7.50 | 79.89 | 10.36 | 380.65 | — | — | 465.04 |
| 1961-62 | 9.00 | 4.50 | 7.50 | 79.89 | 10.36 | 380.66 | — | — | 465.05 |
| 1962-63 | 9.00 | 4.50 | 7.50 | 79.89 | 11.00 | 404.17 | — | — | 488.56 |
| 1963-64 | 9.00 | 4.50 | 7.50 | 79.89 | 12.00 | 440.92 | — | — | 525.31 |
| 1964-65 | 9.00 | 4.50 | 7.50 | 79.89 | 12.00 | 440.92 | — | — | 525.31 |
| 1965-66 | 9.00 | 4.50 | 7.50 | 79.89 | 12.00 | 440.92 | — | — | 525.31 |
| 1966-67 | 9.00 | 4.50 | 7.50 | 79.89 | 8.60[e] | 442.39 | — | — | 526.78 |
| 1967-68 | 9.00 | 4.50 | 7.50 | 79.89 | 8.60 | 442.39 | — | — | 526.78 |
| 1968-69 | 9.00 | 4.50 | 7.50 | 79.89 | 8.60 | 442.39 | — | — | 526.78 |
| 1969-70 | 9.00 | 4.50 | 7.50 | 79.89 | 8.60 | 442.39 | — | — | 526.78 |
| 1970-71 | 9.00 | 4.50 | 7.50 | 79.89 | 8.60 | 442.39 | — | — | 526.78 |
| 1971-72 | 9.00 | 4.50 | 7.50 | 79.89 | 8.60 | 442.39 | — | — | 526.78 |
| 1972-73 | 9.00 | 4.50 | 7.50 | 79.89 | 8.60 | 442.39 | — | — | 526.78 |
| 1973-74 | 9.00 | 4.50 | 7.50 | 79.89 | 4.75 | 244.34 | — | — | 328.73 |
| 1974-75 | 9.00 | 4.50 | 7.50 | 79.89 | 8.30 | 426.95 | — | — | 511.34 |
| 1975-76 | 9.00 | 4.50 | 7.50 | 79.89 | 7.75 | 398.66 | — | — | 483.05 |
| 1976-77 | 9.00 | 4.50 | 7.50 | 79.89 | 10.00 | 514.40 | — | — | 598.79 |
| 1977-78 | 9.00 | 4.50 | 7.50 | 79.89 | 11.00 | 565.84 | — | — | 650.23 |
| 1978-79 | 9.00 | 4.50 | 7.50 | 79.89 | 12.00 | 617.28 | — | — | 701.67 |
| 1979-80 | 9.00 | 4.50 | 7.50 | 79.89 | 13.50 | 694.44 | — | — | 778.83 |
| 1980-81 | 9.00 | 4.50 | 7.50 | 79.89 | 15.00 | 771.60 | — | — | 855.99 |
| 1981-82 | 9.00 | 4.50 | 7.50 | 79.89 | 17.00[ef] | 1224.28 | — | — | 1308.67 |
| 1982-83 | 9.00 | 4.50 | 7.50 | 79.89 | 17.00 | 1224.28 | — | — | 1308.67 |
| 1983-84 | — | — | — | — | 17.00 | 1224.28 | — | — | 1224.28 |
| 1984-85 | — | — | — | — | 21.00 | 1512.34 | — | — | 1512.34 |
| 1985-86 | — | — | — | — | 25.00 | 2059.43 | — | — | 2059.43 |
| 1986-87 | — | — | — | — | 25.00 | 2065.72 | — | — | 2065.72 |
| 1987-88 | — | — | — | — | 25.00[e] | 2934.29 | — | — | 2934.29 |
| 1988-89 | — | — | — | — | 30.00[g] | 4616.74 | — | — | 4616.74 |
| 1989-90 | — | — | — | — | 3.00[hi] | 5059.30 | — | — | 5059.30 |
| 1990-91 | — | — | — | — | 3.10 | 7134.23 | — | — | 7134.23 |
| 1991-92 | — | — | — | — | 3.50 | 8054.78 | — | — | 8054.78 |
| 1992-93 | — | — | — | — | 2.50[j] | 6482.21 | — | — | 6482.21 |
| 1993-94 | — | — | — | — | 3.00[k] | 9655.44 | — | — | 9655.44 |
| 1994-95 | — | — | — | — | 3.50[l] | 11823.94 | — | — | 11823.94 |
| 1995-96 | — | — | — | — | 4.50[m] | 15697.11 | — | — | 15697.11 |
| 1996-97 | — | — | — | — | 4.50 | 18222.25[n] | — | — | 18222.25[n] |
| 1997-98 | — | — | — | — | 4.00 | 16198.05[o] | — | — | 16198.05[o] |
| 1998-99 | — | — | — | — | 4.00 | 16329.05[p] | — | — | 16329.05[p] |
| 1999-2000 | — | — | — | — | 4.00 | 17189.87[q,r] | — | — | 17189.87[q,r] |
| 2000-01 | — | — | — | — | 5.00 | 21760.67[s,t,u] | — | — | 21760.67[s,t,u] |
| 2001-02 | — | — | — | — | 4.00 | 14939.21[v] | — | — | 14939.21[v] |
| 2002-03 | — | — | — | — | 8.00 | 33299.88[w] | — | — | 33299.88[w] |
| 2003-04 | — | — | — | — | 10.00 | 41625.77[x] | — | — | 41625.77[x] |
| 2004-05 | — | — | — | — | 13.00 | 82137.22[y] | — | — | 82137.22[y] |
| 2005-06 | — | — | — | — | 13.00 | 82042.66[z] | — | — | 82042.66[z] |
| 2006-07 | — | — | — | — | 15.50 | 110432.51* | — | — | 110432.51* |
| 2007-08 | — | — | 0.41 | 2596.11# | 16.00 | 136759.54@ | — | — | 139355.65 |
| **2008-09** | **—** | **—** | **2.00** | **12805.48✧** | **16.00** | **136443.72†** | **—** | **—** | **149249.20** |

*a* Subject to deduction of Company's Income-tax from Preference Dividends upto 1958-59.
*b* Free of tax upto 1958-59 and gross (i.e. inclusive of tax deducted at source) from 1959-60.
*c* Out of 48,750 Deferred Shares, 26,250 Deferred Shares were issued in 1917 at a premium of Rs. 370 per share.
*d* On increased number of Ordinary Shares from 1953-54 onwards after conversion of Deferred Shares into Ordinary Shares and issue of Bonus Shares.
*e* Including on Bonus Shares issued during the year.
*f* Including an additional Jubilee Dividend of Rs. 2 per share.
*g* On the Capital as increased by Rights Issue of Ordinary Shares during 1987-88.
*h* The Ordinary Shares of Rs. 100 each have been sub-divided into Ordinary Shares of Rs. 10 each during 1989-90 and the rate of Dividend is per Ordinary Share of Rs. 10 each.
*i* On the Capital as increased by shares allotted on Conversion of Convertible Debentures.
*j* On the Capital as increased by Rights Issue of Ordinary Shares during 1992-93.
*k* On the Capital as increased by Ordinary Shares issued during 1993-94 against Detachable Warrants.
*l* On the Capital as increased by Ordinary Shares issued during 1994-95 against Detachable Warrants and Foreign Currency Convertible Bonds.
*m* On the Capital as increased by Ordinary Shares issued during 1995-96 against Detachable Warrants, Foreign Currency Convertible Bonds and Naked Warrants.
*n* Includes 10% tax of Rs. 1656.57 lakhs on dividend.
*o* Includes 10% tax of Rs. 1472.55 lakhs on dividend.
*p* Includes 11% tax of Rs. 1618.19 lakhs on dividend.
*q* Includes 11% tax of Rs. 1703.50 lakhs on dividend.
*r* Includes Dividend of Rs. 775.50 lakhs on 9.25% Cumulative Redeemable Preference Shares.
*s* Includes tax of Rs. 2151.38 lakhs on dividends.
*t* Includes Dividend of Rs. 22.30 lakhs on 9.25% Cumulative Redeemable Preference Shares for the period 1st April, 2000 to 27th June, 2000.
*u* Includes Dividend of Rs. 1198.40 lakhs on 8.42% Cumulative Redeemable Preference Shares for the period 1st June, 2000 to 31st March, 2001.
*v* Includes Dividend of Rs. 207.20 lakhs on 8.42% Cumulative Redeemable Preference Shares and tax of Rs. 21.13 lakhs on Preference Dividends.
*w* Includes tax of Rs. 3781.33 lakhs on Dividend.
*x* Includes tax of Rs. 4727.58 lakhs on Dividend.
*y* Includes tax of Rs. 10185.74 lakhs on Dividend.
*z* Includes tax of Rs. 10092.00 lakhs on Dividend.
* Includes tax of Rs. 16041.72 lakhs on Dividend
\# Dividend paid for 74 days on Cumulative Convertible Preference Share. Includes tax Rs. 377.12 lakhs on Dividend.
@ Includes tax of Rs. 19866.05 lakhs on Dividends on Ordinary Shares.
✧ Includes tax Rs. 1860.16 lakhs on Dividend on Cumulative Convertible Preference Share.
† Includes tax of Rs. 19549.31 lakhs on Dividends on Ordinary Shares.

# Financial Ratios

| | | 2008-09 | 2007-08 | 2006-07 | 2005-06 | 2004-05 | 2003-04 | 2002-03 | 2001-02 | 2000-01 | 1999-00 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | EBIDTA/Turnover | **38.83%** | 41.93% | 41.34% | 40.35% | 41.89% | 31.82% | 24.34% | 16.87% | 20.05% | 16.36% |
| 2 | PBT/Turnover | **30.09%** | 33.70% | 35.68% | 34.44% | 36.34% | 24.83% | 14.48% | 3.51% | 8.85% | 4.95% |
| 3 | Return on Averaage Capital Employed | **16.12%** | 20.53% | 32.37% | 40.81% | 49.43% | 28.02% | 16.29% | 6.35% | 11.22% | 7.58% |
| 4 | Return on Avg. Net Worth | **18.33%** | 22.84% | 36.09% | 42.90% | 62.01% | 46.28% | 35.88% | 6.38% | 14.38% | 11.51% |
| 5 | Asset Turnover | **99.17%** | 105.36% | 76.54% | 108.13% | 110.13% | 100.41% | 77.97% | 63.07% | 72.12% | 66.05% |
| 6 | Inventory Turnover (in days) | **43.00** | 42.00 | 43.00 | 45.00 | 37.00 | 39.00 | 43.00 | 50.00 | 47.00 | 55.00 |
| 7 | Debtors Turnover (in days) | **9.00** | 11.00 | 12.00 | 13.00 | 16.00 | 27.00 | 43.00 | 64.00 | 58.00 | 65.00 |
| 8 | Gross Block to Net Block | **1.63** | 1.65 | 1.68 | 1.68 | 1.65 | 1.69 | 1.64 | 1.56 | 1.49 | 1.44 |
| 9 | Net Debt to Equity | **0.78** | 0.81 | (0.15) | 0.02 | 0.18 | 0.42 | 1.15 | 1.34 | 1.09 | 1.23 |
| 10 | Current Ratio | **1.12** | 0.90 | 2.18 | 1.10 | 1.10 | 1.03 | 1.35 | 1.53 | 1.54 | 1.64 |
| 11 | Interest Cover ratio | **7.35** | 9.44 | 37.01 | 43.08 | 29.21 | 22.76 | 5.14 | 1.64 | 2.82 | 1.95 |
| 12 | Networth per share (post CCPS conversion) | **360.18** | 376.28 | 214.80 | 171.68 | 123.68 | 78.77 | 86.35 | 66.81 | 107.90 | 101.43 |
| 13 | Earnings per share (Basic) | **69.45** | 66.80 | 65.28 | 63.35 | 62.77 | 31.55 | 27.44 | 5.51 | 14.64 | 11.28 |
| 14 | Dividend Payout | **29.00%** | 30.00% | 26.00% | 23.00% | 24.00% | 24.00% | 33.00% | 73.00% | 39.00% | 41.00% |
| 15 | P/E Ratio | **2.97** | 10.38 | 6.89 | 8.47 | 6.39 | 12.16 | 4.87 | 17.72 | 8.36 | 10.27 |

1. EBIDTA/Turnover : Earnings Before Interest Depreciation Tax and Exceptional Items/Turnover.
   (EBIDTA : Profit before Taxes +(-) Exceptional Items + Net Finance Charges + Depreciation).
   (Turnover : Sales & Other Operating Income less Excise Duty).
2. PBT/Turnover : Profit Before Tax/Turnover.
   ( Profit before Taxes +(-) Exceptional Items).
3. Return on Average Capital Employed : EBIT/Average Capital Employed.
   (Capital Employed : Total Funds Employed – Miscellaneous Expenses to the extent not written off or adjusted – Foreign Currency Monetary Translation Diff Account)).
   (EBIT : Profit before Taxes +(-) Exceptional Items + Net Finance Charges).
4. Return on Average Net Worth : Profit after Taxes/Average Net Worth.
   (Net Worth : Equity Share Capital + Preference Share Capital + Reserves & Surplus – Miscellaneous Expenses to the extent not written off or adjusted - Foreign Currency Monetary Translation Diff Account).
5. Asset Turnover : Net Sales/(Total Assets - Investments – Misc Expenses to the extent not written off or adjusted – Foreign Currency Monetary Translation Diff Account – Advance Against Equity + Current Liabilities & Provisions).
6. Inventory Turnover : Average Inventory/Sale of Products in days.
7. Debtors Turnover : Average Debtors/Turnover in days.
8. Gross Block to Net Block : Gross Block/Net Block.
9. Net Debt to Equity : Net Debt/Average Net Worth.
   (Net Debt :Secured Loan+Unsecured loan – Cash & Bank – Current Investments).
10. Current Ratio : Current Assets (excluding advance against equity)/Current Liabilities.
11. Interest Cover Ratio : Earnings Before Interest and Tax/Net Finance Charges.
12. Net Worth per share : Net Worth/Average Number of Equity Shares (post CCPS conversion).
13. Earnings per share(Basic) : Profit attributable to Ordinary Shareholders/Weighted average number of ordinary shares.
14. Dividend Payout : Dividend/Profit after Taxes.
15. P/E Ratio : Market Price/Earnings per share (Basic).

# Corporate Governance Report for the year 2008-09

(as required under Clause 49 of the Listing Agreements entered into with the Stock Exchanges)

1. **The Company's Corporate Governance Philosophy**

The Company has set itself the objective of expanding its capacities and becoming globally competitive in its business. As a part of its growth strategy, the Company believes in adopting the 'best practices' that are followed in the area of Corporate Governance across various geographies. The Company emphasises the need for full transparency and accountability in all its transactions, in order to protect the interests of its stakeholders. The Board considers itself as a Trustee of its Shareholders and acknowledges its responsibilities towards them for creation and safeguarding their wealth.

In accordance with the Tata Steel Group Vision, Tata Steel Group ('the Group') aspires to be the global steel industry benchmark for value creation and corporate citizenship. The Group expects to realise its Vision by taking such actions as may be necessary in order to achieve its goals of value creation, safety, environment and people.

2. **Board of Directors**

The Company has a non-executive Chairman and the number of Independent Directors is more than one-third of the total number of Directors. As on 31st March, 2009, the Company has 14 Directors on its Board, of which 8 Directors are independent. The number of Non-Executive Directors (NEDs) is more than 50% of the total number of Directors. The Company is in compliance with clause 49 of the Listing Agreement pertaining to compositions of directors.

None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49), across all the companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by the Directors.

The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting, as also the number of Directorships and Committee Memberships held by them in other companies are given below :

| Name | Category | No. of Board Meetings attended during 2008-09 | Whether attended AGM held on 28th August, 2008 | No. of Directorships in other public companies* as on 31.03.2009 | | No. of Committee positions held in other public companies** as on 31.03.2009 | |
|---|---|---|---|---|---|---|---|
| | | | | Chairman | Member | Chairman | Member |
| Mr. R. N. Tata (Chairman) | Not Independent Non-Executive | 9 | Yes | 9 | 1 | — | — |
| Mr. James Leng | Independent Non-Executive | 6 | Yes | — | — | — | — |
| Mr. Nusli N. Wadia | -do- | 8 | No | 3 | 4 | — | — |
| Mr. S. M. Palia | -do- | 9 | Yes | — | 6 | 3 | 3 |
| Mr. Suresh Krishna | -do- | 5 | Yes | 4 | 4 | 2 | 2 |
| Mr. Ishaat Hussain | Not Independent Non-Executive | 9 | Yes | 2 | 11 | 3 | 4 |
| Dr. J. J. Irani | -do- | 10 | Yes | 3 | 6 | — | 2 |
| Mr. Subodh Bhargava | Independent Non-Executive | 9 | Yes | 2 | 9 | 3 | 5 |

| Name | Category | No. of Board Meetings attended during 2008-09 | Whether attended AGM held on 28th August, 2008 | No. of Directorships in other public companies* as on 31.03.2009 | | No. of Committee positions held in other public companies** as on 31.03.2009 | |
|---|---|---|---|---|---|---|---|
| | | | | Chairman | Member | Chairman | Member |
| Mr. Jacobus Schraven | Independent Non-Executive | 5 | Yes | — | — | — | — |
| Dr. Anthony Hayward | -do- | 1 | Yes | — | — | — | — |
| Mr. Andrew Robb | -do- | 7 | Yes | — | — | — | — |
| Dr. T. Mukherjee (Resigned w.e.f. 31-03-2009) | Not Independent Non-Executive | 7 | Yes | — | 1 | — | — |
| Mr. Philippe Varin | -do- | 7 | Yes | — | — | — | — |
| Mr. B. Muthuraman (Managing Director) | Not Independent Executive | 10 | Yes | 1 | 3 | — | 1 |

* Excludes Directorships in associations, private, foreign and Section 25 companies.

** Represents Chairmanships/Memberships of Audit Committee and Shareholders'/Investors' Grievance Committee.

**Ten** Board Meetings were held during the year 2008-09 and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held were as follows:

8th April 2008, 26th June 2008, 31st July 2008, 28th August 2008, 24th October 2008, 2nd December 2008, 18th December 2008, 8th January 2009, 28th January 2009 and 27th February 2009.

Dates for the Board Meetings in the ensuing year are decided well in advance and communicated to the Directors. Board Meetings are held at the Registered Office of the Company. The Agenda along with the explanatory notes are sent in advance to the Directors. Additional meetings of the Board are held when deemed necessary by the Board.

The information as required under Annexure IA to Clause 49 is being made available to the Board.

The Board periodically reviews compliance reports of all laws applicable to the Company. Steps are taken by the Company to rectify instances of non-compliance, if any.

During 2008-09, the Company did not have any material pecuniary relationship or transactions with Non-Executive Directors, other than Dr. J. J. Irani and Dr. T. Mukherjee, to whom the Company paid retiring benefits aggregating to Rs. 35.68 lakhs and Rs. 28.86 lakhs respectively.

The Company has adopted the Tata Code of Conduct for Executive Directors, Senior Management Personnel and other Executives of the Company. The Company has received confirmations from the Executive Director as well as Senior Management Personnel regarding compliance of the Code during the year under review. It has also adopted the Tata Code of Conduct for Non-Executive Directors of the Company. The Company has received confirmations from the Non-Executive Directors regarding compliance of the Code for the year under review. Both the Codes are posted on the website of the Company.

**3. Audit Committee**

The Company had constituted an Audit Committee in the year 1986. The scope of the activities of the Audit Committee is as set out in Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 292A of the Companies Act, 1956. The terms of reference of the Audit Committee are broadly as follows :

a. To review compliance with internal control systems;

b. To review the findings of the Internal Auditor relating to various functions of the Company;

c. To hold periodic discussions with the Statutory Auditors and Internal Auditors of the Company concerning the accounts of the Company, internal control systems, scope of audit and observations of the Auditors/Internal Auditors;

d. To review the quarterly, half-yearly and annual financial results of the Company before submission to the Board;

e. To make recommendations to the Board on any matter relating to the financial management of the Company, including Statutory & Internal Audit Reports;

f. Recommending the appointment of statutory auditors and branch auditors and fixation of their remuneration.

Mr. Subodh Bhargava, Chairman of the Audit Committee was present at the Annual General Meeting held on 28th August, 2008.

The composition of the Audit Committee and the details of meetings attended by the Directors are given below :

| Names of Members | Category | No. of Meetings attended during the year 2008-09 |
|---|---|---|
| Mr. Subodh Bhargava<br>Chairman | Independent, Non-Executive | 8 |
| Mr. S. M. Palia, Member | -do- | 8 |
| Mr. Ishaat Hussain<br>Member, Chartered Accountant | Not Independent, Non-Executive | 9 |
| Mr. Andrew Robb, Member | Independent, Non-Executive | 6 |

Audit Committee meetings are attended by the Group Chief Financial Officer, Chief (Corporate Audit) and Chief Financial Controller (Corporate) and Representatives of Statutory Auditors. The Company Secretary acts as the Secretary of the Audit Committee.

**Nine** Audit Committee Meetings were held during 2008-09. The dates on which the said meetings were held were as follows :

8th April, 2008, 23rd June 2008, 30th July, 2008, 27th August, 2008, 24th October, 2008, 2nd December, 2008, 28th January, 2009, 29th January 2009 and 26th February 2009.

The necessary quorum was present at the meetings.

**Whistle Blower Policy**

The Audit Committee at its meeting held on 25th October, 2005, approved framing of a Whistle Blower Policy that provides a formal mechanism for all employees of the Company to approach the Ethics Counsellor/Chairman of the Audit Committee of the Company and make protective disclosures about the unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The Whistle Blower Policy is an extension of the Tata Code of Conduct, which requires every employee to promptly report to the Management any actual or possible violation of the Code or an event he becomes aware of that could affect the business or reputation of the Company. The disclosures reported are addressed in the manner and within the time frames prescribed in the Policy. Under the Policy, each employee of the Company has an assured access to the Ethics Counsellor/ Chairman of the Audit Committee.

**4. Remuneration Committee**

The Company had constituted a Remuneration Committee in the year 1993. The broad terms of reference of the Remuneration Committee are as follows :

a. Review the performance of the Managing Director and the Whole-time Directors, after considering the Company's performance.

b. Recommend to the Board remuneration including salary, perquisites and commission to be paid to the Company's Managing Director and Whole-time Directors.

c. Finalise the perquisites package of the Managing Director and Whole-time Directors within the overall ceiling fixed by the Board.

d. Recommend to the Board, retirement benefits to be paid to the Managing Director and Whole-time Directors under the Retirement Benefit Guidelines adopted by the Board.

The Remuneration Committee also functions as the Compensation Committee as per SEBI guidelines on the Employees' Stock Option Scheme. The Company, however, has not yet introduced the Employees' Stock Option Scheme.

The composition of the Remuneration Committee and the details of meetings attended by the Directors are given below :

| Names of Members | Category | No. of Meetings attended during the year 2008-09 |
|---|---|---|
| Mr. Suresh Krishna, Chairman | Independent, Non-Executive | — |
| Mr. R. N. Tata, Member | Not Independent, Non-Executive | 1 |
| Mr. S. M. Palia, Member | Independent, Non-Executive | 1 |

**One** meeting of the Remuneration Committee was held on 26th June, 2008.

The Chairman of the Remuneration Committee, Mr. Suresh Krishna was present at the Annual General Meeting held on 28th August, 2008.

The Company has complied with the non-mandatory requirement of Clause 49 regarding the Remuneration Committee.

**Remuneration Policy**

The Company while deciding the remuneration package of the senior management members takes into consideration the following items :

(a) employment scenario

(b) remuneration package of the industry and

(c) remuneration package of the managerial talent of other industries.

The annual variable pay of senior managers is linked to the performance of the Company in general and their individual performance for the relevant year measured against specific Key Result Areas, which are aligned to the Company's objectives.

The Non-Executive Directors (NEDs) are paid remuneration by way of Commission and Sitting Fees. In terms of the shareholders' approval obtained at the AGM held on 5th July, 2006, the Commission is paid at a rate not exceeding 1% per annum of the profits of the Company (computed in accordance with Section 309(5) of the Companies Act, 1956). The distribution of Commission amongst the NEDs is placed before the Board. The Commission is distributed on the basis of their attendance and contribution at the Board and certain Committee Meetings as well as time spent on operational matters other than at the meetings.

The Company pays sitting fees of Rs. 20,000 per meeting to the NEDs for attending the meetings of the Board, Executive Committee of the Board, Remuneration Committee, Audit Committee and Committees constituted by the Board from time to time. For other meetings, viz. Investor Grievance Committee and Ethics Committee, the Company pays to the NEDs sitting fees of Rs. 5,000 per meeting.

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and commission (variable component) to Managing and Whole-time Directors. Salary is paid within the range approved by the Shareholders. Annual increments effective 1st April each year, as recommended by the Remuneration Committee, are approved by the Board. The ceiling on perquisites and allowances as a percentage of salary, is fixed by the Board. Within the prescribed ceiling, the perquisites package is approved by the Remuneration Committee. Commission is calculated with reference to net profits of the Company in a particular financial year and is determined by the Board of Directors at the end of the financial year based on the recommendations of the Remuneration Committee, subject to overall ceilings stipulated in Sections 198 and 309 of the Companies Act, 1956. Specific amount payable to such directors is based on the performance criteria laid down by the Board which broadly takes into account the profits earned by the Company for the year.

**Details of remuneration for 2008-09**

Non-Wholetime Directors (Rs. lakhs)

| Name of the Director | Commission* | Sitting Fees |
|---|---|---|
| 1. Mr. R. N. Tata | 200.00 | 3.20 |
| 2. Mr. James Leng | 15.00 | 2.20 |
| 3. Mr. Nusli N. Wadia | 34.00 | 2.40 |
| 4. Mr. S. M. Palia | 61.00 | 4.60 |
| 5. Mr. Suresh Krishna | 10.00 | 1.10 |
| 6. Mr. Ishaat Hussain | 60.00 | 4.90 |
| 7. Dr. J. J. Irani | 25.00@ | 3.20 |
| 8. Mr. Subodh Bhargava | 40.00 | 3.40 |
| 9. Mr. Jacobus Schraven | 10.00 | 1.00 |
| 10. Dr. Anthony Hayward | 25.00 | 0.20 |
| 11. Mr. Andrew Robb | 10.00 | 2.60 # |
| 12. Dr. T. Mukherjee | 10.00@@ | 1.40 |
| 13. Mr. Philippe Varin | – | 2.40 # |
| **Total** | 500.00 | 32.60 |

* Payable in 2009-10.
# Includes amount of Rs. 20,000/- paid in 2009-10.
@ Excluding retirement benefits of Rs. 35.68 lakhs paid to Dr. Irani.
@@ Excluding retirement benefit of Rs. 28.86 lakhs paid to Dr. Mukherjee.

Managing Director

| Name | Salary Rs. lakhs | Perquisites & Allowances Rs. lakhs | Commission@ Rs. lakhs | Stock Options |
|---|---|---|---|---|
| Mr. B. Muthuraman Managing Director | 88.00 | 69.21 | 350.00 | Nil |

@ Payable in 2009-10.

**Shareholding of the Directors in the Company as on 31st March, 2009**

| Director | No. of Ordinary Shares of Rs. 10/- each held as sole/first holder | No. of Cumulative Convertible Preference Shares (CCPS) of Rs. 100/- each held as sole/first holder |
|---|---|---|
| Mr. R. N. Tata (Chairman) | 21203 | 21709 |
| Mr. James Leng | Nil | Nil |
| Mr. Nusli N. Wadia | Nil | Nil |
| Mr. S. M. Palia | 2047 | 2869 |
| Mr. Suresh Krishna | Nil | Nil |
| Mr. Ishaat Hussain | 1936 | 1684 |
| Dr. J. J. Irani | 6528 | 5278 |
| Mr. Subodh Bhargava | 900 | 675 |
| Mr. Jacobus Schraven | Nil | Nil |
| Dr. Anthony Hayward | Nil | Nil |
| Mr. Andrew Robb | Nil | Nil |
| Dr. T. Mukherjee | Nil | Nil |
| Mr. Philippe Varin | Nil | Nil |
| Mr. B. Muthuraman | 3654 | 2282 |
| **Total** | **36268** | **34497** |

**Service Contracts, Severance Fees and Notice Period**

| | | |
|---|---|---|
| Period of Contract of MD | : | From 22.07.2006 to 30.09.2009 |
| | | The Contract may be terminated by either party giving the other party six months' notice or the Company paying six months' salary in lieu thereof. |
| | | There is no separate provision for payment of severance fees. |

**5. Shareholders' Committee**

An Investors' Grievance Committee was constituted on 23rd March, 2000 to specifically look into the redressal of Investors' complaints like transfer of shares, non-receipt of balance sheet and non-receipt of declared dividend, etc.

**One** meeting of the Investors' Grievance Committee was held on 31st March, 2009.

The composition of the Investors' Grievance Committee is given below :

| Names of Members | Category | No. of Meetings attended during 2008-09 |
|---|---|---|
| Mr. Ishaat Hussain, Chairman | Not Independent, Non Executive | 1 |
| Mr. Suresh Krishna, Member | Independent, Non-Executive | 1 |

**Name, designation & address of Compliance Officer :**

Mr. J. C. Bham
Company Secretary
Bombay House,
24, Homi Mody Street,
Fort, Mumbai 400 001.
**Phone : (022) 6665 7279**
**Fax : (022) 6665 7724 / 6665 7725**
**Email :** cosectisco@tata.com

**Name, designation & address of Investor Relations Officer :**

Mr. Praveen Sood
Head (Investor Relations - India & Asia)
Bombay House,
24, Homi Mody Street,
Fort, Mumbai 400 001.
**Phone : (022) 6665 7306**
**Fax : (022) 6665 8113**
**Email :** p.sood@tatasteel.com

**Shareholder/Investor Complaints :**

| | | |
|---|---|---|
| Complaints pending as on 1st April, 2008 | : | **391** |
| During the period 1st April, 2008 to 31st March, 2009, complaints identified and reported under Clause 41 of the Listing Agreements | : | **2647** |
| Complaints disposed off during the year ended 31st March, 2009 | : | **3032** |
| Complaints unresolved to the satisfaction of shareholders as on 31st March, 2009 | : | **6** |
| No. of pending share transfers as on 31st March, 2009 | | |
| i) Ordinary Shares | : | **49*** |
| ii) Cumulative Convertible Preference Shares | : | **14*** |

* Transfers lodged in the last two weeks of March, 2009 and hence pending as on 31st March, 2009.

| Sr. No. | Description | Total Received | Total Replied | Total Pending |
|---|---|---|---|---|
| | **Complaints** | | | |
| **A** | **Letters received from Statutory bodies** | | | |
| 1. | SEBI | 703 | 700 | 3 |
| 2. | DOCA | — | — | — |
| 3. | STOCK EXCHANGES | 148 | 148 | — |
| 4. | NSDL/CDSL | 14 | 14 | — |
| | **Total Nos.** | **865** | **862** | **3** |
| **B** | **Legal Matters** | | | |
| | Court/Consumer Forum Matters | 15 | 13 | 2 |
| | **Total Nos.** | **15** | **13** | **2** |
| **C** | **Dividends** | | | |
| 1. | Non-receipt of Dividend/Interest warrants (pending recon. at the time of receipt of letters) | 312 | 312 | — |
| 2. | Fraudulent Encashment of Dividend/Interest/ Redemption warrants | 1 | — | 1 |
| | **Total Nos.** | **313** | **312** | **1** |
| **D** | **Allotments/refund Orders/Equity Shares/CCPS** | | | |
| 1. | Non-receipt of refund order | 581 | 581 | — |
| 2. | Non-receipt of allotment (Equity) | 413 | 413 | — |
| 3. | Non-receipt of allotment (CCPS) | 459 | 459 | — |
| | **Total Nos.** | **1453** | **1453** | **—** |
| **E** | **Letters in the nature of reminders/complaints** | **1** | **1** | **—** |
| | **Total Correspondence Statistics** | **2647** | **2641** | **6** |

**Note :**

The Correspondence identified as investor complaints are letters received through Statutory/Regulatory bodies and those related to Court/Consumer forum matters, (where the Company/Registrar is involved and is accused of deficiency in service) fraudulent encashment and non-receipt of dividend amounts where reconciliation of the payment is in progress/completed after the end of the quarter and non-receipt of refund orders/allotment of shares (equity & CCPS)/ share certificates pertaining to Rights Issues.

**Committees**

In addition to the above Committees, the Board has constituted 4 more Committees, viz. Executive Committee of the Board, the Nomination Committee, Committee of Directors and the Ethics and Compliance Committee.The terms of reference of the **Executive Committee of the Board** (ECB) are to approve capital expenditure schemes and donations within the stipulated limits and to recommend to the Board, capital budgets and other major capital schemes, to consider new businesses, acquisitions, divestments, changes in organisational structure and also to periodically review the Company's business plans and future strategies.

The composition of the (ECB) and details of the meetings attended by the Directors are given below :

| Names of Members | Category | No. of Meetings attended during the year 2008-09 |
|---|---|---|
| Mr. R. N. Tata, Chairman | Not Independent, Non-Executive | 6 |
| Mr. James Leng, Member | Independent, Non-Executive | 5 |
| Mr. Nusli N. Wadia, Member | -do- | 4 |
| Mr. S. M. Palia, Member | -do- | 5 |
| Dr. J. J. Irani, Member | Not Independent, Non-Executive | 6 |
| Mr. Ishaat Hussain, Member | -do- | 6 |
| Mr. Philippe Varin, Member | Independent, Non-Executive | 5 |
| Mr. B. Muthuraman, Member | Not Independent, Executive | 5 |

**Six** (ECB) Meetings were held during the year 2008-09. The dates on which the said meetings were held were as follows :

7th April, 2008, 25th June, 2008, 29th July, 2008, 26th August, 2008, 27th January, 2009 and 25th February, 2009.

The **Nomination Committee** has been constituted on 18th May, 2006 with the objective of identifying Independent Directors to be inducted to the Board from time to time and to take steps to refresh the constitution of the Board from time to time.

The composition of the Nomination Committee is given below :

| Names of Members | Category |
|---|---|
| Mr. Suresh Krishna, Chairman | Independent, Non-Executive |
| Mr. R.N. Tata, Member | Not Independent, Non-Executive |
| Mr. Nusli N. Wadia, Member | Independent, Non-Executive |
| Mr. S. M. Palia, Member | Independent, Non-Executive |

During the year under review, no meeting of the Nomination Committee was held.

The **Committee of Directors** has been constituted to approve of certain routine matters such as Opening and Closing of Bank Accounts of the Company, to grant limited Powers of Attorney to the Officers of the Company, to appoint proxies to attend general meetings on behalf of the Company etc. The Members of this Committee are – Mr. R. N. Tata, (Chairman), Mr. Ishaat Hussain and Dr. J. J. Irani. The business of the Committee is transacted by passing Circular Resolutions which are placed before the Board at its next meeting.

**Ethics and Compliance Committee**

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended (the Regulations), the Board of Directors of the Company adopted the revised Tata Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices (the Code) to be followed by Directors, Officers and other Employees. The Code is based on the principle that Directors, Officers and Employees of a Tata Company owe a fiduciary duty to, among others, the shareholders of the Company to place the interest of the shareholders above their own and conduct their personal securities transactions in a manner that does not create any conflict of interest situation. The Code also seeks to ensure timely and adequate disclosure of Price Sensitive Information to the investor community by the Company to enable them to take informed investment decisions with regard to the Company's securities.

In terms of the said Code, a Committee has been constituted on 30th May, 2002, called Ethics and Compliance Committee.

**One** meeting of the Ethics and Compliance Committee was held on 31st March, 2009.

The composition of the Ethics and Compliance Committee is given below :

| Names of Members | Category | No. of Meetings attended during 2008-09 |
|---|---|---|
| Mr. Ishaat Hussain, Chairman | Not Independent, Non-Executive | 1 |
| Mr. Suresh Krishna, Member | Independent, Non-Executive | 1 |

The Board has also appointed the Group Chief Financial Officer as the Compliance Officer to ensure compliance and effective implementation of the Regulations and also the Code across the Company.

During the year under review, the Compliance Officer submitted Monthly Committee Report of the Tata Code of Conduct for Prevention of Insider Trading to the Board of Directors.

**6. General Body Meetings**

a) Location and time, where last three Annual General Meetings (AGMs) were held :

| Financial Year | Details of Location | Date & Time |
|---|---|---|
| 2007-08 | Birla Matushri Sabhagar, | 28th August, 2008 at 3.30 p.m. |
| 2006-07 | 19, Sir Vithaldas Thackersey Marg, | 29th August, 2007 at 3.30 p.m. |
| 2005-06 | Mumbai 400 020. | 5th July, 2006 at 11.00 a.m. |

b) No Extra-Ordinary General Meeting of the shareholders was held during the year.

c) No Postal Ballot was conducted during the year. None of the resolutions proposed for the ensuing Annual General Meeting need to be passed by Postal Ballot.

d) Special Resolutions passed in previous 3 Annual General Meetings :

At the last Annual General Meeting held on 28th August, 2008, no Special Resolutions were passed.

At the Annual General Meeting held on 29th August, 2007, Special Resolutions were passed for a) Increase in the authorised share capital, b) Alteration of the Memorandum of Association, c) Alteration of the Articles of Association, d) Further issuance of Securities and e) Change in place of keeping Registers and Records. The resolutions were passed unanimously.

At the Annual General Meeting held on 5th July, 2006, Special Resolutions were passed for a) Commission to Directors other than the Managing and Whole-time Directors, b) Increase in the Authorised Share Capital, c) Alteration of the Articles of Association of the Company and d) Raising additional long term funds. The resolutions at items a), b) and c) were passed unanimously. The resolution at item d) was passed by requisite majority.

7. **Disclosures**

i) The Board has received disclosures from key managerial personnel relating to material, financial and commercial transactions where they and/or their relatives have personal interest. There are no materially significant related party transactions which have potential conflict with the interest of the Company at large.

ii) The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or other statutory authorities relating to the above.

iii) The Company has adopted a Whistle Blower Policy and has established the necessary mechanism in line with clause 7 of the Annexure 1D to Clause 49 of the Listing Agreement with the Stock Exchanges, for employees to report concerns about unethical behaviour. No personnel has been denied access to the Ethics Counsellor/Chairman of the Audit Committee.

iv) The Company has fulfilled the following non-mandatory requirements as prescribed in Annexure 1D to Clause 49 of the Listing Agreement with the Stock Exchanges :

a) The Company has set up a Remuneration Committee. Please see para 4 for details.

b) The Company has moved towards a regime of unqualified financial statements.

**Secretarial Audit**

A qualified practicing Company Secretary carried out a secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

8. **Means of Communication**

**Half-yearly report –**

The half-yearly results of the Company are published in the newspapers and posted on the website of the Company.

