

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

- (a) The financial statements are prepared under the historical cost convention on an accrual basis.
- (b) Sale of Products and Services :
- (i) Sales comprises sale of goods and services, net of trade discounts and include exchange differences arising on sales transactions.
 - (ii) Export incentive under the Duty Entitlement Pass Book Scheme has been recognised on the basis of credits afforded in the pass book.
- (c) Gratuity :
Provision for gratuity liability to employees is made on the basis of actuarial valuation.
- (d) Leave Salaries :
Provision is made for value of unutilised leave due to employees at the end of the year.
- (e) Relining Expenses :
Relining expenses other than expenses on Blast Furnace relining are charged as an expense in the year in which they are incurred.
- (f) Research and Development :
Research and Development costs (other than cost of fixed assets acquired) are charged as an expense in the year in which they are incurred.
- (g) Depreciation :
- (I) Capital assets whose ownership does not vest in the Company have been depreciated over the estimated period of their utility or five years, whichever is less.
 - (II) In respect of other assets, depreciation is provided on a straight line basis applying the rates specified in Schedule XIV to the Companies Act, 1956 as under:—
 - (i) In respect of plant and machinery, railway siding, buildings and vehicles acquired before 1.4.1993 the specified period has been re-calculated by applying the revised rates in force in terms of the notification dated 16.12.1993 and the unamortised value of the asset has been allocated equally over the remaining part of the specified period and on assets acquired after 31.3.1993 at the revised rates.
For the purposes of determining the appropriate depreciation rates plant and machinery falling in the category of continuous process plants has been identified on the basis of technical opinion obtained by the Company. Extra shift depreciation, wherever applicable is calculated on actual shift basis in respect of each mill/shop/unit.
 - (ii) In respect of furniture, fixtures and office equipment acquired before 1.4.1993 at the rates in force prior to the abovementioned notification and at the revised rates for assets acquired thereafter.
 - (iii) Development of Property and Mining Rights are depreciated over the useful life of the mine or lease period whichever is shorter.
 - (iv) Blast Furnace relining is depreciated over a period of 10 years (average expected life).
 - (v) Freehold land and leasehold land are not depreciated.
- (h) Foreign Exchange Transactions :
Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year end rates.
The difference in translation of monetary assets and liabilities and realised gains and losses on foreign exchange transactions other than those relating to fixed assets are recognised in the Profit and Loss Account. In respect of transactions covered by forward exchange contracts, the difference between the contract rate and the spot rate on the date of the transaction is charged to the Profit and Loss Account over the period of the contract, except in case of liabilities incurred for acquiring fixed assets.
Exchange differences (including arising out of forward exchange contracts) in respect of liabilities incurred to acquire fixed assets are adjusted to the carrying amount of such fixed assets.
- (i) Fixed Assets :
All fixed assets are valued at cost less depreciation. Pre-operation expenses including trial run expenses (net of revenue) are capitalised. Interest on borrowings and financing costs during the period of construction is added to the cost of fixed assets.
Blast Furnace relining is capitalised. The written down value of the asset consisting of lining/relining expenditure embedded in the cost of the furnace is written off in the year of fresh relining. For assets identified for replacement during future relining, the written down value is depreciated proportionately over the period to the planned relining date.
- (j) Investments :
Long term investments are carried at cost less provision for permanent diminution in value of such investments. Current investments are carried at lower of cost and fair value. When investment is made in partly convertible debentures with a view to retain only the convertible portion of the debentures, the excess of the face value of the non-convertible portion over the realisation on sale of such portion is treated as a part of the cost of acquisition of the convertible portion of the debenture.
- (k) Inventories :
Finished and semi-finished products produced and purchased by the Company are carried at lower of cost and net realisable value. Purchased goods-in-transit are carried at cost.
Work-in-progress is carried at lower of cost and net realisable value.
Coal, iron ore and other raw materials produced and purchased by the Company are carried at lower of cost and net realisable value. Purchased raw materials-in-transit are carried at cost.
Stores and spare parts are carried at or below cost.
Cost of inventories is generally ascertained on the 'weighted average' basis. Work-in-progress and finished and semi-finished products are valued on full absorption cost basis.

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

- (l) Miscellaneous Expenditure :
In respect of the Schemes of Early Separation Compensation, introduced after 31st March, 2003, net present value of the future liability for pension payable is amortised equally over five years.
The increase in the net present value of the future liability for pension payable to employees who have opted for retirement under the Early Separation Scheme (ESS) of the Company upto 31st March, 2003, is charged to the Profit and Loss Account.
- (m) Compensation under the Employees Family Benefit Scheme of the Company is calculated on the basis of the net present value of the future monthly payments and charged to Profit and Loss Account.
- (n) 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. 164.39** crores (31.3.2003 : *Rs. 164.54 crores*) to banks and financial institutions on behalf of others. As at 31st March, 2004 the contingent liabilities under these guarantees amounted to **Rs. 164.39** crores (31.3.2003 : *Rs. 164.54 crores*).
- (b) Claims for taxes and miscellaneous items not acknowledged by the Company :—
(i) Gross — **Rs. 1025.26** crores (31.3.2003 : *Rs. 865.28 crores*).
(ii) Net of tax — **Rs. 684.32** crores (31.3.2003 : *Rs. 580.02 crores*).
- (c) Claim by a party arising out of conversion arrangement - **Rs. 195.82** crores (31.3.2003 : *Rs. 195.82 crores*). The Company has not acknowledged this claim and has instead filed a claim of **Rs. 139.65** crores (31.3.2003 : *Rs. 139.65 crores*) on the party. The dispute is under arbitration.
- (d) Uncalled liability on partly paid shares and debentures **Rs. 0.01** crore (31.3.2003 : *Rs. 0.01 crore*).
- (e) Bills discounted **Rs. 176.82** crores (31.3.2003 : *Rs. 90.57 crores*).
- (f) Cheques discounted : Amount indeterminate.
3. Excise Duty is inclusive of excise duty on captive consumption.
4. The Company has given undertakings to (a) IDBI, IFCI, LIC, IIBI, Union Bank of India and ICICI Bank Ltd. (formerly ICICI) 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., (c) IDBI not to dispose of its investment in Wellman Incandescent India Ltd., (d) IDBI and ICICI Bank Ltd. (formerly ICICI) not to dispose of its investment in Standard Chrome Ltd., (e) Citibank N.A. New York and ANZ Banking Group Ltd. not to dispose of its investment in Tata Incorporated, New York, 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 five companies remains outstanding. The Company has given undertaking to International Finance Corporation (Washington) [IFC(W)], to maintain the combined shareholding of the Company and Tata Sons Ltd. at 26% of the total issued capital of Tata Motors Ltd. on a best efforts basis until the IFC(W) loan of US\$ 50 million availed by Tata Motors Ltd. is fully repaid. The Company has also furnished a Security Bond in respect of its immovable property to the extent of Rs. 20 crores in favour of the Registrar of the Delhi High Court and has given an undertaking not to sell or otherwise dispose of the said property.
5. The total future liability for retiring gratuities payable in accordance with the Payment of Gratuity Act and the Company's Rules as on 31st March, 2004 as per the certificate of actuary is **Rs. 483.75** crores (31.3.2003 : *Rs. 351.00 crores*). Having regard to the amounts available with the Gratuity Fund and the balance of **Rs. 5.57** crores (31.3.2003 : *Rs. 1.74 crores*) in Provision for Retiring Gratuities Account, the liability is fully covered.
6. The long term Wage Agreements entered into by the Company with the employees at Jamshedpur and certain other locations expired during 1996-97. The new long term Wage Agreements entered into by the Company for these locations have been implemented with effect from 1st January, 2001. The long term Wage Agreements for the employees of the Collieries expired on 30th June, 2001.
During the year, Agreements were signed with the Unions and the outstanding issues regarding arrear payments were settled. The consequential additional liability of **Rs. 74.68** crores on such settlements over and above the provision available has been charged to the Profit and Loss Account for the year.
7. (a) During the year, the Company has changed its accounting policy for the Early Separation Scheme (ESS). Compensation to employees who have opted for retirement under the ESS which hitherto was amortised over 120 months is now being amortised equally over five years. Consequent to this change, the profit before taxes for the year and Miscellaneous Expenditure (to the extent not written off or adjusted) is lower by **Rs. 26.98** crores. The aggregate provision as at 31.3.2004 of **Rs. 1563.06** crores (31.3.2003 : *Rs. 1444.02 crores*) includes **Rs. 194.95** crores (31.3.2003 : *Rs. 252.27 crores*) in respect of schemes introduced during the year.
Consequent to the general reduction in interest rates, the basis of calculation of the present value in respect of provision for ESS payable under the Schemes has been revised. As a result, the Provision for Employee Separation Compensation (Item 6 of the Balance Sheet, Page 50) is higher and profit before taxes for the year is lower by **Rs. 142.33** crores.
- (b) The amounts payable within one year under the ESS aggregate to **Rs. 244.29** crores (31.3.2003 : *Rs. 256.26 crores*).
- (c) The amount shown under Miscellaneous Expenditure on ESS account represents the balance amount to be amortised over the future years.
8. The manufacturing and other expenses and depreciation shown in the Profit and Loss Account include **Rs. 22.53** crores (2002-2003 : *Rs. 15.39 crores*) and **Rs. 0.69** crore (2002-2003 : *Rs. 0.59 crore*) respectively in respect of Research and Development activities undertaken during the year.
9. (a) Sundry Creditors [Item No. (b)(i) and (iii) to Schedule K - Page 71] include **Rs. 6.13** crores (31.3.2003 : *Rs. 6.64 crores*), due to small scale and ancillary undertakings.
- (b) Sundry Creditors [Item No. (b)(iii) to Schedule K - Page 71] include grant of **Rs. 19.30** crores (31.3.2003 : *Rs. 19.30 crores*) for research project financed by Steel Development Fund.

