

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

### 1. Accounting Policies :

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

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convertible portion of the debentures, the excess of the face value of the non-convertible portion over the realisation on sale of such portion is treated as a part of the cost of acquisition of the convertible portion of the debenture.

**(k) Inventories :**

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

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

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

Stores and spare parts are carried at or below cost.

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

**(l) Miscellaneous Expenditure :**

Compensation to employees who have opted for retirement under the Employee Separation Schemes of the Company is amortised over 120 months.

**(m) Compensation to employees who have been separated under the Employees Family Benefit Scheme of the Company is calculated on the basis of the net present value of the future monthly payments and charged to profit and loss account.****(n) Secured Loans :**

Discount Charges on Discount Bonds are written off over the period of the Bonds.

**(o) Deferred Tax is accounted for by computing the tax effect of timing differences which arise during the year and reverse in subsequent periods.****2. Contingent Liabilities :****(a) Guarantees —**

The Company has given guarantees aggregating **Rs. 164.54** crores (31.3.2002 : Rs. 134.54 crores) to banks and financial institutions on behalf of others. As at 31st March, 2003 the contingent liabilities under these guarantees amounted to **Rs. 164.54** crores (31.3.2002 : Rs. 134.54 crores).

**(b) Claims for taxes and miscellaneous items not acknowledged by the Company —**

(i) Gross — **Rs. 865.28** crores (31.3.2002 : Rs. 700.14 crores).

(ii) Net of tax — **Rs. 580.02** crores (31.3.2002 : Rs. 467.76 crores).

**(c) Claim by a party arising out of conversion arrangement — Rs. 195.82 crores (31.3.2002 : Rs. 195.82 crores). The Company has not acknowledged this claim and has instead filed a claim of Rs. 139.65 crores (31.3.2002 : 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 (31.3.2002 : Rs. 0.10 crore).****(e) Bills discounted Rs. 90.57 crores (31.3.2002 : Rs. 80.86 crores).****(f) Cheques discounted : Amount indeterminate.****3.(A) Scheme of Amalgamation of Tata SSL Ltd. with the Company :**

(a) Pursuant to the Shareholders' approval at the Court convened meeting of the Company held on 18th December, 2002 and the sanction of the Honourable Bombay High Court to the Scheme of Amalgamation, the assets and liabilities of the erstwhile Tata SSL Ltd. whose principal business was manufacture of wire and wire rods, were transferred to and vested in the Company with effect from the appointed date viz., 1st April, 2002 in accordance with the Scheme so sanctioned. The Scheme has accordingly, been given effect to in the Accounts.

(b) The amalgamation has been accounted for under the "Pooling of Interests method" as prescribed by Accounting Standard 14 (AS-14) issued by the Institute of Chartered Accountants of India. Accordingly the assets, liabilities and other reserves of the erstwhile Tata SSL Ltd. as at 1st April, 2002 have been taken over at their book values. As a result reserves of the erstwhile Tata SSL Ltd. aggregating to Rs. 114.09 crores have been added to the reserves of the Company. Further, 12,10,003 Ordinary Shares of the face value of Rs. 10 each fully paid would be issued to the other shareholders of the erstwhile Tata SSL Ltd. in exchange of 60,50,016 shares held by them in the erstwhile Tata SSL Ltd. in the ratio of 1:5.

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- (c) The difference of Rs. 110.15 crores between the value of net assets taken over, the face value of the shares to be issued and the investment of the Company in the shares of Tata SSL Ltd. has been adjusted to the General Reserve of the Company.
- (d) Pursuant to the Scheme, referred to in (a) above 2,56,03,544 shares held by the Company in the erstwhile Tata SSL Ltd. have been cancelled.
- (B) The figures for the previous year do not include figures for the erstwhile Tata SSL Ltd. and accordingly the current year's figures are not comparable to those of the previous year.
4. The Shareholders of the Company at the Extra-Ordinary General meeting held on 19th March, 2003 approved and the Honourable High Court of Judicature at Bombay vide its order passed on 7th May, 2003 confirmed the adjustment of Miscellaneous Expenditure representing employee separation cost upto Rs.1510.09 crores, against the Securities Premium Account and Capital Redemption Reserve in accordance with the provisions of Sections 78 and 80 read with Section 100 of the Companies Act.
- Accordingly an amount of Rs. 1508.63 crores representing unamortised employee separation cost as on 31.3.2003 has been adjusted against Securities Premium Account [Rs. 817.41 crores (net of deferred tax asset of Rs. 541.22 crores)] and Capital Redemption Reserve (Rs. 150 crores) during the year.
5. Excise Duty is inclusive of excise duty on captive consumption.
6. Charge of depreciation is net of reversal of excess depreciation charged in the previous years aggregating Rs. 15.46 crores.
7. The Company has given undertakings to (a) IDBI, IFCI, LIC, IIBI, Union Bank of India and ICICI not to dispose of its investment in Tinsplate Company of India Limited, (b) ICICI, IFCI and IIBI not to dispose of its investment in the Indian Steel Rolling Mills Ltd., (c) IDBI not to dispose of its investment in Wellman Incandescent India Ltd., (d) IDBI and ICICI not to dispose of its investment in Standard Chrome Ltd., (e) Citibank N.A. New York, Chase Manhattan Bank, New York and ANZ Banking Group Ltd. not to dispose of its investment in Tata Incorporated, New York, (f) IDBI not to dispose of its investment in Tata Metaliks Ltd. and (g) ABN-Amro Bank N. V. not to dispose of its investment in Tata Korf Engineering Services Ltd., without the prior consent of the respective financial institutions/banks so long as any part of the loans/facilities sanctioned by the institutions/banks to these seven companies remains outstanding. The Company 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.
8. The total future liability for retiring gratuities payable in accordance with the Payment of Gratuity Act and the Company's Rules is actuarially determined as on 31st March, 2003 at **Rs. 351.00** crores (31.3.2002 : Rs. 260.00 crores). Having regard to the amounts available with the Gratuity Fund and the balance of **Rs. 1.74** crores (31.3.2002 : Rs. 17.69 crores) in Provision for Retiring Gratuities Account, the liability is fully covered.
9. The long term Wage Agreements entered into by the Company with the employees at Jamshedpur and certain other locations expired during 1996-97. The new long term Wage Agreements entered into by the Company for these locations have been implemented with effect from 1.1.2001. Outstanding issue, if any, will be discussed with the local union.
- The long term Wage Agreements for the employees of the Collieries expired on 30.6.2001. As the full basic salary of majority of coal employees is covered under 100% DA neutralisation scheme, the Company is of the view that further additional wage is not payable.
10. (a) In accordance with past practice, provision for Employee Separation Compensation has been calculated on the basis of the present value of the future monthly payment of pension and lumpsum benefits under the scheme. Consequent to the reduction in interest rates, the basis of calculation of present value has been revised during the year. The aggregate provision as at 31st March, 2003 of **Rs. 1444.02** crores (31.3.2002 : Rs. 989.50 crores) includes **Rs. 252.27** crores (31.3.2002 : Rs. 178.20 crores) in respect of schemes introduced during the year.
- (b) The amounts payable within one year under the schemes aggregate to **Rs. 256.26** crores (31.3.2002 : Rs. 261.81 crores).
11. Provision for taxation is net of tax credit of Rs. 128.63 crores available in respect of Minimum Alternate Tax paid under Section 115 JA of Income Tax Act, 1961, in earlier years.
12. The manufacturing and other expenses and depreciation shown in the Profit and Loss Account include **Rs. 15.39** crores (2001-2002 : Rs. 6.72 crores) and **Rs. 0.59** crore (2001-2002 : Rs. 0.59 crore) respectively in respect of Research and Development activities undertaken during the year.
13. (a) Sundry Creditors [Item No. (b)(i) and (iii) to Schedule K - Page 56] include **Rs. 6.64** crores (31.3.2002 : Rs. 2.89 crores), due to small scale and ancillary undertakings.
- (b) Sundry Creditors [Item No. b(iii) to Schedule K - Page 56] include grant of **Rs. 19.30** crores (31.3.2002 : Rs.19.30 crores) for research project financed by Steel Development Fund.
- (c) The undertakings from whom amounts outstanding for more than 30 days in respect of small scale undertakings are as under :
- (1) Bajarangbali Engineering Works (2) Aries Appliances (3) Gujarat Wedge Wire Screens Ltd. (4) Jolley Industries (5) Orissa Engineering Works (6) Vibro Screen Industries (7) The Waxpol Industries Ltd. (8) Northern Alloys Bhavnagar Ltd. (9) R K Industries