**Results –**

The quarterly and annual results along with the Segmental Report are generally published in The Times of India, The Indian Express, Nav Shakti, Free Press Journal, Loksatta and also displayed on the website of the Company www.tatasteel.com shortly after its submission to the Stock Exchanges.

**Presentation to Institutional Investors or to analysts –**

Official news releases and presentations made to Institutional Investors and analysts are posted on the Company's website.

**Management Discussion & Analysis Report –**

The MD&A Report forms a part of the Directors' Report. All matters pertaining to industry structure and developments, opportunities and threats, segment/product wise performance, outlook, risks and concerns, internal control and systems, etc. are discussed in the said report.

**Company's Corporate Website –**

The Company's website is a comprehensive reference on Tata Steel's management, vision, mission, policies, corporate governance, corporate sustainability, investor relations, sales network, updates and news. The section on 'Investor Relations' serves to inform the shareholders, by giving complete financial details, shareholding patterns, corporate benefits, information relating to stock exchanges, registrars, share transfer agents and frequently asked questions. Investors can also submit their queries and get feedback through online interactive forms. The section on 'Newsrooms' includes all major press reports and releases, awards, campaigns.

9. **General Shareholder Information**

**AGM : Date, time & venue –** 27.08.2009 at 3.30 p.m.
Birla Matushri Sabhagar,
19, Sir Vithaldas Thackersey Marg,
Mumbai 400 020.

As required under Clause 49 IV(G)(i), particulars of Directors seeking reappointment are given in the Explanatory Statement to the Notice of the Annual General Meeting to be held on 27th August, 2009.

**Financial Calendar –**

| | |
|---|---|
| Year ending | March 31 |
| AGM | August |
| Dividend Payment | Generally in August |

**Date of Book Closure –** Wednesday, 8th July, 2009 to Tuesday, 14th July, 2009 (both days inclusive)

**Dividend Payment Date –** The dividend warrants will be posted on or after 28.08.2009.

**Unclaimed Dividend –**

- All unclaimed/unpaid dividend amounts upto the financial year ended 31.03.1995 have been transferred to the General Revenue Account of the Central Government. Shareholders, who have not yet encashed their dividend warrant(s) for the said period are requested to forward their claims in prescribed Form No. II to The Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978 to :-

  Office of Registrar of Companies
  Central Government Office Bldg., 'A' Wing,
  2nd Floor, Next to Reserve Bank of India
  CBD, Belapur 400 614.

- All unclaimed/unpaid dividend amounts for the financial years 1995-96 to 2000-01 have been transferred to Investor Education & Protection Fund and no claims will lie against the Company or the Fund in respect of the unclaimed amounts so transferred.
- The unclaimed dividend declared in respect of the financial year 2001-02 is in the process of being transferred to IEPF.

**Listing on Stock Exchanges –**

The Company's Ordinary shares and CCPS are listed on the following 2 Stock Exchanges in India :

| | |
|---|---|
| Bombay Stock Exchange Limited | National Stock Exchange of India Ltd. |
| Phiroze Jeejeebhoy Towers, | Exchange Plaza, Bandra-Kurla Complex, |
| Dalal Street, Mumbai 400 001. | Bandra East, Mumbai 400 051. |

**Global Depository Receipts** (GDRs) issued by the Company in the International Market have been listed on the Luxembourg Stock Exchange and the Stock Code is USY8547N1139.

The Company has paid annual listing fees to each of the above Stock Exchanges for the financial year 2008-09.

**Stock Codes/Symbols -**

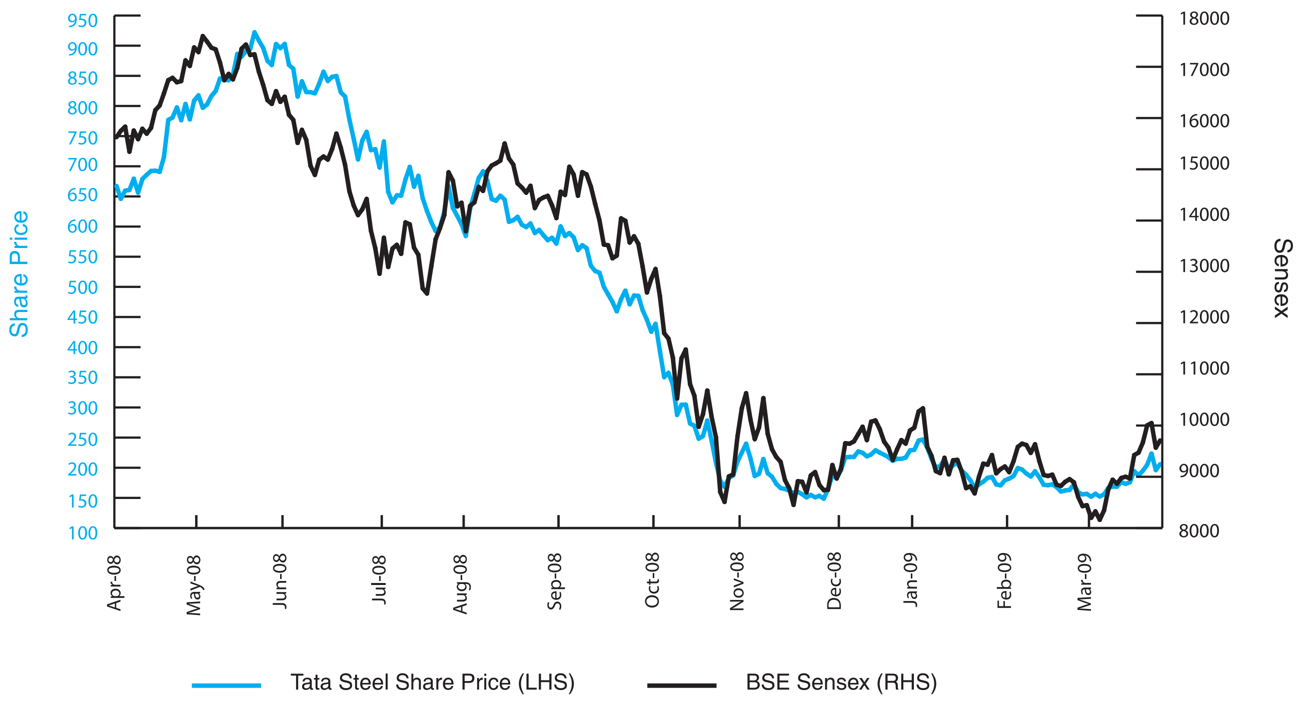
| | | | |
|---|---|---|---|
| Bombay Stock Exchange Limited - | | | |
| Ordinary Shares (demat form) | … | … | 500470 |
| CCPS | | | 710049 |
| National Stock Exchange of India Ltd. | | | |
| Ordinary Shares | … | … | TATASTEEL |
| CCPS | | | TATASTEEL Q1 |

## Market Information

Market Price Data : High, Low (based on the closing prices) and volume during each month in last financial year.

| | Bombay Stock Exchange | | | National Stock Exchange | | |
|---|---|---|---|---|---|---|
| Month | High (Rs.) | Low (Rs.) | Volume (No. of Shares) | High (Rs.) | Low (Rs.) | Volume (No. of shares) |
| Apr-08 | 817.60 | 645.95 | 1,92,02,856 | 818.25 | 648.85 | 3,95,04,788 |
| May-08 | 922.25 | 797.00 | 2,42,12,679 | 922.00 | 797.35 | 4,80,01,813 |
| Jun-08 | 868.05 | 711.25 | 2,62,51,840 | 869.00 | 711.10 | 5,18,73,013 |
| Jul-08 | 741.20 | 584.30 | 3,83,22,828 | 740.80 | 584.45 | 7,58,12,943 |
| Aug-08 | 691.75 | 571.80 | 3,27,40,944 | 691.55 | 571.95 | 7,23,27,379 |
| Sep-08 | 589.20 | 425.60 | 3,86,83,765 | 589.25 | 427.15 | 6,22,98,522 |
| Oct-08 | 438.65 | 168.50 | 5,61,32,806 | 438.35 | 168.30 | 11,97,59,425 |
| Nov-08 | 239.85 | 150.80 | 7,23,94,978 | 239.70 | 150.70 | 16,41,82,883 |
| Dec-08 | 228.85 | 148.65 | 8,98,14,549 | 229.10 | 148.80 | 19,65,13,165 |
| Jan-09 | 246.75 | 166.35 | 6,76,40,787 | 247.05 | 166.30 | 15,85,95,110 |
| Feb-09 | 199.55 | 160.55 | 5,09,38,279 | 199.65 | 160.75 | 12,63,45,109 |
| Mar-09 | 223.50 | 152.10 | 8,53,63,195 | 223.20 | 151.80 | 21,42,02,762 |

**Performance of Tata Steel Share Price in comparison to BSE Sensex**



**Registrar and Transfer Agents :**

TSR Darashaw Limited are the Registrar and Share Transfer Agents of the Company.
Address for correspondence is as below:

TSR Darashaw Limited
6-10 Haji Moosa Patrawala Industrial Estate,
20, Dr. E. Moses Road, (Near Famous Studio)
Mahalaxmi, Mumbai 400 011.
**Tel. : (022) 6656 8484**
**Fax : (022) 6656 8494 / 6656 8496**
**E-mail :** csg-unit@tsrdarashaw.com
**website :** http://www.tsrdarashaw.com

For the convenience of shareholders based in the following cities, transfer documents and letters will also be accepted at the following branches/agencies of TSR Darashaw Limited :

**Branches of TSR Darashaw Limited**

1. TSR Darashaw Limited
   503, Barton Centre, 5th Floor,
   84, Mahatma Gandhi Road,
   Bangalore 560 001.
   Tel. : (080) 2532 0321
   Fax : (080) 2558 0019
   E-mail : tsrdlbang@tsrdarashaw.com

2. TSR Darashaw Limited
   Bungalow No.1, 'E' Road,
   Northern Town, Bistupur,
   Jamshedpur 831 001.
   Tel. : (0657) 242 6616
   Fax : (0657) 242 6937
   E-mail : tsrdljsr@tsrdarashaw.com

3. TSR Darashaw Limited
   Tata Centre, 1st Floor,
   43, Jawaharlal Nehru Road,
   Kolkata 700 071.
   Tel. : (033) 2288 3087
   Fax : (033) 2288 3062
   E-mail : tsrdlcal@tsrdarashaw.com

4. TSR Darashaw Limited
   Plot No. 2/42, Sant Vihar
   Ansari Road, Darya Ganj
   New Delhi 110 002.
   Tel. : (011) 2327 1805
   Fax : (011) 2327 1802
   E-mail : tsrdldel@tsrdarashaw.com

**Agent of TSR Darashaw Limited**

Shah Consultancy Services Pvt. Limited
3, Sumatinath Complex,
Pritamnagar, Akhada Road
Ellisbridge
Ahmedabad 380 006
Telefax : 079 26576038
E-mail: shahconsultancy8154@gmail.com

Share Transfer System : Share Transfers in physical form can be lodged with TSR Darashaw Limited at the above mentioned addresses. The Transfers are normally processed within 10-12 days from the date of receipt if the documents are complete in all respects. Certain Directors and the Company Secretary are severally empowered to approve transfers.

### Distribution of Shareholding – Ordinary Shares

| Number of Ordinary shares held | Number of Shareholders | |
|---|---|---|
| | **31.03.2009 %** | 31.03.2008 % |
| 1 to 100 | **64.19** | 60.41 |
| 101 to 500 | **28.38** | 31.06 |
| 501 to 1000 | **4.03** | 4.53 |
| 1001 to 10000 | **3.20** | 3.76 |
| 10001 and above | **0.20** | 0.24 |
| **Total** | **100.00** | 100.00 |

### Categories of Shareholders – Ordinary Shares

| Category | Number of Shareholders | | Voting strength % | | Number of Ordinary Shares held | |
|---|---|---|---|---|---|---|
| | **31-03-2009** | 31-03-2008 | **31-03-2009** | 31-03-2008 | **31-03-2009** | 31-03-2008 |
| Individuals | **848,619** | 679,760 | **23.99** | 21.49 | **175,312,080** | 156,958,458 |
| Unit Trust of India | **1** | 1 | **0.01** | 0.01 | **47,986** | 43,818 |
| Life Insurance Corporation of India | **1** | 1 | **11.68** | 10.15 | **85,334,595** | 74,166,549 |
| Govt. & Other Public Financial Institutions | **19** | 16 | **4.44** | 4.41 | **32,412,124** | 32,186,415 |
| Tata Group Companies | **16** | 16 | *** 33.95** | * 33.94 | **248,065,857** | 247,993,096 |
| Companies | **7,500** | 6,969 | **6.90** | 4.56 | **50,417,848** | 33,348,515 |
| Nationalised Banks, Mutual Funds and Trusts | **509** | 376 | **5.83** | 5.96 | **42,588,762** | 43,539,500 |
| Foreign Institutional Investors | **376** | 425 | **13.20** | 19.48 | **96,413,219** | 142,347,969 |
| **Total** | **857,041** | 687,564 | **100.00** | 100.00 | **730,592,471** | 730,584,320 |

* This includes 6,71,455 (As on 31st March, 2008 : 6,71,455) shares allotted to Kalimati Investment Company Limited pursuant to the Bombay High Court Order dated 3rd April, 2003, approving the Scheme of Amalgamation of Tata SSL Limited with the Company. These shares do not carry any voting rights.

**Top Ten Equity Shareholders of the Company as on 31st March, 2009**

| Sr. No. | Name of the Shareholder | No. of shares held | % of holding |
|---|---|---|---|
| 1. | Tata Sons Limited | 213,822,295 | 29.27 |
| 2. | Life Insurance Corporation of India | 85,334,595 | 11.68 |
| 3. | Tata Motors Limited | 21,440,882 | 2.93 |
| 4. | HSBC Global Investment Funds A/c. HSBC Global Investments Funds Mauritius Limited | 13,600,190 | 1.86 |
| 5. | HDFC Standard Life Insurance Company Limited | 9,806,254 | 1.34 |
| 6. | The New India Assurance Company Limited | 9,005,715 | 1.23 |
| 7. | National Insurance Company Limited | 8,600,000 | 1.18 |
| 8. | The Oriental Insurance Company Limited | 6,478,606 | 0.89 |
| 9. | UCO Bank A/c. Birla Education Trust | 5,108,208 | 0.70 |
| 10. | Pilani Investment And Industries Corporation Limited | 5,078,385 | 0.70 |

**Distribution of Shareholding – CCPS**

| Number of CCPS held | **Number of Shareholders 31-03-2009 %** | Number of Shareholders 31-03-2008 % |
|---|---|---|
| 1 to 100 | **50.01** | 52.11 |
| 101 to 500 | **37.58** | 37.58 |
| 501 to 1000 | **6.11** | 5.41 |
| 1001 to 10000 | **5.75** | 4.56 |
| Over 10000 | **0.55** | 0.34 |
| | **100.00** | 100.00 |

**Categories of Shareholders – CCPS**

| **Category** | **Number of Shareholders** | | **Voting strength %** | | **Number of CCPS held** | |
|---|---|---|---|---|---|---|
| | **31-03-2009** | 31-03-2008 | **31-03-2009** | 31-03-2008 | **31-03-2009** | 31-03-2008 |
| Individuals | **374,323** | 363,420 | **28.10** | 20.41 | **153,783,603** | 111,706,144 |
| Unit Trust of India | **1** | 1 | **0.00** | 0.00 | **19,868** | 63 |
| Life Insurance Corporation of India | **1** | 1 | **11.13** | 11.13 | **60,905,551** | 60,905,551 |
| Govt. & Other Public Financial Institutions | **8** | 8 | **4.68** | 4.68 | **25,604,112** | 25,604,112 |
| Tata Group Companies | **10** | 10 | **36.90** | 36.91 | **201,966,140** | 201,966,140 |
| Companies | **3,528** | 3,377 | **8.70** | 5.34 | **47,580,371** | 29,218,335 |
| Nationalised Banks, Mutual Funds and Trusts | **154** | 148 | **3.67** | 2.66 | **20,092,327** | 14,571,576 |
| Foreign Institutional Investors | **56** | 141 | **6.82** | 18.87 | **37,314,039** | 103,279,684 |
| **Total** | **378,081** | 367,106 | **100.00** | 100.00 | **547,266,011** | 547,251,605 |

### Top Ten CCPS Holders of the Company as on 31st March, 2009

| Sr. No. | Name of the Shareholder | No. of shares held | % of holding |
|---|---|---|---|
| 1. | Tata Sons Limited | 171,602,978 | 31.36 |
| 2. | Life Insurance Corporation of India | 60,905,551 | 11.13 |
| 3. | Tata Motors Limited | 23,949,693 | 4.38 |
| 4. | HSBC Global Investment Funds A/c. HSBC Global Investments Funds Mauritius Limited | 11,173,740 | 2.04 |
| 5. | Bajaj Allianz Life Insurance Company Limited | 9,298,539 | 1.70 |
| 6. | The New India Assurance Company Limited | 7,953,023 | 1.45 |
| 7. | National Insurance Company Limited | 6,370,605 | 1.16 |
| 8. | The Oriental Insurance Company Limited | 5,066,046 | 0.93 |
| 9. | Morgan Stanley Mauritius Company Limited | 4,741,820 | 0.87 |
| 10. | Pilani Investment And Industries Corporation Limited | 4,731,748 | 0.86 |

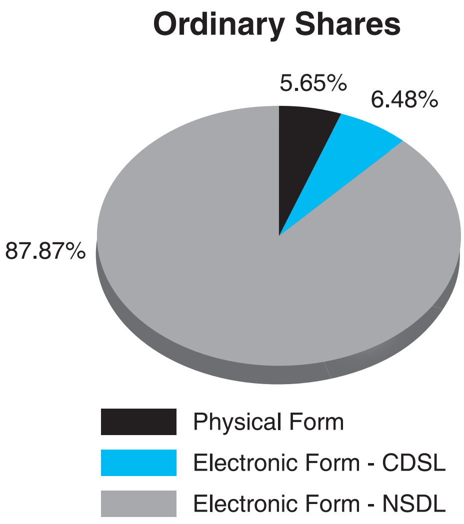
### Dematerialisation of shares as on 31st March, 2009 and Liquidity

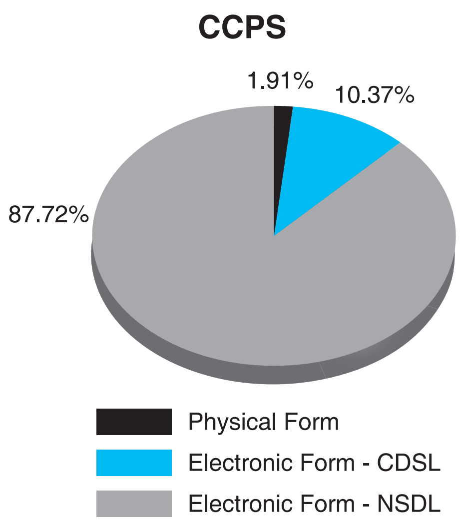
The Company's shares are compulsorily traded in dematerialised form and are available for trading on both the Depositories in India – National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL).

**689,341,051** Ordinary Shares of the Company representing **94.35%** of the Company's share capital is dematerialised as on 31st March, 2009.

**536,807,674** Cumulative Convertible Preference Shares (CCPS) of the Company representing **98.09%** of the Company's share capital is dematerialised as on 31st March, 2009.

The Company's shares are regularly traded on Bombay Stock Exchange Limited and National Stock Exchange of India Limited, as is seen from the volume of shares indicated in the Table containing Market Information.



Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE 081A01012 and CCPS is INE 081A03018.

As per Clause 5A of the Listing Agreements with the Stock Exchanges, the details of shares in the suspense account of Link Intime India Pvt. Ltd., (formerly Intime Spectrum Registry Ltd.) the Registrars to the Rights Issue - 2007 are given below:

| Securities | As on 1-04-2008 | | Shareholders who approached the Registrars and Shares transferred in their favour during the year | | Balance as on 31-03-2009 | |
|---|---|---|---|---|---|---|
| | No. of records | No. of shares | No. of records | No. of shares | No. of records | No. of shares |
| Ordinary Shares | 2,866 | 118,260 | 2,683 | 109,207 | 183 | 9,053 |
| CCPS | 2,925 | 585,618 | 2,642 | 543,285 | 283 | 42,333 |

The voting rights in respect of the balance shares in the suspense account will be freezed, in the event of a poll at the general meetings of the Company.

**Outstanding GDRs/ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity** : 3,867 GDRs (each GDR representing 1 Ordinary share of the Company) The Company had issued detachable warrants (along with Secured Premium Notes) for subscribing to 1 Ordinary Share of Rs. 10 each at a premium of Rs. 70 per share. In respect of approximately 12,446 detachable warrants applicable to matters which are in dispute, the option to get the shares is kept alive for the time being.

In September 2007, the Company issued US$ 0.875 billion of 1% Foreign Currency Convertible Alternative Reference Securities (CARS). Between 4th September, 2011 and 8th August, 2012 each security is convertible at the option of holder of the security, at a conversion price of Rs. 876.6 per share (subsequently adjusted to Rs. 757.9721 on account of Rights Issue) into a Qualifying Security issued by the Company. The Company must redeem all outstanding CARS at 123.349% of their principal amount together with accrued and unpaid interest no later than 5th September, 2012.

As on 31st March 2009, the Company has allotted 547,266,011 – 2% CCPS of Rs. 100/- each on a rights basis to the shareholders of the Company in the ratio of 9:10. As per the terms of the issue, six CCPS of Rs. 100 each are compulsorily and automatically convertible on 1st September, 2009, into one Ordinary Share of Rs. 10 each, at a premium of Rs. 590 per share.

**Address for Correspondence** : Tata Steel Limited
Bombay House, 24, Homi Mody Street,
Fort, Mumbai 400 001.
**Phone : (022) 6665 8282**
**Fax : (022) 6665 7724 / 6665 7725**
**E-mail :** cosectisco@tata.com
**Website :** www.tatasteel.com

Major **Plant Locations**

| | | | | |
|---|---|---|---|---|
| Tata Steel | : | Company's Steel Works and | | |
| | | Tubes Division | .. | Jamshedpur (Jharkhand) |
| | | Bearings Division | .. | Kharagpur (West Bengal) |
| | | Ferro Manganese Plant | .. | Joda (Orissa) |
| | | Charge Chrome Plant | .. | Bamnipal (Orissa) |
| | | Cold Rolling Complex | .. | Tarapur (Maharashtra) |
| | | Mines, Collieries & Quarries | .. | States of Jharkhand, Orissa and Karnataka |
| | | Wire Division | .. | Borivli (Mumbai)<br>Tarapur (Maharashtra)<br>Bangalore (Karnataka)<br>Indore (Madhya Pradesh) |
| Corus | : | Steel | .. | Port Talbot, UK<br>Scunthorpe, UK<br>Teesside, UK<br>Rotherham, UK<br>Ijmuiden, Netherlands |

**10. Other information to the shareholders**

**Dividend History for the Last 10 years**

| Financial Year | Dividend Date | Rate |
|---|---|---|
| 2007-08 | 29.08.08 | 160% |
| 2006-07 | 30.08.07 | 155% |
| 2005-06 | 06.07.06 | 130% |
| 2004-05 | 28.07.05 | 130% |
| 2003-04 | 23.07.04 | 100% |
| 2002-03 | 24.07.03 | 80% |
| 2001-02 | 12.06.02 | 40% |
| 2000-01 | 20.07.01 | 50% |
| 1999-00 | 23.05.00 | 40% |
| 1998-99 | 30.07.99 | 40% |

**Bank Details**

Shareholders holding in the physical form are requested to notify/send the following to TSR Darashaw Limited to facilitate better servicing :-

i) any change in their address/mandate/bank details, and

ii) particulars of the bank account in which they wish their dividend to be credited, in case have not been furnished earlier.

Shareholders are advised that respective bank details and address as furnished by them or by NSDL/CDSL to the Company, for shares held in the physical form and in the dematerialised form respectively, will be printed on their dividend warrants as a measure of protection against fraudulent encashment.

**Nomination Facility**

Shareholders who hold shares in the physical form and wish to make/change a nomination in respect of their shares in the Company, as permitted under Section 109A of the Companies Act, 1956, may submit to TSR Darashaw Limited the prescribed Form 2B. The Form can be downloaded from the Company's website www.tatasteel.com under the section 'Investor Relations'.

**Shares held in Electronic Form**

Shareholders holding shares in electronic form may please note that :

- Instructions regarding bank details which they wish to have incorporated in future dividend warrants must be submitted to their Depository Participants (DP). As per the regulations of NSDL and CDSL, the Company is obliged to print bank details on the dividend warrants, as furnished by these depositories to the Company.
- Instructions already given by them for shares held in physical form will not be automatically applicable to the dividend paid on shares held in electronic form.
- Instructions regarding change of address, nomination and power of attorney should be given directly to the DP.

**Electronic Clearing Service (ECS) Facility**

The Company, with respect to payment of dividend to shareholders, provides the facility of ECS at the following cities :

Agra, Ahmedabad, Allahabad, Amritsar, Aurangabad, Bangalore, Baroda, Bhopal, Bhubaneshwar, Chandigarh, Chennai, Coimbatore, Cochin, Delhi, Guwahati, Gwalior, Hyderabad, Indore, Jabalpur, Jaipur, Jalandhar, Jamshedpur, Jodhpur, Kanpur, Kolhapur, Kolkata, Lucknow, Ludhiana, Madurai, Mangalore, Mumbai, Mysore, Nagpur, Nasik, Patna, Pune, Panjim, Rajkot, Surat, Trichur, Trichy, Trivandrum, Udaipur, Varanasi, Vijayawada and Vishakapatnam.

Shareholders holding shares in the physical form, who wish to avail the ECS facility, may send their ECS mandate in the prescribed form to the Company, in the event they have not done so earlier. The ECS mandate form can be downloaded from the Company's website www.tatasteel.com under the section 'Investor Relations'.

**Depository Services**

Shareholders may write to the respective Depository or to TSR Darashaw Limited for guidance on depository services. Address for correspondence with Depository are as follows:-

National Securities Depository Limited
Trade World, 4th Floor,
Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai 400 013.
Telephone : (022) 2499 4200
Facsimile : (022) 2497 2993/2497 6351
E-mail : info@nsdl.co.in
Website : www.nsdl.co.in

Central Depository Services (India) Limited
Phiroze Jeejeebhoy Towers,
16th Floor,
Dalal Street,
Mumbai 400 023.
Telephone : (022) 2272 3333
Facsimile : (022) 2272 3199/2272 2072
E-mail : investor@cdslindia.com
Website : www.cdslindia.com

**Odd Lot Facility**

Having regard to the difficulties experienced by shareholders in disposing of the shares held by them in physical form, TSR Darashaw Limited, Registrars of the Company has framed a Scheme for the purchase of such shares. Interested shareholders may contact TSR Darashaw Limited for further details.

- Shareholders holding shares in the dematerialised form should address their correspondence to their respective DPs, other than for dividend, which should be addressed to TSR Darashaw Limited.
- Shareholders are requested to provide their e-mail address, telephone/fax numbers and quote their account numbers/DP ID & Client ID numbers in all correspondence with TSR Darashaw Limited to facilitate prompt response.

# Certificate

**To the Members of**

**TATA STEEL LIMITED**

We have examined the compliance of conditions of Corporate Governance by Tata Steel Limited, for the year ended on 31st March, 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **DELOITTE HASKINS & SELLS**
*Chartered Accountants*

**P. R. RAMESH**
*Partner*
*Membership No. : 70928*

Mumbai, 25th June, 2009

# Summary of Financial Information of Subsidiary Companies

Rs. crores

| Sl. No. | Name of Subsidiary Company | Reporting Currency | Exchange Rate | Capital | Reserves | Total Assets | Total Liabilities | Investment included in Total Assets | Turnover | Profit before Taxation | Provision for Taxation | Profit after Taxation | Proposed Dividend | Country |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Adityapur Toll Bridge Company Ltd. | INR | 1.00 | 0.94 | 3.50 | 14.44 | 10.00 | – | – | – | – | – | – | India |
| 2 | Gopalpur Special Economic Zone Ltd. | INR | 1.00 | 1.00 | 0.05 | 1.05 | – | – | – | 0.05 | 0.02 | 0.03 | – | India |
| 3 | Hooghly Metcoke And Power Company Ltd. | INR | 1.00 | 547.66 | 12.28 | 1,098.50 | 538.55 | – | 145.87 | 28.73 | 12.58 | 16.15 | – | India |
| 4 | Jamshedpur Utilities & Services Company Ltd. | INR | 1.00 | 20.35 | 75.84 | 101.09 | 4.90 | 3.30 | 348.15 | 27.92 | 8.00 | 19.93 | – | India |
| 5 | Haldia Water Management Ltd. | INR | 1.00 | 2.54 | – | 2.54 | – | – | 13.14 | (2.13) | (0.69) | (1.44) | – | India |
| 6 | Naba Diganta Water Management Ltd. | INR | 1.00 | 4.35 | – | 9.93 | 5.58 | – | – | (0.14) | – | (0.14) | – | India |
| 7 | SEZ Adityapur Ltd. | INR | 1.00 | 0.05 | – | 0.05 | – | – | – | – | – | – | – | India |
| 8 | Kalimati Investment Company Ltd. | INR | 1.00 | 16.39 | 250.85 | 267.24 | – | 260.18 | 21.52 | 21.48 | 0.29 | 21.18 | – | India |
| 9 | Bangla Steel & Mining Co. Ltd. | BDT | 0.73 | 0.07 | (0.05) | 0.03 | – | – | – | – | – | – | – | Bangladesh |
| 10 | Lanka Special Steels Ltd. | LKR | 0.44 | 1.09 | 2.29 | 5.76 | 2.37 | – | 43.49 | 1.48 | 1.23 | 0.25 | – | Sri Lanka |
| 11 | NatSteel Asia Pte. Ltd. | SGD | 33.34 | 933.52 | 290.71 | 1,224.23 | – | – | 1,561.31 | 141.62 | 7.63 | 133.99 | – | Singapore |
| 12 | NatSteel Iranian Private Joint Stock Company | SGD | 33.34 | 0.49 | (1.39) | (0.89) | – | – | – | (0.80) | – | (0.80) | – | Iran |
| 13 | NatSteel Middle East FZE | SGD | 33.34 | 4.08 | (2.03) | 2.05 | – | – | 1.29 | (0.87) | – | (0.87) | – | UAE |
| 14 | Tata Steel Asia (Hongkong) Ltd. | SGD | 33.34 | – | 31.83 | 70.08 | 38.25 | – | 1,901.40 | 17.29 | 2.79 | 14.50 | – | Hong Kong |
| 15 | Tata Steel Resources Australia Pty. Ltd. | SGD | 33.34 | – | 6.40 | 6.40 | – | – | 3,215.07 | 6.89 | 0.18 | 6.71 | – | Australia |
| 16 | Rawmet Ferrous Industries Ltd. | INR | 1.00 | 38.60 | 5.77 | 80.90 | 36.53 | 0.12 | 99.15 | 6.78 | 2.21 | 4.57 | – | India |
| 17 | Sila Eastern Ltd. | THB | 1.43 | 0.29 | 4.95 | 6.15 | 0.91 | – | 55.93 | 1.46 | 0.42 | 1.04 | – | Thailand |
| 18 | Tata Incorporated | USD | 50.71 | 7.61 | 47.94 | 55.55 | – | 0.38 | 12.95 | 0.54 | 0.19 | 0.34 | – | USA |
| 19 | Tata Korf Engineering Services Ltd. | INR | 1.00 | 0.40 | (9.00) | (5.37) | 3.23 | – | – | (0.39) | – | (0.39) | – | India |
| 20 | Tata Metaliks Ltd. | INR | 1.00 | 25.29 | 18.40 | 518.79 | 475.10 | 38.25 | 1,122.98 | (165.46) | (16.72) | (148.74) | – | India |
| 21 | Tata Metaliks Kubota Pipes Ltd. | INR | 1.00 | 75.00 | (2.91) | 268.66 | 196.57 | – | – | (1.58) | 0.30 | (1.88) | – | India |
| 22 | Tata Refractories Ltd. | INR | 1.00 | 20.90 | 202.18 | 358.50 | 135.42 | 3.89 | 735.82 | 53.90 | 19.46 | 34.44 | 12.23 | India |
| 23 | TRL Asia Pvt. Limited | SGD | 33.34 | 43.40 | (0.11) | 43.31 | 0.01 | – | 0.03 | 0.01 | – | 0.01 | – | Singapore |
| 24 | TRL China Limited | CNY | 7.41 | 48.28 | – | 71.32 | 23.04 | – | 90.08 | (1.31) | – | (1.31) | – | China |
| 25 | Tayo Rolls Ltd. | INR | 1.00 | 10.26 | 79.60 | 179.07 | 89.21 | 0.32 | 41.93 | (8.26) | 0.10 | (8.36) | – | India |
| 26 | Tata Steel (KZN) (Pty) Ltd. | ZAR | 5.35 | 77.00 | (226.62) | 473.54 | 623.16 | – | 232.95 | (181.37) | – | (181.37) | – | South Africa |
| 27 | Tata Steel Holdings Pte. Ltd. | GBP | 72.50 | 31,341.72 | (450.39) | 31,129.48 | 238.16 | – | – | 24.39 | – | 24.39 | – | Singapore |
| 28 | Tata Steel Global Holdings Pte Ltd. | GBP | 72.50 | – | (173.35) | 30,972.32 | 31,145.67 | 28,356.91 | – | (153.99) | 19.36 | (173.35) | – | Singapore |
| 29 | Corus International (Singapore) Holding Pte. Ltd. | SGD | 33.34 | 320.06 | (0.02) | 320.24 | 0.19 | 314.06 | – | (0.02) | – | (0.02) | – | Singapore |
| 30 | Corus Asia Limited | HKD | 6.53 | – | 29.60 | 89.62 | 60.02 | 1.09 | 304.67 | 7.25 | 1.33 | 5.92 | – | Hong Kong |
| 31 | Corus Holdings (Thailand) Limited | THB | 1.43 | 0.02 | (0.10) | 0.01 | 0.09 | – | – | (0.04) | – | (0.04) | – | Thailand |
| 32 | Corus International (Guangzhou) Ltd. | CNY | 7.41 | 0.49 | 0.12 | 0.80 | 0.19 | 0.02 | 2.61 | 0.16 | 0.04 | 0.12 | – | China |
| 33 | Corus International (Shanghai) Ltd. | CNY | 7.41 | 0.49 | (0.08) | 0.55 | 0.14 | 0.07 | 4.07 | 0.03 | 0.11 | (0.08) | – | China |
| 34 | Corus International Trading Limited | HKD | 6.53 | – | 26.69 | 34.55 | 7.87 | 0.78 | 411.68 | 8.69 | 1.44 | 7.25 | – | Hong Kong |
| 35 | Corus Metals (Malaysia) Sdn Bhd | MYR | 14.00 | – | 0.10 | 0.41 | 0.32 | – | 3.80 | 0.16 | 0.06 | 0.10 | – | Malaysia |
| 36 | Corus Metals (Thailand) Limited | THB | 1.43 | 0.29 | 9.00 | 13.00 | 3.71 | 0.08 | 15.05 | 4.32 | 1.15 | 3.17 | – | Thailand |
| 37 | Corus South East Asia Pte Limited | SGD | 33.34 | 5.67 | (17.21) | 219.79 | 231.34 | 6.23 | 486.01 | (80.53) | (0.74) | (79.79) | – | Singapore |
| 38 | NatSteel Holdings Pte. Ltd. | SGD | 33.34 | 666.88 | 23.16 | 2,080.18 | 1,390.14 | 5.61 | 2,404.75 | 26.22 | 2.26 | 23.96 | – | Singapore |
| 39 | Best Bar (Vic) Pte. Ltd. | SGD | 33.34 | – | 43.95 | 43.95 | – | – | 212.63 | 32.22 | (0.01) | 32.23 | – | Australia |