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(c) The list of small scale undertakings to whom amount is outstanding for more than 30 days is as follows :

3-D TECHNO PRINTS	ELMAN'S STEEL INDIA	MACHINE TOOLS CENTRE	S N CHATTERJEE & CO.
A K HAJRA & COMPANY	EMPIRE INDUSTRIES	MADRAS CUPPERUM METAL	S R ENGINEERING WORKS
A L P COLOUR & CHEMICAL INDUSTRIES	ENGINEERING SPARES OF INDIA	MAHARASHTRA MACHINE	S V L ENTERPRISES
ABHISHEK INDUSTRIES	EURO ASIA DIESELS	MAHATO & CO.	SAI ASSOCIATES
ADBEE INDUSTRIES	FLEXIBLE HOSE COMPANY	MALABAR CARBONS PVT. LTD.	SANDEEP INDUSTRIES
ADVANCE REINFORCED PVT.LTD.	FLUID CONTROL ENGINEERING	MALLABHUM POLYPACKS (P) LTD.	SANDEEP POLYMERS
AEICORP PRIVATE LTD.	FOURESS ENGG. (INDIA) LTD.	MANNA ENGINEERING WORKS	SANDHU TECHNOCRATS PVT. LTD.
AIRAUTO INDUSTRIES,	G R INDUSTRIES	MANOJ ENTERPRISES.	SANGAM AUTO WORKS
AJANTA ENGINEERING WORKS	GAJANAND ENGINEERING	MASS ENGINEERING PVT. LTD.	SANJALY PRINTING WORKS
ALCALAB PRIVATE LIMITED	GANESH ENGINEERING WORKS	MASTER GRIND ABRASIVES	SANKALP SOFT NET
ALLIED RUBBER INDUSTRIES	GASTON ENGG. CO.	MAYUR OFFSET PRIVATE LTD.	SCIENTIFIC & SURGICALS
AMAR (INDIA)	GEETA TIMBER MART	MEC FAB ENGINEERING	SERVO INDIA
AMIN PRINTING PRESS	GENERAL ENGINEERING CO.	MECH ENGINEERS	SHAH BROTHERS
ANAND PRINTING PRESS	GENERAL ENGINEERING WORKS	MECHANO RUBBER & ALLIED INDUSTRIES	SHARMA BROTHERS
ANIMESH ENTERPRISES	GLASSY ENTERPRISES	MEHTA ENGINEERING WORKS	SHERPA FRUIT PRODUCTS
ANK SALES PVT. LTD.	GLOBAL CORPORATION	METCO	SHREE PUROHIT ENGINEERING WORKS
ANKUR ENGINEERING WORKS	GLOBAL ENGINEERING WORKS	MICRON ENGINEERING INDUSTRIES	SINGH ELECTRIC CO.
ARIES APPLIANCES	GOLCHA CHEMICAL INDUSTRIES	MIM PLASTICS	SINGHBBHUM REFRACTORIES
ARUN DIE WORKS	GON ENGINEERING WORKS	MINING ASSOCIATES	SINGHBBHUM MECHINO METAL PVT. LTD.
ARVICO RUBBER INDUSTRIES	GOURI SHANKAR & CO.	MODERN PRINTERS	SOHANPAL ENGG. WORKS
ARVIND FOOTWEARS PVT. LTD.	GOVIND ENGINEERING WORKS	MOON LIGHT ENTERPRISES	SOKHI & SONS
ASHU RUBBER MANUFACTURING	GURUNANAK ENGINEERING CO.	NAB ENGINEERING COMPANY	SOKHI ENGG. PVT. LTD.
ASIAN ENGINEERING CO	GURUNANAK ENGINEERING WORKS	NASCENT DATA AID	SOSUN ENGINEERING CO.
ASSOCIATED CHEMICAL INDUSTRIES	H K INDUSTRIES	NAT STEEL EQUIPMENT PVT. LTD.	SOUTH BIHAR PLASTIC PVT. LTD.
ASSOCIATED ENGINEERING CO.	HAM PLASTIC INDUSTRIES	NATIONAL ENGINEERING ENTERPRISES	SPACEAGE INDUSTRIES
ATLANTA ENGINEERING CO.	HANS ENGINEERING CO.	NATIONAL INDUSTRIAL CORP.	SPECIAL TOOL MANUFACTURER
B M C METAL CAST LTD.	HATIM CARBON CO. PVT. LTD.	NAVIN UDYOG	SPEED N SYSTEM CONTAINERS
B C ENGINEERING WORKS	HENKAL CHEMBOND SURF	NEEPAZ TUBE (P) LTD.	SPEEDAGE EXPRESS CARGO SERVICE
BAJARANGBALI ENGINEERING WORKS	HIND ENGINEERING & FOUNDRY CO.	NEW ALLENBERY WORKS	STEADY MARKETING & SERVICES (P) LTD.
BALAKRISHNA & CO.	HIND ENGINEERING CO.	NEW ALLENBY ENGINEERING WORKS	SUBERNAREKHA ENTERPRISES
BARBIL DIESELS	HINDUSTAN ELECTRICAL WORKS	NEW CARBONIC GAS INDUSTRIES	SUDHIR MFG. CO.
BARBIL EMPORIUM	HINDUSTAN ROPE WORKS	NEW EASTERN ENGINEERS	SUKHWINDER ROADWAYS
BENGAL RUBBER & PLASTIC WORKS	HINDUSTAN RUBBER PRODUCT	NEW EMPIRE INDUSTRIES	SUNDARAM INDUSTRIES LTD.
BENGAL TECHNOCRATS PVT. LTD.	HINDUSTAN STEEL TECH	NEW SANTRA PIPE FITTINGS PVT. LTD.	SUNIL & CO.
BHARAT ELECTRICALS	HI-TECH PRODUCT AGENCIES	NIMPS AGRO FARMS	SUNNY GLOVES INDUSTRIES
BHARAT ENGINEERING CO.	HYDROCRIMP A.C (P) LTD.	NORTHERN ALLYOS BHAVNAGAR LTD.	SUNRAJ INDUSTRIES
BHARAT ENGINEERS	IGEL MANUFACTURING	OM ENTERPRISES	SUTLEJ ENGG. WORKS
BHOHAL ENGINEERING CO.	IMECO LIMITED	ORISSA ENGINEERING WORKS	SVEDALA INDUSTRIES
BHOLA BABA POLYMERS	INDIA CONSTRUCTION CO.	OSHAN ENTERPRISES	SWARN ENGINEERING WORKS