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(10) R. Traders (11) Engineering Spares of India (12) Joseph Leslie & Co. (13) The Mines Service Corporation (14) Steelton (15) Subarnarekha Enterprises (16) Nascent Data Aid (17) Bengal Technocrats Pvt. Ltd. (18) Barbil Emporium (19) Barbil Diesels (20) Calcutta Anodizing Works (21) Das & Das (22) India Mills Stores Supply (23) Bengal Rubber & Plastic Works (24) Lucky Printers (25) Sreema (26) The Orient Engineering Co. (27) Gon Engineering Works (28) Mining Associates (29) M Alam Welding Works (30) Mona Engineering (31) R N Pandey (32) Swarn Engineering Works (33) Spike & Span Engineering Works (34) S R Engineering Works (35) Modern Printers (36) Charu & Son (37) 3-D Techno Prints (38) Amar (India) (39) Abhishek Industries (40) Arvind Footwears Pvt. Ltd. (41) Atlanta Engg. Company (42) A K Hajra & Company (43) A L P Colour & Chemical Industries (44) A R Engineering Works (45) Bhola Baba Polymers (46) Bhogal Engineering Company (47) Bharat Engineering & Mfg. Co., (48) Bihar Electrical Works (49) Biswas Engineering Works (50) Biba Glosstick & Laminations (I) In (51) BMC Metalcast Ltd. (52) South Bihar Plastic Pvt. Ltd. (53) The Bihar Saw Mills (54) Ceelc Amalgamated Pvt. Ltd. (55) Chhabi Non-Ferrous Casting (56) Duns Ceramics Industries (57) Dey's Engineering (58) Divya Enterprise (59) Electronica Machine Tools Ltd. (60) Fibro Plasticchem (India) Pvt. Ltd. (61) Ferro Well Castings (62) Global Corporation (63) Gaston Engg. Co. (64) Gurunanak Engineering Works (65) Hydrokrimp Ac Pvt. Ltd. (66) Ham Plastic Industries (67) Hindustan Rope Works (68) H S Udyog (69) Hi-Tech Marketing (70) Hi-Tech Product Agencies (71) Indo Compressed Tools Pvt. Ltd. (72) Interface Engg. Pvt. Ltd. (73) Inductotherm (India) Ltd. (74) India Mills Stores Supply (75) Imeco Limited (76) Industrial Pneumatic Tools Co. (77) J D Mal & Bros. (78) Jams Engg. (P) Ltd. (79) Jaguar Engg. Works (80) Jind Indl. & Manuf. Works (81) Kajal Enterprise (82) Kanhaiya Enterprises (83) Kamala Hydraulic Works (84) Krishna Industries (85) Krishna Plastic Works (86) Kumar Udyog (87) Likhra Binding & Printing Works (88) Lal Chand & Sons. (89) L M Industries (90) Leo Plasts & Synthetic Moulders (91) Lubcon Universal Pvt. Ltd. (92) Manorama Enterprises (93) Manoj Enterprises (94) Mass Engineering Pvt. Ltd. (95) Manna Engg. Works (96) M K Industries (97) M R Plastics (98) Machine Tools Centre (99) National Automotive Components (100) National Carbon Products (101) New Eastern Engineers (102) New Santra Pipe Fittings Pvt. Ltd. (103) Navin Udyog (104) Om Enterprises (105) Oil Seals Mfg. Co. Pvt. Ltd. (106) Prakash Electronics (107) Paul Engineering Works (108) Pioneer Engineering Works (109) Pankaj Industries (110) Plastech Industries (111) Polypack India Manufacturing Co. Pvt. (112) Prasad Machies & Spares (113) Pneumatic Power Tools & Co. (114) Regular Engineering Company (115) R Kumar & Company (116) Reinol Obstfeld India (117) Sardul Auto Works (P) Ltd. (118) Sharma Brothers (119) Scientek Co. (120) S.Das & Co. (121) Sutlej Engg. Works (122) Sutlej Engineering Works (123) S G Metal Industries (124) Spaceage Industries (125) S I Enterprise (126) S K Metal Foundry (127) Steady Marketing & Services (P) Ltd. (128) S N Chatterjee & Co. (129) Technofour (130) Tara Engg. & Manufacturing Co. (131) Taurus Flexibles (132) Tinwald Industries (133) Tatanagar Mechanical Industries (134) T R Industries (135) Universal Industrial Paints (136) Vijay Industrial Equipments Co. (137) Vishal Press Craft (138) West Bengal Engineering Works (139) Walpha Engineering (140) Animesh Enterprises (141) Bihar Electrical Works (142) Bidyut Sadan (143) Dey's Engineering (144) Euro Asia Diesels (145) Hindustan Electrical Works (146) Jaguar Engg. Works (147) Maa Kailash Devi (148) Neepaz Tube (P) Ltd. (149) Sai Associate (150) Sutlej Engineering Works (151) S I Enterprise (152) Speedage Express Cargo Service (153) United Electric Concern (154) Vishal Press Craft (155) Aeicorp Private Limited (156) Airauto Industries (157) Allied Rubber Industries (158) Asian Engineering Co. (159) Associated Chemical Industries (160) Balakrishna & Co. (161) Bhogal Engg. Co. (162) Bihar Electric & Refrigeration Co. (163) BMC Metalcast Limited (164) Brij Automobile & General Industries (165) C I O Tyres Pvt. Ltd. (166) C M Equipments & Instruments (I) Pvt. Ltd. (167) Chachra Bros. (168) Crescent Industries (169) Deepsun Industrial Corportion (170) Duro Engineering Complex (171) Eastern Machinery Works (172) Electromag Methods (173) Elman's Steel India (174) Empire Industries (175) Fouress Engg. (India) Ltd. (176) General Engineering Co. (177) Golchha Chemical Industries (178) Gouri Shankar & Co. (179) Gurunanak Engineering Works (180) Hans Engineering Co. (181) Hatim Carbon Co. Pvt. Ltd. (182) Hind Engg. & Foundry Co. (183) Hydrokrimp A.C. (P) Ltd. (184) India Construction Co. (185) India Mills Stores Supply (186) Indra Engineers (187) Inkas Tar & Bitumen Products (188) Jind Industrial & Mfg. Works (189) Jumbo Engineering Pvt. Ltd. (190) Kishor Pump Private Ltd. (191) Malabar Carbons Pvt. Ltd. (192) Mechano Rubber & Allied Industries (193) New Empire Industries (194) Paul Engineering Tools Co. (195) R K Industries (196) Raghunath Engineering Industries (197) Raj Industrial & Engg. Co. (198) Raj Technical Works (199) Rajput Engineering Co. (200) Ravi Engg. Works (201) S K Bhattacharjee & Co. (202) Sandeep Industries (203) Servo India (204) Shree Purohit Engineering Works (205) Singh Electric Co. (206) Singhbhum Refractory (207) Sohanpal Engg. Works (208) Sparkonix (India) Private Limited (209) Sudhir Mfg. Co. (210) Sutlej Engineering Works (211) Tatanagar Cold Storage Co. Pvt. Ltd. (212) Taurus Flexibles (213) Thyristorage (214) VKE Valves Industries Pvt. Ltd. (215) Ankur Engg. Works (216) Darshanlal & Co. (217) Govind Engg. Works (218) Hans Engineering Co. (219) Hydrokrimp A. C. (P) Ltd. (220) Indian Forging & Stamping Co. (221) Kumar Udyog (222) Mahato & Co. (223) National Engineering Enterprises (224) Raj Technical Works (225) Sandhu Technocrats Pvt. Ltd. (226) Sokhi Engg. Co. Pvt. Ltd. (227) Associated Engg. Co. (228) BMC Metalcast Ltd. (229) Empire Industries (230) Globe Engg. Works (231) General Engg. Co. (232) H K Industries (233) Hind Engineering Co. (234) Hindustan Steel Tech (235) K A Industries (236) M S P Industries Pvt. Ltd. (237) Mehta Engg. Works (238) New Allenbery Works (239) Prakash Engg. Works (240) Poiner Technocrates Pvt. Ltd. (241) Sundaram Industries Ltd. (242) S G Metal Industries (243) Taurus Flexibles (244) Tatanagar Engg. & Machine Manufacturing Co. (245) Unique Engineers (246) Associated Engineering Co. (247) Adbee Industries (248) CRS Engineering Works (249) G R Industries (250) Hindustan Steel Tech (251) Hindustan Rubber Product (252) Jai Maa Kali Industries (253) Jay Pee Industries (254) K A Industries (255) MSP Industries (256) New Carbonic Gas Industries (257) Osta Enterprises (258) Oshan Enterprises (259) Pioneer Technocrats Pvt. Ltd. (260) Sutlej Engineering Works (261) Sokhi & Sons (262) Singhbhum Mechino Metal Pvt. Ltd. (263) Sanjay Printing Works (264) Tarjeet Foundry (265) Virdi Mechanical Works (266) Vasani Enterprises (267) Vishkarma Furniture Shops (268) Anup Kumar Das. (269) Bharat Engineers (270) B C Engineering Works (271) Gopal Industries (272) Micron Engg. Industries (273) Mastergrind Abrasives (274) Mayur Offset Private Limited (275) Modern Printers (276) M/S. Mallabhum Polypacks (P) Ltd. (277) M/S. Mimoplastics (278) MIM Packs (279) Northern Engineering Company (280) National Industrial Apparels (281) Techno Enterprise (282) Usha Engineers (283) United Industries (284) Eastern Diamond Products P. Ltd.