# Summary of Financial Information of Subsidiary Companies

Rs. crores

| Sl. No. | Name of Subsidiary Company | Reporting Currency | Exchange Rate | Capital | Reserves | Total Assets | Total Liabilities | Investment included in Total Assets | Turnover | Profit before Taxation | Provision for Taxation | Profit after Taxation | Proposed Dividend | Country |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 40 | Best Bar Pty. Ltd. | SGD | 33.34 | 11.10 | 16.78 | 27.88 | – | – | 247.10 | 16.41 | 14.59 | 1.82 | – | Australia |
| 41 | Burwill Trading Pte. Ltd. | SGD | 33.34 | 36.34 | (7.58) | 28.76 | – | – | 0.03 | (0.01) | – | (0.01) | – | Singapore |
| 42 | Easteel Construction Services Pte. Ltd. | SGD | 33.34 | 3.33 | 7.64 | 10.97 | – | – | 0.17 | 0.15 | 0.01 | 0.14 | – | Singapore |
| 43 | Easteel Services (M) Sdn. Bhd. | SGD | 33.34 | – | 1.01 | 1.02 | 0.01 | – | 1.96 | 0.38 | 0.09 | 0.30 | – | Malaysia |
| 44 | Eastern Steel Fabricators Phillipines, Inc. | SGD | 33.34 | 14.48 | (43.16) | (28.68) | – | – | – | – | – | – | – | Philippines |
| 45 | Eastern Steel Services Pte. Ltd. | SGD | 33.34 | 33.34 | 5.96 | 39.30 | – | – | 0.06 | 0.05 | – | 0.05 | – | Singapore |
| 46 | Eastern Wire Pte. Ltd. | SGD | 33.34 | 27.84 | 24.83 | 55.48 | 2.81 | – | 3.49 | 1.94 | 0.11 | 1.83 | – | Singapore |
| 47 | Materials Recycling Pte. Ltd. | SGD | 33.34 | 0.83 | (0.83) | – | – | – | – | – | – | – | – | Singapore |
| 48 | Natferrous Pte. Ltd. | SGD | 33.34 | 33.34 | 75.43 | 113.96 | 5.19 | – | 1,019.39 | 6.38 | 0.96 | 5.41 | – | Singapore |
| 49 | NatSteel (Xiamen) Ltd. | SGD | 33.34 | 123.06 | 30.99 | 329.35 | 175.31 | – | 669.20 | (63.73) | (12.28) | (51.45) | – | China |
| 50 | NatSteel Asia (S) Pte. Ltd. | SGD | 33.34 | 6.67 | 1.34 | 8.00 | – | – | 0.20 | (0.07) | – | (0.07) | – | Singapore |
| 51 | NatSteel Australia Pty. Ltd. | SGD | 33.34 | 32.98 | (56.68) | 39.30 | 63.00 | – | 283.19 | 14.99 | – | 14.99 | – | Australia |
| 52 | NatSteel Equity IV Pte. Ltd. | SGD | 33.34 | – | 100.00 | 100.00 | – | – | – | – | – | – | – | Singapore |
| 53 | NatSteel Trade International (Shanghai) Company Ltd. | SGD | 33.34 | 1.13 | (0.65) | 0.48 | – | – | – | (0.12) | – | (0.12) | – | China |
| 54 | NatSteel Trade International Pte. Ltd. | SGD | 33.34 | 9.81 | 30.54 | 40.35 | – | 0.05 | 1,903.96 | (2.44) | 2.04 | (4.48) | – | Singapore |
| 55 | NatSteel Vina Co. Ltd. | SGD | 33.34 | 44.65 | 14.31 | 58.96 | – | – | 158.11 | (11.49) | (0.87) | (10.62) | – | Vietnam |
| 56 | PT Materials Recycling Indonesia | SGD | 33.34 | 0.89 | (0.95) | (0.06) | – | – | (0.80) | (0.41) | – | (0.41) | – | Indonesia |
| 57 | Siam Industrial Wire Company Ltd. | SGD | 33.34 | 36.41 | 262.38 | 300.02 | 1.23 | – | 386.88 | (13.36) | (1.59) | (11.77) | – | Thailand |
| 58 | Wuxi Jinyang Metal Products Co. Ltd. | SGD | 33.34 | 74.80 | 72.59 | 188.74 | 41.35 | – | 246.30 | 5.74 | 1.26 | 4.48 | – | China |
| 59 | Orchid Netherlands (No.1) B.V. I.O. * | EUR | 67.47 | 0.12 | – | 0.12 | – | – | – | – | – | – | – | Netherlands |
| 60 | Tata Steel Europe Ltd | GBP | 72.50 | 25,480.99 | (182.63) | 25,403.28 | 104.92 | 25,397.44 | – | (107.15) | (4.96) | (102.20) | – | UK |
| 61 | Almana Steel Dubai (Jersey) Limited | UAE | 13.78 | 0.08 | 45.16 | 95.76 | 50.52 | – | 106.35 | (17.43) | – | (17.43) | – | Jersey |
| 62 | Apollo Metals Ltd. | USD | 50.71 | 28.32 | (78.85) | 95.90 | 146.43 | – | 158.52 | (3.35) | 1.07 | (4.43) | – | USA |
| 63 | Ashorne Hill Management College | GBP | 72.50 | – | 56.18 | 63.47 | 7.29 | – | 36.64 | 5.40 | – | 5.40 | – | UK |
| 64 | Augusta Grundstucks GmbH | EUR | 67.47 | – | 0.76 | 16.28 | 15.52 | – | – | (1.39) | – | (1.39) | – | Germany |
| 65 | Automotive Laser Technologies Limited | GBP | 72.50 | – | – | – | – | – | – | – | – | – | – | UK |
| 66 | B S Pension Fund Trustee Ltd. | GBP | 72.50 | 15.56 | 0.49 | 16.05 | – | – | – | – | – | – | – | UK |
| 67 | Bailey Steels Limited | GBP | 72.50 | 0.14 | 3.21 | 8.77 | 5.41 | – | 25.71 | 0.90 | 0.09 | 0.80 | – | UK |
| 68 | Beheermaatschappij Industriele Produkten B.V. | EUR | 67.47 | 0.12 | (41.48) | 49.15 | 90.51 | 46.86 | – | (3.78) | (0.98) | (2.80) | – | Netherlands |
| 69 | Belfin Beheermaatschappij B.V. | EUR | 67.47 | 90.33 | (89.87) | 0.45 | – | 0.45 | – | – | – | – | – | Netherlands |
| 70 | Bell & Harwood Limited | GBP | 72.50 | – | (9.16) | – | 9.16 | – | – | – | – | – | – | UK |
| 71 | Blastmega Limited (United Steel Forgings Ltd.) | GBP | 72.50 | – | 674.28 | 674.29 | 0.02 | 674.29 | – | – | – | – | – | UK |
| 72 | Blume Stahlservice GmbH | EUR | 67.47 | 34.48 | 30.00 | 488.84 | 424.36 | 0.08 | 1,736.92 | (2.33) | 0.45 | (2.78) | – | Germany |
| 73 | Blume Stahlservice Polska Sp.Z.O.O | PLZ | 14.50 | 0.08 | (6.47) | 10.70 | 17.08 | – | 12.17 | (2.87) | – | (2.87) | – | Poland |
| 74 | Bore Samson Group Ltd | GBP | 72.50 | 152.24 | (43.44) | 163.27 | 54.47 | 163.27 | – | – | – | – | – | UK |
| 75 | Bore Steel Ltd. | GBP | 72.50 | 115.99 | 7.60 | 123.60 | – | – | – | – | – | – | – | UK |
| 76 | British Guide Rails Ltd. | GBP | 72.50 | 2.17 | 33.05 | 35.22 | – | – | – | – | – | – | – | UK |
| 77 | British Steel Holdings B.V. | EUR | 67.47 | 0.13 | 1,709.69 | 1,857.64 | 147.82 | 1,850.35 | – | 112.23 | (2.32) | 114.55 | 21.00 | Netherlands |

# Summary of Financial Information of Subsidiary Companies

Rs. crores

| Sl. No. | Name of Subsidiary Company | Reporting Currency | Exchange Rate | Capital | Reserves | Total Assets | Total Liabilities | Investment included in Total Assets | Turnover | Profit before Taxation | Provision for Taxation | Profit after Taxation | Proposed Dividend | Country |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 78 | British Steel Nederland International B.V. | EUR | 67.47 | 0.12 | 1,837.47 | 1,840.98 | 3.39 | 1,837.13 | – | 263.47 | 1.41 | 262.06 | 121.35 | Netherlands |
| 79 | British Steel Benelux B.V. | EUR | 67.47 | 245.47 | 3.51 | 249.76 | 0.79 | 174.18 | – | 55.63 | 2.06 | 53.57 | – | Netherlands |
| 80 | British Steel Corporation Ltd | GBP | 72.50 | 131.04 | 90.09 | 221.14 | – | – | – | – | – | – | – | UK |
| 81 | British Steel De Mexico S.A. de C.V. | USD | 50.71 | – | – | – | – | – | – | – | – | – | – | Mexico |
| 82 | British Steel Directors (Nominees) Limited | GBP | 72.50 | – | – | – | – | – | – | – | – | – | – | UK |
| 83 | British Steel Employee Share Ownership Trustees Ltd. | GBP | 72.50 | – | – | – | – | – | – | – | – | – | – | UK |
| 84 | British Steel Engineering Steels (Exports) Limited | GBP | 72.50 | – | – | 0.09 | 0.09 | – | – | – | – | – | – | UK |
| 85 | British Steel International B.V. | EUR | 67.47 | 0.15 | 352.79 | 1,495.18 | 1,142.24 | 1,454.65 | – | 299.43 | (0.08) | 299.50 | – | Netherlands |
| 86 | British Steel Samson Limited | GBP | 72.50 | – | 7.25 | 7.25 | – | – | – | – | – | – | – | UK |
| 87 | British Steel Service Centres Ltd. | GBP | 72.50 | 0.14 | 0.24 | 0.57 | 0.18 | 0.17 | – | – | – | – | – | UK |
| 88 | British Steel Tubes Exports Ltd. | GBP | 72.50 | 0.18 | – | 0.18 | – | – | – | – | – | – | – | UK |
| 89 | British Transformer Cores Ltd. | GBP | 72.50 | 7.25 | (3.75) | 3.50 | – | – | – | – | – | – | – | UK |
| 90 | British Tubes Stockholding Ltd. | GBP | 72.50 | 72.50 | 3.85 | 76.34 | – | – | – | – | – | – | – | UK |
| 91 | Bs Quest Trustee Limited | GBP | 72.50 | – | – | – | – | – | – | – | – | – | – | UK |
| 92 | Bskh Corporate Services (UK) Limited | GBP | 72.50 | – | – | – | – | – | – | – | – | – | – | UK |
| 93 | Burgdorfer Grundstuecks GmbH | EUR | 67.47 | 15.55 | 1.48 | 18.73 | 1.71 | – | – | 0.06 | 0.02 | 0.03 | – | Germany |
| 94 | C V Benine | EUR | 67.47 | – | 30.59 | 160.01 | 129.42 | – | – | – | – | – | – | Netherlands |
| 95 | C Walker & Sons (Steel) Ltd. | GBP | 72.50 | 25.23 | 90.48 | 115.71 | – | – | – | 34.48 | – | 34.48 | – | UK |
| 96 | C Walker & Sons Ltd. | GBP | 72.50 | 25.37 | 92.42 | 504.91 | 387.12 | 16.95 | – | – | – | – | – | UK |
| 97 | Catnic GmbH | EUR | 67.47 | 0.17 | 9.14 | 17.81 | 8.50 | – | 55.98 | 4.22 | 0.44 | 3.78 | – | Germany |
| 98 | Catnic Limited | GBP | 72.50 | 1.63 | 103.74 | 105.37 | – | 105.37 | – | – | – | – | – | UK |
| 99 | Cbs Investissements SAS | EUR | 67.47 | 0.54 | (0.10) | 6.37 | 5.93 | – | 6.78 | (0.03) | – | (0.03) | – | France |
| 100 | Cladding & Decking (UK) Limited | GBP | 72.50 | 32.62 | (28.24) | 13.12 | 8.74 | 13.12 | – | – | – | – | – | UK |
| 101 | Cogent Power Inc. | CAD | 40.84 | 1.23 | 83.97 | 214.35 | 129.16 | 0.02 | 473.75 | 27.76 | 9.95 | 17.81 | – | Canada |
| 102 | Cogent Power Inc. | CAD | 40.84 | 1.23 | 83.97 | 214.35 | 129.16 | 0.02 | 473.75 | 27.76 | 9.95 | 17.81 | – | Mexico |
| 103 | Cogent Power Inc. | CAD | 40.84 | 1.23 | 83.97 | 214.35 | 129.16 | 0.02 | 473.75 | 27.76 | 9.95 | 17.81 | – | USA |
| 104 | Cogent Power Limited | GBP | 72.50 | 309.31 | (201.76) | 326.86 | 219.30 | 309.31 | – | 8.54 | 0.17 | 8.37 | – | UK |
| 105 | Cold Drawn Tubes Ltd. | GBP | 72.50 | 166.74 | (127.90) | 38.84 | – | 38.84 | – | – | – | – | – | UK |
| 106 | Color Steels Limited | GBP | 72.50 | 0.33 | 32.54 | 108.14 | 75.27 | 108.14 | – | – | – | – | – | UK |
| 107 | Corbeil Les Rives SCI | EUR | 67.47 | 4.32 | 3.95 | 8.30 | 0.03 | 1.33 | – | – | – | – | – | France |
| 108 | Corby (Northants) & District Water Co. | GBP | 72.50 | 1.88 | 2.07 | 5.16 | 1.20 | – | 3.75 | – | (0.03) | 0.03 | – | UK |
| 109 | Cordor (C& B) Limited | GBP | 72.50 | 2.36 | – | 2.36 | – | – | – | – | – | – | – | UK |
| 110 | Corus – Sistemas Constructivos E Revestimentos Metalicos,Lda | EUR | 67.47 | 3.03 | (2.35) | 1.55 | 0.87 | – | – | 10.07 | – | 10.07 | – | Portugal |
| 111 | Corus Aerospace Service Centre Suzhou Co Limited | USD | 50.71 | 1.27 | – | 1.27 | – | – | – | – | – | – | – | China |
| 112 | Corus Aluminium Beheer B.V. | EUR | 67.47 | 4.92 | (4.14) | 0.78 | – | – | – | (51.59) | 0.11 | (51.70) | – | Netherlands |
| 113 | Corus Aluminium Limited | GBP | 72.50 | – | – | – | – | – | – | – | – | – | – | UK |
| 114 | Corus Aluminium Verwaltungsgesellschaft Mbh | EUR | 67.47 | 0.06 | (15.47) | 30.23 | 45.65 | 28.36 | – | – | – | – | – | Germany |

# Summary of Financial Information of Subsidiary Companies

Rs. crores

| Sl. No. | Name of Subsidiary Company | Reporting Currency | Exchange Rate | Capital | Reserves | Total Assets | Total Liabilities | Investment included in Total Assets | Turnover | Profit before Taxation | Provision for Taxation | Profit after Taxation | Proposed Dividend | Country |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 115 | Corus America Holdings Inc. | USD | 50.71 | 3,301.74 | (2,961.63) | 597.51 | 257.40 | 792.13 | – | 49.45 | 26.23 | 23.22 | – | USA |
| 116 | Corus America Inc. | USD | 50.71 | 45.05 | 697.00 | 1,057.48 | 315.42 | 272.88 | 1,060.43 | 36.73 | 0.51 | 36.21 | – | USA |
| 117 | Corus Batiment Et Systemes SAS | EUR | 67.47 | 50.51 | (10.67) | 275.21 | 235.38 | 73.12 | – | – | – | – | – | France |
| 118 | Corus Belgium Bvba | EUR | 67.47 | 0.10 | 7.28 | 7.41 | 0.03 | – | – | 0.16 | – | 0.16 | – | Belgium |
| 119 | Corus Benelux B.V. | EUR | 67.47 | 0.12 | 6.56 | 8.68 | 2.00 | – | 5.50 | 0.76 | 0.34 | 0.42 | – | Netherlands |
| 120 | Corus Beteiligungs GmbH | EUR | 67.47 | 0.01 | 20.09 | 20.10 | – | 17.66 | – | 0.07 | – | 0.07 | – | Germany |
| 121 | Corus Brokers Limited | GBP | 72.50 | 0.01 | 0.24 | 0.26 | 0.02 | – | – | 0.01 | – | 0.01 | – | UK |
| 122 | Corus Building Systems Bulgaria AD | LEV | 34.43 | 0.17 | (3.20) | 23.92 | 26.95 | – | 0.16 | (2.85) | – | (2.85) | – | Bulgaria |
| 123 | Corus Building Systems N.V. | EUR | 67.47 | 0.91 | 6.03 | 8.76 | 1.81 | – | – | 0.22 | – | 0.22 | – | Belgium |
| 124 | Corus Building Systems SAS | EUR | 67.47 | 20.20 | (15.56) | 9.44 | 4.80 | 4.23 | 4.92 | 0.11 | – | 0.11 | – | France |
| 125 | Corus Byggesystemer A/S | DKK | 9.04 | 0.45 | 42.00 | 76.43 | 33.98 | – | 129.47 | 0.07 | – | 0.07 | – | Denmark |
| 126 | Corus Byggsystem AB | SEK | 6.20 | 0.62 | 29.50 | 39.88 | 9.76 | 0.51 | 93.31 | 4.91 | 1.41 | 3.49 | – | Sweden |
| 127 | Corus Byggsystemer A/S | NOK | 7.62 | 0.93 | 6.19 | 36.21 | 29.10 | – | 130.46 | 1.45 | 0.34 | 1.11 | – | Norway |
| 128 | Corus Central Europe S.R.O. | CZK | 2.47 | 0.30 | 0.29 | 1.29 | 0.70 | – | 4.19 | 0.25 | 0.14 | 0.11 | – | Czech Republic |
| 129 | Corus Cic Holdings Inc. | CAD | 40.84 | 0.04 | 144.09 | 144.53 | 0.39 | 141.62 | – | 2.12 | 1.19 | 0.93 | – | Canada |
| 130 | Corus Cic Inc. | CAD | 40.84 | 93.98 | (83.62) | 13.48 | 3.12 | 12.40 | – | 2.45 | 0.08 | 2.37 | – | Canada |
| 131 | Corus CNBV Investments | GBP | 72.50 | – | 5.78 | 5.78 | – | 5.78 | – | – | – | – | – | UK |
| 132 | Corus Coatings Usa Inc. | USD | 50.71 | – | 3.87 | 4.35 | 0.48 | – | – | (0.10) | – | (0.10) | – | USA |
| 133 | Corus Cold Drawn Tubes Limited | GBP | 72.50 | 36.25 | (48.74) | – | 12.49 | – | – | – | – | – | – | UK |
| 134 | Corus Construction Products (Thailand) Limited | THB | 1.43 | – | – | – | – | – | – | (5.14) | – | (5.14) | – | Thailand |
| 135 | Corus Consulting And Technical Services B.V. | EUR | 67.47 | 60.61 | 14.06 | 166.91 | 92.25 | 137.52 | – | 38.86 | (1.73) | 40.59 | – | Netherlands |
| 136 | Corus Consulting B.V. | EUR | 67.47 | 0.30 | 15.14 | 21.48 | 6.04 | – | – | 0.31 | 0.14 | 0.17 | – | Netherlands |
| 137 | Corus Consulting Limited | GBP | 72.50 | 7.14 | (11.37) | 8.13 | 12.36 | – | 12.64 | (1.53) | (0.35) | (1.17) | – | UK |
| 138 | Corus Consulting Romania SRL. | RON | 15.86 | – | 0.11 | 0.11 | – | – | 0.01 | – | – | – | – | Romania |
| 139 | Corus Degels GmbH | EUR | 67.47 | 0.20 | 9.51 | 254.51 | 244.80 | – | 981.35 | 24.99 | 3.95 | 21.04 | 13.21 | Germany |
| 140 | Corus Denmark A/S | DKK | 9.04 | 0.82 | 0.57 | 2.98 | 1.59 | – | 5.56 | 0.69 | 0.19 | 0.51 | 0.88 | Denmark |
| 141 | Corus Deutschland GmbH | GBP | 72.50 | – | – | – | – | – | – | – | – | – | – | Germany |
| 142 | Corus Distribution Europe BV | EUR | 67.47 | 4.92 | (13.00) | (1.35) | 6.73 | – | – | (5.15) | (2.11) | (3.04) | – | Netherlands |
| 143 | Corus Electrical Limited | GBP | 72.50 | – | – | – | – | – | – | – | – | – | – | UK |
| 144 | Corus Engineering Limited | GBP | 72.50 | – | – | – | – | – | – | – | – | – | – | UK |
| 145 | Corus Engineering Steels (UK) Limited | GBP | 72.50 | 72.50 | 259.58 | 332.08 | – | 332.08 | – | – | – | – | – | UK |
| 146 | Corus Engineering Steels Holdings Limited | GBP | 72.50 | 3,014.94 | 233.85 | 4,121.11 | 872.31 | 4,078.20 | – | – | – | – | – | UK |
| 147 | Corus Engineering Steels Limited | GBP | 72.50 | 3,349.94 | 97.58 | 3,447.52 | – | 3,447.52 | – | – | – | – | – | UK |
| 148 | Corus Engineering Steels Overseas Holdings Limited | GBP | 72.50 | 2.90 | 4.31 | 14.18 | 6.97 | 4.66 | – | – | – | – | – | UK |
| 149 | Corus Finance Limited | GBP | 72.50 | 0.36 | (0.17) | 0.19 | – | – | – | – | – | – | – | UK |
| 150 | Corus Finland Oy | EUR | 67.47 | 0.85 | 0.19 | 4.00 | 2.96 | – | 5.09 | 0.15 | 0.05 | 0.10 | – | Finland |
| 151 | Corus France SAS | EUR | 67.47 | 242.44 | 52.87 | 308.11 | 12.80 | – | 31.63 | 23.69 | 8.15 | 15.54 | – | France |
| 152 | Corus Group Limited | GBP | 72.50 | 12,682.73 | 11,059.87 | 25,314.45 | 1,571.85 | 24,909.68 | – | 384.06 | 120.07 | 264.00 | 1,812.38 | UK |

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Rs. crores

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|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 153 | Corus Holdings Ltd. | GBP | 72.50 | 1.81 | 53.77 | 56.47 | 0.89 | – | – | – | 1.17 | (1.17) | – | UK |
| 154 | Corus Holdings SA | EUR | 67.47 | 272.81 | (96.61) | 1,093.20 | 917.01 | 528.45 | – | (5.73) | (3.75) | (1.98) | – | France |
| 155 | Corus Hungary Trading Limited Liability Company | HUF | 0.22 | 0.07 | 0.12 | 0.22 | 0.04 | – | 0.78 | 0.03 | – | 0.03 | – | Hungary |
| 156 | Corus India Ltd | INR | 1.00 | 0.16 | 0.77 | 0.93 | 0.01 | – | – | 0.02 | – | 0.02 | – | India |
| 157 | Corus International (India) Pvt. Limited | INR | 1.00 | 27.84 | 7.14 | 40.16 | 5.18 | – | 5.72 | 3.84 | 0.76 | 3.07 | – | India |
| 158 | Corus International (Overseas Holdings) Limited | GBP | 72.50 | 1,023.67 | 1,665.91 | 2,698.10 | 8.52 | 2,665.24 | – | 110.32 | 0.48 | 109.84 | – | UK |
| 159 | Corus International Bulgaria Ltd | LEV | 34.43 | 0.02 | 0.05 | 0.10 | 0.03 | – | 0.14 | 0.05 | – | 0.05 | – | Bulgaria |
| 160 | Corus International Deutschland GmbH | EUR | 67.47 | 0.01 | 4.97 | 27.74 | 22.76 | – | – | – | – | – | – | Germany |
| 161 | Corus International Limited | GBP | 72.50 | 3,554.88 | (1,444.98) | 2,396.76 | 286.86 | 2,245.46 | – | 980.15 | (30.79) | 1,010.93 | – | UK |
| 162 | Corus International Nigeria | NGN | 0.34 | – | – | – | – | – | – | – | – | – | – | Nigeria |
| 163 | Corus International Representacoes Do Brasil Ltda. | USD | 50.71 | 1.01 | (1.96) | 0.79 | 1.75 | – | – | 0.15 | 0.07 | 0.08 | – | Brazil |
| 164 | Corus International Romania SRL. | RON | 15.86 | 0.01 | 0.24 | 0.32 | 0.07 | – | 0.79 | 0.07 | 0.02 | 0.05 | – | Romania |
| 165 | Corus International Services N.V | EUR | 67.47 | 4,578.63 | 1,608.08 | 8,134.79 | 1,948.08 | 7,335.63 | – | 338.87 | 34.99 | 303.88 | 238.11 | Belgium |
| 166 | Corus International Trading Limited | GBP | 72.50 | 12.02 | 56.10 | 153.17 | 85.05 | – | 3,568.45 | (10.71) | (1.31) | (9.39) | – | UK |
| 167 | Corus International Trading Limited | USD | 50.71 | 91.10 | 64.50 | 362.51 | 206.91 | – | 1,612.82 | 12.29 | 0.24 | 12.05 | – | USA |
| 168 | Corus Investment B.V. | EUR | 67.47 | 6,796.47 | 1,017.16 | 9,526.46 | 1,712.83 | 6,968.71 | – | 1,296.69 | 24.57 | 1,272.12 | 2,550.53 | Netherlands |
| 169 | Corus Investments Ltd. | GBP | 72.50 | 159.49 | 4.93 | 164.42 | – | – | – | – | – | – | – | UK |
| 170 | Corus Ireland Ltd. | EUR | 67.47 | – | 11.83 | 14.11 | 2.27 | – | 7.11 | 1.40 | 0.53 | 0.87 | – | Ireland |
| 171 | Corus Italia SRL. | EUR | 67.47 | 0.34 | 6.20 | 14.46 | 7.92 | – | 16.85 | 8.11 | 2.58 | 5.52 | 9.00 | Italy |
| 172 | Corus Laminacion Y Derivados, S.L. | EUR | 67.47 | 122.22 | (116.62) | 394.30 | 388.71 | 2.62 | 686.19 | (167.20) | 39.30 | (206.50) | – | Spain |
| 173 | Corus Large Diameter Pipes Limited | GBP | 72.50 | 214.27 | 313.07 | 538.43 | 11.08 | 538.43 | – | – | – | – | – | UK |
| 174 | Corus Liaison Services (India) Limited | GBP | 72.50 | 7.25 | (24.50) | 1.60 | 18.86 | – | – | (0.01) | – | (0.01) | – | UK |
| 175 | Corus Management Limited | GBP | 72.50 | – | (328.71) | 1,782.05 | 2,110.77 | 1,670.98 | – | – | – | – | – | UK |
| 176 | Corus Met B.V. | EUR | 67.47 | 269.37 | (12.74) | 515.56 | 258.93 | – | 403.88 | 40.41 | 13.64 | 26.77 | – | Netherlands |
| 177 | Corus Metal Iberica S.A | EUR | 67.47 | 1.01 | 11.00 | 17.32 | 5.30 | – | 13.18 | 1.33 | 0.02 | 1.31 | – | Spain |
| 178 | Corus Metals Limited | GBP | 72.50 | – | – | – | – | – | – | – | – | – | – | UK |
| 179 | Corus Middle East FZE | UAE | 13.78 | 62.01 | 59.49 | 656.67 | 535.17 | – | 1,890.45 | (43.88) | – | (43.88) | – | UAE |
| 180 | Corus Multi–Metals Limited | GBP | 72.50 | – | – | – | – | – | – | – | – | – | – | UK |
| 181 | Corus Nederland B.V. | EUR | 67.47 | 2,610.27 | 7,421.30 | 22,881.50 | 12,849.93 | 21,885.67 | – | 2,247.20 | (231.51) | 2,478.70 | 750.16 | Netherlands |
| 182 | Corus New Zealand Limited | NZD | 28.90 | 43.93 | 105.10 | 230.76 | 81.73 | – | 380.39 | 15.44 | 5.52 | 9.92 | – | New Zealand |
| 183 | Corus Norge A/S | NOK | 7.62 | 0.15 | 1.10 | 1.88 | 0.63 | – | 1.32 | 0.05 | 0.04 | 0.01 | – | Norway |
| 184 | Corus Packaging Plus Belgium N.V | EUR | 67.47 | 171.28 | 15.16 | 228.62 | 42.18 | 10.96 | 203.40 | 30.39 | – | 30.39 | – | Belgium |
| 185 | Corus Packaging Plus Norway AS | NOK | 7.62 | 0.09 | (254.98) | 11.36 | 266.25 | – | 168.19 | (150.63) | – | (150.63) | – | Norway |
| 186 | Corus Perfo B.V. | EUR | 67.47 | 3.77 | (25.09) | 0.40 | 21.71 | – | – | 0.78 | 0.20 | 0.58 | – | Netherlands |
| 187 | Corus Polska Sp.Z.O.O. | PLZ | 14.50 | 12.77 | 7.36 | 52.21 | 32.07 | – | 124.68 | 2.12 | 0.48 | 1.64 | – | Poland |
| 188 | Corus Primary Aluminium B.V. | EUR | 67.47 | 11.29 | 24.76 | 467.39 | 431.35 | 410.82 | – | (323.30) | (45.11) | (278.19) | – | Netherlands |
| 189 | Corus Properties (Germany) Limited | GBP | 72.50 | – | (0.26) | – | 0.26 | – | – | – | – | – | – | UK |
| 190 | Corus Property | GBP | 72.50 | – | – | 0.01 | 0.01 | – | – | – | – | – | – | UK |
| 191 | Corus Quest Trustee Limited | GBP | 72.50 | – | – | – | – | – | – | – | – | – | – | UK |

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Rs. crores

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|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 192 | Corus Rail Consultancy Limited | GBP | 72.50 | – | 7.12 | 88.74 | 81.62 | – | 136.25 | 11.28 | 3.34 | 7.94 | – | UK |
| 193 | Corus Rail France S.A | EUR | 67.47 | 390.38 | (132.35) | 1,063.99 | 805.97 | – | 1,636.83 | 45.71 | (17.19) | 62.89 | – | France |
| 194 | Corus Rail Limited | GBP | 72.50 | – | – | – | – | – | – | – | – | – | – | UK |
| 195 | Corus Republic Of Ireland Subsidiaries Pension Scheme Trustee Limited | EUR | 67.47 | – | – | – | – | – | – | – | – | – | – | Ireland |
| 196 | Corus Schweiz AG | CHF | 44.25 | 0.44 | 0.41 | 1.89 | 1.04 | – | 3.38 | 0.21 | 0.05 | 0.16 | 0.23 | Switzerland |
| 197 | Corus Service Center Milano Spa | EUR | 67.47 | 10.10 | (1.37) | 101.86 | 93.13 | – | 152.99 | (12.22) | 0.10 | (12.32) | – | Italy |
| 198 | Corus Service Centre Maastricht B.V. | EUR | 67.47 | 0.36 | 99.45 | 181.86 | 82.04 | – | 215.72 | 33.59 | 8.05 | 25.54 | – | Netherlands |
| 199 | Corus Services Nederland B.V. | EUR | 67.47 | 2.86 | 101.30 | 392.60 | 288.44 | 16.79 | – | (41.39) | 12.87 | (54.26) | – | Netherlands |
| 200 | Corus Sheet & Tube Inc | USD | 50.71 | – | – | – | – | – | – | – | – | – | – | USA |
| 201 | Corus Special Strip Asia Limited | HKD | 6.53 | – | – | – | – | – | – | (0.74) | – | (0.74) | – | Hong Kong |
| 202 | Corus Staal B.V. | EUR | 67.47 | 21.04 | 13,419.57 | 22,005.15 | 8,564.55 | 650.45 | 23,953.26 | 1,698.03 | 441.98 | 1,256.05 | 11,757.19 | Netherlands |
| 203 | Corus Stahl GmbH | EUR | 67.47 | 0.02 | 467.95 | 523.00 | 55.04 | 425.76 | 0.74 | 33.26 | 9.41 | 23.85 | 32.59 | Germany |
| 204 | Corus Stainless Limited | GBP | 72.50 | – | – | – | – | – | – | – | – | – | – | UK |
| 205 | Corus Stainless Nl B.V. | EUR | 67.47 | 0.12 | 0.66 | 0.92 | 0.14 | – | – | 0.01 | – | 0.01 | – | Netherlands |
| 206 | Corus Stainless UK Ltd. | GBP | 72.50 | – | – | – | – | – | – | – | – | – | – | UK |
| 207 | Corus Star–Frame B.V. | EUR | 67.47 | 3.03 | (23.89) | 0.55 | 21.42 | – | – | – | – | – | – | Netherlands |
| 208 | Corus Steel Limited | GBP | 72.50 | – | – | – | – | – | – | – | – | – | – | UK |
| 209 | Corus Steel Usa Inc. | USD | 50.71 | 104.11 | 67.44 | 177.61 | 6.06 | 85.18 | – | 8.81 | 3.00 | 5.81 | – | USA |
| 210 | Corus Sverige AB | SEK | 6.20 | 0.06 | 1.32 | 4.86 | 3.48 | – | 12.60 | 0.88 | 0.27 | 0.61 | 0.60 | Sweden |
| 211 | Corus Technology B.V. | EUR | 67.47 | 0.12 | 218.92 | 516.92 | 297.88 | 23.53 | 454.09 | 39.92 | 16.84 | 23.08 | – | Netherlands |
| 212 | Corus Trico Holdings Inc. | USD | 50.71 | – | – | – | – | – | – | – | – | – | – | USA |
| 213 | Corus Tubes B.V. | EUR | 67.47 | 38.59 | 231.45 | 992.24 | 722.20 | 13.00 | 2,541.93 | (37.32) | (7.54) | (29.78) | – | Netherlands |
| 214 | Corus Tuscaloosa Corp. | USD | 50.71 | 2,902.82 | (2,773.98) | 128.84 | – | – | – | 297.18 | – | 297.18 | – | USA |
| 215 | Corus UK Healthcare Trustee Limited | GBP | 72.50 | – | – | – | – | – | – | – | – | – | – | UK |
| 216 | Corus UK Limited | GBP | 72.50 | 16,248.31 | 5,819.73 | 41,557.60 | 19,489.56 | 6,899.30 | 46,278.98 | 92.25 | 394.58 | (302.34) | – | UK |
| 217 | Corus Vlietjonge B.V. | EUR | 67.47 | 51.52 | 55.81 | 172.00 | 64.68 | 15.12 | 283.28 | 10.31 | 2.32 | 7.99 | 90.02 | Netherlands |
| 218 | Corus Yasan Metal Sanayi Ve Ticaret AS | USD | 50.71 | 20.39 | (19.55) | 154.65 | 153.81 | – | 326.59 | (53.58) | – | (53.58) | – | Turkey |
| 219 | Cpn 85 Limited | GBP | 72.50 | – | (0.61) | – | 0.61 | – | – | – | – | – | – | UK |
| 220 | Crucible Insurance Company Ltd. | GBP | 72.50 | 3.62 | 408.05 | 733.71 | 322.04 | 386.81 | – | 12.05 | – | 12.05 | – | I of Man |
| 221 | Demka B.V. | EUR | 67.47 | 41.44 | 15.30 | 58.05 | 1.32 | – | – | 2.21 | 0.56 | 1.65 | – | Netherlands |
| 222 | Dsrm Group Plc. | GBP | 72.50 | 36.25 | 107.61 | 143.85 | – | 143.85 | – | – | – | – | – | UK |
| 223 | Ees Group Services Limited | GBP | 72.50 | 435.04 | (435.04) | – | – | – | – | – | – | – | – | UK |
| 224 | Ees Nederland B.V. | EUR | 67.47 | 0.13 | 0.25 | 0.38 | – | – | – | (0.01) | – | (0.01) | – | Netherlands |
| 225 | Eric Olsson & Soner Forvaltnings AB | SEK | 6.20 | 0.06 | 2.76 | 2.85 | 0.02 | 2.23 | – | 0.02 | – | 0.02 | – | Sweden |
| 226 | Esmil B.V. | EUR | 67.47 | 97.76 | (79.72) | 18.55 | 0.50 | – | – | 0.77 | 0.20 | 0.57 | – | Netherlands |
| 227 | Euro–Laminations Limited | GBP | 72.50 | 0.01 | (0.01) | – | – | – | – | (0.23) | – | (0.23) | – | UK |
| 228 | European Electrical Steels Limited | GBP | 72.50 | – | – | – | – | – | – | – | – | – | – | UK |
| 229 | Europressings Limited | GBP | 72.50 | 4.35 | 0.28 | 4.63 | – | – | – | – | – | – | – | UK |
| 230 | Firsteel Group Limited | GBP | 72.50 | 45.67 | 84.30 | 256.63 | 126.66 | 256.63 | – | – | – | – | – | UK |
| 231 | Firsteel Group Pension Trustee Limited | GBP | 72.50 | – | – | – | – | – | – | – | – | – | – | UK |

# Summary of Financial Information of Subsidiary Companies

Rs. crores

| Sl. No. | Name of Subsidiary Company | Reporting Currency | Exchange Rate | Capital | Reserves | Total Assets | Total Liabilities | Investment included in Total Assets | Turnover | Profit before Taxation | Provision for Taxation | Profit after Taxation | Proposed Dividend | Country |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 232 | Firsteel Holdings Limited | GBP | 72.50 | 0.05 | 56.06 | 125.63 | 69.52 | 125.63 | – | – | – | – | – | UK |
| 233 | Firsteel Steel Processing Limited | GBP | 72.50 | 54.37 | 0.09 | 54.46 | – | – | – | – | – | – | – | UK |
| 234 | Firsteel Strip Mill Products Limited | GBP | 72.50 | 63.07 | 11.04 | 74.11 | – | 74.11 | – | – | – | – | – | UK |
| 235 | Fischer Profielen NV | EUR | 67.47 | 0.84 | (0.84) | – | – | – | – | – | – | – | – | Belgium |
| 236 | Fischer Profil GmbH | EUR | 67.47 | 68.87 | 5.57 | 215.64 | 141.20 | 5.28 | 703.26 | – | (0.41) | 0.40 | – | Germany |
| 237 | Gamble Simms Metals Ltd. | EUR | 67.47 | 4.28 | 91.46 | 97.63 | 1.89 | 97.63 | – | – | – | – | – | Ireland |
| 238 | Grant Lyon Eagre Ltd. | GBP | 72.50 | 2.72 | 39.98 | 42.70 | – | – | – | – | – | – | – | UK |
| 239 | H E Samson Ltd. | GBP | 72.50 | 27.19 | 10.68 | 37.86 | – | – | – | – | – | – | – | UK |
| 240 | Hadfields Holdings Ltd. | GBP | 72.50 | 0.72 | (58.98) | 3.84 | 62.09 | – | – | – | – | – | – | UK |
| 241 | Hammermega Limited | GBP | 72.50 | 16.31 | – | 16.31 | – | – | – | – | – | – | – | UK |
| 242 | Harrowmills Properties Ltd. | GBP | 72.50 | 0.01 | 138.06 | 138.07 | – | – | – | – | – | – | – | UK |
| 243 | Hille & Muller GmbH | EUR | 67.47 | 140.04 | 34.08 | 417.24 | 243.13 | 0.10 | 510.62 | 21.28 | (1.89) | 23.16 | 31.65 | Germany |
| 244 | Hille & Muller Italia SRL. | EUR | 67.47 | 0.31 | (0.31) | – | – | – | – | (1.36) | – | (1.36) | – | Italy |
| 245 | Hille & Muller Usa Inc. | USD | 50.71 | – | 67.25 | 80.97 | 13.71 | 59.58 | 50.28 | 4.87 | (1.16) | 6.02 | – | USA |
| 246 | Holorib GmbH | EUR | 67.47 | 0.17 | 0.30 | 0.52 | 0.04 | – | 0.79 | 0.10 | 0.03 | 0.07 | – | GERMANY |
| 247 | Hoogovens (UK) Limited | GBP | 72.50 | 144.99 | (141.58) | 17.91 | 14.49 | 13.19 | – | – | – | – | – | UK |
| 248 | Hoogovens Aluminium UK Limited | GBP | 72.50 | 10.77 | (8.37) | 4.82 | 2.42 | – | – | 0.69 | – | 0.69 | – | UK |
| 249 | Hoogovens Finance B.V. | EUR | 67.47 | 917.00 | 408.08 | 1,329.51 | 4.44 | 1,329.47 | – | 47.51 | 12.11 | 35.39 | – | Netherlands |
| 250 | Hoogovens Technical Services Coahuila B.V. | EUR | 67.47 | 0.12 | (11.81) | 16.35 | 28.04 | – | – | 25.23 | 6.43 | 18.79 | – | Netherlands |
| 251 | Hoogovens Technical Services Mexico De S. De R.L. De C.V. | USD | 50.71 | – | (20.39) | 3.41 | 23.80 | – | – | (10.36) | (3.11) | (7.25) | – | Mexico |
| 252 | Hoogovens Technical Services Monclova B.V. | EUR | 67.47 | 0.12 | (0.12) | – | – | – | – | – | – | – | – | Netherlands |
| 253 | Hoogovens Tubes Poland Spolka Z.O.O | EUR | 67.47 | 0.10 | 0.20 | 4.43 | 4.13 | – | 7.81 | 0.09 | – | 0.09 | – | Poland |
| 254 | Hoogovens Usa Inc. | USD | 50.71 | 307.95 | 46.11 | 361.68 | 7.62 | 318.87 | – | 1.15 | 5.65 | (4.51) | – | USA |
| 255 | Huizenbezit “Breesaap” B.V. | EUR | 67.47 | 0.31 | (6.84) | (0.79) | 5.74 | – | 0.09 | (0.45) | (0.11) | (0.34) | – | Netherlands |
| 256 | Ickles Cottage Trust | GBP | 72.50 | – | (0.04) | 0.53 | 0.57 | – | 0.61 | 0.05 | – | 0.05 | – | UK |
| 257 | Immobilliere De Construction De Maubeuge Et Louvroil SAS | EUR | 67.47 | 0.69 | 0.14 | 1.10 | 0.27 | – | 1.17 | 0.25 | 0.08 | 0.17 | – | France |
| 258 | Industrial Steels Limited | GBP | 72.50 | – | 26.62 | 69.19 | 42.57 | – | 31.03 | (26.28) | (11.40) | (14.87) | – | UK |
| 259 | Inter Metal Distribution SAS | EUR | 67.47 | 0.51 | 30.35 | 61.70 | 30.84 | – | 221.99 | 2.84 | 0.96 | 1.88 | – | France |
| 260 | K&S Management Service Limited | GBP | 72.50 | – | – | – | – | – | – | – | – | – | – | UK |
| 261 | Kalzip Asia Pte | SGD | 33.34 | 11.70 | 15.14 | 134.95 | 108.11 | – | 151.22 | 4.39 | (1.12) | 5.50 | – | Singapore |
| 262 | Kalzip GmbH | EUR | 67.47 | 0.24 | 0.29 | 0.81 | 0.28 | – | 2.39 | 0.16 | 0.06 | 0.10 | – | Austria |
| 263 | Kalzip GmbH | EUR | 67.47 | 43.06 | (0.29) | 289.03 | 246.26 | – | 416.61 | 5.54 | 1.47 | 4.07 | – | Germany |
| 264 | Kalzip Guangzhou Ltd. | CNY | 7.41 | 18.27 | 9.17 | 97.05 | 69.61 | – | 90.60 | 6.54 | 0.50 | 6.04 | – | China |
| 265 | Kalzip Inc. | USD | 50.71 | 0.26 | (5.31) | (3.40) | 1.66 | – | 6.00 | (3.66) | – | (3.66) | – | USA |
| 266 | Kalzip Ltd. | GBP | 72.50 | 26.82 | 26.35 | 106.56 | 53.38 | – | 251.37 | 8.06 | 3.77 | 4.29 | – | UK |
| 267 | Kalzip Spain S.L.U. | EUR | 67.47 | 6.06 | 2.09 | 8.94 | 0.79 | – | 7.26 | 1.25 | 0.23 | 1.02 | – | Spain |
| 268 | Lister Tubes Ltd. | EUR | 67.47 | – | 10.90 | 10.90 | – | – | – | – | – | – | – | Ireland |
| 269 | London Works Steel Company Ltd. | GBP | 72.50 | – | (74.71) | 40.59 | 115.31 | – | – | – | – | – | – | UK |