BIBA GLOSSTICK & LAMINATIONS (I) INDIA	INDIA MILLS STORES SUPPLY	OSTA ENTERPRISES	SYNERGY ENTERPRISES
BIDYUT SADAN	INDIAN FORGING & STAMPING	PAL ENGINEERING WORKS	T R INDUSTRIES
BIHAR CEMENT CONCRETE PRODUCTS	INDO COMPRESSED TOOLS (PVT) LTD.	PAPPU ARTS	TARJEET FOUNDRY
BIHAR ELECTRIC & REFRIGERATION CO.	INDRA ENGINEERS	PAUL ENGINEERING TOOLS CO.	TATANAGAR COLD STORAGE CO. PVT. LTD.
BIHAR ELECTRICAL WORKS	INDUSTRIAL PNEUMATIC TOOLS CO.	PAUL ENGINEERING WORKS	TATANAGAR ENGG. & MACHINE MFG. CO.
BIZEL ELECTROTEC (INDIA) PVT. LTD.	INTERFACE ENGG PVT. LTD.	PETRO SYNTH (INDIA) LTD.	TAURUS FLEXIBLE
BMC METALCAST LTD.	INTERFACE SOLUTIONS	PINAK INDUSTRIES	TECHNO ENTERPRISES
BRIJ AUTOMOBILE & GENERAL INDUSTRIES	J D MAL & BROS.	PIONEER ENGINEERING WORKS	TECHNOFOUR
C I O TYRES PVT. LTD.	J MANGSUN & COMPANY	PIONEER TECHNOCRATS PVT. LTD.	THE JO ENGINEERING SERVICES (P) LTD.
C M EQUIPMENTS & INSTRUMENTS (I) LTD.	J S ENTERPRISES	PLASTECH INDUSTRIES	THE MINES SERVICE CORPORATION
CALCUTTA ANODIZING WORKS	JAGUAR ENGG. WORKS	PLASTOCHEM FABRICATION	THE ORIENT ENGINEERING CO.
CANARA ENGINEERS PVT. LTD.	JAI MAA KALI INDUSTRIES	PNEUMATIC POWER TOOLS & CO.	THE ORIENT PRINTERS
CEELC AMALGAMATED PVT. LTD.	JAI SUPRABHA PROTECT	POLYPACK INDIA MANUFACTURING CO.	THE WAXPOL INDUSTRIES LTD.
CHACHRA BROS.	JAIPUR STEEL STRIPS	PRAKASH ELECTRONICS	THYRISTORAGE
CHHABI NON-FERREOUS CASTING.	JAMS ENGG (P) LTD.	PRAKASH ENGG. WORKS	TINWALD INDUSTRIES
CLASSIC PRODUCTS	JAY PEE INDUSTRIES	PRASAD MACHINES & SPARES	TRANSDUCERS AND ALLIED PRODUCTS
CONCORD ARAI PVT. LTD.	JIND INDUSTRIAL & MANUFACTURING WORKS	PREET ENGG. CO.	UCOFLEX INDUSTRIAL
CONCORD STEEL WORKS	JOLLEY INDUSTRIES	PURAN SINGH & SONS	UDYOGI PLASTICS (P) LTD.
CORES & CONTAINERS PVT. LTD.	JOSEPH LESLIE & CO.	PYLOFF PACKAGING PVT. LTD.	UNIFRAX INDIA LTD.
CRESCENT INDUSTRIES	JUMBO ENGINEERING PVT. LTD.	QUALITY ENGINEERING WORKS	UNIVERSAL INDUSTRIAL PAINTS
CRS ENGINEERING WORKS	K A INDUSTRIES	R. PURSHOTTAM & SONS	UNIVERSAL PRINTING WORKS
DARSHAN LAL & CO.	KISHORE PUMP PRIVATE LTD.	R TRADERS	UNIVERSAL TRADE CENTRE
DAS & DAS	KRISHNA INDUSTRIES	R K INDUSTRIES	URICA ENTERPRISES
DEB ASSOCIATES	KRISHNA PLASTIC WORKS	RAGHUNATH ENGINEERING INDUSTRIES	USHA ENGINEERS
DEEPSUN INDUSTRIAL CORPORATION	KUMAR INSPECTION AGENCY	RAJ TECHNICAL WORKS	V EXCEL ENGINEERS
DEY'S ENGINEERING	KUMAR UDYOG	RAJ INDUSTRIAL & ENGG. CO.	VASANI ENTERPRISES
DIAMOND AUTO & ELECTRICALS	KUMUD METAL FOUNDRY	RAJ TECHNICAL WORKS	VIBRO SCREEN INDUSTRIES
DILIP & COMPANY	KUNNATH ENGINEERING	RAJESH ENGINEERING WORKS	VIIRDI MECHANICAL WORKS
DIVYA ENTERPRISE	KWALITY ENGINEERING	RAJPUT ENGINEERING CO.	VIJAY INDUSTRIAL EQUIPMENTS CO.
DURO ENGINEERING COMPLEX	LAL CHAND & SONS.	RAKIRO BIOTECH SYSTEM	VINAYS ENGINEERS
EASTERN DIAMOND PRODUCTS LTD.	LAXMI ENGINEERING & CO.	RECMANN HOISTS & CRANES	VISHAL PRESS CRAFT
EASTERN MACHINERY WORKS	LECHLER (INDIA) PVT. LTD.	REGULAR ENGINEERING COMPANY	VISHKARMA FURNITURE SHOP
EASTWELL ASBESTOS INDUSTRIES	LUBCON UNIVERSAL PVT LTD.	REINOL OBSTFELD INDIA	VIVEK INDUSTRIES
ELASTOMER LINING WORKS	LUCKY PRINTERS	S G METAL INDUSTRIES	VKE VALVE INDUSTRIES PVT. LTD.
ELECTROMAG METHODS	M S P INDUSTRIES PVT. LTD.	S K METAL FOUNDRY	WALPHA ENGINEERING
ELECTRONIC EQUIPMENT	M K INDUSTRIES	S DAS & CO.	WEST BENGAL ENGINEERING WORKS
ELECTRONICA MACHINE TOOLS LTD.	M R PLASTICS	S I ENTERPRISES	WUD TOOLS

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

The above information has been compiled in respect of parties to the extent to which they could be identified as small scale and ancillary undertakings on the basis of information available with the Company.