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(285) G S Engineering Works (286) J S T Plasts (287) Pal Engineering Works (288) Precision Measuring Instr. & Tools. (289) Sunil & Company. (290) Superintendence Co. of India (P) Ltd. (291) Special Tool Manufacturers (292) Arvico Rubber Industries (293) Amin Printing Press (294) Anand Printing Press (295) Concord Steel Works (296) Classic Products (297) Cores & Containers (298) Fluid Control Engine (299) Fuchs Lubricants (300) Fibre Foils Limited (301) H Guru Industries (302) Interface Solutions (303) Jaipur Steel Strips (304) Lechler ( India ) Pvt. (305) Maharastra Machine (306) Mas Engineers (307) Nimps Agro Farms (308) Om Enterprise (309) Pinak Industries (310) Parekh Packaging (311) Pappu Arts (312) Raj International (313) Sosun Engineering Co. (314) Sunraj Industries (315) Scientific & Surgica (316) Sai Electrical Works (317) Svedala Industri Ind. (318) Uniexcel Agencies (319) Unifrax India Ltd. (320) V Excel Engineers (321) Vinyas Engineers (322) Arvico Rubber Industries (323) Athena Controls Ind. (324) ANK Seals Pvt. Ltd. (325) BNC Technologies Pvt. (326) Cann Photocopiers (327) Fluid Control Engine (328) Flexible House Company (329) Globe Polymers (330) Geeta Timber Mart (331) Heera Engineering Works (332) Henkel Chembond Surf (333) Jai Suprabha Protect (334) Jmangsun & Company (335) Jawahar Leather Work (336) J S Enterprise (337) Kunnath Engineering (338) METCO (339) MEC Fab. Engineering (340) Mettler - Toledo India (341) Minar Hydro System (P) Ltd. (342) N K Industries (343) Pinak Industries (344) Pyloff Packaging Pvt. (345) Perfect Paper Cone (346) Plastochem Fabricati (347) Petro Synth (India) (348) R.Purshottam & Sons (349) Rajesh Engineering Works (350) Recmann Hoists & Cra (351) Spartan Engg. Co. (352) Speed N System Cont. (353) Sosun Engineering Co. (354) Sunny Gloves Industries (355) Super Engineers (356) Super Clean Industries (357) Sunraj Industries (358) Sandeep Polymers (359) Sunbrid Seals & Plas (360) Udyogi Plastics (P) (361) Ucoflex Industries (362) V Excel Engineers.