# Summary of Financial Information of Subsidiary Companies

Rs. crores

| Sl. No. | Name of Subsidiary Company | Reporting Currency | Exchange Rate | Capital | Reserves | Total Assets | Total Liabilities | Investment included in Total Assets | Turnover | Profit before Taxation | Provision for Taxation | Profit after Taxation | Proposed Dividend | Country |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 270 | Midland Steel Supplies Ltd. | GBP | 72.50 | – | – | – | – | – | – | – | – | – | – | UK |
| 271 | Mistbury Investments Limited | GBP | 72.50 | 14.86 | (18.38) | 19.80 | 23.33 | 19.80 | – | – | – | – | – | UK |
| 272 | Montana Bausysteme AG | CHF | 44.25 | 53.10 | 146.30 | 259.18 | 59.78 | 0.22 | 386.02 | 34.45 | 4.76 | 29.69 | – | Switzerlnd |
| 273 | Myriad Deutschland GmbH | EUR | 67.47 | 0.67 | 1.44 | 2.71 | 0.60 | – | 5.97 | (0.15) | (0.01) | (0.14) | – | Germany |
| 274 | Myriad Espana Sl | EUR | 67.47 | 0.02 | 1.73 | 1.84 | 0.09 | – | 0.65 | (0.08) | – | (0.08) | – | Spain |
| 275 | Myriad Nederland B.V. | EUR | 67.47 | 0.32 | 0.71 | 1.15 | 0.11 | – | 1.28 | – | – | (0.01) | – | Netherlands |
| 276 | Myriad SA | EUR | 67.47 | 146.07 | 70.60 | 889.03 | 672.36 | 8.11 | 2,429.93 | (33.67) | (11.50) | (22.17) | – | France |
| 277 | Myriad United Kingdom Limited | GBP | 72.50 | 0.07 | 0.64 | 1.11 | 0.40 | – | 0.99 | 0.03 | 0.08 | (0.05) | – | UK |
| 278 | Namascor B.V. | EUR | 67.47 | 41.25 | 77.40 | 258.21 | 139.56 | – | 750.51 | 14.42 | 3.71 | 10.72 | – | Netherlands |
| 279 | Nationwide Steelstock Limited | GBP | 72.50 | – | (0.01) | – | 0.01 | – | – | – | – | – | – | UK |
| 280 | Nebam Nedelandse Bevrachting En Agentuur Maatschappij B.V. | EUR | 67.47 | 0.15 | – | 0.15 | – | 0.15 | – | – | – | – | – | Netherlands |
| 281 | Oostflank B.V. | EUR | 67.47 | 0.12 | 41.05 | 52.11 | 10.94 | – | – | 1.41 | (3.59) | 5.00 | – | Netherlands |
| 282 | Orb Electrical Steels Limited | GBP | 72.50 | 231.98 | 3.04 | 235.03 | – | 3.23 | – | – | – | – | – | UK |
| 283 | Ore Carriers Ltd. | GBP | 72.50 | 14.74 | 5.95 | 20.70 | 0.01 | 20.05 | – | – | – | – | – | UK |
| 284 | Oremco Inc. | USD | 50.71 | 0.51 | 1.03 | 30.66 | 29.12 | – | – | 0.30 | 0.09 | 0.21 | – | USA |
| 285 | Plated Strip International Limited | GBP | 72.50 | 16.33 | (3.61) | 13.31 | 0.59 | – | – | – | – | – | – | UK |
| 286 | Precision Metal Forming Limited | GBP | 72.50 | 0.24 | 38.49 | 38.73 | – | 38.73 | – | – | – | – | – | UK |
| 287 | Precoat International Limited | GBP | 72.50 | 5.97 | 58.63 | 81.18 | 16.58 | 80.68 | – | – | – | – | – | UK |
| 288 | Precoat Limited | GBP | 72.50 | 7.98 | (9.80) | 35.39 | 37.21 | 35.10 | – | – | – | – | – | UK |
| 289 | Rafferty–Brown Steel Co Inc Of Conn. | USD | 50.71 | 75.48 | 17.94 | 100.07 | 6.65 | – | – | 1.11 | – | 1.11 | – | USA |
| 290 | Richard Thomas And Baldwins (1978) Limited | NZD | 28.90 | – | – | – | – | – | – | – | – | – | – | New Zealand |
| 291 | Richard Thomas And Baldwins (Australia) Pty Ltd. | AUD | 35.10 | 0.21 | – | 0.21 | – | – | – | – | – | – | – | Australia |
| 292 | Round Oak Steelworks Ltd. | GBP | 72.50 | 21.75 | (369.09) | 0.87 | 348.21 | – | – | – | – | – | – | UK |
| 293 | Runblast Limited | GBP | 72.50 | 62.10 | 315.14 | 377.24 | – | – | – | – | – | – | – | UK |
| 294 | Runmega Limited | GBP | 72.50 | 3.15 | – | 3.15 | – | – | – | – | – | – | – | UK |
| 295 | S A B Profiel B.V. | EUR | 67.47 | 0.92 | 311.57 | 419.66 | 107.17 | 169.41 | 750.00 | 30.09 | 7.78 | 22.31 | – | Netherlands |
| 296 | S A B Profil GmbH | EUR | 67.47 | 0.20 | 57.69 | 76.63 | 18.74 | – | 255.32 | 20.26 | 7.09 | 13.17 | – | Germany |
| 297 | SA Intertubes | EUR | 67.47 | 0.42 | 0.65 | 1.26 | 0.19 | – | 1.50 | 0.27 | 0.03 | 0.24 | – | Belgium |
| 298 | Sacra–Nord SAS | EUR | 67.47 | 413.27 | 148.72 | 885.80 | 323.81 | 869.34 | – | (5.99) | (9.01) | 3.02 | – | France |
| 299 | Scrap Processing Holding B.V. | EUR | 67.47 | 0.73 | 35.27 | 37.20 | 1.19 | – | – | 1.42 | (4.64) | 6.07 | – | Netherlands |
| 300 | Seamless Tubes Ltd. | GBP | 72.50 | 144.99 | (10.38) | 134.61 | – | – | – | – | – | – | – | UK |
| 301 | Sia Corus Building Systems | LAT | 94.90 | 0.57 | (1.55) | 1.33 | 2.31 | – | 6.84 | (0.38) | – | (0.38) | – | Latvia |
| 302 | Simiop Investments Ltd. | GBP | 72.50 | – | 27.50 | 27.50 | – | – | – | – | – | – | – | UK |
| 303 | Simiop Ltd. | GBP | 72.50 | 69.49 | – | 69.49 | – | 69.49 | – | – | – | – | – | UK |
| 304 | Simms Steel Holdings Ltd. | GBP | 72.50 | 0.07 | (0.09) | – | 0.02 | – | – | – | – | – | – | UK |
| 305 | Skruv Erik AB | SEK | 6.20 | 0.06 | 1.45 | 1.65 | 0.15 | – | – | (0.09) | – | (0.09) | – | Sweden |
| 306 | Societe Europeenne De Galvanisation (Segal) Sa | EUR | 67.47 | 84.18 | 38.93 | 219.06 | 95.95 | – | 488.19 | 15.08 | 4.56 | 10.52 | – | Belgium |
| 307 | Staalverwerking En Handel B.V. | EUR | 67.47 | 303.04 | 2,284.94 | 3,167.32 | 579.34 | 3,157.68 | – | (27.11) | (6.91) | (20.19) | – | Netherlands |

# Summary of Financial Information of Subsidiary Companies

Rs. crores

| Sl. No. | Name of Subsidiary Company | Reporting Currency | Exchange Rate | Capital | Reserves | Total Assets | Total Liabilities | Investment included in Total Assets | Turnover | Profit before Taxation | Provision for Taxation | Profit after Taxation | Proposed Dividend | Country |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 308 | Steel Company (N.I.) Ltd. | GBP | 72.50 | 0.04 | – | 0.04 | – | – | – | – | – | – | – | UK |
| 309 | Steel Stockholdings Ltd. | GBP | 72.50 | 27.55 | 5.66 | 33.40 | 0.19 | – | – | – | – | – | – | UK |
| 310 | Steelstock Ltd. | GBP | 72.50 | 0.14 | – | 55.71 | 55.56 | – | – | – | – | – | – | UK |
| 311 | Stewarts & Lloyds Of Ireland Ltd. | EUR | 67.47 | 0.64 | (2.21) | – | 1.56 | – | – | – | – | – | – | Ireland |
| 312 | Stewarts And Lloyds (Overseas) Ltd. | GBP | 72.50 | 148.33 | 0.04 | 148.37 | – | 148.37 | – | – | – | – | – | UK |
| 313 | Stocksbridge Cottage Trust | GBP | 72.50 | – | 0.47 | 0.54 | 0.07 | – | 0.34 | (0.02) | – | (0.02) | – | UK |
| 314 | Surahammar Bruks AB | SEK | 6.20 | 37.23 | 147.59 | 302.21 | 117.39 | 6.20 | 593.18 | (5.98) | – | (5.98) | – | Sweden |
| 315 | Swinden Housing Association | GBP | 72.50 | – | 3.83 | 5.84 | 2.01 | – | 0.26 | 0.01 | (0.01) | 0.01 | – | UK |
| 316 | Tata Steel Netherlands B.V. | EUR | 67.47 | 34,237.54 | 2,577.18 | 68,110.05 | 31,295.33 | 66,951.96 | – | 1,447.26 | (303.70) | 1,750.96 | – | Netherlands |
| 317 | Tata Steel UK Ltd. | GBP | 72.50 | 25,354.98 | 548.95 | 31,157.74 | 5,253.81 | 30,376.11 | – | 45.35 | (420.47) | 465.82 | – | UK |
| 318 | Telmag (Holdings) Limited | GBP | 72.50 | 11.64 | (11.64) | – | – | – | – | – | – | – | – | UK |
| 319 | Telmag Magnetic Components Limited | GBP | 72.50 | 0.01 | (0.01) | – | – | – | – | – | – | – | – | UK |
| 320 | The Newport And South Wales Tube Company Ltd. | GBP | 72.50 | 3.86 | – | 3.86 | – | – | – | – | – | – | – | UK |
| 321 | The Stanton Housing Company Ltd. | GBP | 72.50 | 0.43 | 6.55 | 6.98 | – | – | – | – | – | – | – | UK |
| 322 | The Steel Company Of Ireland Limited | EUR | 67.47 | 101.12 | (20.47) | 150.83 | 70.18 | 80.15 | 139.24 | (5.10) | 0.41 | (5.51) | – | Ireland |
| 323 | The Templeborough Rolling Mills Ltd. | GBP | 72.50 | 21.75 | 93.32 | 115.07 | – | – | – | – | – | – | – | UK |
| 324 | Thomas Processing Company | USD | 50.71 | – | 104.83 | 105.33 | 0.49 | – | 14.20 | 3.09 | – | 3.09 | – | USA |
| 325 | Thomas Steel Strip Corp. | USD | 50.71 | 35.43 | (257.98) | 377.71 | 600.27 | 19.11 | 554.74 | (60.74) | 0.15 | (60.89) | – | USA |
| 326 | Tinsley Trailers Limited | GBP | 72.50 | 13.05 | – | 13.05 | – | – | – | – | – | – | – | UK |
| 327 | Toronto Industrial Fabrications Ltd. | GBP | 72.50 | 0.12 | (3.71) | – | 3.60 | – | – | – | – | – | – | UK |
| 328 | Trierer Walzwerk GmbH | EUR | 67.47 | 31.16 | (2.37) | 156.01 | 127.21 | – | 142.55 | 4.01 | (0.11) | 4.12 | 2.92 | Germany |
| 329 | Tulip Netherlands (No.1) B.V. | EUR | 67.47 | 34,237.54 | 8.49 | 34,248.94 | 2.91 | 34,239.09 | – | 1.44 | 0.37 | 1.08 | – | Netherlands |
| 330 | Tulip Netherlands (No.2) B.V. | EUR | 67.47 | 34,237.54 | (413.21) | 34,378.09 | 553.76 | 34,247.98 | – | 7.76 | 1.98 | 5.78 | – | Netherlands |
| 331 | Tulip UK Holdings (No.2) Ltd. | GBP | 72.50 | 25,397.44 | 2.39 | 25,400.13 | 0.30 | 25,400.13 | – | – | 0.24 | (0.24) | – | UK |
| 332 | Tulip UK Holdings (No.3) Ltd. | GBP | 72.50 | 25,400.13 | (88.73) | 27,230.10 | 1,918.70 | 27,167.36 | – | (101.57) | 4.72 | (106.28) | – | UK |
| 333 | U.E.S. Bright Bar Limited | GBP | 72.50 | 10.87 | 4.99 | 146.89 | 131.02 | – | 575.14 | 15.86 | – | 15.86 | – | UK |
| 334 | UK Steel Enterprise Ltd. | GBP | 72.50 | 72.50 | 72.52 | 231.08 | 86.07 | 40.86 | 21.58 | (1.04) | 0.01 | (1.05) | – | UK |
| 335 | Ukse Fund Managers Limited | GBP | 72.50 | 0.25 | 0.07 | 0.46 | 0.13 | – | 0.01 | 0.02 | 0.01 | 0.01 | – | UK |
| 336 | Ukse Fund Mangers (General Partner) Limited | GBP | 72.50 | – | – | – | – | – | – | – | – | – | – | UK |
| 337 | United Steels Co (N Z) Ltd. | NZD | 28.90 | – | – | – | – | – | – | – | – | – | – | New Zealand |
| 338 | Unitol SAS | EUR | 67.47 | 0.83 | 31.13 | 603.12 | 571.16 | 49.84 | 1,520.73 | (103.79) | – | (103.79) | – | France |
| 339 | Walker Manufacturing And Investments Ltd. | GBP | 72.50 | 3.86 | 108.15 | 112.01 | – | 7.83 | – | – | – | – | – | UK |
| 340 | Walkersteelstock Ireland Limited | EUR | 67.47 | 65.73 | 38.68 | 115.30 | 10.90 | 112.80 | – | – | – | – | – | Ireland |
| 341 | Walkersteelstock Ltd. | GBP | 72.50 | 7.25 | – | 7.25 | – | 0.14 | – | – | – | – | – | UK |
| 342 | Westwood Steel Services Ltd. | GBP | 72.50 | 170.36 | – | 170.36 | – | – | – | – | – | – | – | UK |
| 343 | Whitehead (Narrow Strip) Ltd. | GBP | 72.50 | 65.25 | 17.90 | 83.14 | – | – | – | – | – | – | – | UK |
| 344 | Tata Steel Global Mineral Holdings Pte Ltd. | USD | 50.71 | – | (8.38) | 1,336.42 | 1,344.80 | 1,251.37 | – | (4.95) | – | (4.95) | – | Singapore |
| 345 | Al Rimal Mining LLC | OMR | 131.71 | 13.23 | (2.05) | 11.18 | – | – | – | (1.64) | – | (1.64) | – | Oman |

# Summary of Financial Information of Subsidiary Companies

Rs. crores

| Sl. No. | Name of Subsidiary Company | Reporting Currency | Exchange Rate | Capital | Reserves | Total Assets | Total Liabilities | Investment included in Total Assets | Turnover | Profit before Taxation | Provision for Taxation | Profit after Taxation | Proposed Dividend | Country |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 346 | Black Ginger 461 Proprietary Ltd | ZAR | 5.35 | – | (1.45) | 9.11 | 10.56 | – | 0.40 | (1.60) | – | (1.60) | – | South Africa |
| 347 | Kalimati Coal Company Pty. Ltd. | AUD | 35.10 | 28.35 | (18.71) | 134.01 | 124.37 | – | 24.45 | 4.78 | (11.01) | 15.79 | – | Australia |
| 348 | Tata Steel Cote D' Ivoire S.A. | FCFA | 0.10 | – | (1.95) | 0.79 | 2.75 | – | – | (1.74) | – | (1.74) | – | Ivory Coast |
| 349 | Tata Steel (Thailand) Public Company Ltd. | THB | 1.43 | 1,202.64 | 941.99 | 3,070.99 | 926.35 | – | 42.81 | 24.76 | 6.16 | 18.60 | 91.40 | Thailand |
| 350 | NTS Steel Group Plc. | THB | 1.43 | 464.60 | 63.70 | 1,557.95 | 1,029.65 | – | 2,313.19 | (100.58) | (34.15) | (66.44) | – | Thailand |
| 351 | Siam Construction Steel Co. Ltd. | THB | 1.43 | 249.91 | 75.01 | 324.94 | 0.03 | – | 2,216.81 | 31.98 | 9.48 | 22.49 | – | Thailand |
| 352 | Siam Iron And Steel (2001) Co. Ltd. | THB | 1.43 | 17.14 | 68.09 | 223.20 | 137.97 | – | 1,521.43 | 74.29 | 22.29 | 52.00 | – | Thailand |
| 353 | TM International Logistics Ltd. | INR | 1.00 | 18.00 | 62.37 | 84.48 | 4.11 | 2.90 | 125.47 | 14.49 | 4.41 | 10.08 | 2.16 | India |
| 354 | International Shipping Logistics FZE | AED | 14.10 | 1.24 | 79.77 | 81.01 | – | – | 325.88 | 23.78 | – | 23.78 | – | UAE |
| 355 | TKM Global China Ltd. | CNY | 7.41 | 4.39 | 0.13 | 4.52 | – | – | 0.18 | (0.52) | – | (0.52) | – | China |
| 356 | TKM Global GmbH | EUR | 67.47 | 0.27 | 37.53 | 37.95 | 0.15 | – | 89.67 | 17.04 | 5.77 | 11.27 | – | Germany |
| 357 | TKM Global Logistics Ltd. | INR | 1.00 | 0.11 | 12.10 | 13.15 | 0.93 | 5.49 | 134.09 | 5.87 | 2.00 | 3.88 | – | India |
| 358 | The Indian Steel and Wire Products Ltd. | INR | 1.00 | 5.99 | (32.94) | 10.02 | 36.97 | – | 107.17 | 4.51 | 0.15 | 4.35 | – | India |
| 359 | The Tata Pigments Ltd. | INR | 1.00 | 0.75 | 13.37 | 14.17 | 0.05 | – | 28.20 | 1.21 | 0.45 | 0.76 | 0.23 | India |

NOTE:
The Indian rupee equivalents of the figures given in the foreign currencies in the accounts of the subsidiary companies, have been given based on the exchange rates as on 31.03.2009.

# Auditors' Report on Consolidated Financial Statements

TO THE BOARD OF DIRECTORS OF TATA STEEL LIMITED

1. We have audited the attached Consolidated Balance Sheet of TATA STEEL LIMITED ("the Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group") as at 31st March, 2009, and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date both annexed thereto. These financial statements have been approved by the Board of Directors of the Company. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. This Standard requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.

3. (a) Attention is invited to the Note 11(d) of Schedule N to the financial statements regarding change in accounting policy for recognition of actuarial valuation change of Rs. 5496.58 crores (net of taxes) [Gross: Rs. 6098.20 crores] in the pension funds of Tata Steel Europe Limited, a subsidiary, for reasons specified therein. Had the company followed the previous practice of recognizing actuarial valuation changes in the profit and loss account, the deferred tax expense would have been lower by Rs. 601.62 crores and the profit after taxes, minority interest and share of profits of associates would have resulted in a loss of Rs. 545.68 crores.

   (b) i) The financial statements of Singapore Branch and of overseas subsidiaries whose financial statements reflect total assets (net) of Rs. 64,833.26 crores as at 31st March, 2009, total revenue of Rs. 123,165.92 crores and net cash flows amounting to Rs. 682.74 crores have been audited by auditors in the respective countries.

   ii) The financial statements of certain subsidiaries in India, whose financial statements reflect total assets (net) of Rs. 491.42 crores as at 31st March, 2009, total revenue of Rs. 800.41 crores and net cash flows amounting to Rs. 5.72 crores have been audited by other auditors.

   Our report is based solely on the report furnished by these auditors.

   (c) As stated in Note 13 and 14 of Schedule N, in the case of certain other subsidiaries and joint ventures of the Company, having total assets (net) of Rs. 500.95 crores as at 31st March, 2009 and total revenue of Rs. 4,208.55 crores for the year ended 31st March, 2009 and in the case of associate companies having a carrying value of Rs. 175.00 crores as at 31st March, 2009 the figures used for the consolidation are based on the management's estimates and are not audited by their auditors.

(d) As stated in Note 1 of Schedule N, in case of certain associates, the financial statements as on 31st March, 2009 are not available. The investments in these associates valued at Re 1 each in the Financial Statements of the Company, have not been adjusted in Consolidated Financial Statements in the absence of their financial statements as on 31st March, 2009.

4. Subject to the matters referred to in paragraphs 3 (c) and 3 (d) and read with our comments in paragraph 3 (a) above :

(a) We report that the Consolidated Financial Statements have been prepared by the Company's management in accordance with the requirements of Accounting Standards ("AS") 21, Consolidated Financial Statements, AS 23 Accounting for Investments in Associates in Consolidated Financial Statements and AS 27 Financial Reporting of Interests in Joint Ventures, as notified under the Companies (Accounting Standards) Rules, 2006.

(b) Based on our audit and on consideration of the reports of the other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India :

(i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2009;

(ii) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date;

(iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For DELOITTE HASKINS & SELLS
*Chartered Accountants,*

P. R. RAMESH
*Partner.*
Membership No.: 70928

*Mumbai, 25th June, 2009*

# Consolidated Balance Sheet as at 31st March, 2009

| Schedule | Page | | Rupees crores | Rupees crores | As at 31-03-2008 Rupees crores |
|---|---|---|---|---|---|
| | | **FUNDS EMPLOYED :** | | | |
| A | 236 | 1. SHARE CAPITAL | | **6,202.78** | 6,202.63 |
| B | 236 | 2. RESERVES AND SURPLUS | | **21,511.50** | 27,971.35 |
| | | 3. TOTAL SHAREHOLDERS' FUNDS | | **27,714.28** | 34,173.98 |
| | | 4. WARRANTS ISSUED BY A SUBSIDIARY COMPANY | | **17.46** | 17.46 |
| | | 5. MINORITY INTEREST | | **894.88** | 832.70 |
| | | 6. LOANS | | | |
| C | 237 | *a.* Secured | 34,329.26 | | 35,414.99 |
| D | 237 | *b.* Unsecured | 25,571.24 | | 18,209.75 |
| | | *c.* Total Loans | | **59,900.50** | 53,624.74 |
| | | 7. DEFERRED TAX LIABILITY (See Note 21, Page 270) | | **1,785.55** | 2,464.68 |
| | | 8. PROVISION FOR EMPLOYEE SEPARATION COMPENSATION (See Note 11(a), Page 257) | | **1,042.41** | 1,080.05 |
| | | 9. TOTAL FUNDS EMPLOYED | | **91,355.08** | 92,193.61 |
| | | **APPLICATION OF FUNDS :** | | | |
| E | 238 | 10. FIXED ASSETS | | | |
| | | *a.* Gross Block | 1,08,388.74 | | 1,05,128.71 |
| | | *b.* *Less* — Impairment | 3,225.07 | | 3,223.50 |
| | | *c.* *Less* — Depreciation | 59,858.09 | | 59,938.92 |
| | | *d.* Net Block | | **45,305.58** | 41,966.29 |
| F | 239 | 11. INVESTMENTS | | **6,411.10** | 3,367.43 |
| | | 12. FOREIGN CURRENCY MONETARY ITEM TRANSLATION DIFFERENCE ACCOUNT (See Note 11(c), Page 257) | | **471.66** | – |
| | | 13. GOODWILL ON CONSOLIDATION | | **15,364.92** | 18,049.96 |
| | | 14. DEFERRED TAX ASSET (See Note 21, Page 270) | | **76.12** | 10.26 |
| | | 15. A. CURRENT ASSETS | | | |
| | | *a.* Stores and spare parts | 1,852.71 | | 1,654.97 |
| G | 239 | *b.* Stock-in-trade | 19,815.99 | | 21,409.37 |
| H | 240 | *c.* Sundry debtors | 13,031.63 | | 18,697.82 |
| | | *d.* Interest accrued on investments | 6.81 | | 8.96 |
| I | 240 | *e.* Cash and Bank balances | 6,148.36 | | 4,231.86 |
| | | | 40,855.50 | | 46,002.98 |
| J | 240 | B. LOANS AND ADVANCES | 13,015.73 | | 15,459.81 |
| | | | 53,871.23 | | 61,462.79 |
| | | 16. *Less :* CURRENT LIABILITIES AND PROVISIONS | | | |
| K | 241 | A. Current Liabilities | 23,093.30 | | 26,360.74 |
| L | 241 | B. Provisions | 7,157.71 | | 6,458.01 |
| | | | 30,251.01 | | 32,818.75 |
| | | 17. NET CURRENT ASSETS | | **23,620.22** | 28,644.04 |
| M | 241 | 18. MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted) | | **105.48** | 155.63 |
| | | 19. TOTAL ASSETS (Net) | | **91,355.08** | 92,193.61 |
| | | Contingent Liabilities (See Note 3, Page 254) | | | |
| N | 242 | NOTES ON BALANCE SHEET AND PROFIT AND LOSS ACCOUNT | | | |

As per our report attached
For DELOITTE HASKINS & SELLS
*Chartered Accountants,*

P R RAMESH
*Partner.*

For and on behalf of the Board

| | |
|---|---|
| RATAN N TATA | *Chairman* |
| JAMES LENG<br>NUSLI N WADIA<br>S M PALIA<br>ISHAAT HUSSAIN<br>JAMSHED J IRANI<br>SUBODH BHARGAVA<br>JACOBUS SCHRAVEN<br>ANDREW ROBB | *Directors* |
| B MUTHURAMAN | *Managing Director* |
| KIRBY ADAMS | *Director* |
| H M NERURKAR | *Executive Director* |

J C BHAM
*Company Secretary*

*Mumbai, 25th June, 2009*

# Consolidated Profit and Loss Account for the year ended 31st March, 2009

| Schedule | Page | | Rupees crores | Rupees crores | Previous Year Rupees crores |
|---|---|---|---|---|---|
| | | **INCOME :** | | | |
| 1 | 234 | 1. SALES AND OTHER OPERATING INCOME | 1,49,984.94 | | *1,34,086.77* |
| | | *Less* — EXCISE DUTY | 2,655.68 | | *2,553.14* |
| | | | 1,47,329.26 | | *1,31,533.63* |
| 2 | 234 | 2. OTHER INCOME | 265.67 | | *475.86* |
| | | | | **1,47,594.93** | *1,32,009.49* |
| | | **EXPENDITURE :** | | | |
| 4 | 235 | 3. MANUFACTURING AND OTHER EXPENSES | 1,29,984.66 | | *1,14,298.96* |
| | | 4. DEPRECIATION | 4,265.39 | | *4,136.95* |
| | | | 1,34,250.05 | | *1,18,435.91* |
| | | 5. *Less* — EXPENDITURE (OTHER THAN INTEREST) TRANSFERRED TO CAPITAL AND OTHER ACCOUNTS | 783.07 | | *547.76* |
| | | | 1,33,466.98 | | *1,17,888.15* |
| 3 | 234 | 6. NET FINANCE CHARGES | 3,290.18 | | *4,085.41* |
| | | 7. TOTAL EXPENDITURE | | **1,36,757.16** | *1,21,973.56* |
| | | **PROFIT BEFORE TAXES AND EXCEPTIONAL ITEMS** | | **10,837.77** | *10,035.93* |
| | | 8. a. CONTRIBUTION FOR SPORTS INFRASTRUCTURE | – | | *(150.00)* |
| | | *b.* EXCHANGE GAIN/(LOSS) | – | | *578.29* |
| | | *c.* ACTUARIAL GAIN/(LOSS) ON FUNDS FOR EMPLOYEE BENEFITS | – | | *5,906.84* |
| | | *d.* RESTRUCTURING, IMPAIRMENT AND DISPOSALS (See Note 24, Page 271) | (4,094.53) | | *–* |
| | | | | **(4,094.53)** | *6,335.13* |
| | | **PROFIT BEFORE TAXES** | | **6,743.24** | *16,371.06* |
| | | 9. TAXES | | | |
| | | *a.* CURRENT TAX | 1,997.12 | | *3,353.73* |
| | | *b.* DEFERRED TAX | (121.93) | | *674.58* |
| | | *c.* FRINGE BENEFIT TAX | 18.81 | | *20.99* |
| | | | | **1,894.00** | *4,049.30* |
| | | **PROFIT AFTER TAXES** | | **4,849.24** | *12,321.76* |
| | | 10. MINORITY INTEREST | 40.94 | | *(139.94)* |
| | | 11. SHARE OF PROFITS OF ASSOCIATES | 60.72 | | *168.16* |
| | | | | **101.66** | *28.22* |
| | | **PROFITS AFTER TAXES, MINORITY INTEREST AND SHARE OF PROFIT OF ASSOCIATES** | | **4,950.90** | *12,349.98* |
| | | 12. BALANCE BROUGHT FORWARD FROM LAST YEAR/PREVIOUS PERIOD | | **8,234.03** | *4,840.39* |
| | | **AMOUNT AVAILABLE FOR APPROPRIATIONS** | | **13,184.93** | *17,190.37* |
| | | 13. APPROPRIATIONS : | | | |
| | | *a.* PROPOSED DIVIDENDS | 1,167.88 | | *1,167.86* |
| | | *b.* DIVIDEND ON CUMULATIVE CONVERTIBLE PREFERENCE SHARES | 109.45 | | *22.19* |
| | | *c.* TAX ON DIVIDENDS | 217.64 | | *207.75* |
| | | *d.* SPECIAL RESERVE | 4.24 | | *6.32* |
| | | *e.* ACTUARIAL GAIN/(LOSS) | – | | *5,906.84* |
| | | *f.* STATUTORY RESERVE | 51.53 | | *96.30* |
| | | *g.* GENERAL RESERVE | 672.23 | | *1,549.08* |
| | | | | **2,222.97** | *8,956.34* |
| | | **BALANCE CARRIED TO BALANCE SHEET** | | **10,961.96** | *8,234.03* |
| | | **Basic Earnings per Share (Rs.)** (See Note 20, Page 270) | | **66.07** | *176.81* |
| | | **Diluted Earnings per Share (Rs.)** (See Note 20, Page 270) | | **58.99** | *162.62* |
| N | 242 | NOTES ON BALANCE SHEET AND PROFIT AND LOSS ACCOUNT | | | |

As per our report attached

For DELOITTE HASKINS & SELLS
*Chartered Accountants,*

P R RAMESH
*Partner.*

Mumbai, 25th June, 2009

J C BHAM
*Company Secretary*

For and on behalf of the Board

RATAN N TATA — *Chairman*

JAMES LENG
NUSLI N WADIA
S M PALIA
ISHAAT HUSSAIN
JAMSHED J IRANI
SUBODH BHARGAVA
JACOBUS SCHRAVEN
ANDREW ROBB — *Directors*

B MUTHURAMAN — *Managing Director*
KIRBY ADAMS — *Director*
H M NERURKAR — *Executive Director*

# Consolidated Cash Flow Statement for the year ended 31st March, 2009

| | | Year Ended 31-03-2009 Rupees crores | | *Year Ended 31-03-2008 Rupees crores* | |
|---|---|---|---|---|---|
| **A.** | **Cash Flow from Operating Activities :** | | | | |
| | Profit before Taxes, Minority Interest & Share of Profits of Associates | | **6,743.24** | | *16,371.06* |
| | Adjustments for : | | | | |
| | Depreciation | 4,265.39 | | *4,136.95* | |
| | Income from other investments | (79.62) | | *(77.00)* | |
| | (Profit)/Loss on sale of other investments | (114.45) | | *(18.41)* | |
| | (Profit)/Loss on sale of assets/discarded assets written off | (44.94) | | *(254.36)* | |
| | Restructuring, Impairment and disposals | 4,094.53 | | *–* | |
| | Interest and income from current investments | (500.51) | | *(453.96)* | |
| | Interest charged to profit and loss account | 3,790.69 | | *4,539.37* | |
| | (Gain)/Loss on cancellation of forward covers/options | (26.66) | | *(124.30)* | |
| | Amortisation of employee separation compensation | 223.70 | | *227.12* | |
| | Contribution for sports infrastructure written off | – | | *150.00* | |
| | Exchange (Gain)/Loss on revaluation of foreign currency loans | 159.84 | | *(741.02)* | |
| | Unrealised Foreign exchange on consolidation net (gain)/loss | (100.66) | | *(285.87)* | |
| | Preliminary expenditure written off | 0.01 | | *2.63* | |
| | Actuarial (gain)/loss on funds for employee benefits | – | | *(5,906.84)* | |
| | Provision for wealth tax | 1.68 | | *1.73* | |
| | Other amortisation and non-cash expenditure | 380.17 | | *735.25* | |
| | | | **12,049.17** | | *1,931.29* |
| | Operating Profit before Working Capital Changes | | **18,792.41** | | *18,302.35* |
| | Adjustments for : | | | | |
| | Trade and other receivables | 2,945.06 | | *3,858.53* | |
| | Inventories | 1,012.02 | | *(2,701.34)* | |
| | Trade payables and other liabilities | (3,731.70) | | *(3,379.87)* | |
| | | | **225.38** | | *(2,222.68)* |
| | Cash Generated from Operations | | **19,017.79** | | *16,079.67* |
| | Direct taxes paid | (3,387.87) | | *(2,686.02)* | |
| | | | **(3,387.87)** | | *(2,686.02)* |
| | **Net Cash from Operating Activities** | | **15,629.92** | | *13,393.65* |
| **B.** | **Cash Flow from Investing Activities :** | | | | |
| | Purchase of fixed assets | (8,433.46) | | *(8,419.73)* | |
| | Sale of fixed assets | 72.68 | | *423.05* | |
| | Pre-operative expenses | (0.07) | | *–* | |
| | Purchase of investments | (60,892.93) | | *(33,389.53)* | |
| | Acquisition of subsidiaries/joint ventures (net of disposals) | (182.75) | | *(40,740.45)* | |
| | Sale of investments | 58,068.33 | | *35,353.45* | |
| | Interest and income from current investments received | 503.09 | | *464.74* | |
| | Dividend received | 108.41 | | *110.02* | |
| | **Net Cash from Investing Activities** | | **(10,756.70)** | | *(46,198.45)* |

# Consolidated Cash Flow Statement for the year ended 31st March, 2009

| | | Year Ended 31-03-2009 Rupees crores | | | Year Ended 31-03-2008 Rupees crores | |
|---|---|---|---|---|---|---|
| **C.** | **Cash Flow from Financing Activities :** | | | | | |
| | Issue of equity capital | 0.25 | | | *4,881.45* | |
| | Capital contribution received | 14.15 | | | *3.87* | |
| | Issue of cumulative convertible preference shares | 0.14 | | | *5,472.52* | |
| | Proceeds from borrowings | 10,508.52 | | | *52,465.30* | |
| | Repayment of borrowings | (8,456.42) | | | *(35,458.06)* | |
| | Amount received on cancellation of forward covers/options | (10.12) | | | *134.41* | |
| | Long term loan expenses paid | (36.63) | | | *(1,737.00)* | |
| | Interest paid | (3,547.25) | | | *(4,272.09)* | |
| | Dividend paid | (1,226.62) | | | *(947.82)* | |
| | **Net Cash from Financing Activities** | | | **(2,753.98)** | | *20,542.58* |
| | **Net increase/(decrease) in Cash and Cash equivalents (A+B+C)** | | | **2,119.24** | | *(12,262.22)* |
| | **Opening Cash and Cash equivalents** (as per Schedule I, Page No. 240) | | (iii) | **4,029.12** | | *(iv) 16,494.08* |
| | **Closing Cash and Cash equivalents** (as per Schedule I, Page No. 240) | | (v) | **6,148.36** | | *4,231.86* |

**Notes :** (i) Figures in brackets represent outflows.

(ii) Interest paid is exclusive of, and purchase of fixed assets is inclusive of, interest capitalised **Rs. 75.70** crores *(2007-08 : Rs. 49.27 crores).*

(iii) Includes **Rs. 63.74** crores of opening cash and cash equivalents in the books of Tayo Rolls Limited which became a subsidiary during the year and excludes **Rs. 51.99** crores in respect of a joint venture and **Rs. 214.49** crores in respect of subsidiaries of Tata Steel Europe Limited which were disposed off during the year.