10. (a) The Company has an investment of **Rs. 95.68** crores (31.3.2003 : Rs. 95.68 crores) in Tinsplate Company of India Ltd. (TCIL). A net amount of **Rs. 15.92** crores (31.3.2003 : Rs. 35.10 crores) is due from TCIL on account of supply of steel materials, power etc. TCIL has accumulated losses.

(b) Having regard to the long term involvement in TCIL, no provision is considered necessary on this account.

11. 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 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 up Equity Shares of ISWP at Rs. 10 each and Rs. 10.88 crores into unsecured loan to be repaid by ISWP in 8 annual instalments starting from 2004-05; (d) advanced Rs. 10.63 crores during the year to ISWP towards one time settlement with financial institutions, capital expenditure and margin for working capital.

Considering the present financial position of ISWP, the amounts due from ISWP of Rs. 13.12 crores written off in earlier years has not been recognised, provision already made for doubtful advances of Rs. 10.88 crores has been retained and a provision has been made for the diminution in value of investments of Rs. 5.05 crores.

12. 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 on 31.3.2004 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	—	1.65	—
		0.37	0.37	—
The Indian Steel and Wire Products Ltd.	Subsidiary	21.51	21.51	—
		—	—	—
Kalimati Investment Co. Ltd.	Subsidiary	—	20.00	936,037
		—	—	936,037
Tinsplate Company of India Ltd.	Associate	—	18.00	—
		—	33.00	—
Tata Construction & Projects Ltd.	Associate	—	3.79	—
		3.79	9.90	—
Kalinga Aquatics Ltd.	Associate	—	—	—
		—	2.54	—
Rujvalika Investments Ltd.	Associate	—	4.06	778,929
		4.06	4.06	778,395
Nilachal Refractories Ltd.	Associate	—	9.02	—
		—	—	—
Tata Sons Ltd.	Others	—	50.00	73,048,694
		—	—	73,048,744
Tata Finance Ltd.	Others	—	23.00	24,163
		23.00	23.00	24,163
Tata Teleservices Ltd.	Others	113.00	145.00	—
		75.00	75.00	—
Rallis India Ltd.	Others	—	18.50	—
		1.50	1.50	—
Nelco Ltd.	Others	—	1.00	—
		—	—	—
Tata Industries Ltd.	Others	—	40.00	380,246
		—	—	380,246

13. The Company had issued during 1992-93, 1,15,50,000 Secured Premium Notes (SPN) of Rs. 300 each aggregating to Rs. 346.50 crores with Warrants attached for subscribing to one ordinary share of Rs. 10 each per SPN at a premium of Rs. 70 per share. The warrant holders have exercised their option in respect of 1,11,61,201 Detachable Warrants. For the balance of 3,88,799 Detachable Warrants for which option has not been exercised, the option is deemed to have lapsed except in respect of approximately 12,446 Detachable Warrants applicable to matters which are in dispute and for which the option is deemed to be kept alive for the time being. In terms of issue of SPNs, they have been redeemed on 24.8.1999.

14. Estimated amount of contracts remaining to be executed on Capital Account and not provided for : **Rs. 1106.73** crores (31.3.2003 : Rs. 264.49 crores).

15. Consequent on the realignment of the value of foreign currency loans, the rupee liability of the Company in respect of such loans has increased by a net amount of **Rs. 11.25** crores (2002-2003 : Rs. 60.69 crores). This increase has been adjusted in the carrying cost of the fixed assets to the extent of **Rs. 11.25** crores (2002-2003 : Rs. 60.69 crores) and **Rs. Nil** (2002-2003 : Rs. Nil) charged to revenue.

16. The Company has taken on lease Plant and Machinery, having an aggregate cost of **Rs. 58.01** crores (31.3.2003 : Rs. 67.63 crores). Future obligations by way of lease rentals in respect of these lease agreements (net of provisions made) amount to **Rs. 16.20** crores (31.3.2003 : Rs. 33.20 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. 15.03** crores (2002-2003 : Rs. 18.50 crores).

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

17. Information about Primary Business Segments :

Particulars	Business Segments		Unallocable Rs. crores	Total Rs. crores
	Steel Rs. crores	Others Rs. crores		
Revenue :				
Total External Sales	9,361.70	1,340.69	—	10,702.39
	7,731.09	990.23	—	8,721.32
Inter segment sales	514.11	82.47	—	596.58
	383.96	63.05	—	447.01
Total Revenue	9,875.81	1,423.16	—	11,298.97
	8,115.05	1,053.28	—	9,168.33
Less : Inter segment sales	514.11	82.47	—	596.58
	383.96	63.05	—	447.01
Total Sales	9,361.70	1,340.69	—	10,702.39
	7,731.09	990.23	—	8,721.32
Segment result before interest, exceptional items and tax	2775.83	194.73	40.25	3010.81
	1,694.54	87.92	14.43	1,796.89
Less : Interest (See Schedule 3, Page 54)				122.17
				304.82
Profit before Exceptional items and tax				2888.64
				1,492.07
Exceptional items				
Less : Employee's Separation Compensation (See Note 7, Page 73)				(230.83)
				(229.57)
Add : Profit on Sale of Long Term Investments				8.15
				—
Profit before Tax				2665.96
				1,262.50
Taxes				919.74
				250.19
Profit after Taxes				1746.22
				1,012.31
Segment Assets	9,963.42	486.65	1,490.79	11,940.86
	9,799.08	580.83	811.99	11,191.90
Segment Liabilities	1,915.44	196.79	1,886.56	3,998.79
	1,645.08	168.57	876.93	2,690.58
Total Cost incurred during the year to acquire Segment assets	954.79	5.54	—	960.33
	439.31*	11.92	—	451.23*
Segment Depreciation	607.09	18.02	—	625.11
	536.77	18.71	—	555.48
Non-Cash Expenses other than depreciation	85.08	14.55	46.92	146.55
	113.00	40.48	0.35	153.83

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

Information about Secondary Segments :- Geographical	2003-04	<i>2002-03</i>
	Rs. crores	<i>Rs. crores</i>
Revenue by Geographical Market		
India	9,119.19	<i>7,349.30</i>
Outside India	1,583.20	<i>1,372.02</i>
	<u>10,702.39</u>	<i><u>8,721.32</u></i>
Additions to Fixed Assets and Intangible Assets		
India	960.33	<i>451.23*</i>
Outside India	—	<i>—</i>
	<u>960.33</u>	<i><u>451.23</u></i>
Carrying Amount of Segment Assets		
India	11,940.65	<i>11,191.78</i>
Outside India	0.21	<i>0.12</i>
	<u>11,940.86</u>	<i><u>11,191.90</u></i>

* Excludes net fixed assets of Rs. 165.66 crores added on amalgamation of erstwhile Tata SSL Ltd.