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

14. (a) The Company has an investment of **Rs. 95.68** crores (31.3.2002 : *Rs. 95.68 crores*) in Tinplate Company of India Ltd. (TCIL). A net amount of **Rs. 35.10** crores (31.3.2002 : *Rs. 77.74 crores*) is due from TCIL on account of inter-corporate deposits, 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.

15. Disclosure as per amendment to 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 31.03.2003 Rs. crores	Maximum balance outstanding during the year Rs. crores	Investment in Shares of the Company No. of Shares
Tata Korf Engg. Services Ltd.	Subsidiary	0.37	0.37	—
Tinplate Company of India Ltd.	Associate	—	33.00	—
Tata Construction & Projects Ltd.	Associate	3.79	9.90	—
Kallinga Aquatics Ltd.	Associate	—	2.54	—
Rujuvalika Investments Ltd.	Associate	4.06	4.06	778,395
Tata Finance Ltd.	Others	23.00	23.00	24,163
Tata Teleservices Ltd.	Others	75.00	75.00	—
Rallis India Ltd.	Others	1.50	1.50	—

16. 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.
17. Estimated amount of contracts remaining to be executed on Capital Account and not provided for : **Rs. 264.49** crores (31.3.2002 : *Rs. 198.48 crores*).
18. 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. 60.69** crores (2001-2002 : *Rs. 63.99 crores*). This increase has been adjusted in the carrying cost of the fixed assets to the extent of **Rs. 60.69** crores (2001-2002 : *Rs. 63.99 crores*) and **Rs. Nil** (2001-2002 : *Rs. Nil*) charged to revenue.
19. The Company has taken on lease Plant and Machinery, having an aggregate cost of **Rs. 69.05** crores (31.3.2002 : *Rs. 63.47 crores*). Future obligations by way of lease rentals in respect of these lease agreements (net of provisions made) amount to **Rs. 33.20** crores (31.3.2002 : *Rs. 49.78 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. 18.50** crores (2001-2002 : *Rs. 17.41 crores*).

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20. Information about Primary Business Segments :

Particulars	Business Segments		Unallocable Rs. crores	Total Rs. crores
	Steel Rs. crores	Others Rs. crores		
<b>Revenue :</b>				
<b>Total External Sales</b> .....	<b>7,731.09</b>	<b>990.23</b>	—	<b>8,721.32</b>
	5,819.57	877.92	—	6,697.49
Inter segment sales .....	<b>383.96</b>	<b>63.05</b>	—	<b>447.01</b>
	317.79	34.80	—	352.59
<b>Total Revenue</b> .....	<b>8,115.05</b>	<b>1,053.28</b>	—	<b>9,168.33</b>
	6,137.36	912.72	—	7,050.08
Less : Inter segment sales .....	<b>383.96</b>	<b>63.05</b>	—	<b>447.01</b>
	317.79	34.80	—	352.59
<b>Total Sales</b> .....	<b>7,731.09</b>	<b>990.23</b>	—	<b>8,721.32</b>
	5,819.57	877.92	—	6,697.49
<b>Segment result before interest, exceptional/extraordinary items and tax</b> .....	<b>1,694.54</b>	<b>87.92</b>	<b>14.43</b>	<b>1,796.89</b>
	776.65	55.93	(0.52)	832.06
Less : Interest .....				<b>304.82</b>
				369.75
Profit before Exceptional/Extraordinary items and tax .....				<b>1,492.07</b>
				462.31
<b>Exceptional/Extraordinary items</b>				
Less : Employee's Separation Compensation .....				<b>(229.57)</b>
				(227.02)
Add : Profit on Sale of Long Term Investments .....				—
				15.71
<b>Profit before Tax</b> .....				<b>1,262.50</b>
				251.00
Taxes .....				<b>250.19</b>
				46.10
<b>Profit after Taxes</b> .....				<b>1,012.31</b>
				204.90
Segment Assets .....	<b>9,799.08</b>	<b>580.83</b>	<b>811.99</b>	<b>11,191.90</b>
	9,646.55	591.43	401.11	10,639.09
Segment Liabilities .....	<b>1,645.08</b>	<b>168.57</b>	<b>876.93</b>	<b>2,690.58</b>
	1,416.59	162.43	430.51	2,009.53
Total Cost incurred during the year to acquire Segment assets	<b>439.31*</b>	<b>11.92</b>	—	<b>451.23*</b>
	530.66	4.29	—	534.95
Segment Depreciation .....	<b>536.77</b>	<b>18.71</b>	—	<b>555.48</b>
	506.99	17.76	—	524.75
Non-Cash Expenses other than depreciation .....	<b>113.00</b>	<b>40.48</b>	<b>0.35</b>	<b>153.83</b>
	32.75	9.00	28.91	70.66