(iv) Includes Rs. 5,606.13 crores of opening cash and cash equivalents in the books of Corus Group Limited (Rs. 5,579.73 crores), Tata Metaliks Ltd. (Rs. 25.82 crores) and Tata Steel Global Minerals Holdings Pte. Limited (Rs. 0.58 crore) which became subsidiaries of the group during the year.

(v) Cash and cash equivalents include unrealised gain of **Rs. 30.20** crores *(31.03.2008:* unrealised loss *Rs. 275.49 crores)* on account of translation of foreign currency cash and bank balances.

Also includes **Rs. 0.24** crore *(31.03.2008: Rs. 5.65 crores)* refund orders issued on account of over subscription of rights issue of equity shares not encashed as on 31st March, 2009.

(vi) Previous year figures have been recast/restated wherever necessary.

As per our report attached
For DELOITTE HASKINS & SELLS
*Chartered Accountants,*

P R RAMESH
*Partner.*

*Mumbai, 25th June, 2009*

J C BHAM
*Company Secretary*

For and on behalf of the Board

RATAN N TATA — *Chairman*

JAMES LENG
NUSLI N WADIA
S M PALIA
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SUBODH BHARGAVA
JACOBUS SCHRAVEN
ANDREW ROBB — *Directors*

B MUTHURAMAN — *Managing Director*
KIRBY ADAMS — *Director*
H M NERURKAR — *Executive Director*

# Schedules forming part of the Consolidated profit and loss account

**SCHEDULE 1 : SALES AND OTHER OPERATING INCOME :—**
(Item No. 1, Page 231)

| | | Rupees crores | *Previous Year Rupees crores* |
|---|---|---|---|
| *(a)* | Sale of products | **1,47,085.83** | *1,32,558.71* |
| *(b)* | Sale of power and water | **647.38** | *568.06* |
| *(c)* | Income from town, medical and other services | **608.79** | *517.18* |
| *(d)* | Other operating income | **1,642.94** | *442.82* |
| | | **1,49,984.94** | *1,34,086.77* |

**SCHEDULE 2 : OTHER INCOME :—**
(Item No. 2, Page 231)

| | | Rupees crores | *Previous Year Rupees crores* |
|---|---|---|---|
| *(a)* | Income from other Investments | **79.62** | *77.00* |
| *(b)* | Profit on sale/redemption of other investments | **114.45** | *18.41* |
| *(c)* | Profit on sale of capital assets (net of loss on assets sold/scrapped/written off) | **44.94** | *254.36* |
| *(d)* | Gain from swaps and cancellation of forward covers/options | **26.66** | *124.30* |
| *(e)* | Miscellaneous Income | **–** | *1.79* |
| | | **265.67** | *475.86* |

**SCHEDULE 3 : NET FINANCE CHARGES :—**
(Item No. 6, Page 231)

| | | Rupees crores | **Rupees crores** | *Previous Year Rupees crores* |
|---|---|---|---|---|
| 1. | Interest on | | | |
| | (i) Debentures and Fixed loans | 3,644.20 | | *4,409.38* |
| | (ii) Others | 222.19 | | *179.26* |
| | | | **3,866.39** | *4,588.64* |
| | *Less* — Interest capitalised | | **75.70** | *49.27* |
| | | | **3,790.69** | *4,539.37* |
| 2. | *Less :* | | | |
| | (i) Interest received on sundry advances, deposits, customers' balances etc. | 259.54 | | *355.61* |
| | (ii) Income from current investments | 104.84 | | *86.68* |
| | (iii) Profit/(loss) on sale of current investments | 136.13 | | *11.67* |
| | | | **500.51** | *453.96* |
| | | | **3,290.18** | *4,085.41* |

## Schedules forming part of the Consolidated profit and loss account

**SCHEDULE 4 : MANUFACTURING AND OTHER EXPENSES :—**

(Item No. 3, Page 231)

| | | Rupees crores | **Rupees crores** | *Previous Year Rupees crores* |
|---|---|---|---|---|
| 1. | PURCHASE OF FINISHED, SEMI-FINISHED STEEL AND OTHER PRODUCTS | | **31,405.91** | *26,969.38* |
| 2. | RAW MATERIALS CONSUMED | | **41,531.74** | *33,259.31* |
| 3. | PAYMENTS TO AND PROVISION FOR EMPLOYEES : | | | |
| | *(a)* Wages and salaries, including bonus | 15,058.69 | | *14,607.75* |
| | *(b)* Company's contributions to provident and other funds | 2,916.37 | | *2,291.82* |
| | | | **17,975.06** | *16,899.57* |
| 4. | OPERATION AND OTHER EXPENSES : | | | |
| | *(a)* Stores and spares consumed | 9,519.81 | | *8,412.75* |
| | *(b)* Fuel oil consumed | 1,027.71 | | *719.01* |
| | *(c)* Repairs to buildings | 575.83 | | *431.78* |
| | *(d)* Repairs to machinery | 5,817.25 | | *6,345.38* |
| | *(e)* Relining expenses | 100.82 | | *63.01* |
| | *(f)* Conversion charges | 1,085.73 | | *879.71* |
| | *(g)* Purchase of power | 5,957.39 | | *4,929.32* |
| | *(h)* Rent | 3,689.03 | | *3,757.18* |
| | *(i)* Royalty | 234.99 | | *177.81* |
| | *(j)* Rates and taxes | 627.45 | | *571.07* |
| | *(k)* Insurance charges | 276.02 | | *376.33* |
| | *(l)* Commission, discounts and rebates | 376.65 | | *380.76* |
| | *(m)* Provision for wealth tax | 1.68 | | *1.73* |
| | *(n)* Adjustments relating to previous years (net) | (15.01) | | *10.40* |
| | *(o)* Other expenses | 1,656.81* | | *5,631.21* |
| | | | **30,932.16** | *32,687.45* |
| 5. | FREIGHT AND HANDLING CHARGES | | **6,024.85** | *6,038.51* |
| 6. | PROVISION FOR DOUBTFUL DEBTS AND ADVANCES | | **174.57** | *58.29* |
| *7.* | EXCISE DUTY | | **(35.57)** | *35.60* |
| | | | **1,28,008.72** | *1,15,948.11* |
| 8. | (ACCRETION)/REDUCTION IN STOCKS OF FINISHED AND SEMI-FINISHED PRODUCTS AND WORK-IN-PROGRESS (DEDUCTED)/ADDED: | | | |
| | *(a)* Opening Stock | 14,052.69# | | *13,131.32* |
| | *(b)* Foreign exchange movement | (634.42) | | *(758.62)* |
| | *(c)* Less – Closing Stock | 11,442.33 | | *14,021.85* |
| | | | **1,975.94** | *(1,649.15)* |
| | | | **1,29,984.66** | *1,14,298.96* |

\# Includes **Rs. 30.84** crores for Tayo Rolls Ltd. which became a subsidiary during the year.

* Includes goodwill written off **Rs. 30.15** crores *(2007-08 : Rs. 127.59 crores).*

# Schedules forming part of the Consolidated balance sheet

**SCHEDULE A : SHARE CAPITAL :—**
(Item No. 1, Page 230)

| | | Rupees crores | As at 31-03-2008 Rupees crores |
|---|---|---|---|
| **Authorised :** | | | |
| **1,75,00,00,000** | Ordinary Shares of Rs. 10 each ................................................. *(31.03.2008 : 1,75,00,00,000 Shares of Rs. 10 each)* | **1,750.00** | *1,750.00* |
| **2,50,00,000** | Cumulative Redeemable Preference Shares of Rs. 100 each........... *(31.03.2008 : 2,50,00,000 Shares of Rs. 100 each)* | **250.00** | *250.00* |
| **60,00,00,000** | 2% Cumulative Convertible Preference Shares of Rs. 100 each........ *(31.03.2008 : 60,00,00,000 Shares of Rs. 100 each)* | **6,000.00** | *6,000.00* |
| | | **8,000.00** | *8,000.00* |
| **Issued :** | | | |
| **73,06,98,048@** | Ordinary Shares of Rs. 10 each.................................................. *(31.03.2008 : 73,06,98,048 Shares of Rs. 10 each)* | **730.70** | *730.70* |
| **54,80,75,571** | 2% Cumulative Convertible Preference Shares of Rs. 100 each........ *(31.03.2008 : 54,80,75,571 Shares of Rs. 100 each)* | **5,480.76** | *5,480.76* |
| **Subscribed :** | | | |
| **72,99,21,016@** | Ordinary Shares of Rs. 10 each fully paid up ................................ *(31.03.2008 : 72,99,12,865 Shares of Rs. 10 each)* | **729.92** | *729.91* |
| | *Add* — Amount paid up on 3,89,516 Shares forfeited ....................... *(31.03.2008 : 3,89,516 Shares of Rs. 10 each)* | **0.20** | *0.20* |
| | | **730.12** | *730.11* |
| **54,72,66,011** | 2% Cumulative Convertible Preference Shares of Rs. 100 each........ *(31.03.2008 : 54,72,51,605 Shares of Rs. 100 each)* | **5,472.66** | *5,472.52* |
| | | **6,202.78** | *6,202.63* |

@ Excludes **6,71,455** *(31.03.2008 : 6,71,455 shares)* Ordinary Shares held by a Subsidiary.

**SCHEDULE B : RESERVES AND SURPLUS :—**
(Item No. 2, Page 230)

| | | Rupees crores | As at 31-03-2008 Rupees crores |
|---|---|---|---|
| *(a)* | Securities premium account .................................................................. | **6,112.77** | *6,392.14* |
| *(b)* | Amalgamation reserve ........................................................................ | **1.12** | *1.12* |
| *(c)* | Debenture redemption reserve ............................................................ | **646.00** | *646.00* |
| *(d)* | Capital redemption reserve .................................................................. | **20.78** | *20.78* |
| *(e)* | Capital reserve ..................................................................................... | **19.30** | *16.45* |
| *(f)* | Capital reserve (arising on consolidation) ............................................. | **16.47** | *16.21* |
| *(g)* | General reserve ..................................................................................... | **7,839.36** | *7,697.15* |
| *(h)* | Investment allowance (utilised) reserve ................................................ | **0.23** | *0.23* |
| *(i)* | Export profits reserve ............................................................................ | **1.25** | *1.25* |
| *(j)* | Foreign exchange fluctuation reserve .................................................... | **14.00** | *39.71* |
| *(k)* | Foreign currency translation reserve ...................................................... | **(4,871.18)** | *(1,273.33)* |
| *(l)* | Contributions for capital expenditure ..................................................... | **57.17** | *46.52* |
| *(m)* | Contingency reserve ............................................................................. | **100.00** | *100.00* |
| *(n)* | Debenture forfeiture reserve .................................................................. | **0.04** | *0.04* |
| *(o)* | Special reserve ...................................................................................... | **34.14** | *29.91* |
| *(p)* | Statutory reserve .................................................................................. | **147.83** | *96.30* |
| *(q)* | Actuarial gain/(loss) .............................................................................. | **410.26** | *5,906.84* |
| *(r)* | Profit and loss account .......................................................................... | **10,961.96** | *8,234.03* |
| | | **21,511.50** | *27,971.35* |

# Schedules forming part of the Consolidated balance sheet

**SCHEDULE C : SECURED LOANS :—**
(Item No. 6(a), Page 230)

| | | **Rupees crores** | *As at 31-03-2008 Rupees crores* |
|---|---|---|---|
| *(a)* | Joint plant committee-steel development fund [including funded interest **Rs. 233.91** crores *(31.03.2008 : Rs. 227.82 crores)*] | **1,752.40** | *1,700.63* |
| *(b)* | Privately placed non-convertible debentures | **86.83** | *83.42* |
| *(c)* | Banks and financial institutions | **31,726.86** | *32,726.12* |
| *(d)* | Working capital demand loan from banks | **26.51** | *119.96* |
| *(e)* | Cash credits/packing credits from banks | **368.40** | *368.72* |
| *(f)* | Government of India | **0.02** | *0.02* |
| *(g)* | Assets under lease | **368.24** | *416.12* |
| | | **34,329.26** | *35,414.99* |

**SCHEDULE D : UNSECURED LOANS :—**
(Item No. 6(b), Page 230)

| | | **Rupees crores** | *As at 31-03-2008 Rupees crores* |
|---|---|---|---|
| *(a)* | Fixed deposits (including interest accrued and due) | **6.82** | *14.43* |
| *(b)* | Housing Development Finance Corporation Ltd. | **3.03** | *5.50* |
| *(c)* | Privately placed non-convertible debentures | **3,250.00** | *–* |
| *(d)* | Banks and financial institutions | **16,156.68** | *13,008.76* |
| *(e)* | 1% Convertible Alternative Reference Securities – US $ 875 million equivalent (See Note 23, Page 270) | **5,473.92** | *4,329.92* |
| *(f)* | Assets under lease | **633.93** | *793.12* |
| *(g)* | Interest free loans under Sales Tax Deferral Scheme | **0.45** | *0.46* |
| *(h)* | Others | **46.41** | *57.56* |
| | | **25,571.24** | *18,209.75* |

# Schedules forming part of the Consolidated balance sheet

**SCHEDULE E : FIXED ASSETS :—**
(Item No. 10, Page 230)

Rupees crores

| Fixed Assets | Land and Roads | Buildings (4) | Lease-hold | Railway Sidings | Plant and Machinery | Furniture, Fixture and Office Equipment | Develop-ment of Property (5) | Live-stock & Vehicles | Intangibles | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| Gross Block as at 1.04.2008 | **1,283.85** | **8,708.36** | **2,298.72** | **677.99** | **80,202.99** | **1,174.56** | **361.63** | **236.21** | **1,285.04** | **96,229.35** |
| | *389.90* | *1,773.54* | *236.56* | *116.92* | *16,668.86* | *202.14* | *383.87* | *195.81* | *116.18* | *20,083.78* |
| Assets of New Companies (1) | **–** | **4.65** | **0.05** | **–** | **95.36** | **1.25** | **–** | **0.70** | **5.24** | **107.25** |
| | *871.73* | *6,889.89* | *2,066.71* | *513.35* | *61,633.92* | *976.70* | *–* | *24.67* | *894.99* | *73,871.96* |
| Additions during the year (2) & (6) | **125.07** | **375.36** | **45.54** | **53.71** | **7,579.55** | **80.98** | **18.55** | **18.40** | **443.75** | **8,740.91** |
| | *29.69* | *333.31* | *79.91* | *35.04* | *5,156.29* | *35.39* | *2.57* | *24.33* | *271.69* | *5,968.22* |
| Exchange Movement | **21.55** | **19.22** | **(82.78)** | **6.71** | **(2,720.49)** | **88.03** | **0.81** | **4.91** | **(6.46)** | **(2,668.50)** |
| | *6.89* | *(99.45)* | *(63.70)* | *12.68* | *(1,942.04)* | *69.26* | *–* | *0.59* | *5.02* | *(2,010.75)* |
| Deductions during the year (3) | **60.68** | **153.62** | **63.38** | **28.56** | **2,534.12** | **55.40** | **–** | **5.57** | **49.01** | **2,950.34** |
| | *14.36* | *188.93* | *20.76* | *–* | *1,314.04* | *108.93* | *24.81* | *9.19* | *2.84* | *1,683.86* |
| Gross Block as at 31.03.2009 | **1,369.79** | **8,953.97** | **2,198.15** | **709.85** | **82,623.29** | **1,289.42** | **380.99** | **254.65** | **1,678.56** | **99,458.67** |
| | *1,283.85* | *8,708.36* | *2,298.72* | *677.99* | *80,202.99* | *1,174.56* | *361.63* | *236.21* | *1,285.04* | *96,229.35* |
| Capital work-in-progress [including advances for capital expenditure **Rs. 1,310.65** crores *(31.03.2008 : Rs. 961.81 crores)*] | | | | | | | | | | **8,930.07** |
| | | | | | | | | | | *8,899.36* |
| | | | | | | | | | | **1,08,388.74** |
| | | | | | | | | | | *1,05,128.71* |
| Impaired Assets as at 1.04.2008 | **162.73** | **104.66** | **41.36** | **–** | **2,837.60** | **0.46** | **–** | **–** | **24.89** | **3,171.70** |
| | *99.16* | *1.25* | *–* | *–* | *–* | *–* | *–* | *–* | *–* | *100.41* |
| Impairment of New Companies (1) | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| | *59.10* | *71.69* | *31.22* | *–* | *2,715.24* | *0.37* | *–* | *–* | *26.63* | *2,904.25* |
| Impairment during the year | **9.40** | **65.32** | **61.56** | **14.96** | **814.33** | **–** | **–** | **–** | **–** | **965.57** |
| | *0.07* | *32.29* | *12.44* | *–* | *204.26* | *0.10* | *–* | *–* | *–* | *249.16* |
| Impairment on assets written off | **1.59** | **27.54** | **1.41** | **–** | **695.27** | **0.02** | **–** | **–** | **–** | **725.83** |
| | *–* | *–* | *–* | *–* | *8.36* | *–* | *–* | *–* | *–* | *8.36* |
| Exchange Movement | **3.24** | **(7.62)** | **(8.26)** | **(1.14)** | **(212.34)** | **(0.04)** | **–** | **–** | **(2.24)** | **(228.40)** |
| | *4.40* | *(0.57)* | *(2.30)* | *–* | *(73.54)* | *(0.01)* | *–* | *–* | *(1.74)* | *(73.76)* |
| Impaired assets as at 31.03.2009 | **173.78** | **134.82** | **93.25** | **13.82** | **2,744.32** | **0.40** | **–** | **–** | **22.65** | **3,183.04** |
| | *162.73* | *104.66* | *41.36* | *–* | *2,837.60* | *0.46* | *–* | *–* | *24.89* | *3,171.70* |
| Accumulated Depreciation upto 1.04.2008 | **292.89** | **5,719.47** | **1,059.99** | **527.91** | **50,472.35** | **1,047.24** | **171.92** | **110.68** | **536.47** | **59,938.92** |
| | *48.02* | *729.38* | *12.09* | *61.89* | *7,824.67* | *135.07* | *160.52* | *77.81* | *39.76* | *9,089.21* |
| Depreciation on New Companies (1) | **–** | **1.40** | **–** | **–** | **70.77** | **0.67** | **–** | **0.32** | **5.19** | **78.35** |
| | *247.41* | *5,068.73* | *872.33* | *445.69* | *42,167.71* | *920.25* | *–* | *17.67* | *360.35* | *50,100.14* |
| Depreciation during the year | **14.17** | **278.24** | **153.91** | **14.56** | **3,614.99** | **44.62** | **34.59** | **23.73** | **143.35** | **4,322.16** |
| | *12.19* | *271.53* | *203.70* | *11.64* | *3,460.39* | *37.79* | *36.21* | *22.79* | *123.68* | *4,179.92* |
| Depreciation on assets written off during the year | **0.40** | **153.64** | **33.39** | **28.57** | **1,768.40** | **58.19** | **–** | **5.45** | **17.25** | **2,065.29** |
| | *3.17* | *173.18* | *(0.90)* | *2.50* | *1,184.99* | *118.00* | *24.81* | *7.84* | *(6.78)* | *1,506.81* |
| Exchange Movement | **(20.79)** | **(101.23)** | **(50.63)** | **5.40** | **(2,340.20)** | **81.53** | **–** | **2.36** | **7.51** | **(2,416.05)** |
| | *(11.56)* | *(176.99)* | *(29.03)* | *11.19* | *(1,795.43)* | *72.13* | *–* | *0.25* | *5.90* | *(1,923.54)* |
| Accumulated Depreciation upto 31.03.2009 | **285.87** | **5,744.24** | **1,129.88** | **519.30** | **50,049.51** | **1,115.87** | **206.51** | **131.64** | **675.27** | **59,858.09** |
| | *292.89* | *5,719.47* | *1,059.99* | *527.91* | *50,472.35* | *1,047.24* | *171.92* | *110.68* | *536.47* | *59,938.92* |
| Total Accumulated Depreciation & Impairment upto 31.03.2009 | **459.65** | **5,879.06** | **1,223.13** | **533.12** | **52,793.83** | **1,116.27** | **206.51** | **131.64** | **697.92** | **63,041.13** |
| | *455.62* | *5,824.13* | *1,101.35* | *527.91* | *53,309.95* | *1,047.70* | *171.92* | *110.68* | *561.36* | *63,110.62* |
| Net Block as at 31.03.2009 | **910.14** | **3,074.91** | **975.02** | **176.73** | **29,829.46** | **173.15** | **174.48** | **123.01** | **980.64** | **36,417.54** |
| | *828.23* | *2,884.23* | *1,197.37* | *150.08* | *26,893.04* | *126.86* | *189.71* | *125.53* | *723.68* | *33,118.73* |
| Impairment on Capital work-in-progress | | | | | | | | | | **42.03** |
| | | | | | | | | | | *51.80* |
| Capital Work in progress [including advances for capital expenditure **Rs. 1,310.65** crores *(31.03.2008 : Rs. 961.81 crores)*] | | | | | | | | | | **8,888.04** |
| | | | | | | | | | | *8,847.56* |
| | | | | | | | | | | **45,305.58** |
| | | | | | | | | | | *41,966.29* |

(1) Represents assets, impaired assets and accumulated depreciation of Tayo Rolls Limited which became part of Tata Steel Group during the year.

(2) Additions include adjustments for inter se transfers.

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

(4) Buildings include **Rs. 2.32** crores *(31.03.2008 : Rs. 2.32 crores)* being cost of shares in Co-operative Housing Societies & Limited Companies.

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

(6) Rupee Liability has increased by a net amount of **Rs. 76.62** crores (2007-08 : Rs. 6.45 crores) arising out of realignment of the value of foreign currency loans for procurement of fixed assets, including **Rs. 54.81** crores considered pursuant to the Accounting Standard 11 vide notification No. GSR 225(E) dated 31.03.2009 issued by Ministry of Corporate Affairs which was charged off in previous years. The increase has been adjusted to the carrying cost of respective fixed assets and has been depreciated over their remaining depreciable life. The depreciation for the current year includes **Rs. 2.04** crores arising on account of this adjustment.

(7) Depreciation charge in the profit and loss account is net of **Rs. 56.77** crores *(2007-08 : Rs. 42.97 crores)* on account of an asset against which a specific grant has been received.

# Schedules forming part of the Consolidated balance sheet

**SCHEDULE F : INVESTMENTS :—**
(Item No. 11, Page 230)

| | | Rupees crores | **Rupees crores** | *As at 31-03-2008 Rupees crores* |
|---|---|---|---|---|
| **A.** | **LONG TERM INVESTMENTS** (At Cost less provision for diminution in value) | | | |
| 1. | In Associates (see Note 1, Page 250) | | | |
| | Cost of investment ........ (including **Rs. 12.66** crores *(31.03.2008 : Rs. 12.69 crores)* of Goodwill net of Capital Reserve arising on consolidation) | 361.09 | | *302.79* |
| | *Add* – Share of post acquisition profit (net of losses) ........ | 290.68 | | *259.08* |
| | | | **651.77** | *561.87* |
| 2. | Others | | | |
| | *(a)* Shares (Quoted) ........ | | **717.72** | *363.88* |
| | *(b)* Shares (Unquoted) ........ | | **1,537.10** | *1,153.81* |
| **B.** | **INVESTMENT PROPERTIES** ........ | | **106.77** | *154.13* |
| **C.** | **CURRENT INVESTMENTS** (at lower of cost and fair value) | | | |
| | (Quoted) | | | |
| 3. | Units in Unit Trust of India ........ | – | | *10.21* |
| 4. | Others........ | 6.97 | | *1.74* |
| | | | **6.97** | *11.95* |
| | (Unquoted) | | | |
| 5. | Investment in Mutual Funds ........ | | **3,390.77** | *1,111.70* |
| 6. | Others........ | | **–** | *10.09* |
| | | | **6,411.10** | *3,367.43* |

**SCHEDULE G : STOCK-IN-TRADE :—**
(Item No. 15A(b), Page 230)

| | | **Rupees crores** | *As at 31-03-2008 Rupees crores* |
|---|---|---|---|
| *(a)* | Finished and semi-finished products produced and purchased by the Company, at lower of cost and net realisable value (including purchased goods-in-transit)........ | **7,861.08** | *9,359.99* |
| *(b)* | Work-in-progress (at lower of cost and net realisable value) ........ | **3,581.25** | *4,661.86* |
| | | **11,442.33** | *14,021.85* |
| *(c)* | Coal, iron ore and other raw materials produced and purchased by the Company, at lower of cost and net realisable value (including purchased raw materials-in-transit) ........ | **8,373.66** | *7,387.52* |
| | | **19,815.99** | *21,409.37* |

# Schedules forming part of the Consolidated balance sheet

**SCHEDULE H : SUNDRY DEBTORS :—**
(Item No. 15A(c), Page 230)

| | Rupees crores | As at 31-03-2008 Rupees crores |
|---|---|---|
| (a) Over six months old | **804.28** | *752.27* |
| (b) Others | **12,714.33** | *18,420.94* |
| | **13,518.61** | *19,173.21* |
| *Less* — Provision for doubtful debts | **486.98** | *475.39* |
| | **13,031.63** | *18,697.82* |

| | Rupees crores | As at 31-03-2008 Rupees crores |
|---|---|---|
| Sundry debts, secured and considered good | **2,234.86** | *4,403.70* |
| Sundry debts, unsecured and considered good | **10,796.77** | *14,294.12* |
| Sundry debts, considered doubtful | **486.98** | *475.39* |
| | **13,518.61** | *19,173.21* |

**SCHEDULE I : CASH AND BANK BALANCES :—**
(Item No. 15A(e), Page 230)

| | Rupees crores | As at 31-03-2008 Rupees crores |
|---|---|---|
| (a) Cash in hand [including cheques in hand] | **83.77** | *139.22* |
| (b) Remittance in transit | **4.86** | *16.07* |
| (c) Balance in current and deposit accounts | | |
| (i) With scheduled banks | **1,683.28** | *392.47* |
| (ii) With other banks | **4,376.45** | *3,684.10* |
| | **6,148.36** | *4,231.86* |

**SCHEDULE J : LOANS AND ADVANCES :—**
(Item No. 15B, Page 230)

| | Rupees crores | As at 31-03-2008 Rupees crores |
|---|---|---|
| (a) Advances with public bodies | **588.15** | *566.48* |
| (b) Other advances | **12,423.75** | *14,969.46* |
| (c) Advance payment against taxes | **186.01** | *126.05* |
| | **13,197.91** | *15,661.99* |
| *Less* — Provision for doubtful advances | **182.18** | *202.18* |
| | **13,015.73** | *15,459.81* |

| | Rupees crores | As at 31-03-2008 Rupees crores |
|---|---|---|
| Loans and Advances, secured and considered good | **–** | *0.08* |
| Loans and Advances, unsecured and considered good | **13,015.73** | *15,459.73* |
| Loans and Advances, considered doubtful | **182.18** | *202.18* |
| | **13,197.91** | *15,661.99* |

# Schedules forming part of the Consolidated balance sheet

**SCHEDULE K : CURRENT LIABILITIES :—**
(Item No. 16A, Page 230)

| | | Rupees crores | **Rupees crores** | *As at 31-03-2008 Rupees crores* |
|---|---|---|---|---|
| *(a)* | Sundry creditors : | | | |
| | (i) For supplies/services | 10,578.85 | | *10,652.87* |
| | (ii) For accrued wages and salaries | 2,624.69 | | *2,779.17* |
| | (iii) For other liabilities | 8,611.33 | | *12,225.85* |
| | | | **21,814.87** | *25,657.89* |
| *(b)* | Interest accrued but not due | | **550.20** | *318.57* |
| *(c)* | Advances received from customers | | **678.31** | *336.81* |
| *(d)* | Unpaid Dividend | | **49.92** | *47.47* |
| | | | **23,093.30** | *26,360.74* |

**SCHEDULE L : PROVISIONS :—**
(Item No. 16B, Page 230)

| | | **Rupees crores** | *As at 31-03-2008 Rupees crores* |
|---|---|---|---|
| *(a)* | Provision for employee benefits | **2,686.73** | *2,044.32* |
| *(b)* | Provision for taxation | **1,397.22** | *2,254.23* |
| *(c)* | Provision for fringe benefits tax | **19.78** | *19.91* |
| *(d)* | Proposed dividends | **1,277.33** | *1,190.05* |
| *(e)* | Others | **1,776.65** | *949.50* |
| | | **7,157.71** | *6,458.01* |

**SCHEDULE M : MISCELLANEOUS EXPENDITURE** (to the extent not written off) **:—**
(Item No. 18, Page 230)

| | | **Rupees crores** | *As at 31-03-2008 Rupees crores* |
|---|---|---|---|
| *(a)* | Employee separation compensation (see Note 11(a), Page 257) | **105.38** | *155.59* |
| *(b)* | Preliminary expenditure | **0.10** | *0.04* |
| | | **105.48** | *155.63* |

Signatures to Schedules 1 to 4 and
A to M and Notes on pages 242 to 271

For and on behalf of the Board

RATAN N TATA *Chairman*

JAMES LENG
NUSLI N WADIA
S M PALIA
ISHAAT HUSSAIN
JAMSHED J IRANI
SUBODH BHARGAVA
JACOBUS SCHRAVEN
ANDREW ROBB
*Directors*

B MUTHURAMAN *Managing Director*
KIRBY ADAMS *Director*
H M NERURKAR *Executive Director*

J C BHAM
*Company Secretary*

*Mumbai, 25th June, 2009*

## SCHEDULE N : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR 2008-09

**1. Principles of Consolidation :**

The Consolidated Financial Statements relate to Tata Steel Limited ("the Company") and its subsidiary companies. The Consolidated Financial Statements have been prepared on the following basis :

— The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses as per Accounting Standard 21 – "Consolidated Financial Statements" notified by Companies (Accounting Standards) Rules, 2006.

— In case of foreign subsidiaries, being non-integral operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the foreign currency translation reserve.

— The difference between the cost of investment in the subsidiaries and joint ventures, and the Company's share of net assets at the time of acquisition of shares in the subsidiaries and joint ventures is recoginised in the financial statement as Goodwill or Capital Reserve as the case may be.

— Minority Interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separately from liabilities and the equity of the company's shareholders.

Minority interest in the net assets of consolidated subsidiaries consists of :

a) The amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and

b) The minorities' share of movements in equity since the date the parent subsidiary relationship came into existence.

— Minority interest's share of net profit for the year of consolidated subsidiaries is identified and adjusted against the profit after tax of the group.

— In case of Associates where the company directly or indirectly through subsidiaries holds more than 20% of equity, investments in those associates are accounted for using equity method as per Accounting Standard 23 – "Accounting for Investments in Associates in Consolidated Financial Statements" notified by Companies (Accounting Standards) Rules, 2006.

— The company accounts for its share in the change in the net assets of the associates, post acquisition, after eliminating unrealised profits and losses resulting from transactions between the company and its associates to the extent of its share, through its profit and loss account, to the extent such change is attributable to the associates' profit and loss account and through its reserves for the balance, based on available information.

— The difference between the cost of investment in the associates and the Company's share of net assets at the time of acquisition of share in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.

— Interests in Joint Ventures have been accounted by using the proportionate consolidation method as per Accounting Standard 27 – "Financial Reporting of Interests in Joint Ventures" notified by Companies (Accounting Standards) Rules, 2006.

— The financial statements of the subsidiaries, associates and joint ventures used in the consolidation are drawn up to the same reporting date as that of the Company i.e. 31st March, 2009, except for certain associates (indicated as # below) for which financial statements as on reporting date are not available. These have been consolidated based on last available financial statements.

The list of subsidiary companies and joint ventures which are included in the consolidation and the Company's holdings therein are as under :

| Name of the Company | Ownership in % either directly or through Subsidiaries 2008-09 | 2007-08 | Country of Incorporation |
|---|---|---|---|
| **A. Subsidiaries** | | | |
| i) **Adityapur Toll Bridge Company Ltd.** | **60.35** | *55.05* | India |
| ii) **Gopalpur Special Economic Zone Ltd.** | **100.00** | *100.00* | India |
| iii) **Hooghly Met Coke & Power Company Ltd.** | **100.00** | *100.00* | India |
| iv) **Jamshedpur Utilities & Services Company Ltd.** | **100.00** | *100.00* | India |
| 1. Haldia Water Management Limited * | **60.00** | – | India |
| 2. Naba Diganta Water Management Ltd. | **74.00** | *51.00* | India |
| 3. SEZ Adityapur Ltd. | **51.00** | *51.00* | India |
| v) **Kalimati Investment Company Ltd.** | **100.00** | *100.00* | India |
| 1. Bangla Steel & Mining Co. Ltd. | **100.00** | *100.00* | Bangladesh |
| vi) **Lanka Special Steels Ltd.** | **100.00** | *100.00* | Sri Lanka |
| vii) **NatSteel Asia Pte. Ltd.** | **100.00** | *100.00* | Singapore |
| 1. NatSteel Iranian Private Joint Stock Company | **100.00** | *100.00* | Iran |
| 2. NatSteel Middle East FZE | **100.00** | *100.00* | UAE |
| 3. Tata Steel Asia (Hong Kong) Ltd. | **100.00** | *100.00* | Hongkong |
| 4. Tata Steel Resources Australia Pty. Ltd. | **100.00** | *100.00* | Australia |
| 5. Wuxi NatSteel Metal Products Co. Ltd.* | **95.00** | *95.00* | China |
| viii) **Rawmet Ferrous Industries Ltd.** | **100.00** | *100.00* | India |
| ix) **Sila Eastern Ltd.@** | **49.00** | *49.00* | Thailand |
| x) **Tata Incorporated** | **100.00** | *100.00* | USA |

## SCHEDULE N : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR 2008-09 :– continued

| | | | Name of the Company | Ownership in % either directly or through Subsidiaries 2008-09 | 2007-08 | Country of Incorporation |
|---|---|---|---|---|---|---|
| xi) | | | **Tata Korf Engineering Services Ltd.** | **100.00** | *99.99* | India |
| xii) | | | **Tata Metaliks Ltd.** | **50.04** | *50.04* | India |
| | 1. | | Tata Metaliks Kubota Pipes Ltd. | **25.52** | *25.52* | India |
| xiii) | | | **Tata Refractories Ltd.** | **71.28** | *71.28* | India |
| | 1. | | TRL Asia Pvt. Limited | **62.73** | *62.73* | Singapore |
| | 2. | | TRL China Limited | **71.28** | *71.28* | China |
| xiv) | | | **Tayo Rolls Ltd.*** | **54.45** | – | India |
| xv) | | | **Tata Steel (KZN) (Pty) Ltd.** | **90.00** | *90.00* | South Africa |
| xvi) | | | **Tata Steel Holdings Pte. Ltd.** | **100.00** | *100.00* | Singapore |
| | a) | | **Tata Steel Global Holdings Pte Ltd.*** | **100.00** | – | Singapore |
| | | I | **Corus International (Singapore) Holding Pte. Ltd.** | **100.00** | *100.00* | Singapore |
| | | 1. | Corus Asia Limited | **100.00** | *100.00* | Hong Kong |
| | | 2. | Corus Holdings (Thailand) Ltd. | **100.00** | *100.00* | Thailand |
| | | 3. | Corus International (Guangzhou) Ltd. | **100.00** | *100.00* | China |
| | | 4. | Corus International (Shanghai) Ltd. | **100.00** | *100.00* | China |
| | | 5. | Corus International Trading Limited | **100.00** | *100.00* | Hong Kong |
| | | 6. | Corus Metals (Malaysia) Sdn. Bhd. | **100.00** | *100.00* | Malaysia |
| | | 7. | Corus Metals (Thailand) Limited | **100.00** | *100.00* | Thailand |
| | | 8. | Corus South East Asia Pte Limited | **100.00** | *100.00* | Singapore |
| | | II | **NatSteel Holdings Pte. Ltd.*** | **100.00** | – | Singapore |
| | | 1. | Best Bar (Vic) Pte. Ltd. | **71.00** | *71.00* | Australia |
| | | 2. | Best Bar Pty. Ltd. | **71.00** | *71.00* | Australia |
| | | 3. | Burwill Trading Pte. Ltd. | **100.00** | *100.00* | Singapore |
| | | 4. | Easteel Construction Services Pte. Ltd. | **100.00** | *100.00* | Singapore |
| | | 5. | Easteel Services (M) Sdn. Bhd. | **100.00** | *100.00* | Malaysia |
| | | 6. | Eastern Steel Fabricators Phillipines, Inc. | **67.00** | *67.00* | Phillipines |
| | | 7. | Eastern Steel Services Pte. Ltd. | **100.00** | *100.00* | Singapore |
| | | 8. | Eastern Wire Pte. Ltd. | **100.00** | *100.00* | Singapore |
| | | 9. | Materials Recycling Pte. Ltd. | **100.00** | *100.00* | Singapore |
| | | 10. | Natferrous Pte. Ltd. | **100.00** | *100.00* | Singapore |
| | | 11. | NatSteel (Xiamen) Ltd. | **100.00** | *100.00* | China |
| | | 12. | NatSteel Asia (S) Pte. Ltd. | **100.00** | *100.00* | Singapore |
| | | 13. | NatSteel Australia Pty. Ltd. | **100.00** | *100.00* | Australia |
| | | 14. | NatSteel Equity IV Pte. Ltd. | **100.00** | *100.00* | Singapore |
| | | 15. | NatSteel Trade International (Shanghai) Company Ltd. | **100.00** | *100.00* | China |
| | | 16. | NatSteel Trade International Pte. Ltd. | **100.00** | *100.00* | Singapore |
| | | 17. | NatSteel Vina Co. Ltd. | **56.50** | *56.50* | Vietnam |
| | | 18. | PT Materials Recycling Indonesia | **100.00** | *100.00* | Indonesia |
| | | 19. | Siam Industrial Wire Company Ltd. | **100.00** | *100.00* | Thailand |
| | | 20. | Wuxi Jinyang Metal Products Co. Ltd. | **95.00** | *95.00* | China |
| | | III | **Orchid Netherlands (No.1) B.V. *** | **100.00** | – | Netherlands |
| | | IV | **Tata Steel Europe Ltd.** | **100.00** | *100.00* | UK |
| | | 1. | Almana Steel Dubai (Jersey) Limited | **100.00** | *100.00* | Jersey |
| | | 2. | Aluminium Delfzijl B.V. * | **100.00** | *100.00* | Netherlands |
| | | 3. | Apollo Metals Ltd. | **100.00** | *100.00* | USA |
| | | 4. | Ashorne Hill Management College | **100.00** | *100.00* | UK |
| | | 5. | Augusta Grundstucks GmbH | **100.00** | *100.00* | Germany |
| | | 6. | Automotive Laser Technologies Limited | **100.00** | *100.00* | UK |
| | | 7. | Automotive Tailored Blanks B.V. * | **100.00** | *100.00* | Netherlands |
| | | 8. | B S Pension Fund Trustee Ltd. | **100.00** | *100.00* | UK |
| | | 9. | Bailey Steels Limited * | **100.00** | – | UK |
| | | 10. | Beheermaatschappij Industriele Produkten B.V. | **100.00** | *100.00* | Netherlands |
| | | 11. | Belfin Beheermaatschappij B.V. | **100.00** | *100.00* | Netherlands |
| | | 12. | Bell & Harwood Limited | **100.00** | *100.00* | UK |
| | | 13. | Blastmega Limited (United Steel Forgings Ltd.) | **100.00** | *100.00* | UK |
| | | 14. | Blume Stahlservice GmbH | **100.00** | *100.00* | Germany |
| | | 15. | Blume Stahlservice Polska Sp. Z.O.O | **100.00** | *100.00* | Poland |
| | | 16. | Bore Samson Group Ltd. | **100.00** | *100.00* | UK |
| | | 17. | Bore Steel Ltd. | **100.00** | *100.00* | UK |

