**RED HERRING PROSPECTUS**
Please read Section 60B of the Companies Act, 1956
**Book Building Issue**
**Dated January 11, 2011**

# TATA STEEL LIMITED

(Originally incorporated on August 26, 1907 under the Indian Companies Act, 1882 as 'The Tata Iron and Steel Company Limited', the name of the Company was changed to 'Tata Steel Limited' with effect from August 12, 2005). For details on change in the name of the Company, see the section ***"History and Certain Corporate Matters"*** beginning on page 96 of this Red Herring Prospectus.

**Registered Office:** Bombay House, 24, Homi Mody Street, Fort, Mumbai 400 001 **Tel:** (91 22) 66658282 **Fax:** (91 22) 66657724
**Company Secretary and Compliance Officer:** Mr. A. Anjeneyan, Company Secretary **Tel:** (91 22) 66657279 **Fax:** (91 22) 66657724 **E-mail:** cosec@tatasteel.com
**Website:** www.tatasteel.com
**Promoter**: Tata Sons Limited

**FURTHER PUBLIC ISSUE OF 57,000,000 EQUITY SHARES OF FACE VALUE RS. 10 EACH ("EQUITY SHARES") FOR CASH AT A PRICE OF RS. [•] PER EQUITY SHARE OF TATA STEEL LIMITED ("TATA STEEL" OR "THE COMPANY") AGGREGATING TO RS. [•] MILLION (THE "ISSUE"). THE ISSUE COMPRISES A NET ISSUE TO THE PUBLIC OF 55,500,000 EQUITY SHARES ("THE NET ISSUE") AND A RESERVATION OF 1,500,000 EQUITY SHARES FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION"). THE ISSUE WOULD CONSTITUTE 5.94% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF THE COMPANY AND THE NET ISSUED TO THE PUBLIC WOULD CONSTITUTE 5.79% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF THE COMPANY.**

**THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY THE COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND WILL BE ADVERTISED IN FINANCIAL EXPRESS (ALL EDITIONS), JANASATTA (ALL EDITIONS) AND NAVSHAKTI (ALL EDITIONS) AT LEAST ONE WORKING DAY PRIOR TO THE BID OPENING DATE.**

In case of revision in the Price Band, the Bidding Period will be extended for at least three additional Working Days after the revision of the Price Band subject to the Bidding Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bidding Period, if applicable, will be widely disseminated by notification to Bombay Stock Exchange Limited (the "**BSE**") and the National Stock Exchange of India Limited (the "**NSE**"), by issuing a press release, and also by indicating the change on the websites of the Book Running Lead Managers ("**BRLMs**") and at the terminals of the members of the Syndicate.

This Issue is being made through the Book Building Process where not more than 50% of the Net Issue will be allocated on a proportionate basis to Qualified Institutional Buyers ("**QIBs**") ("**QIB Portion**") provided that the Company may allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis ("**Anchor Investor Portion**"), out of which at least one-third will be available for allocation to domestic Mutual Funds only. For details, see the section "***Issue Procedure***" beginning on page 249 of this Red Herring Prospectus. Further, 5% of the QIB Portion, excluding the Anchor Investor Portion, will be available for allocation on a proportionate basis to Mutual Funds only. The remainder will be available for allocation on a proportionate basis to QIBs including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. In addition, not less than 15% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue will be available for allocation on a proportionate basis to Retail Bidders, subject to valid Bids being received at or above the Issue Price. Any Bidder (other than Anchor Investors) may participate in this Issue through the ASBA process by providing the details of their ASBA Accounts in which the corresponding Bid Amounts will be blocked by the Self Certified Syndicate Banks ("**SCSBs**"). For more information, specific attention is invited to the section "***Issue Procedure***" beginning on page 249 of this Red Herring Prospectus.

## GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and Bidders should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Bidders are advised to read the section "***Risk Factors***" beginning on page XIV of this Red Herring Prospectus carefully before making an investment decision in this Issue. For making an investment decision, Bidders must rely on their own examination of the Company and this Issue, including the risks involved. The Equity Shares offered in this Issue have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of this Red Herring Prospectus. This being a fast track issue under Regulation 10 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time ("**SEBI Regulations**"), the Company filed the Red Herring Prospectus with the Registrar of Companies, Maharashtra at Mumbai ("**RoC**") with a copy to SEBI and the Stock Exchanges. Specific attention of the Bidders is invited to the section "***Risk Factors***" beginning on page XIV of this Red Herring Prospectus.

## ISSUER'S ABSOLUTE RESPONSIBILITY

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to the Company and this Issue which is material in the context of this Issue, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

## LISTING

The Equity Shares of the Company are listed on the BSE and the NSE. The Equity Shares offered pursuant to this Red Herring Prospectus are proposed to be listed on the BSE and the NSE. We have received the in-principle approvals of the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated January 10, 2011 and January 11, 2011, respectively. BSE is the Designated Stock Exchange for the Issue.

| BOOK RUNNING LEAD MANAGERS | | | | | | | REGISTRAR TO THE ISSUE |
|---|---|---|---|---|---|---|---|
| **KOTAK MAHINDRA CAPITAL COMPANY LIMITED**<br>1st Floor, Bakhtawar<br>Nariman Point<br>Mumbai 400 021<br>Tel: (91 22) 66341100<br>Fax: (91 22) 22840492<br>E-mail: tsl.fpo@kotak.com<br>Investor Grievance E-mail: kmccredressal@kotak.com<br>Website: www.investmentbank.kotak.com<br>Contact Person: Mr. Chandrakant Bhole<br>SEBI Registration No.: INM000008704 | **CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED**<br>12th Floor, Bakhtawar<br>Nariman Point<br>Mumbai 400 021<br>Tel: (91 22) 66319999<br>Fax: (91 22) 66466366<br>E-mail: TataSteel.fpo@citi.com<br>Investor Grievance E-mail: investors.cgmib@citi.com<br>Website: www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm<br>Contact Person: Mr. Shashank Pandey<br>SEBI Registration No.: INM000010718 | **DEUTSCHE EQUITIES (INDIA) PRIVATE LIMITED**<br>DB House<br>Hazarimal Somani Marg<br>Fort<br>Mumbai 400 001<br>Tel: (91 22) 66584600<br>Fax: (91 22) 22006765<br>E-mail: tatasteel.fpo@db.com<br>Investor Grievance E-mail: db.redressal@db.com<br>Website: www.db.com/india<br>Contact Person: Mr. Viren Jairath<br>SEBI Registration No.: INM 000010833 | **HSBC SECURITIES AND CAPITAL MARKETS (INDIA) PRIVATE LIMITED**<br>HSBC Building<br>52/60 Mahatma Gandhi Road, Fort<br>Mumbai 400 001<br>Tel: (91 22) 22685555<br>Fax: (91 22) 22631984<br>E-mail: project.trophy@hsbc.co.in<br>Investor Grievance E-mail: investorgrievance@hsbc.co.in<br>Website: www.hsbc.co.in/1/2/corporate/equities-global-investment-banking<br>Contact Person: Mr. Amit Chakarabarty<br>SEBI Registration No.: INM000010353 | **RBS EQUITIES (INDIA) LIMITED**<br>83/84, Sakhar Bhavan<br>Nariman Point<br>Mumbai 400 021<br>Tel: (91 22) 66325535<br>Fax: (91 22) 66325541<br>E-mail: tatasteel.fpo@rbs.com<br>Investor Grievance E-mail: customercareecm@rbs.com<br>Website: www.rbs.in<br>Contact Person: Mr. Asim Anwar<br>SEBI Registration No.: INM000011674 | **SBI CAPITAL MARKETS LIMITED**<br>202, Maker Tower E<br>Cuffe Parade<br>Mumbai 400 005<br>Tel: (91 22) 22178300<br>Fax: (91 22) 22188332<br>E-mail: tatasteel.fpo@sbicaps.com<br>Investor Grievance E-mail: investor.relations@sbicaps.com<br>Website: www.sbicaps.com<br>Contact Person: Ms. Kavita Tanwani/Mr. Prayag Mohanty<br>SEBI Registration No.: INM000003531 | **STANDARD CHARTERED SECURITIES (INDIA) LIMITED**<br>1st Floor, Standard Chartered Tower<br>201B/1,Western Express Highway,<br>Goregaon (E)<br>Mumbai - 400 063<br>Tel: (91 22) 67350745<br>Fax: (91 22) 22610270<br>E-mail: scb.trophy@sc.com<br>Investor Grievance E-mail: redressal.ecm@sc.com<br>Website: www.standardcharteredcapitalmarkets.com<br>Contact Person: Mr. Rohan Saraf<br>SEBI Registration No.: INM000011542 | **LINK INTIME INDIA PRIVATE LIMITED**<br>C-13, Pannalal Silk Mills Compound,<br>L.B.S. Marg, Bhandup (West),<br>Mumbai 400 078<br>Tel: (91 22) 2596 0320<br>Toll free: 1800220320<br>Fax: (91 22) 2596 0329<br>Email: tsl.fpo@linkintime.co.in<br>Website: www.linkintime.co.in<br>Contact Person: Mr. Vishwas Attavar<br>SEBI Registration No.: INR000004058 |

## BIDDING PROGRAMME*

| BID OPENS ON: JANUARY 19, 2011 | BID CLOSES ON: JANUARY 21, 2011 |
|---|---|

**Anchor Investors, if any, will submit their Bid during the Anchor Investor Bidding Period, which shall be one Working Day prior to the Bid Opening Date.*

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# SECTION I – GENERAL

## DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or implies, the following terms have the following meanings in this Red Herring Prospectus and references to any statute or regulations or policies will include any amendments or re-enactments thereto, from time to time.

### Company-Related Terms

| Term | Description |
|---|---|
| "Tata Steel" or the "Company" | Tata Steel Limited and its consolidated subsidiaries, unless otherwise specified |
| "Tata Steel India" | Tata Steel Limited as a stand-alone entity |
| "TSE" | Tata Steel Europe and its subsidiaries |
| "TSL" | Tata Steel Limited and its subsidiaries, except TSE and TSE's subsidiaries |
| Articles of Association or Articles | The articles of association of the Company, as amended from time to time |
| Audit Committee | The audit committee of the Board of Directors described in the section "***Management***" beginning on page 112 of this Red Herring Prospectus |
| Auditors | The statutory auditors of the Company, being Messrs. Deloitte Haskins & Sells, Chartered Accountants |
| Board or Board of Directors | The board of directors of the Company, unless otherwise specified |
| Directors | The directors of the Company |
| Group Companies | Includes those companies, firms, ventures, etc., promoted by the Promoter, irrespective of whether such entities are covered under Section 370(1B) of the Companies Act or not. For details, see the section "***The Promoter and Group Companies***" beginning on page 125 of this Red Herring Prospectus |
| Memorandum of Association | The memorandum of association of the Company, as amended from time to time |
| Promoter or Tata Sons | Tata Sons Limited |
| Registered Office | The registered office of the Company, at Bombay House, 24, Homi Mody Street, Fort, Mumbai 400 001 |

### Issue Related Terms

| Term | Description |
|---|---|
| Allotted/Allotment/Allot | Unless the context otherwise requires, means the allotment of Equity Shares pursuant to this Issue to successful Bidders |
| Allottee | A successful Bidder to whom the Equity Shares are Allotted |
| Application Supported by Blocked Amount/ASBA | Application (whether physical or electronic) used by an ASBA Bidder to make a Bid authorising the SCSB to block the Bid Amount in the specified bank account maintained with the SCSB |
| ASBA Account | Account maintained with an SCSB which will be blocked by such SCSB to the extent of the Bid Amount of an ASBA Bidder |
| ASBA Bid cum Application Form | The Bid cum Application Form, whether physical or electronic, used by an ASBA Bidder to make a Bid, which will be considered as the application for Allotment for the purposes of this Red Herring Prospectus and the Prospectus |
| ASBA Bidder | Any Bidder other than an Anchor Investor who intends to apply through ASBA |
| ASBA Revision Form | The revision forms used by ASBA Bidders to modify the quantity of Equity Shares in any of their ASBA Bid cum Application Forms or any previous ASBA Revision Forms |

| Term | Description |
|---|---|
| Anchor Investor | A Qualified Institutional Buyer, who applies under the Anchor Investor Portion with a minimum Bid of Rs. 100 million |
| Anchor Investor Allocation Notice | Notice or intimation of allocation of Equity Shares sent to Anchor Investors who have been allocated Equity Shares |
| Anchor Investor Bid | Bid made by the Anchor Investor |
| Anchor Investor Bidding Period | The day which is one Working Day prior to the Bid Opening Date, prior to or after which the Syndicate will not accept any Bids from the Anchor Investors |
| Anchor Investor Issue Price | The final price at which Equity Shares will be issued and Allotted in terms of the Red Herring Prospectus and the Prospectus to the Anchor Investors, which will be a price equal to or higher than the Issue Price but not higher than the Cap Price. |
| Anchor Investor Portion | Up to 30% of the QIB Portion which may be allocated to Anchor Investors by the Company in consultation with the BRLMs on a discretionary basis. One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds, subject to valid Anchor Investor Bids being received from domestic Mutual Funds at or above the price at which allocation is being made to Anchor Investors |
| Bankers to the Issue/Escrow Collection Banks | Axis Bank Limited, HDFC Bank Limited, and ICICI Bank Limited |
| Basis of Allotment | The basis on which the Equity Shares will be Allotted, described in the section "***Issue Procedure***" beginning on page 249 of this Red Herring Prospectus. |
| Bid | An indication to make an offer during the Bidding Period by a Bidder, or during the Anchor Investor Bidding Period by an Anchor Investor, pursuant to submission of a Bid cum Application Form to subscribe to the Equity Shares at a price within the Price Band, including all revisions and modifications thereto |
| Bid Amount | The highest value of the optional Bids indicated in the Bid cum Application Form and payable by a Bidder on submission of a Bid in the Issue and in the case of ASBA Bidders, the amount mentioned in the ASBA Bid cum Application Form |
| Bid Closing Date | Except in relation to Anchor Investors, January 21, 2011 |
| Bid cum Application Form | The form in terms of which the Bidder will make an offer to purchase Equity Shares and which will be considered as the application for the issue of Equity Shares pursuant to the terms of this Red Herring Prospectus and the Prospectus, including the ASBA Bid cum Application, as may be applicable |
| Bidder | Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form, including an ASBA Bidder and an Anchor Investor |
| Bidding Period | The applicable period between the Bid Opening Date and the Bid Closing Date, inclusive of both days, during which prospective Bidders (other than Anchor Investors) can submit their Bids, including any revisions thereof |
| Bid Opening Date | Except in relation to Anchor Investors, January 19, 2011 |
| Book Building Process | The method of book building as described in Schedule XI of the SEBI Regulations, in terms of which the Issue is being made |
| Book Running Lead Managers/BRLMs | The book running lead managers to the Issue, in this case being:<br><br>• Kotak Mahindra Capital Company Limited;<br>• Citigroup Global Markets India Private Limited;<br>• Deutsche Equities (India) Private Limited;<br>• HSBC Securities and Capital Markets (India) Private Limited; |

| Term | Description |
|---|---|
| | • RBS Equities (India) Limited;<br>• SBI Capital Markets Limited; and<br>• Standard Chartered Securities (India) Limited |
| Cap Price | Higher end of the Price Band, including revisions thereof, above which the Issue Price and Anchor Investor Issue Price will not be determined and above which no Bids will be accepted |
| Citi | Citigroup Global Markets India Private Limited |
| Controlling Branches of the SCSBs | Such branches of the SCSBs which coordinate Bids in the Issue by ASBA Bidders with the BRLMs, the Registrar to the Issue and the Stock Exchanges, a list of which is available on www.sebi.gov.in/pmd/scsb.pdf |
| Cut-off Price | The Issue Price finalized by the Company in consultation with the BRLMs which will be any price within the Price Band. Only Retail Bidders and Eligible Employees are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price |
| Designated Branches | Such branches of the SCSBs which will collect the ASBA Bid cum Application Form used by ASBA Bidders, a list of which is available on www.sebi.gov.in/pmd/scsb.pdf |
| Designated Date | The date on which funds are transferred from the Escrow Accounts to the Public Issue Account and the amount blocked by the SCSBs are transferred from the ASBA Accounts to the Public Issue Account, as the case may be, after the Prospectus is filed with the RoC, following which the Equity Shares will be Allotted |
| Designated Stock Exchange | Bombay Stock Exchange Limited |
| Deutsche Bank | Deutsche Equities (India) Private Limited |
| DP ID | Depository Participant's Identity |
| Eligible Employee | A permanent and full-time employee of the Company or a Director of the Company (excluding such other persons not eligible under applicable laws, rules, regulations and guidelines), as on the date of filing of the Red Herring Prospectus with the RoC, who are Indian nationals and are based, working and present in India as on the date of submission of the Bid cum Application Form and who continue to be in the employment of the Company or Directors of the Company, as the case may be, until submission of the Bid cum Application Form. |
| Employee Reservation Portion | The portion of the Issue, being 1,500,000 Equity Shares, available for allocation to Eligible Employees. |
| Eligible NRI | A NRI resident in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe for the Equity Shares |
| Equity Listing Agreement | The Company's equity listing agreements entered into with the Stock Exchanges |
| Equity Shares or Ordinary Shares | The ordinary shares of the Company having a face value of Rs. 10, unless otherwise specified in the context thereof |
| Escrow Account(s) | Accounts opened with the Escrow Collection Banks for the Issue and in whose favour the Bidders (excluding ASBA Bidders) will issue cheques or demand drafts in respect of the Bid Amount |
| Escrow Agreement | Agreement to be entered into among the Company, the Registrar, the members of the Syndicate, the Escrow Collection Banks and the Refund Banks for collection of the Bid Amounts and remitting refunds, if any, of the amounts to the Bidders (excluding ASBA Bidders) on the terms and conditions thereof |
| First Bidder | The Bidder whose name appears first in the Bid cum Application Form or the Revision Form |

| Term | Description |
|---|---|
| Floor Price | Lower end of the Price Band and any revisions thereof, below which the Issue Price will not be finalized and no Bids will be accepted and which shall not be lower than the face value of the Equity Shares |
| HSBC | HSBC Securities and Capital Markets (India) Private Limited |
| Issue | Further public issue of up to 57,000,000 Equity Shares of Rs. 10 each for cash at a price of Rs. [●] per Equity Share of the Company aggregating to Rs. [●] million |
| Issue Agreement | The agreement dated January 11, 2011 entered into amongst the Company and the BRLMs pursuant to which certain arrangements are agreed to in relation to the Issue |
| Issue Price | The final price at which the Equity Shares will be issued and Allotted to the successful Bidders in terms of the Red Herring Prospectus and the Prospectus. The Issue Price will be decided by the Company in consultation with the BRLMs |
| Kotak | Kotak Mahindra Capital Company Limited |
| Monitoring Agency | HDFC Bank Limited |
| Mutual Funds | Mutual funds registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended |
| Mutual Funds Portion | 5% of the QIB Portion (excluding the Anchor Investor Portion) equal to a minimum of 971,250 Equity Shares available for allocation to Mutual Funds only, out of the QIB Portion on a proportionate basis |
| Net Issue | Issue less the Employees Reservation Portion, consisting of 55,500,000 Equity Shares |
| Net Proceeds | Proceeds of the Issue that are available to the Company excluding Issue expenses |
| Non-Institutional Bidders | All Bidders, including sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals, that are not QIBs or Retail Bidders and who have Bid for the Equity Shares for an amount more than Rs. 200,000 |
| Non-Institutional Portion | The portion of the Issue, being not less than 15% of the Net Issue or 8,325,000 Equity Shares, available for allocation to Non-Institutional Bidders |
| Non-Resident Indian or NRI | A person resident outside India, who is a citizen of India or a person of Indian origin and will have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000, as amended |
| Pay-in Date | Bid Closing Date, except with respect to Anchor Investors, the Anchor Investor Bidding Period or a date mentioned in the Anchor Investor Allocation Notice |
| Pay-in Period | Except with respect to ASBA Bidders, the period commencing on the Bid Opening Date and extending until the Bid Closing Date |
| Price Band | Price band of a minimum price (Floor Price) of Rs. [●] and a maximum price (Cap Price) of Rs. [●], including revisions thereof. The Price Band and the minimum Bid lot for the Issue will be decided by the Company in consultation with the BRLMs and advertised in Financial Express (all editions), Janasatta (all editions) and Navshakti (all editions) at least one Working Day prior to the Bid Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price |
| Pricing Date | The date on which the Company in consultation with the BRLMs will decide the Issue Price |
| Prospectus | The Prospectus to be filed with the RoC in terms of Section 60 of the Companies Act, containing, among other things, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information and including any addenda or corrigenda |

| Term | Description |
|---|---|
| | thereof |
| Public Issue Account | The account to be opened with the Bankers to the Issue to receive monies from the Escrow Account(s) and the ASBA Accounts |
| Qualified Institutional Buyers or QIBs | Public financial institutions as specified in Section 4A of the Companies Act, FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, scheduled commercial banks, Mutual Funds, VCFs and FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million, the National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India |
| QIB Portion | The portion of the Issue being not more than 50% of the Net Issue or 27,750,000 Equity Shares available for allocation to QIBs, including the Anchor Investor Portion |
| RBS | RBS Equities (India) Limited |
| Red Herring Prospectus or RHP | This Red Herring Prospectus dated January 11, 2011 issued in accordance with Section 60B of the Companies Act, which does not have complete particulars of the Issue Price and the Price Band and which becomes the Prospectus after filing with the RoC after the Pricing Date |
| Refund Account(s) | Account(s) opened with Escrow Collection Bank(s) from which refunds of the whole or part of the Bid Amount (excluding the ASBA Bidders), if any, will be made |
| Refund Bank(s) | Escrow Collection Bank(s) with which an account is opened and from which a refund of the whole or part of the Bid Amount, if any, will be made |
| Registrar to the Issue/Registrar | Link Intime India Private Limited |
| Registrar's Agreement | The agreement entered into among the Company and the Registrar to the Issue pursuant to which certain arrangements are agreed to in relation to the Issue |
| Retail Bidders | Bidders (including HUFs and NRIs), other than Eligible Employees submitting Bids under the Employee Reservation Portion, who have Bid for the Equity Shares for an amount less than or equal to Rs. 200,000 in any of the bidding options in the Net Issue |
| Retail Portion | The portion of the Issue, being not less than 35% of the Net Issue, or 19,425,000 Equity Shares at the Issue Price, available for allocation to Retail Bidders |
| Revision Form | The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount, as applicable, in any of their Bid cum Application Forms, ASBA Bid cum Application Forms or any previous Revision Form(s) |
| SBI Caps | SBI Capital Markets Limited |
| Self Certified Syndicate Bank or SCSB | Banks which are registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994, as amended, and offer services of ASBA, including blocking of ASBA Accounts, a list of which is available on www.sebi.gov.in/pmd/scsb.pdf |
| SCS | Standard Chartered Securities (India) Limited |
| Stock Exchanges | The BSE and the NSE |
| Syndicate | Collectively, the BRLMs and the Syndicate Members |

| Term | Description |
|---|---|
| Syndicate Agreement | Agreement to be entered between the Syndicate and the Company in relation to the collection of Bids (excluding Bids from the ASBA Bidders) in this Issue |
| Syndicate Members | Kotak Securities Limited and SBICAP Securities Limited |
| Transaction Registration Slip or TRS | The slip or document issued by a member of the Syndicate to a Bidder as proof of registration of the Bid |
| Underwriters | Kotak, Citi, Deutsche Bank, HSBC, RBS, SCS, the Syndicate Members and State Bank of India |
| Underwriting Agreement | The Agreement between the Underwriters and the Company to underwrite and/or procure subscription for the Equity Shares to be issued and offered under this Issue |
| U.S. person | A U.S. person as defined in Regulation S under the U.S. Securities Act of 1933 |
| U.S. QIB | U.S. persons that are "qualified institutional buyers" as defined in Rule 144A under the U.S. Securities Act of 1933 |
| Working Day | All days other than a Sunday or a public holiday (except in reference to the Anchor Investor Bidding Period, announcement of Price Band and Bidding Period, where a working day means all days other than a Saturday, Sunday or a public holiday), on which commercial banks in Mumbai are open for business |

**Conventional and General Terms**

| Term | Description |
|---|---|
| Act or Companies Act | Companies Act, 1956, as amended |
| BSE | Bombay Stock Exchange Limited |
| CAGR | Compounded Annual Growth Rate |
| CDSL | Central Depository Services (India) Limited |
| Crore | 10 million |
| Depositories | NSDL and CDSL |
| Depositories Act | Depositories Act, 1996, as amended |
| Depository Participant or DP | A depository participant as defined under the Depositories Act |
| ECS | Electronic clearing service |
| EGM | Extraordinary general meeting of the shareholders of a company |
| EPA | Environment (Protection) Act, 1986, as amended |
| EPF Act | Employees (Provident Fund and Miscellaneous Provisions) Act, 1952, as amended |
| EPS | Earnings per share, i.e., profit after tax for a financial year divided by the weighted average number of equity shares during the financial year |
| EURIBOR | Euro Interbank Offered Rate |
| FEMA | Foreign Exchange Management Act, 1999, as amended, together with rules and regulations thereunder |
| FIIs | Foreign Institutional Investors (as defined under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995) registered with SEBI |
| Financial Year | Period of 12 months ended March 31 of that particular year |
| FIPB | Foreign Investment Promotion Board |
| FPO | Further Public Offering |
| FVCI | Foreign Venture Capital Investors (as defined under the SEBI (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI |
| GoI or Government or Central Government | Government of India |

| Term | Description |
|---|---|
| Hazardous Wastes Rules | The Hazardous Waste (Management and Handling) Rules, 1989 as amended, and as superceded by the Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008 and the Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989 |
| HUF | Hindu Undivided Family |
| IFRS | International Financial Reporting Standards |
| ID Act | Industrial Disputes Act, 1947, as amended |
| I.T. Act | Income Tax Act, 1961, as amended |
| Indian GAAP | Generally Accepted Accounting Principles in India |
| Industrial Policy | The policy and guidelines relating to industrial activity in India, issued by the Government of India from time to time |
| Km | Kilometers |
| LIBOR | London Interbank Offered Rate |
| Minimum Wages Act | Minimum Wages Act, 1948, as amended |
| MoEF | Ministry of Environment and Forests, Government of India |
| MoF | Ministry of Finance, GoI |
| MoU | Memorandum of Understanding |
| NEFT | National Electronic Fund Transfer |
| Non-Resident or NR | A person resident outside India, as defined under the FEMA and includes a Non-Resident Indian |
| NRE Account | Non-Resident External Account established in accordance with the FEMA |
| NRO Account | Non-Resident Ordinary Account established in accordance with the FEMA |
| NSDL | National Securities Depository Limited |
| NSE | National Stock Exchange of India Limited |
| OCB | A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts in which not less than 60% of the beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in this Issue |
| PAN | Permanent Account Number allotted under the I.T. Act |
| RBI | Reserve Bank of India |
| Re. | One Indian Rupee |
| RoC | Registrar of Companies, Maharashtra at Mumbai |
| Rs. or Rupees or ` | Indian Rupees |
| RTGS | Real Time Gross Settlement |
| SCRA | Securities Contract (Regulations) Act, 1956, as amended |
| SCRR | Securities Contracts (Regulation) Rules, 1957, as amended |
| SEBI | Securities and Exchange Board of India constituted under the SEBI Act |
| SEBI Act | Securities and Exchange Board of India Act, 1992, as amended |
| SEBI Insider Trading Regulations | SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended |
| SEBI Regulations | SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended |
| STT | Securities Transaction Tax |
| Supreme Court | Supreme Court of India |
| US GAAP | Generally accepted accounting principles in the United States of America |
| VCF(s) | Venture Capital Funds as defined and registered with SEBI under the SEBI (Venture Capital Fund) Regulations, 1996, as amended |
| Workmen's Compensation Act | Workmen's Compensation Act, 1923, as amended |

**Industry Related Terms**

| Term | Description |
|---|---|
| Brownfield | Land occupied by defunct or under-utilised commercial or industrial facilities. |
| Crude steel | Cast, solidified steel before further treatment. |
| Downstream | Further processing of crude steel to produce finished steel products. |
| Finished product | Steel ready for construction or manufacturing use. |
| Greenfield | Land that is currently undeveloped or in agricultural use. |
| Mothballing | A process (distinct from permanent closure) whereby a facility ceases production but is maintained in readiness, so that it can be restarted relatively quickly when the need arises. |
| mt | million tonnes |
| mtpa | million tonnes per annum |
| tpa | tonnes per annum |
| Upstream | Processing of raw materials and production of crude steel |

The words and expressions used but not defined in this Red Herring Prospectus will have the same meaning as assigned to such terms under the Companies Act, SEBI Act, SCRA, Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in the sections "***Main Provisions of the Articles of Association***", "***Statement of Tax Benefits***", "***Regulations and Policies in India***", "***Financial Statements***" and "***Outstanding Litigation and Defaults***" beginning on pages 278, 51, 91, 152 and 200 respectively of this Red Herring Prospectus, will have the same meaning given to such terms in these respective sections.

## CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION

### Financial Data

Unless stated otherwise, the financial data in this Red Herring Prospectus is derived from the financial statements of the Company prepared in accordance with Indian GAAP and the Companies Act and in accordance with the SEBI Regulations for the six month period ended September 30, 2010 and Financial Years 2010, 2009, 2008, 2007 and 2006.

The Company's financial year commences on April 1 and ends on March 31, so all references to a particular financial year are to the twelve-month period ended March 31 of that year. In this Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

There are significant differences between Indian GAAP, US GAAP and IFRS. The Company has not attempted to explain those differences or quantify their impact on the financial data included herein, and the Company urges you to consult your own advisors regarding such differences and their impact on the Company's financial data. Accordingly, the degree to which the Indian GAAP financial statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited. Please see "***Risk Factors–Risks Related to Investing in an Indian Company–Significant differences exist between Indian GAAP and other accounting principles, such as US GAAP and IFRS, which may be material to investors' assessments of the Company's financial condition. Also, failure of the Company to successfully adopt IFRS which is effective from April 2011 could have a material adverse effect on the trading price of the Equity Shares.***" on page xxxii of this Red Herring Prospectus.

All financial information, description and other information in this Red Herring Prospectus regarding the Company's activities, financial condition and results of operations are, unless otherwise indicated or required by context, presented on a consolidated basis.

All references to "**India**" contained in this Red Herring Prospectus are to the Republic of India, all references to the "**U.S.**", "**USA**", or the "**United States**" are to the United States of America.

### Industry and Market Data

Unless stated otherwise, the industry and market data used throughout this Red Herring Prospectus has been obtained from industry publications and government data. These publications generally state that the information contained therein has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decision should be made on the basis of such information. Although we believe industry data used in this Red Herring Prospectus is reliable, it has not been independently verified. Data from these sources may also not be comparable. The extent to which industry and market data used in this Red Herring Prospectus is meaningful depends on the readers' familiarity with and understanding of the methodologies used in compiling such data.

Information regarding market position, growth rates and other industry data pertaining to the businesses of the Company contained in this Red Herring Prospectus consists of estimates based on data reports compiled by government bodies, professional organisations and analysts, data from other external sources and knowledge of the markets in which the Company competes. Unless stated otherwise, the statistical information included in this Red Herring Prospectus relating to the industry in which the Company operates has been reproduced from various trade, industry and government publications and websites. Unless otherwise stated, comparative and empirical industry data in this Red Herring Prospectus have been derived from the publicly available information and industry publications published by the World Steel Association, the Indian Ministry of Steel, the Ministry of Heavy Industries and Public Enterprises of India, the Society of Indian Automobile Manufacturers, the Automotive Component Manufacturers Association of India and the Investment Committee of India.

This data has not been prepared or independently verified by the Company or the BRLMs or any of their respective affiliates or advisors. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section "***Risk Factors***" beginning on page XIV of this Red Herring Prospectus. Accordingly, investment decisions should not be based on such information.

In accordance with the SEBI Regulations, the Company has included in the section "***Basis for the Issue Price***" beginning on page 48 of this Red Herring Prospectus, information relating to the Company's peer group companies. Such information has been derived from publicly available sources and the Company has not independently verified such information.

**Currency and Units of Presentation**

All references to "**Rupees**" or "**Rs.**" or "` " are to Indian Rupees, the official currency of the Republic of India. All references to "**U.S. Dollar**" or "**USD**" or "**US$**" are to United States Dollar, the official currency of the United States of America. All references to "**Euro"** or **"EUR"** or **"€"** are to the single currency of the member states of the European Community that adopt or have adopted the Euro as their lawful currency under the legislation of the European Union or European Treaty Union. All references to "**GBP**" or "**£"** are to the Pound Sterling, the official currency of the United Kingdom of Great Britain and Northern Ireland. All references to "**JPY**" are to Japanese Yen, the official currency of Japan.

**Exchange Rates**

This Red Herring Prospectus contains translations of certain U.S. Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of item (VIII) sub-item (G) of Part A of Schedule VIII of the SEBI Regulations. These convenience translations should not be construed as a representation that those U.S. Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The exchange rates for conversion of US$ to Rs. as on March 31, 2010, March 31, 2009, September 30, 2010 and September 30, 2009 are provided below:

*(Rs.)*

| Currency | Exchange Rate as on March 31, 2010 | Exchange Rate as on March 31, 2009 | Exchange Rate as on September 30, 2010 | Exchange Rate as on September 30, 2009 |
|---|---|---|---|---|
| 1 US$ | 45.14 | 50.95 | 44.92 | 48.04 |

*Source: RBI Reference Rate*

# NOTICE TO INVESTORS

## United States

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Red Herring Prospectus. Any representation to the contrary is a criminal offence in the United States and may be a criminal offence in other jurisdictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

Accordingly, the Equity Shares are being offered and sold (i) in the United States only to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act ("**Rule 144A**") and referred to in this Red Herring Prospectus as "U.S. QIBs"; which, for the avoidance of doubt, does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in the Red Herring Prospectus as "**QIBs**") acting for its own account or for the account of another U.S. QIB (and meets the other requirements set forth herein), in reliance on the exemption from registration under the U.S. Securities Act provided by Rule 144A or other available exemption and (ii) outside the United States in reliance on Regulation S under the U.S. Securities Act.