Notes :

- (i) The Company has disclosed Business Segment as the primary segment. Segments have been identified taking into account the nature of the products, the differing risks and returns, the organisational structure and internal reporting system. The Company's operations predominantly relate to manufacture of steel. Other business segments comprise Tubes, Bearings and Ferro Alloys and Minerals Division.
- (ii) 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 :	2003-04	<i>2002-03</i>
	Rs. crores	<i>Rs. crores</i>
Investments	2,194.12	<i>1,194.55</i>
Miscellaneous expenditure	155.97	<i>—</i>
	<u>2,350.09</u>	<i><u>1,194.55</u></i>
Total Unallocable Liabilities exclude :		
Secured Loans	3,010.16	<i>3,667.63</i>
Unsecured Loans	363.12	<i>557.98</i>
Provision for Employee Separation Compensation	1,563.06	<i>1,444.02</i>
Deferred Tax Liability (Net)	839.96	<i>840.22</i>
	<u>5,776.30</u>	<i><u>6,509.85</u></i>

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

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

18. Related Party Disclosures :

(a) List of Related Parties and Relationships

Party	Relationship
A. Kalimati Investment Company Ltd. Stewarts & Lloyds of India Ltd. Tata Incorporated Tata Korf Engineering Services Ltd. Tata Refractories Ltd. The Tata Pigments Ltd. TM International Logistics Ltd. The Indian Steel and Wire Products Ltd. Lanka Special Steels Ltd. Jamshedpur Utilities and Services Company Ltd. International Shipping Logistics FZE	Subsidiary
B. Adityapur Toll Bridge Company Ltd. Almora Magnesite Ltd. Indian Steel Rolling Mills Ltd. Jamshedpur Injection Powder Ltd. Kalinga Aquatics Ltd. Kumardhubi Fireclay & Silica Works Ltd. Kumardhubi Metal Casting & Engineering Ltd. Nicco Jubilee Park Ltd. Nilachal Refractories Ltd. Rujjuvalika Investments Ltd. Srutech Tubes (India) Pvt. Ltd. Tata Construction & Projects Ltd. Tata Metaliks Ltd. Tata Services Ltd.* Tata Sponge Iron Ltd. Tayo Rolls Ltd.® Tinplate Company of India Ltd. TRF Ltd. TKM Overseas Ltd. TKM Transport Management Services Private Ltd. Metal Corporation Ltd.	Associate - Shareholding of the Company on its own or along with Subsidiaries is 20% or more
C. metaljunction.com Pvt. Ltd. Tata Ryerson Ltd.	Joint Ventures
D. Tata Sons Ltd.	Promoter, holding together with its Subsidiary is more than 20%
E. Key Management Personnel Mr. B. Muthuraman Dr. T. Mukherjee Mr. A.N. Singh	Whole Time Directors
F. Relatives of Key Management Personnel Ms Sumathi Muthuraman Ms Pallavi Arun Ms Shuvra Mukerjee Ms Ipshita Kamra	Relatives of Whole Time Directors

* Part of the year.

® Formerly known as Tata Yodogawa Ltd.

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

Amount in Rs. crores

Transactions	Subsidiaries	Associates & JVs	Key Management Personnel	Relatives of Key Management Personnel	Promoter	Total
Purchase of Goods						
Jamshedpur Injection Powder Limited	—	43.27	—	—	—	43.27
	—	40.27	—	—	—	40.27
Tata Refractories Limited	74.38	—	—	—	—	74.38
	72.05	—	—	—	—	72.05
Tata Sponge Iron Limited	—	73.19	—	—	—	73.19
	—	66.22	—	—	—	66.22
Others	2.43	22.32	—	—	—	24.75
	4.64	42.92	—	—	—	47.56
	76.81	138.78	—	—	—	215.59
	76.69	149.41	—	—	—	226.10
Sale of Goods						
Tata Ryerson Limited	—	255.54	—	—	—	255.54
	—	104.33	—	—	—	104.33
Tinplate Company of India Limited	—	144.79	—	—	—	144.79
	—	76.01	—	—	—	76.01
Others	20.00	77.16	—	—	—	97.16
	8.90	41.43	—	—	—	50.33
	20.00	477.49	—	—	—	497.49
	8.90	221.77	—	—	—	230.67
Sale of Securities						
Tata Sons Limited	—	—	—	—	0.03	0.03
	—	—	—	—	—	—
	—	—	—	—	0.03	0.03
	—	—	—	—	—	—
Purchase of Fixed Assets						
Stewarts & Lloyds of India Limited	6.05	—	—	—	—	6.05
	3.88	—	—	—	—	3.88
TRF Limited	—	31.95	—	—	—	31.95
	—	11.69	—	—	—	11.69
Others	—	—	—	—	—	—
	0.01	0.11	—	—	0.80	0.92
	6.05	31.95	—	—	—	38.00
	3.89	11.80	—	—	0.80	16.49
Sale of Assets						
Tata Ryerson Limited	—	0.60	—	—	—	0.60
	—	—	—	—	—	—
TM International Logistics Limited	0.31	—	—	—	—	0.31
	—	—	—	—	—	—
Others	—	—	—	—	—	—
	3.01	—	—	—	—	3.01
	0.31	0.60	—	—	—	0.91
	3.01	—	—	—	—	3.01
Rendering of Services to						
Tayo Rolls Limited	—	2.46	—	—	—	2.46
	—	3.43	—	—	—	3.43
TM International Logistics Limited	1.71	—	—	—	—	1.71
	0.20	—	—	—	—	0.20
Others	0.56	3.01	—	—	0.08	3.65
	1.65	36.41	—	—	0.08	38.14
	2.27	5.47	—	—	0.08	7.82
	1.85	39.84	—	—	0.08	41.77
Receiving of Services from						
Tata Ryerson Limited	—	57.81	—	—	—	57.81
	—	49.75	—	—	—	49.75
Tinplate Company of India Limited	—	112.79	—	—	—	112.79
	—	115.20	—	—	—	115.20
TM International Logistics Limited #	117.21	—	—	—	—	117.21
	57.90	—	—	—	—	57.90
Others	7.15	8.88	0.01	0.01	1.48	17.53
	0.28	23.47	0.03	0.03	2.95	26.76
	124.36	179.48	0.01	0.01	1.48	305.34
	58.18	188.42	0.03	0.03	2.95	249.61
Leasing or Hire purchase arrangements						
Tata Sponge Iron Limited	—	0.63	—	—	—	0.63
	—	—	—	—	—	—
	—	0.63	—	—	—	0.63
	—	—	—	—	—	—
Agency arrangements (income)						
	—	—	—	—	—	—
	—	0.12	—	—	—	0.12

net of Compensation received Rs. 2.39 crores.