**SCHEDULE N : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR 2008-09 :–** continued

| | Name of the Company | Ownership in % either directly or through Subsidiaries 2008-09 | 2007-08 | Country of Incorporation |
|---|---|---|---|---|
| 18. | British Guide Rails Ltd. | **100.00** | *100.00* | UK |
| 19. | British Steel Holdings B.V. | **100.00** | *100.00* | Netherlands |
| 20. | British Steel Nederland International B.V. | **100.00** | *100.00* | Netherlands |
| 21. | British Steel Benelux B.V. | **100.00** | *100.00* | Netherlands |
| 22. | British Steel Corporation Ltd | **100.00** | *100.00* | UK |
| 23. | British Steel De Mexico S.A. de C.V. | **100.00** | *100.00* | Mexico |
| 24. | British Steel Directors (Nominees) Limited | **100.00** | *100.00* | UK |
| 25. | British Steel Employee Share Ownership Trustees Ltd. | **100.00** | *100.00* | UK |
| 26. | British Steel Engineering Steels (Exports) Limited | **100.00** | *100.00* | UK |
| 27. | British Steel International B.V. | **100.00** | *100.00* | Netherlands |
| 28. | British Steel Samson Limited | **100.00** | *100.00* | UK |
| 29. | British Steel Service Centres Ltd. | **100.00** | *100.00* | UK |
| 30. | British Steel Tubes Exports Ltd. | **100.00** | *100.00* | UK |
| 31. | British Transformer Cores Ltd. | **100.00** | *100.00* | UK |
| 32 | British Tubes Stockholding Ltd. | **100.00** | *100.00* | UK |
| 33. | Bs Quest Trustee Limited | **100.00** | *100.00* | UK |
| 34. | Bskh Corporate Services (UK) Limited | **100.00** | *100.00* | UK |
| 35. | Burgdorfer Grundstuecks GmbH | **100.00** | *100.00* | Germany |
| 36. | Business Park Ymond B.V. * | **100.00** | *100.00* | Netherlands |
| 37. | C V Benine | **76.92** | *76.92* | Netherlands |
| 38. | C Walker & Sons (Steel) Ltd. | **100.00** | *100.00* | N Ireland |
| 39. | C Walker & Sons Ltd. | **100.00** | *100.00* | UK |
| 40. | Catnic GmbH | **100.00** | *100.00* | Germany |
| 41. | Catnic Limited | **100.00** | *100.00* | UK |
| 42. | Cbs Investissements SAS | **100.00** | *100.00* | France |
| 43. | Cladding & Decking (UK) Limited | **100.00** | *100.00* | UK |
| 44. | Cogent Power Inc. | **100.00** | *100.00* | Canada |
| 45. | Cogent Power Inc. | **100.00** | *100.00* | Mexico |
| 46. | Cogent Power Inc. | **100.00** | *100.00* | USA |
| 47. | Cogent Power Limited | **100.00** | *100.00* | UK |
| 48. | Cold Drawn Tubes Ltd. | **100.00** | *100.00* | UK |
| 49. | Color Steels Limited | **100.00** | *100.00* | UK |
| 50. | Corbeil Les Rives SCI | **67.30** | *67.30* | France |
| 51. | Corby (Northants) & District Water Co. | **100.00** | *100.00* | UK |
| 52. | Cordor (C & B) Limited | **100.00** | *100.00* | UK |
| 53. | Corus - Sistemas Constructivos E Revestimentos Metalicos, Lda | **100.00** | *100.00* | Portugal |
| 54. | Corus Aerospace Service Centre Suzhou Co Ltd * | **100.00** | – | China |
| 55. | Corus Aluminium Beheer B.V. | **100.00** | *100.00* | Netherlands |
| 56. | Corus Aluminium Limited | **100.00** | *100.00* | UK |
| 57. | Corus Aluminium Verwaltungsgesellschaft Mbh | **100.00** | *100.00* | Germany |
| 58. | Corus Aluminium Voerde GmbH * | **100.00** | *100.00* | Germany |
| 59. | Corus America Holdings Inc. | **100.00** | *100.00* | USA |
| 60. | Corus America Inc. | **100.00** | *100.00* | USA |
| 61. | Corus Batiment Et Systemes SAS | **100.00** | *100.00* | France |
| 62. | Corus Belgium Bvba | **100.00** | *100.00* | Belgium |
| 63. | Corus Benelux B.V. | **100.00** | *100.00* | Netherlands |
| 64. | Corus Beteiligungs GmbH | **100.00** | *100.00* | Germany |
| 65. | Corus Brokers Limited | **100.00** | *100.00* | UK |
| 66. | Corus Building Systems Bulgaria AD * | **100.00** | – | Bulgaria |
| 67. | Corus Building Systems N.V. | **100.00** | *100.00* | Belgium |
| 68. | Corus Building Systems SAS | **100.00** | *100.00* | France |
| 69. | Corus Byggesystemer A/S | **100.00** | *100.00* | Denmark |
| 70. | Corus Byggsystem AB | **100.00** | *100.00* | Sweden |
| 71. | Corus Byggsystemer A/S | **100.00** | *100.00* | Norway |
| 72. | Corus Central Europe S.R.O. | **100.00** | *100.00* | Czech Republic |
| 73. | Corus Cic Holdings Inc. | **100.00** | *100.00* | Canada |
| 74. | Corus Cic Inc. | **100.00** | *100.00* | Canada |
| 75. | Corus CNBV Investments | **100.00** | *100.00* | UK |
| 76. | Corus Coatings Usa Inc. | **100.00** | *100.00* | USA |
| 77. | Corus Cold Drawn Tubes Limited | **100.00** | *100.00* | UK |

SCHEDULE N : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR 2008-09 :– continued

| | Name of the Company | Ownership in % either directly or through Subsidiaries 2008-09 | 2007-08 | Country of Incorporation |
|---|---|---|---|---|
| 78. | Corus Construction Products (Thailand) Limited | **82.35** | *82.35* | Thailand |
| 79. | Corus Consulting And Technical Services B.V. | **100.00** | *100.00* | Netherlands |
| 80. | Corus Consulting B.V. | **100.00** | *100.00* | Netherlands |
| 81. | Corus Consulting Limited | **100.00** | *100.00* | UK |
| 82. | Corus Consulting Romania SRL | **100.00** | *100.00* | Romania |
| 83. | Corus Degels GmbH | **100.00** | *100.00* | Germany |
| 84. | Corus Denmark A/S | **100.00** | *100.00* | Denmark |
| 85. | Corus Deutschland GmbH | **100.00** | *100.00* | Germany |
| 86. | Corus Distribution Europe BV | **100.00** | *100.00* | Netherlands |
| 87. | Corus Electrical Limited | **100.00** | *100.00* | UK |
| 88. | Corus Engineering Limited | **100.00** | *100.00* | UK |
| 89. | Corus Engineering Steels (UK) Limited | **100.00** | *100.00* | UK |
| 90. | Corus Engineering Steels Holdings Limited | **100.00** | *100.00* | UK |
| 91. | Corus Engineering Steels Limited | **100.00** | *100.00* | UK |
| 92. | Corus Engineering Steels Overseas Holdings Limited | **100.00** | *100.00* | UK |
| 93. | Corus Finance Limited | **100.00** | *100.00* | UK |
| 94. | Corus Finland Oy | **100.00** | *100.00* | Finland |
| 95. | Corus France SAS | **100.00** | *100.00* | France |
| 96. | Corus Group Limited | **100.00** | *100.00* | UK |
| 97. | Corus Holdings Ltd. | **100.00** | *100.00* | UK |
| 98. | Corus Holdings SA | **100.00** | *100.00* | France |
| 99. | Corus Hungary Trading Limited Liability Company | **100.00** | *100.00* | Hungary |
| 100. | Corus India Ltd. | **100.00** | *100.00* | India |
| 101. | Corus International (India) Pvt. Limited | **100.00** | *100.00* | India |
| 102. | Corus International (Overseas Holdings) Limited | **100.00** | *100.00* | UK |
| 103. | Corus International Bulgaria Limited * | **100.00** | – | Bulgaria |
| 104. | Corus International Deutschland GmbH | **100.00** | *100.00* | Germany |
| 105. | Corus International Limited | **100.00** | *100.00* | UK |
| 106. | Corus International Nigeria * | **100.00** | – | Nigeria |
| 107. | Corus International Representacoes Do Brasil Ltda. | **100.00** | *100.00* | Brazil |
| 108. | Corus International Romania SRL | **100.00** | *100.00* | Romania |
| 109. | Corus International Services N.V | **100.00** | *100.00* | Belgium |
| 110. | Corus International Trading Limited | **100.00** | *100.00* | UK |
| 111. | Corus International Trading Limited | **100.00** | *100.00* | USA |
| 112 | Corus Investment B.V. | **100.00** | *100.00* | Netherlands |
| 113. | Corus Investments Ltd. | **100.00** | *100.00* | UK |
| 114. | Corus Ireland Ltd. | **100.00** | *100.00* | Ireland |
| 115. | Corus Italia SRL | **100.00** | *100.00* | Italy |
| 116. | Corus Laminacion Y Derivados, S.L. | **100.00** | *100.00* | Spain |
| 117. | Corus Large Diameter Pipes Limited | **100.00** | *100.00* | UK |
| 118. | Corus Liaison Services (India) Limited | **100.00** | *100.00* | UK |
| 119. | Corus Management Limited | **100.00** | *100.00* | UK |
| 120. | Corus Met B.V. | **100.00** | *100.00* | Netherlands |
| 121. | Corus Metal Iberica S.A | **100.00** | *100.00* | Spain |
| 122. | Corus Metals Limited | **100.00** | *100.00* | UK |
| 123. | Corus Middle East FZE | **100.00** | *100.00* | UAE |
| 124. | Corus Multi-Metals Limited | **100.00** | *100.00* | UK |
| 125. | Corus Nederland B.V. | **100.00** | *100.00* | Netherlands |
| 126. | Corus New Zealand Limited | **100.00** | *100.00* | New Zealand |
| 127. | Corus Norge A/S | **100.00** | *100.00* | Norway |
| 128. | Corus Packaging Plus Belgium N.V | **100.00** | *100.00* | Belgium |
| 129. | Corus Packaging Plus Norway A/S | **100.00** | *100.00* | Norway |
| 130. | Corus Perfo B.V. | **100.00** | *100.00* | Netherlands |
| 131. | Corus Polska Sp.Z.O.O. | **100.00** | *100.00* | Poland |
| 132. | Corus Primary Aluminium B.V. | **100.00** | *100.00* | Netherlands |
| 133. | Corus Properties (Germany) Limited | **100.00** | *100.00* | UK |
| 134. | Corus Property | **100.00** | *100.00* | UK |
| 135. | Corus Quest Trustee Limited | **100.00** | *100.00* | UK |
| 136. | Corus Rail Consultancy Limited | **100.00** | *100.00* | UK |

**SCHEDULE N : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR 2008-09 :–** continued

| Name of the Company | Ownership in % either directly or through Subsidiaries 2008-09 | 2007-08 | Country of Incorporation |
|---|---|---|---|
| 137. Corus Rail France S.A | **100.00** | *100.00* | France |
| 138. Corus Rail Limited | **100.00** | *100.00* | UK |
| 139. Corus Republic Of Ireland Subsidiaries Pension Scheme Trustee Limited | **100.00** | *100.00* | Ireland |
| 140. Corus Schweiz AG | **100.00** | *100.00* | Switzerland |
| 141. Corus Service Center Milano Spa | **100.00** | *100.00* | Italy |
| 142. Corus Service Centre Maastricht B.V. | **100.00** | *100.00* | Netherlands |
| 143. Corus Services Nederland B.V. | **100.00** | *100.00* | Netherlands |
| 144. Corus Sheet & Tube Inc. | **100.00** | *100.00* | USA |
| 145. Corus Special Strip Asia Limited | **100.00** | *100.00* | Hong Kong |
| 146. Corus Staal B.V. | **100.00** | *100.00* | Netherlands |
| 147. Corus Stahl GmbH | **100.00** | *100.00* | Germany |
| 148. Corus Stainless Limited | **100.00** | *100.00* | UK |
| 149. Corus Stainless Nl B.V. | **100.00** | *100.00* | Netherlands |
| 150. Corus Stainless UK Ltd. | **100.00** | *100.00* | UK |
| 151. Corus Star-Frame B.V. | **100.00** | *100.00* | Netherlands |
| 152. Corus Steel Limited | **100.00** | *100.00* | UK |
| 153. Corus Steel Usa Inc. | **100.00** | *100.00* | USA |
| 154. Corus Sverige AB | **100.00** | *100.00* | Sweden |
| 155. Corus Technology B.V. | **100.00** | *100.00* | Netherlands |
| 156. Corus Trico Holdings Inc. | **100.00** | *100.00* | USA |
| 157. Corus Tubes B.V. | **100.00** | *100.00* | Netherlands |
| 158. Corus Tuscaloosa Corp. | **100.00** | *100.00* | USA |
| 159. Corus UK Healthcare Trustee Limited * | **100.00** | – | UK |
| 160. Corus UK Limited | **100.00** | *100.00* | UK |
| 161. Corus Vlietjonge B.V. | **100.00** | *100.00* | Netherlands |
| 162. Corus Yasan Metal Sanayi Ve Ticaret AS | **88.00** | *62.50* | Turkey |
| 163. Cpn 85 Limited | **100.00** | *100.00* | UK |
| 164. Crucible Insurance Company Ltd. | **100.00** | *100.00* | I of Man |
| 165. Demka B.V. | **100.00** | *100.00* | Netherlands |
| 166. Dsrm Group Plc. | **100.00** | *100.00* | UK |
| 167. Ees Group Services Limited | **100.00** | *100.00* | UK |
| 168. Ees Nederland B.V. | **100.00** | *100.00* | Netherlands |
| 169. Eric Olsson & Soner Forvaltnings AB | **100.00** | *100.00* | Sweden |
| 170. Esmil B.V. | **100.00** | *100.00* | Netherlands |
| 171. Euro-Laminations Limited | **100.00** | *100.00* | UK |
| 172. European Electrical Steels Limited | **100.00** | *100.00* | UK |
| 173. European Profiles Limited * | **100.00** | *100.00* | UK |
| 174. Europressings Limited | **100.00** | *100.00* | UK |
| 175. Firsteel Coated Strip Limited * | **100.00** | *100.00* | UK |
| 176. Firsteel Cold Rolled Products Limited * | **100.00** | *100.00* | UK |
| 177. Firsteel Group Limited | **100.00** | *100.00* | UK |
| 178. Firsteel Group Pension Trustee Limited | **100.00** | *100.00* | UK |
| 179. Firsteel Holdings Limited | **100.00** | *100.00* | UK |
| 180. Firsteel Resources Limited * | **100.00** | *100.00* | UK |
| 181. Firsteel Steel Processing Limited | **100.00** | *100.00* | UK |
| 182. Firsteel Strip Mill Products Limited | **100.00** | *100.00* | UK |
| 183. Fischer Profielen NV | **100.00** | *100.00* | Belgium |
| 184. Fischer Profil GmbH | **100.00** | *100.00* | Germany |
| 185. Gamble Simms Metals Ltd. | **100.00** | *100.00* | Ireland |
| 186. Grant Lyon Eagre Ltd. | **100.00** | *100.00* | UK |
| 187. H E Samson Ltd. | **100.00** | *100.00* | UK |
| 188. Hadfields Holdings Ltd. | **62.50** | *62.50* | UK |
| 189. Hammermega Limited | **100.00** | *100.00* | UK |
| 190. Harrowmills Properties Ltd. | **100.00** | *100.00* | UK |
| 191. Hille & Muller GmbH | **100.00** | *100.00* | Germany |
| 192. Hille & Muller Italia SRL. | **100.00** | *100.00* | Italy |
| 193. Hille & Muller Usa Inc. | **100.00** | *100.00* | USA |
| 194. Holorib GmbH | **100.00** | *100.00* | Germany |

## SCHEDULE N : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR 2008-09 :– continued

| Name of the Company | Ownership in % either directly or through Subsidiaries 2008-09 | 2007-08 | Country of Incorporation |
|---|---|---|---|
| 195. Hoogovens (UK) Limited | **100.00** | *100.00* | UK |
| 196. Hoogovens Aluminium UK Limited | **100.00** | *100.00* | UK |
| 197. Hoogovens Finance B.V. | **100.00** | *100.00* | Netherlands |
| 198. Hoogovens Technical Services Coahuila B.V. | **100.00** | *100.00* | Netherlands |
| 199. Hoogovens Technical Services Mexico De S. De R.L. De C.V. | **100.00** | *100.00* | Mexico |
| 200. Hoogovens Technical Services Monclova B.V. | **100.00** | *100.00* | Netherlands |
| 201. Hoogovens Tubes Poland Spolka Z.O.O | **100.00** | *100.00* | Poland |
| 202. Hoogovens Usa Inc. | **100.00** | *100.00* | USA |
| 203. Huizenbezit “Breesaap” B.V. | **100.00** | *100.00* | Netherlands |
| 204. Ickles Cottage Trust | **100.00** | *100.00* | UK |
| 205. Immobilliere De Construction De Maubeuge Et Louvroil SAS | **100.00** | *100.00* | France |
| 206. Industrial Steels Limited | **100.00** | *100.00* | UK |
| 207. Inter Metal Distribution SAS | **100.00** | *100.00* | France |
| 208. K&S Management Service Limited | **100.00** | *100.00* | UK |
| 209. Kalzip Asia Pte | **100.00** | *100.00* | Singapore |
| 210. Kalzip GmbH | **100.00** | *100.00* | Austria |
| 211. Kalzip GmbH | **100.00** | *100.00* | Germany |
| 212. Kalzip Guanhzou Limited | **100.00** | *100.00* | China |
| 213. Kalzip Inc | **100.00** | *100.00* | USA |
| 214. Kalzip Limited | **100.00** | *100.00* | UK |
| 215. Kalzip Spain S.L.U. | **100.00** | *100.00* | Spain |
| 216. Lister Tubes Ltd. | **100.00** | *100.00* | Ireland |
| 217. London Works Steel Company Ltd. | **100.00** | *100.00* | UK |
| 218. Midland Steel Supplies Ltd. | **100.00** | *100.00* | UK |
| 219. Mistbury Investments Limited | **100.00** | *100.00* | UK |
| 220. Montana Bausysteme AG | **100.00** | *100.00* | Switzerland |
| 221. Myriad Deutschland GmbH | **100.00** | *100.00* | Germany |
| 222. Myriad Espana Sl | **100.00** | *100.00* | Spain |
| 223. Myriad Nederland B.V. | **100.00** | *100.00* | Netherlands |
| 224. Myriad SA | **100.00** | *100.00* | France |
| 225. Myriad United Kingdom Limited | **100.00** | *100.00* | UK |
| 226. Namascor B.V. | **100.00** | *100.00* | Netherlands |
| 227 Nationwide Steelstock Limited | **100.00** | *100.00* | UK |
| 228. Nebam Nedelandse Bevrachting En Agentuur Maatschappij B.V. | **100.00** | *100.00* | Netherlands |
| 229. Oostflank B.V. | **100.00** | *100.00* | Netherlands |
| 230. Orb Electrical Steels Limited | **100.00** | *100.00* | UK |
| 231. Ore Carriers Ltd. | **100.00** | *100.00* | UK |
| 232. Oremco Inc. | **100.00** | *100.00* | USA |
| 233. Plated Strip International Limited | **100.00** | *100.00* | UK |
| 234. Precision Metal Forming Limited | **100.00** | *100.00* | UK |
| 235. Precoat International Limited | **100.00** | *100.00* | UK |
| 236. Precoat Limited | **100.00** | *100.00* | UK |
| 237. Rafferty-Brown North Carolina Co. * | **100.00** | *100.00* | USA |
| 238. Rafferty-Brown Steel Co Inc Of Conn. | **100.00** | *100.00* | USA |
| 239. Richard Thomas And Baldwins 1978 Limited | **100.00** | *100.00* | New Zealand |
| 240. Richard Thomas And Baldwins (Australia) Pty Ltd. | **100.00** | *100.00* | Australia |
| 241. Round Oak Steelworks Ltd. | **100.00** | *100.00* | UK |
| 242 Runblast Limited | **100.00** | *100.00* | UK |
| 243. Runmega Limited | **100.00** | *100.00* | UK |
| 244. S A B Profiel B.V. | **100.00** | *100.00* | Netherlands |
| 245. S A B Profil GmbH | **100.00** | *100.00* | Germany |
| 246. SA Intertubes | **100.00** | *100.00* | Belgium |
| 247. Sacra-Nord SAS | **100.00** | *100.00* | France |
| 248. Scrap Processing Holding B.V. | **100.00** | *100.00* | Netherlands |
| 249. Seamless Tubes Ltd. | **100.00** | *100.00* | UK |
| 250. Sia Corus Building Systems | **100.00** | *100.00* | Latvia |
| 251. Simiop Investments Ltd. | **100.00** | *100.00* | UK |
| 252. Simiop Ltd. | **100.00** | *100.00* | UK |
| 253. Simms Steel Holdings Ltd. | **100.00** | *100.00* | UK |

**SCHEDULE N : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR 2008-09 :–** continued

| | Name of the Company | Ownership in % either directly or through Subsidiaries 2008-09 | 2007-08 | Country of Incorporation |
|---|---|---|---|---|
| 254. | Skruv Erik AB | **100.00** | *100.00* | Sweden |
| 255. | Societe Europeenne De Galvanisation (Segal) Sa | **100.00** | *100.00* | Belgium |
| 256. | Staalverwerking En Handel B.V. | **100.00** | *100.00* | Netherlands |
| 257. | Steel Company (N.I.) Ltd. | **100.00** | *100.00* | UK |
| 258. | Steel Stockholdings Ltd. | **100.00** | *100.00* | UK |
| 259. | Steelstock Ltd. | **100.00** | *100.00* | UK |
| 260. | Stewarts & Lloyds Of Ireland Ltd. | **100.00** | *100.00* | Ireland |
| 261. | Stewarts And Lloyds (Overseas) Ltd. | **100.00** | *100.00* | UK |
| 262. | Stocksbridge Cottage Trust | **100.00** | *100.00* | UK |
| 263. | Strata-Color (Coated Steels) Limited * | **100.00** | *100.00* | UK |
| 264. | Surahammar Bruks AB | **100.00** | *100.00* | Sweden |
| 265. | Swinden Housing Association | **100.00** | *100.00* | UK |
| 266. | Tata Steel Netherlands B.V. | **100.00** | *100.00* | Netherlands |
| 267. | Tata Steel UK Ltd. | **100.00** | *100.00* | UK |
| 268. | Telmag (Holdings) Limited | **100.00** | *100.00* | UK |
| 269. | Telmag Magnetic Components Limited | **100.00** | *100.00* | UK |
| 270. | The Newport And South Wales Tube Company Ltd. | **100.00** | *100.00* | UK |
| 271. | The Stanton Housing Company Ltd. | **100.00** | *100.00* | UK |
| 272. | The Steel Company Of Ireland Limited | **100.00** | *100.00* | Ireland |
| 273. | The Templeborough Rolling Mills Ltd. | **100.00** | *100.00* | UK |
| 274. | Thomas Processing Company | **100.00** | *100.00* | USA |
| 275. | Thomas Steel Strip Corp. | **100.00** | *100.00* | USA |
| 276. | Tinsley Trailers Limited | **100.00** | *100.00* | UK |
| 277. | Toronto Industrial Fabrications Ltd. | **100.00** | *100.00* | UK |
| 278. | Trierer Walzwerk GmbH | **100.00** | *100.00* | Germany |
| 279. | Tulip Netherlands (No. 1) B.V. | **100.00** | *100.00* | Netherlands |
| 280. | Tulip Netherlands (No. 2) B.V. | **100.00** | *100.00* | Netherlands |
| 281. | Tulip UK Holdings (No. 2) Ltd. | **100.00** | *100.00* | UK |
| 282. | Tulip UK Holdings (No. 3) Ltd. | **100.00** | *100.00* | UK |
| 283. | U.E.S. Bright Bar Limited | **100.00** | *100.00* | UK |
| 284. | UK Steel Enterprise Ltd. | **100.00** | *100.00* | UK |
| 285. | Ukse Fund Managers Limited | **100.00** | *100.00* | UK |
| 286. | Ukse Fund Mangers (General Partner) Limited | **100.00** | *100.00* | UK |
| 287. | United Steels Co (N Z) Ltd. | **100.00** | *100.00* | New Zealand |
| 288. | Unitol SAS | **100.00** | *100.00* | France |
| 289. | Walker Manufacturing And Investments Ltd. | **100.00** | *100.00* | UK |
| 290. | Walkersteel (Ni) Ltd. * | **100.00** | *100.00* | UK |
| 291. | Walkersteelstock Ireland Limited | **100.00** | *100.00* | Ireland |
| 292. | Walkersteelstock Ltd. | **100.00** | *100.00* | UK |
| 293. | Westwood Steel Services Ltd. | **100.00** | *100.00* | UK |
| 294. | Whitehead (Narrow Strip) Ltd. | **100.00** | *100.00* | UK |
| V | **Tata Steel Global Minerals Holdings Pte Ltd.** | **100.00** | *100.00* | Singapore |
| 1. | Al Rimal Mining LLC | **70.00** | *70.00* | Oman |
| 2. | Black Ginger 461 Proprietary Ltd | **100.00** | *100.00* | South Africa |
| 3. | Kalimati Coal Company Pty. Ltd. | **100.00** | *100.00* | Australia |
| 4. | Tata Steel Cote D' Ivoire S.A.*@ | **85.00** | – | Ivory Coast |
| VI | **Tata Steel (Thailand) Public Company Ltd.** | **67.90** | *67.90* | Thailand |
| 1. | NTS Steel Group Plc | **67.67** | *67.67* | Thailand |
| 2. | The Siam Construction Steel Co. Ltd. | **67.89** | *67.89* | Thailand |
| 3. | The Siam Iron And Steel (2001) Co. Ltd. | **67.89** | *67.89* | Thailand |
| xvii) | **TM International Logistics Ltd.** | **51.00** | *51.00* | India |
| 1. | International Shipping Logistics FZE | **51.00** | *51.00* | UAE |
| 2. | TKM Global China Ltd.* | **51.00** | – | China |
| 3. | TKM Global GmbH | **51.00** | *51.00* | Germany |
| 4. | TKM Global Logistics Ltd. | **51.00** | *51.00* | India |
| xviii) | **The Indian Steel and Wire Products Ltd.** | **91.36** | *91.36* | India |
| xix) | **The Tata Pigments Ltd.** | **100.00** | *100.00* | India |

## SCHEDULE N : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR 2008-09 :– continued

| Name of the Company | Ownership in % either directly or through Subsidiaries 2008-09 | 2007-08 | Country of Incorporation |
|---|---|---|---|
| **B. Joint Venture of** | | | |
| i) **Jamshedpur Utilities & Services Company Ltd.** | | | |
| 1. Haldia Water Management Limited* | **33.00** | – | India |
| ii) **Tata Steel Ltd.** | | | |
| 1. Bhubaneshwar Power Pvt. Ltd.* | **26.00** | – | India |
| 2. mjunction services ltd. | **50.00** | *50.00* | India |
| 3. S & T Mining Company Pvt. Ltd.* | **50.00** | – | India |
| 4. Tata Bluescope Steel Ltd. | **50.00** | *50.00* | India |
| 5. Tata NYK Shipping Pte Ltd. | **50.00** | *50.00* | Singapore |
| 6. Tata Ryerson Ltd. | **50.00** | *50.00* | India |
| 7. The Dhamra Port Company Ltd. | **50.00** | *50.00* | India |
| iii) **Tata Steel Holdings Pte. Ltd.** | | | |
| a) **Tata Steel Global Holdings Pte Ltd** | | | |
| I **Tata Steel Europe Ltd.** | | | |
| 1. Afon Tinplate Company Limited | **64.00** | *64.00* | UK |
| 2. Air Products Llanwern Limited | **50.00** | *50.00* | UK |
| 3. B V Ijzerleew | **50.00** | *50.00* | Netherlands |
| 4. Bsr Pipeline Services Limited | **50.00** | *50.00* | UK |
| 5. Caparo Merchant Bar Plc | **25.00** | *25.00* | UK |
| 6. Cindu Chemicals B.V. | **50.00** | *50.00* | Netherlands |
| 7. Corus Celik Ticaret AS | **50.00** | *50.00* | Turkey |
| 8. Corus Cogifer Switches And Crossings Limited | **50.00** | *50.00* | UK |
| 9. Corus Kalpinis Simos Rom SRL. | **50.00** | *50.00* | Romania |
| 10. Danieli Corus Technical Services B.V. | **50.00** | *50.00* | Netherlands |
| 11. Framing Solutions Plc. * | **50.00** | *50.00* | UK |
| 12. Grantrail Group Ltd. * | **50.00** | *50.00* | UK |
| 13. Hks Scrap Metals B.V. | **50.00** | *50.00* | Netherlands |
| 14. Ijzerhandel Geertsema Staal B.V. | **50.00** | *50.00* | Netherlands |
| 15. Industrial Rail Services Ijmond B.V. | **50.00** | *50.00* | Netherlands |
| 16. Laura Metaal Holding B.V. | **49.00** | *49.00* | Netherlands |
| 17. Norsk Stal AS | **50.00** | *50.00* | Norway |
| 18. Norsk Stal Tynnplater AS | **50.00** | *50.00* | Norway |
| 19. Ravenscraig Limited | **100.00** | *100.00* | UK |
| 20. Tata Elastron SA | **50.00** | *50.00* | Greece |
| 21. Tata Elastron SA Steel Service Center* | **50.00** | – | Greece |
| 22. Texturing Technology Limited | **50.00** | 50.00 | UK |
| II **Tata Steel Global Minerals Holdings Pte. Ltd.** | | | Singapore |
| 1. Riversdale Energy (Mauritius) Ltd. | **35.00** | *35.00* | Mauritius |

* Part of the Year .
@ By virtue of management control.

## SCHEDULE N : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR 2008-09 :– continued

The Associates of the Company and the ownership interest are as follows :

| Name of the Company | % Share held | Original Cost of Investment Rs. crores | Goodwill/ (Capital Reserve) Rs. crores | Accumulated Profit/(Loss) as at 31.03.2009 Rs. crores | Carrying amount of Investments as at 31.03.2009 Rs. crores |
|---|---|---|---|---|---|
| Ab Norskstal AS | **50.00** | **–** | **–** | **–** | **–** |
| | *50.00* | *–* | *–* | *–* | *–* |
| Albi Profils SRL (b) $ | **–** | **–** | **–** | **–** | **–** |
| | *30.00* | *0.11* | *–* | *0.01* | *0.12* |
| Almora Magnesite Limited | **39.00** | **0.78** | **–** | **0.38** | **1.16** |
| | *39.00* | *0.78* | *–* | *0.16* | *0.94* |
| Altos Hornos De Mexico S.A. de C.V. | **4.50** | **–** | **–** | **–** | **–** |
| | *4.50* | *–* | *–* | *–* | *–* |
| Antheus Magnesium B.V. | **25.00** | **–** | **–** | **–** | **–** |
| | *25.00* | *–* | *–* | *–* | *–* |
| Appleby Frodingham Cottage Trust Limited | **33.30** | **–** | **–** | **–** | **–** |
| | *33.30* | *–* | *–* | *–* | *–* |
| Business Park (b) $ | **–** | **–** | **–** | **–** | **–** |
| | *50.00* | *0.01* | *–* | *(0.01)* | *–* |
| Combulex B.V. | **50.00** | **10.97** | **–** | **2.57** | **13.54** |
| | *50.00* | *10.97* | *–* | *1.24* | *12.21* |
| Cv Gasexpansie Ijmond | **50.00** | **0.26** | **–** | **0.04** | **0.30** |
| | *50.00* | *0.26* | *–* | *0.03* | *0.29* |
| Danieli Corus Canada Inc. | **50.00** | **–** | **–** | **–** | **–** |
| | *50.00* | *–* | *–* | *–* | *–* |
| Danieli Corus Asia B.V. | **50.00** | **–** | **–** | **–** | **–** |
| | *50.00* | *–* | *–* | *–* | *–* |
| Danieli Corus Braseq Ltda | **50.00** | **–** | **–** | **–** | **–** |
| | *50.00* | *–* | *–* | *–* | *–* |
| Danieli Corus B.V. | **50.00** | **–** | **–** | **–** | **–** |
| | *50.00* | *–* | *–* | *–* | *–* |
| Danieli Corus Construction Services B.V | **50.00** | **–** | **–** | **–** | **–** |
| | *50.00* | *–* | *–* | *–* | *–* |
| Danieli Corus Construction Services USA Inc. | **50.00** | **–** | **–** | **–** | **–** |
| | *50.00* | *–* | *–* | *–* | *–* |
| Danieli Corus Do Brasil Ltda | **50.00** | **–** | **–** | **–** | **–** |
| | *50.00* | *–* | *–* | *–* | *–* |
| Danieli Corus Inc. | **50.00** | **–** | **–** | **–** | **–** |
| | *50.00* | *–* | *–* | *–* | *–* |
| Danieli Corus Services USA Inc. | **50.00** | **–** | **–** | **–** | **–** |
| | *50.00* | *–* | *–* | *–* | *–* |
| Danieli Corus South Africa Pty. Ltd. | **50.00** | **–** | **–** | **–** | **–** |
| | *50.00* | *–* | *–* | *–* | *–* |
| Danieli India (Pvt.) Ltd. (b) | **50.00** | **–** | **–** | **–** | **–** |
| | *–* | *–* | *–* | *–* | *–* |
| Endex European Energy Derivates Exchanges NV | **0.23** | **–** | **–** | **–** | **–** |
| | *0.23* | *–* | *–* | *–* | *–* |
| European Profiles (Marketing) Sdn. Bhd. | **10.20** | **–** | **–** | **–** | **–** |
| | *10.20* | *–* | *–* | *–* | *–* |
| European Profiles Malaysia (M) Sdn. Bhd. | **20.00** | **6.35** | **–** | **0.69** | **7.04** |
| | *20.00* | *6.35* | *–* | *0.11* | *6.46* |
| Galvpro LP | **45.50** | **–** | **–** | **–** | **–** |
| | *45.50* | *–* | *–* | *–* | *–* |
| Gietwalsonderhoudcombinatie B.V. | **50.00** | **9.66** | **–** | **4.53** | **14.19** |
| | *50.00* | *9.66* | *–* | *3.50* | *13.16* |
| Hoogovens Court Chrome Vof | **50.00** | **9.86** | **–** | **3.57** | **13.43** |
| | *50.00* | *9.86* | *–* | *2.25* | *12.11* |

## SCHEDULE N : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR 2008-09 :– continued

| Name of the Company | % Share held | Original Cost of Investment Rs. crores | Goodwill/ (Capital Reserve) Rs. crores | Accumulated Profit/(Loss) as at 31.03.2009 Rs. crores | Carrying amount of Investments as at 31.03.2009 Rs. crores |
|---|---|---|---|---|---|
| Hoogovens Gan Multimedia S A de CV | **50.00** | **–** | **–** | **–** | **–** |
| | *50.00* | – | – | – | – |
| Indian Steel Rolling Mills Limited (Re.1/-)(a) | **20.56** | **–** | **–** | **–** | **–** |
| | *20.56* | – | – | – | – |
| Industrial Energy Limited | **26.00** | **86.58** | **–** | **(0.21)** | **86.37** |
| | *26.00* | *26.00* | – | – | *26.00* |
| Isolation Du Sud Sa | **0.33** | **–** | **–** | **–** | **–** |
| | *0.33* | – | – | – | – |
| Issb Limited | **50.00** | **–** | **–** | **–** | **–** |
| | *50.00* | – | – | – | – |
| Jamipol Limited | **31.78** | **4.38** | **0.01** | **13.52** | **17.90** |
| | *30.00* | *3.38* | *0.01* | *10.92* | *14.30* |
| Kalinga Aquatics Limited (Re.1/-)(a)# | **30.00** | **–** | **–** | **–** | **–** |
| | *30.00* | – | – | – | – |
| Kumardhubi Fireclay & Silica Works Limited (Re.1/-)(a)# | **27.78** | **–** | **–** | **–** | **–** |
| | *27.78* | – | – | – | – |
| Kumardhubi Metal Casting & Engineering Limited (Re.1/-)(a)# | **49.31** | **–** | **–** | **–** | **–** |
| | *49.31* | – | – | – | – |
| Metal Corporation of India Limited (Re.1/-)(a)# | **42.05** | **–** | **–** | **–** | **–** |
| | *42.05* | – | – | – | – |
| MDC Sublance Probe Technology (b) | **50.00** | **–** | **–** | **–** | **–** |
| | – | – | – | – | – |
| Nicco Jubilee Park Limited (Re.1/-)(a)# | **23.46** | **0.38** | **–** | **(0.38)** | **–** |
| | *21.60* | *0.35* | – | *(0.35)* | – |
| Regionale Ontwikkelingsmaatschappij Voor Het Noordzeekanaalgebied NV | **6.67** | **0.92** | **–** | **0.15** | **1.07** |
| | *6.67* | *0.92* | – | *0.08* | *1.00* |
| Richard Lees Steel Decking Asia Snd. Bhd. | **10.00** | **–** | **–** | **–** | **–** |
| | *10.00* | – | – | – | – |
| Rsp Holding B.V. | **13.19** | **–** | **–** | **–** | **–** |
| | *13.19* | – | – | – | – |
| Rujuvalika Investments Limited | **24.12** | **0.60** | **(0.29)** | **4.36** | **4.96** |
| | *24.12* | *0.60* | *(0.29)* | *3.73* | *4.33* |
| Schreiner Fleischer AS | **50.00** | **–** | **–** | **–** | **–** |
| | *50.00* | – | – | – | – |
| Shanghai Bao Yi Beverage Can Making Co. Ltd. | **12.50** | **–** | **–** | **–** | **–** |
| | *12.50* | – | – | – | – |
| SMS Mevac UK Limited | **45.00** | **3.70** | **–** | **(3.16)** | **0.54** |
| | *45.00* | *3.70* | – | *(0.24)* | *3.46* |
| Southern Steel, Berhad | **27.03** | **100.13** | **–** | **73.71** | **173.84** |
| | *27.03* | *100.13* | – | *97.66* | *197.79* |
| Steel Asia Development and Management Corporation (Re.1/-)(a) | **40.00** | **–** | **–** | **–** | **–** |
| | *40.00* | – | – | – | – |
| Steel Asia Industries, Inc. (Re.1/-)(a) | **50.00** | **–** | **–** | **–** | **–** |
| | *50.00* | – | – | – | – |
| Steel Asia Manufacturing Corporation (Re.1/-)(a) | **40.00** | **–** | **–** | **–** | **–** |
| | *40.00* | – | – | – | – |

**SCHEDULE N : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR 2008-09 :–** continued

| Name of the Company | % Share held | Original Cost of Investment Rs. crores | Goodwill/ (Capital Reserve) Rs. crores | Accumulated Profit/(Loss) as at 31.03.2009 Rs. crores | Carrying amount of Investments as at 31.03.2009 Rs. crores |
|---|---|---|---|---|---|
| Stuwadoorsbedrijf Velserkom B.V. | **50.00** | **5.76** | **–** | **(1.78)** | **3.98** |
| | *50.00* | *5.76* | *–* | *(0.14)* | *5.62* |
| Tata Construction & Projects Limited (Re.1/-)(a)# | **29.66** | **–** | **–** | **–** | **–** |
| | *29.66* | *–* | *–* | *–* | *–* |
| Tata Sponge Iron Limited | **43.24** | **20.74** | **11.42** | **146.86** | **167.60** |
| | *43.24* | *20.74* | *11.42* | *98.41* | *119.15* |
| Tayo Rolls Limited* | **–** | **–** | **–** | **–** | **–** |
| | *36.53* | *3.36* | *0.03* | *13.37* | *16.73* |
| Tinplate Company of India Limited | **32.34** | **30.26** | **–** | **(0.60)** | **29.66** |
| | *32.12* | *30.09* | *–* | *(14.93)* | *15.16* |
| Thoresen & Thorvaldsen AS | **50.00** | **–** | **–** | **–** | **–** |
| | *50.00* | *–* | *–* | *–* | *–* |
| TKM Overseas Limited | **49.00** | **1.13** | **–** | **(0.75)** | **0.38** |
| | *49.00* | *1.13* | *–* | *(0.83)* | *0.30* |
| TRF Limited | **36.49** | **6.11** | **1.52** | **42.98** | **49.09** |
| | *36.49* | *6.11* | *1.52* | *31.01* | *37.12* |
| Trico Llc | **25.00** | **–** | **–** | **–** | **–** |
| | *25.00* | *–* | *–* | *–* | *–* |
| Weirton/hoogovens Gp | **50.00** | **–** | **–** | **–** | **–** |
| | *50.00* | *–* | *–* | *–* | *–* |
| Workington Cottage Trust | **33.00** | **–** | **–** | **–** | **–** |
| | *33.00* | *–* | *–* | *–* | *–* |
| Wupperman Staal Nederland B.V. | **30.00** | **62.52** | **–** | **4.20** | **66.72** |
| | *30.00* | *62.52* | *–* | *13.10* | *75.62* |
| **Total** | | **361.09** | **12.66** | ****290.68** | ****651.77** |
| | | *302.79* | *12.69* | ***259.08* | ***561.87* |

* Earlier an associate, became a subsidiary during the year. Carrying value of investment on the date of becoming a subsidiary Rs. 35.13 crores.
** Includes exchange fluctuation and other adjustments to carrying value not routed through the profit and loss account.
(a) Investment in these associates have been reported at Nil value as the Company's share of losses exceeds the carrying amount of investment.
(b) Part of the year.
$ Disposed off during the year.