Each purchaser of Equity Shares within the United States will be required to represent and agree, among other things, that such purchaser is purchasing the Equity Shares for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account (i) is a U.S. QIB and is aware that the sale to it is being made in reliance on Rule 144A under the U.S. Securities Act; and (ii) will only reoffer, resell, pledge or otherwise transfer the Equity Shares within the United States in reliance on the exemption from registration under the U.S. Securities Act provided by Rule 144A or other available exemption or outside the United States in an "offshore transaction" in accordance with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act.

Each purchaser of Equity Shares outside the United States will be required to represent and agree, among other things, that such purchaser is acquiring the Equity Shares in an "offshore transaction" in accordance with Regulation S under the U.S. Securities Act.

## European Economic Area

This Red Herring Prospectus has been prepared on the basis that any offer of Equity Shares in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of Equity Shares. Accordingly any person making or intending to make an offer in that Relevant Member State of Equity Shares which are the subject of the offering contemplated in this Red Herring Prospectus may only do so in circumstances in which no obligation arises for the Company or any of the Underwriters to publish a prospectus pursuant to Article 3 of the Prospectus Directive, in each case, in relation to such offer. Neither the Company nor the Underwriters have authorised, nor do they authorise, the making of any offer of Equity Shares in circumstances in which an obligation arises for the Company or the Underwriters to publish a prospectus for such offer. The expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression 2010 PD Amending Directive means Directive 2010/73/EU.

## FORWARD LOOKING STATEMENTS

This Red Herring Prospectus contains certain "forward looking statements". These forward looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "can", "could", "expect", "estimate", "intend", "objective", "plan", "project", "shall", "will", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe the Company's objectives, strategies, plans or goals are also forward looking statements. All forward looking statements are subject to risks, uncertainties and assumptions about the Company that could cause actual results to differ materially from those contemplated by the relevant forward looking statement. These forward looking statements include statements as to the Company's business strategy, its revenue and profitability (including, without limitation, any financial or operating projections or forecasts), planned projects and other matters discussed in this Red Herring Prospectus regarding matters that are not historical fact. These forward looking statements and any other projections contained in this Red Herring Prospectus involve known and unknown risks, uncertainties and other factors that may cause the Company's actual financial results, performance or achievements to be materially different from any future financial results, performance or achievements expressed or implied by such forward looking statements or other projections.

Important factors that could cause actual results to differ materially from the Company's expectations include, but are not limited to, the following:

- the downturn in the global economy and the risk of a protracted recession;
- the risk of a potential fall in steel prices or of price volatility;
- the integration of companies or business acquired by the Company;
- the implementation of new projects, including future acquisitions and financings;
- the Company's ability to recover the mineral reserves to which it has access or develop new mineral reserves;
- changes in expenses, including the cost of transporting the Company's products and the cost of energy, such as coal and electricity;
- the Company's substantial indebtedness and ability to meet its debt service obligations;
- changes in government regulation;
- terrorist attacks, civil disturbances, regional conflicts, accidents and natural disasters;
- general economic and business conditions in the markets in which the Company operates and in the local, regional and national economies;
- increasing competition in or other factors affecting the industry segments in which the Company operates;
- changes in laws and regulations relating to the industries in which the Company operates;
- the Company's ability to meet its capital expenditure requirements or increases in capital expenditure requirements;
- fluctuations in operating costs and related impact on the financial results of the Company;
- the Company's ability to attract and retain qualified personnel;
- changes in technology in the future;

- changes in political and social conditions in India or in other countries in which the Company has operations, the monetary policies of India or of such other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices, exchange rates or other rates or prices;

- the performance of the financial markets in India and other countries where the Company has operations, as well as the performance of financial markets globally; and

- any adverse outcome in legal proceedings in which the Company is or may become involved including, with respect to product liability claims.

For further discussion of factors that could cause the actual results of the Company to differ, see the sections "***Risk Factors***", "***Business***" and "***Management Discussion and Analysis of Financial Condition and Results of Operations***" beginning on pages XIV, 65 and 157 of this Red Herring Prospectus, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither the Company nor the BRLMs nor the Syndicate Members nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, the Company and the BRLMs will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchanges for the Equity Shares.

## SECTION II - RISK FACTORS

*An investment in the Equity Shares involves a high degree of risk. You should carefully consider all information in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks described below are not the only ones relevant to the countries and the industries in which the Company operates, the Company or the Equity Shares. Additional risks not presently known to the Company or that the Company currently deems immaterial may also impair the Company's business operations. To obtain a complete understanding of the Company's business, you should read this section in conjunction with the sections "**Business**" and "**Management's Discussion and Analysis of Financial Conditions and Results of Operations**" beginning on pages 65 and 157 of this Red Herring Prospectus, respectively, as well as other financial information contained in this Red Herring Prospectus. If any or some combination of the following risks, any of the other risks and uncertainties discussed in this Red Herring Prospectus or other risks that are not currently known or are now deemed immaterial actually occur, the Company's business, financial condition and results of operations could be materially effected, the trading price of the Equity Shares and the value of your investment in the Equity Shares could decline, and you may lose all or part of your investment.*

*Unless specified or quantified in the relevant risk factors below, the Company is not in a position to quantify the financial or other implication of any of the risks described in this section.*

*Unless otherwise stated, the financial information of the Company used in this section is derived from the Company's restated consolidated financial statements.*

**Risks Related to the Company**

1. ***The steel industry is affected by global economic conditions. A slower than expected recovery of the global economy or a renewed global recession could have a material adverse effect on the steel industry and the Company.***

The Company's business and results of operations are affected by international, national and regional economic conditions. Starting in September 2008, a steep downturn in the global economy, sparked by uncertainty in credit markets and deteriorating consumer confidence, sharply reduced global demand for steel products. This has had a pronounced negative effect on, and to some extent continues to negatively affect, the Company's business and results of operations. Although the global economy has shown signs of recovery since the end of 2009 and in 2010, with a certain degree of recovery and stabilisation of steel prices, should the recovery falter, the outlook of steel producers could again worsen. In particular, a renewed recession or period of lower growth or lower public spending on infrastructure in Europe or in the United States, or significantly slower growth or the spread of recessionary conditions to emerging economies that are substantial consumers of steel (such as China, Brazil, Russia and India, as well as emerging Asian markets, the Middle East and the Commonwealth of Independent States ("**CIS**") regions) would have a material adverse effect on the steel industry. The European economy and, as a result, the European steel market, have been slower in their recovery from the global economic downturn than the economies and steel markets of other regions. The European construction industry, a key consumer of steel products, including the Company's, has been particularly severely affected and has not fully come out of the recession, which has adversely impacted, and continues to negatively affect, the Company's business and results of operations in Europe.

An uneven recovery, with positive growth limited to certain regions, or excluding key markets such as Europe, which accounted for 46.4% of the Company's net sales in Financial Year 2010, would also have an adverse effect on the Company's business, results of operations, financial conditions and prospects. Continued financial weakness among substantial consumers of steel products, such as the automotive industry and the construction industry, or the bankruptcy of any large companies in such industries, would exacerbate the negative trend in market conditions. Protracted declines in steel consumption caused by poor economic conditions in one or more of the Company's major markets or by the deterioration of the financial condition of its key customers would have a material adverse effect on demand for its products and hence on its business and results of operations. An unsustainable recovery and persistent weak economic conditions in any of the Company's key markets could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

2. ***The steel industry is highly cyclical and a decrease in steel prices may have an adverse effect on the Company's results of operations and financial condition.***

Steel prices are volatile, reflecting the highly cyclical nature of the global steel industry. Steel prices fluctuate based on macroeconomic factors, including, amongst others, consumer confidence, employment rates, interest rates and inflation rates, in the economies in which the steel producers sell their products and are sensitive to the trends of particular industries, such as the automotive, construction, packaging, appliance, machinery, equipment and transportation industries, which are among the biggest consumers of steel products. When downturns occur in these economies or sectors, the Company may experience decreased demand for its products, which may lead to a decrease in steel prices.

After rising steadily during 2007 and into the third quarter of 2008, global steel prices fell sharply as the global credit crisis led to a collapse in global demand. Prices remained depressed, despite widespread production cuts, until the second half of 2009. The depressed state of steel prices during this period adversely affected the businesses and results of operations of steel producers generally, including the Company, resulting in lower revenues and margins and write downs of finished steel products and raw material inventories. In addition, the volatility, length and nature of business cycles affecting the steel industry have become increasingly unpredictable, and the recurrence of another major downturn in the industry may have a material adverse impact on the Company's business, results of operations, financial condition and prospects.

In addition, substantial decreases in steel prices during periods of economic weakness have not always been balanced by commensurate price increases during periods of economic strength. Although steel prices have, to a certain degree, recovered and stabilised since their sharp fall in 2008, the timing and extent of price recovery or return to prior levels remains uncertain. A sustained price recovery will most likely require a broad economic recovery, in order to underpin an increase in real demand for steel products by end users.

3. ***Europe is the Company's largest market, and its current business and future growth could be materially and adversely affected if economic conditions in Europe deteriorate.***

Europe is the Company's largest market, accounting for 62.7%, 55.0% and 46.4% of the Company's net sales in Financial Years 2008, 2009 and 2010, respectively. Sales of the Company's products in Europe are affected by the condition of major steel consuming industries, such as automobile, infrastructure and construction, and the European economy in general. In addition, a significant majority of the Company's operations and assets are located in Europe. As a result, the Company is subject to economic, political, legal and regulatory risks that are related to Europe.

Economic indicators in Europe in recent years have shown mixed signs. The European economy remained weak in the third quarter of 2010, which is expected to affect the Company's business, financial condition and results of operations. In particular, several economies within Europe are showing significant signs of weakness, and further bailouts of European governments may occur. Due in large part to the economic conditions in Europe, the Company's sales in Europe decreased from Rs. 809,967 million in Financial Year 2009 to Rs. 474,756 million in Financial Year 2010. Any future deterioration of the European and global economy, or a prolonged period of limited growth, could adversely affect the Company's business, financial condition, results of operations and prospects.

Developments that could have an adverse impact on Europe's economy include:

- continuing difficulties in the global financial markets;
- sovereign defaults of certain European countries;
- a slowdown in consumer spending;
- adverse changes or volatility in foreign currency reserve levels, commodity prices (including iron ore, coal and oil prices), exchange rates (including fluctuation of the U.S. dollar, GBP or Euro exchange rates), interest rates or stock markets;

- social and labour unrest;
- a decrease in tax revenues and a substantial increase in the expenditures by European governments for unemployment compensation and other social programs that, together, would lead to an increased government budget deficit;
- financial problems or lack of progress in restructuring large troubled European companies, their suppliers or the financial sector; and
- geo-political uncertainty and risk of further attacks by terrorist groups around the world.

4. ***Developments in the competitive environment in the steel industry could have an adverse effect on the Company's competitive position and hence its business, financial condition, results of operations or prospects.***

The Company believes that the key competitive factors affecting its business include product quality, changes in manufacturing technology, workforce skill and productivity, cash operating costs, pricing power with large buyers, access to outside funds, the degree of regulation and access to low-cost raw materials. Although the Company believes that it is a competitive steel producer, it cannot assure prospective investors that it will be able to compete effectively against its current or emerging competitors with respect to each of these key competitive factors.

In recent years, there has been a trend toward industry consolidation among the Company's competitors. For example, the merger of Mittal and Arcelor in 2006 created a company that continues to be the largest steel producer in the world, representing approximately 6.3% of total global steel production in 2009, according to WSA. Competition from global steel producers with expanded production capacities such as ArcelorMittal and new market entrants, especially from China and India, could result in significant price competition, declining margins and reductions in revenue. For example, these companies may be able to negotiate preferential prices for certain products or receive discounted prices for bulk purchases of certain raw materials that may not be available to the Company. Larger competitors may also use their resources, which may be greater than the Company's, against the Company in a variety of ways, including by making additional acquisitions, investing more aggressively in product development and capacity and displacing demand for the Company's export products. If the trend towards consolidation continues, the Company could be placed in a disadvantageous competitive position relative to other steel producers and its business, results of operations, financial condition and prospects could be materially and adversely affected. In addition, a variety of known and unknown events could have a material adverse impact on the Company's ability to compete. For example, changes in the level of marketing undertaken by competitors, governmental subsidies provided to foreign competitors, dramatic reductions in pricing policies, exporters selling excess capacity from markets such as China, Ukraine and Russia, irrational market behaviour by competitors, increases in tariffs or the imposition of trade barriers could all affect the ability of the Company to compete effectively. Any such event could have a material adverse impact on the Company's business, results of operations, financial condition and prospects.

5. ***The steel industry is characterised by a high proportion of fixed costs, and price volatility may adversely affect the Company's business.***

The production of steel is capital intensive, with a high proportion of fixed costs to total costs. Consequently, steel producers generally seek to maintain high capacity utilisation. If capacity exceeds demand, there is a tendency for prices to fall sharply if supply is largely maintained. Conversely, expansion of capacity requires long lead times so that, if demand grows strongly, prices increase rapidly, as unutilised capacity cannot be brought on line as quickly. The result can be substantial price volatility. While the Company has taken steps to reduce operating costs, the Company may be negatively affected by significant price volatility, particularly in the event of excess production capacity in the global steel market, and incur operating losses as a result.

Volatility in the prices of raw materials and energy, including mismatches between trends in prices for raw materials and steel, as well as limitations on or disruptions in the supply of raw materials, could adversely affect the Company's profitability.

Steel production requires substantial amounts of raw materials and energy, including iron ore, coking coal and coke, scrap and power, which are subject to significant price volatility. In 2006, 2007, and through the first half of 2008, the prices of most commodities used in the steelmaking process rose sharply before collapsing in late 2008 as a result of the global economic crisis and then experiencing a limited recovery at the end of 2009 and in 2010.

The availability and prices of raw materials may be negatively affected by, among other factors: new laws or regulations; suppliers' allocations to other purchasers; business continuity of suppliers; interruptions in production by suppliers; accidents or other similar events at suppliers' premises or along the supply chain; wars, natural disasters and other similar events; fluctuations in exchange rates; consolidation in steel-related industries; the bargaining power of raw material suppliers and the availability and cost of transportation. Although the Company sources a portion of its iron ore and coal requirements from its captive mines and also has new mines under development, it currently obtains a significant majority of its raw materials requirements, including all materials for its operation in Europe, under supply contracts or from the spot market. The raw materials industry is highly concentrated and suppliers in recent years have had significant pricing power, as was the case during 2007 and the first half of 2008, when demand peaked at record levels. Further consolidation among suppliers would exacerbate this trend. In addition, in 2010, raw materials suppliers began to move toward sales based on quarterly prices rather than annually priced contracts under which steel producers face increased exposure to production cost and price volatility, which may in turn reduce their access to reliable supplies of raw materials.

In recent years, many steel companies have been focused on acquiring raw materials around the world in an effort to limit their exposure to the volatility and instability of the markets for raw materials. To the extent such companies use these raw materials in their own steel production, these acquisitions will further limit the supply of these raw materials available for purchase in global markets. Any prolonged interruption in the supply of raw materials or energy, or failure to obtain adequate supplies of raw materials or energy at reasonable prices or at all, or increases in costs which the Company cannot pass on to its customers, could adversely affect its business, financial condition, results of operations or prospects.

Despite the fact that steel and raw material prices are historically highly correlated, with both having experienced significant declines during the global economic crisis, there can be no assurance that this correlation will continue. If raw materials and energy prices rise significantly (either as a result of supply constraints or other reasons) but prices for steel do not increase commensurately, it would have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

In addition, energy costs, including the cost of electricity and natural gas, represent a substantial portion of the cost of goods sold by steel producers generally, including the Company. Historically, energy prices have varied significantly, and this trend may continue due to market conditions and other factors beyond the control of steel producers. Because the production of direct reduced iron and the re-heating of steel involve the use of significant amounts of energy, steel producers are sensitive to energy prices and are dependent on having access to reliable supplies. As a result, even moderate increases in energy prices can have a significant effect on the Company's business, financial condition, results of operations and prospects.

6. ***The Company's estimates of its Indian mineral reserves and the mineral reserves of its other mining investments are subject to assumptions, and if the actual amounts of such reserves are less than estimated, or if the Company is unable to gain access to sufficient mineral reserves, the Company's results of operations and financial condition may be adversely affected.***

The Company's estimates of its iron ore and coal resources, including in India, Mozambique, Canada and the Ivory Coast, are subject to probabilistic assumptions based on interpretations of geological data obtained from sampling techniques and projected rates of production in the future. In addition, no independent third-party reports have been generated to ascertain the level of mineral reserves located at certain of the Company's existing and potential mining sites. Actual reserves and production levels may differ significantly from reserve estimates. Furthermore, it may take many years from the initial phase of exploration before production is possible during which time the economic feasibility of exploiting such reserves may change. In addition, the Company's joint ventures to gain access to coal and iron ore deposits in India, Mozambique, Canada and the Ivory Coast have not reached the production phase. The Company can offer no assurance that commercial levels of raw materials will be discovered or that the mines will produce raw materials at the estimated amounts or at all.

If the Company has overestimated its mineral reserves, or the quality of such reserves, it would deplete its existing mineral reserves more quickly than estimated, and the Company may be forced to purchase such minerals in the open market. Prices of minerals in the open market may significantly exceed the cost at which the Company might otherwise be able to extract these minerals, which would cause the Company's costs to increase and consequently adversely affect the Company's businesses, results of operations, financial condition and prospects.

7. ***The Company relies on leased mines and if it is unable to renew these leases, obtain new leases or is required to pay more royalties under these leases, it may be forced to purchase such minerals for higher prices in the open market, which may negatively impact its results of operations and financial condition.***

The Company extracts minerals pursuant to mining leases from State Governments in the areas in which such mines are located including leases for iron ore mines in the Noamundi, Joda and Khondbond regions and coal mines in the West Bokaro and Jamadoba regions. These leases are granted under the Indian Mines and Minerals (Development and Regulations) Act, 1957 (the "**MMDR**"). In addition, the Company has plans to increase the scope of its mining activities pursuant to new leases with the State Governments including leases relating to the Orissa and Chhattisgarh Steel Projects and through its venture with Steel Authority of India Limited ("**SAIL**"). From time to time, such leases expire and may be renewed for up to 20 years with the approval of the relevant State Government and, in some cases, the Indian Government. Such renewals may take an indeterminable time to be completed and, among other requirements, the renewals are subject to the lessee not being in breach of any applicable laws, including environmental laws.

If the Company's mining leases are not renewed, or renegotiated on terms that are less advantageous, no new leases are made available, or royalties charged against the Company's leases are increased, the Company may be forced to purchase such minerals in the open market or pay increased royalties. If prices in the open market exceed the cost at which the Company might otherwise be able to extract these minerals or there is an increase in royalties payable, the Company's costs would increase and the Company's business, results of operations, financial condition and prospects would be materially and adversely affected.

8. ***If the Indian Government implements the Mines and Minerals (Development and Regulation) Bill, 2010 (the "MMDR Bill"), the financial condition and results of operations of the Company may be adversely affected.***

The Company may be adversely affected by the proposed implementation of the MMDR Bill which, according to the last publically available draft, would subject the Company to new mining regulations, including paying compensation to certain affected persons. The MMDR Bill seeks to rationalise royalties, taxes, cesses and the auction of mining blocks by State Governments to promote regional mining explorations. Among other provisions, the MMDR Bill would require a mining company to pay annual compensation to certain affected persons, defined as persons holding occupations, usufruct or traditional rights related to the surface of the land over which it possess mining licenses. If the mining company and such affected persons are unable to agree on such annual compensation, the annual compensation will be set by the relevant State Government. The MMDR Bill proposes that the mining company shall allot free shares equal to 26% through the promoters' quota of the mining company or an annuity equal to 26% of the profit after deduction of tax paid, in case the holder of lease is a person, to the stakeholders as annual compensation and employment and other assistance to such affected persons in accordance with the rehabilitation and resettlement policy of the concerned State Government. If the mining operations are unprofitable, the mining company would be required to pay a specified amount in lieu of annuity, for the first five years from the commencement of mining activities. The MMDR Bill also proposes to address the eligibility norms for obtaining new mining blocks, renewing existing mining blocks, obtaining new mining licenses and determining the levels of compensation and royalties to be paid to the central and State Governments.

A group of ministers approved a revised version of the MMDR Bill on September 17, 2010 and the provisions of the last publicly available version of the MMDR Bill, which are reflected in the above paragraph, do not represent the current position. Thus, the Company is currently unable to predict the impact the MMDR Bill will have on its business, financial condition, results of operations and prospects, as well as the final form that the MMDR Bill will take. Any laws implemented as a result of the proposed MMDR Bill may adversely affect the business, financial condition, results of operations and prospects of the Company.

9. ***Overcapacity and oversupply in the global steel industry may adversely affect the Company's profitability.***

In recent years, driven in part by strong growth in steel consumption in emerging markets, particularly in China, the global steel industry has experienced an expansion of steel production capacity. China is the largest steel producing country in the world by a significant margin, with the balance between its domestic production and demand being an important factor in the determination of global steel prices. In addition, Chinese steel exports may have a significant impact on steel prices in markets outside of China, including in the markets where the Company operates. In addition, there have also been various capacity expansion plans announced in India. According to the Ministry of Steel's Annual Report 2009-2010, approximately 220 memorandums of understanding were signed by various State Governments for total planned capacities of approximately 276 mtpa.

The increased production capacity, combined with a decrease in demand could result in production overcapacity in the global steel industry. Such production overcapacity in the global steel industry would intensify if the slowdown of the global economy is prolonged or demand from developing countries that have experienced significant growth in the past several years does not meet the growth in production capacity. Any production overcapacity and oversupply in the steel industry would likely cause increased competition in steel markets around the world which would likely lead to reduced profit margins for steel producers, and also would likely have a negative effect on the Company's ability to increase steel production in general. No assurance can be given that the Company will be able to continue to compete in such an economic environment or that a prolonged slowdown of the global economy or production overcapacity will not have a material adverse effect on the Company's business, results of operations, financial condition or prospects.

10. ***If industry-wide steel inventory levels are high, customers may draw from inventory rather than purchase new products, which would reduce the Company's sales and earnings.***

Above-normal industry inventory levels can cause a decrease in demand for the Company's products and thereby adversely impact its earnings. High industry-wide inventory levels of steel reduce the demand for production of steel because customers can draw from inventory rather than purchase new products. This reduction in demand could result in a corresponding reduction in prices and sales, both of which could contribute to a decrease in earnings. Industry-wide inventory levels of steel products can fluctuate significantly from period to period.

11. ***The Company has incurred a substantial amount of indebtedness, which may adversely affect its cash flow and its ability to operate its business.***

In April 2007, the Company acquired all of the outstanding shares of Corus for GBP 6,004 million. To finance the acquisition, the Company incurred a significant amount of debt. The Company has refinanced and repaid portions of this debt, but the Company's outstanding indebtedness continues to be substantial and totalled Rs. 559,372 million as of September 30, 2010. Because of the Company's substantial level of indebtedness, a downturn in the business will increase the possibility that the Company may be unable to generate cash sufficient to pay, when due, the principal of, interest on or other amounts due in respect of its indebtedness. In addition, as this debt matures, the Company may need to refinance or secure new debt. See "***Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Capital Requirements—Repayment of Borrowings***" on page 178 of this Red Herring Prospectus.

The Company's high indebtedness levels, and other financial obligations and contractual commitments of the Company, may have other important consequences for its business and results of operations, including:

- making the Company more vulnerable to adverse changes in economic conditions, government regulation or in the competitive environment;

- requiring the Company to dedicate a substantial portion of its cash flow from operations to payments on its indebtedness and other obligations and commitments, thereby reducing the availability of its cash flows to fund working capital, capital expenditures, acquisitions and other general corporate purposes;

- limiting the Company's ability to borrow additional amounts for working capital, capital expenditures, acquisitions, debt service requirements, execution of its business strategy or other purposes;

- requiring the Company to arrange for refinancing of debt as it matures, which may not be available on terms favourable to the Company or at all;

- materially impacting the Company's ability to pay dividends in the future; and

- exacerbating the impact of foreign currency movements on the profitability and cash flows of the Company.

In addition, the Company's high indebtedness levels, and other financial obligations and contractual commitments of the Company could lead to a downgrade of the Company's credit rating by international and domestic rating agencies, thereby adversely impacting the Company's ability to raise additional financing and the interest rates and commercial terms on which such additional financing is available. On February 5, 2009, Standard & Poor's lowered the Company's rating to BB- with negative outlook due to weak market conditions; on April 3, 2009, Fitch lowered the Company's rating to BB+ with negative outlook; and on June 8, 2009, Moody's lowered the Company's rating to Ba3 with stable outlook. On October 7, 2010, Standard & Poor's revised the Company's outlook to stable and, on November 22, 2010, Fitch revised the outlook on the Company to stable.

The Company's indebtedness included outstanding variable-rate debt in the principal amount of Rs. 436,187 million as of September 30, 2010. If interest rates rise, interest payable on this debt will also rise, thus increasing the cost of new financing for the Company, increasing the Company's interest expense and limiting the Company's ability to implement its growth strategies. Such a rise in interest rates could materially and adversely affect the Company's business, results of operations, financial condition and results of operations.

12. ***The Company is subject to certain restrictive covenants in its financing arrangements which may limit the Company's operational and financial flexibility, and the Company's future results of operations and financial condition may be adversely affected if the Company fails to comply with these covenants.***

Certain of the Company's financing arrangements include covenants to maintain certain debt to equity ratios, debt coverage ratios and certain other liquidity ratios. The Company cannot assure prospective investors that such covenants will not hinder the Company's business development and growth in the future. For example, in May 2009, due to a decline in the Company's EBITDA performance following the global economic downturn, the Company was required to seek consent from its lenders to the suspension of certain earnings-related covenants until March 2010 in order to avoid a possible breach of covenants. As part of the agreement with the lenders to suspend testing of the covenants, Tata Steel Limited was required to inject additional capital into its European operations, part of which was used to prepay debt. See "***Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources***" on page 177 of this Red Herring Prospectus.

In the event that the Company breaches these covenants, the outstanding amounts due under such financing agreements could become due and payable immediately. A default under one of these financing agreements may also result in cross-defaults under other financing agreements and result in the outstanding amounts under such financing agreements becoming due and payable immediately. Defaults under one or more of the Company's financing agreements could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

Some of the Company's financing agreements and debt arrangements set limits on or require it to obtain lender consents before, among other things, undertaking certain projects, issuing new securities, changing the business of the Company, merging, consolidating, selling significant assets or making certain acquisitions or investments. In the past, the Company has been able to obtain required lender consents for such activities. However, there can be no assurance that the Company will be able to obtain such consents in the future. If the Company's financial or growth plans require such consents, and such consents are not obtained, the Company may be forced to forgo or alter its plans, which could adversely affect the Company's results of operations and financial condition.

In addition, certain financial covenants may limit the Company's ability to borrow additional funds or to provide collateral. In particular, certain subsidiaries of the Company including Tata Steel UK Holdings Limited entered into a senior facilities agreement with a syndicate of banks in September 2010 to refinance the outstanding debt obligation with respect to the senior secured facilities obtained by TSE in April 2007 to finance the acquisition of Corus. The agreements governing the new facilities include a number of covenants and provisions that could restrict the Company and its subsidiaries from incurring additional debt in the future and from pledging assets to secure such additional debt.

13. ***Tata Sons Limited and related parties that together have a significant shareholding in the Company may take actions that are not in the Company's best interest or which may conflict with the interests of the shareholders.***

As of September 30, 2010, the Company's principal shareholder, Tata Sons Limited ("**Tata Sons**"), together with Tata Motors Limited and other Tata Group companies and related trusts, owned approximately 33% of the Company's paid-up Equity Share capital. Under Indian law, certain major corporate actions such as mergers, issuance of further Equity Shares, remuneration of Directors and the winding up of the Company, require the approval of 75% of the voting power of the Company's Equity Shares. Tata Sons and related parties may discourage or defeat a third party from attempting to take control of the Company, even if such a takeover would result in the purchase of the Equity Shares at a premium to their market price, or would otherwise be beneficial to shareholders.

Moreover, Tata Sons and related parties, as a significant shareholding group, will continue to have the ability to exert significant influence over the actions of the Company. They may also engage in activities that conflict with the interests of the Company or the interests of the Company's shareholders and in such event the Company's shareholders could be disadvantaged by these actions. Tata Sons and related parties could cause the Company to pursue strategic objectives that may conflict with the interests of the Company's shareholders. For example, the Company has engaged in, and will continue to engage in, transactions with members of the Tata Group, such as purchases of certain raw materials and electricity and sales of its steel products. See the section "***Financial Statements—Related Party Transactions***" beginning on page F-84 of this Red Herring Prospectus. Conflicts of interest may arise between the Company and its affiliates, on the one hand, and the Tata Group, its members and affiliates (other than the Company and its affiliates), on the other, resulting in the conclusion of transactions on terms not determined by market forces. Any such conflict of interest could adversely affect the Company's business, results of operations, financial condition and prospects.

14. ***If the Company is unable to successfully implement its growth strategies, its results of operations and financial condition could be adversely affected.***

As part of its future growth strategy, the Company plans to expand its steelmaking capacity through a combination of brownfield growth, new greenfield projects and acquisition opportunities and to focus this additional capacity on the increased production of high-value products. The Company is currently expanding its steelmaking capacity at its Jamshedpur facility and is exploring the development of greenfield steel plants in Orissa, Chhattisgarh and Karnataka, India. See "***Business—Expansion and Development Projects***" on page 76 of this Red Herring Prospectus. These projects, and a number of other expansion projects, to the extent that they proceed, would require substantial capital expenditures and would involve risks, including risks associated with the timely completion of these projects. Factors that could affect the Company's ability to complete these projects include receiving financing on reasonable terms, obtaining or renewing required regulatory approvals and licenses, demand for the Company's products and general economic conditions. In addition, the feasibility of the Company's growth strategies are also dependent upon the ability of the Company to negotiate extensions of memorandums of understanding with the relevant State Governments, obtain new iron ore mining leases from the relevant State Governments and on certain political factors including the resettlement and rehabilitation of people living on the land to be used in a project. Any of these factors may cause the Company to delay, modify or forego some or all aspects of its expansion plans. Consequently, the Company cannot assure prospective investors that it will be able to execute these projects and, to the extent that they proceed, that it will be able to complete them on schedule or within budget. In addition, the Company cannot assure prospective investors that it will be able to achieve its goal of increasing the production of high-value products or that it will otherwise be able to achieve an adequate return on its investment. Failure to do so could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

15. ***The Company may not be able to obtain adequate funding required to carry out its future plans for growth.***

Disruptions in global credit and financial markets and the resulting governmental actions around the world could have a material adverse impact on the Company's ability to meet its funding needs, and could cause the market value of the Company's Equity Shares to decline. The Company requires continuous access to large quantities of capital in order to carry out its day-to-day operations. The Company has historically required, and in the future expects to require, outside financing to fund capital expenditures needed to support the growth of its business (including the additional operational and control requirements of this growth) as well as to refinance its existing debt obligations and meet its liquidity requirements. These expenditures include capital expenditures for new facilities, such as the brownfield expansion of the Jamshedpur facility and the greenfield projects at Orissa, Chhattisgarh and Karnataka, where payments will be made in advance of any additional revenue that will be generated.

In the event of adverse market conditions, or if actual expenditures exceed planned expenditures, the Company's external financing activities and internal sources of liquidity may not be sufficient to affect current and future operational plans, and the Company may be forced to, or may choose to, delay or terminate the expansion of the capacity of certain of its facilities or the construction of new facilities. The Company's ability to arrange external financing and the cost of such financing, as well as the Company's ability to raise additional funds through the issuance of equity, equity-related or debt instruments in the future, is dependent on numerous factors. These factors include general economic and capital market conditions, interest rates, credit availability from banks or other lenders, investor confidence in the Company, the success of the Company, provisions of tax and securities laws that may be applicable to the Company's efforts to raise capital, the political and economic conditions in the geographic locations in which the Company operates, the amount of capital that other entities may seek to raise in the capital markets, the liquidity of the capital markets and the Company's financial condition and results of operations.

In recent years, disruptions and volatility in the global financial markets have resulted in increases in credit spreads and limitations on the availability of credit. Starting in mid-2007, credit markets in the United States began experiencing difficult conditions and increased volatility, which in turn adversely affected worldwide financial markets. Adverse conditions in the global credit and financial markets were further exacerbated in 2008 by the bankruptcy or acquisition of, and government assistance to, several major U.S. and European financial institutions. These developments resulted in reduced liquidity, greater volatility, widening of credit spreads and a reduction in price transparency in the U.S. and global financial markets.

In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including Europe and India, implemented a number of policy measures designed to add stability to the financial markets and stimulate the economy, including the provision of direct and indirect assistance to distressed financial institutions. However, while the rate of deterioration of the global economy slowed in the second half of 2009 and into 2010, with some signs of stabilisation and improvement, the overall prospects for the global economy remain uncertain. For example, in November 2009, the Dubai government announced a moratorium on the outstanding debt of Dubai World, a government-affiliated investment company. In addition, many governments worldwide, in particular in Ireland, Greece, Portugal and other countries in southern Europe, are showing increasing signs of fiscal stress and may experience difficulties in meeting their debt service requirements. Any of these or other developments could potentially trigger another financial and economic crisis. In addition, while many governments worldwide are considering or are in the process of implementing "exit strategies," in the form of reduced government spending, higher interest rates or otherwise, with respect to the economic stimulus measures adopted in response to the global financial crisis, such strategies may, for reasons related to timing, magnitude or other factors, have the unintended consequence of prolonging or worsening global economic and financial difficulties. Adverse conditions and uncertainty surrounding the European, Indian and global economies and financial markets may have a material adverse effect on the Company's business and its ability to meet funding needs, as well as negatively affect the market prices of the Company's Equity Shares.