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

<b>Information about Secondary Segments :- Geographical</b>	<b>2002-03</b>	<i>2001-2002</i>
	<b>Rs. crores</b>	<i>Rs. crores</i>
Revenue by Geographical Market		
India .....	<b>7,349.30</b>	<i>6,094.97</i>
Outside India .....	<b>1,372.02</b>	<i>602.52</i>
	<b>8,721.32</b>	<i>6,697.49</i>
Additions to Fixed Assets and Intangible Assets		
India .....	<b>451.23*</b>	<i>534.95</i>
Outside India .....	<b>—</b>	<i>—</i>
	<b>451.23</b>	<i>534.95</i>
* Excludes Net Fixed Assets of Rs. 165.66 crores added on amalgamation of erstwhile Tata SSL Ltd.		
Carrying Amount of Segment Assets		
India .....	<b>11,191.78</b>	<i>10,639.05</i>
Outside India .....	<b>0.12</b>	<i>0.04</i>
	<b>11,191.90</b>	<i>10,639.09</i>

**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 :	<b>2002-03</b>	<i>2001-02</i>
	<b>Rs. crores</b>	<i>Rs. crores</i>
Investments .....	<b>1,194.55</b>	<i>912.74</i>
Miscellaneous expenditure .....	<b>—</b>	<i>988.99</i>
	<b>1,194.55</b>	<i>1,901.73</i>
Total Unallocable Liabilities exclude :		
Secured Loans .....	<b>3,667.63</b>	<i>4,056.93</i>
Unsecured Loans .....	<b>557.98</b>	<i>648.55</i>
Provision for Employee Separation Compensation .....	<b>1,444.02</b>	<i>989.50</i>
Deferred Tax Liability (Net) .....	<b>840.22</b>	<i>1,390.35</i>
	<b>6,509.85</b>	<i>7,085.33</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**

21. Related Party Disclosures :

(a) List of Related Parties and Relationships

<b>Party</b>	<b>Relationship</b>
<b>A.</b> 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.	Subsidiary
<b>B.</b> Adityapur Toll Bridge Ltd. Almora Magnestie 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. Rujivalika Investments Ltd. Srutech Tubes India Pvt. Ltd. Tata Construction & Projects Ltd. Tata Metaliks Ltd. Tata Services Ltd. Tata Sponge Iron Ltd. Tata Yodogawa Ltd. Tinplate Company of India Ltd. TRF Ltd. TKM Overseas Ltd. TKM Transport Management Services Private Ltd.	Associate - Shareholding of the Company on its own or along with Subsidiaries is 20% or more
<b>C.</b> metaljunction.com Pvt. Ltd. Tata Ryerson Ltd.	Joint Ventures
<b>D.</b> Tata Sons Ltd.	Promoter holding together with its Subsidiary is more than 20%
<b>E. Key Management Personnel</b> Mr. B. Muthuraman Dr. T. Mukherjee Mr. A.N. Singh	Whole Time Directors



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

Transactions	Amount in Rs. crores					
	Subsidiaries	Associates & JVs	Key Management Personnel	Relatives of Key Management Personnel	Promoter	Total
Purchase of Goods	<b>76.69</b>	<b>149.41</b>	—	—	—	<b>226.10</b>
	87.61	96.12	—	—	—	183.73
Sale of Goods	<b>8.90</b>	<b>221.77</b>	—	—	—	<b>230.67</b>
	103.77	102.72	—	—	—	206.49
Purchase of Fixed Assets	<b>3.89</b>	<b>11.80</b>	—	—	<b>0.80</b>	<b>16.49</b>
	1.54	—	—	—	—	1.54
Sale of Assets	<b>3.01</b>	—	—	—	—	<b>3.01</b>
	—	0.01	—	—	—	0.01
Rendering of Services	<b>1.85</b>	<b>39.84</b>	—	—	<b>0.08</b>	<b>41.77</b>
	2.17	50.68	—	—	0.18	53.03
Receiving of Services	<b>58.18</b>	<b>188.42</b>	<b>0.03</b>	<b>0.03</b>	<b>2.95</b>	<b>249.61</b>
	12.85	165.14	—	—	0.19	178.18
Agency arrangements (income)	—	<b>0.12</b>	—	—	—	<b>0.12</b>
	—	0.54	—	—	0.15	0.69
Leasing or Hire Purchase arrangements	—	—	—	—	—	—
	—	1.01	—	—	—	1.01
Finance provided (including Loans and equity contributions in cash or in kind)	<b>0.15</b>	<b>45.59</b>	—	—	<b>124.00</b>	<b>169.74</b>
	65.44	24.28	—	—	23.00	112.72
Interest income during the year	—	<b>4.45</b>	—	—	<b>0.24</b>	<b>4.69</b>
	3.81	4.45	—	—	0.05	8.31
Finance received (including Loans and equity contributions in cash or in kind)	—	—	—	—	<b>10.00</b>	<b>10.00</b>
	—	16.00	—	—	146.50	162.50
Interest paid during the year	—	<b>0.01</b>	—	—	<b>0.01</b>	<b>0.02</b>
	—	0.99	—	—	0.40	1.39
Guarantees given	—	<b>70.00</b>	—	—	—	<b>70.00</b>
	40.00	1.44	—	—	—	41.44
Management contracts including deputation of employees	—	<b>0.02</b>	—	—	<b>18.35</b>	<b>18.37</b>
	0.03	0.17	—	—	12.25	12.45
Dividend income	<b>5.68</b>	<b>5.45</b>	—	—	—	<b>11.13</b>
	4.49	15.06	—	—	—	19.55
Provision for receivables made during the year	—	<b>1.84</b>	—	—	—	<b>1.84</b>
	0.62	6.23	—	—	—	6.85
Unsecured advances/deposits given	—	—	—	—	—	—
	—	0.20	—	—	0.30	0.50
Agency commission paid	—	<b>0.04</b>	—	—	—	<b>0.04</b>
	—	0.41	—	—	0.01	0.42
Dividend paid to shareholders	—	<b>0.31</b>	—	—	<b>29.22</b>	<b>29.53</b>
	—	0.19	—	—	36.51	36.70
Diminution in value of investments	—	—	—	—	—	—
	—	1.04	—	—	—	1.04
Unsecured advances/deposits accepted	—	—	—	—	—	—
	—	—	—	—	0.61	0.61
Remuneration paid	—	—	<b>1.91</b>	<b>0.01</b>	—	<b>1.92</b>
	—	—	2.45	—	—	2.45
Bad debts written off	<b>0.22</b>	<b>11.90</b>	—	—	—	<b>12.12</b>
	—	—	—	—	—	—
Liabilities written back	<b>0.69</b>	<b>2.51</b>	—	—	—	<b>3.20</b>
	—	—	—	—	—	—
Provision for Diminution in value of Investments made during the year	<b>0.12</b>	—	—	—	—	<b>0.12</b>
	—	—	—	—	—	—
<b>Debit balances outstanding as on 31.3.2003</b>						
Outstanding Receivables	<b>3.55</b>	<b>82.09</b>	—	—	<b>1.58</b>	<b>87.22</b>
	14.01	135.66	0.04	—	1.95	151.66
Provision for outstanding receivables	<b>1.42</b>	<b>11.93</b>	—	—	—	<b>13.35</b>
	0.93	9.99	—	—	—	10.92
<b>Credit balances outstanding as on 31.3.2003</b>						
Outstanding payable	<b>15.11</b>	<b>42.13</b>	—	—	<b>22.36</b>	<b>79.60</b>
	14.67	25.67	—	—	16.01	56.35