## SCHEDULE N : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR 2008-09 :– continued

**2. Accounting Policies**

**(a) Basis for Accounting**

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

**(b) Revenue Recognition**

(i) Sales comprises sale of goods and services, net of trade discounts.

(ii) Export incentive under the Duty Entitlement Pass Book Scheme has been recognised on the basis of credits afforded in the pass book.

(iii) In one of the subsidiaries, income from services are recognised upon completion of the relevant shipping activities and related services. Income and expenses relating to incomplete voyages are carried forward as voyages-in-progress. Despatch earnings are accounted for on receipt basis.

**(c) Employee Benefits**

(i) Short-term employee benefits are recognised as an expense at the undiscounted amount in the Profit and Loss Account of the year in which the related service is rendered.

(ii) Post employment benefits are recognised as an expense in the Profit and Loss Account for the year in which the employee has rendered services. The expense is recognised at the present value of the amount payable towards contributions. The present value is determined using the market yields of government bonds, at the balance sheet date, as the discounting rate. In some foreign subsidiaries, the present value is determined using the AA rated corporate bonds.

(iii) Other long-term employee benefits are recognised as an expense in the Profit and Loss Account for the period in which the employee has rendered services. Estimated liability on account of long-term benefits is discounted to the current value, using the market yield on government bonds, as on the date of balance sheet, as the discounting rate.

(iv) Actuarial gains and losses in respect of post employment and other long-term benefits are recognised in the Profit and Loss Account.

However in one of the subsidiary (Tata Steel Europe Limited) because of potential volatility caused by periodic changes in the assumptions underlying the computation of the pension liabilities, it is not considered practicable to adopt a common accounting policy for accouting for the pension liability of the company and Tata Steel Europe Limited. The actuarial gains and losses for these pension plans of Tata Steel Europe Limited have been accounted in Reserves and Surplus.

(v) **Miscellaneous Expenditure**

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

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

**(d) Fixed Assets**

All fixed assets are valued at cost less depreciation. Pre-operating expenses including trial run expenses (net of revenue) are capitalised. Borrowing 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 of assets 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.

In some subsidiaries, joint ventures and associates depreciation is calculated on written down value basis and intangible assets are amortised over the period for which the rights are obtained. The depreciation charge in respect of these units is not significant in the context of the consolidated financial statements.

In case of certain foreign subsidiaries, the assets are depreciated on a straight line basis over the estimated useful life of the assets.

**(f) Foreign Currency Transactions**

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

The company and its Indian subsidiaries and joint ventures have opted for accounting the exchange differences arising on reporting of long-term foreign currency monetary items in line with Companies (Accounting Standards) Amendment Rules 2009 relating

**SCHEDULE N : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR 2008-09 :–** continued

to Accounting Standard 11 (AS-11) notified by Government of India on 31st March, 2009. Accordingly the effect of exchange differences on foreign currency loans of the company is accounted by addition or deduction to the cost of the assets so far it relates to depreciable capital assets and in other cases by transfer to “Foreign Currency Monetary Items Translation Difference Account” to be amortised over the balance period of the long-term monetary items or 31st March, 2011 whichever is earlier. Exchange difference recognised in the Profit & Loss Account up to last financial year ended 31st March, 2008 relating to said long term monetary items in foreign currency has been adjusted against opening revenue reserve as provided in the rules.

The differences in translation of FCT and forward exchange contracts used to hedge FCT (excluding the long term foreign currency monetary items accounted in line with Companies (Accounting Standards) Amendment Rules 2009 on Accounting Standard 11 notified by Government of India on 31st March, 2009) and realised gains and losses, other than those relating to fixed assets are recognised in the Profit and Loss Account. The outstanding derivative contracts at the balance sheet date other than forward exchange contracts used to hedge FCT are valued by marking them to market and losses, if any, are recognised in the Profit and Loss Account.

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

**(g) Investments**

Long term investments are carried at cost less provision for permanent diminution, if any, in value of such investments. Current investments are carried at lower of cost and fair value. Stock in trade in case of one of the subsidiaries, being an investment company, has been valued at cost or at market quotation whichever is lower scripwise. When investment is made in partly convertible debentures with a view to retain only the convertible portion of the debentures, the excess of the face value of the non-convertible portion over the realisation on sale of such portion is treated as a part of the cost of acquisition of the convertible portion of the debenture.

**(h) Inventories**

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

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

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

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

**(l) Taxes on Income**

i) Indian Companies :

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of Income Tax Act, 1961.

ii) Foreign Companies :

Foreign Companies recognise tax liabilities and assets in accordance with the applicable local laws.

**(m)** In case of certain subsidiaries, goodwill is amortised over a period of 60 months.

**3. Contingent Liabilities**

**(a) Guarantees**

The Company has given guarantees aggregating **Rs. 930.97** crores *(31.03.2008 : Rs. 1,109.67 crores)* to banks and financial institutions on behalf of others. As at 31st March, 2009 the contingent liabilities under these guarantees amounted to **Rs. 930.97** crores *(31.03.2008 : Rs. 1,109.67 crores)*.

**(b) Claims not acknowledged by the Company :**

| | **As at 31.03.2009 Rs. crores** | *As at 31.03.2008 Rs. crores* |
|---|---|---|
| (i) Excise | **410.35** | *226.62* |
| (ii) Customs | **13.88** | *13.86* |
| (iii) Sales Tax | **473.87** | *452.56* |
| (iv) State Levies | **161.78** | *99.32* |
| (v) Suppliers and Service Contract | **70.66** | *81.35* |
| (vi) Labour Related | **36.04** | *33.84* |
| (vii) Income Tax | **179.97** | *63.87* |
| (viii) Others | **564.96** | *404.14* |

**(c)** Claim by a party arising out of conversion arrangement - **Rs. 195.82** crores *(31.03.2008 : Rs. 195.82 crores)*. The Company has not acknowledged this claim and has instead filed a claim of **Rs. 139.65** crores *(31.03.2008 : Rs. 139.65 crores)* on the party. The matter is pending before the Calcutta High Court.

## SCHEDULE N : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR 2008-09 :– continued

**(d)** The Excise Department has raised a demand of **Rs. 235.48** crores *(31.03.2008 : Rs. 235.48 crores)* denying the benefit of Notification No. 13/2000 which provides for exemption to the integrated steel plant from payment of excise duty on the freight amount incurred for transporting material from plant to stock yard and consignment agents. The Company filed an appeal with CESTAT, Kolkata and the order of the department was set aside. The department has filed an appeal in Supreme Court where the matter is pending.

**(e)** 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 31.03.2009 would be **Rs. 1,041.67** crores *(31.03.2008 : Rs. 588.78 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. 22.08.1990. 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 order 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 31.03.2006 pronounced on 13.06.2006, held that the contract workers were not engaged by the management of the Company in the permanent and regular nature of work before 11.02.1981 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. 155.79** crores *(31.03.2008 : Rs. 133.10 crores).*

**(g)** In terms of the agreements entered into between Tata Teleservices Ltd. (TTSL), Tata Sons Ltd. (TSL) and NTT DoCoMo, Inc. of Japan (Strategic Partner-SP), the Company was given by TSL an option to sell 52,46,590 equity shares in TTSL to the SP, as part of a secondary sale of 25,31,63,941 equity shares effected along with a primary issue of 84,38,79,801 shares by TTSL to the SP. Accordingly, the company realised Rs. 60.91 crores on sale of these shares resulting in a profit of Rs. 49.77 crores.

If certain performance parameters and other conditions are not met, should the SP decide to divest its entire shareholding in TTSL, acquired under the primary issue and the secondary sale, and should TSL be unable to find a buyer for such shares, the Company is obligated to acquire the shareholding of the SP, at the higher of fair value or 50 percent of the subscription purchase price, in proportion of the number of shares sold by the company to the aggregate of the secondary shares sold to the SP, or if the SP divests the shares at a lower price pay a compensation representing the difference between such lower sale price and the price referred to above.

Further, in the event of breach of the representations and warranties (other than title and tax) and covenants not capable of specific performance, the Company is liable to reimburse TSL, on a pro rata basis, upto a maximum sum of Rs. 78.75 crores. The exercise of the option by SP being contingent on several variables the liability, if any, is remote and indeterminable.

**(h)** The Company has been paying royalty on coal extracted from its quarries pursuant to the judgement and order dated 23.07.2002 passed by the Jharkhand High Court. However, the State Government demanded royalty on processed coal at rates applicable to processed coal. Though the Company has contested the above demand, it has started paying, under protest, royalty on processed coal from November 2008. The incremental royalty, paid under protest, during November 2008 to March 2009 of **Rs. 4.07** crores has been charged off to Profit and Loss Account. The incremental amount, if payable, for the period till October 2008 works out to **Rs. 232.57** crores *(31.03.2008 : Nil)* and has been considered as a contingent liability.

**(i)** Uncalled liability on partly paid shares and debentures **Rs. 0.01** crore *(31.03.2008 : Rs. 0.01 crore).*

**(j)** Bills discounted **Rs. 497.90** crores *(31.03.2008 : Rs. 450.02 crores).*

**(k)** Cheques discounted : Amount indeterminate.

**4.** The Indian Steel and Wire Products Limited (ISWPL), a subsidiary, was declared a sick industrial company within the meaning of Section 3(i)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985 (hereinafter referred to as 'SICA'). The Board for Industrial and Financial Reconstruction (BIFR) sanctioned a scheme vide its Order dated 22nd October, 2003, 21st November, 2003 and 18th December, 2003 for rehabilitation of the ISWPL by takeover of its management by Tata Steel Limited.

The significant notes appearing in the accounts of The Indian Steel and Wire Products Limited are given below :

As per clause 6.12 (xiii) of BIFR order dated 21st November, 2003, all liabilities not disclosed in the audited balance sheet for the year ended 31st March, 2002 including notes on accounts as then would be the personal responsibility of the erstwhile promoters to discharge. In view of the above, the following liabilities, which were not disclosed in the said balance sheet including the notes on accounts, have not been provided for or recognised in the accounts for financial year 2004-05, 2005-06, 2006-07, 2007-08 as well as accounts for financial year 2008-09.

| Particulars | Rs. crores |
|---|---|
| Show cause notices/Demand raised by Central Excise Authorities (Under Appeal) | 2.99 |
| The Sales Tax Assessment is pending from the year 1998-99 onwards. | |
| Additional liability, if any, for pending assessments has not been ascertained (Under Appeal) | 4.77 |
| Employee State Insurance demand (Under Appeal) | 1.49 |
| Gratuity for ex-employees | – |
| Leave liability for ex-employees | 0.33 |
| Labour court cases | 0.01 |
| Income tax demand (Under Appeal) | 3.05 |
| Railway dues | 0.04 |
| Power dues | 6.21 |
| Liability for loan for Learjet Aircraft purchase | 1.49 |
| Wealth tax | 3.90 |
| Liability for Security Services | 0.32 |

**SCHEDULE N : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR 2008-09 :–** continued

The items indicated above are not exhaustive and any other liability, which may come to the notice of the present management also would be the personal liability of the erstwhile promoters.

**5.** The Company has given undertakings to *(a)* IDBI Bank Ltd.and IFCI not to dispose of its investment in Tinplate Company of India Limited, *(b)* ICICI Bank Ltd. (formerly ICICI), IFCI and IIBI not to dispose of its investment in the Indian Steel Rolling Mills Ltd. (ISRM). The ISRM is under liquidation, *(c)* IDBI 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)* 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., *(f)* State Bank of India not to dispose of its investment in Tata BlueScope Ltd. *(g)* Standard Chartered Bank and Hong Kong and Shanghai Banking Corporation, not to dispose of majority stake in Tata Steel (KZN) (Pty) Ltd., *(h)* Mizuho Corporate Bank Limited, not to dispose of its investments in Tata NYK Shipping Pte. Limited, (minimal stake required to be able to provide a corporate guarantee towards long term debt), *(i)* IL&FS Trust Company Ltd. not to transfer, dispose off, assign, charge or lien or in any way encumber its holding in Taj Air Ltd., without the prior consent of the respective financial institutions/banks so long as any part of the loans/facilities sanctioned by the institutions/banks to these nine companies remains outstanding.

The Company has furnished a Security Bond in respect of its immovable property to the extent of Rs. 20 crores in favour of the Registrar of the Delhi High Court and has given an undertaking not to sell or otherwise dispose of the said property.

The Promoters' (i.e. L & T Infrastructure Development Projects Ltd. and Tata Steel Ltd.) combined investments in The Dhamra Port Company Ltd., (DPCL) representing 51% of DPCL's paid-up equity share capital are pledged with IDBI Trusteeship Services Ltd.

The Promoters' (i.e. The Tata Power Company Limited. and Tata Steel Ltd.) combined investments in Industrial Energy Limited., (IEL) representing 51% of IEL's paid-up equity share capital are pledged with Infrastructure Development Corporation Limited (IDFC).

The Company has provided a financing commitment to the extent of £ 425 million to Tata Steel Europe Limited, an indirect wholly-owned subsidiary of the Company, to enable it to meet the financial covenants of the Senior Facilities Agreements with its Lenders.

**6.** The Company had, on 20th August, 2005, signed an agreement with the Government of Jharkhand to participate in a special health insurance scheme to be formulated by the Government of Jharkhand for the purpose of providing medical facilities to the families of the people below poverty line. The state government would develop a suitable scheme and the Company has agreed to contribute to such scheme, when operational, a sum of Rs. 25 crores annually for a period of 30 years or upto the year of operation of the scheme whichever is less. The scheme is yet to be formed and no contribution has been made till 31st March, 2009.

**7.** 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 24.08.1999.

**8.** The company completed the restructuring of its foreign subsidiaries during the current year with Tata Steel Global Holdings Pte. Ltd. Singapore (TSGH) (a subsidiary of Tata Steel Ltd.) as the international holding company of the Tata Steel Group. Tata Steel Global Holdings holds investments of steel business of Europe and South East Asia and also the international raw materials assets of the group.

Further as a part of the restructuring process the following transactions were also affected during the year:

a) Shares of Tata Steel (Thailand) Public Company Ltd., previously held by Tata Steel Ltd. and NatSteel Asia Pte Ltd. (NSA Group) were transferred to Tata Steel Global Holdings Pte Ltd.

b) Shares of eight erstwhile subsidiaries of Tata Steel Europe Group namely Corus Asia Ltd., Corus South East Asia Pte. Ltd., Corus Holdings (Thailand) Ltd. and Corus Metal Thailand Ltd. were transferred to Corus International (Singapore) Holdings Pte. Ltd., a subsidiary of Tata Steel Global Holdings Pte. Ltd.

c) The steel business units of NatSteel Asia Pte. Ltd. (NSA Group) were transferred to NatSteel Holdings Pte. Ltd., (NSH Group), a subsidiary of Tata Steel Global Holdings Pte. Ltd.

**9.** The notes to accounts of Tata Korf Engineering Services Limited (TKES), a subsidiary, state that : The accumulated losses of the Company as at 31st March, 2009 exceed its paid up Share Capital. The Company has practically closed its operations. Pending the preparation of a scheme, the financial statements have been prepared on a "going concern" basis. The report of the auditors to the members of TKES contains an audit qualification on this account.

Tata Korf Engineering Services Ltd. has a negative net worth as on 31.03.2009 of **Rs. 8.60** crores *(31.03.2008 : Rs. 8.21 crores)*.

**10. Fixed Assets**

a) Estimated amount of contracts remaining to be executed on Capital Account and not provided for : **Rs. 13,525.33** crores *(31.03.2008 : Rs. 10,072.51 crores)*.

b) The Company has taken on lease Plant and Machinery, having an aggregate cost of **Rs. 3.79** crores *(31.03.2008 : Rs. 3.79 crores)*. The element of the lease rental applicable to the cost of the asssets 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

## SCHEDULE N : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR 2008-09 :– continued

to the Profit and Loss Account for the year is **Rs. 0.73** crore *(2007-08 : Rs. 0.73 crore).* The break up of total minimal lease payments due as at 31st March, 2009 and their corresponding present value are as follows :

Rs. crores

| Period | **As at 31.03.2009** | | *As at 31.03.2008* | |
|---|---|---|---|---|
| | **Minimum Lease Payments** | **Present Value** | *Minimum Lease Payments* | *Present Value* |
| Not later than one year | **0.46** | **0.42** | *0.72* | *0.66* |
| Later than one year but not later than five years | **–** | **–** | *0.48* | *0.40* |
| Later than five years | **–** | **–** | *–* | *–* |
| **Total** | **0.46** | **0.42** | *1.20* | *1.06* |

The break-up of total minimum lease payments for operating lease due as on 31st March, 2009, entered into by the company, its subsidiaries and joint ventures are as follows:

Rs. crores

| Period | **As at 31.03.2009** | *As at 31.03.2008* |
|---|---|---|
| | **Minimum Lease Payments** | *Minimum Lease Payments* |
| Not later than one year | **1,225.02** | *898.23* |
| Later than one year but not later than five years | **3,101.24** | *2,313.64* |
| Later than five years | **1,271.37** | *1,724.82* |
| **Total** | **5,597.63** | *4,936.69* |

The total charge to the Profit and Loss Account for the year on account of operating lease is **Rs. 999.68** crores *(2007-08: Rs. 815.58 crores).*

The company, its subsidiaries and joint venture have taken certain leaseholds on finance lease, having an aggregate cost of **Rs. 1,596.84** crores *(31.03.08: 1,729.84 crores).* The break up of total minimum lease payments for finance lease due as on 31st March, 2009 and their corresponding present values, are as follows :

Rs. crores

| Period | **As at 31.03.2009** | | *As at 31.03.2008* | |
|---|---|---|---|---|
| | **Minimum Lease Payments** | **Present Value** | *Minimum Lease Payments* | *Present Value* |
| Not later than one year | **137.53** | **121.83** | *192.06* | *147.84* |
| Later than one year but not later than five years | **597.69** | **378.67** | *600.59* | *464.59* |
| Later than five years | **589.37** | **501.80** | *708.38* | *605.94* |
| **Total** | **1,324.59** | **1,002.30** | *1,501.03* | *1,218.37* |

**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. 76.93** crores *(31.03.2008 : Rs. 57.31 crores)* in respect of schemes introduced during the year.

ii) The amounts payable within one year under the ESS aggregates to **Rs. 203.37** crores *(31.03.2008 : Rs. 208.75 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 shown in the profit and loss account include **Rs. 912.02** crores *(2007-08 : Rs. 617.91 crores)* in respect of Research and Development activities undertaken during the year.

c) The company and its Indian subsidiaries and joint ventures have opted for accounting the exchange differences arising on reporting of long term foreign currency monetary items in line with Companies (Accounting Standards) Amendment Rules 2009 relating to Accounting Standard 11 (AS-11) notified by Government of India on 31st March, 2009.

As a result of this change in the accounting, the exchange difference of **Rs. 530.03** crores (net of tax) recognised in the Profit & Loss Account up to last financial year ended 31st March, 2008 relating to long term monetary items in foreign currency has been adjusted against opening revenue reserve. As on 31st March, 2009, **Rs. 471.66** crores remains to be amortised in the "Foreign Currency Monetary Items Translation Difference Account" after taking a charge of **Rs. 30.79** crores in the Profit and Loss Account and **Rs. 32.54** crores (net of deferred tax **Rs. 16.76** crores) adjusted against Securities Premium Account during the current financial year on account of amortisation. Consequently the depreciation for the year ended 31st March, 2009 is higher by **Rs. 2.04** crores and the profit after taxes, minority interest and share of profit of associates for the year ended 31st March, 2009 is higher by **Rs. 899.58** crores.

d) The consolidated Profit and Loss Account includes the consolidated results of Tata Steel Europe Limited and its subsidiaries whose income contributes 71% of the consolidated total income. The pension liability of Tata Steel Europe Limited is computed and accounted for in accordance with International Financial Reporting Standards (IFRS). IFRS permits the impact of changes in the assets and liabilities, inter alia, due to assumption of variables like bond yield rates, inflation and demographic assumptions to be accounted for in "Reserves and Surplus". This practice is consistently followed by Tata Steel Europe Limited. The Indian Accounting Standard (AS-15) is different from the above and requires such changes to be accounted for in the Profit and Loss

**SCHEDULE N : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR 2008-09 :–** continued

Account. Given the large share of Tata Steel Europe Limited in the consolidated Profit and Loss Account of the company, and the potential volatility caused by periodic changes in the assumptions underlying the computation of the pension liabilities, it is not considered practicable to adopt a common accounting policy for accounting for the actuarial gains/losses in respect of the pension liability of the Company and Tata Steel Europe Limited. Accordingly the actuarial loss of **Rs. 5,496.58** crores (Net of tax) recognised in Tata Steel Europe Limited has been accounted in Reserves and Surplus in the consolidated financial statements in accordance with IFRS principles and as permitted by Accounting Standard 21 – Consolidated Financial Statements. Had the Company followed the previous practice of recognising changes in actuarial valuations in respect of the pension plans of Tata Steel Europe Limited, in the Profit and Loss Account, the profit after taxes, minority interest and share of profit of associates would have been lower by **Rs. 5,496.58** crores.

**12.** The effect of acquisition and disposal of subsidiaries on the financial position and results as included in the consolidated financial statements for the year ended 31st March, 2009 are given below :

Rs. crores

| | **Acquisition** | **Disposal** |
|---|---|---|
| **FUNDS EMPLOYED** | | |
| Share Capital | 10.26 | 371.76 |
| Reserves & Surplus | 79.60 | (55.83) |
| Secured Loans | 85.71 | 1.78 |
| Unsecured Loans | 0.84 | 400.47 |
| Deferred Tax Liability | – | 15.94 |
| Current Liabilities | 41.82 | 386.75 |
| Provisions | 18.24 | 203.71 |
| **APPLICATION OF FUNDS** | | |
| Net Block (including CWIP) | 141.92 | 93.70 |
| Investment | 4.16 | – |
| Deferred Tax Asset | – | 36.04 |
| Current Assets | 78.88 | 1,194.84 |
| Loans & Advances | 10.39 | – |
| Miscellaneous Expenditure | 1.12 | – |
| **INCOME** | | |
| Sales and other Operating Income | 42.06 | 2,564.73 |
| Other Income | (0.13) | – |
| **EXPENDITURE** | | |
| Manufacturing and other Expenses | 50.14 | 2,725.37 |
| Depreciation | 1.13 | 27.84 |
| Expenditure Transferred to Capital | (2.32) | (4.89) |
| Net Finance Charges | 1.24 | 12.71 |
| Exceptional Items | – | 389.10 |
| **PROFIT/(LOSS) FOR THE YEAR** | **(8.26)** | **(585.40)** |

**13.** NatSteel Asia Pte. Ltd. and its subsidiaries (NSA Group) had an unquoted equity investment in an associate company, Southern Steel Berhad ("SSB"), which was transferred to NatSteel Holdings Pte. Ltd., (NSH Group) w.e.f. 1st August, 2008 in the business restructuring of the group. The investment in this associate company is stated in the financial statement at the carrying value of **S$ 52,142,000** *(31.03.2008 : S$ 68,079,000)*. The carrying value is arrived at after accounting for share of results in SSB's loss after tax and minority interest, translation loss and dividend of **S$ 6,345,000, S$ 3,499,000** and **S$ 5,923,000** respectively for the financial year ended 31st March, 2009. *(31.03.2008 : profit after tax and minority interest S$ 30,822,000, translation loss S$ 1,314,000 and dividend S$ 6,254,000)*. The figures used for equity accounting of SSB's results for the financial year from 1st April, 2008 to 31st March, 2009 used for the purpose of consolidation are unaudited and are prepared under the Financial Reporting Standards in Malaysia.

**14.** For the following companies unaudited Financial Statements have been considered for consolidation:

Corus International (Singapore) Holding Pte. Ltd., Corus Asia Limited, Corus Holdings (Thailand) Ltd., Corus International (Guangzhou) Ltd. ,Corus International (Shanghai) Ltd., Corus International Trading Limited , Corus Metals (Malaysia) Sdn. Bhd., Corus Metals (Thailand) Limited, Corus South East Asia Pte Limited, Easteel Services (M) Sdn. Bhd., Eastern Steel Fabricators Phillipines, Inc., Materials Recycling Pte. Ltd., NatSteel Equity IV Pte. Ltd., NatSteel Middle East FZE, NatSteel Trade International (Shanghai) Company Ltd., PT Materials Recycling Indonesia, Wuxi NatSteel Metal Products Co. Ltd., TRL Asia Pte. Ltd. and TRL China Ltd., Orchid Netherlands (No. 1) B.V. being subsidiaries.

mjunction services ltd. being a joint venture.

Almora Magnesite Ltd., Steel Asia Development and Management Corp., Steel Asia Industries Inc., Steel Asia Manufacturing Corp. and Southern Steel, Berhard being associates.

**SCHEDULE N : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR 2008-09 :–** continued

**15.** In one subsidiary, in terms of the Licence Agreement dated 29.01.2002 with Board of Trustees for the Port of Kolkata, the subsidiary is required to invest in equipment and infrastructure as follows :

| Sl. No. | Purpose of Investment | Phasing of Investment (Rs. crores) | | | |
|---|---|---|---|---|---|
| | | Within 18 months | Within 24 months | Within 36 months | Total |
| 1. | For Procurement of Equipment for ship to shore handling & vice versa and horizontal transfer of cargo | 23.06 | 2.85 | – | 25.91 |
| 2. | Storage of cargo | – | 1.74 | 1.20 | 2.94 |
| 3. | Office building, workshop etc. | – | 0.75 | 0.25 | 1.00 |
| 4. | Utility Services | – | 0.22 | – | 0.22 |
| | **Total** | **23.06** | **5.56** | **1.45** | **30.07** |

As at 31st March, 2009 the subsidiary's investments in equipments and infrastructure aggregate to **Rs. 25.80** crores *(31.03.2008 : Rs. 25.80 crores)*. The management of the subsidiary company has requested the Port Trust Authorities for suitable modification to the investment obligation in view of the changes in the business and economic scenario. The Port Trust Authorities have, subject to sanction of Central Government approved the changes proposed by the subsidiary in the specifications of the equipments and other required infrastructure.

**16.** In respect of joint ventures the contingent liabilities and capital commitment are as follows :

| Name of the Joint Venture Company | Country of Incorporation | Contingent Liabilities Rs. crores | Capital Commitment Rs. crores |
|---|---|---|---|
| Tata Ryerson Limited | India | **30.49** | **10.21** |
| | | *30.40* | *18.10* |
| mjunction services ltd. | India | **0.32** | **–** |
| | | *0.29* | *–* |
| The Dhamra Port Company Limited | India | **–** | **432.99** |
| | | *–* | *518.20* |
| Tata BlueScope Steel Limited | India | **13.36** | **172.37** |
| | | *7.91* | *135.96* |
| Tata NYK Shipping Pte. Ltd. | Singapore | **–** | **439.44** |
| | | *–* | *–* |
| Bhubaneshwar Power Private Ltd. | India | **1.00** | **–** |
| | | *–* | *–* |
| S & T Mining Company Private Ltd. | India | **0.25** | **–** |
| | | *–* | *–* |

**SCHEDULE N : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR 2008-09 :–** continued

**17. Employee Benefits**

a) The Company has recognised, in the profit and loss account for the current year, an amount of **Rs. 237.50** crores *(31.03.2008: Rs. 203.56 crores)* as expenses under the following defined contribution plans :

Rs. crores

| Benefit Contribution to | 2008-09 | 2007-08 |
|---|---|---|
| Provident Fund | **116.55** | *96.49* |
| Superannuation Fund | **32.67** | *28.87* |
| Employees Pension Scheme/Coal Mines Pension Scheme | **77.20** | *69.07* |
| TISCO Employees Pension Scheme | **10.98** | *8.56* |
| Employees State Insurance | **0.10** | *0.57* |
| **Total** | **237.50** | *203.56* |

b) The Company operates post retirement defined benefit plans as follows :

a. Funded
   i. Post Retirement Gratuity
   ii. Post Retirement Pension Plan
b. Unfunded
   i. Post Retirement Medical Benefits
   ii. Pensions to Directors
   iii. Farewell Gifts
   iv. Packing and Transportation Expenses

c) Details of the Post Retirement Gratuity Plan are as follows: Rs. crores

| Description | 2008-09 | 2007-08 |
|---|---|---|
| **1. Reconciliation of opening and closing balances of obligation** | | |
| a. Obligation as at the beginning of the year | **814.42** | *740.00* |
| b. Current Service Cost | **40.49** | *33.16* |
| c. Interest Cost | **61.80** | *56.92* |
| d. Obligation of New Companies | **8.43** | *1.96* |
| e. Actuarial (Gain)/Loss | **284.23** | *48.29* |
| f. Exchange Rate Variation | **3.15** | *(0.43)* |
| g. Benefits Paid | **(79.56)** | *(65.48)* |
| h. Obligation as at the end of the year | **1,132.96** | *814.42* |
| The defined benefit obligation as at 31.03.2009 is funded except in the case of Hooghly Met Coke and Power Company Ltd., Tata BlueScope Steel Ltd., NatSteel Asia Pte. Ltd., NatSteel Holdings Pte. Ltd. and Lanka Special Steel Ltd. | | |
| **2. Change in Plan Assets (Reconciliation of opening & closing balances)** | | |
| a. Fair Value of Plan Assets as at beginning of the year | **731.31** | *663.13* |
| b. Expected Return on Plan Assets | **59.67** | *53.94* |
| c. Assets of New Companies | **7.45** | *0.96* |
| d. Actuarial Gain/(Loss) | **33.62** | *(5.82)* |
| e. Employers' Contributions | **91.05** | *84.58* |
| f. Benefits Paid | **(77.98)** | *(65.48)* |
| g. Fair Value of Plan Assets as at end of the year | **845.12** | *731.31* |
| **3. Reconciliation of fair value of assets and obligations** | | |
| a. Fair Value of Plan Assets as at end of the year | **845.12** | *731.31* |
| b. Present Value of Obligation as at end of the year | **1,132.96** | *814.42* |
| c. Amount recognised in the Balance Sheet : | **287.84** | *83.11* |
| – Provisions | **287.93** | 83.18 |
| – Loans and Advances | **(0.09)** | (0.07) |
| **4. Expense recognised in the period** | | |
| a. Current Service Cost | **40.49** | *33.16* |
| b. Interest Cost | **61.80** | *56.92* |
| c. Expected Return on Plan Assets | **(59.67)** | *(53.94)* |
| d. Actuarial (Gain)/Loss | **250.61** | *54.11* |
| e. Exchange Rate Variation | **3.15** | *(0.43)* |
| f. Expense recognised during the year | **296.38** | *89.82* |

**SCHEDULE N : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR 2008-09 :–** continued

Rs. crores

| Description | 31.03.2009 | *31.03.2008* |
|---|---|---|
| | **% invested** | *% invested* |
| **5. Investment Details** | | |
| a. GOI Securities | **15.00** | *16.00* |
| b. Public Sector Unit Bonds | **36.00** | *37.00* |
| c. State/Central Government Guaranteed Securities | **11.00** | *9.00* |
| d. Special Deposit Schemes | **12.00** | *27.00* |
| e. Private Sector Unit Bonds | **5.00** | *5.00* |
| f. Others (including bank balances) | **21.00** | *6.00* |
| | **100.00** | *100.00* |
| **6. Assumptions** | | |
| a. Discount Rate (per annum) | **1.65-8.50%** | *8.00%* |
| b. Estimated Rate of return on Plan Assets (per annum) | **8-9.58%** | *8.00%* |
| c. Rate of Escalation in Salary (per annum) | **3.6-10%** | *3-12%* |
| **7. Other Disclosures** | | |
| a. Experience Adjustment on Plan Liabilities – Gain / (Loss) | **(202.65)** | *30.68* |
| b. Experience Adjustment on Plan Assets – Gain / (Loss) | **33.62** | *(5.38)* |

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.

d) Details of Post Retirement Pension plans are as follows:

Rs. crores

| Description | 2008-09 | *2007-08* |
|---|---|---|
| **1. Reconciliation of opening and closing balances of obligation** | | |
| a. Obligation as at beginning of the year | **1,06,330.88** | – |
| b. Current Service Cost | **1,106.62** | *1,451.10* |
| c. Interest Cost | **6,655.43** | *5,425.12* |
| d. Obligation of New Companies | **–** | *1,13,518.77* |
| e. Actuarial (Gain)/Loss | **(9,834.03)** | *(6,051.73)* |
| f. Exchange Rate Variation | **(4,341.28)** | *(2,958.28)* |
| g. Services and Curtailments | **(31.40)** | – |
| h. Benefits Paid | **(5,823.50)** | (5,680.71) |
| i. Employee Contribution | **604.33** | *577.14* |
| j. Past Service Cost | **54.94** | *49.47* |
| k. Obligation as at end of the year | **94,721.99** | *1,06,330.88* |
| **2. Change in Plan Assets (Reconciliation of opening & closing balances)** | | |
| a. Fair Value of Plan Assets as at beginning of the year | **1,17,619.62** | – |
| b. Expected Return on Plan Assets | **6,804.55** | *6,422.75* |
| c. Actuarial Gain/(Loss) | **(15,932.23)** | *(222.61)* |
| d. Assets of New Companies | **–** | *1,17,226.30* |
| e. Contributions Employee | **1,891.46** | *577.14* |
| f. Contributions Employer | **–** | *2,456.97* |
| g. Benefits Paid | **(5,862.74)** | *(5,705.45)* |
| h. Exchange Rate Variation | **(4,818.26)** | *(3,135.48)* |
| i. Net Fair Value of Plan Assets as at end of the year | **99,702.40** | *1,17,619.62* |
| **3. Reconciliation of fair value of assets and obligations** | | |
| a. Fair Value of Plan Assets as at end of the year | **99,702.40** | *1,17,619.62* |
| b. Present Value of Obligation as at end of the year | **94,721.99** | *1,06,330.88* |
| c. Amount recognised in the Balance Sheet – Assets | **4,980.41** | *11,288.74* |
| – Provisions | **(509.84)** | *Nil* |
| – Loans and Advances | **5,490.25** | *11,288.74* |