The Company can make no guarantee that it will be able to obtain bank loans or renew existing credit facilities granted by financial institutions in the future on reasonable terms or at all or that any fluctuation in interest rates will not adversely affect its ability to fund required capital expenditures. The Company may be unable to raise additional equity on terms or with a structure that is favourable to the Company, if at all. If the Company is unable to arrange adequate external financing on reasonable terms, the Company's business, operations, financial condition and prospects may be adversely and materially affected.

16. ***The Company operates a global business and its financial condition and results of operations are affected by the local conditions in or affecting countries where it operates.***

The Company operates a global business and has facilities in the United Kingdom, the Netherlands, India, Germany, Thailand, Singapore, China, Vietnam and Australia. As a result, the Company's financial condition and results of operations is affected by political and economic conditions in or affecting countries where it operates. The Company faces a number of risks associated with its operations, including in some or all jurisdictions challenges caused by distance, local business customs, languages and cultural differences; adverse changes in laws and policies, including those affecting taxes and royalties on energy resources, labour, environmental compliance and investments; difficulty in obtaining licenses, permits or other regulatory approvals from local authorities; adverse effects from fluctuations in exchange rates; multiple and possibly overlapping and conflicting standards and practices of the regulatory, tax, judicial and administrative bodies of the relevant foreign jurisdiction; political strife, social turmoil or deteriorating economic conditions; military hostilities or acts of terrorism; and natural disasters, including earthquakes in India and flooding and tsunamis in Southeast Asia, and epidemics or outbreaks such as avian flu, swine flu or severe acute respiratory syndrome. In addition, the infrastructure of certain countries where the Company operates its business, in particular India but also Thailand, China and Vietnam is less developed than that of many developed nations and problems with its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt the Company's normal business activities.

Investments in certain countries could also result in adverse consequences to the Company under existing or future trade or investment sanctions. The effect of any such sanctions could vary, but if sanctions were imposed on the Company or one of its subsidiaries, there could be a material adverse impact on the market for the Company's securities or it could significantly impair the Company's ability to access the U.S. or international capital markets.

Any failure on the Company's part to recognise or respond to these risks may materially and adversely affect the success of its operations, which in turn could materially and adversely affect the Company's business, results of operations, financial condition and prospects.

17. ***The unexpected loss, shutdown or slowdown of operations at any of the Company's facilities could have a material adverse effect on the Company's results of operations and financial condition.***

The Company's facilities are subject to operating risks, such as the breakdown or failure of equipment, power supply interruptions, facility obsolescence or disrepair, labour disputes, natural disasters and industrial accidents. The occurrence of any of these risks could affect the Company's operations by causing production at one or more facilities to shutdown or slowdown. No assurance can be given that one or more of the factors mentioned above will not occur, which could have a material adverse effect on the Company's results of operations and financial condition.

In addition, the Company's manufacturing processes depend on critical pieces of steelmaking equipment. Such equipment may, on occasion, be out of service as a result of unanticipated failures, which could require the Company to close part or all of the relevant production facility or cause the Company to reduce production on one or more of its production fines. Any interruption in production capability may require the Company to make significant and unanticipated capital expenditures to affect repairs, which could have a negative effect on the Company's profitability and cash flows. Although the Company maintains business interruption insurance, the recoveries under its insurance coverage may not be sufficient to offset the lost revenues or increased costs resulting from a disruption of its operations. A sustained disruption to the Company's business could also result in a loss of customers. Any or all of these occurrences could materially adversely affect the Company's business, results of operations, financial condition and prospects.

18. ***Costs related to the Company's obligations to pension and other retirement funds could escalate, thereby adversely affecting the Company's results of operations and financial condition.***

The Company has significant pension and other retirement obligations to its employees in Europe and India. The Company's subsidiary, TSE, provides retirement benefits for substantially all of its employees under several defined benefit and defined contribution plans. Pension contributions are calculated by independent actuaries using various assumptions about future events. The actuarial assumptions used may differ from actual future results due to changing market and economic conditions, higher or lower withdrawal rates, longer or shorter life spans of participants or other unforeseen factors. These differences may impact TSE's recorded net pension expense and liability, as well as future funding requirements.

As of September 30, 2010, the fair value of TSE's plan assets was GBP 16,214 million and benefit obligations were GBP 16,055 million. If there is a significant adverse change in the market value of TSE's pension assets, TSE may need to increase its pension contributions, which could have a material and adverse impact on the Company's financial results. Further, changes in interest rates and actuarial assumptions may also result in an increase in the value of pension obligations.

In addition, since 1995, the Company has introduced a number of early separation schemes to optimize the size of its workforce in India. Pursuant to such schemes, certain employees of the Company's subsidiary, TSL, can opt to retire early and receive compensation until such time as they would have retired in the normal course. This has contributed to a reduction in the number of employees at the Company's Indian operations, from approximately 76,400 as of March 31, 1995 to approximately 34,100 as of March 31, 2010. The net present value of the future liability for pensions payable to employees who have opted for retirement under this early separation scheme is amortised over a number of years. The increase in the net present value of any future liability for such pensions is charged to the profit and loss account. However, the net present value of the future liability may change due to changes in interest rates, which affect the discounting rate used to calculate the net present value. In addition, accounting changes may impact the period over which the net present value of the future liability is amortised.

As of September 30, 2010, the Company reported a liability of Rs. 9,168 million in respect of provisions for the employee separation compensation. In addition, since March 31, 2010, the amortisation of the net present value of future early separation scheme liability is no longer permitted, and the Company is required to recognise the net present value of the entire future liability as an expenditure in the year in which the employee elects to retire under the early separation scheme. Since the net present value of the Company's expenses under the early separation scheme fluctuates with changing interest rates and may be affected by future accounting changes, the Company cannot precisely estimate the effect of these expenses on its future results of operations, and therefore its future results of operations and financial condition may be materially and adversely affected.

**19.** ***The Company faces numerous protective trade restrictions, including anti-dumping laws, countervailing duties and tariffs, which could adversely affect its results of operations and financial condition.***

Protectionist measures, including anti-dumping laws, countervailing duties and tariffs and government subsidisation adopted or currently contemplated by governments in some of the Company's export markets could adversely affect the Company's sales. Anti-dumping duty proceedings or any resulting penalties or any other form of import restrictions may limit the Company's access to export markets for its products, and in the future additional markets could be closed to the Company as a result of similar proceedings, thereby adversely impacting its sales or limiting its opportunities for growth.

Tariffs are often driven by local political pressure in a particular country and therefore there can be no assurance that quotas or tariffs will not be imposed on the Company in the future. In the event that such protective trade restrictions are imposed on the Company, its exports could decline. Moreover, India and Europe are the Company's largest markets and do not currently impose such restrictions. Foreign steel manufacturers may, as a result of trade restrictions in other regions or other factors, attempt to increase their sales to these markets thereby causing increased competition in India and Europe. A decrease in the Company's exports from India and Europe or an increase in steel imports to India and Europe as a result of protective trade restrictions could have a negative impact on the Company's business, financial condition, results of operations and prospects.

**20. *Environmental matters, including compliance with laws and regulations and remediation of contamination, could result in substantially increased capital requirements and operating costs.***

The Company's businesses are subject to numerous laws, regulations and contractual commitments relating to the environment in the countries in which it operates and the Company's operations generate large amounts of pollutants and waste, some of which are hazardous. These laws, regulations and contractual commitments concern air emissions, wastewater discharges, solid and hazardous waste material handling and disposal, and the investigation and remediation of contamination or other environmental restoration. The risk of substantial costs and liabilities related to compliance with these laws and regulations is an inherent part of the Company's business. Facilities currently or formerly owned or operated by the Company, or where wastes have been disposed or materials extracted, are all subject to risk of environmental cost and liabilities, which includes the costs or liabilities relating to the investigation and remediation of past or present contamination or other environmental restoration. In addition, future conditions and contamination may develop, arise or be discovered that create substantial environmental compliance, remediation or restoration liabilities and costs. Despite the Company's efforts to comply with environmental laws and regulations, violations of such laws or regulations can result in civil and/or criminal penalties being imposed, the suspension of permits, requirements to curtail or suspend operations, lawsuits by third parties and negative reputational effects. There can be no assurance that substantial costs and liabilities will not be incurred in the future.

An increase in the requirements of environmental laws and regulations, increasingly strict enforcement thereof by governmental authorities, or claims for damages to property or injury to persons resulting from the environmental impacts of the Company's operations or past contamination, could prevent or restrict some of the Company's operations, require the expenditure of significant funds to bring the Company into compliance, involve the imposition of cleanup requirements and reporting obligations, and give rise to civil and/or criminal liability. The European Union has already established greenhouse gas regulations and many other countries, including the United States, are in the process of doing so. Such regulations, whether in the form of a national or international cap-and-trade emissions permit system, a carbon tax, or other regulatory initiative, could have a negative effect on the Company's production levels, income and cash flows. Such regulations could also have a negative effect on the Company's suppliers and customers, which could result in higher costs and lower sales.

There can be no assurance that any such legislation, regulation, enforcement or private claim will not have a material adverse effect on the Company's business, financial condition or results of operations. In the event that production at one of the Company's facilities is partially or wholly disrupted due to this type of sanction, the Company's business could suffer significantly and its results of operations and financial condition could be materially and adversely affected.

In addition, the Company's current and future operations may be located in areas where communities may regard its activities as having a detrimental effect on their natural environment and conditions of life. Any actions taken by such communities in response to such concerns could compromise the Company's profitability or, in extreme cases, the viability of an operation or the development of new activities in the relevant region or country.

**21. *Failure to maintain adequate health and safety standards may cause the Company to incur significant costs and liabilities and may damage the Company's reputation.***

The Company is subject to a broad range of health and safety laws and regulations in each of the jurisdictions in which it operates. These laws and regulations, as interpreted by the relevant agencies and the courts, impose increasingly stringent health and safety protection standards. The costs of complying with, and the imposition of liabilities pursuant to, health and safety laws and regulations could be significant, and failure to comply could result in the assessment of civil and/or criminal penalties, the suspension of permits or operations and lawsuits by third parties.

Despite the Company's efforts to monitor and reduce accidents at its facilities, there remains a risk that health and safety incidents may occur. Such incidents could include explosions or gas leaks, fires or collapses in underground mining operations, vehicular accidents, other incidents involving mobile equipment or exposure to potentially hazardous materials. For example, a customer's employee suffered a fatal accident in April 2010 from a vehicle driven by a Company employee and, in the first half of Financial Year 2011, there were two further fatalities, the first involving a Company employee during a crane maintenance activity and the second involving the employee of a haulage contractor. Some of the Company's industrial activities involve the use, storage and transport of dangerous chemicals and toxic substances, and the Company is therefore subject to the risk of industrial accidents which could have significant adverse consequences for the Company's workers and facilities, as well as the environment. Such incidents could lead to production stoppages, the loss of key assets, or put at risk employees (and those of sub-contractors and suppliers) or persons living near affected sites. In addition, such incidents could damage the Company's reputation, leading to the rejection of products by customers, devaluation of the Tata brands and diversion of management time into rebuilding and restoring its reputation.

***22. Mining operations are subject to substantial risk, including those related to operational hazards and environmental issues.***

The Company currently operates several iron ore and coal mines in India, has an interest in mines in Mozambique, Canada and the Ivory Coast and may substantially increase the scope of its mining activities in the future. These operations are subject to hazards and risks normally associated with the exploration, development and production of natural resources including industrial accidents, such as explosions, fires, transportation interruptions and inclement weather. The occurrence of any of these events, or similar events, could delay production, increase production costs and result in death or injury to persons, damage to property and liability for the Company, some or all of which may not be covered by insurance, as well as substantially harm the Company's reputation.

These operations are also subject to hazards and risks relating to negative environmental consequences such as those resulting from tailings and sludge disposal, effluent management and disposal of mineralized waste water and rehabilitation of land disturbed during mining processes. In addition, environmental awareness throughout the world, including in India and other emerging markets, has grown significantly in recent years, and opposition to mining operations have also increased due to the perceived negative impact they have on the environment. For example, in 2005, citizens of the State of Orissa in India protested against the entry of mining operations by a bauxite-mining consortium in forested lands. Public protest over the Company's mining operations could cause operations to slow down, damage the Company's reputation and goodwill with the governments or public in the countries in which the Company operates, or cause damage to its facilities. Public protest could also affect the ability of the Company to obtain necessary licenses to expand existing facilities or establish new operations. Consequently, negative environmental consequences as well as public opposition of the Company's current or planned mining operations could have a material adverse effect on the Company's results of operations and financial condition.

***23. The Company's operating results are significantly affected by movements in exchange rates.***

There has been considerable volatility in foreign exchange rates in recent years, including rates between the Euro, the Rupee, the U.S. dollar and other major foreign currencies. To the extent that the Company incurs costs in one currency and generate sales in another, its profit margins may be affected by changes in the exchange rates between the two currencies. Sales from the Company's European operations are denominated mainly in Euro, and sales from its Indian operations are primarily in Rupees although its exports are mainly denominated in U.S. dollars. The raw material purchases for the Company's European operations are denominated mainly in U.S. dollars while employee related expenses and other costs are primarily denominated in British pounds and Euros. Costs of the Company's Indian operations are primarily in Rupees although its imports, including the purchase of raw materials, are mainly denominated in U.S. dollars. Imports of the Company's Indian operations that are denominated in U.S. dollars currently exceed its exports denominated in U.S. dollars on an annual basis and therefore it has a net short position in U.S. dollars on its revenue account. In addition, because of ongoing growth projects in India for which the Company expects to incur significant capital expenditures, including the purchase of equipments, the Company is expected to have imports on its capital account in Euros, U.S. dollars and British pound. Accordingly, fluctuations in exchange rates, in particular between the Euro and the British pound, Euro and the U.S. dollar and Rupee and the U.S. dollar, affect the Company's profit margins and revenue from its operations.

The Company books forward contracts on a rolling basis to hedge its short position versus the U.S. dollars (against British pound and Euros) in its European business. For other exposures, it maintains a policy of booking forward contracts to hedge exposures once they are crystallised. While the Company uses foreign currency forward and option contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions, changes in exchange rates may have a material and adverse effect on its business, results of operations, financial condition and prospects.

***24. Competition from other materials, or changes in the products or manufacturing processes of customers that use the Company's steel products, could reduce market prices and demand for steel products and thereby reduce the Company's cash flow and profitability.***

In many applications, steel competes with other materials that may be used as substitutes, such as aluminum (particularly in the automobile industry), cement, composites, glass, plastic and wood. Government regulatory initiatives mandating or incentivising the use of such materials in lieu of steel, whether for environmental or other reasons, as well as the development of other new substitutes for steel products, could significantly reduce market prices and demand for steel products and thereby reduce the Company's cash flow and profitability.

In addition, the steel market is characterised by evolving technology standards that require improved quality, changing customer specifications and wide fluctuations in product supply and demand. The products or manufacturing processes of the customers that use the Company's steel products may change from time to time due to improved technologies or product enhancements. These changes may require the Company to develop new products and enhancements for the Company's existing products to keep pace with evolving industry standards and changing customer requirements. If the Company cannot keep pace with market changes and produce steel products that meet the Company's customers' specifications and quality standards in a timely and cost-effective manner, the Company's business, results of operations, financial conditions and prospects could be materially adversely affected.

***25. The Company has undertaken, and may undertake in the future, strategic acquisitions, which may be difficult to integrate, and may end up being unsuccessful.***

The Company has in the past pursued, and may from time to time pursue in the future, acquisitions. From 2005 to 2007, the Company acquired operations in Europe through the acquisition of Corus as well as operations in Thailand, Singapore, China, Vietnam, Thailand and Australia through the acquisitions of Tata Steel Thailand and Natsteel. These acquisitions posed significant logistical and integration issues for the Company, as it had no previous experience in managing substantial foreign companies or large-scale international operations.

The Company's ability to achieve the benefits it anticipates from future acquisitions will depend in large part upon whether it is able to integrate the acquired businesses into the rest of the Company in an efficient and effective manner. The integration and the achievement of synergies requires, among other things, coordination of business development and procurement efforts, manufacturing improvements and employee retention, hiring and training policies, as well as the alignment of products, sales and marketing operations, compliance and control procedures, research and development activities and information and software systems. Any difficulties encountered in combining operations could result in higher integration costs and lower savings than expected. Integration of certain operations also requires the dedication of significant management resources, and time and costs devoted to the integration process may divert management's attention from day to day business.

In addition, the Company may make further acquisitions which may require the Company to incur or assume substantial new debt, expose it to future funding obligations and expose it to integration risks, and the Company cannot assure prospective investors that such acquisitions will contribute to its profitability. The failure to successfully integrate an acquired business or the inability to realise the anticipated benefits of such acquisitions could materially and adversely affect the Company's business, results of operations, financial condition and prospects.

***26. The Company faces risks relating to its joint ventures.***

The Company also has entered into, and may from time to time in the future enter into, joint venture agreements, including for raw material projects. The Company may have limited control of these projects and therefore may be unable to require that its joint ventures sell assets or return invested capital, make additional capital contributions or take any other action. If there is a disagreement between the Company and its partners in a joint venture regarding the business and operations of the project, the Company cannot assure you that it will be able to resolve such disagreement in a manner that will be in the Company's best interests. Certain major decisions, such as selling a stake in the joint project, may require the consent of all other partners. These limitations may adversely affect the Company's ability to obtain the economic and other benefits it seeks from participating in these projects. In addition, the Company's joint venture partners may have economic or business interests or goals that are inconsistent with the Company; take actions contrary to the Company's instructions, requests, policies or objectives; be unable or unwilling to fulfill their obligations; have financial difficulties; or have disputes with the Company as to their rights, responsibilities and obligations. Any of these and other factors may have a material adverse effect on the Company's joint venture projects, which may in turn materially and adversely affect the Company's business, results of operations, financial condition and prospects.

27. ***Labour problems could adversely affect the Company's results of operations and financial condition.***

Most of the Company's employees in India, and a substantial portion of the Company's employees in Europe, other than management, are members of labour unions and are covered by collective-bargaining agreements with those labour unions, which have different terms at different locations and are subject to periodic renegotiation. Although the Company works to maintain good relations with its unions, the Company cannot assure prospective investors that it will not experience labour unrest in the future, which may delay or disrupt its operations. If strikes, work stoppages, work slow-downs or lockouts at its facilities occur or continue for a prolonged period of time, the Company's business, results of operations, financial condition and prospects could be adversely affected.

28. ***The Company's insurance policies provide limited coverage, potentially leaving it uninsured or under insured against some business risks.***

As part of its risk management, the Company maintains insurance policies that may provide some insurance cover for labour unrest, mechanical failures, power interruptions, natural calamities or other problems at any of the Company's steelmaking and mining facilities. Notwithstanding the insurance coverage that the Company and its subsidiaries carry, the occurrence of any event that causes losses in excess of limits specified under the policy, or losses arising from events not covered by insurance policies, could have a material adverse effect the Company's business, financial condition and operating results.

29. ***The Company has outstanding securities that are convertible into Equity Shares of the Company and it may issue additional securities of the Company. Upon the issuance of additional Equity Shares of the Company or upon the exchange, exercise or conversion of securities exchangeable for, exercisable for or convertible into Equity Shares of the Company, your shareholdings may be diluted.***

The Company has issued in the past, and may in the future issue, Equity Shares or securities exchangeable for, exercisable for or convertible into Equity Shares in order to, among other reasons, fund capital expenditures, acquisitions and working capital. In August 2007, the Company completed the issuance of $875 million of foreign currency convertible alternative reference securities ("**CARS**"). In November 2007, the Company conducted a rights offering for its existing equity shareholders pursuant to which 547,266,011 cumulative compulsory convertible preference shares ("**CCPS**") were also issued. These CCPS were converted into 91,211,001 Equity Shares of the Company in September 2009. In November 2009, the Company launched an exchange offer of new foreign currency convertible bonds ("**FCCBs**") for existing CARS. Pursuant to this offer, CARS worth approximately US$493 million were tendered for exchange into FCCBs worth approximately $547 million. The FCCBs are convertible into Equity Shares of the Company at Rs. 605.5325 per share, have a coupon of 4.5% and mature in November 2014. The Company has also issued 12,000,000 warrants to its Promoter, Tata Sons Limited on July 23, 2010. Each warrant would enable Tata Sons Limited to subscribe to one Equity Share of the Company at a price of Rs. 594 per Equity Share. If these warrants are not converted within 18 months of issuance they would lapse.

Upon the issuance of Equity Shares by the Company, whether directly or upon the exchange, exercise or conversion of securities exchangeable for, exercisable for or convertible into Equity Shares of the Company, the shareholdings of the Company's shareholders may be diluted and the prevailing market price of the Company's Equity Shares could be depressed. Even prior to the time of the exchange, exercise or conversion, the perception of a significant market "overhang" could result from the existence of the Company's obligation to honour the exchange, exercise or conversion of these securities. Any belief that the Company will issue Equity Shares, equity-linked products or securities exchangeable for, exercisable for or convertible into Equity Shares, could depress the market price of the Company's Equity Shares.

***30. The requirement of funds in relation to the objects of the Issue has not been appraised, includes utilization for general corporate purposes and is based on management estimates. The Company may have to revise its management estimates from time to time and which may affect its funding requirements.***

The Company intends to use the Net Proceeds of the Issue for the purposes described in the section "***Objects of the Issue***" beginning on page 39 of this Red Herring Prospectus. The objects of the Issue have not been appraised by any bank or financial institution. The funding requirements as stated in the section "***Objects of the Issue***" are dependent on a number of factors and are management estimates based on current conditions. These management estimates for the projects may exceed or fall short of the value that would have been determined by third party appraisals. Furthermore, such estimates are subject to changes to financial condition, business or strategy of the Company and on external circumstances which may not be in the control of the management including variations in the cost structure and exchange rate fluctuations.

Based on the competitive nature of the industry, the Company may have to revise its management estimates from time to time. The Company may be required to revise its expenditure plans, fund requirements and estimates of completion date and the actual expenditure may vary. Any such changes may result in rescheduling and revising the planned expenditure and funding requirements, at the discretion of the management of the Company. In the event of a shortfall in raising the requisite capital from the Net Proceeds of the Issue towards meeting the objects of the Issue, the shortfall will be satisfied by way of such means available to the Company and at the discretion of the management, including by way of incremental debt or cash available to the Company. There is no assurance that the Company will be able to procure such additional funds required in a timely manner, or at all. Furthermore, the Company may be required to reallocate its project expenditure, due to external factors that are beyond the control of the Company, which may have an adverse impact on the business, financial condition and results of operations of the Company.

***31. Foreign investors may be unable to purchase further Equity Shares through their entities registered as FIIs.***

Under Indian law, FIIs in the aggregate may not hold more than 24% of the paid-up equity capital of an Indian company unless such company, pursuant to a special resolution, authorises an increase of this amount up to the sectoral cap, which is 100% in the case of the Company. RBI monitors the ceilings on FIIs' investments in Indian companies on a daily basis and has prescribed cut-off points that are two percentage points lower than the actual ceilings. Once the aggregate net purchases of equity shares of the company by FIIs reaches the cut-off point, RBI issue a caution prohibiting FIIs to purchase equity shares of the company without prior approval of the RBI.

The FII holding of the Company as on December 31, 2010 was approximately 16.14% of its paid-up equity capital. As the Company's FII limit is currently at 24% of its paid-up equity capital, the ability of FIIs to purchase the Equity Shares may be restricted in the event that FIIs holding in the Company increases to 22% of the paid-up equity capital of the Company. This may adversely affect the market price of the Equity Shares.

***32. The Company is involved in litigation proceedings and cannot assure subscribers that it will prevail in these actions.***

There are several outstanding litigations against the Company, its Promoter, Directors, subsidiaries and Group Companies. There are also various criminal cases against the Company and its Directors. For details see the section "**Outstanding Litigation and Defaults**" beginning on page 200 of this Red Herring Prospectus. The Company is a defendant in legal proceedings incidental to its business and operations. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. Should any new developments arise, such as a change in Indian law or rulings against the Company by appellate courts or tribunals, the Company may need to make provisions in its financial statements, which could adversely impact its business results. Furthermore, if significant claims are determined against the Company and it is required to pay all or a portion of the disputed amounts, there could be a material adverse effect on the Company's business, results of operations, financial condition and prospects.

***33. The Company's inability to obtain, renew or maintain the statutory and regulatory permits and approvals required to operate its business could have a material adverse effect on its business.***

The Company requires certain statutory and regulatory permits and approvals for its business. There can be no assurance that the relevant authorities will issue such permits or approvals in the time frame anticipated by the Company or at all. In addition, the failure to renew or maintain existing permits or approvals may result in the interruption of the Company's operations and may have a material adverse effect on the Company's business, financial condition and results of operations. If the Company is unable to obtain the requisite licenses in a timely manner or at all, or to renew or maintain existing permits or approvals, its operations may be materially and adversely affected.

***34. The Company's customers and suppliers can suspend or cancel delivery of products in certain cases.***

Events of force majeure such as disruptions of transportation services because of weather-related problems, strikes, lock-outs, inadequacies in the road infrastructure and port facilities, government actions or other events that are beyond the control of the parties and allow the Company's suppliers to suspend or cancel the deliveries of the raw materials could impair its ability to source raw materials and components and its ability to supply its products to customers. Similarly, the Company's customers may suspend or cancel delivery of its products during a period of force majeure and any suspensions or cancellations that are not replaced by deliveries under new contracts or sales on the spot market to third parties would reduce cash flows and could adversely affect the Company's financial condition and results of operations. The Company can provide no assurance that such disruptions will not occur.

***35. Product liability claims could adversely affect the Company's operations.***

The Company sells products to major manufacturers who are engaged to sell a wide range of end products. Furthermore, the Company's products are also sold to, and used in, certain safety-critical applications. If the Company were to sell steel that does not meet specifications or the requirements of the application, significant disruptions to the customer's production lines could result. There could also be significant consequential damages resulting from the use of such products. The Company has a limited amount of product liability insurance coverage, and a major claim for damages related to products sold could leave the Company uninsured against a portion or all of the award and, as a result, materially harm its financial condition and future operating results.

**Risks Related to Investing in an Indian Company**

***36. Volatility in India's financial markets could materially and adversely affect the Company's financial condition and the market value of the Company's Equity Shares.***

Stock exchanges have, in the past, experienced substantial fluctuations in the prices of listed securities. The current global financial turmoil, an outcome of factors including the sub-prime mortgage crisis which originated in the United States, has led to a loss of investor confidence in worldwide financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil. The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. For example, after reaching 20,873 in January 2008, the SENSEX, the Bombay Stock Exchange's benchmark index, fell to 8,160 in March 2009, and has since recovered to 21,005 in November 2010. The market price of the Company's Equity Shares could fluctuate significantly as a result of market volatility.

***37. Changes in the policies of the Indian Government could adversely affect economic conditions in India, and thereby adversely impact the Company's results of operations and financial condition.***

Outside of Europe, India remains the Company's largest market, representing 26.2% of the Company's net sales in Financial Year 2010. In addition, a significant portion of the Company's facilities are located in India. Consequently, the Company itself, and the market price and liquidity of the Equity Shares, may be affected by changes to Indian Government policies. For example, the imposition of foreign exchange controls, rising interest rates, increases in taxation or the creation of new regulations could have a detrimental effect on the Indian economy generally and the Company in particular, including the market price of the Equity Shares.

The Indian Government has in recent years sought to implement economic reforms, and the current Indian Government has implemented policies and undertaken initiatives that continue the economic liberalisation policies pursued by previous Indian Governments. However, the roles of the Indian Government and the State Governments in the Indian economy as producers, consumers and regulators have remained significant. Any significant change in such liberalisation and deregulation policies could adversely affect business and economic conditions in India generally which may have an adverse effect on the Company's results of operations and financial condition.

Social and civil unrest and other political or other developments, including political instability, regional conflicts and terrorism, in or affecting India could have a material adverse effect on the Company's results of operations and financial condition.

South Asia has, from time to time, experienced instances of civil unrest, political tensions and hostilities among neighbouring countries, including India, Pakistan and China. India has also from time to time experienced social and civil unrest and hostilities, including terrorism. India suffered a major terrorist attack in Mumbai on November 26, 2008, which led to an escalation of political tensions between India and Pakistan. Political tensions could create a perception that there is a risk of disruption of services provided by India-based companies even if such companies, as in the case of the Company, has a larger overseas operations. This perception could have an adverse effect on the market for the Company's products and on the market price of the Company's Equity Shares.

In addition, certain of the Company's current and planned facilities, including its captive mines, are located in geographically remote areas that may be at risk of terror attacks. For example, attacks by Naxalite rebels in 2009 targeted transportation infrastructure of mining operations in Chharttisgarh. While the Company was not directly affected by these attacks, the Company cannot assure prospective investors that it will not be the target of such attacks in the future. Such attacks may be directed at Company property or personnel, at property belonging to the Company's customers or at the state-owned infrastructure used by the Company to transport goods to customers. Such attacks, or the threat of such attacks, whether or not successful, may disrupt the Company's operations and/or delivery of goods, result in increased costs for security and insurance and may adversely impact the Company's business, results of operations, financial condition and prospects, as well as place the Company's assets and personnel at risk.

***38. If natural disasters occur in India, the Company's results of operations and financial condition could be adversely affected.***

India has experienced floods, earthquakes, tsunamis, cyclones and droughts in recent years. Such natural catastrophes could disrupt the Company's operations, production capabilities or distribution chains or damage its facilities located in India, including its production facilities and mines. While the Company's facilities were not damaged in the past, a significant portion of its facilities and employees are located in India where they are exposed to such natural disasters.

Additionally, in the event of a drought, the State Governments in which the Company's facilities are located could cut or limit the supply of water to the Company's facilities, thus adversely affecting the Company's production capabilities, and reducing the volume of products the Company can manufacture and consequently reducing its revenues. In the event of floods, the ability of the Company to produce and distribute steel may be adversely affected. The Company cannot assure prospective investors that such events will not occur again in the future, or that its business, results of operations, financial condition and prospects will not be adversely affected.

***39. The Company's ability to raise foreign capital may be constrained by Indian law.***

As an Indian company, the Company is subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit the Company's financing sources and hence could constrain its ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, the Company cannot assure prospective investors that the required approvals will be granted to it without onerous conditions, if at all. Limitations on raising foreign debt may have an adverse effect on the Company's business growth, financial condition and results of operations.

40. ***Any downgrade of India's sovereign debt rating by an international rating agency could have a negative impact on the Company's results of operations and financial condition.***

Any downgrade of India's credit rating for Indian domestic and international debt by international rating agencies may adversely impact the Company's ability to raise additional financing and the interest rates and commercial terms on which such additional financing is available. This could have an adverse effect on the Company's ability to obtain financing to fund its growth on favourable terms or at all and, as a result, could have a material adverse effect on its business, results of operations, financial condition and prospects.

41. ***Significant differences exist between Indian GAAP and other accounting principles, such as US GAAP and IFRS, which may be material to investors' assessments of the Company's financial condition. Also, failure of the Company to successfully adopt IFRS which is effective from April 2011 could have a material adverse effect on the trading price of the Equity Shares.***

The financial statements included in this Red Herring Prospectus are prepared and presented in conformity with Indian GAAP consistently applied during the periods stated in those reports, except as otherwise provided therein, and no attempt has been made to reconcile any of the information given in this Red Herring Prospectus to any other principles or to base the information on any other standards. Indian GAAP differs from accounting principles with which prospective investors may be familiar in other countries, such as the International Financial Reporting Standards ("**IFRS**") and U.S. GAAP. Accordingly, the degree to which the financial statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited.

The Institute of Chartered Accountants of India has announced a road map for the adoption of, and convergence with, IFRS pursuant to which the Company will be required to prepare its annual and interim financial statements under IFRS beginning with the fiscal period commencing April 1, 2011. There is still a significant lack of clarity on the adoption of and convergence with IFRS, and for companies that had previously used Indian GAAP as their financial reporting standards, there is not yet a significant body of established practice on which to draw in forming judgments regarding its implementation and application. The Company has begun the process of determining the impact that such adoption will have on its financial reporting and has identified certain key areas which may be significantly impacted by the adoption of IFRS. There can be no assurance that the financial condition, results of operations, cash flows or changes in shareholders' equity of the Company will not appear materially worse under IFRS than under Indian GAAP. As the Company adopts IFRS reporting, it may encounter difficulties in the ongoing process of implementing and enhancing its management information systems. Moreover, there is increasing competition for the small number of IFRS-experienced accounting personnel available as more Indian companies begin to prepare IFRS financial statements. There can be no assurance that the adoption of IFRS by the Company will not adversely affect its reported results of operations or financial condition and any failure to successfully adopt IFRS by April 2011 could have a material adverse effect on the price of Equity Shares.

**Risks Related to Equity Shares**

42. ***An investor will not be able to sell any of the Equity Shares subscribed in this Issue other than across a recognised Indian stock exchange for a period of 12 months from the date of issue of the Equity Shares.***

Pursuant to the SEBI Regulations, for a period of 12 months from the date of the issue of the Equity Shares in this Issue, QIBs subscribing to the Equity Shares may only sell their Equity Shares on the Stock Exchanges and may not enter into any off-market trading in respect of these Equity Shares. These restrictions may have an adverse impact on the price of the Equity Shares.

***43. Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Under current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company, including the Equity Shares, are generally taxable in India. Any gain realised on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax ("**STT**") has been paid on the transaction. STT will be levied on and collected by the domestic stock exchange on which the equity shares are sold. Any gain realised on the sale of equity shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Furthermore, any gain realised on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the equity shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the equity shares. For further details, see the section "***Statement of Tax Benefits***" beginning on page 51 of this Red Herring Prospectus.