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

22. The Company has the following Joint Ventures as on 31st March, 2003 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	Assets	Liabilities	Contingent Liabilities	Capital commitment	Rs. crores	
						As at 31st March, 2003	Income For the year ended 31st March, 2003
Tata Ryerson Ltd. (incorporated in India)	50%	79.79	79.79	0.57	0.13	97.16	95.17
metaljunction.com Pvt. Ltd. (incorporated in India)	50%	5.45	5.45	—	0.02	2.50	1.90

23. Earnings Per Share (EPS):

	<b>2002-03</b>	<i>2001-02</i>
	<b>Rs. crores</b>	<i>Rs. crores</i>
(i) Profit after tax .....	<b>1012.31</b>	<i>204.90</i>
Less : Preference Dividend including tax thereon .....	<b>—</b>	<i>2.28</i>
Profit attributable to Ordinary Shareholders .....	<b>1012.31</b>	<i>202.62</i>
	<b>Nos.</b>	<i>Nos.</i>
(ii) Weighted average No. of Ordinary Shares for Basic EPS .....	<b>36,89,81,904<sup>@</sup></b>	<i>36,77,71,901</i>
Add : Adjustment for Options relating to 12,446 (2001-02 : 12,446) Detachable Warrants (See Note 16, Page 61) .....	<b>5,002</b>	<i>3,848</i>
Weighted average no. of Ordinary Shares for Diluted EPS .....	<b>36,89,86,906</b>	<i>36,77,75,749</i>
(iii) Nominal value of Ordinary Shares .....	<b>Rs. 10</b>	<i>Rs. 10</i>
(iv) Basic/Diluted Earnings per Ordinary Share .....	<b>Rs. 27.43</b>	<i>Rs. 5.51</i>

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

24. Deferred Tax Liability (Net) (Item No. 5, Page 36)

Deferred Tax Liabilities	Deferred tax liability/(asset) as at 1.4.2002 Rs. crores	Taken over on amalgamation of erstwhile Tata SSL Ltd. Rs. crores	Current year charge/(credit) Rs. crores	Deferred tax liability/(asset) as at 31.3.2003 Rs. crores
(i) Difference between book and tax depreciation .....	1616.33	42.40	10.95	1669.68
(ii) Prepaid Expenses .....	7.80	—	(1.49)	6.31
(iii) Deferred Revenue Expenditure .....	—	1.73	(0.98)	0.75
(A)	<b>1624.13</b>	<b>44.13</b>	<b>8.48</b>	<b>1676.74</b>
<b>Deferred Tax Assets</b>				
(i) Early Separation Scheme .....	(99.88)	—	(28.42)	(128.30)
(ii) Wage Provision .....	(29.46)	—	8.70	(20.76)
(iii) Provision for doubtful debts & advances .....	(61.25)	(3.50)	11.07	(53.68)
(iv) Disallowance under Section 43B .....	(6.25)	(0.01)	(10.61)	(16.87)
(v) Provision for Leave Salary .....	(32.61)	—	(39.01)	(71.62)
(vi) Euro Issue expenses .....	(0.45)	—	0.45	—
(vii) Provision for Retiring Gratuity .....	(3.34)	—	2.72	(0.62)
(viii) Other Deferred Tax Assets .....	(0.54)	—	0.03	(0.51)
(ix) Past losses and unabsorbed depreciation .....	—	(37.84)	34.90	(2.94)
	(233.78)	(41.35)	(20.17)	(295.30)
(x) Miscellaneous Expenditure adjusted against Securities Premium Account .....	—	—	—	(541.22)
(B)	<b>(233.78)</b>	<b>(41.35)</b>	<b>(20.17)</b>	<b>(836.52)</b>
Deferred Tax Liability (net) .....	<b>1390.35</b>	<b>2.78</b>	<b>(11.69)</b>	<b>840.22</b>
(A)-(B)				

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

25. Licensed and installed capacities and production : <sup>(1)</sup>	Licensed capacity	Installed capacity <sup>(2)</sup>	Production <sup>(3)</sup>
	Tonnes	Tonnes	Tonnes
Class of Products			
(i) Saleable Steel .....	<b>N.A.</b> N.A.	<b>3,320,000</b> 3,320,000	<b>3,940,586<sup>(4)</sup></b> 3,635,592
(ii) Cold Rolled Coils .....	<b>N.A.</b> N.A.	<b>100,000</b> 100,000	<b>106,132</b> 103,669
(iii) Billets .....	<b>N.A.</b>	<b>150,000</b>	<b>56,274<sup>(5)</sup></b>
Wire Rods .....	<b>N.A.</b>	<b>250,000</b>	<b>259,724</b>
Wires .....	<b>N.A.</b>	<b>168,100</b>	<b>169,997</b>
Cold Rolled Coils & Profiles .....	<b>N.A.</b>	<b>46,000</b>	<b>30,231</b>
(iv) Ferro Manganese & Silico Manganese .....	<b>N.A.</b> N.A.	<b>30,500</b> 30,500	<b>42,350</b> 31,792
(v) Charge Chrome .....	<b>N.A.</b> N.A.	<b>50,000</b> 50,000	<b>50,606</b> 44,059
(vi) Welded Steel Tubes .....	<b>N.A.</b> N.A.	<b>185,000</b> 185,000	<b>178,909<sup>(6)</sup></b> 173,643
(vii) Cold Rolled Strips .....	<b>N.A.</b> N.A.	<b>15,800</b> 15,800	<b>—</b> —
(viii) Carbon and Alloy Steel Bearing Rings, Annular Forgings and Flanges .....	<b>N.A.</b> N.A.	<b>5,250</b> 5,250	<b>3,776</b> 3,032
(ix) Metallurgical Machinery .....	<b>N.A.</b> N.A.	<b>—<sup>(7)</sup></b> —	<b>9,921</b> 8,271
	Numbers	Numbers	Numbers
(x) Alloy Steel Ball Bearing Rings .....	<b>N.A.</b> N.A.	<b>20,500,000</b> 20,500,000	<b>17,827,252<sup>(8)</sup></b> 14,628,778
(xi) Bearings .....	<b>N.A.</b> N.A.	<b>25,000,000</b> 25,000,000	<b>20,052,789</b> 17,623,049