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

18. (b) Related Party Transactions

Transactions	Amount in Rs. crores					
	Subsidiaries	Associates & JVs	Key Management Personnel	Relatives of Key Management Personnel	Promoter	Total
Finance provided (including loans and equity contributions in cash or in kind)						
The Indian Steel and Wire Products Limited	26.51	—	—	—	—	26.51
Kalimati Investment Company Limited	24.30	—	—	—	—	24.30
Tata Sons Limited	—	—	—	—	50.00	50.00
Tinplate Company of India Limited	—	18.00	—	—	124.00	124.00
Others	3.16	9.32	—	—	—	12.48
	0.15	8.59	—	—	—	8.74
	53.97	27.32	—	—	50.00	131.29
	0.15	45.59	—	—	124.00	169.74
Interest income during the year						
Kalimati Investment Company Limited	0.14	—	—	—	—	0.14
Rujuvalika Investments Limited	—	0.18	—	—	—	0.18
Tinplate Company of India Limited	—	0.03	—	—	—	0.03
Others	—	0.21	—	—	—	0.21
	—	4.25	—	—	—	4.25
	—	0.01	—	—	0.02	0.03
	—	0.17	—	—	0.24	0.41
	0.14	0.40	—	—	0.02	0.56
	—	4.45	—	—	0.24	4.69
Finance received (including loans and equity contribution in cash or in kind)	—	—	—	—	—	—
	—	—	—	—	10.00	10.00
Interest paid during the year	—	—	—	—	—	—
	—	0.01	—	—	0.01	0.02
Guarantees given during the year	—	—	—	—	—	—
Management Contracts including deputation of employees						
Tata Sons Limited	—	—	—	—	22.71	22.71
Others	—	—	—	—	18.35	18.35
	—	0.07	—	—	—	0.07
	—	0.02	—	—	—	0.02
	—	0.07	—	—	22.71	22.78
	—	0.02	—	—	18.35	18.37
Dividend income						
Jamshedpur Injection Powder Limited	—	1.91	—	—	—	1.91
Tata Metaliks Limited	—	0.64	—	—	—	0.64
Tata Sponge Iron Limited	—	2.95	—	—	—	2.95
Others	—	2.65	—	—	—	2.65
	—	1.84	—	—	—	1.84
	—	1.22	—	—	—	1.22
	2.77	0.77	—	—	—	3.54
	5.68	0.94	—	—	—	6.62
	2.77	7.47	—	—	—	10.24
	5.68	5.45	—	—	—	11.13
Provision for receivables made during the year						
Nilachal Refractories Limited	—	9.09	—	—	—	9.09
Tata Korf Engineering Services Limited	2.51	—	—	—	—	2.51
Others	0.48	—	—	—	—	0.48
	0.37	2.23	—	—	0.01	2.61
	—	1.36	—	—	—	1.36
	2.88	11.32	—	—	0.01	14.21
	0.48	1.36	—	—	—	1.84
Agency commission paid	—	—	—	—	—	—
	—	0.04	—	—	—	0.04
Dividend paid to shareholders						
Tata Sons Limited	—	—	—	—	58.44	58.44
Others	0.75	0.62	*	**	29.22	29.22
	—	0.31	—	—	—	1.37
	0.75	0.62	—	—	58.44	59.81
	—	0.31	—	—	29.22	29.53
Unsecured advances/deposits accepted						
Nicco Jubilee Park Limited	—	0.52	—	—	—	0.52
Tata Sponge Iron Limited	—	1.99	—	—	—	1.99
Others	0.10	—	—	—	0.10	0.20
	—	—	—	—	—	—
	0.10	2.51	—	—	0.10	2.71
	—	—	—	—	—	—

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

Amount in Rs. crores

Transactions	Subsidiaries	Associates & JVs	Key Management Personnel	Relatives of Key Management Personnel	Promoter	Total
Remuneration paid						
Mr B Muthuraman	—	—	1.37	—	—	1.37
	—	—	0.72	—	—	0.72
Dr T Mukherjee	—	—	1.15	—	—	1.15
	—	—	0.62	—	—	0.62
Mr A N Singh	—	—	0.90	—	—	0.90
	—	—	0.57	—	—	0.57
Others	—	—	—	0.03	—	0.03
	—	—	—	0.01	—	0.01
	—	—	3.42	0.03	—	3.45
	—	—	1.91	0.01	—	1.92
Bad debts written off						
Nilachal Refractories Limited	—	9.05	—	—	—	9.05
	—	—	—	—	—	—
Tata Constructions and Projects Limited	—	4.01	—	—	—	4.01
	—	—	—	—	—	—
Tata Korf Engineering Services Limited	2.83	—	—	—	—	2.83
	0.02	—	—	—	—	0.02
Others	0.07	0.36	—	—	—	0.43
	0.20	11.90	—	—	—	12.10
	2.90	13.42	—	—	—	16.32
	0.22	11.90	—	—	—	12.12
Liabilities written back						
	—	—	—	—	—	—
	0.69	2.51	—	—	—	3.20
Provision for diminution in value of Investments made during the year						
The Indian Steel and Wire Products Limited	5.05	—	—	—	—	5.05
	—	—	—	—	—	—
Others	—	0.35	—	—	—	0.35
	0.12	—	—	—	—	0.12
	5.05	0.35	—	—	—	5.40
	0.12	—	—	—	—	0.12
Guarantees outstanding as on 31.3.2004						
Tinplate Company of India Limited	—	70.00	—	—	—	70.00
	—	70.00	—	—	—	70.00
Others	—	1.44	—	—	—	1.44
	—	1.44	—	—	—	1.44
	—	71.44	—	—	—	71.44
	—	71.44	—	—	—	71.44
Debit balances outstanding as on 31.3.2004						
Outstanding receivables						
The Indian Steel and Wire Products Limited	22.92	—	—	—	—	22.92
	—	—	—	—	—	—
Tata Ryerson Limited	—	20.43	—	—	—	20.43
	—	14.70	—	—	—	14.70
Tinplate Company of India Limited	—	27.66	—	—	—	27.66
	—	42.63	—	—	—	42.63
Others	9.78	16.55	0.01	0.01	1.72	28.07
	3.55	24.76	—	—	1.58	29.89
	32.70	64.64	0.01	0.01	1.72	99.08
	3.55	82.09	—	—	1.58	87.22
Provision for outstanding receivables						
The Indian Steel and Wire Products Limited	10.91	—	—	—	—	10.91
	—	—	—	—	—	—
Others	1.33	3.34	—	—	0.01	4.68
	1.42	11.93	—	—	—	13.35
	12.24	3.34	—	—	0.01	15.59
	1.42	11.93	—	—	—	13.35
Credit balances outstanding as on 31.3.2004						
Outstanding payables						
Tata Ryerson Limited	—	17.68	—	—	—	17.68
	—	12.38	—	—	—	12.38
Tata Sons Limited	—	—	—	—	26.58	26.58
	—	—	—	—	22.36	22.36
Tinplate Company of India Limited	—	11.75	—	—	—	11.75
	—	7.54	—	—	—	7.54
TM International Logistics Limited	11.40	—	—	—	—	11.40
	8.90	—	—	—	—	8.90
Others	10.88	19.56	2.10	—	—	32.54
	6.21	22.21	0.90	—	—	29.32
	22.28	48.99	2.10	—	26.58	99.95
	15.11	42.13	0.90	—	22.36	80.50

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

19. The Company has the following Joint Ventures as on 31st March, 2004 and its proportionate share in the Assets, Liabilities, Income and Expenditure of the Joint Venture companies is given below :