***44. A third party could be prevented from acquiring control of the Company because of the anti-takeover provisions under Indian law.***

There are provisions in Indian law that may discourage a third party from attempting to take control of the Company, even if a change in control would result in the purchase of the Equity Shares at a premium to the market price or would otherwise be beneficial to the shareholders. Indian takeover regulations contain certain provisions that may delay, deter or prevent a future takeover or change in control. Any person acquiring either control or an interest (equity shares and/or voting rights) (either on its own or together with parties acting in concert with it) in 15% or more of the Company's Equity Shares must make an open offer to acquire at least another 20% of the outstanding Equity Shares. A takeover offer to acquire at least another 20% of the outstanding Equity Shares also must be made if a person (either on its own or together with parties acting in concert with it) holding between 15% and 55% of the Equity Shares has entered into an agreement to acquire or decided to acquire additional Equity Shares in any financial year that exceed 5% of the Company's outstanding Equity Shares subject to certain limited exceptions. These provisions may discourage or prevent certain types of transactions involving an actual or threatened change in control.

***45. The Company and investors resident outside India are subject to foreign investment restrictions under Indian law which may adversely affect the Company's operations and their ability to freely sell the Equity Shares.***

Under the foreign exchange regulations currently in force in India, transfers of equity shares from non-residents to residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of equity shares is not in compliance with such pricing guidelines or reporting requirements or fall under any of the specified exceptions, then the prior approval of the RBI will be required. In addition, shareholders who seek to convert the Rupee proceeds from a sale of equity shares in India into foreign currency and repatriate that foreign currency from India will require a no-objection or a tax clearance certificate from the income tax authority. The Company cannot assure investors that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all. The Company may also be subject to restrictions relating to downstream investment under the foreign direct investment policy of the Governments. Pursuant to the consolidated FDI policy issued by the Government, in the event that more than 50% of equity interest of the Company is beneficially owned by non-residents, the Company would be classified as owned by non-resident entities and the downstream investments made by the Company will be considered indirect foreign investment and will therefore be subject to the sectoral limits of foreign investment.

***46. You will not receive the Equity Shares that you subscribe for in this Issue until 15 days after the date on which this Issue closes, which will subject you to market risk.***

The Equity Shares you purchase in this Issue will not be credited to your demat account with depository participants until approximately 15 days from the Issue Closing Date and you can start trading such Equity Shares only after receipt of listing and trading approvals in respect of these Equity Shares. You will be subject to the risk devaluation of the Equity Shares after your purchase and you may not be able to sell them until you receive them and approval for listing and trading is obtained.

**Prominent Notes:**

- Further Public Issue of up to 57,000,000 Equity Shares of Rs. 10 each for cash at a price of Rs. [●] per Equity Share of the Company aggregating to Rs. [●] million.

- The average cost of acquisition of the Equity Shares by the Promoter is Rs. 325.03 which has been calculated on the basis of the average of amounts paid by the Promoter to acquire the Equity Shares currently held by it.

- Except as disclosed in the section "***Financial Statements – Related Party Transactions***" beginning on page F-40 of this Red Herring Prospectus, there have been no transactions between the Company and its subsidiaries/joint ventures during the last Financial Year including the nature and cumulative value of the transactions.

- The net worth of the Company as on March 31, 2010 and September 30, 2010 as per the Company's audited and restated financial statements included in this Red Herring Prospectus was Rs. 230,271.10 million and Rs. 277,416 million, respectively.

- The net asset value per Equity Share as on March 31, 2010 and September 30, 2010 as per the Company's audited and restated financial statements included in this Red Herring Prospectus was Rs. 259.68 and Rs. 307.64, respectively.

- There has been no financing arrangement whereby the Promoter, the Directors and/ or their relatives have financed the purchase by any other person of securities of the Company during the period of six months immediately preceding the date of filing of this Red Herring Prospectus with the RoC.

- Except as stated in the section "***Financial Statements - Related Party Transactions***" beginning on page F-84 of this Red Herring Prospectus and to the extent of shareholding in the Company, no Group Company has any business or other interest in the Company.

- The investors may contact any of the BRLMs who have submitted the due diligence certificate to SEBI, for any complaint pertaining to the Issue.

# SECTION III – INTRODUCTION

## SUMMARY OF INDUSTRY

*Market data and certain industry forecasts used in "**Summary of Industry**" were obtained from internal surveys, market research, publicly available information and industry publications published by the World Steel Association, the Indian Ministry of Steel, the Ministry of Heavy Industries and Public Enterprises of India, the Society of Indian Automobile Manufacturers, the Automotive Component Manufacturers Association of India and the Investment Committee of India. Such information has been accurately reproduced herein and, as far as the Company is aware and is able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified, and neither the Company nor any of the Book Running Lead Managers makes any representation as to the accuracy or completeness of this information.*

***Overview***

Steel is a metal alloy consisting of iron as the key component. Steel also consists of carbon and other alloys, which vary according to the grade of steel, and is generally considered to be a cornerstone of industrial development. Steel is highly versatile, as it is hot and cold formable, weldable, hard, lustrous, a good conductor of heat and electricity, malleable, ductile, recyclable and resistant to corrosion, water and heat. The industries in which steel is used include construction, automotive and transportation and engineering. Steel is also used in the production of power lines, pipelines, electrical and electronic appliances and containers.

*Production Process*

The conventional production of steel from iron ore (which consists primarily of iron and oxygen) begins with the reduction of iron ore in a blast furnace (the "**BF**") using metallurgical coke as a reducing agent. The metal produced in the BF is then processed in a basic oxygen furnace (the "**BOF**"), where oxygen is blown into molten iron in order to reduce its carbon content. In 2009, the BF-BOF process was used in the production of approximately 71% of the steel produced globally, according to the World Steel Association (the "**WSA**") (formerly the International Iron and Steel Institute). The metallurgical coke used in the BF-BOF process is produced out of low ash-content coking coal.

Due to inadequate supplies of coking coal in some parts of the world, a second steel-producing process, the electric arc furnace ("**EAF**") method, was developed. In the EAF process, steel scrap or directly reduced iron ("**DRI**") is charged in an EAF and is melted using graphite electrodes charged with electricity produced using natural gas.

An alternative way of producing steel is by using a medium or high frequency electrical induction furnace. In the induction furnace, metal is melted through electro-magnetic induction in an electrically conductive metal coil. Mild steel, stainless steel and low and high alloy steel can be made by using induction furnaces. Alloying elements are added to the melted metal as needed.

The major raw materials used in steel production depend on the production technology. The BF-BOF process mainly requires iron ore and coke that, in turn, requires coking coal, the DRI-EAF process requires scrap or sponge iron and non-coking coal and the induction furnace requires scrap and DRI. The availability of the relevant raw materials at commercial prices is essential to sustain profits for steel producers.

*Products*

Steel produced by these processes is either cast into long products such as bars, rods, rails and structural shapes or into flat products such as hot rolled ("**HR**") coils and sheets.

Long products are so called because they come out of the mill as long bars of steel. However, they are produced in a wide range of shapes and sizes and can have cross-sections shaped like an H or I (called joists, beams and columns), a U (channels) or a T (sections). Long products are principally used in the construction industry and also used in the production of capital goods and railways.

Flat products, mainly in the form of HR coils and sheets, are used in structural materials, welded pipes and tubes and in the automobile and white goods (home appliances) industries. The major end-use sectors for pipes and tubes are water supply and distribution, other industrial applications, housing applications and transport of petroleum products. Welded steel pipes are manufactured from HR coils by electrical resistance welding and are used in many piping applications. Submerged arc-welded pipes are manufactured from HR coils and are mainly used in the supply and distribution of water and gases. Seamless steel pipes and tubes manufactured from HR coils are used in the oil and gas sectors.

HR coils can also be further processed in cold rolling mills to produce cold rolled products by passing the HR coils or strips through rollers at room temperature to reduce their thickness. "Rolling" is the main method used to shape steel into different products. Rolling the steel by passing it between a set of rolls revolving at the same speed but in opposite directions makes the otherwise coarse grain structure of cast steel re-crystallize into a much finer grain structure, giving greater toughness, shock resistance and tensile strength. In addition to hot rolling, in which the steel is rolled at a high temperature, steel may also be rolled at ambient temperatures, resulting in a different set of physical and metallurgical properties.

## SUMMARY OF BUSINESS

### Overview

The Company is one of the world's largest steel companies with a steel production capacity of approximately 27.2 mtpa. According to WSA, the Company was the seventh largest steel company in the world in terms of crude steel production volume in 2009. The Company is also one of the most geographically diversified steel producers, with operations in 26 countries and a commercial presence in more than 50 countries. As of March 31, 2010, the Company had approximately 81,000 employees.

The Company was established as India's first integrated steel company in 1907 by Jamsetji N. Tata, the founder of the Tata Group, and is currently one of the flagship companies of the Tata Group. The Company has a presence across the entire value chain of steel manufacturing, including producing and distributing finished products as well as mining and processing iron ore and coal for its steel production. The Company's operations are primarily focused in India, Europe and other countries in Asia Pacific. In Financial Year 2010, the Company's operations in Europe and India represented 62.9% and 28.8%, respectively, of its total steel production.

The Company has grown significantly in recent years with its steel production capacity increasing from approximately 5.0 mtpa in Financial Year 2006 to 27.2 mtpa currently. This growth was primarily due to the Company's acquisition in April 2007 of Corus Group plc ("**Corus**"), which at the time was estimated by WSA to be the ninth largest steel producer in the world. As a result of this acquisition, the majority of the Company's steel production capacity is currently located in the United Kingdom and the Netherlands where the Company has four facilities with a total steel production capacity of 18.4 mtpa. The Company also has significant operations in Jamshedpur, India, where the Company operates a 6.8 mtpa steel production plant and a variety of finishing plants. The Company's Indian operations also include captive iron ore and coal mines. The remaining 2.0 mtpa of the Company's steel production capacity is located in Singapore and Thailand. The Company plans to further increase its steel production capacity by an additional 2.9 mtpa through the brownfield expansion of the Jamshedpur facility and is also planning to expand steel production capacity through greenfield investments.

The Company offers a broad range of steel products including a portfolio of high value-added downstream products such as hot rolled coils, sections, plates and wires. The Company is also a large producer of ferro chrome in India. The Company's main markets for its products are Europe and India, which accounted for approximately 72.6% of the Company's net sales in Financial Year 2010, with the remaining sales primarily taking place in other markets in Asia and in North America. The Company's customers primarily comprise the construction, automotive, aerospace, consumer goods and material handling and general engineering industries.

In Financial Years 2009 and 2010 and the first half of Financial Year 2011, the Company recorded net sales of Rs. 1,473,293 million, Rs. 1,023,931 million and Rs. 558,399 million, respectively. The Company recorded a profit after taxes, minority interests and share of profit of associates of Rs. 35,042 million in Financial Year 2009, a loss after taxes, minority interests and share of profit of associates of Rs. 20,147 million in Financial Year 2010 and a profit after taxes, minority interests and share of profit of associates of Rs. 37,978 million in the first half of Financial Year 2011. The Company had total assets of Rs. 1,213,678 million and total net worth of Rs. 277,416 million as of September 30, 2010.

## Key Strengths

### *Global Scale*

The Company today has its principal operations in Europe, India and Asia Pacific. The Company believes that its global presence in the steel market enhances its ability to attract multi-national customers and, in particular, customers from the European and Asian automotive, packaging and construction industries. As customers of large steel companies are also globalising and consolidating and are increasingly relying on a select few global suppliers for their products, the Company believes it can attract new customers and maintain its relationships with existing customers through its international production capabilities and downstream operations, as well as its extensive distribution and production capabilities.

### *Strong Position in the Indian Market*

In India, the Company produces flat products used in the automotive, roofing and general engineering industries and long products used in the construction industry, including in the industrial, commercial, infrastructure and housing sectors. Over the past decade, these industries have been growing and competition from other Indian producers is relatively limited as there are high barriers of entry to the production and commercialisation of high-grade steel. In recent years, through continued investment in flat steel technologies, the Company has established itself as a major supplier of high-grade steel products to certain key markets in India. For example, the Company has become a major supplier of steel products to the Indian automotive industry establishing a market share of approximately 40%, with imported products representing most of the remaining markets in this industry. In addition, as a member company of the Tata Group, the Company also benefits from being identified with the Tata brand, which is a widely recognised brand in India.

### *Strong Position in Western Europe*

Europe, principally the EU, is the most important market for the Company's operations, and accounted for 46.4% of its net sales in Financial Year 2010. The Company's European operations consist of its principal production facilities in the United Kingdom and the Netherlands, and a sales and trading network, with sales offices, stockholder wholesalers, service centres and joint venture and associate arrangements for distribution and further processing of steel products. The Company believes that the Tata Steel Europe brand name and product brands will continue to generate customer loyalty after being rebranded from Corus in September 2010.

### *Cost Competitiveness of the Company's Indian Operations*

The Company has access to raw materials for steel production and a skilled workforce with a relatively low cost of labour at its operations in India. These factors have allowed the Company's Indian operations to benefit from low production costs. In addition, with respect to its Indian operations, for Financial Year 2010, the Company obtained all of its iron ore requirements, approximately 49% of its coal requirements and a significant amount of its ferro alloy requirements from captive mines leased by the Company. Consequently, the Company believes that its exposure to the volatility of raw material prices for its Indian operations is significantly more limited than for its non-Indian operations.

### *Diversified Product Offering*

Through its acquisition of Corus and capacity expansions in India, the Company has significantly enhanced its portfolio of downstream steel products. Historically, the Company's steel products included only flat products and long products. With the acquisition of Corus, the Company added a portfolio of high value-added downstream products including advanced high strength steel, superior automotive steel, rods for tyre cord, structural sections of railways and packaging steel. With its capacity expansions in India, the Company has further strengthened its ability to provide a greater variety of and more value-added products, including steel wires, tin plates and welded tubes. A majority of the Company's steel production is rolled into hot rolled coils, and most of the remainder is processed into structured sections, plates, engineering steels or wire rods, or sold in semi-finished form.

The Company is also a large producer of ferro alloys in India. The Company's ferro alloy operations include the sale of charge chrome, high carbon ferro chrome, high carbon silico manganese and ferro manganese, chrome concentrate, dolomite and pyroxenite.

***Efficient Project Implementation***

The Company believes that it has a proven track record in implementing significant projects, including cost reduction plans and the expansion of its major production facilities, on schedule and within budget. For example, by focusing on increasing production efficiencies at its Jamshedpur facility between April 2005 and March 2006, the Company was able to significantly expand its production capacity with comparatively lower costs than would have been incurred through investments in other greenfield projects. Between April 2006 and May 2008, the Company successfully implemented a 1.8 mtpa brownfield capacity expansion at its Jamshedpur production facility. In addition, the Company rapidly responded to the reduced global demand for steel products caused by the global financial crisis by undertaking a series of cost-saving initiatives beginning in the second half of Financial Year 2009, which involved a reduction in use of third-party services, flexible production to reduce energy costs and reduction in employment costs through reduced overtime and bonuses, as well as putting on hold certain capital expenditure programmes.

***Economies of Scale and Cost Reductions***

The Corus acquisition significantly enlarged the Company's production, sales and asset base, which allowed the Company as a whole to achieve greater economies of scale and cost efficiencies. The Company has integrated Corus' business and operations to develop a large global network of procurement and sales offices and production plants, which allow the Company to manage its supply and distribution chain costs more effectively, with lower procurement and logistics costs, increased bargaining power, improved product flow and better management of inventory. In addition, the Company's increased scale provides it with greater resources to support its fixed costs, such as research and development expenses, and permits the use of shared services to eliminate duplicative business functions and administrative expenses. The Company has used the operational best practices and experience from its Indian operations to improve operating costs and efficiencies at its European operations as well as at its Asia Pacific operations.

***Experienced Management Team***

The Company's senior management team comprises members with extensive experience and professional qualifications in the steel industry. Their rich experience and understanding of the Company have been instrumental in building a sustainable business and supporting the Company's domestic and international operations. See the section "**Management**" beginning on page 112 of this Red Herring Prospectus.

**Strategy**

***Increase Capacity in India***

The Company intends to increase the size of its Indian operations, where it maintains a competitive advantage as a low-cost producer, by increasing the capacity of its current production facilities and through greenfield investments. The Company completed a brownfield expansion of its Jamshedpur facility in May 2008 that increased capacity by 1.8 mtpa and is implementing an additional brownfield expansion that will increase capacity by an additional 2.9 mtpa, and that is expected to be completed by the end of Financial Year 2012. The Company is also developing a 6.0 mtpa greenfield steel plant in Orissa and a 5.0 mtpa greenfield steel plant in Chhattisgarh and is in the initial planning phase for the construction of a 3.0 mtpa greenfield steel plant in Karnataka. The Company expects to produce a mix of flat and long products through greenfield expansions. The Company believes that the increase in size of its Indian operations will enable it to compete more effectively with other steel manufacturers.

The Company expects continued growth in steel demand in India, spurred by the increasing local need for steel based products (construction and infrastructure, automobiles, appliances, etc.) and estimated gross domestic product growth rates of 8.4% in 2011 and 8.0% in 2012, according to the World Economic Outlook (October 2010) published by the International Monetary Fund.

***Increase Raw Materials Security***

The Company seeks proprietary access to raw materials in order to achieve economic returns and to optimise its costs by securing offtake rights. The Company believes that becoming increasingly self-sufficient in raw materials procurement, particularly with respect to its European operations, will enable the Company to better respond to cyclical fluctuations in the demand for its products and reduce volatility in production costs. In addition, the Company expects to benefit from the experience in raw material procurement that it has gained from its Indian operations.

In recent years, the Company has pursued a number of initiatives to gain access to coal and iron ore deposits around the world. For example:

- In November 2007, the Company purchased a 35% stake in a coal project owned by Riversdale Mining Limited in the Tete province of Mozambique. In addition, the Company also has a direct interest of approximately 24% in Riversdale Mining Limited;

- In December 2007, the Company entered into a joint venture with Societe pour le Developpement Minier de Cote d'Ivoire ("**SODEMI**") for an 85% stake in the development of an iron ore mine in Cote d'Ivoire with SODEMI earning a 15% stake;

- In January 2008, the Company entered into a 50-50 joint venture with Steel Authority of India Limited and established a joint venture company, S&T Mining Co., in September 2008 to acquire and develop coal mines in India; and

- In September 2010, the Company acquired an 80% interest in a Canadian iron ore project owned by New Millennium Capital Corporation ("**NML**"), which is currently in the feasibility stage, along with 100% of the offtake rights for the project. In addition, the Company has also acquired approximately 27% of the common shares of NML.

For a further discussion and current status of these and other raw materials initiatives, see "***Business—Raw Materials and Other Key Inputs—Raw Material Projects***" on page 85 of this Red Herring Prospectus.

If all of the Company's initiatives with respect to raw material security come on line as scheduled, the Company is targeting a move towards 50% raw material security for iron ore and coal in the next five to six years. The Company intends to continue to work with its partners to pursue its current initiatives and, if the opportunities arise and subject to market conditions, pursue new initiatives to become more self-sufficient in its raw materials procurement.

***Increase Sales of High Value-Added Products***

The Company plans to continue to expand its downstream operations with the objective of improving its product mix and generating increased and more stable margins. The Company is also developing integrated downstream operations and expand global product capabilities to enable it to shift its production and focus on the most appropriate product mix in each of the regions where it operates. The Company plans to continue to enrich its product mix from its Indian operations by increasing its production and sales of high value-added steel products such as cold rolled coil, galvanised steel and automotive-grade sheets and also increasing the production of other products such as tinplates. For example, the Company intends to leverage its position as the leading steel service organisation in India to continue to provide and, subject to market demand, increase its supply of higher value-added steel products to the Indian market from processing flat products and long products. The Company is also implementing a new greenfield project for Tata Bluescope Steel Limited ("**TBS**"), a 50-50 joint venture company established with Bluescope Steel Limited that is engaged in the manufacture and sale of high-end building products. The new project will provide TBS with backward integration in the form of metal coating capacity of approximately 250,000 tpa and colour coating capacity of approximately 150,000 tpa by April 2011. In addition, the Company's affiliate, The Tinplate Company of India Limited, in which the Company currently holds an equity stake of approximately 45%, has undertaken strategic initiatives to expand its capacity to approximately 379,000 tpa. The first part of this expansion, including the tinning line, was commissioned in 2008 with the balance of facilities, including the cold-rolling mill, to be commissioned in 2011. In January 2011, the Company entered into a joint venture with Nippon Steel Corporation ("**Nippon Steel**") for the construction of a continuous annealing and processing line to produce automotive cold-rolled flat products with a planned capacity of 600,000 tpa by 2013.

With respect to its existing asset base in Europe, the Company will seek to prioritise and attract customers of high value-added products, especially those in the construction, packaging, automotive and engineering markets. Increasing sales of high value products is particularly important in Europe where margins are lower due to higher production costs. For example, at Scunthorpe, United Kingdom, efforts are underway to improve the Company's competitive position in the sale of structural sections used in the rail industry and wire rods used in the construction market. At IJmuiden, Netherlands, the Company recently completed the installation of a cold rolling mill and a new galvanising line. These investments will allow the Company to develop new products, including advanced high strength steels, which would reinforce its existing market position in the automotive and construction markets.

The Company is also looking to add value to its steel operations by increasing the sale of branded products, particularly from its Indian facilities, which typically sell at a premium above non-branded products. These branded products include cold rolled steel products under the Tata Steelium brand as well as galvanized sheets under the Tata Shaktee brand, rebars under the Tata Tiscon brand and wires under the Tata Wiron brand. For its European production, the Company has begun marketing its products under the Tata Steel Europe brand (which was rebranded from Corus in September 2010).

***Enhance Competitiveness through Continuous Improvement***

The Company continues to improve its competitiveness through a number of initiatives and programmes aimed at enhancing operational efficiencies and optimising asset and material flows. The Company seeks to benefit from sharing experiences and best operational practices across its business units in Europe and Asia.

*"One Company" operating model:* The Company is in the process of transforming its operations to directly align its marketing, sales and distribution teams with major industries and sectors. The Company is also transforming its supply chain in Europe and creating a platform that will allow information to be shared across the Company's different operations. This new platform will also allow the Company to manage stock levels, from raw materials to works in progress to finished goods, and guide product deliveries more efficiently. In addition, for its European operations, the Company is optimising its supply chain and manufacturing processes to establish a common system covering sales and marketing functions across its operational hubs.

*Product development and marketing:* Through research and development initiatives, the Company is working to capture market share in a number of potential high growth areas such as thin film products (including photovoltaic coated products) and high strength steel designed for the automotive industry. The Company is also organising a global strategic marketing unit to target key market segments in line with its "Customer First" strategy.

*Cost saving initiatives:* The Company has implemented, and plans to continue to implement, strategic cost-saving measures to improve the long-term competitiveness of its business. During the second half of Financial Year 2009, the Company introduced its "Fit for the Future" initiatives for its European operations that included, among others, the sale of certain non-core operations, the mothballing of certain facilities and production lines, closure of certain satellite sites and streamlining of downstream facilities in distribution, building systems and tubes. The "Fit for the Future" initiatives were undertaken in response to the global downturn in steel demand that affected the Company's business. Although the steel industry has, to a certain extent, rebounded from the downturn beginning in the last quarter of Financial Year 2010, the Company plans to continue to promote cost-saving initiatives in its entire chain of operations to maintain its profitability and competitiveness.

*Strong retail management:* As part of its retail management program, the Company works closely with retail and wholesale customers to ensure value by scheduling deliveries on a just-in-time basis. By minimising delivery times and lead time needed for new orders, the Company is able to reduce its customers' inventory stock and increase their margins.

***Control Over Logistics***

The Company plans to increase its access to ports, shipping lines and other logistics in order to gain control over its distribution channels, improve supply chain processing and reduce freight and logistics costs. In order to enhance the Company's import and export capabilities from India, in October 2004, the Company entered into a 50-50 joint venture with Larsen & Toubro Limited, an Indian engineering and construction company, to develop a deep sea port at Dhamra, on the east coast of India. The Dhamra Port is located in close proximity to the Orissa steel project and is also relatively close to the Jamshedpur facility. Trial operations commenced in September 2010 with the arrival of the first ship carrying coal cargo. The port is expected to be capable of handling 13 mtpa of coking coal and 6 mtpa of iron ore and accommodate vessels with a capacity of up to 180,000 deadweight tonnes. In December 2006, the Company entered into a 50-50 joint venture with Nippon Yusen Kabushiki Kaisha ("**NYK Line**") and established a shipping company focused on shipping dry bulk and break bulk cargo. The joint venture currently operates twelve chartered and two owned vessels and is expected to assist the Company with the shipping of coal and limestone, large quantities of which may be needed in the future for the Company's production.

***Strategic Alliances with Joint Venture Partners***

The Company plans to expand its operations through strategic alliances with joint venture partners throughout its chain of operations, including for raw material procurement (primarily for mining), steel production and port and shipping. Its strategic partners include, among others:

- New Millennium Capital Corporation, Societe pour le Developpement Minier de Cote d'Ivoire ("**SODEMI**"), Vale, JFE Steel, Nippon Steel, POSCO, Riversdale Mining Limited and the Steel Authority of India Limited with respect to mining;

- Vietnam Steel Corporation ("**VN Steel**"), Vietnam Cement Industries Corporation ("**Vicem**"), BlueScope Steel Limited and Nippon Steel with respect to steel production; and

- Larsen & Toubro Limited and NYK Line with respect to port and shipping.

In particular, the Company plans to use joint ventures to procure raw materials and businesses in new geographic markets. When entering a new geographic market or business where the Company does not have substantial local experience and infrastructure, teaming up with a local partner enables the Company to reduce its capital investment by leveraging the pre-existing infrastructure of the local partner. In addition, local partners in these markets provide the Company with knowledge and insight into local customs and practices and access to local suppliers. These joint venture arrangements also allow the Company to create synergies with its partners reducing costs and increasing efficiencies.

## SUMMARY FINANCIAL INFORMATION

*The following tables set forth summary financial information derived from the Company's consolidated audited and restated financial statements for and as of the Financial Years ended March 31, 2010, 2009, 2008, 2007 and 2006 and for the six month ended September 30, 2010. These financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Regulations and are presented in the section "**Financial Statements**" beginning on page 152 of this Red Herring Prospectus. The summary financial information presented below should be read in conjunction with the audited and restated financial statements of the Company, the notes thereto and the section "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" beginning on page 157 of this Red Herring Prospectus.*

### Consolidated Statement of Assets and Liabilities, as Restated

| | Particulars | As at Sept 30, 2010 | As at March 31 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|---|---|
| | | | | | (Rs. in million) | | |
| **A** | **Fixed Assets** | | | | | | |
| | Gross Block | 1,006,428.4 | 972,890.0 | 994,586.7 | 962,293.5 | 200,837.8 | 166,306.8 |
| | Less: Depreciation | 609,584.7 | 579,028.5 | 598,580.9 | 599,389.2 | 90,892.1 | 71,058.0 |
| | Less: Impairment | 29,593.1 | 28,609.6 | 31,830.4 | 31,717.0 | 1,004.1 | 941.9 |
| | Net Block | 367,250.6 | 365,251.9 | 364,175.4 | 331,187.3 | 108,941.6 | 94,306.9 |
| | Capital Work in Progress (Net) | 122,312.1 | 92,706.4 | 88,883.2 | 88,475.6 | 33,263.7 | 13,574.1 |
| | **Total** | **489,562.7** | **457,958.3** | **453,058.6** | **419,662.9** | **142,205.3** | **107,881.0** |
| **B** | **Goodwill on Consolidation** | **150,393.1** | **145,418.2** | **153,649.2** | **180,499.6** | **2,196.6** | **1,140.0** |
| **C** | **Investments** | **47,155.9** | **54,177.9** | **64,111.0** | **33,674.3** | **164,975.0** | **34,789.0** |
| **D** | **Current Assets, Loans and Advances** | | | | | | |
| | Inventories | 253,479.3 | 186,866.4 | 216,684.2 | 230,643.4 | 38,881.3 | 27,733.1 |
| | Sundry Debtors | 116,477.6 | 115,124.4 | 129,535.3 | 185,583.4 | 16,865.3 | 12,187.2 |
| | Cash and Bank Balances | 71,465.8 | 68,151.1 | 61,483.6 | 42,318.6 | 108,879.6 | 7,767.5 |
| | Deferred Tax Asset | 1,819.6 | 1,488.3 | 1,074.0 | 297.0 | 69.3 | 16.2 |
| | Interest accrued on investments | 64.5 | 76.3 | 68.1 | 89.6 | 11.6 | 11.0 |
| | Loans and Advances | 83,259.4 | 68,459.7 | 130,768.3 | 155,822.9 | 19,633.4 | 11,371.8 |
| | **Total** | **526,566.2** | **440,166.2** | **539,613.5** | **614,754.9** | **184,340.5** | **59,086.8** |
| **E** | **Liabilities and Provisions** | | | | | | |
| | Secured Loans | 289,170.6 | 280,593.3 | 342,438.8 | 354,149.9 | 49,612.3 | 25,033.9 |
| | Unsecured Loans | 270,201.3 | 250,410.2 | 256,566.2 | 182,097.5 | 199,643.0 | 8,740.4 |
| | Deferred Tax Liability | 20,979.3 | 18,029.4 | 18,168.3 | 24,841.2 | 7,928.7 | 9,938.0 |
| | Minority Interest | 9,243.0 | 8,843.4 | 8,974.0 | 8,368.2 | 6,021.1 | 1,276.6 |
| | Warrants issued by a Subsidiary Company | 174.6 | 174.6 | 174.6 | 174.6 | 174.6 | – |
| | Provision for Employee Separation Compensation | 9,167.7 | 9,636.7 | 10,424.1 | 10,800.5 | 11,183.0 | 14,025.6 |
| | Current Liabilities | 270,983.3 | 233,787.8 | 230,717.4 | 263,328.0 | 54,407.7 | 32,308.7 |
| | Provisions | 66,342.1 | 65,974.1 | 71,479.7 | 64,504.3 | 20,636.6 | 10,946.6 |
| | **Total** | **936,261.9** | **867,449.5** | **938,943.1** | **908,264.2** | **349,607.0** | **102,269.8** |
| F | **Net Worth (A+B+C+D-E)** | **277,416.0** | **230,271.1** | **271,489.2** | **340,327.5** | **144,110.4** | **100,627.0** |
| G | **Represented by** | | | | | | |
| | Share Capital | 9,017.4 | 8,867.4 | 62,027.8 | 62,026.3 | 5,800.0 | 5,530.0 |
| | Share Warrants | 1,782.0 | – | – | – | 1,470.6 | – |
| | Reserves and Surplus | 265,166.5 | 219,334.2 | 215,232.8 | 279,857.5 | 138,937.5 | 97,657.1 |
| | Add/(Less) Foreign Currency Monetary Item Translation Difference Account | 1,450.1 | 2,069.5 | (4,716.6) | – | – | – |
| | Less: Miscellaneous Expenditure (to the extent not written off or adjusted) | – | – | 1,054.8 | 1,556.3 | 2,097.7 | 2,560.1 |
| | **Net Worth** | **277,416.0** | **230,271.1** | **271,489.2** | **340,327.5** | **144,110.4** | **100,627.0** |