**SCHEDULE N : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR 2008-09 :–** continued

Rs. crores

| Description | 2008-09 | *2007-08* |
|---|---|---|
| **4. Expense recognised in the period** | | |
| a. Current Service Cost | **1,106.62** | *1,451.10* |
| b. Interest Cost | **6,655.43** | *5,425.12* |
| c. Expected Return on Plan Assets | **(6,804.55)** | *(6,422.75)* |
| d. Actuarial (Gain)/Loss | **6,098.20*** | *(5,829.12)* |
| e. Past Service Cost | **54.94** | *49.47* |
| f. Exchange Rate Variation | **–** | *–* |
| g. Services and Curtailment | **(31.40)** | *–* |
| h. Expense recognised during the year | **7,079.24** | *(5,326.18)* |
| | **31.03.2009** | *31.03.2008* |
| **5. Investment Details** | **% invested** | *% invested* |
| a. Equities | **23.00** | *25.00* |
| b. Bonds | **65.00** | *62.00* |
| c. Property | **8.00** | *7.00* |
| d. Others (including Bank Balances) | **4.00** | *6.00* |
| | **100.00** | *100.00* |
| **6. Assumptions** | | |
| a. Discount Rate (per annum) | **3.9-7%** | *4.7-6.6%* |
| b. Estimated Rate of return on Plan Assets (per annum) | **3.5-9.10%** | *3.5-9.10%* |
| c. Rate of Escalation in Salary (per annum) | **2-4%** | *2.5-4.5%* |
| **7. Other Disclosures** | | |
| a. Experience Adjustment on Plan Liabilities – Gain/(Loss) | **(2,150.46)** | *(923.42)* |
| b. Experience Adjustment on Plan Assets – Gain/(Loss) | **(15,908.68)** | *(222.61)* |

* The amount has been accounted in Reserves and Surplus.

e) Details of unfunded Post Retirement defined benefit obligations are as follows:

Rs. crores

| Description | 2008-09 | | *2007-08* | |
|---|---|---|---|---|
| | **Medical** | **Others** | *Medical* | *Others* |
| **1. Reconciliation of opening and closing balances of obligation** | | | | |
| a. Obligation as at beginning of the year | **513.23** | **685.80** | *461.72* | *34.18* |
| b. Current/Employer Service Cost | **6.55** | **24.73** | *5.99* | *10.97* |
| c. Interest Cost | **39.91** | **34.72** | *36.73* | *60.43* |
| d. Obligation of New Companies | **2.82** | **1.50** | *–* | *656.28* |
| e. Actuarial (Gain)/Loss | **25.50** | **(2.20)** | *41.40* | *(72.04)* |
| f. Past Service Cost | **–** | **7.85** | *–* | *(16.11)* |
| g. Exchange Rate Variation | **–** | **(5.61)** | *–* | *38.49* |
| h. Benefits Paid | **(34.56)** | **(182.66)** | *(32.61)* | *(26.40)* |
| i. Obligation as at end of the year | **553.45** | **564.13** | *513.23* | *685.80* |
| **2. Expense recognised in the period** | | | | |
| a. Current/Employer Service Cost | **6.55** | **24.73** | *5.99* | *10.97* |
| b. Interest Cost | **39.91** | **34.72** | *36.73* | *60.43* |
| c. Past Service Cost | **–** | **7.85** | *–* | *(16.11)* |
| d. Exchange Rate Variation | **–** | **(5.61)** | *–* | *38.49* |
| e. Actuarial (Gain)/Loss | **25.50** | **(2.20)** | *41.40* | *(72.04)* |
| f. Expense recognised during the year | **71.96** | **59.49** | *84.12* | *21.74* |
| **3. Assumptions** | | | | |
| a. Discount Rate (per annum) on beginning of the year | **8.00%** | **4.40-8.00%** | *8.00%* | *4.20-8.00%* |
| b. Discount Rate (per annum) on end of the year | **7.75-8%** | **4.40-8.00%** | *8.00%* | *4.40-8.00%* |
| c. Medical Costs Inflation Rate | **5.00%** | **5.00%** | *5.00%* | *5.00%* |
| d. Average Medical Cost (Rs./person) on beginning of the year | **2,170.00** | | *1,970.00* | |
| e. Average Medical Cost (Rs./person) on end of the year | **2,290.00** | | *2,170.00* | |
| f. Effect of a 1% change in (Health Care Cost) | **Increase** | **Decrease** | *Increase* | *Decrease* |
| – aggregate current service and Interest cost | **5.51** | **(5.24)** | *6.85* | *(4.11)* |
| – closing balance of obligation | **75.48** | **(61.86)** | *54.63* | *(52.75)* |
| **4. Other Disclosures** | | | | |
| a. Experience Adjustment on Plan Liabilities – Gain/(Loss) | **(9.02)** | **3.57** | *26.98* | *(7.05)* |
| b. Experience Adjustment on Plan Assets – Gain/(Loss) | **–** | **–** | *–* | *–* |

## SCHEDULE N : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR 2008-09 :– continued

### 18. Information about Primary Business Segments

| Particulars | Business Segments Steel Rs. crores | Business Segments Others Rs. crores | Unallocable Rs. crores | Eliminations Rs. crores | Total Rs. crores |
|---|---|---|---|---|---|
| **Revenue :** | | | | | |
| **Total External Sales** | **1,33,481.82** | **13,175.53** | **671.91** | **–** | **1,47,329.26** |
| | *1,17,733.23* | *13,386.03* | *414.37* | *–* | *1,31,533.63* |
| Inter segment sales | **15,902.76** | **3,329.68** | **941.81** | **(20,174.25)** | **–** |
| | *16,916.65* | *2,442.90* | *676.08* | *(20,035.63)* | *–* |
| **Total Revenue** | **1,49,384.58** | **16,505.21** | **1,613.72** | **(20,174.25)** | **1,47,329.26** |
| | *1,34,649.88* | *15,828.93* | *1,090.45* | *(20,035.63)* | *1,31,533.63* |
| **Segment Result before Interest, Exceptional Items and Tax** | **13,079.05** | **1,164.68** | **(242.75)** | **126.97** | **14,127.95** |
| | *14,196.93* | *1,162.60* | *(1,198.90)* | *(39.29)* | *14,121.34* |
| Less : Net Finance Charges (See Schedule 3, Page 234) | | | | | **3,290.18** |
| | | | | | *4,085.41* |
| Profit before exceptional items and tax | | | | | **10,837.77** |
| | | | | | *10,035.93* |
| **Exceptional items :** | | | | | |
| Contribution for Sports Infrastructure | | | | | **–** |
| | | | | | *(150.00)* |
| Exchange Gain/(Loss) | | | | | **–** |
| | | | | | *578.29* |
| Actuarial gain/(loss) on funds for employee benefits | | | | | **–** |
| | | | | | *5,906.84* |
| Restructuring, impairment and disposals (See Note 24, Page 271) | | | | | **(4,094.53)** |
| | | | | | *–* |
| **Profit before Tax** | | | | | **6,743.24** |
| | | | | | *16,371.06* |
| Taxes | | | | | **1,894.00** |
| | | | | | *4,049.30* |
| **Profit after Taxes** | | | | | **4,849.24** |
| | | | | | *12,321.76* |
| Segment Assets | **84,944.98** | **6,448.27** | **16,504.94** | **(8,444.05)** | **99,454.14** |
| | *80,844.29* | *8,084.97* | *21,196.85* | *(6,436.69)* | *1,03,689.42* |
| Segment Liabilities | **28,231.49** | **2,422.85** | **8,022.07** | **(8,425.40)** | **30,251.01** |
| | *27,022.26* | *3,316.78* | *8,912.32* | *(6,432.61)* | *32,818.75* |
| Total Cost incurred during the year to acquire segment assets | **7,301.08** | **823.22** | **313.94** | **(4.78)** | **8,433.46** |
| | *7,025.45* | *1,175.08* | *230.86* | *(11.66)* | *8,419.73* |
| Segment Depreciation | **3,965.58** | **189.93** | **109.88** | **–** | **4,265.39** |
| | *3,638.49* | *259.36* | *239.10* | *–* | *4,136.95* |
| Non-Cash Expenses other than depreciation | **379.40** | **7.31** | **318.98** | **–** | **705.69** |
| | *396.56* | *75.17* | *57.99* | *–* | *529.72* |

**SCHEDULE N : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR 2008-09 :–** continued

| **Information about Secondary Segments : Geographical** | **2008-09 Rs. crores** | *2007-08 Rs. crores* |
|---|---|---|
| Revenue by Geographical Market | | |
| India | **26,299.57** | *20,170.88* |
| Outside India | **1,21,029.69** | *1,11,362.75* |
| | **1,47,329.26** | *1,31,533.63* |
| Additions to Fixed Assets and Intangible Assets | | |
| India | **3,723.56** | *3,252.16* |
| Outside India | **4,709.90** | *5,167.57* |
| | **8,433.46** | *8,419.73* |
| | **As at 31.03.2009 Rs. crores** | *As at 31.03.2008 Rs. crores* |
| Carrying Amount of Segment Assets | | |
| India | **29,340.63** | *22,021.93* |
| Outside India | **70,113.51** | *81,667.49* |
| | **99,454.14** | *1,03,689.42* |

**Notes :**

(i) The Company has disclosed Business Segment as the primary segment. Segments have been identified taking into account the nature of the products, the differing risks and returns, the organisational structure and internal reporting system. The Company's operations predominantly relate to manufacture of Steel. Other business segments comprises of Tubes, Bearings, Refractories, Pigments, Port operations, town services and Investment activities.

(ii) Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis. The expenses, which are not directly relatable to the business segment, are shown as unallocated corporate cost. Assets and liabilities that cannot be allocated between the segments are shown as unallocated corporate assets and liabilities respectively.

(iii) Total Unallocable Assets exclude :

| | **As at 31.03.2009 Rs. crores** | *As at 31.03.2008 Rs. crores* |
|---|---|---|
| Investments | **6,133.77** | *3,107.09* |
| Miscellaneous Expenditure | **105.48** | *155.63* |
| Goodwill on consolidation | **15,364.92** | *18,049.96* |
| Deferred Tax Asset | **76.12** | *10.26* |
| | **21,680.29** | *21,322.94* |
| Total Unallocable Liabilities exclude : | | |
| Secured Loans | **34,329.26** | *35,414.99* |
| Unsecured Loans | **25,571.24** | *18,209.75* |
| Provision for Employee Separation Compensation | **1,042.41** | *1,080.05* |
| Deferred Tax Liability | **1,785.55** | *2,464.68* |
| Share Warrants issued by a subsidiary company | **17.46** | *17.46* |
| Minority Interest | **894.88** | *832.70* |
| | **63,640.80** | *58,019.63* |

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

SCHEDULE N : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR 2008-09 :– continued

**19. Related Party Disclosures**

**(a) List of Related Parties and Relationships**

| Party | Relationship |
|---|---|
| **A.** i) **Kalimati Investment Company Ltd.**<br>1. Rujuvalika Investments Ltd.<br>ii) **NatSteel Asia Pte. Ltd.**<br>1. Steel Asia Development and Management Corp.<br>2. Steel Asia Industries Inc.<br>3. Steel Asia Manufacturing Corp.<br>iii) **Tata Incorporated**<br>1. TKM Overseas Ltd.<br>iv) **Tata Refractories Ltd.**<br>1. Almora Magnesite Ltd.<br>v) **Tata Steel Ltd.**<br>1. Indian Steel Rolling Mills Ltd.<br>2. Industrial Energy Ltd.<br>3. Jamipol Ltd.<br>4. Kalinga Aquatics Ltd.<br>5. Kumardhubi Fireclay & Silica Works Ltd.<br>6. Kumardhubi Metal Casting & Engineering Ltd.<br>7. Nicco Jubilee Park Ltd.<br>8. Tata Construction & Projects Ltd.<br>9. Tata Sponge Iron Ltd.<br>10. Tayo Rolls Ltd.*<br>11. Tinplate Company of India Ltd.<br>12. TRF Ltd.<br>vi) **Tata Steel Holdings Pte. Ltd.**<br>a) **Tata Steel Global Holdings Pte Ltd**.<br>I **Corus International (Singapore) Holding Pte. Ltd.**<br>– European Profiles Malaysia (M) Sdn. Bhd.<br>II **NatSteel Holdings Pte. Ltd.**<br>– Southern Steel, Berhard<br>III **Tata Steel Europe Ltd.**<br>1. Ab Norskstal AS<br>2. Albi Profils SRL<br>3. Altos Hornos De Mexico S.A. de C.V.<br>4. Antheus Magnesium B.V. *<br>5. Appleby Frodingham Cottage Trust Limited<br>6. Combulex B.V.<br>7. Cv Gasexpansie Ijmond<br>8. Danieli Corus Canada Inc.<br>9. Danieli Corus Asia B.V.<br>10. Danieli Corus B.V.<br>11. Danieli Corus Braseq Ltda.<br>12. Danieli Corus Construction Services B.V.<br>13. Danieli Corus Construction Services Usa Inc.<br>14. Danieli Corus Do Brasil Ltda.<br>15. Danieli Corus Inc.<br>16. Danieli Corus Services Usa Inc.<br>17. Danieli Corus South Africa Pty. Ltd.<br>18. Danieli India (PVT) Ltd *<br>19. Endex European Energy Derivates Exchanges N.V.<br>20. European Profiles (Marketing) Sdn. Bhd.<br>21. Galvpro LP.<br>22. Gietwalsonderhoudcombinatie B.V.<br>23. Hoogovens Court Chrome Vof<br>24. Hoogovens Gan Multimedia S.A. De C.V.<br>25. Isolation Du Sud SA<br>26. Issb Limited<br>27. MDC Sublance Probe Technology *<br>28. Regionale Ontwikkelingsmaatschappij Voor Het Noordzeekanaalgebied N.V.<br>29. Richard Lees Steel Decking Asia Snd. Bhd.<br>30. Rsp Holding B.V.<br>31. Schreiner Fleischer AS<br>32. Shanghai Bao Yi Beverage Can Making Co. Ltd. | Associate – Where the Company exercises significant influence |

**SCHEDULE N : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR 2008-09 :–** continued

| Party | Relationship |
|---|---|
| 33. Sms Mevac UK Limited<br>34. Stuwadoorsbedrijf Velserkom B.V.<br>35. Thoresen & Thorvaldsen AS<br>36. Trico LLC<br>37. Weirton/Hoogovens GP<br>38. Workington Cottage Trust<br>39. Wupperman Staal Nederland B.V.<br>vii) **The Indian Steel and Wire Products Ltd.**<br>1. Metal Corporation of India Ltd. | |
| **B.** i) **Jamshedpur Utilities & Services Company Ltd.**<br>1. Haldia Water Management Limited*<br>ii) **Tata Steel Ltd.**<br>1. Bhubaneswar Power Pvt. Ltd.*<br>2. mjunction services ltd.<br>3. S & T Mining Company Pvt. Ltd.*<br>4. Tata Bluescope Steel Ltd.<br>5. Tata NYK Shipping Pte Ltd.<br>6. Tata Ryerson Ltd.<br>7. The Dhamra Port Company Ltd.<br>iii) **Tata Steel Holdings Pte. Ltd.**<br>a) **Tata Steel Global Holdings Pte Ltd**<br>I **Tata Steel Europe Ltd.**<br>1. Afon Tinplate Company Limited<br>2. Air Products Llanwern Limited<br>3. B V Ijzerleew<br>4. Bsr Pipeline Services Limited<br>5. Caparo Merchant Bar Plc<br>6. Cindu Chemicals B.V.<br>7. Corus Celik Ticaret AS<br>8. Corus Cogifer Switches And Crossings Limited<br>9. Corus Kalpinis Simos Rom SRL<br>10. Tata Elastron SA<br>11. Danieli Corus Technical Services B.V.<br>12. Framing Solutions Plc. *<br>13. Grantrail Group Ltd. *<br>14. Hks Scrap Metals B.V.<br>15. Ijzerhandel Geertsema Staal B.V.<br>16. Industrial Rail Services Ijmond B.V.<br>17. Laura Metaal Holding B.V.<br>18. Norsk Stal AS<br>19. Norsk Stal Tynnplater AS<br>20. Ravenscraig Limited<br>21. Tata Elastron SA Steel Service Center<br>22. Texturing Technology Limited<br>II **Tata Steel Global Minerals Holdings Pte. Ltd.**<br>1. Riversdale Energy (Mauritius) Ltd. | Joint Venture |
| **C.** Tata Sons Ltd. | Promoters' holding together with its Subsidiaries is more than 20% |
| **D.** **Key Management Personnel**<br>Mr. B. Muthuraman | Whole Time Director |
| **E.** **Relatives of Key Management Personnel**<br>Ms. Sumathi Muthuraman | Relative of Whole Time Director |

* Part of the year.

## SCHEDULE N : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR 2008-09 :– continued

### 19. (b) Related Party Transactions

Rs. crores

| Transactions | Associates & JVs # | Key Management Personnel | Relatives of Key Management Personnel | Promoter | Total |
|---|---|---|---|---|---|
| **Purchase of Goods** | | | | | |
| Gietwalsonderhoudcombinatie B.V. | **131.00** | **–** | **–** | **–** | **131.00** |
| | *85.09* | – | – | – | *85.09* |
| Wupperman Staal Nederland B.V. | **109.20** | **–** | **–** | **–** | **109.20** |
| | *98.49* | – | – | – | *98.49* |
| BSR Pipeline Services Limited | **71.07** | **–** | **–** | **–** | **71.07** |
| | *41.92* | – | – | – | *41.92* |
| Caparo Merchant Bar Plc | **68.33** | **–** | **–** | **–** | **68.33** |
| | *194.50* | – | – | – | *194.50* |
| Jamipol Ltd. | **61.04** | **–** | **–** | **–** | **61.04** |
| | *50.79* | – | – | – | *50.79* |
| Others | **159.24** | **–** | **–** | **–** | **159.24** |
| | *347.29* | – | – | – | *347.29* |
| | **599.88** | **–** | **–** | **–** | **599.88** |
| | *818.08* | – | – | – | *818.08* |
| **Sale of Goods** | | | | | |
| Southern Steel, Berhard | **1,599.00** | **–** | **–** | **–** | **1,599.00** |
| | *1,111.59* | – | – | – | *1,111.59* |
| Tata Ryerson Ltd. | **773.31** | **–** | **–** | **–** | **773.31** |
| | *795.12* | – | – | – | *795.12* |
| Wupperman Staal Nederland B.V. | **612.53** | **–** | **–** | **–** | **612.53** |
| | *489.33* | – | – | – | *489.33* |
| Others | **784.42** | **–** | **–** | **–** | **784.42** |
| | *795.46* | – | – | – | *795.46* |
| | **3,769.26** | **–** | **–** | **–** | **3,769.26** |
| | *3,191.50* | – | – | – | *3,191.50* |
| **Receiving of Services** | | | | | |
| Tinplate Company of India Ltd. | **358.63** | **–** | **–** | **–** | **358.63** |
| | *222.73* | – | – | – | *222.73* |
| Tata NYK Shipping Pte Ltd. | **219.55** | **–** | **–** | **–** | **219.55** |
| | – | – | – | – | – |
| Tata Ryerson Ltd. | **88.77** | **–** | **–** | **–** | **88.77** |
| | *92.32* | – | – | – | *92.32* |
| Others | **23.74** | **–** | **–** | **53.83** | **77.57** |
| | *20.60* | *0.02* | *0.02* | *0.69* | *21.33* |
| | **690.69** | **–** | **–** | **53.83** | **744.52** |
| | *335.65* | *0.02* | *0.02* | *0.69* | *336.38* |
| **Rendering of Services** | | | | | |
| Tinplate Company of India Ltd. | **45.41** | **–** | **–** | **–** | **45.41** |
| | *35.83* | – | – | – | *35.83* |
| Tata Blue Scope Steel Ltd. | **37.04** | **–** | **–** | **–** | **37.04** |
| | *27.08* | – | – | – | *27.08* |
| Others | **19.56** | **–** | **–** | **0.24** | **19.80** |
| | *11.03* | – | – | *0.14* | *11.17* |
| | **102.01** | **–** | **–** | **0.24** | **102.25** |
| | *73.94* | – | – | *0.14* | *74.08* |
| **Purchase of Fixed Assets** | | | | | |
| TRF Ltd. | **17.10** | **–** | **–** | **–** | **17.10** |
| | *43.25* | – | – | – | *43.25* |
| Others | **0.40** | **–** | **–** | **–** | **0.40** |
| | *7.33* | – | – | – | *7.33* |
| | **17.50** | **–** | **–** | **–** | **17.50** |
| | *50.58* | – | – | – | *50.58* |
| **Dividend and Fraction Bonus amount paid to Shareholders** | | | | | |
| Tata Sons Ltd. | **–** | **–** | **–** | **333.07** | **333.07** |
| | – | – | – | *260.81* | *260.81* |
| Others | **–** | ***** | ****** | **–** | **0.01** |
| | – | *** | **** | – | *0.01* |
| | **–** | ***** | ****** | **333.07** | **333.08** |
| | – | *** | **** | *260.81* | *260.82* |
| **Dividend income** | | | | | |
| Norsk Stal AS | **38.46** | **–** | **–** | **–** | **38.46** |
| | *28.22* | – | – | – | *28.22* |
| Danieli Corus Technical Services B.V. | **19.49** | **–** | **–** | **–** | **19.49** |
| | – | – | – | – | – |
| Southern Steel, Berhard | **18.93** | **–** | **–** | **–** | **18.93** |
| | *18.05* | – | – | – | *18.05* |
| Others | **56.74** | **–** | **–** | **–** | **56.74** |
| | *65.16* | – | – | – | *65.16* |
| | **133.62** | **–** | **–** | **–** | **133.62** |
| | *111.43* | – | – | – | *111.43* |

**SCHEDULE N : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR 2008-09 :–** continued

**19. (b) Related Party Transactions**

Rs. crores

| Transactions | Associates & JVs # | Key Management Personnel | Relatives of Key Management Personnel | Promoter | Total |
|---|---|---|---|---|---|
| **Interest Expense** | | | | | |
| Danieli Corus Technical Services B.V | **2.17** | **–** | **–** | **–** | **2.17** |
| | *3.05* | *–* | *–* | *–* | *3.05* |
| | **2.17** | **–** | **–** | **–** | **2.17** |
| | *3.05* | *–* | *–* | *–* | *3.05* |
| **Interest Income** | | | | | |
| Tinplate Company of India Ltd. | **17.21** | **–** | **–** | **–** | **17.21** |
| | *0.64* | *–* | *–* | *–* | *0.64* |
| Industrial Energy Ltd. | **6.10** | **–** | **–** | **–** | **6.10** |
| | *1.76* | *–* | *–* | *–* | *1.76* |
| Others | **2.07** | **–** | **–** | **–** | **2.07** |
| | *163.47* | *–* | *–* | *–* | *163.47* |
| | **25.38** | **–** | **–** | **–** | **25.38** |
| | *165.88* | *–* | *–* | *–* | *165.88* |
| **Management contracts including deputation of employees** | | | | | |
| Tata Sons Ltd. | **–** | **–** | **–** | **50.00** | **50.00** |
| | *–* | *–* | *–* | *42.79* | *42.79* |
| | **–** | **–** | **–** | **50.00** | **50.00** |
| | *–* | *–* | *–* | *42.79* | *42.79* |
| **Finance Provided** | | | | | |
| Tinplate Company of India Ltd. | **110.00** | **–** | **–** | **–** | **110.00** |
| | *70.00* | *–* | *–* | *–* | *70.00* |
| Tata NYK Shipping Pte Ltd. | **87.84** | **–** | **–** | **–** | **87.84** |
| | *21.01* | *–* | *–* | *–* | *21.01* |
| Industrial Energy Ltd. | **130.53** | **–** | **–** | **–** | **130.53** |
| | *86.15* | *–* | *–* | *–* | *86.15* |
| Others | **72.28** | **–** | **–** | **–** | **72.28** |
| | *90.00* | *–* | *–* | *–* | *90.00* |
| | **400.65** | **–** | **–** | **–** | **400.65** |
| | *267.16* | *–* | *–* | *–* | *267.16* |
| **Unsecured advances/Deposits accepted** | | | | | |
| Tinplate Company of India Ltd. | **–** | **–** | **–** | **–** | **–** |
| | *0.95* | *–* | *–* | *–* | *0.95* |
| | **–** | **–** | **–** | **–** | **–** |
| | *0.95* | *–* | *–* | *–* | *0.95* |
| **Remuneration Paid** | | | | | |
| Mr. B. Muthuraman | **–** | **5.07** | **–** | **–** | **5.07** |
| | *–* | *3.66* | *–* | *–* | *3.66* |
| Dr. T. Mukherjee (upto 31.10.2007) | **–** | **–** | **–** | **–** | **–** |
| | *–* | *1.91* | *–* | *–* | *1.91* |
| Mr. A. N. Singh (upto 30.09.2007) | **–** | **–** | **–** | **–** | **–** |
| | *–* | *1.27* | *–* | *–* | *1.27* |
| | **–** | **5.07** | **–** | **–** | **5.07** |
| | *–* | *6.84* | *–* | *–* | *6.84* |
| **Guarantees and collaterals given** | | | | | |
| Tinplate Company of India Ltd. | **25.00** | **–** | **–** | **–** | **25.00** |
| | *–* | *–* | *–* | *–* | *–* |
| | **25.00** | **–** | **–** | **–** | **25.00** |
| | *–* | *–* | *–* | *–* | *–* |
| **Guarantees outstanding** | | | | | |
| Others | **–** | **–** | **–** | **–** | **–** |
| | *25.00* | *–* | *–* | *–* | *25.00* |
| | **–** | **–** | **–** | **–** | **–** |
| | *25.00* | *–* | *–* | *–* | *25.00* |

## SCHEDULE N : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR 2008-09 :– continued

### 19. (b) Related Party Transactions

Rs. crores

| Transactions | Associates & JVs # | Key Management Personnel | Relatives of Key Management Personnel | Promoter | Total |
|---|---|---|---|---|---|
| **Outstanding Receivables** | | | | | |
| Tinplate Company of India Ltd. | **191.18** | **–** | **–** | **–** | **191.18** |
| | *115.48* | *–* | *–* | *–* | *115.48* |
| Ravenscraig Limited | **158.90** | **–** | **–** | **–** | **158.90** |
| | *164.32* | *–* | *–* | *–* | *164.32* |
| Norsk Stal AS | **152.53** | **–** | **–** | **–** | **152.53** |
| | *27.65* | *–* | *–* | *–* | *27.65* |
| Others | **618.25** | **–** | **–** | **4.01** | **622.26** |
| | *390.84* | *0.01* | *0.01* | *3.36* | *394.22* |
| | **1,120.86** | **–** | **–** | **4.01** | **1,124.87** |
| | *698.29* | *0.01* | *0.01* | *3.36* | *701.67* |
| **Outstanding Payables** | | | | | |
| Tinplate Company of India Ltd. | **33.78** | **–** | **–** | **–** | **33.78** |
| | *11.69* | *–* | *–* | *–* | *11.69* |
| Tata Sons Ltd. | **–** | **–** | **–** | **55.68** | **55.68** |
| | *–* | *–* | *–* | *46.95* | *46.95* |
| Gietwalsonderhoudcombinatie B.V. | **19.67** | **–** | **–** | **–** | **19.67** |
| | *19.77* | *–* | *–* | *–* | *19.77* |
| Others | **61.54** | **–** | **–** | **–** | **61.54** |
| | *152.61* | *–* | *–* | *–* | *152.61* |
| | **114.99** | **–** | **–** | **55.68** | **170.67** |
| | *184.07* | *–* | *–* | *46.95* | *231.02* |

Notes :

| | |
|---|---|
| * | Rs. 43,389 |
| ** | Rs. 20,829 |
| *** | Rs. 33,883 |
| **** | Rs. 19,995 |

# Transactions with Joint Ventures have been disclosed at full value.

## SCHEDULE N : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR 2008-09 :– continued

**20. Earnings per Share (EPS)**

| | | 2008-09 | 2007-08 |
|---|---|---|---|
| | | **Rs. crores** | *Rs. crores* |
| (i) | Profit after Tax and Minority Interest | **4,950.90** | *12,349.98* |
| | *Less:* Preference dividend including tax thereon | **128.05** | *25.96* |
| | Profit attributable to ordinary shareholders | **4,822.85** | *12,324.02* |
| | Profit attributable to ordinary shareholders – for Diluted EPS | **5,213.74** | *12,305.26* |
| | | **Nos.** | *Nos.* |
| (ii) | Weighted Average No. of Ordinary Shares for Basic EPS | **72,99,13,379** | *69,70,12,514* |
| | *Add :* Adjustment for **8,750** *(2007-08: 8,750)* Convertible Alternative Reference Securities | **6,27,16,057** | *3,59,84,623* |
| | Adjustment for Options relating to **12,446** *(2007-08: 12,446)* Detachable Warrants (See Note 7, Page 256) | **7,613** | *11,010* |
| | Adjustment for **54,72,66,011** *(2007-08: 54,72,51,605)* Cumulative Convertible Preference Shares | **9,12,08,752** | *2,36,74,364* |
| | Weighted Average No. of Ordinary Shares for Diluted EPS | **88,38,45,801** | *75,66,82,511* |
| (iii) | Nominal Value of Ordinary Shares | **Rs. 10.00** | *Rs. 10.00* |
| (iv) | Basic Earnings per Ordinary Share | **Rs. 66.07** | *Rs. 176.81* |
| (v) | Diluted Earnings per Ordinary Share | **Rs. 58.99** | *Rs. 162.62* |

**21. Deferred Tax Liability (Net)**

| | | | Deferred Tax (Asset)/Liability as at | |
|---|---|---|---|---|
| | | | **31-03-2009** | *31-03-2008* |
| **Deferred Tax Liabilities** | | | **Rs. crores** | *Rs. crores* |
| (i) | Difference between book and tax depreciation | | **3,067.17** | *2,783.86* |
| (ii) | Prepaid expenses | | **32.56** | *38.53* |
| (iii) | Actuarial Gain / (Loss) | | **1,281.65** | *2,759.96* |
| (iv) | Others | | **1,037.21** | *847.77* |
| | | (A) | **5,418.59** | *6,430.12* |
| **Deferred Tax Assets** | | | | |
| (i) | Employee Separation Compensation | | **(504.87)** | *(503.87)* |
| (ii) | Wage Provision | | **(70.19)** | *(65.28)* |
| (iii) | Provision for doubtful debts and advances | | **(38.95)** | *(35.23)* |
| (iv) | Disallowance under Section 43B | | **(172.40)** | *(117.64)* |
| (v) | Provision for Leave Salary | | **(149.73)** | *(140.62)* |
| (vi) | Provision for Employee Benefits | | **(78.24)** | *(77.46)* |
| (vii) | Differences in written down value of development of property | | **(66.48)** | *(13.39)* |
| (viii) | Other Provisions | | **(2,328.62)** | *(2,743.69)* |
| (ix) | Redemption premium on CARS (See Note 23, Page 270) | | **(299.68)** | *(278.52)* |
| | | (B) | **(3,709.16)** | *(3,975.70)* |
| | **Deferred Tax Liability (Net)** | (A+B) | **1,709.43** | *2,454.42* |

**22.** Figures pertaining to the subsidiary companies and joint ventures have been reclassified wherever necessary to bring them in line with the Company's financial statements.

**23.** The Company raised Rs. 3,578.75 crores (US $ 875 million) through the issue of Foreign Currency Convertible Alternative Reference Securities ("CARS") during FY 2007-08. The CARS will be convertible into either qualifying securities (which may be in the form of depository receipts with restricted rights of withdrawal representing underlying ordinary shares with differential rights as to voting) or ordinary shares only between 4th September, 2011 to 6th August, 2012 and are redeemable in foreign currency only in September, 2012, if not converted into equity. The CARS will be convertible at a conversion price of Rs. 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%.

**SCHEDULE N : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR 2008-09 :–** continued

Premium payable on redemption and the expenses related to the issue of CARS are adjusted against the Securities Premium Account. Changes to premium payable on account of exchange fluctuation is transferred to "Foreign Currency Monetary Items Translation Difference Account" in line with Companies (Accounting Standards) Amendment Rules 2009 relating to Accounting Standard 11 (AS-11) notified by Government of India on 31st March, 2009. Such exchange fluctuation on the premium payable is amortised over the balance period of CARS but not beyond 31st March, 2011, by adjusting the same to Securities Premium Account. Accordingly, an amount of **Rs. 32.54** crores (net of deferred tax **Rs. 16.76** crores) has been amortised and adjusted against Securities Premium Account during the current financial year. During 2007-08, Rs. 10.51 crores (net of deferred tax Rs. 5.41 crores) being the gain on revaluation of the premium payable was adjusted against the Securities Premium Account. Fees to Mandated Lead Arrangers for revision in certain terms and conditions of standby letter of credit in the issue of CARS has been considered as issue expenses based on a legal opinion. The issue expenses of **Rs. 229.74** crores *(2007-08: Rs. 111.86 crores)* has been adjusted to Securities Premium Account.

**24.** Restructuring, impairment and disposals included in exceptional items relate to disposal/impairment of assets and restructuring arising out of the 'Fit for the Future' programme at Tata Steel Europe Limited.

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

**26.** Figures in italics are in respect of the previous year.

# Consolidated Financial Ratios

| | | 2008-09 | 2007-08 | 2006-07 | 2005-06 | 2004-05 | 2003-04 | 2002-03 | 2001-02 |
|---|---|---|---|---|---|---|---|---|---|
| 1. | EBIDTA/Turnover | **12.55%** | 13.90% | 30.73% | 32.23% | 39.35% | 31.19% | 23.79% | 15.85% |
| 2. | PBT/Turnover | **7.43%** | 7.65% | 25.09% | 27.20% | 34.08% | 24.27% | 14.10% | 3.04% |
| 3. | Return on Avg. Capital Employed | **15.57%** | 21.13% | 23.31% | 39.47% | 48.31% | 27.71% | 16.12% | 6.32% |
| 4. | Return on Avg. Net Worth | **16.18%** | 50.96% | 34.16% | 43.57% | 62.02% | 45.96% | 35.60% | 7.68% |
| 5. | Asset Turnover | **128.54%** | 108.27% | 76.65% | 120.89% | 107.44% | 100.15% | 79.18% | 65.43% |
| 6. | Inventory Turnover (in days) | **56.00** | 37.00 | 46.00 | 45.00 | 42.00 | 40.00 | 45.00 | 55.00 |
| 7. | Debtors Turnover (in days) | **39.00** | 28.00 | 21.00 | 23.00 | 24.00 | 30.00 | 47.00 | 63.00 |
| 8. | Gross Block to Net Block | **2.39** | 2.51 | 1.65 | 1.67 | 1.65 | 1.70 | 1.65 | 1.57 |
| 9. | Net Debt to Equity | **1.65** | 1.99 | 0.84 | 0.06 | 0.22 | 0.42 | 1.14 | 1.82 |
| 10. | Current Ratio | **1.78** | 1.87 | 2.45 | 1.35 | 1.11 | 1.07 | 1.39 | 1.63 |
| 11. | Interest Cover ratio | **4.32** | 3.46 | 16.38 | 35.21 | 28.52 | 21.89 | 5.09 | 1.56 |
| 12. | Networth per share (post CCPS conversion) | **330.70** | 472.27 | 223.35 | 181.53 | 128.95 | 81.52 | 89.23 | 68.16 |
| 13. | Earnings per share | **66.07** | 176.81 | 64.66 | 67.62 | 65.27 | 32.40 | 28.00 | 5.17 |
| 14. | Dividend Payout | **30.00%** | 11.00% | 26.00% | 22.00% | 23.00% | 23.00% | 32.00% | 78.00% |
| 15. | P/E Ratio | **3.12** | 3.92 | 6.95 | 7.93 | 6.14 | 11.84 | 4.78 | 18.89 |

1. EBIDTA/Turnover : Earnings Before Interest Depreciation Tax and Exceptional Items/Turnover.
   (EBIDTA : PAT after minority & share of associates + Taxes +(-) Exceptional Items + Net Finance Charges + Depreciation).
   (Turnover : Sales & Other Operating Income less Excise Duty).
2. PBT/Turnover : Profit Before Tax/Turnover.
   ( PAT after minority & share of associates + Taxes +(-) Exceptional Items).
3. Return on Average Capital Employed : EBIT/Average Capital Employed.
   (Capital Employed : Total Funds Employed – Miscellaneous Expenses to the extent not written off or adjusted - Foreign Currency Monetary Translation Diff Account)).
   (EBIT : PAT after minority & share of associates + Taxes +(-) Exceptional Items + Net Finance Charges).
4. Return on Average Net Worth : PAT after minority & share of associates/Average Net Worth.
   (Net Worth : Equity Share Capital + Preference Share Capital + Reserves & Surplus – Miscellaneous Expenses to the extent not written off or adjusted - Foreign Currency Monetary Translation Diff Account).
5. Asset Turnover : Net Sales/(Total Assets - Investments - Misc Expenses to the extent not written off or adjusted - Foreign Currency Monetary Translation Diff Account - Advance Against Equity + Current Liabilities & Provisions).
6. Inventory Turnover : Average Inventory/Sale of Products in days.
7. Debtors Turnover : Average Debtors/Turnover in days.
8. Gross Block to Net Block : Gross Block/Net Block.
9. Net Debt to Equity : Net Debt/Avg. Net Worth.
   (Net Debt :Secured Loan+Unsecured loan -Cash & Bank - Current Investments).
10. Current Ratio : Current Assets (excluding advance against equity)/Current Liabilities.
11. Interest Cover Ratio : Earnings Before Interest and Tax/Net Finance Charges.
12. Net Worth per share : Net Worth/Average Number of Equity Shares (post CCPS conversion).
13. Earnings per share(Basic) : Profit attributable to Ordinary Shareholders/Weighted average number of ordinary shares.
14. Dividend Payout : Dividend/PAT after minority & share of associates.
15. P/E Ratio : Market Price/Earnings per share (Basic).

# TATA STEEL LIMITED

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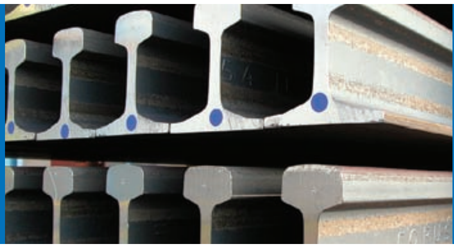


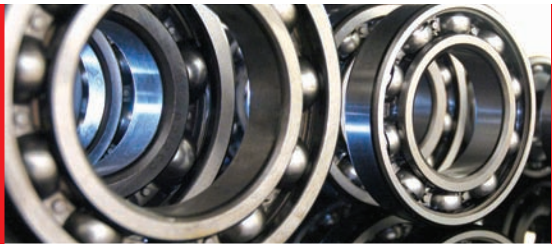


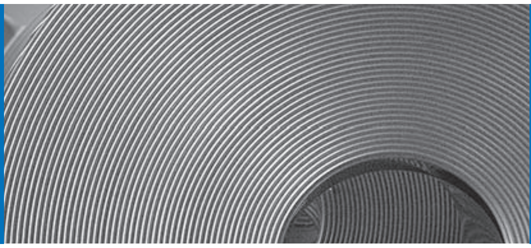


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