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 **563,210 tonnes** (2001-2002 : 565,588 tonnes) and steel transferred for manufacture into Tubes/C.R. Strips at Company's Tubes Division **217,720 tonnes** (2001-2002 : 211,050 tonnes) / steel transferred for manufacture of Cold Rolled Coils at the Company's Cold Rolling Mill Division **121,095 tonnes** (2001-2002 : 106,165 tonnes) and steel transferred for manufacture of Wire Rods **192,071 tonnes** at the Company's Wire Rod Mill (West).

(5) Billets include transfer of Billets to Wire Rod Mill **56,270 tonnes**, transfer of wire rods to Wire Plants at Borivali and Tarapur **160,802 tonnes** and wire rods to Cold Rolling Mill at Sisodra **2,774 tonnes**. The previous year's figures have not been shown as it is the first year after amalgamation of erstwhile Tata SSL Ltd. with the Company.

(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**

## 26. Turnover, Closing and Opening Stocks :

Class of Products	Turnover <sup>(1)&amp; (2)</sup>		Closing Stock		Opening Stock <sup>(9)</sup>	
	Tonnes	Rupees crores	Tonnes	Rupees crores	Tonnes	Rupees crores
(i) Saleable Steel (Finished) .....	<b>3,448,019<sup>(3)</sup></b>	<b>7013.12</b>	<b>276,242</b>	<b>374.28</b>	<b>233,775</b>	<b>330.11</b>
	2,868,158	4879.45	203,332	267.15	209,999	269.88
Agrico Products .....		<b>40.70</b>		<b>4.97</b>		<b>3.51</b>
		42.96		3.51		2.75
		<b>7053.82</b>		<b>379.25</b>		<b>333.62</b>
		4922.41		270.66		272.63
(ii) Semi-finished Steel and Scrap .....	<b>536,811</b>	<b>458.15</b>	<b>75,556</b>	<b>66.83</b>	<b>80,662</b>	<b>86.02</b>
	709,006	690.24	73,142	65.06	82,859	63.87
(iii) Welded Steel Tubes .....	<b>165,915<sup>(4)</sup></b>	<b>472.53</b>	<b>20,112</b>	<b>36.85</b>	<b>14,753</b>	<b>27.14</b>
	161,063	427.00	14,753	27.14	11,264	20.24
(iv) Carbon and alloy steel bearing rings ...	<b>3,116</b>	<b>26.94</b>	<b>648</b>	<b>3.16</b>	<b>437</b>	<b>1.95</b>
	2,774	15.47	437	1.95	250	1.28
(v) By-products, etc. ....		<b>66.43</b>		<b>2.13</b>		<b>7.22</b>
		68.51		0.22		0.44
(vi) Raw Materials :—						
(a) Ferro Manganese	<b>29,536</b>	<b>58.19</b>				
	19,676	41.95	—	—	—	—
(b) Charge Chrome/Ferro Chrome <sup>(5)</sup>	<b>94,157</b>	<b>221.28</b>	<b>5,233</b>	<b>11.04</b>	<b>5,470</b>	<b>6.76</b>
	78,586	162.84	5,470	6.76	28,172	44.08
(c) Other Raw Materials .....		<b>564.11</b>				
	—	486.54	—	—	—	—
(vii) Other Products <sup>(6)</sup> .....		<b>73.78</b>		<b>27.44</b>		<b>37.24</b>
		69.24		37.24		28.41
(viii) Alloy Steel Ball Bearing Rings <sup>(7)</sup> .....	Numbers		Numbers		Numbers	
	<b>15,037,774</b>	<b>52.95</b>	<b>2,978,045</b>	<b>8.57</b>	<b>2,716,236</b>	<b>6.73</b>
	12,434,014	44.81	2,716,236	6.73	2,511,929	6.48
(ix) Bearings .....	<b>18,864,244</b>	<b>110.25</b>	<b>37,63,576</b>	<b>19.19</b>	<b>2,582,894</b>	<b>13.22</b>
	16,894,860	108.00	2,582,894	13.22	1,965,004	9.77
(x) Metallurgical Machinery .....	Tonnes		Tonnes		Tonnes	
	<b>9,921</b>	<b>56.35</b>				
	8,271	46.72	—	—	—	—
(xi) Sale of Purchased Materials .....						
(a) Saleable Steel (finished/converted)	<b>9,971</b>	<b>7.41</b>	<b>888</b>	<b>2.32</b>	<b>45</b>	<b>0.10</b>
	4,808	7.89	35	0.06	129	0.16
(b) Scrap/Other Materials/Raw Materials	<b>2,007<sup>(8)</sup></b>	<b>1.06<sup>(8)</sup></b>				<b>0.15</b>
	81,687	31.50		0.15		0.15
		<b>9223.25</b>		<b>556.78</b>		<b>520.15</b>
		7123.12		429.19		447.51