## Consolidated Statement of Profit and Losses, as Restated

| Particulars | For the period ended Sept. 30, 2010 | For the year ended March 31 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|---|
| | (Rs. in million) | | | | | |
| **Income** | | | | | | |
| Sales and Other Operating Income | 570,522.3 | 1,042,298.3 | 1,499,849.4 | 1,340,867.7 | 274,420.8 | 222,681.6 |
| Less: Excise Duty | 12,123.5 | 18,367.1 | 26,556.8 | 25,531.4 | 22,249.1 | 19,500.0 |
| Net Income from Operations | 558,398.8 | 1,023,931.2 | 1,473,292.6 | 1,315,336.3 | 252,171.7 | 203,181.6 |
| Other Income | 8,737.3 | 11,858.5 | 2,656.7 | 4,758.6 | 2,145.7 | 1,402.3 |
| **Total** | **567,136.1** | **1,035,789.7** | **1,475,949.3** | **1,320,094.9** | **254,317.4** | **204,583.9** |
| **Expenditure** | | | | | | |
| Cost of Materials | 244,843.3 | 440,915.3 | 729,376.5 | 602,286.9 | 91,769.1 | 67,107.4 |
| Accretion/(Reduction) in Stocks of Finished and Semi-finished products and Work-in-progress | (17,186.9) | 6,600.4 | 19,762.2 | (16,491.5) | (5,402.2) | (470.0) |
| Payment to and Provision for Employees | 76,046.0 | 164,629.9 | 179,750.6 | 168,995.7 | 20,380.0 | 17,266.6 |
| Manufacturing, Selling and Other Expenses | 173,647.2 | 331,359.0 | 363,126.6 | 382,720.9 | 72,453.6 | 56,375.5 |
| Net Finance Charges | 12,613.0 | 30,220.6 | 32,901.8 | 40,854.1 | 1,876.9 | 550.9 |
| Depreciation | 21,220.4 | 44,917.3 | 42,653.9 | 41,369.5 | 10,109.8 | 8,603.7 |
| **Total** | **511,183.0** | **1,018,642.5** | **1,367,571.6** | **1,219,735.6** | **191,187.2** | **149,434.1** |
| **Profit / (Loss) before Exceptional Items and Tax** | **55,953.1** | **17,147.2** | **108,377.7** | **100,359.3** | **63,130.2** | **55,149.8** |
| **Exceptional Items** | | | | | | |
| Restructuring Costs | (914.6) | (16,837.2) | (40,945.3) | – | – | – |
| Contribution for Sports Infrastructure | – | – | – | (1,500.0) | – | – |
| Exchange Gain | – | – | – | 5,782.9 | – | – |
| Acturial Gain | – | – | – | 59,068.4 | – | – |
| **Profit/ (Loss) after Exceptional Items before tax** | **55,038.5** | **310.0** | **67,432.4** | **163,710.6** | **63,130.2** | **55,149.8** |
| Provision for Taxation — Current Tax | 13,909.7 | 21,625.3 | 19,971.2 | 33,537.3 | 21,455.2 | 16,199.7 |
| — Deferred Tax | 3,544.6 | (106.9) | (1,219.3) | 6,745.8 | (155.2) | 1,449.5 |
| — Fringe Benefits Tax | – | – | 188.1 | 209.9 | 174.1 | 289.9 |
| **Net Profit / (Loss) after Tax (Before Adjustment)** | **37,584.2** | **(21,208.4)** | **48,492.4** | **123,217.6** | **41,656.1** | **37,210.7** |
| **Adjustments** | | | | | | |
| Change in Accounting Policies | – | – | (16,560.1) | (52,884.8) | – | – |
| Prior Period Adjustments | (97.9) | (117.7) | (63.8) | 245.2 | (582.2) | (428.3) |
| Tax Impact of Adjustments | 32.5 | 40.0 | 2,140.8 | 3,989.1 | 196.0 | 144.2 |
| **Total of Adjustments** | **(65.4)** | **(77.7)** | **(14,483.1)** | **(48,650.5)** | **(386.2)** | **(284.1)** |
| **Net Profit / (Loss) after Adjustments** | **37,518.8** | **(21,286.1)** | **34,009.3** | **74,567.1** | **41,269.9** | **36,926.6** |
| Less: Minority Interest | (40.4) | 129.9 | (425.3) | 1,403.4 | 671.6 | 191.2 |
| Add: Share of Profits of Associates | 418.8 | 1,268.6 | 607.2 | 1,681.6 | 791.8 | 321.9 |
| **Profit / (Loss) as Restated after Minority Interest and Share of Profits of Associates** | **37,978.0** | **(20,147.4)** | **35,041.8** | **74,845.3** | **41,390.1** | **37,057.3** |
| Balance brought forward | 65,982.5 | 105,552.4 | 92,740.3 | 48,390.0 | 33,349.3 | 19,860.7 |
| **Profit available for Appropriation** | **103,960.5** | **85,405.0** | **127,782.1** | **123,235.3** | **74,739.4** | **56,918.0** |
| **Appropriations** | | | | | | |
| Proposed Dividends On Prefernce Shares | – | 458.8 | 1,094.5 | 221.9 | – | – |
| Proposed Dividends On Ordinary Shares | – | 7,092.3 | 11,678.8 | 11,678.6 | 9,428.7 | 7,186.4 |
| Tax on Dividends | – | 1,543.3 | 2,176.4 | 2,077.5 | 1,634.2 | 1,033.6 |
| General Reserve | – | 5,525.8 | 6,722.3 | 15,490.8 | 15,247.0 | 15,287.0 |
| Special Reserve | – | 485.5 | 42.4 | 63.2 | 39.5 | 61.7 |
| Debenture Redemption Reserve | – | 4,000.0 | – | – | – | – |
| Statutory Reserve | – | 316.9 | 515.3 | 963.0 | – | – |
| Surplus Carried to Balance Sheet | 103,960.5 | 65,982.4 | 105,552.4 | 92,740.3 | 48,390.0 | 33,349.3 |
| **Total** | **103,960.5** | **85,405.0** | **127,782.1** | **123,235.3** | **74,739.4** | **56,918.0** |

## Consolidated Statement of Cash Flows, as Restated

| Particulars | For the period ended Sept. 30, 2010 | For the year ended March 31 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|---|
| | | | (Rs. in million) | | | |
| **A. CASH FLOW FROM OPERATING ACTIVITIES:** | | | | | | |
| Profit/(Loss) before taxes, minority interest and share of profits of associates | **54,940.6** | **192.3** | **50,808.5** | **111,071.0** | **62,548.0** | **54,721.5** |
| **Adjustments for:** | | | | | | |
| Depreciation | 21,220.4 | 44,917.3 | 42,653.9 | 41,369.5 | 10,109.8 | 8,603.7 |
| Income from Other Investments | (858.6) | (699.8) | (796.2) | (770.0) | (1,071.9) | (601.8) |
| (Profit)/Loss on sale of other investments | (7,357.4) | (10,360.7) | (1,144.5) | (184.1) | (130.8) | (1.8) |
| (Profit)/Loss on sale of assets / discarded assets written off | (222.7) | (1,090.0) | (449.4) | (2,543.6) | (107.1) | (421.4) |
| Restructuring Costs | 914.6 | 16,837.2 | 40,945.3 | – | – | – |
| Gain/(Loss) on cancellation of forward covers / options | (298.6) | 292.0 | (266.6) | (1,243.0) | (835.9) | (377.3) |
| Provision for diminution in value of investments | – | – | – | – | 1.0 | 0.2 |
| Interest and Income from current Investments | (2,124.3) | (4,722.4) | (5,005.1) | (4,539.6) | (4,463.8) | (1,524.7) |
| Interest charged to Profit & Loss Account | 14,737.3 | 34,943.0 | 37,906.9 | 45,393.7 | 6,340.7 | 2,075.6 |
| Exchange (Gain)/Loss on revaluation of foreign currency loans | (908.8) | (941.3) | 1,598.4 | (7,410.2) | – | – |
| Contribution for sports infrastructure | – | – | – | 1,500.0 | – | – |
| Provision for Wealth Tax | 5.1 | 16.2 | 16.8 | 17.3 | – | – |
| Other amortisation and non-cash expenditures | 6,173.9 | 3,692.1 | 3,801.7 | 7,352.5 | 2,903.7 | 273.1 |
| Unrealised Foreign exchange on consolidation net (gain) / loss | 1,181.1 | (2,589.9) | (1,006.6) | (2,858.7) | (1,201.3) | (205.5) |
| Preliminary Expenditure written off | – | 27.3 | 0.1 | 26.3 | 11.1 | 10.8 |
| | **32,462.0** | **80,321.0** | **118,254.7** | **76,110.1** | **11,555.5** | **7,830.9** |
| **Operating Profit before Working Capital Changes** | **87,402.6** | **80,513.3** | **169,063.2** | **187,181.1** | **74,103.5** | **62,552.4** |
| Adjustments for: | | | | | | |
| Trade and Other Receivables | (7,381.9) | 21,191.6 | 29,886.5 | 34,631.5 | (9,601.3) | (1,129.7) |
| Inventories | (62,327.6) | 18,842.4 | 10,123.0 | (27,013.4) | (6,399.5) | (2,372.5) |
| Trade Payables and Other Liabilities | 26,372.3 | 9,063.8 | (18,448.2) | (31,772.7) | 18,373.0 | (3,496.7) |
| | **(43,337.2))** | **49,097.8** | **21,561.3** | **(24,154.6)** | **2,372.2** | **(6,998.9)** |
| **Cash generated from operations** | **44,065.4** | **129,611.1** | **190,624.5** | **163,026.5** | **76,475.7** | **55,553.5** |
| Direct Taxes Paid | (9,618.2) | (24,631.1) | (33,665.4) | (27,788.5) | (21,445.6) | (18,198.3) |
| **Net Cash Flow from operating Activities** | **34,447.2** | **104,980.0** | **156,959.1** | **135,238.0** | **55,030.1** | **37,355.2** |
| **B CASH FLOW FROM INVESTING** | | | | | | |
| Purchase of fixed assets | (49,750.8) | (71,495.1) | (84,337.4) | (84,197.3) | (29,751.1) | (19,327.5) |
| Sale of fixed assets | 1,430.3 | 2,023.6 | 726.8 | 4,230.5 | 480.3 | 511.1 |
| Purchase of investments | (443,472.5) | (1,915,783.4) | (607,568.0) | (333,778.6) | (285,519.0) | (82,007.2) |
| Acquisition of subsidiaries/joint ventures (net of disposals) | (139.7) | (3,538.0) | (1,827.5) | (407,404.5) | (6,686.2) | (16.7) |
| Sale of Investments | 458,779.0 | 1,936,850.9 | 580,683.3 | 353,534.5 | 153,424.7 | 73,560.8 |
| Intercorporate Deposits (net) | – | 1,950.7 | (649.2) | (1,301.5) | – | – |
| Interest and Income from current Investments received | 1,650.3 | 2,166.2 | 3,669.6 | 4,530.7 | 4,144.6 | 1,693.0 |
| Dividend received | 1,047.6 | 890.5 | 1,084.1 | 1,100.2 | 1,071.9 | 601.8 |
| Pre-operative expenses | – | (26.3) | (0.7) | | (47.5) | (17.5) |
| **Net Cash flow from Investing Activities** | **(30,455.8)** | **(46,960.9)** | **(108,219.0)** | **(463,286.0)** | **(162,882.3)** | **(25,002.2)** |

| Particulars | For the period ended Sept. 30, 2010 | For the year ended March 31 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|---|
| **C CASH FLOW FROM FINANCING ACTIVITIES:** | | | | | | |
| Issue of Share Capital | 8,910.0 | 24,215.0 | 2.5 | 48,814.5 | 13,932.0 | 7.3 |
| Issue of Share Warrants | 1,782.0 | – | – | – | 1,470.6 | – |
| Capital contributions received | 79.4 | 249.7 | 141.5 | 38.7 | 55.9 | – |
| Issue of cumulative convertible preference shares | – | – | 1.4 | 54,725.2 | | |
| Proceeds from borrowings | 80,310.6 | 100,383.8 | 105,085.2 | 524,653.0 | 227,607.1 | 8,212.0 |
| Repayment of borrowings | (64,595.7) | (127,250.1) | (84,571.2) | (354,580.6) | (24,209.7) | (7,762.1) |
| Amount received on cancellation of forward covers/options | 304.3 | (289.9) | (101.2) | 1,344.1 | 945.5 | 437.6 |
| Long term loan expenses | (4,333.2) | (2,787.9) | (366.3) | (17,370.0) | (1,704.7) | (589.3) |
| Interest paid | (16,061.8) | (32,661.5) | (35,473.4) | (42,720.9) | (6,125.7) | (2,640.2) |
| Dividend paid | (7,073.2) | (13,209.1) | (12,266.2) | (9,478.2) | (7,168.2) | (7,116.6) |
| **Net Cash flow from Financing Activities** | **(677.6)** | **(51,350.0)** | **(27,547.7)** | **205,425.8** | **204,802.8** | **(9,451.3)** |
| **Net Increase / (decrease) in cash / cash equivalents (A + B + C)** | **3,313.8** | **6,669.1** | **21,192.4** | **(122,622.2)** | **96,950.6** | **2,901.7** |
| **opening Cash and Cash equivalents** | **68,152.0** | **61,482.0** | **40,291.2** | **164,940.8** | **11,929.0** | **4,865.8** |
| **Closing Cash and Cash equivalents** | **71,465.8** | **68,151.1** | **61,483.6** | **42,318.6** | **108,879.6** | **7,767.5** |

Notes:

(i) Figures in brackets represent outflows.

(ii) Cash and cash equivalents include loss on foreign exchange revaluation.

(iii) Interest paid is exclusive of and purchase of Fixed Assets is inclusive of interest capitalised.

(iv) Opening cash and cash equivalent of respective years includes cash and cash equivalents of companies which became subsidiaries/joint venture of the group and excludes the cash balances of companies which ceased to be subsidiaries.

(v) Closing cash balance as at March 31, 2007 includes Rs. 72,259.4 million ringfenced for a specific purpose.

(vi) Previous year figures have been recast / restated wherever necessary.

## Statement of Assets and Liabilities, as Restated of Tata Steel Limited

| Particulars | | As at Sept 30, 2010 | As at March 31 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|---|---|
| | | | | | (Rs. in million) | | |
| **A** | **Fixed Assets** | | | | | | |
| | Gross Block | 223,620.8 | 223,060.7 | 200,570.1 | 164,795.9 | 160,294.9 | 154,071.7 |
| | Less: Depreciation | 103,503.8 | 100,375.6 | 89,620.0 | 81,230.1 | 73,859.6 | 66,056.6 |
| | Less: Impairment | 1,181.4 | 1,060.7 | 1,004.7 | 1,004.7 | 1,004.1 | 941.9 |
| | Net Block | 118,935.6 | 121,624.4 | 109,945.4 | 82,561.1 | 85,431.2 | 87,073.2 |
| | Capital Work in Progress (Net) | 54,661.4 | 38,435.9 | 34,876.8 | 43,674.5 | 24,974.4 | 11,577.3 |
| | **Total** | **173,597.0** | **160,060.3** | **144,822.2** | **126,235.6** | **110,405.6** | **98,650.5** |
| **B** | **Investments** | **435,045.4** | **449,796.7** | **423,717.8** | **41,031.9** | **61,061.8** | **40,699.6** |
| **C** | **Current Assets, Loans and Advances** | | | | | | |
| | Inventories | 425,94.7 | 30,777.5 | 34,804.7 | 26,049.8 | 23,329.8 | 21,747.5 |
| | Sundry Debtors | 6,181.2 | 4,348.3 | 6,359.8 | 5,434.8 | 6,316.3 | 5,394.0 |
| | Cash and Bank Balances | 15,961.4 | 32,341.4 | 15,906.0 | 4,650.4 | 76,813.5 | 2,883.9 |
| | Interest Accrued on Investments | | | | 2.0 | 2.0 | 2.0 |
| | Loans and Advances | 118,713.2 | 54,999.7 | 45,610.4 | 333,317.4 | 30,387.3 | 12,338.6 |
| | **Total** | **183,450.5** | **122,466.9** | **102,680.9** | **369,454.4** | **136,848.9** | **42,366.0** |
| **D** | **Liabilities and Provisions** | | | | | | |
| | Secured Loans | 19,326.0 | 22,593.2 | 39,130.5 | 35,205.8 | 37,589.2 | 21,917.4 |
| | Unsecured Loans | 238,249.9 | 229,798.8 | 230,331.3 | 145,011.1 | 58,864.1 | 3,244.1 |
| | Deferred Tax Liability | 9,438.9 | 8,676.7 | 5,857.3 | 6,818.0 | 7,489.4 | 9,570.0 |
| | Provision for Employee Separation Compensation | 9,098.3 | 9,571.6 | 10,336.0 | 10,713.0 | 11,070.8 | 13,887.1 |
| | Current Liabilities | 72,726.6 | 66,530.9 | 60,398.6 | 38,552.6 | 35,232.0 | 27,787.0 |
| | Provisions | 24,954.0 | 23,465.2 | 29,171.9 | 28,965.2 | 19,134.6 | 9,910.1 |
| | **Total** | **373,793.7** | **360,636.4** | **375,225.6** | **265,265.7** | **169,380.1** | **86,315.7** |
| **E** | **Net Worth (A + B + C – D )** | **418,299.2** | **371,687.5** | **295,995.3** | **271,456.2** | **138,936.2** | **95,400.4** |
| **F** | **Represented by** | | | | | | |
| | Share Capital | 9,024.1 | 8,874.1 | 62,034.5 | 62,033.0 | 5,806.7 | 5,536.7 |
| | Share Warrants | 1,782.0 | | | | 1,470.6 | |
| | Reserves and Surplus | 406,043.0 | 360,743.9 | 239,728.1 | 210,974.3 | 133,684.2 | 92,396.4 |
| | Add/(Less) Foreign currency monetary item translation difference account | 1,450.1 | 2,069.5 | (4,716.6) | – | – | – |
| | Less: Miscellaneous Expenditure (to the extent not written off or adjusted) | _ | _ | 1,050.7 | 1,551.1 | 2,025.3 | 2,532.7 |
| | **Net Worth** | **418,299.2** | **371,687.5** | **295,995.3** | **271,456.2** | **138,936.2** | **95,400.4** |

## Statement of Profit and Losses, as Restated of Tata Steel Limited

| Particulars | For the period ended Sept. 30, 2010 | For the year ended March 31 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|---|
| | | | (Rs. in million) | | | |
| **Income** | | | | | | |
| Sales and Other Operating Income | 148,196.1 | 267,578.0 | 268,437.3 | 221,895.5 | 197,673.6 | 171,402.4 |
| Less: Excise Duty | 11,613.8 | 17,358.2 | 25,279.6 | 24,985.2 | 22,114.8 | 19,287.2 |
| Net Sales | 136,582.3 | 250,219.8 | 243,157.7 | 196,910.3 | 175,558.8 | 152,115.2 |
| Other Income | 7,811.0 | 8,537.9 | 3,082.7 | 2,428.0 | 2,153.0 | 1,505.5 |
| **Total** | **144,393.3** | **258,757.7** | **246,240.4** | **199,338.3** | **177,711.8** | **153,620.7** |
| **Expenditure** | | | | | | |
| Cost of Materials | 28,242.6 | 56,638.2 | 60,687.8 | 37,431.4 | 35,775.8 | 30,293.6 |
| Accretion/(Reduction) in Stocks of Finished and Semi-finished products and Work-in-progress | (2,957.2) | 1,349.7 | (2,892.7) | (387.3) | (824.7) | (1,049.1) |
| Payment to and Provision for Employees | 12,618.8 | 23,614.8 | 23,058.1 | 18,159.5 | 16,069.3 | 14,042.8 |
| Manufacturing, Selling and Other Expenses | 43,223.4 | 79,096.2 | 70,970.2 | 61,568.9 | 56,326.7 | 49,979.8 |
| Net Finance Charges | 6,701.6 | 15,084.0 | 11,526.9 | 7,865.0 | (444.7) | 203.0 |
| Depreciation | 5,616.6 | 10,831.8 | 9,734.0 | 8,346.1 | 8,192.9 | 7,751.0 |
| **Total** | **93,445.8** | **186,614.7** | **173,084.3** | **132,983.6** | **115,095.3** | **101,221.1** |
| **Profit before Exceptional Items and Tax** | **50,947.5** | **72,143.0** | **73,156.1** | **66,354.7** | **62,616.5** | **52,399.6** |
| **Exceptional Items** | | | | | | |
| Contribution for Sports Infrastructure | – | – | – | (1,500.0) | – | – |
| Exchange Gain | – | – | – | 5,808.9 | – | – |
| **Profit after Exceptional Items before tax** | **50,947.5** | **72,143.0** | **73,156.1** | **70,663.6** | **62,616.5** | **52,399.6** |
| Provision for Taxation — Current Tax | 13,730.0 | 19,980.0 | 21,730.0 | 22,520.0 | 20,760.1 | 15,790.0 |
| — Deferred Tax | 772.3 | 1,695.0 | (751.3) | 1,083.3 | (525.1) | 1,275.8 |
| — Fringe Benefits Tax | – | – | 160.0 | 190.0 | 160.0 | 270.0 |
| **Net Profit after Tax** | **36,445.2** | **50,468.0** | **52,017.4** | **46,870.3** | **42,221.5** | **35,063.8** |
| **Adjustments** | | | | | | |
| Prior Period Adjustments | – | – | – | – | (572.9) | (402.0) |
| Tax Impact of Adjustments | – | – | – | – | 192.8 | 135.3 |
| **Total of Adjustments** | – | – | – | – | (380.1) | (266.7) |
| **Adjusted Profit** | **36,445.2** | **50,468.0** | **52,017.4** | **46,870.3** | **41,841.4** | **34,797.1** |
| Balance brought forward | 127,726.5 | 95,089.8 | 63,874.6 | 45,939.8 | 30,141.7 | 18,548.9 |
| **Profit available for Appropriation** | **164,171.7** | **145,557.8** | **115,892.0** | **92,810.1** | **71,983.1** | **53,346.0** |
| **Appropriations** | | | | | | |
| Proposed Dividend | – | 7,556.5 | 12,784.0 | 11,911.2 | 9,439.1 | 7,195.1 |
| Tax on Dividends | | 1,228.0 | 2,141.0 | 2,024.3 | 1,604.2 | 1,009.2 |
| General Reserve | | 5,046.8 | 6,000.0 | 15,000.0 | 15,000.0 | 15,000.0 |
| Debenture Redemption Reserve | – | 4,000.0 | – | – | – | – |
| Surplus Carried to Balance Sheet | 164,171.7 | 127,726.5 | 94,967.0 | 63,874.6 | 45,939.8 | 30,141.7 |
| **Total** | **164,171.7** | **145,557.8** | **115,892.0** | **92,810.1** | **71,983.1** | **53,346.0** |

**Note**:
i) Opening balance brought forward for financial year 2009-10 includes, Rs 122.8 million of Hooghly Met Coke and Power Company Ltd. on amalgamation with Tata Steel Ltd.

## Statement of Cash Flows, as Restated of Tata Steel Limited

| | Particulars Sept. | For the period ended Sept. 30, 2010 | For the year ended March 31 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|---|---|
| **A** | **CASH FLOW FROM OPERATING ACTIVITIES:** | | | | | | |
| | Net Profit before tax | **50,947.50** | **72,143.0** | **73,156.1** | **70,663.6** | **62,043.6** | **51,997.6** |
| | **Adjustments for :** | | | | | | |
| | Depreciation | 5616.6 | 10831.8 | 9734.0 | 8346.1 | 8192.9 | 7751.0 |
| | (Profit) / Loss on sale of Assets discarded / Assets written off | (155.2) | (77.5) | 64.3 | (282.6) | (111.9) | (410.0) |
| | (Profit)/Loss on sale of other investments | (6480.9) | (6283.9) | (1864.6) | (0.3) | (42.3) | – |
| | Impairment of Assets | 120.7 | 56.0 | – | 0.6 | 62.2 | – |
| | (Gain)/Loss on cancellation of forward covers / options /swaps | (294.6) | 310.3 | (266.2) | (1243.0) | (826.9) | (377.3) |
| | Provision for diminution in value of investments | - | - | 1.0 | – | 1.0 | – |
| | Reversal of Impairment Loss | - | - | – | – | – | (33.3) |
| | Interest and income from current investments | (1750.4) | (3397.9) | (3368.1) | (1425.3) | (2957.2) | (1542.1) |
| | Income from other Investments . | (880.3) | (2486.8) | (1016.2) | (884.2) | (1171.9) | (718.2) |
| | Interest charged to Profit and Loss Account | 8452.0 | 18481.9 | 14895.0 | 9290.3 | 2512.5 | 1745.1 |
| | Exchange (Gain) / Loss on revaluation of foreign currency loans | (820.3) | 111.3 | 679.1 | (7436.0) | (2221.0) | – |
| | Provision for Wealth Tax | 5.0 | 10.0 | 10.0 | 9.5 | 9.7 | 8.0 |
| | Amortisation of long term loan expenses | 314.2 | 795.2 | 327.1 | 579.9 | 651.0 | 49.8 |
| | Contribution for sports infrastructure | - | - | – | 1500.0 | – | – |
| | **Operating Profit before Working Capital Changes** | **55,074.30** | **90,493.4** | **92,351.5** | **79,118.6** | **66,141.7** | **58,470.6** |
| | **Adjustments for :** | | | | | | |
| | Trade and Other Receivables | 1,468.1 | 4,382.2 | (65.6) | (2.6) | (61.8) | (1,759.4) |
| | Inventories | (11,817.2) | 4,134.2 | (8,754.9) | (2,720.0) | (1,582.2) | (3,023.5) |
| | Trade Payables and Other Liabilities | 9,241.5 | 5,477.3 | 19,943.6 | 8,181.9 | 4,965.8 | 158.0 |
| | **Cash Generated from Operations** | **53,966.70** | **104,487.1** | **103,474.6** | **84,577.9** | **69,463.5** | **53,845.7** |
| | Direct Taxes Paid | (7,834.2) | (20,794.9) | (27,975.6) | (20,602.0) | (20,345.9) | (17,471.1) |
| | **Net Cash from Operating Activities** | **46,132.50** | **83,692.2** | **75,499.0** | **63,975.9** | **49,117.6** | **36,374.6** |
| **B** | **CASH FLOW FROM INVESTING ACTIVITIES:** | | | | | | |
| | Purchase of fixed assets . | (21,265.4) | (21,020.4) | (27,862.9) | (24,589.7) | (20,095.8) | (15,275.8) |
| | Sale of fixed assets | 2,157.3 | 783.4 | 151.8 | 638.8 | 178.5 | 440.0 |
| | Purchase of Investments | (406,793.8) | (1,899,298.1) | (597,973.3) | (315,951.7) | (183,061.3) | (80,373.2) |
| | Purchase of Investments in Subsidiaries | (35,568.0) | (58,118.4) | (44,389.0) | (295,874.0) | (1,181.7) | (2,774.0) |
| | Sale of Investments | 427,798.0 | 1,923,269.6 | 571,816.1 | 341,104.6 | 146,234.8 | 70,895.1 |
| | Intercorporate deposits/ Shareholder's loan | (20,719.3) | (1,216.8) | (419.1) | (2,289.8) | (357.6) | – |
| | Interest and income from current investments received | 1,139.1 | 565.5 | 1,852.5 | 1,460.0 | 2,658.6 | 1,723.8 |
| | Dividend Received | 880.3 | 2,486.8 | 1,016.2 | 884.2 | 1,171.9 | 718.2 |
| | **Net Cash used in Investing Activities** | **(52,371.8)** | **(52,548.4)** | **(95,807.7)** | **(294,617.6)** | **(54,452.6)** | **(24,645.9)** |

| Particulars | For the period ended Sept., 2010 | For the year ended March 31 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|---|
| | | | | (Rs. in million) | | |
| **C CASH FLOW FROM FINANCING ACTIVITIES:** | | | | | | |
| Issue of Equity Capital | 8,910.0 | 24,215.0 | 2.5 | 48,814.5 | 13,932.0 | – |
| Issue of Cumulative Convertible Preference Shares | – | – | 1.4 | 54,725.2 | – | – |
| Issue of Share Warrants | 1,782.0 | – | – | – | 1,470.6 | - |
| Capital contributions received | – | 17.6 | – | – | 55.9 | – |
| Proceeds from borrowings | 32,108.5 | 64,573.6 | 64,944.3 | 176,327.0 | 80,436.9 | 5,356.4 |
| Repayment of borrowings | (35,312.2) | (70,477.8) | (8,943.8) | (103,868.2) | (6,923.1) | (7,589.6) |
| Amount received/(paid) on cancellation of forward covers / options / swaps | 300.3 | (308.2) | (101.7) | 1,344.1 | 936.5 | 437.6 |
| Long term loan expenses | (1,280.2) | (2,787.9) | (325.1) | (2,023.8) | (1,188.8) | (579.7) |
| Interest paid | (9,606.4) | (16,784.4) | (12,139.6) | (7,460.7) | (2,278.5) | (1,802.1) |
| Dividend paid | (7,042.7) | (13,179.2) | (11,873.7) | (9,379.5) | (7,176.9) | (7,134.6) |
| **Net Cash from / (used in) Financing Activities** | **(10,140.7)** | **(14,731.3)** | **31,564.3** | **158,478.6** | **79,264.6** | **(11,312.0)** |
| **Net Increase / (Decrease) in Cash and Cash equivalents (A+B+C)** | **(16,380.0)** | **16,412.5** | **11,255.6** | **(72,163.1)** | **73,929.6** | **416.7** |
| **Opening Cash and Cash equivalents** | **32,341.4** | **15,928.9** | **4,650.4** | **76,813.5** | **2,883.9** | **2,467.2** |
| **Closing Cash and Cash equivalents** | **15,961.4** | **32,341.4** | **15,906.0** | **4,650.4** | **76,813.5** | **2,883.9** |

Notes:

i) Figures in brackets represent outflows.

ii) Cash and cash equivalents include gain/loss on foreign exchange revaluation.

iii) Interest paid is exclusive of, and purchase of Fixed Assets is inclusive of, interest capitalised.

iv) Investment in subsidiaries represents the portion of purchase consideration discharged in cash during the year/period out of the total consideration.

v) Sale of investment includes sale of investment in subsidiaries for which disposal consideration has been received in cash.

vi) Opening cash and cash equivalents for financial year 2009-10 includes, Rs. 22.9 million of Hoogly Met Coke and Power Company Ltd. on amalgamation with Tata Steel Ltd.
Closing cash balance as at March 31, 2007 includes Rs. 72,259.4 million ringfenced for a specific purpose.

# THE ISSUE

| | |
|---|---|
| **Issue** | 57,000,000 Equity Shares |
| | |
| *Of which* | |
| *Employee Reservation Portion* | 1,500,000 Equity Shares |
| | |
| *Therefore,* | |
| *Net Issue to the Public#* | 55,500,000 Equity Shares |
| | |
| *Of which* | |
| | |
| A) QIB Portion* | Not more than 27,750,000 Equity Shares** |
| *Of which* | |
| Anchor Investor Portion* | Upto 8,325,000 Equity Shares |
| Balance available for allocation to QIBs other than the Anchor Investors (assuming the Anchor Investor Portion is fully subscribed) | 19,425,000 Equity Shares |
| *Of which* | |
| Available for allocation to Mutual Funds only (5% of the QIB Portion (excluding the Anchor Investor Portion)) | 971,250 Equity Shares** |
| Balance for all QIBs including Mutual Funds | 18,453,750 Equity Shares** |
| | |
| B) Non-Institutional Portion | Not less than 8,325,000 Equity Shares** |
| | |
| C) Retail Portion | Not less than 19,425,000 Equity Shares** |
| | |
| **Pre and post-Issue Equity Shares** | |
| Equity Shares outstanding prior to the Issue | 902,214,196 |
| Equity Shares outstanding after the Issue | 959,214,196 |
| | |
| Use of Issue proceeds | See the section "***Objects of the Issue***" beginning on page 39 of this Red Herring Prospectus |

**The Company in consultation with the BRLMs may allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI Regulations. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the price at which allocation is being made to Anchor Investors. Further, 5% of the QIB Portion, excluding the Anchor Investor Portion, shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder will be available for allocation on a proportionate basis to QIBs including Mutual Funds, subject to valid Bids being received at or above the Issue Price. For details, see the sections "**Issue Structure**" and "**Issue Procedure**" beginning on page 241 and 249 of this Red Herring Prospectus, respectively. Except with respect to the Anchor Investor Portion, allocation will be made on a proportionate basis.*

***In the event of over-subscription, allocation will be made on a proportionate basis, subject to valid Bids being received at or above the Issue Price.*

# *Any under-subscription in the Employee Reservation Portion will be added to the Net Issue. In the event of under-subscription in the Net Issue, spill over to the extent of under-subscription will be permitted from the Employee Reservation Portion. Subject to valid Bids being received at or above the Issue Price, any under-subscription in any category will be allowed to be met with spill-over from other categories or a combination of categories, at the discretion of the Company in consultation with the BRLMs and the Designated Stock Exchange.*

For details, see the section "***Terms of the Issue***" beginning on page 246 of this Red Herring Prospectus.

## GENERAL INFORMATION

The Company was originally incorporated as "The Tata Iron and Steel Company Limited" on August 26, 1907 as a public limited company, under the provisions of the Indian Companies Act, 1882. Pursuant to a resolution of the Board of Directors dated May 19, 2005 and of the shareholders of the Company dated July 27, 2005, the name of the Company was changed to "Tata Steel Limited" with effect from August 12, 2005. For details, see the section "***History and Certain Corporate Matters***" beginning on page 96 of this Red Herring Prospectus.

**Registered Office of the Company**

Tata Steel Limited
Bombay House, 24, Homi Mody Street
Fort, Mumbai 400 001

| Details | Registration/Identification number |
|---|---|
| Registration Number | 11-260 |
| Corporate Identification Number | L27100MH1907PLC000260 |

**Address of the RoC**

The Company is registered at the office of:

The Registrar of Companies, Maharashtra at Mumbai
Everest House, Marine Lines
Mumbai 400 020
Tel: (91 22) 22812639
Fax: (91 22) 22877977
Email: roc.mumbai@mca.gov.in

**Board of Directors**

The following table sets out the current details regarding the Board as on the date of the filing of this Red Herring Prospectus:

| Sr. No. | Name | Designation |
|---|---|---|
| 1. | Mr. Ratan N. Tata | Non-Independent, Non-Executive Chairman |
| 2. | Mr. B. Muthuraman | Non-Independent, Non-Executive Vice Chairman |
| 3. | Mr. Nusli N. Wadia | Independent, Non-Executive Director |
| 4. | Mr. S.M. Palia | Independent, Non-Executive Director |
| 5. | Mr. Suresh Krishna | Independent, Non-Executive Director |
| 6. | Mr. Ishaat Hussain | Non-Independent, Non-Executive Director |
| 7. | Dr. Jamshed J. Irani | Non-Independent, Non-Executive Director |
| 8. | Mr. Subodh Bhargava | Independent, Non-Executive Director |
| 9. | Mr. Jacobus Schraven | Independent, Non-Executive Director |
| 10. | Mr. Andrew Robb | Independent, Non-Executive Director |
| 11. | Dr. Karl-Ulrich Kohler | Non-Independent, Non-Executive Director |
| 12. | Mr. H.M. Nerurkar | Non-Independent, Executive, Managing Director |

For details, see the section "***Management***" beginning on page 112 of this Red Herring Prospectus.

**Company Secretary and Compliance Officer**

Mr. A. Anjeneyan
Tata Steel Limited
Bombay House, 24, Homi Mody Street

Fort, Mumbai 400 001
Tel: (91 22) 66657279
Fax: (91 22) 66657724
E-mail: cosec@tatasteel.com

Bidders may contact the Company Secretary and Compliance Officer, the BRLMs or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment and credit of Allotted Equity Shares in the respective beneficiary account or refund orders.