Name of the Joint Venture Company	Percentage of Holding	As at 31st March, 2004				Rs. crores	
		Assets	Liabilities	Contingent Liabilities	Capital commitment	Income	Expenditure
Tata Ryerson Ltd. (incorporated in India)	50%	97.98 79.79	56.25 47.53	1.07 0.57	0.05 0.13	178.51 97.16	169.05 95.17
metaljunction.com Pvt. Ltd. (incorporated in India)	50%	8.59 5.45	2.64 0.88	— —	0.05 0.02	5.87 2.50	3.89 1.90

20. Earnings Per Share (EPS):

	2003-04	<i>2002-03</i>
	Rs. crores	<i>Rs. crores</i>
(i) Profit after tax	1746.22	<i>1012.31</i>
Profit attributable to Ordinary Shareholders	1746.22	<i>1012.31</i>
	Nos.	<i>Nos.</i>
(ii) Weighted average No. of Ordinary Shares for Basic EPS	36,89,81,904	<i>36,89,81,904@</i>
Add : Adjustment for Options relating to 12,446 (2002-03 : 12,446) Detachable Warrants (See Note 13, Page 75)	9,850	<i>5,002</i>
Weighted average no. of Ordinary Shares for Diluted EPS	36,89,91,754	<i>36,89,86,906</i>
(iii) Nominal value of Ordinary Shares	Rs. 10	<i>Rs. 10</i>
(iv) Basic/Diluted Earnings per Ordinary Share	Rs. 47.32	<i>Rs. 27.43</i>

@ including 12,10,003 Ordinary Shares of Rs. 10 each issued to the shareholders of the erstwhile Tata SSL Ltd. on amalgamation with the Company with effect from 1.4.2002

21. Deferred Tax Liability (Net) (Item No. 5, Page 50):

	Deferred tax liability/(asset) as at 1.4.2003 Rs. crores	Current year charge/(credit) Rs. crores	Deferred tax liability/(asset) as at 31.3.2004 Rs. crores
Deferred Tax Liabilities			
(i) Difference between book and tax depreciation	1669.68	16.65	1686.33
(ii) Prepaid Expenses	6.31	(2.08)	4.23
(iii) Deferred Revenue Expenditure	0.75	(0.75)	—
(A)	1676.74	13.82	1690.56
Deferred Tax Assets			
(i) Early Separation Scheme	(128.30)	(17.26)	(145.56)
(ii) Wage Provision	(20.76)	20.19	(0.57)
(iii) Provision for doubtful debts & advances	(53.68)	14.68	(39.00)
(iv) Disallowance under Section 43B	(16.87)	(15.22)	(32.09)
(v) Provision for Leave Salary	(71.62)	(23.27)	(94.89)
(vi) Provision for Retiring Gratuity	(0.62)	(1.38)	(2.00)
(vii) Other Deferred Tax Assets	(0.51)	(0.03)	(0.54)
(viii) Past losses and unabsorbed depreciation	(2.94)	2.94	—
	(295.30)	(19.35)	(314.65)
(ix) Miscellaneous Expenditure adjusted against Securities Premium Account	(541.22)	5.27	(535.95)
(B)	(836.52)	(14.08)	(850.60)
Deferred Tax Liability (net)	840.22	(0.26)	839.96

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

22. Licensed and installed capacities and production : ⁽¹⁾	Licensed capacity	Installed capacity ⁽²⁾	Production ⁽³⁾
	Tonnes	Tonnes	Tonnes
Class of Products			
(i) Saleable Steel	N.A.	3,320,000	4,089,255⁽⁴⁾
	N.A.	3,320,000	3,940,586
(ii) Cold Rolled Coils	N.A.	100,000	109,070
	N.A.	100,000	106,132
(iii) Billets	N.A.	—	—⁽⁵⁾
	N.A.	150,000	56,274
Wire Rods	N.A.	265,000	270,090⁽⁵⁾
	N.A.	250,000	259,724
Wires	N.A.	199,700	192,571
	N.A.	168,100	169,997
Cold Rolled Coils & Profiles	N.A.	46,000	31,883
	N.A.	46,000	30,231
(iv) Ferro Manganese & Silico Manganese	N.A.	50,000	32,550
	N.A.	30,500	42,350
(v) Charge Chrome	N.A.	50,000	25,902
	N.A.	50,000	50,606
(vi) Welded Steel Tubes	N.A.	185,000	185,149⁽⁶⁾
	N.A.	185,000	178,909
(vii) Cold Rolled Strips	N.A.	15,800	—
	N.A.	15,800	—
(viii) Carbon and Alloy Steel Bearing Rings, Annular Forgings and Flanges	N.A.	5,250	2,582
	N.A.	5,250	3,776
(ix) Metallurgical Machinery	N.A.	—⁽⁷⁾	12,339
	N.A.	—	9,921
	Numbers	Numbers	Numbers
(x) Alloy Steel Ball Bearing Rings	N.A.	20,500,000	16,466,371⁽⁸⁾
	N.A.	20,500,000	17,827,252
(xi) Bearings	N.A.	25,000,000	21,980,089
	N.A.	25,000,000	20,052,789

N.A. Not Applicable in terms of the Government of India's Notification No. S.O. 477(E) dated 25th July, 1991.

(1) Excluding items intended for captive consumption.

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

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

(4) Including semi-finished steel produced **554,569 tonnes** (2002-2003 : 563,210 tonnes) and steel transferred for manufacture into Tubes/C.R. Strips at the Company's Tubes Division **231,378 tonnes** (2002-2003 : 217,720 tonnes) / steel transferred for manufacture of Cold Rolled Coils and for packing of Cold Rolled Coils at the Company's Cold Rolling Mill Division (West) **116,232 tonnes** (2002-2003 : 121,095 tonnes) and steel transferred for manufacture of Wire Rods **249,168 tonnes** (2002-2003 : 192,071 tonnes) at the Company's Wire Rod Mill (West).

(5) Billets include transfer of Billets to Wire Rod Mill **Nil** (2002-2003 : 56,270 tonnes), transfer of Wire Rods to Wire Plants at Borivali and Tarapur **189,343 tonnes** (2002-2003 : 160,802 tonnes) and wire rods to Cold Rolling Mill Sisodra **303 tonnes** (2002-2003 : 2,774 tonnes).

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

(7) There is no separate installed capacity.

(8) Including rings transferred for manufacture of Bearings.