**Notes :**

- (1) Turnover includes exchange gain (net) **Rs. 2.94** crores (2001-2002 : Rs. 3.40 crores).
- (2) Turnover excludes **Rs. Nil** (2001-2002 : Rs. 1.29 crores) towards capitalisation of CRM products produced during the trial run period.
- (3) Including steel material converted by re-rollers : **787,293** tonnes (2001-2002 : 348,704 tonnes).
- (4) Includes Welded Steel Tubes converted under conversion arrangement **9,894** tonnes (2001-2002 : 6,788 tonnes).
- (5) Turnover includes Ferro Chrome converted under conversion arrangement **43,456** tonnes (2001-2002 : 24,949 tonnes).
- (6) Includes tubular steel structures **Rs. 41.82** crores (2001-2002 : Rs. 40.76 crores).
- (7) Turnover includes sale proceeds of Salvaged Rings, Stock includes Semi-Finished Rings/Flanges.
- (8) Turnover includes-Ferro Manganese **Rs. Nil** (2001-2002 : 709 MT – Rs. 1.60 crores).
- (9) Opening Stock includes Finished Steel - **Rs. 62.96** crores (**30,443** tonnes), Semi-finished Steel - **Rs. 20.96** crores (**7,520** tonnes), By products - **Rs. 7.00** crores, Saleable Steel - **Rs. 0.04** crore (**10** tonnes) taken over on amalgamation of erstwhile Tata SSL Ltd. with the Company.

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

	Tonnes	Rupees crores
27. Purchase of Finished, Semi-Finished Steel and Other Products : (1)		
A. For Resale :		
(i) Finished/Semi-Finished Steel Materials .....	<b>13,034</b>	<b>14.13</b>
	6,095	6.85
(ii) Others .....		<b>0.81</b>
		1.19
B. For Own Consumption :		
(i) Finished/Semi-Finished Steel Materials .....	<b>117,482</b>	<b>212.75</b>
	32,225	87.93
(ii) Others (Rings, Sockets etc.) (2) .....		<b>231.33</b>
		88.35
		<b>459.02</b>
		<u>184.32</u>
(1) including exchange loss (net) of <b>Rs. 0.02</b> crore [(2001-2002 : exchange gain (net) Rs. 0.01 crore)]		
(2) includes components for manufacture of metallurgical machinery <b>Rs. 4.79</b> crores (2001-2002 : Rs. 6.46 crores)		
28. Raw materials consumed : @	Tonnes	Rupees crores
(i) Iron ore .....	<b>6,132,715</b>	<b>164.73</b>
	6,003,776	160.20
(ii) Coal [excluding <b>3,364,746</b> tonnes (2001-2002 : 3,324,820 tonnes) valued at <b>Rs. 692.43</b> crores (2001-2002 : Rs. 656.02 crores) used for manufacturing coke]	<b>1,014,348</b>	<b>100.10</b>
	1,037,241	111.67
(iii) Coke .....	<b>2,404,408</b>	<b>773.12</b>
	2,298,611	612.18
(iv) Limestone and Dolomite .....	<b>1,419,418</b>	<b>178.46</b>
	1,374,727	165.77
(v) Ferro Manganese .....	<b>18,090</b>	<b>37.22</b>
	15,935	35.44
(vi) Zinc and Zinc Alloys .....	<b>16,708</b>	<b>89.45</b>
	9,238	48.59
(vii) Spelter, sulphur and other materials [excluding <b>128,565</b> tonnes valued at <b>Rs. 31.38</b> crores (2001-2002 : 90,590 tonnes valued at Rs. 23.00 crores) used in the manufacture of Ferro Manganese] .....	<b>588,665</b>	<b>303.52</b>
	467,812	291.81
		<b>1,646.60</b>
		<u>1425.66</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. 1.13** crores [2001-2002 : exchange loss (net) Rs. 0.16 crore]

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

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

	Rupees crores
(i) Raw materials .....	<b>514.00</b> 478.38
(ii) Semi-finished products .....	<b>21.45</b> 5.99
(iii) Components, stores and spare parts .....	<b>121.51</b> 110.35
(iv) Capital goods .....	<b>32.93</b> 80.69
(v) Exchange adjustment (See Note 18, Page 61)	

## 30. 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 .....	<b>635.08</b> 591.86	<b>38.57</b> 41.51	<b>117.55</b> 110.79	<b>11.01</b> 11.77
(b) Indigenously obtained .....	<b>1,011.52</b> 833.80	<b>61.43</b> 58.49	<b>950.10</b> 830.38	<b>88.99</b> 88.23
	<b>1,646.60</b> <u>1,425.66</u>	<b>100.00</b> <u>100.00</u>	<b>1,067.65</b> <u>941.17</u>	<b>100.00</b> <u>100.00</u>
Less : Consumption charged to other revenue accounts			<b>408.44</b> 450.87	
			<b>659.21</b> <u>490.30</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.

## 31. Expenditure in foreign currency :

	Rupees crores	Previous Year Rupees crores
(i) Technical Know-how and Technical Consultants' Fees (net of taxes) including <b>Rs. 22.01</b> crores on capital account (2001-2002 : Rs. 41.02 crores) .....	<b>26.88</b>	42.82
(ii) Interest and Commitment charges payable in foreign currencies .....	<b>45.81</b>	61.61
(iii) Commission .....	<b>8.43</b>	5.02
(iv) Payable on other accounts .....	<b>14.66</b>	12.58

**SCHEDULE M : NOTES ON BALANCE SHEET AND PROFIT AND LOSS ACCOUNT :- continued**
**32. 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 2001-2002 payable to non-resident shareholders, which dividends were declared during the year, are as under :

	<b>Current Year</b>	<i>Previous Year</i>
(i) Number of non-resident shareholders .....	<b>1,850</b>	<i>1,757</i>
(ii) Number of Ordinary shares held by them .....	<b>31,331,720</b>	<i>18,509,160</i>
(iii) Gross amount of dividends .....	<b>Rs. 1,253.27 lakhs</b>	<i>Rs. 925.46 lakhs</i>

**33. Earnings in foreign exchange :**

- (i) Export of steel and other materials (at F.O.B. value) **Rs. 1,313.23** crores (*2001-2002 : Rs. 580.75 crores*) [including value of exports through export house and exports of **Rs. Nil** (*2001-2002 : Rs. Nil*), sale proceeds having been realised in rupees].
- (ii) Interest received on swap deals **Rs. 13.35** crores (*2001-2002 : Rs. 4.47*)
- (iii) Dividend **Rs. Nil** (*2001-2002 : Rs. 2.16 crores*).
- (iv) Agency Commission **Rs. Nil** (*2001-2002 : Rs. 2.74 crores*).
- (v) Others **Rs. 5.57** crores (*2001-2002 : Rs. 9.49 crores*).

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

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

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