**Book Running Lead Managers and Underwriters**

***Kotak Mahindra Capital Company Limited***

1st Floor, Bakhtawar
Nariman Point
Mumbai 400 021
Tel: (91 22) 66341100
Fax: (91 22) 22840492
E-mail: tsl.fpo@kotak.com
Investor Grievance E-mail: kmccredressal@kotak.com
Website: www.investmentbank.kotak.com
Contact Person: Mr. Chandrakant Bhole
SEBI Registration No.: INM000008704

***Citigroup Global Markets India Private Limited***

12th Floor, Bakhtawar
Nariman Point
Mumbai 400 021
Tel: (91 22) 66319999
Fax: (91 22) 66466366
E-mail: TataSteel.fpo@citi.com
Investor Grievance E-mail: investors.cgmib@citi.com
Website: www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm
Contact Person: Mr. Shashank Pandey
SEBI Registration No.: INM000010718

***Deutsche Equities (India) Private Limited***

DB House
Hazarimal Somani Marg Fort
Mumbai 400 001
Tel: (91 22) 66584600
Fax: (91 22) 22006765
E-mail: tatasteel.fpo@db.com
Investor Grievance E-mail: db.redressal@db.com
Website: www.db.com/india
Contact Person: Mr. Viren Jairath
SEBI Registration No.: INM000010833

***HSBC Securities and Capital Markets (India) Private Limited***

HSBC Building
52/60 Mahatma Gandhi Road, Fort
Mumbai 400 001
Tel: (91 22) 22685555
Fax: (91 22) 22631984
E-mail: project.trophy@hsbc.co.in
Investor Grievance E-mail: investorgrievance@hsbc.co.in
Website: www.hsbc.co.in/1/2/corporate/equities-global-investment-banking
Contact Person: Mr. Amit Chakarabarty
SEBI Registration No.: INM000010353

***RBS Equities (India) Limited***

83/84, Sakhar Bhavan Nariman Point
Mumbai 400 021
Tel: (91 22) 66325535
Fax: (91 22) 66325541
E-mail: tatasteel.fpo@rbs.com
Investor Grievance E-mail: customercareecm@rbs.com
Website: www.rbs.in
Contact Person: Mr. Asim Anwar
SEBI Registration No.: INM000011674

***SBI Capital Markets Limited***
(solely as a Book Running Lead Manager)

202, Maker Tower E
Cuffe Parade
Mumbai 400 005
Tel: (91 22) 2217 8300
Fax: (91 22) 2218 8332
E-mail: tatasteel.fpo@sbicaps.com
Investor Grievance E-mail: investor.relations@sbicaps.com
Website: www.sbicaps.com
Contact Person: Ms. Kavita Tanwani/Mr. Prayag Mohanty
SEBI Registration No.: INM000003531

***Standard Chartered Securities (India) Limited***

1st Floor, Standard Chartered Tower
201B/1,Western Express Highway, Goregaon (E)
Mumbai - 400 063
Tel: (91 22) 67350745
Fax: (91 22) 22610270
E-mail: scb.trophy@sc.com
Investor Grievance E-mail: redressal.ecm@sc.com
Website: www.standardcharteredcapitalmarkets.com
Contact Person: Mr. Rohan Saraf
SEBI Registration No.: INM000011542

***State Bank of India***
(solely as an Underwriter)

Global Markets, Corporate Centre,
Floor-15, State Bank Bhavan,
Madame Cama Road,
Mumbai - 400 021
Tel: +91 22 22891011
Fax: +91 22 22891111
E-mail: avinash.kulkarni@sbi.co.in
Contact Person: Avinash Kulkarni
SEBI Registration No.: INU000000027

**Syndicate Members**

***Kotak Securities Limited***
2nd Floor, Nirlon House
Dr. Annie Besant Road
Near Passport Office, Worli
Mumbai 400 025
Tel: (91 22) 6740 9708
Fax: (91 22) 6662 7330
Email: umesh.gupta@kotak.com
Contact Person: Umesh Gupta
SEBI Registration Number: BSE INB01808153
NSE INB230808130

***SBICAP Securities Limited***
191, Maker Towers 'F'
19th Floor, Cuffe Parade
Mumbai 400 005
Tel: (91 22) 3047 8591
Fax: (91 22) 3046 8670
E-mail ID: archana.dedhia@sbicapsec.com
Website: www.sbicapsec.com
Contact Person: Archana Dedhia
SEBI Registration Number: NSE: INB 231052938
BSE: INB011053031

**Domestic Legal Advisors to the Company**

***Amarchand & Mangaldas & Suresh A. Shroff & Co.***
Peninsula Chambers
Peninsula Corporate Park
Ganpatrao Kadam Marg
Lower Parel
Mumbai 400 013

**Domestic Legal Advisors to the Underwriters**

***AZB & Partners***
Advocates & Solicitors
Express Towers, 23rd Floor
Nariman Point
Mumbai 400 021

**International Legal Counsel to the Company**

***Cleary Gottlieb Steen & Hamilton LLP***
39th Floor, Bank of China Tower
One Garden Road
Hong Kong

**International Legal Counsel to the Underwriters**

***Milbank, Tweed, Hadley & McCloy LLP***
3007 Alexandra House
18 Chater Road
Central, Hong Kong

**Registrar to the Issue**

***Link Intime India Private Limited***
C-13, Pannalal Silk Mills Compound
L.B.S. Marg, Bhandup (West)
Mumbai 400 078
Tel: (91 22) 2596 0320
Toll free: 1800220320
Fax: (91 22) 2596 0329
Email: tsl.fpo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Mr. Vishwas Attavar
SEBI Registration No.: INR000004058

**Self Certified Syndicate Banks**

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA Process are provided on www.sebi.gov.in/pmd/scsb.pdf. For more information on the Designated Branches collecting ASBA Bid cum Application Forms, see the above SEBI link.

**Bankers to the Company**

***State Bank of India***
Corporate Accounts Group Branch
Neville House
23, J.N. Heredia Marg, Ballard Estate
Mumbai 400 001
Tel: (91 22) 6154 2881
Fax: (91 22) 6154 2819

***Citibank N.A.***
Citigroup Center, Bandra - Kurla Complex,
Bandra (East),
Mumbai 400 051
Tel: (91 22) 4001 5057
Fax: (91 22) 4006 5847

***HSBC Limited***
52/60 Mahatma Gandhi Road, Fort
Mumbai 400 001
Tel: (91 22) 2268 1097
Fax: (91 22) 6653 6014

***ICICI Bank Limited***
ICICI Bank Towers, Bandra - Kurla Complex
Bandra (East),
Mumbai 400 051
Tel: (91 22) 2653 6512
Fax: (91 22) 2653 1374

***Standard Chartered Bank***
270, D.N. Road, Fort
Mumbai 400 001
Tel: (91 22) 2209 2213
Fax: (91 22) 2209 6067

***Bank of America, NA***
Express Towers
Nariman Point
Mumbai 400 021
Tel: (91 22) 6632 3340
Fax: (91 22) 2282 3276

***Deutsche Bank AG***
Deutsche Bank House
Hazarimal Somani Marg, Fort
Mumbai 400 001
Tel: (91 22) 6658 4788
Fax: (91 22) 2207 5944

***Canara Bank***
Prime Corporate Branch-II, Homji Street, Fort
Mumbai 400001
Tel: (91 22) 2264 0085
Fax: (91 22) 2262 6641

***HDFC Bank Limited***
Process House, Kamala Mills Compound
S.B. Marg, Lower Parel
Mumbai 400 013
Tel: (91) 93224 09096
Fax: (91 22) 2496 3994

***Punjab National Bank***
Large Corporate Branch,
Maker Tower 'E', Ground Floor,
Cuffe Parade
Mumbai 400 005
Tel: (91 22) 2218 6579
Fax: (91 22) 2218 0403

***ING Vysya Bank Limited***
Plot No. C12, 'G' Block, Bandra Kurla Complex,
Bandra East,
Mumbai 4000 051
Tel: (91 22) 3309 5832
Fax: (91 22) 2658 2812

***Axis Bank Limited***
Maker Tower F, Cuffe Parade, Colaba
Mumbai 400 005
Tel: (91 22) 6707 1539, 9619115505
Fax: (91 22) 2218 1429

***The Royal Bank Of Scotland N.V***
74, Sakhar Bhavan
Nariman Point
Mumbai 400 021
Tel: (91 22) 6637 3704
Fax: (91 22) 6637 2403

***BNP Paribas India***
Forbes Building, 1 Forbes Street
Mumbai 400 023
Tel: (91 22) 6618 2633
Fax: (91 22) 2266 0144

***Credit Agricole CIB***
Hoechst House, 11th, 12th, & 14th Floors
Nariman Point
Mumbai 400 021
Tel: (91 22) 6717 1071
Fax: (91 22) 6635 1816

***Central Bank of India***
Corporate Finance Branch,
Mumbai Main Office Building
Fountain, Fort
Mumbai 400 001
Tel: (91 22) 4078 5805, 4078 5807
Fax: (91 22) 4078 5840, 4078 5838

**Bankers to the Issue and Escrow Collection Banks**

***Axis Bank Limited***
Central Office
Maker Tower (E), 3rd Floor
Cuffe Parade
Colaba
Mumbai 400 005
Tel: (91 22) 6707 1250
Fax: (91 22) 2215 5157
Email: Preashant.Fernandes@axisbank.com
Website: www.axisbank.com
Contact Person: Mr. Prashant Fernandes
SEBI Registration Number: INB100000017

***ICICI Bank Limited***
Capital Markets Division
30, Mumbai Samachar Marg
Mumbai 400 001
Tel: (91 22) 6631 0322
Fax: (91 22) 6631 0350
Email: anil.gadoo@icicibank.com
Website: www.icicibank.com
Contact Person: Mr. Anil Gadoo
SEBI Registration Number: INBI00000004

***HDFC Bank Limited***
FIG-OPS Department - Lodha, I Think Techno Campus
O-3, Level, Next to Kanjurmarg Railway Station
Kanjurmarg (East), Mumbai- 400 042
Tel: (91 22) 3075 2928
Fax: (91 22) 2579 9801
Email: deepak.rane@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Mr. Deepak Rane
SEBI Registration Number: INBI00000063

**Statutory Auditors of the Company**

***Deloitte Haskins & Sells***
12, Dr.Annie Besant Road
Opp. Shiv Sagar Estate
Worli, Mumbai 400 018
Tel: (91 22) 6667 9000
Fax: (91 22) 6667 9100
Email: pde@deloitte.com
Firm Registration Number: 117366W

**Registrar and transfer agent to the Company**

***TSR Darashaw Limited***
6-10, Haji Moosa Patrawali Industrial Estate
20, Dr.E. Moses Road
Mahalaxmi, Mumbai 400 011
Tel: (91 22) 66568484
Fax: (91 22) 66568494
Email: csg-unit@tsrdarashaw.com

**Credit Rating**

As the Issue is of Equity Shares, credit rating is not required.

**Trustees**

As the Issue is of Equity Shares, the appointment of trustees is not required.

**IPO Grading**

As this is not an initial public offer ("**IPO**"), grading of this Issue is not required.

**Monitoring Agency**

***HDFC Bank Limited***
FIG-OPS Department - Lodha, I Think Techno Campus
O-3, Level, Next to Kanjurmarg Railway Station
Kanjurmarg (East), Mumbai- 400 042
Tel: (91 22) 3075 2928
Fax: (91 22) 2579 9801
Email: deepak.rane@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Mr. Deepak Rane
SEBI Registration Number: INBI00000063

The Monitoring Agency has been appointed pursuant to Regulation 16 of the SEBI Regulations.

**Experts Opinion**

Except in the sections "***Auditors Report***" and "***Statement of Tax Benefits***" on page 152 and 51 of this Red Herring Prospectus, respectively, no expert opinion has been obtained by the Company in relation to the Issue.

**Statement of Inter se Allocation of Responsibilities for the Issue**

The following table sets forth the *inter se* allocation of responsibilities for various activities in relation to this Issue among the BRLMs:

| S. No. | Activity | Responsibility | Designated Coordinating Book Running Lead Manager |
|---|---|---|---|
| 1. | Capital structuring with relative components and formalities such as type of instruments., etc. | Kotak, Citi, Deutsche Bank, HSBC, RBS, SBI Caps and SCS | Kotak |
| 2. | Due-diligence of the Company including operations/management/business plans/legal, etc. drafting and design of this Red Herring Prospectus including the memorandum containing salient features of the Prospectus. The Book Running Lead Managers shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, the RoC and SEBI, including finalisation of Prospectus and the RoC filing | Kotak, Citi, Deutsche Bank, HSBC, RBS, SBI Caps and SCS | Kotak |
| 3. | Drafting and approving all statutory advertisements | Kotak, Citi, Deutsche Bank, HSBC, RBS, SBI Caps and SCS | Kotak |
| 4. | Drafting and approving non-statutory advertisements including corporate advertisements | Kotak, Citi, Deutsche Bank, HSBC, RBS, SBI Caps and SCS | RBS |
| 5. | Appointment of intermediaries, viz.,<br>i. Printer(s)<br>ii. Registrar to the Issue<br>iii. Advertising agency<br>iv. Bankers to the Issue | Kotak, Citi, Deutsche Bank, HSBC, RBS, SBI Caps and SCS | Citi |
| 6. | Non-institutional and retail marketing of the Issue, which will cover, *inter alia*,<br>• Formulating marketing strategies, preparation of publicity budget<br>• Finalising media and public relations strategy<br>• Finalising centers for holding conferences for brokers, etc.<br>• Follow-up on distribution of publicity and Issue material including application form, prospectus and deciding on the quantum of the Issue material<br>• Finalising collection centers | Kotak, Citi, Deutsche Bank, HSBC, RBS, SBI Caps and SCS | Deutsche Bank |

| S. No. | Activity | Responsibility | Designated Coordinating Book Running Lead Manager |
|---|---|---|---|
| 7. | International institutional marketing<br>International institutional marketing of the Issue, which will cover, *inter alia*,<br>• Institutional marketing strategy<br>• Finalising the list and division of investors for one to one meetings, and<br>• Finalising road show schedule and investor meeting schedules | Kotak, Citi, Deutsche Bank, HSBC, RBS, SBI Caps and SCS | SCS |
| 8. | Domestic institutional marketing<br>• Domestic institutional marketing of the Issue<br>• Finalising the list and division of investors for one to one meetings<br>• Finalising road show schedule and investor meeting schedules | Kotak, Citi, Deutsche Bank, HSBC, RBS, SBI Caps and SCS | HSBC |
| 9. | Co-ordination with Stock Exchanges for Book Building Process software, bidding terminals and mock trading | Kotak, Citi, Deutsche Bank, HSBC, RBS, SBI Caps and SCS | SCS |
| 10. | Managing the book and finalisation of pricing in consultation with the Company | Kotak, Citi, Deutsche Bank, HSBC, RBS, SBI Caps and SCS | SCS |
| 11. | Post bidding activities including essential follow-up steps with Bankers to the Issue and Self Certified Syndicate Bank to get quick estimates of collection and advising the Company about the closure of Issue, management of escrow accounts, co-ordination of allocation, finalisation of basis of Allotment/weeding out of multiple applications, intimation of allocation and dispatch of certificates or demat credit and refunds to bidders, dealing with the various agencies connected with the work such as Registrars to the Issue, Bankers to the Issue, Self Certified Syndicate Banks and the bank handling refund business, etc. The designated coordinating Book Running Lead Manager shall be responsible for ensuring that the intermediaries fulfill their functions and enable him to discharge this responsibility through suitable agreements with the Company.<br><br>Finalising the Underwriting Arrangement* | Kotak, Citi, Deutsche Bank, HSBC, RBS, SBI Caps and SCS | SBI Caps |

** In case of under-subscription in the Issue, the BRLMs responsible for the underwriting arrangements shall be responsible for invoking underwriting obligations and ensuring that the notice for devolvement containing the obligations of the Underwriters is issued in terms of these regulations and as agreed to in the Underwriting Agreement.*

**Book Building Process**

Book building refers to the process of collection of Bids on the basis of the Red Herring Prospectus, the Bid cum Application Forms and the ASBA Forms. The Issue Price will be determined by the Company in consultation with the BRLMs, after the Bid Closing Date. The principal parties involved in the Book Building Process are:

1. The Company;
2. The BRLMs;
3. Syndicate Members;

4. The Registrar to the Issue;
5. The Escrow Collection Banks; and
6. SCSBs.

The Issue is being made through the Book Building Process wherein not more than 50% of the Net Issue will be allocated to QIBs on a proportionate basis, provided that the Company may, allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price on a discretionary basis. Further, not less than 15% and 35% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and Retail Bidders, respectively, subject to valid Bids being received at or above the Issue Price. Further, the Issue includes a reservation of 1,500,000 Equity Shares to Eligible Employees, subject to valid Bids being received at or above the Issue Price. Any Bidder (other than Anchor Investor) may participate in the Issue through the ASBA process by providing details of the ASBA Accounts in which the corresponding Bid Amounts will be blocked by the SCSBs. For more information, specific attention is invited to see the section "***Issue Procedure***" beginning on page 249 of this Red Herring Prospectus. Any unsubscribed portion in any reserved category will be added to the Net Issue to the public. Under subscription, if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of the Company in consultation with the BRLMs and the Designated Stock Exchange. For details on Bids by Anchor Investors and Mutual Funds, see the section "***Issue Procedure***" beginning on page 249 of this Red Herring Prospectus.

**In accordance with the SEBI Regulations, QIBs are not allowed to withdraw their Bid(s) after the Bid Closing Date.** Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Period. Allocation to the Anchor Investors will be on a discretionary basis. For details, see the section "***Issue Procedure***" beginning on page 249 of this Red Herring Prospectus.

The Company will comply with the SEBI Regulations and any other ancillary directions issued by SEBI for this Issue. In this regard, the Company has appointed the BRLMs to manage the Issue and procure subscriptions to the Issue.

**The Book Building Process under the SEBI Regulations is subject to change from time to time and Bidders are advised to make their own judgment about investment through this process prior to making a Bid in the Issue.**

**Steps to be taken by the Bidders for Bidding:**

- Check eligibility for making a Bid. For details, see the section "***Issue Procedure***" beginning on page 249 of this Red Herring Prospectus;

- Ensure that you have a PAN and the demat account details are correctly mentioned in the Bid cum Application Form or the ASBA Form, as the case may be;

- Ensure that the Bid cum Application Form or the ASBA Form is duly completed as per the instructions given in the Red Herring Prospectus and in the respective forms;

- Except for bids on behalf of the Government of India or state governments and the officials appointed by the courts, for Bids of all values ensure that you have mentioned your PAN allotted under the I.T. Act in the Bid cum Application Form and the ASBA Form. For details, see the section "***Issue Procedure***" beginning on page 249 of this Red Herring Prospectus. However, Bidders residing in the State of Sikkim are exempted from the mandatory requirement of PAN. The exemption is subject to the Depository Participants' verifying the veracity of the claim of the Bidders that they are residents of Sikkim, by collecting sufficient documentary evidence in support of their address;

- Ensure the correctness of your PAN, DPID and Client ID given in the Bid cum Application Form and the ASBA Form. Based on these three parameters, the Registrar to the Issue will obtain details of the Bidders from the Depositories including Bidder's name, bank account number, etc.;

- Bids by QIBs (including Anchor Investors, but excluding ASBA Bidders) will only have to be submitted to the BRLMs and their affiliates; and

- Bids by ASBA Bidders will have to be submitted to the Designated Branches. ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission to the SCSB to ensure that the ASBA Form is not rejected.

**Illustration of Book Building Process and the Price Discovery Process**

*(Bidders should note that the following is solely for the purpose of illustration and is not specific to the Issue and excludes information pertaining to Bidding by Anchor Investors)*

Bidders can bid at any price within the Price Band. For instance, assuming a price band of Rs. 20 to Rs. 24 per share, an offer size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below, the illustrative book would be as given below. A graphical representation of the consolidated demand and price would be made available at the bidding centers during the bidding period. The illustrative book shown below indicates the demand for the shares of a company at various prices and is collated from bids from various bidders.

| Bid Quantity | Bid Price (Rs.) | Cumulative Quantity | Subscription (%) |
|---:|---:|---:|---:|
| 500 | 24 | 500 | 16.67 |
| 1,000 | 23 | 1,500 | 50.00 |
| 1,500 | 22 | 3,000 | 100.00 |
| 2,000 | 21 | 5,000 | 166.67 |
| 2,500 | 20 | 7,500 | 250.00 |

The price discovery is a function of demand at various prices. The highest price at which the offeror is able to issue the desired number of shares is the price at which the book cuts off, i.e., Rs. 22 in the above example. The offeror, in consultation with the BRLMs, will finalize the issue price at or below such cut off, i.e., at or below Rs. 22. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

**Underwriting Agreement**

The Company has entered into an Underwriting Agreement dated January 11, 2011 with the Underwriters for the Equity Shares proposed to be offered through the Issue. The Underwriters mentioned in the table below have agreed to underwrite for amounts specified below at a price equal to the lower end of the Price Band that will be announced by the Company:

| Name and Address of the Underwriter | Amount Underwritten (in Rs. million) |
|---|---:|
| **Kotak Mahindra Capital Company Limited**<br>1st Floor, Bakhtawar<br>Nariman Point<br>Mumbai 400 021 | 5,571.4 |
| **Citigroup Global Markets India Private Limited**<br>12th Floor, Bakhtawar<br>Nariman Point<br>Mumbai 400 021 | 5,571.4 |
| **Deutsche Equities (India) Private Limited**<br>DB House<br>Hazarimal Somani Marg Fort<br>Mumbai 400 001 | 5,571.4 |
| **HSBC Securities and Capital Markets (India) Private Limited**<br>HSBC Building<br>52/60 Mahatma Gandhi Road, Fort | 5,571.4 |

| Name and Address of the Underwriter | Amount Underwritten (in Rs. million) |
|---|---|
| Mumbai 400 001 | |
| **RBS Equities (India) Limited**<br>83/84, Sakhar Bhavan Nariman Point<br>Mumbai 400 021 | 5,571.4 |
| **Standard Chartered Securities (India) Limited**<br>1st Floor, Standard Chartered Tower<br>201B/1,Western Express Highway, Goregaon (E)<br>Mumbai 400 063 | 5,571.4 |
| **State Bank of India**<br>State Bank Bhavan, Madame Cama Marg<br>Nariman Point<br>Mumbai 400 021 | 5,571.4 |

In the opinion of the Board of Directors the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective obligations. The Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). The Board of Directors, at its meeting held on January 11, 2011 has accepted and entered into the Underwriting Agreement mentioned above on behalf of the Company.

Notwithstanding the table above, the BRLMs and the Syndicate Members shall be responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscriptions for/subscribe to Equity Shares to the extent of the defaulted amount.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) final listing and trading approvals of the Stock Exchanges, which the company shall apply for after Allotment, and (ii) the final approval of the RoC after the Prospectus is filed with the RoC.

# CAPITAL STRUCTURE

*(in Rs. except share data)*

| | | Aggregate Value at Face Value | Aggregate Value at Issue Price |
|---|---|---|---|
| **A** | **AUTHORISED SHARE CAPITAL*** | | |
| | 1,750,000,000 Equity Shares of Rs. 10 each | 17,500,000,000 | |
| | 350,000,000 ‘A’ Ordinary Shares of Rs. 10 each | 3,500,000,000 | |
| | 25,000,000 Cumulative Redeemable Preference Shares of Rs. 100 each | 2,500,000,000 | |
| | 600,000,000 Cumulative Convertible Preference Shares of Rs. 100 each | 60,000,000,000 | |
| **B** | **ISSUED CAPITAL BEFORE THE ISSUE**** | | |
| | 903,126,020 Equity Shares of Rs. 10 each | 9,031,260,200 | |
| | | | |
| **C** | **SUBSCRIBED CAPITAL BEFORE THE ISSUE** | | |
| | 902,214,196 Equity Shares of Rs. 10 each | 9,022,141,960 | |
| | | | |
| **D** | **PRESENT ISSUE IN TERMS OF THIS RED HERRING PROSPECTUS** | | |
| | 57,000,000 Equity Shares of Rs. 10 each | 570,000,000 | [●] |
| | | | |
| **E** | Employee Reservation of 1,500,000 Equity Shares of Rs. 10 each | 15,000,000 | [●] |
| | | | |
| **F** | Net Issue to the public of 55,500,000 Equity Shares of Rs. 10 each | 555,000,000 | [●] |
| | | | |
| **G** | **EQUITY CAPITAL AFTER THE ISSUE** | | |
| | 959,214,196 Equity Shares of Rs. 10 each | 9,592,141,960 | |
| | | | |
| **H** | **SECURITIES PREMIUM ACCOUNT** | | |
| | Before the Issue | 149,181,963,319.93 | |
| | After the Issue | [●] | |
| | | | |

* The Board of Directors in their meeting on November 12, 2010 approved the increase of authorised share capital of the Company to Rs. 83,500,000,000 divided into 1,750,000,000 Equity Shares of Rs.10 each, 350,000,000 ‘A’ Ordinary Shares of Rs.10 each, 25,000,000 Cumulative Redeemable Preference Shares of Rs. 100 each, and 600,000,000 Cumulative Convertible Preference Shares of Rs.100 each by the creation of 350,000,000 ‘A’ Ordinary Shares of Rs.10 each, subject to approval of shareholders by means of postal ballot. The shareholders approved this increase in authorised share capital of the Company by a special resolution passed by postal ballot on December 22, 2010. For details on changes in the authorised share capital of the Company, see the section *“**History and Certain Corporate Matters**” beginning on page 96 of this Red Herring Prospectus.*

** The Company has issued the following instruments which are convertible into the Equity Shares of the Company:

A. The following two series of convertible bonds are outstanding:

a. US$ 546.94 million Convertible Alternative Reference Securities (“**CARS**”) due for redemption in 2012 are outstanding as on September 30, 2010 (Rs. 24,581.99 million as converted at the exchange rate prevailing on September 30, 2010). The CARS, prior to redemption can be either converted into certain qualifying securities or Equity Shares of the Company, subject to the terms and conditions of the CARS; and

b. US$ 382 million Convertible Bonds (the "**Convertible Bonds**") due for redemption in 2014 are outstanding as on September 30, 2010 (Rs. 17,168.99 million as converted at the exchange rate prevailing on September 30, 2010). The Convertible Bonds, prior to redemption, can be converted into Equity Shares.

B. 12,000,000 warrants issued by the Company to its Promoter are outstanding. Each warrant would entitle the Promoter to subscribe to one Equity Share of the Company at the price of Rs. 594 per share. If the warrants are not converted before January 23, 2012, they would lapse.

The following series of Global Depository Receipts ("**GDRs**") were outstanding as on September 30, 2010:

a. 3,867 GDRs issued during Financial Year 1994 with each GDR representing the right to receive one Equity Share of the Company. These GDRs are currently listed on the Luxembourg Stock Exchange.

b. 5,753,386 GDRs (out of 65,410,589 GDRs issued during Financial Year 2010) with each GDR representing right to receive one Equity Share of the Company. These GDRs are currently listed on the London Stock Exchange.

**Notes to Capital Structure**

1. *Equity Shares issued for consideration other than cash:*

Except as detailed below, no Equity Shares of the Company have been issued for consideration other than cash:

| Date of allotment | Number of Equity Shares issued | Face Value (Rs.) | Reasons for allotment, name of allottees and the benefits accrued to the Company |
|---|---|---|---|
| March 31, 1942 | 21,330 | 75 | Allotted to various allottees pursuant to contracts without payment being received in cash |
| March 31, 1959 | 511,524 | 75 | Bonus issue in the ratio of 1:5 |
| March 31, 1967 | 1,469,722 | 75 | Bonus issue in the ratio of 2:5 |
| October 1, 1985 | 72,153 | 100 | Allotted to shareholders of the erstwhile Indian Tube Company Limited on amalgamation |
| August 6, 1987 | 3,232,472 | 100 | Bonus issue in the ratio of 2:5 |
| November 13, 1987 | 72,338 | 100 | Bonus issue in the ratio of 2:5 |
| March 30, 1988 | 337 | 100 | Bonus issue in the ratio of 2:5 |
| May 12, 2003 | 1,210,003 | 10 | Allotted to erstwhile shareholders of Tata SSL Limited on amalgamation |
| August 23, 2004 | 184,490,952 | 10 | Bonus issue in the ratio of 1:2 |

2. *Build-up of Equity Shares held by the Promoter:*

As on March 31, 1999, the Promoter held 49,000,273 Equity Shares. The build–up of the Promoter from April 1, 1999 till date is as follows:

| Date/ Period of transaction/ subscription/ credit | Issue/Purchase/Transfer | No. of Equity Shares | Nature of consideration (cash, bonus, gift, etc.) | Face Value (Rs.) | Average Issue/ Acquisition Price (Rs.) per Equity Share |
|---|---|---|---|---|---|
| Between April 1, 1999 to March 31, 2000 | Market purchases | 17,011,019 | Cash | 10 | 136.03 |
| Between April 1, 2000 to March 31, 2001 | Market purchases | 7,017,002 | Cash | 10 | 117.36 |
| Between April 1, 2001 to March 31, 2002 | Market purchases | 20,000 | Cash | 10 | 86.58 |
| August 27, 2004 | Bonus issue | 36,524,147 | Bonus | 10 | - |
| Between April 1, 2005 to March 31, 2006 | Market purchase | 1,320,000 | Cash | 10 | 369.58 |
| Between April 1, 2006 to March 31, 2007 | Market purchase (excludes a preferential allotment made on July 18, 2006) | 1,870,000 | Cash | 10 | 448.54 |
| July 18, 2006 | Preferential allotment | 27,000,000 | Cash | 10 | 516.00 |
| April 16, 2007 | Conversion of warrants issued on a preferential basis | 28,500,000 | Cash | 10 | 484.27 |
| December 18, 2007 | Renunciation in the rights issue of the Company by a Tata company | 37,800 | Cash | 10 | 822.00 |
| December 18, 2007 | Renunciation in the rights issue of the Company by a Tata trust | 168,492 | Cash | 10 | 822.00 |
| December 18, 2007 | Subscription in the rights issue | 638,000 | Cash | 10 | 300.00 |
| December 20, 2007 | Subscription in the rights issue | 11,100,000 | Cash | 10 | 300.00 |
| December 20, 2007 | Subscription in the rights issue | 14,058,710 | Cash | 10 | 300.00 |
| December 20, 2007 | Renunciation in the rights issue of the Company by a Tata company | 134,291 | Cash | 10 | 740.00 |
| December 20, 2007 | Renunciation in the rights issue of the Company by a | 233,678 | Cash | 10 | 740.00 |

| Date/ Period of transaction/ subscription/ credit | Issue/Purchase/Transfer | No. of Equity Shares | Nature of consideration (cash, bonus, gift, etc.) | Face Value (Rs.) | Average Issue/ Acquisition Price (Rs.) per Equity Share |
|---|---|---|---|---|---|
| | Tata company | | | | |
| December 22, 2007 | Subscription in the rights issue | 7,855,784 | Cash | 10 | 300.00 |
| January 21, 2008 | Subscription in the rights issue | 866,000 | Cash | 10 | 300.00 |
| January 21, 2008 | Subscription in the rights issue | 466,000 | Cash | 10 | 300.00 |
| September 25, 2008 | Inter se transfer | 5,000,500 | Cash | 10 | 486.58 |
| September 25, 2008 | Inter se transfer | 5,000,000 | Cash | 10 | 486.35 |
| June 9, 2009 | Inter se transfer | 7,000,000 | Cash | 10 | 417.35 |
| June 9, 2009 | Inter se transfer | 4,000,000 | Cash | 10 | 417.35 |
| September 1, 2009 | Conversion of Compulsory Convertible Preference Shares issued on a rights basis | 12,232,525 | Cash | 10 | 600.66 |
| September 1, 2009 | Conversion of Compulsory Convertible Preference Shares issued on a rights basis | 6,835,341 | Cash | 10 | 600.66 |
| September 1, 2009 | Conversion of Compulsory Convertible Preference Shares issued on a rights basis | 9,532,629 | Cash | 10 | 600.66 |
| September 14, 2009 | Inter se transfer | 5,000,000 | Cash | 10 | 473.92 |
| July 22, 2010 | Preferential allotment | 15,000,000 | Cash | 10 | 594.00 |

As of September 30, 2010, the Promoter held 273,422,191 Equity Shares.

3. *Minimum Promoter’s Contribution and Lock-in*

There is no requirement for minimum Promoter’s contribution under Regulation 34 (b) of the SEBI Regulations. Further, except for the 15,000,000 Equity Shares held by the Promoter which are locked-in till July 22, 2013 and 258,422,225 Equity Shares held by Promoter which are locked in till January 27, 2011 pursuant to Regulation 78 of the SEBI Regulations, the Equity Shares held by the Promoter shall not be subject to any lock-in.

4. *Lock-in of Equity Shares allotted to Anchor Investors:*

The Equity Shares Allotted to Anchor Investors, in the Anchor Investor Portion will be locked-in for a period of 30 days from the date of Allotment of the Equity Shares in the Issue.