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

23. Turnover, Closing and Opening Stocks :

Class of Products	Turnover ⁽¹⁾		Closing Stock		Opening Stock	
	Tonnes	Rupees crores	Tonnes	Rupees crores	Tonnes	Rupees crores
(i) Saleable Steel (Finished)	3,472,777⁽²⁾	8523.26	305,542	410.01	276,242	374.28
	3,448,019	7013.12	276,242	374.28	233,775	330.11
Agrico Products		37.93		0.35		4.97
		40.70		4.97		3.51
		8561.19		410.36		379.25
		7053.82		379.25		333.62
(ii) Semi-finished Steel and Scrap	384,202	435.36	97,956	87.45	75,556	66.83
	536,811	458.15	75,556	66.83	80,662	86.02
(iii) Welded Steel Tubes	178,064⁽³⁾	575.00	20,341	41.64	20,112	36.85
	165,915	472.53	20,112	36.85	14,753	27.14
(iv) Carbon and alloy steel bearing rings ...	2,491	21.09	346	2.04	648	3.16
	3,116	26.94	648	3.16	437	1.95
(v) By-products, etc.		82.38		1.59		2.13
		66.43		2.13		7.22
(vi) Raw Materials :—						
(a) Ferro Manganese	21,300	53.94	—	—	—	—
	29,536	58.19	—	—	—	—
(b) Charge Chrome/Ferro Chrome ⁽⁴⁾	113,989	331.86	671	1.32	5,233	11.04
	94,157	221.28	5,233	11.04	5,470	6.76
(c) Other Raw Materials	—	896.41	—	—	—	—
	—	564.11	—	—	—	—
(vii) Other Products ⁽⁵⁾		97.30		49.54		27.44
		73.78		27.44		37.24
(viii) Alloy Steel Ball Bearing Rings ⁽⁶⁾	Numbers 15,868,999	64.82	Numbers 3,280,091	9.12	Numbers 2,978,045	8.57
	15,037,774	52.95	2,978,045	8.57	2,716,236	6.73
(ix) Bearings	22,879,777	120.30	2,831,299	14.57	3,763,576	19.19
	18,864,244	110.25	3,763,576	19.19	2,582,894	13.22
(x) Metallurgical Machinery	Tonnes 12,339	87.69	Tonnes		Tonnes	
	9,921	56.35				
(xi) Sale of Purchased Materials						
(a) Saleable Steel (finished/converted)	2,542	4.24	1,468	4.50	888	2.32
	9,971	7.41	888	2.32	45	0.10
(b) Scrap/Other Materials/Raw Materials	—	—	—	—	—	—
	2,007	1.06	—	—	—	0.15
		11331.58		622.13		556.78
		9223.25		556.78		520.15

Notes :

- (1) Turnover includes exchange gain (net) **Rs. 0.43** crore (2002-2003 : Rs. 2.94 crores).
- (2) Including steel material converted by re-rollers : **970,153** tonnes (2002-2003 : 787,293 tonnes).
- (3) Includes Welded Steel Tubes converted under conversion arrangement **14,095** tonnes (2002-2003 : 9,894 tonnes).
- (4) Turnover includes Ferro Chrome converted under conversion arrangement **78,555** tonnes (2002-2003 : 43,456 tonnes).
- (5) Includes tubular steel structures **Rs. 63.63** crores (2002-2003 : Rs. 41.82 crores).
- (6) Turnover includes sale proceeds of Salvaged Rings, Stock includes Semi-Finished Rings/Flanges.

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

	Tonnes	Rupees crores
24. Purchase of Finished, Semi-Finished Steel and Other Products : (1)		
A. For Resale :		
(i) Finished/Semi-Finished Steel Materials	3,272	6.12
	13,034	14.13
(ii) Others		3.43
		0.81
B. For Own Consumption :		
(i) Finished/Semi-Finished Steel Materials (2)	109,231	294.65
	117,482	215.85
(ii) Scrap/Pig Iron	485,060	458.90
	342,394	223.27
(iii) Others		4.03
		4.96
		767.13
		<u>459.02</u>
(1) including exchange gain (net) of Rs. 0.01 crore [(2002-2003 : exchange loss (net) Rs. 0.02 crore)]		
(2) includes components for manufacture of metallurgical machinery Rs. 19.21 crores (2002-2003 : Rs. 4.79 crores)		
25. Raw materials consumed : @	Tonnes	Rupees crores
(i) Iron ore	6,145,184	160.72
	6,132,715	164.73
(ii) Coal [excluding 3,414,125 tonnes (2002-2003 : 3,364,746 tonnes) valued at Rs. 711.78 crores (2002-2003 : Rs. 692.43 crores) used for manufacturing coke]	973,772	94.36
	1,014,348	100.10
(iii) Coke	2,513,629	812.31
	2,404,408	773.12
(iv) Limestone and Dolomite	1,434,320	188.54
	1,419,418	178.46
(v) Ferro Manganese	18,609	42.33
	18,090	37.22
(vi) Zinc and Zinc Alloys	20,183	114.52
	16,708	89.45
(vii) Spelter, sulphur and other materials [excluding 102,283 tonnes valued at Rs. 23.38 crores (2002-2003 : 128,565 tonnes valued at Rs. 31.38 crores) used in the manufacture of Ferro Manganese]	594,328	293.52
	588,665	303.52
		1,706.30
		<u>1,646.60</u>

Note : @ The consumption figures shown above are after adjusting excesses and shortages ascertained on physical count, unserviceable items, etc. including exchange gain (net) **Rs. 5.29** crores [2002-2003 : exchange gain (net) Rs. 1.13 crores]

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

26. Value of direct imports (C.I.F. value) :

	Rupees crores
(i) Raw materials	570.36 514.00
(ii) Semi-finished products	57.78 21.45
(iii) Components, stores and spare parts	139.11 121.51
(iv) Capital goods	38.81 32.93

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

	Raw materials		Components, stores and spare parts	
	Rupees crores	Percentage	Rupees crores	Percentage
(a) Directly imported	675.66 635.08	39.60 38.57	161.35 117.55	13.84 11.01
(b) Indigenously obtained	1,030.64 1,011.52	60.40 61.43	1,004.78 950.27	86.16 88.99
	1,706.30 <u>1,646.60</u>	100.00 <u>100.00</u>	1,166.13 <u>1,067.82</u>	100.00 <u>100.00</u>
Less : Consumption charged to other revenue accounts			564.45 <u>453.00</u>	
			601.68 <u>614.82</u>	

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

(ii) In respect of items which are purchased both from 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.

28. Expenditure in foreign currency :

	Rupees crores	Previous Year Rupees crores
(i) Technical Know-how and Technical Consultants' Fees (net of taxes) including Rs. 101.22 crores on capital account (2002-2003 : Rs. 22.01 crores)	101.71	26.88
(ii) Interest and Commitment charges payable in foreign currencies	36.95	45.81
(iii) Commission	7.60	8.43
(iv) Payable on other accounts	17.15	14.66

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

The Company has not remitted any amount in foreign currencies on account of dividends during the year and does not have information as to the extent to which remittances, if any, in foreign currencies on account of dividends have been made by/on behalf of non-resident shareholders. The particulars of dividends for the year 2002-2003 payable to non-resident shareholders, which dividends were declared during the year, are as under :

	Current Year	<i>Previous Year</i>
(i) Number of non-resident shareholders	2,143	<i>1,850</i>
(ii) Number of Ordinary shares held by them	15,554,013	<i>31,331,720</i>
(iii) Gross amount of dividends	Rs. 12.44 crores	<i>Rs. 12.53 crores</i>

30. Earnings in foreign exchange :

- (i) Export of steel and other materials (at F.O.B. value) **Rs. 1,496.56** crores (*2002-2003 : Rs. 1,313.23 crores*) .[including value of exports through export houses]
- (ii) Interest received on swap deals **Rs. Nil** (*2002-2003 : Rs. 13.35 crores*).
- (iii) Dividend **Rs. 0.23** crore (*2002-2003 : Rs. Nil*).
- (iv) Others **Rs. 4.52** crores (*2002-2003 : Rs. 5.57 crores*).

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

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