5. *Shareholding pattern of the Company*

A. The shareholding pattern of the Equity Shares of the Company as on September 30, 2010 is detailed in the table below:

| Sr. No | Category of shareholder | Number of shareholders | Total number of Equity Shares | Number of Equity Shares held in dematerialized form | Total shareholding as a percentage of total number of Equity Shares | | Equity Shares pledged or otherwise encumbered | |
|---|---|---|---|---|---|---|---|---|
| | | | | | % of Equity Shares (A+B) | % of Equity Shares (A+B+C) | Number of Equity Shares | % of Equity Shares |
| **(A)** | **Shareholding of Promoter and Promoter Group** | | | | | | | |
| **(1)** | **Indian** | | | | | | | |
| (a) | Individuals/ Hindu Undivided Family | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0 |
| (b) | Central Government/ state government(s) | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0 |
| (c) | Bodies Corporate | 60 | 292,004,020* | 292,001,409 | 32.57 | 32.37 | 0 | 0 |
| (d) | Financial Institutions/ Banks | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0 |
| (e) | Any Other (specify) | | | | | | | |
| | Trusts | 2 | 1,031,460 | 1,031,460 | 0.12 | 0.11 | 0 | 0 |
| | **Sub-Total (A)(1)** | **62** | **293,035,480** | **293,032,869** | **32.69** | **32.48** | **0** | **0.00** |
| **(2)** | **Foreign** | | | | | | | |
| (a) | Individuals (Non-Resident Individuals/ Foreign Individuals) | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0 |
| (b) | Bodies Corporate | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0 |
| (c) | Institutions | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0 |
| (d) | Any Other (specify) | | | | | | | |
| | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | **Sub-Total (A)(2)** | **0** | **0** | **0** | **0.00** | **0.00** | **0** | **0.00** |
| | **Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)** | **62** | **293,035,480** | **293,032,869** | **32.69** | **32.48** | **0** | **0.00** |
| **(B)** | **Public shareholding** | | | | | | | |
| **(1)** | **Institutions** | | | | | | | |
| (a) | Mutual Funds/ UTI | 310 | 33,394,120 | 33,322,032 | 3.73 | 3.70 | NA | NA |
| (b) | Financial Institutions/ Banks | 378 | 2,233,620 | 1,997,837 | 0.25 | 0.25 | NA | NA |
| (c) | Central Government/ state government(s) | 7 | 121,659 | 10,382 | 0.01 | 0.01 | NA | NA |
| (d) | Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0.00 | NA | NA |
| (e) | Insurance Companies | 76 | 200,834,075 | 200,831,925 | 22.40 | 22.26 | NA | NA |
| (f) | Foreign Institutional Investors | 588 | 142,248,404 | 142,219,605 | 15.87 | 15.77 | NA | NA |
| (g) | Foreign Venture Capital Investors | 0 | 0 | 0 | 0.00 | 0.00 | NA | NA |
| (h) | Any Other (specify) | | | | | | | |
| | Foreign Institutional Investors - Depositary Reciepts | 8 | 4,987,010 | 4,987,010 | 0.56 | 0.55 | NA | NA |
| | Foreign Bodies – | 6 | 112,365 | 112,365 | 0.01 | 0.01 | NA | NA |

| Sr. No | Category of shareholder | Number of shareholders | Total number of Equity Shares | Number of Equity Shares held in dematerialized form | Total shareholding as a percentage of total number of Equity Shares | | Equity Shares pledged or otherwise encumbered | |
|---|---|---|---|---|---|---|---|---|
| | | | | | % of Equity Shares (A+B) | % of Equity Shares (A+B+C) | Number of Equity Shares | % of Equity Shares |
| | Depositary Reciepts | | | | | | | |
| | **Sub-Total (B)(1)** | **1,373** | **383,931,253** | **383,481,156** | **42.83** | **42.56** | **NA** | **NA** |
| **(2)** | **Non-institutions** | | | | | | | |
| (a) | Bodies Corporate | 7,743 | 30,752,863 | 24,836,979 | 3.43 | 3.41 | NA | NA |
| (b) | Individuals | | | | | | | |
| (i) | Individual shareholders holding nominal share capital up to Rs. 0.1 million | 846,620 | 162,721,415 | 132,512,995 | 18.15 | 18.04 | NA | NA |
| (ii) | Individual shareholders holding nominal share capital in excess of Rs. 0.1 million | 1,169 | 26,009,907 | 23,289,368 | 2.90 | 2.88 | NA | NA |
| (c) | Any Other (specify) | | | | | | | |
| | Foreign Corporate Bodies | 7 | 6,025 | 4,900 | 0.00 | 0.00 | NA | NA |
| | **Sub-Total(B)(2)** | **855,539** | **21,9490,210** | **180,644,242** | **24.48** | **24.33** | **NA** | **NA** |
| | **Total Public Shareholding (B)= (B)(1)+(B)(2)** | **856,912** | **603,421,463** | **564,125,398** | **67.31** | **66.89** | **NA** | **NA** |
| | **TOTAL(A)+(B)** | **856,974** | **896,456,943** | **857,158,267** | **100.00** | **99.37** | **0** | **0.00** |
| **(C)** | **Shares held by Custodians and against which Depository Receipts have been issued** | **1** | **5,757,253** | **5,757,253** | **-** | **0.64** | **NA** | **NA** |
| | **GRAND TOTAL (A)+(B)+(C)** | **856,975** | **902,214,196** | **862,915,520** | **-** | **100.00** | **0** | **0.00** |

**15,000,000 Equity Shares held by the Promoter are locked-in till July 22, 2013 and 258,422,225 Equity Shares held by the Promoter are locked in till January 27, 2011 pursuant to Regulation 78 of the SEBI Regulations.*

6. *Transactions in Equity Shares by the Promoter, Directors and Group Companies in the last six months are as follows:*

**(i) Directors**

| Name of the Director | Date of Transaction | Details of Transaction | Number of Equity Shares (each of Rs. 10) | Sale Price/Buy Price (in Rs.) | Aggregate Price (in Rs.) |
|---|---|---|---|---|---|
| Mr. S.M Palia jointly with Mrs. Divya Thakore Palia | August 23, 2010 | Market Purchase | 200 | 515.50 | 103,100 |

**(ii) Promoter**

| Name of the Promoter | Date of Transaction | Details of Transaction | Number of Equity Shares (each of Rs. 10) | Sale Price/Buy Price (in Rs.) | Aggregate Price (in Rs.) |
|---|---|---|---|---|---|
| Tata Sons Limited | July 22, 2010 | Preferential Allotment | 15,000,000 | 594 | 8,910,000,000 |

**(iii) Group Companies**

| Name of the Company | Date of Transaction | Details of Transaction | Number of Equity Shares (each of Rs. 10) | Sale Price/Buy Price (in Rs.) | Aggregate Price (in Rs.) |
|---|---|---|---|---|---|
| Tata –AIG Life Insurance Limited | August 19, 2010 | Market Purchase | 5,000 | 528.11 | 2,640,547 |
| | September 6, 2010 | Market Purchase | 5,500 | 559.17 | 3,075,427 |
| | September 15, 2010 | Market Purchase | 12,550 | 605.57 | 7,599,853 |
| | September 16, 2010 | Market Purchase | 5,335 | 609.28 | 3,250,518 |
| | September 17, 2010 | Market Purchase | 20,000 | 607.85 | 12,156,966 |
| | September 23, 2010 | Market Purchase | 1,500 | 619.89 | 929,828 |
| | September 27, 2010 | Market Purchase | 50,000 | 649.29 | 32,464,405 |
| | September 28, 2010 | Market Purchase | 3,500 | 646.62 | 2,263,176 |
| | September 30, 2010 | Market Purchase | 10,750 | 651.98 | 7,008,812 |
| | October 4, 2010 | Market Purchase | 55,000 | 672.18 | 36,969,904 |
| | October 5, 2010 | Market Purchase | 1,500 | 672.04 | 1,008,065 |
| | October 13, 2010 | Market Purchase | 9,770 | 640.50 | 6,257,733 |
| | October 15, 2010 | Market Purchase | 25,000 | 637.85 | 15,946,147 |
| | October 18, 2010 | Market Purchase | 25,000 | 631.54 | 15,788,588 |
| | October 20, 2010 | Market Purchase | 2,500 | 621.08 | 1,552,688 |
| | October 29, 2010 | Market Purchase | 5,000 | 585.35 | 2,926,727 |
| | November 4, 2010 | Market Purchase | 104,860 | 622.78 | 65,304,946 |
| | November 18, 2010 | Market Purchase | 250 | 617.88 | 154,470 |
| | November 19, 2010 | Market Purchase | 1,265 | 618.84 | 782,832 |
| | November 26, 2010 | Market Purchase | 76,500 | 593.91 | 45,434,032 |

| Name of the Company | Date of Transaction | Details of Transaction | Number of Equity Shares (each of Rs. 10) | Sale Price/Buy Price (in Rs.) | Aggregate Price (in Rs.) |
|---|---|---|---|---|---|
| | November 29, 2010 | Market Purchase | 55,080 | 595.51 | 32,800,948 |
| | November 30, 2010 | Market Purchase | 14,100 | 583.78 | 8,231,229 |
| | **Total** | | **489,960** | **-** | **304,547,841** |
| Tata- AIG General Insurance Company Limited | September 13, 2010 | Market Purchase | 15,000 | 605.65 | 9,084,794 |
| | December 1, 2010 | Market Purchase | 10,000 | 600.48 | 6,004,676 |
| | **Total** | | **25,000** | **-** | **15,089,470** |

7. 1,500,000 Equity Shares, have been reserved for allocation to Eligible Employees, on a proportionate basis, subject to valid Bids being received at or above the Issue Price and subject to the maximum Bid Amount by each Eligible Employee not exceeding Rs. 200,000. Only Eligible Employees are eligible to apply in this Issue under the Employee Reservation Portion. Bids by Eligible Employees bidding under the Employee Reservation Portion may also be made in the Net Issue and such Bids will not be treated as multiple Bids. If the aggregate demand in the Employee Reservation Portion is greater than 1,500,000 Equity Shares at the Issue Price, allocation will be made on a proportionate basis.

8. Any unsubscribed portion in any reserved category will be added to the Net Issue to the public. In case of under-subscription in the Net Issue to the public category, spill-over to the extent of such under-subscription will be permitted from the reserved category to the Net Issue to the public. Under subscription, if any, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of the Company in consultation with the BRLMs and the Designated Stock Exchange.

9. A Bidder cannot make a Bid for more than the number of Equity Shares offered through the Net Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of Bidders.

10. The Promoter will not participate in this Issue.

11. Except as disclosed, neither the Promoter nor the Directors and their immediate relatives have purchased or sold any Equity Shares during the period of six months immediately preceding the date of filing of this Red Herring Prospectus with the RoC.

12. Except as disclosed in the section "***Management***" beginning on page 112 of this Red Herring Prospectus, none of the Directors hold Equity Shares of the Company.

13. As on September 30, 2010, the total number of holders of the Equity Shares is 856,975.

14. Except as disclosed under "***Capital Structure – Notes to Capital Structure – Note 1 – Equity Shares issued for consideration other than cash***" above, the Company has not issued any Equity Shares for consideration other than cash.

15. The Company has not issued any Equity Shares out of its revaluation reserves.

16. As on January 7, 2011, the BRLMs and their associates do not hold any Equity Shares in the Company except as set forth below:

| S. No. | Name of Entity | Number of Equity Shares |
|---|---|---|
| 1. | Associates of Kotak | 10,000 |
| 2. | Associates of Citi | 6,386 |
| 3. | Associates of Deutsche Bank* | 1,319,663 |
| 4. | HSBC and its associates | Nil |
| 5. | Associates of RBS | 488,529 |
| 6. | SBI Caps and its associates | Nil |
| 7. | SCS and its associates | 19,177 |

*the shareholding of the associates of Deutsche Bank is as of January 6, 2011.

17. Except as disclosed, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into the Equity Shares as on the date of this Red Herring Prospectus.

18. There will be only one denomination of the Equity Shares unless otherwise permitted by law.

19. There has been no financing arrangement by which the Directors of the Company and their relatives have financed the purchase by any other person of any securities of the Company other than in the normal course of business of the financing entity during the period of six months immediately preceding the date of filing of this Red Herring Prospectus with the RoC.

20. No Equity Shares held by the Promoter are subject to any pledge.

21. The Company does not have any scheme of employee stock option or employee stock purchase.

22. The Company will ensure that transactions in the Equity Shares by the Promoter between the date of filing of this Red Herring Prospectus and the Bid Closing Date will be intimated to the Stock Exchanges within 24 hours of such transaction.

23. The Promoter, the Company, the Directors, the directors of the Promoter and the BRLMs have not entered into any buy-back, standby or similar arrangements for purchase of Equity Shares being issued through this Red Herring Prospectus.

24. Except as approved by the Board of Directors of the Company in their resolution dated November 12, 2010, and approved by the shareholders of the Company in their resolution dated December 22, 2010, which was passed through a postal ballot and except as disclosed in this Red Herring Prospectus, the Company presently does not intend or propose to alter the capital structure for a period of six months from the Bid Opening Date by way of split or consolidation of the denomination of the Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable for Equity Shares) whether on a preferential basis or issue of bonus or rights or further public issue or qualified institutions placement.

## OBJECTS OF THE ISSUE

The objects of the Issue are to:

1. Part finance the Company's share of capital expenditure for expansion of existing works at Jamshedpur;

2. Payment of redemption amounts on maturity of certain redeemable non-convertible debentures issued by the Company on a private placement basis; and

3. General corporate purposes.

The main objects clause of the Company's Memorandum of Association and objects incidental or ancillary to the main objects enable the Company to undertake its existing activities and the activities for which funds are being raised by the Company through this Issue. Further, the Company confirms that activities it has been carrying out till date are in accordance with the objects clause of the Company's Memorandum of Association.

The details of the proceeds of the Issue are set forth in the table below:

(*in Rs. million*)

| Particulars | Amount |
|---|---|
| Gross proceeds of the Issue* | [●] |
| Issue related expenses* | [●] |
| Net proceeds of the Issue ("**Net Proceeds**")* | [●] |

* *These details will be finalised after determination of Issue Price and will be disclosed in the Prospectus prior to filing with the RoC*

**Utilisation of the Net Proceeds**

The proposed utilisation of the Net Proceeds is set forth in the table below:

(*in Rs. million*)

| Particulars | Amount |
|---|---|
| Part finance the Company's share of capital expenditure for expansion of existing works at Jamshedpur. | 18,750 |
| Payment of redemption amounts on maturity of certain redeemable non-convertible debentures issued by the Company on a private placement basis. | 10,900 |
| General corporate purposes.(1) | [●] |
| **Total Net Proceeds** | **[●]** |

(1) *The amount to be deployed towards general corporate purposes will be decided after finalisation of the Issue Price.*

**Deployment of Net Proceeds**

The Net Proceeds are currently expected to be deployed in accordance with the schedule set forth below:

(*in Rs. million*)

| Project/ Activity | Total | Financial Year | | |
|---|---|---|---|---|
| | | 2011 | 2012 | 2013 |
| Part finance the Company's share of capital expenditure for expansion of existing works at Jamshedpur. | 18,750 | 1,000 | 15,000 | 2,750 |
| Payment of redemption amounts on maturity of certain redeemable non-convertible debentures issued by the Company on a private placement basis. | 10,900 | - | 10,900 | - |
| General corporate purposes.(1) | [●] | [●] | [●] | [●] |
| **Total** | **[●]** | **[●]** | **[●]** | **[●]** |

(1) *The amount to be deployed towards general corporate purposes will be decided after finalisation of the Issue Price*

The management of the Company, in accordance with the policies set up by the Board, will have flexibility in deploying the Net Proceeds, as well as the discretion to revise its business plan from time to time and consequently the funding requirement and deployment of funds may also change. This may include rescheduling the proposed utilisation of Net Proceeds and increasing or decreasing expenditure for a particular object vis-à-vis the utilisation of Net Proceeds. In the event of significant variations in the proposed utilisation, approval of the shareholders of the Company shall be duly sought. In case of variations in the actual utilisation of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of other purposes for which funds are being raised in this Issue, including the funds available for general corporate purposes. If such surplus funds are unavailable, the required financing will be met through internal accruals and debt. The Company believes that such alternative arrangements would be available to fund any such shortfall. In the event any surplus funds remain from the Net Proceeds after meeting all the aforesaid objectives, such surplus proceeds will be used for general corporate purposes including for meeting future growth opportunities.

**Details of the Objects of the Issue**

**1. Part finance the Company's share of capital expenditure for expansion of existing works at Jamshedpur**

The Company has its main plant at Jamshedpur in the state of Jharkhand. This plant has a crude steel production capacity of 6.8 mtpa. The products manufactured in the plant consist of hot and cold rolled coils and sheets, galvanised sheets, tubes, wire rods, construction rebars, bearings and ferro alloys. For further details on the Jamshedpur plant, see the section "***Business***" beginning on page 65 of this Red Herring Prospectus. The Company along with Centennial Steel Company Limited, its wholly owned subsidiary proposes to increase the crude steel production capacity of the Jamshedpur plant by 2.9 mtpa to 9.7 mtpa.

*Funding Arrangement*

The total estimated cost in relation to the expansion of the Jamshedpur plant is Rs. 163,720 million. The proposed capital expenditure as mentioned above for this expansion program is proposed to be funded partly by the Company and partly through Centennial Steel Company Limited ("**CSCL**"), a wholly owned subsidiary of the Company. CSCL is the project company that has been established to undertake the implementation of this expansion program. The Company proposes to utilise approximately Rs. 18,750 million from the Net Proceeds of the Issue towards part financing its share of capital expenditure in relation to the expansion program. The funding plan for the expansion program is set forth in the table below:

(*in Rs. million*)

| Particulars | Amount |
|---|---|
| Total estimated cost for the expansion program | 163,720 |
| (*Less*) Expenditure incurred as of November 30, 2010[1] | 67,400 |
| (*Less*) Expected funding from the Net Proceeds of the Issue[2] | 18,750 |
| **Balance funds required** | **77,570** |
| 75% firm tie-up required in-terms of Regulation 4(g) of the SEBI Regulations | 58,178 |
| Debt tied up by the Company for the expansion program[3] | 56,410 |
| Debt tied up by CSCL for the expansion program[3] | 43,480 |

[1] *As certified by Messrs. Deloitte Haskins & Sells, Chartered Accountants, through their certificate dated January 10, 2011. Expenditure incurred by the Company as of November 30, 2010 was Rs. 32,960 million (this includes an amount of Rs. 840 million incurred by the Company in respect of facilities setup at CSCL and to be transferred to CSCL at the end of the quarter) and expenditure incurred by CSCL as of November 30, 2010 was Rs. 34,440 million.*

[2] *The Company will deploy Rs. 18,750 million towards its share of capital expenditure for the expansion program*

[3] *The Company has entered into a facility agreement dated April 30, 2010 with a consortium of lenders led by State Bank of India for a facility amount of upto Rs. 36,410 million. Further, the Company has also entered into two agreements with a consortium of lenders led by AKA Ausfuhrkredit-Gesellschaft mbH, Frankfurt (M) dated May 14, 2009 and November 30, 2010 for Euro 264 million and Euro 72.852 million, respectively. The aggregate amount of these two loan translates to Rs. 20,000 million converted at the rate of 1 Euro = Rs. 59.37, which is the approximate average conversion rate for the period from April 2010 to December 2010.*

[3] *CSCL has entered into a facility agreement dated April 30, 2010 with a consortium of lenders led by State Bank of India for a facility amount of upto Rs. 56,980 million Out of this amount, CSCL had drawn down Rs. 13,500 million as of November 30, 2010. The balance amount of Rs. 43,480 million sanctioned is yet to be drawn down.*

*Expansion Program*

The Company along with CSCL proposes to increase the crude steel production capacity of the Jamshedpur plant by 2.9 mtpa to 9.7 mtpa. Except for a coke oven battery of 0.7 mtpa which is expected to be operational by Financial Year 2013, the Company expects the primary facilities for the expansion program to be operational in Financial Year 2012. The technical feasibility for this expansion project has been undertaken by M.N. Dastur & Company (Private) Limited, the technical consultants for the expansion project. The details of the total proposed expenditure for the expansion program are set forth in the table below:

| Sr No. | Particulars | Estimated cost *(in Rs. million)* |
|---|---|---|
| a. | Procuring equipment and upgrading facilities in certain existing mines# | 11,000 |
| b. | Blast furnace with a 3.05 mtpa capacity and upgrading certain existing blast furnaces# | 21,790 |
| c. | Coke oven which comprises two coke oven batteries each having a capacity of 0.70 mtpa# | 25,570 |
| d. | Lime calcining plant and upgradation of an existing Linz- Donawitz converter ("**LD Converter**")# | 3,320 |
| e. | Pellet plant with a capacity of 6.0 mtpa.* | 18,500 |
| f. | A New LD Converter ("**New LD Converter**") and a thin slab caster to convert 2.4 mtpa of liquid steel into hot rolled coils.* | 43,230 |
| g. | Upgrading Raw Material Handling System # | 8,220 |
| h. | Power Distribution System # | 7,850 |
| i. | Upgrading existing supporting facilities including pollution control systems, logistics, utilities and water management systems ("**Supporting Facilities**") and other costs (Includes costs and fees for setting up laboratories, IT services and engineering consultancy services)** | 20,170 |
| j. | Contingency** | 4,070 |
| | **Total** | **163,720** |

# *Expenses for setting up these facilities will be borne by the Company*
* *Expenses for setting up these facilities will be borne by CSCL*
***Expenses for these facilities will be jointly borne by the Company and CSCL*

The cost of plant and machinery proposed to be purchased in relation to the above indicated facilities includes cost of equipments and spares, import taxes and duties, transportation costs, transit insurance, port clearance and installation charges.

The Company proposes to utilise Rs. 18,750 million from the Net Proceeds of the Issue to part finance its share in the expansion program.

*a. Procuring equipment and upgrading facilities in certain existing mines*

The Company proposes to upgrade certain facilities at its existing captive iron ore mines in Joda in the state of Orissa and Noamundi in the state of Jharkhand. At the Noamundi iron ore mine, the upgradation mainly comprises of the expansion and modification of the dry circuit material processing plant, installation of certain machinery and material handling facilities. At Joda iron ore mines, the production is being increased to 8.2 mtpa by setting up a new dry circuit material processing plant.

The Company proposes to incur a total expenditure of Rs. 11,000 million towards procuring equipment and upgrading facilities in its Joda and Noamundi mines. The Company may utilise a portion of the Net Proceeds of the Issue towards these expenses. The Company expects that the facilities in its Joda and Noamundi mines will be upgraded by September 2011.

The following are the key orders placed by the Company for upgrading facilities in the aforementioned mines:

| Party | Order Date | Job Description | Contract Value *(in Rs. million)* |
|---|---|---|---|
| Larsen & Toubro Limited | June 4, 2009 | Design, manufacture and supply of indigenous designs and drawings for dry circuit material at the Joda iron ore mines | 43.26 |
| Larsen & Toubro Limited | June 4, 2009 | Design, manufacture and supply of indigenous plant, machinery and equipment with auxiliaries for new material handling system with wagon loading facilities at Noamundi | 1,340.10 |
| | | **Total** | **1,383.36** |

*Blast furnace with a 3.05 mtpa capacity and upgrading certain existing blast furnaces*

The Company proposes to install a new blast furnace with a 3.05 mtpa hot metal production capacity. The key raw materials for the blast furnace are iron pellets and processed coke which would be provided by the new pellet plant and coke oven which is proposed to be set up. The Company proposes to incur an expenditure of approximately Rs. 21,790 million on setting up a new blast furnace and upgrading certain existing furnaces. The Company may utilise a portion of the Net Proceeds of the Issue towards these expenses.

The following are the key orders placed by the Company for setting up the new blast furnaces:

| Party | Order Date | Job Description | Contract Value *(in Rs. million)* |
|---|---|---|---|
| Larsen & Toubro Limited | October 27, 2008 | Design, manufacture and supply of certain indigenous plant and machinery for the blast furnace | 4,262.60 |
| Paul Wurth Italia S.p.A | October 27, 2008 | Design, manufacture and supply of certain imported plant machinery and equipment with auxiliaries for the blast furnace. | 2,782.26 |
| | | **Total** | **7,044.86** |

b. *Coke oven consisting of two coke oven batteries each having a capacity of 0.70 mtpa*

The Company proposes to install a coke oven comprising of two coke oven batteries each with a capacity of 0.7 mtpa. The Company proposes to incur an expenditure of approximately Rs. 25,570 million. The Company may utilise a portion of the Net Proceeds of the Issue towards these expenses.

The Company expects one coke oven battery to be operational in Financial Year 2012 and the other battery to be operational in Financial Year 2013. The Company has placed the following key orders for setting up the coke oven:

| Party | Order Date | Job Description | Contract Value *(in Rs. million)* |
|---|---|---|---|
| ACRE, China | September 15, 2009 | Design, manufacture and supply of imported plant machinery and equipment with auxiliaries for two coke oven batteries. | 2,258.85 |

The coke oven plant is used to process the coal before it is used in the blast furnace.

*c.* *Lime calcining plant and upgradation of the existing LD Converter*

An LD Converter is used to convert hot metal into steel. The setting up of a new blast furnace would result in an increase in production of hot metal. Accordingly, the Company intends to upgrade its existing LD Converter to process this increase in production of hot metal. In an LD converter, the hot metal is oxidized with lime and certain other minerals to produce liquid steel. Hence the Company also proposes to set up a lime calcining plant to meet the lime and limestone requirement of the new LD Converter and the existing LD Converter. The lime calcining plant will comprise of two calcining kilns each of which would have a production capacity of 600 tonnes per day. The Company proposes to incur an expenditure of approximately Rs. 3,320 million. The Company may utilise a portion of the Net Proceeds of the Issue towards these expenses.The Company expects the LD Converter upgrade and lime cacining plant to be completed by Fiscal 2012.

*d.* *Pellet plant with a capacity of 6 mtpa*

Iron pellets are a key raw material for operation of the blast furnace. The Company has estimated that the annual requirement of iron pellets for the blast furnaces to be approximately 6 mtpa. Accordingly, the Company plans to set up a pellet plant with this capacity to meet the requirements of the blast furnaces. The Company expects the pellet plant to be completed by July 2011. CSCL proposes to incur an expenditure of approximately Rs. 18,500 million to set up the pellet plant.

The following key orders have been placed for setting up the new pellet plant:

| **Party** | **Order Date** | **Job Description** | **Contract Value** *(in Rs. million)* |
|---|---|---|---|
| Larsen & Toubro Limited | October 27, 2008 | Design, manufacture and supply of indigenous plant, machinery and equipment with auxiliaries. | 4,452.50 |
| Outotec GmbH | September 24, 2008 | Design, manufacture and supply of imported plant machinery and equipment with auxiliaries. | 3,272.49 |
| | | **Total** | **4,724.99** |

*e.* *A new LD Converter and a thin slab caster to convert 2.4 mtpa of liquid steel into hot rolled coils*

A new LD Converter is proposed to be set up to meet the increase in production of hot metal from the new blast furnace once it is operational. The Company proposes to convert 2.4 mtpa of liquid steel produced by the new LD Converter into hot rolled coils. Accordingly, a new thin slab caster to convert 2.4 mtpa of liquid steel to hot roll coils is proposed to be set up. CSCL proposes to incur an expenditure of approximately Rs. 43,230 million. The new LD Converter and the thin slab caster are expected to be operational between October 2011 and January 2012.

The following orders have been placed for setting up the new LD Converter and the thin slab caster:

| **Party** | **Order Date** | **Job Description** | **Contract Value** *(in Rs. million)* |
|---|---|---|---|
| SMS India Private | October 24, | Design, manufacture and supply of | 1,435.13 |

| Party | Order Date | Job Description | Contract Value *(in Rs. million)* |
|---|---|---|---|
| Limited | 2007 | indigenous plant, machinery and equipment with auxiliaries for the LD Converters. | |
| SMS Demag Aktiengesellschaf | December 14, 2007 | Design, manufacture and supply of imported plant, machinery and equipment for the thin slab caster. | 5,838.01 |
| | | **Total** | **7,273.14** |

*f.* *Upgrading raw material handing systems*

The expansion project would result in an increment in the quantity of raw material being handled at the plant. In order to cater to this requirement, the Company intends to upgrade some of the existing raw material handling systems by adding tipplers, storage bunkers, conveyor belts, weighing facilities and screening stations. The Company proposes to incur an expenditure of approximately Rs. 8,220 million towards upgrading the raw material handling systems. The Company may utilise a portion of the Net Proceeds of the Issue towards these expenses.

The following orders have been placed in this regard:

| Party | Order Date | Job Description | Contract Value *(in Rs. million)* |
|---|---|---|---|
| Larsen & Toubro Limited | March 9, 2010 | Civil work and structural work for iron ore, pellet and coke handling system | 2,041.98 |

*g.* *Power distribution system*

The Company proposes to establish a 132 kilo volt sub-station to meet the increased power requirements. The Company proposes to incur an expenditure of approximately Rs. 7,850 million towards setting up this sub-station. The Company may utilise a portion of the Net Proceeds of the Issue towards these expenses.

*h.* *Support facilities and other costs*

The Company proposes to upgrade and set up logistics, utilities, water management systems and pollution control systems such as a dust extraction system and a waste gas extraction system. In addition, the Company and CSCL will also incur other costs such as setting up laboratories, providing IT services and engineering consultancy services. The Company and CSCL proposes to jointly incur an expenditure of approximately Rs. 20,170 million for setting up these facilities. The Company may utilise a portion of the Net Proceeds of the Issue towards these expenses.

*i.* *Contingency*

The Company and CSCL has provided Rs. 4,070 million towards any contingencies that may arise during implementation and operationalisation of the expansion program including increases in cost, equipment and construction materials. The Company may utilise a portion of the Net Proceeds of the Issue towards such expenses.

The Company is yet to place orders for plants and machinery for an amount aggregating to Rs. 14,870 million or 10% of the total estimated cost of this project.

The funding requirements are dependent on a number of factors which may not be in the control of the management, including variations in the cost structure, changes in estimates, exchange rate fluctuations and external factors. The Company may be required to revise its expenditure plans, fund requirements and estimates of completion date and the actual expenditure may vary. Any such changes may result in rescheduling and revising the planned expenditure and funding requirements, at the discretion of the management of the Company. In the event of a shortfall in raising the requisite capital from the Net Proceeds of the Issue towards meeting the objects of the Issue, the shortfall will be satisfied by way of such means available to the Company and at the discretion of the management, including by way of incremental debt or cash available with the Company.

**2. Payment of redemption amounts on maturity of certain redeemable non-convertible debentures issued by the Company on a private placement basis**

In May 2008, the Company issued redeemable non-convertible debentures on a private placement basis ("**NCDs**") aggregating to Rs. 20,000 million. The NCDs are currently listed on the Wholesale Debt Market Segment ("**WDM**") of the NSE and the trustee in relation this issue of NCDs is IDBI Trusteeship Services Limited. The details of NCDs issued by the Company are set forth below:

| | |
|---|---|
| Face value: | Rs. 1,000,000 per NCD |
| Issue price: | Rs. 1,000,000 per NCD |
| Issue Size (at face value) | Series 1 NCDs: Rs. 6,200 million<br>Series 2 NCDs: Rs. 10,900 million<br>Series 3 NCDs: Rs. 2,900 million |
| Credit Rating: | 'AAA' by Fitch |
| Maturity: | Series 1 NCDs: 7 years<br>Series 2 NCDs: 3 years<br>Series 3 NCDs: 3 years |
| Coupon: | Series 1: 10.20% per annum<br>Series 2: NSE MIBOR compounded daily plus 2.50%, where NSE MIBOR is the MIBOR published by the NSE<br>Series 3: 9.80% per annum |
| Coupon payment frequency: | Annually and on redemption. |
| Redemption price at maturity: | At par |
| Negative Pledge / Security: | The Company shall not create any security over the Jamshedpur Assets (as defined below) save for Permitted Security (as defined below) without offering *pari passu* charge over the security created to the debenture holders.<br><br>Jamshedpur Assets: means all land (whether freehold or leasehold) of the Borrower at Jamshedpur, India (and all estate or interest therein and all rights from time to time attached or relating thereto) and all plant, machinery and apparatus therein or thereon (limited to fixed assets relating to the 5 mmtpa steel plant situated thereon)<br><br>Permitted Security: means security existing as of the date of allotment of NCDs, immovable property mortgaged in favour of the debenture trustee through the debenture trust deed and other security for working capital purposes in the ordinary course of business. |

The amount outstanding under Series 2 NCDs which are due from redemption on May 7, 2011 is Rs. 10,900 million. This has been certified by Messrs. Deloitte Haskins & Sells by their certificate dated

January 10, 2011.

The Company proposes to utilise an amount aggregating to Rs. 10,900 million from the Net Proceeds of the Issue to redeem the Series 2 NCDs due for redemption on May 7, 2011.

**3. General Corporate Purposes**

The Company intends to deploy the balance Net Proceeds of the Issue aggregating Rs. [●] million towards general corporate purposes, including but not restricted to strategic initiatives, partnerships, joint ventures and acquisitions, investments by way of equity and or debt in consolidated subsidiaries, joint ventures and associated companies, prepayment and/or repayment of indebtedness, meeting exigencies which the Company may face in the ordinary course of business or any other purposes as may be approved by the Board.

**Issue Related Expenses**

The estimated Issue related expenses are as follows:

(*in Rs. million*)

| Particulars | Amounts* | As % of total expenses | As a percentage of Issue Size |
|---|---|---|---|
| Lead merchant bankers (including, underwriting commission, brokerage and selling commission) | [●] | [●] | [●] |
| Registrars to the Issue | [●] | [●] | [●] |
| Advisors | [●] | [●] | [●] |
| Bankers to the Issue | [●] | [●] | [●] |
| Others: | | | |
| - Printing and stationery | [●] | [●] | [●] |
| - Listing fees | [●] | [●] | [●] |
| - Advertising and marketing expenses | [●] | [●] | [●] |
| - Others including auditors fees | [●] | [●] | [●] |
| Total Estimated Issue Expenses | [●] | [●] | [●] |

**Will be included after finalisation of Issue Price*

**Bridge Loans**

The Company has not entered into any bridge loan facility that will be repaid from the Net Proceeds of the Issue.

**Interim Use of Net Proceeds**

Pending utilisation for the purposes set forth above, the Company intends to invest the funds in high quality interest bearing liquid instruments including deposits with banks and investments in mutual funds for the necessary duration or for reducing overdrafts. The management in accordance with policies established by the Board from time to time, will have flexibility in deploying the Net Proceeds of the Issue.

**Monitoring of Utilisation of Funds**

The Company has appointed HDFC Bank Limited as the Monitoring Agency in relation to the Issue. The Board and the Monitoring Agency will monitor the utilisation of the proceeds of the Issue. The Company will disclose the utilisation of the proceeds of the Issue under a separate head along with details, for all such proceeds of the Issue that have not been utilised. The Company will indicate investments, if any, of unutilised proceeds of the Issue in the balance sheet of the Company for the relevant financial years subsequent to the listing.

Pursuant to clause 49 of the Listing Agreement, the Company shall on a quarterly basis disclose to the Audit Committee the uses and applications of the proceeds of the Issue. On an annual basis, the Company shall prepare a statement of funds utilised for purposes other than those stated in this Red Herring Prospectus and place it before the Audit Committee. Such disclosure shall be made only until such time that all the proceeds of the Issue have been utilised in full. The statement will be certified by the statutory auditors of the Company. In addition, the report submitted by the Monitoring Agency will be placed before the Audit Committee of the Company, so as to enable the Audit Committee to make appropriate recommendations to the Board of Directors of the Company.

The Company shall be required to inform material deviations in the utilisation of Issue proceeds to the stock exchanges and shall also be required to simultaneously make the material deviations/ adverse comments of the Audit Committee/Monitoring Agency public through advertisement in newspapers.

No part of the proceeds from the Issue will be paid by the Company as consideration to the Promoter, Group Companies, the Directors, or key managerial employees, except in the normal course of business.

## BASIS FOR ISSUE PRICE

The Issue Price will be determined by the Company in consultation with the BRLMs on the basis of the assessment of market demand for the Equity Shares by the Book Building Process. The face value of the Equity Shares is Rs. 10 each and the Issue Price is [●] times of the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

**Qualitative Factors**

Some of the qualitative factors which form the basis for computing the price are:

- Global Scale
- Strong Position in the Indian Market
- Strong Position in Western Europe
- Cost Competitiveness of the Company's Indian Operations
- Diversified Product Offering
- Efficient Project Implementation
- Economies of Scale and Cost Reductions
- Experienced Management Team

For details, please see the sections "***Business***" and "***Risk Factors***" on pages 65 and XIV of this Red Herring Prospectus, respectively.

**Quantitative Factors**

**1.** Earnings Per Share ("EPS") (Standalone)

| Particulars | Earning Per Share (Face Value Rs. 10 per Equity Share) | | |
|---|---|---|---|
| | Basic (Rs.) | Diluted (Rs.) | Weight |
| Financial Year 2008 | 66.8 | 62.1 | 1 |
| Financial Year 2009 | 69.4 | 62.9 | 2 |
| Financial Year 2010 | 60.3 | 57.3 | 3 |
| **Weighted Average** | **64.4** | **60.0** | |
| Six months ended September 30, 2010 | 40.8 | 38.7 | |

Earnings Per Share ("EPS") (Consolidated)

| Particulars | Earning Per Share (Face Value Rs. 10 per Equity Share) | | |
|---|---|---|---|
| | Basic (Rs.) | Diluted (Rs.) | Weight (Rs.) |
| Financial Year 2008 | 107.4 | 106.4 | 1 |
| Financial Year 2009 | 48.0 | 44.9 | 2 |
| Financial Year 2010 | (24.3) | (24.3) | 3 |
| **Weighted Average** | **21.8** | **20.6** | |
| Six months ended September 30, 2010 | 42.6 | 40.4 | |

**2.** Price/Earning (P/E) ratio in relation to the Price Band on an Standalone Basis

| Particulars | P/E at the lower end of Price band (no. of times) | P/E at the higher end of Price band (no. of times) |
|---|---|---|
| Based on the EPS of Rs. 62.1 for Financial Year 2008 | [●] | [●] |
| Based on the EPS of Rs. 62.9 for Financial Year 2009 | [●] | [●] |

| Particulars | P/E at the lower end of Price band (no. of times) | P/E at the higher end of Price band (no. of times) |
|---|---|---|
| Based on the EPS of Rs. 57.3 for Financial Year 2010 | [●] | [●] |
| **Based on the weighted average EPS of Rs. 60.0** | [●] | [●] |

Price/Earning (P/E) ratio in relation to the Price Band on a Consolidated Basis

| Particulars | P/E at the lower end of Price band (no. of times) | P/E at the higher end of Price band (no. of times) |
|---|---|---|
| Based on the EPS of Rs. 106.4 for Financial Year 2008 | [●] | [●] |
| Based on the EPS of Rs. 44.9 for Financial Year 2009 | [●] | [●] |
| Based on the EPS of Rs. (24.3) for Financial Year 2010 | [●] | [●] |
| **Based on the weighted average EPS of Rs. 20.6** | [●] | [●] |

P/E ratio for the Industry is as follows:

| Industry P/E | |
|---|---|
| Highest | 16.3 |
| Lowest | 1.8 |
| **Industry Composite** | 10.9 |

***Source:*** *Capital Market Vol. XXV/22; December 27, 2010 – January 9, 2011 (Industry- Steel Large) P/E Ratios based on TTM EPS and price as of December 20, 2010*

**3.** **Average Return on Net Worth ("RONW")**

**(a)** As per restated Financial Statements (Standalone):

| Particulars | RONW % | Weight |
|---|---|---|
| Financial Year 2008 | 17.2 | 1 |
| Financial Year 2009 | 17.1 | 2 |
| Financial Year 2010 | 13.4 | 3 |
| **Weighted Average** | **15.3** | |
| Six months ended September 30, 2010 | 8.7 | |

**(b)** As per restated Financial Statements (Consolidated):

| Particulars | RONW % | |
|---|---|---|
| Financial Year 2008 | 22.0 | 1 |
| Financial Year 2009 | 12.9 | 2 |
| Financial Year 2010 | (8.7) | 3 |
| **Weighted Average** | **3.6** | |
| Six months ended September 30, 2010 | 13.7 | |

**4.** Minimum RONW required for maintaining pre-Issue EPS is [●].

**5. Net Asset Value per Equity Share**

(i) Net Asset Value per Equity Share as of September 30, 2010 is Rs. 463.6 on a standalone basis and Rs. 307.7 on a consolidated basis

(ii) After the Issue: [●]

(iii) Issue Price: Rs. [●]

Issue Price per Equity Share will be determined on conclusion of Book Building Process.

**6. Comparison of Accounting Ratios with Industry Peers**

| Sr. No. | Name of the company | Consolidated/ unconsolidated | Year End | Face Value (Rs. per Share) | EPS (Rs.) | P/E Ratio# | NAV (Rs.) | RoNW (%) |
|---|---|---|---|---|---|---|---|---|
| 1. | Tata Steel Limited* | Unconsolidated | March 31, 2010 | 10 | 57.3 | [●] | 418.9 | 13.4 |
| 2. | Tata Steel Limited* | Consolidated | March 31, 2010 | 10 | (24.3) | [●] | 259.7 | (8.7) |
| 3. | JSW Steel Limited | Unconsolidated | March 31, 2010 | 10 | 10 | 13.5 | 662.3 | 23.3 |
| 4. | S A I L | Unconsolidated | March 31, 2010 | 10 | 10 | 12.2 | 80.7 | 22.0 |
| 5. | Bhushan Steel Limited | Unconsolidated | March 31, 2010 | 10 | 2 | 11.4 | 186.2 | 28.2 |

***Source:*** *Capital Market Vol. XXV/21; December 13 –26, 2010 (Industry- Steel Large)*

**Based on the restated financial statements for the year ended March 31, 2010.*

*# Computed based on the market price as on December 20, 2010 and EPS for the year ended March 31, 2010 as reported in Capital Markets, Volume XXV/22; December 27, 2010 – January 9, 2010 (Industry-Steel Large) except for Tata Steel Limited*

The Issue Price of Rs. [●] has been determined by the Company in consultation with the BRLMs on the basis of assessment of market demand from investors for the Equity Shares through the Book Building Process. Prospective investors should also review the entire Red Herring Prospectus, including, in particular the sections "***Risk Factors***", "***Business***" and "***Financial Statements***" on pages XIV, 65 and 152, respectively of this Red Herring Prospectus.

# STATEMENT OF TAX BENEFITS

The following key tax benefits are available to the Company and the prospective shareholders under the current direct tax laws in India for the financial year 2010-11.

The tax benefits listed below are the possible benefits available under the current direct tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperative it faces in the future, it may or may not choose to fulfill. This Statement is only intended to provide the tax benefits to the Company and its shareholders in a general and summary manner and does not purport to be a complete analysis or listing of all the provisions or possible tax consequences of the subscription, purchase, ownership or disposal etc. of shares. In view of the individual nature of tax consequences and the changing tax laws, each investor is advised to consult his/her own tax adviser with respect to specific tax implications arising out of their participation in the issue.

The Finance Minister tabled the Direct Tax Code Bill, 2010 ("***DTC 2010***") in the Parliament on August 30, 2010 which is proposed to come into force on 1 April 2012. Please note that we have not considered the provisions of DTC 2010 for the purpose of this statement.

## A. SPECIAL TAX BENEFITS

### 1. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY

There are no special tax benefits available to the Company

### 2. SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS OF THE COMPANY

There are no special tax benefits available to the shareholders of the Company.

## B. GENERAL TAX BENEFITS

### 1. Key benefits available to the Company under the Income Tax Act, 1961 ("the I.T. Act")

### A) BUSINESS INCOME:

**1. Depreciation**:

The Company is entitled to claim depreciation on specified tangible and intangible assets owned by it and used for the purpose of its business under Section 32 of the I.T. Act.

In case of any new plant and machinery (other than specified exclusions) that will be acquired by the Company, the Company is entitled to a further sum equal to twenty per cent of the actual cost of such machinery or plant subject to conditions specified in Section 32 of the I.T. Act.

Unabsorbed depreciation, if any, for an Assessment Year ("**AY**") can be carried forward and set off against any source of income in the subsequent AYs.

**2. Preliminary Expenses**:

As per Section 35D, the Company is eligible for deduction in respect of specified preliminary expenses incurred by the Company in connection with extension of its undertaking or in connection with setting up a new unit of an amount equal to $1/5^{th}$ of of such expenditure for each of the five successive previous years beginning with the previous year in which the business commences or, as the case may be, the previous year in which the extension of the undertaking is completed or the new unit commences production or operation subject to conditions and limits specified in that section.

3. **Expenditure incurred on voluntary retirement scheme**:

As per section 35DDA, the Company is eligible for deduction in respect of payments made to its employees in connection with their voluntary retirement of an amount equal to $1/5^{th}$ of such expenses every year for a period of five years subject to conditions specified in that section.

4. **Expenditure on Scientific Research**:

a) As per Section 35 (1) (iv), the Company is eligible for deduction in respect of any expenditure (not being expenditure on acquisition of land) on scientific research related to the business subject to conditions specified in that section.

b) As per Section 35(2AB), weighted deduction @200% is available on Research & Development expenditure incurred by the Company engaged in the business of bio-technology or in any business of manufacture or production of any article or thing not being an article or thing specified in the list of eleventh schedule of the I.T. Act, (except on land and building) on in house research and development facility as approved by the prescribed authority, upto March 31, 2012.

5. **Deductions under Chapter VI-A of the I.T. Act**:

a) As per Section 80-IA and 80-IB, the Company will be eligible for deduction of an amount equal to specified per cent of the profits and gains derived by specified industrial undertakings for ten consecutive assessment years subject to the fulfillment of the conditions specified in that section.

b) As per Section 80G, the Company will be eligible for deduction of an amount as specified in the Section in respect of donations to certain funds, charitable institutions, etc.

c) As per Section 80GGB, the Company will be eligible for deduction of any sum contributed by it to any political party or an electoral trust.

6. **Carry forward of business loss**:

Business losses, for any AY can be carried forward and set off against business profits for eight subsequent AYs.

7. **Set off of accumulated Loss on amalgamation / merger:**

As per the provisions of Section 72A, the Company is entitled to carry forward and set off of accumulated loss and unabsorbed depreciation allowance under amalgamation or demerger subject to fulfillment of certain conditions.

8. **MAT Credit**:

MAT is payable by a company when the income-tax payable on the total income as computed under the I.T. Act is less than 18% (plus applicable Surcharge + Education and Secondary & Higher Education cess) of its book profit computed as per the specified method

As per Section 115JAA(1A), the Company is eligible to claim for Minimum Alternate Tax ("**MAT**") paid for any AY commencing on or after April 1, 2006 against normal income-tax payable in subsequent AYs. MAT credit shall be allowed for any AY to the extent of difference of the tax paid for any AY under 115JB and the amount of tax payable as per the normal provisions of the I.T. Act for that AY. Such MAT credit will be available for set-off upto ten years succeeding the AY in which the MAT credit is allowed.

B) **CAPITAL GAINS**:

**1.** a) **Long Term Capital Gain (LTCG)**

LTCG means capital gain arising from the transfer of a capital asset being share held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under Clause (23D) of Section 10 or a Zero coupon bond, held by an assessee for more than 12 months.

In respect of any other capital assets, LTCG means capital gain arising from the transfer of an asset, held by an assessee for more than 36 months.

b) **Short term Capital Gain (STCG)**

STCG means capital gain arising from the transfer of capital asset being share held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under Clause (23D) of Section 10 or Zero coupon bonds, held by an assessee for 12 months or less.

**2.** LTCG arising on transfer of equity shares of a company or units of an equity oriented fund (as defined) which has been set up under a scheme of a mutual fund specified under Section 10 (23D), on a recognized stock exchange on or after October 1, 2004 are exempt from tax under Section 10 (38) of the I.T. Act provided the transaction is chargeable to securities transaction tax (STT) and subject to conditions specified in that section.

With effect from AY 2007-2008, income by way of long term capital gain exempt under Section 10(38) of a company shall not be excluded for computing the Book profit and income-tax payable under section 115JB.

**3.** As per second proviso to Section 48, LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by Government), is to be computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.

(a) As per Section 112, the LTCG that are not exempt under Section 10(38) of the I.T. Act, will be subject to tax at a rate of 20% with indexation benefit plus applicable surcharge thereon and 3% Education and Secondary & Higher Education Cess on tax plus Surcharge (if any) (hereinafter referred to as applicable Surcharge + Education and Secondary & Higher Education Cess)

(b) However, as per proviso to Section 112(1), if such tax payable on transfer of listed securities/units/Zero Coupon Bonds exceed 10% of the LTCG, without availing benefit of indexation, the excess tax will be ignored for computing the tax payable

**4.** As per Section 111A of the I.T. Act, STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined) under Section 10 (23D), on a recognized stock exchange are subject to tax at the rate of 15 per cent, provided the transaction is chargeable to STT. No deduction under chapter VIA shall be allowed from such income.

**5.** In addition to the aforesaid tax rates discussed in 3 and 4 above, in the case of domestic companies where the income exceeds Rs. 10,000,000, a surcharge of 7.5% on such tax liability is also payable. -A 2% education cess and 1% secondary and higher education cess on the total income tax is payable by all categories of taxpayers.

**6.** As per section 71 read with section 74 of the I.T. Act, short term capital loss arising during a year is allowed to be set-off against short term as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent 8 assessment years.

**7.** As per Section 71 read with Section 74, long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, is allowed to be carried forward and set-off against subsequent year's long term capital gains for subsequent eight assessment years.

**8.** Under Section 54EC of the I.T. Act, capital gains arising on the transfer of a long term capital asset will be exempt from capital gains tax if such capital gains are invested within a period of six months after the date of such transfer in specified bond issued by the following and subject to the conditions specified therein -

- National Highway Authority of India constituted under Section 3 of National Highway Authority of India Act, 1988 (68 of 1988)
- Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956. (1 of 1956)

If only part of the capital gains is so reinvested, the exemption shall be proportionately reduced.

However, if the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted shall be taxable as Capital Gains in the year of transfer/conversion.

The investments in the Long Term Specified Asset made by the Company on or after April 1, 2007 during the financial year should not exceed Rs. 50 lacs.

**C)** **<u>INCOME FROM OTHER SOURCES</u>**:

**9.** **Dividend Income**:

Dividend (both interim and final) income, if any, received by the Company on its investments in shares of another Domestic Company shall be exempt from tax under Section 10(34) read with Section 115-O of the I.T. Act.

Income received in respect of units of a mutual fund specified under Section 10(23D) of the I.T. Act (other than income arising from transfer of units in such mutual fund) shall be exempt from tax under Section 10(35) of the I.T. Act.

**10.** **Others**:

To the extent the funds raised from the proposed further public issue of Equity Shares are utilized to reduce the debts raised for investment purposes, the corresponding interest expenses of the Company will be reduced and the consequential disallowance of such interest expenses under Section 14A of the I.T. Act will be reduced.

**2.** **Key benefits available to the Members/Shareholders of the Company**

2.1 **Resident Members/Shareholders**

a. **Dividend Income**:

Dividend (both interim and final) income, if any, received by the resident shareholders from a Domestic Company shall be exempt from tax Section 10(34) read with Section 115O of the I.T. Act.

b. **Capital gains**:

i. Benefits outlined in Paragraph 1(B) above to the extent also applicable to resident shareholders. In addition to the same, the following benefits are also available to resident shareholders being an individual/ HUF.

ii. As per Section 54F of the I.T. Act, LTCG arising from transfer of shares will be exempt from tax if net consideration from such transfer is utilized within a period of one year before, or two years after the date of transfer, for purchase of a new residential house, or for construction of residential house within three years from the date of transfer and subject to conditions and to the extent specified therein.

c. **Deduction of STT:**

With effect from Assessment Year 2009-2010, under section 36(1)(xv) of the I.T. Act, the STT paid in respect of taxable securities transactions entered into in the course of business is allowable as deduction if income is computed under the head " Profits and Gains of Business or Profession"

**2.2 Key Benefits available to Non-Resident Members/Shareholders**

a. **Dividend Income**:

Dividend (both interim and final) income, if any, received by the non-resident shareholders from a Domestic Company shall be exempt from tax under Section 10 (34) read with Section 115O of the I.T. Act.

b. **Capital gains**:

Benefits outlined in Paragraph 2.1(b) above to the extent also available to a non-resident shareholder except that as per first proviso to Section 48 of the I.T. Act, the capital gains arising on transfer of capital assets being shares of an Indian Company need to be computed by converting the cost of acquisition, expenditure in connection with such transfer and full value of the consideration received or accruing as a result of the transfer into the same foreign currency in which the shares were originally purchased. The resultant gains thereafter need to be reconverted into Indian currency. The conversion needs to be at the prescribed rates prevailing on dates stipulated. Further, the benefit of indexation as provided in second proviso to section 48 is not available to non-resident shareholders.

c. **Deduction of STT**:

Benefits outlined in Paragraph 2.1(c) above are also applicable to the non-resident shareholders.

d. **Tax Treaty Benefits**:

As per Section 90 of the I.T. Act, the shareholder can claim relief in respect of double taxation, if any, as per the provision of the applicable double taxation avoidance agreements.

e. **Special provision in respect of income/LTCG from specified foreign exchange assets available to non-resident Indians under Chapter XII-A**

i. Non-Resident Indian (NRI) means a citizen of India or a person of Indian origin who is not a resident. Person is deemed to be of Indian origin if he, or either of his parents or any of his grand-parents, were born in undivided India.

ii. Specified foreign exchange assets include shares of an Indian company acquired/purchased/subscribed by NRI in convertible foreign exchange.

iii. As per Section 115E, income [other than dividend which is exempt under Section 10(34)] from investments and LTCG from assets (other than specified foreign exchange assets) shall be taxable

@ 20% (plus applicable surcharge plus education and secondary and higher education cess). No deduction in respect of any expenditure allowance from such income will be allowed and no deductions under chapter VI-A will be allowed from such income.

iv. As per Section 115E, LTCG arising from transfer or specified foreign exchange assets shall be taxable @ 10% (plus applicable surcharge plus education and secondary and higher education cess).

v. As per Section 115F, LTCG on transfer of a foreign exchange asset shall be exempt under Section 115F, in the proportion of the net consideration from such transfer being invested in specified assets or savings certificates within six months from date of such transfer, subject to further conditions specified under Section 115F.

vi. As per Section 115G, if the income of an NRI taxable in India consists only of income/LTCG from such shares and tax has been properly deducted at source in respect of such income in accordance with the I.T. Act, it is not necessary for the NRI to file return of income under Section 139 (1).

vii. As per Section 115H, where the NRI becomes assessable as a resident in India, he may furnish a declaration in writing to the assessing officer, along with his return of income, for the assessment year, in which he is first assessable as a resident, under Section 139 of the I.T. Act to the effect that the provisions of the chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent years until such assets are converted into money.

viii. As per Section 115I, the NRI can opt not be governed by the provisions of chapter XII-A for any AY by declaring the same in the return of income filed under Section 139 in which case the normal benefits as available to non-resident shareholders will be available

**2.3 <u>Key Benefits available to Foreign Institutional Investors (FIIs):</u>**

a. **<u>Dividend Income</u>**:

Dividend (both interim and final) income, if any, received by the shareholder from the domestic company shall be exempt from tax under Section 10(34) read with Section 115O of the I.T. Act.

b. **<u>Capital Gains</u>**:

i. Under Section 115AD, income (other than income by way of dividends referred in Section 115O) received in respect of securities (other than units referred to in Section 115AB) shall be taxable at the rate of 20%. No deduction in respect of any expenditure/allowance shall be allowed from such income.

ii. Under Section 115AD, capital gains arising from transfer of securities (other than units referred to in Section 115AB), shall be taxable as follows:

- As per Section 111A, STCG arising on transfer of securities where such transaction is chargeable to STT, shall be taxable at the rate of 15%. STCG arising on transfer of securities where such transaction is not chargeable to STT, shall be taxable at the rate of 30%.

- LTCG arising on transfer of securities where such transaction is not chargeable to STT, shall be taxable at the rate of 10%. The benefit of indexation of cost of acquisition and foreign currency fluctuation protection, as mentioned under 1st and 2nd proviso to Section 48 would not be allowed while computing the capital gains.

iii. For corporate FIIs, the above tax rates will be increased by a surcharge of 2.5% on such tax liability in case income exceeds Rs 10,000,000.

iv. A 2% education cess and 1% secondary and higher education cess on the total income tax (including surcharge wherever applicable) is payable by all categories of taxpayers.

c. **Exemption of capital gains from income-tax**:

i. LTCG arising on transfer of a long term capital asset, being an equity share in a company or unit of an equity oriented fund, where such transaction is chargeable to STT is exempt from tax under Section 10(38) of the I.T. Act.

ii. Benefit of exemption under Section 54EC shall be available as outlined in Paragraph 1(B) (vii) above.

d. **Deduction of STT**:

Benefits as outlined in Paragraph 2.1 (c) above are also available to FIIs.

e. **Tax Treaty Benefits**:

As per Section 90 of the I.T. Act, a shareholder can claim relief in respect of double taxation, if any, as per the provision of the applicable double taxation avoidance agreements.

2.4 **Key Benefits available to Mutual Funds**

As per the provisions of Section 10 (23D) of the I.T. Act, any income of mutual funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made there-under, mutual funds set up by public sector banks or public financial institutions and mutual funds authorized by the Reserve Bank of India, would be exempt from income-tax, subject to the prescribed conditions.

3. **Wealth Tax Act, 1957**

Shares in a company, held by a shareholder are not treated as an asset within the meaning of Section 2 (ea) of the Wealth Tax Act, 1957; hence, wealth tax is not leviable on shares held in a company.

4. **The Gift Tax Act, 1958**

Gift of shares of the Company made on or after October 1, 1998 are not liable to Gift Tax.

**Notes**:

a) All the above benefits are as per the current tax law and will be available only to the sole/first named holder in case the shares are held by joint holders.

b) In respect of non-residents, the tax rates and the consequent taxation mentioned above will be further subject to any benefits available under the relevant Double Tax Avoidance Agreement (DTAA), if any, between India and the country in which the non-resident has fiscal domicile.

c) In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her participation in the scheme.

## SECTION IV- ABOUT US

## INDUSTRY OVERVIEW

*Market data and certain industry forecasts used in "**Industry Overview**" were obtained from internal surveys, market research, publicly available information and industry publications published by the World Steel Association, the Indian Ministry of Steel, the Ministry of Heavy Industries and Public Enterprises of India, the Society of Indian Automobile Manufacturers, the Automotive Component Manufacturers Association of India and the Investment Committee of India. Such information has been accurately reproduced herein and, as far as the Company is aware and is able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified, and neither the Company nor any of the Book Running Lead Managers makes any representation as to the accuracy or completeness of this information.*

***Overview***

Steel is a metal alloy consisting of iron as the key component. Steel also consists of carbon and other alloys, which vary according to the grade of steel, and is generally considered to be a cornerstone of industrial development. Steel is highly versatile, as it is hot and cold formable, weldable, hard, lustrous, a good conductor of heat and electricity, malleable, ductile, recyclable and resistant to corrosion, water and heat. The industries in which steel is used include construction, automotive and transportation and engineering. Steel is also used in the production of power lines, pipelines, electrical and electronic appliances and containers.

*Production Process*

The conventional production of steel from iron ore (which consists primarily of iron and oxygen) begins with the reduction of iron ore in a blast furnace (the "**BF**") using metallurgical coke as a reducing agent. The metal produced in the BF is then processed in a basic oxygen furnace (the "**BOF**"), where oxygen is blown into molten iron in order to reduce its carbon content. In 2009, the BF-BOF process was used in the production of approximately 71% of the steel produced globally, according to the World Steel Association (the "**WSA**") (formerly the International Iron and Steel Institute). The metallurgical coke used in the BF-BOF process is produced out of low ash-content coking coal.

Due to inadequate supplies of coking coal in some parts of the world, a second steel-producing process, the electric arc furnace ("**EAF**") method, was developed. In the EAF process, steel scrap or directly reduced iron ("**DRI**") is charged in an EAF and is melted using graphite electrodes charged with electricity produced using natural gas.

An alternative way of producing steel is by using a medium or high frequency electrical induction furnace. In the induction furnace, metal is melted through electro-magnetic induction in an electrically conductive metal coil. Mild steel, stainless steel and low and high alloy steel can be made by using induction furnaces. Alloying elements are added to the melted metal as needed.

The major raw materials used in steel production depend on the production technology. The BF-BOF process mainly requires iron ore and coke that, in turn, requires coking coal, the DRI-EAF process requires scrap or sponge iron and non-coking coal and the induction furnace requires scrap and DRI. The availability of the relevant raw materials at commercial prices is essential to sustain profits for steel producers.

*Products*

Steel produced by these processes is either cast into long products such as bars, rods, rails and structural shapes or into flat products such as hot rolled ("**HR**") coils and sheets.

Long products are so called because they come out of the mill as long bars of steel. However, they are produced in a wide range of shapes and sizes and can have cross-sections shaped like an H or I (called joists, beams and columns), a U (channels) or a T (sections). Long products are principally used in the construction industry and also used in the production of capital goods and railways.

Flat products, mainly in the form of HR coils and sheets, are used in structural materials, welded pipes and tubes and in the automobile and white goods (home appliances) industries. The major end-use sectors for pipes and tubes are water supply and distribution, other industrial applications, housing applications and transport of petroleum products. Welded steel pipes are manufactured from HR coils by electrical resistance welding and are used in many piping applications. Submerged arc-welded pipes are manufactured from HR coils and are mainly used in the supply and distribution of water and gases. Seamless steel pipes and tubes manufactured from HR coils are used in the oil and gas sectors.

HR coils can also be further processed in cold rolling mills to produce cold rolled products by passing the HR coils or strips through rollers at room temperature to reduce their thickness. "Rolling" is the main method used to shape steel into different products. Rolling the steel by passing it between a set of rolls revolving at the same speed but in opposite directions makes the otherwise coarse grain structure of cast steel re-crystallize into a much finer grain structure, giving greater toughness, shock resistance and tensile strength. In addition to hot rolling, in which the steel is rolled at a high temperature, steel may also be rolled at ambient temperatures, resulting in a different set of physical and metallurgical properties.

***The Global Steel Industry***

The global steel industry is cyclical and the growth or decline of the steel industry is linked to the economic cycle of a country and in particular, to industrial production and infrastructure development. Global production capacity, trade policies of countries and the regional demand-supply scenario also strongly influence the industry. Steel producers may attempt to reduce the impact of cyclicality through various measures like diversification of manufacturing operations to various geographies (preferably emerging markets with low-cost operations), diversification of customer base and focus on value-added products.

According to the WSA, global crude steel production in 2009 was approximately 1,224 mt, while global apparent steel consumption was 1,127 mt.

*Global Steel Production*

Growth in steel production has been volatile. According to the WSA, global steel production grew on average by negative 0.5% per year from 1990 to 1995, 2.4% per year from 1995 to 2000 and 6.1% per year from 2000 to 2005. Over the period from 2005 to 2009, global steel production increased by approximately 1.7% per year. Individual rates for these years ranged from a 9.0% growth in 2006 to a 7.9% reduction in 2009.

Overall global crude steel production in 2009 was 1,224 mt, a 7.9% decrease in production over the previous year. In 2009, according to the WSA, crude steel production increased by 3.6% in Asia (13.5% increase in China, 8.7% increase in India, 20.2% decrease in Taiwan, 26.3% decrease in Japan); decreased by 33.8% in North America (36.3% decrease in the United States); decreased by 29.9% in the EU of 27 countries ("**EU27**") (28.7% decrease in Germany, 35.1% decrease in Italy); decreased by 8.4% in Other Europe (5.6% decrease in Turkey); and decreased by 14.6% in CIS Countries (12.4% decrease in Russia, 19.9% decrease in Ukraine). Excluding China, overall steel production in 2009 decreased by approximately 21% compared to 2008 level.

The following table sets forth total crude steel production by country or region for the periods indicated:

| | Year ended December 31, | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Country/Region** | **2000** | **2001** | **2002** | **2003** | **2004** | **2005** | **2006** | **2007** | **2008** | **2009** |
| | (in mt) | | | | | | | | | |
| **China** | 128.5 | 151.6 | 182.4 | 222.3 | 282.9 | 353.2 | 419.1 | 489.3 | 500.3 | 567.8 |
| **EU 27** | 193.4 | 187.5 | 188.2 | 192.5 | 202.5 | 195.6 | 207.0 | 209.7 | 198.0 | 138.8 |
| **Japan** | 106.4 | 102.9 | 107.7 | 110.5 | 112.7 | 112.5 | 116.2 | 120.2 | 118.7 | 87.5 |
| **India** | 26.9 | 27.3 | 28.8 | 31.8 | 32.6 | 45.8 | 49.5 | 53.5 | 57.8 | 62.8 |
| **Russia** | 59.1 | 59.0 | 59.8 | 61.5 | 65.6 | 66.1 | 70.8 | 72.4 | 68.5 | 60.0 |
| **United States** | 101.8 | 90.1 | 91.6 | 93.7 | 99.7 | 94.9 | 98.6 | 98.1 | 91.4 | 58.2 |
| **South Korea** | 43.1 | 43.9 | 45.4 | 46.3 | 47.5 | 47.8 | 48.5 | 51.5 | 53.6 | 48.6 |
| **South America** | 39.1 | 37.4 | 40.9 | 43.0 | 45.9 | 45.3 | 45.3 | 48.2 | 47.4 | 38.1 |
| **Middle East** | 10.8 | 11.7 | 12.5 | 13.4 | 14.3 | 15.3 | 15.4 | 16.5 | 16.6 | 17.7 |
| **Rest of World** | 139.7 | 139.8 | 146.9 | 154.9 | 167.9 | 167.6 | 176.9 | 186.7 | 176.7 | 144.5 |
| **World** | **848.9** | **851.1** | **904.2** | **969.9** | **1071.5** | **1144.1** | **1247.2** | **1346.1** | **1329.0** | **1224.0** |

*Source: WSA Steel Statistical Yearbook 2010*

For the ten months ended October 31, 2010, the WSA estimated that total crude steel production in 66 countries (which accounted for more than 98% of total global crude steel production in 2009) was 1,165.1 mt – a growth of approximately 17.5% over the same period in 2009. China recorded a 10.7% increase in production for the ten months ended October 31, 2010 as compared to the same period in 2009 and production in the United States and EU27 grew by approximately 44.7% and 29.1%, respectively, over the same period. This was preceded by declines in the United States and Europe of 43.6% and 36%, respectively, for the ten months ended October 31, 2009 as compared to the same period in 2008.

The following table sets forth total crude steel production by country or region for the periods indicated:

| | Ten months ended October 31, | | | | |
|---|---|---|---|---|---|
| **Country/Region** | **2008** | **2009** | **2010** | **2009** | **2010** |
| | (in mt) | | | (percentage change) | |
| **China** | 427.8 | 474.4 | 525.1 | 10.9 | 10.7 |
| **EU 27** | 176.1 | 112.7 | 145.5 | -36.0 | 29.1 |
| **Japan** | 102.4 | 69.7 | 91.4 | -31.9 | 31.1 |
| **India** | 48.5 | 51.7 | 55.8 | 6.8 | 7.8 |
| **Russia** | 61.5 | 49.0 | 55.6 | -20.2 | 13.3 |
| **United States** | 82.7 | 46.6 | 67.5 | -43.6 | 44.7 |
| **South Korea** | 45.9 | 39.6 | 47.3 | -13.6 | 19.3 |
| **South America** | 41.8 | 30.4 | 36.7 | -27.1 | 20.7 |
| **Middle East** | 13.6 | 14.3 | 15.7 | 5.7 | 9.8 |
| **Total for 66 Countries(1)** | **1,138.0** | **991.9** | **1,165.1** | **-12.8** | **17.5** |

*Source: WSA Crude Steel Production Data for October 2010*

(1) Includes 66 countries which accounted for more than 98% of total world crude production in 2009.

Over the past decade, steel production has continued to shift, from its traditional base in heavily industrialized countries to fast-growing developing markets such as China and India. In 2000, the United States and EU27 accounted for approximately 34.8% and Japan accounted for 12.5% of the global steel production. At the same time, China and India accounted for 15.1% and 3.2%, respectively, of global steel production. By 2005, however, contribution by the United States and EU27 decreased to 25.4% and Japan decreased to 9.8% of global steel production while China and India accounted for 30.9% and 4.0%, respectively. In 2009, the United States and EU27 accounted for only 16.1% of global steel production, Japan accounted for 7.1% while China and India contributed 46.4% and 5.1%, respectively. According to the WSA, in 2009, China was the largest single producer of crude steel in the world, producing approximately 567.8 mt of crude steel, which represents a 13.5% increase in production over 2008. In 2009, India was the third largest producer of crude steel, producing approximately 62.8 mt of crude steel.

The recent production shift to Asia has largely been the result of proximity to the major growth markets for steel consumption and the greater availability of key raw materials. Moreover, while production in Europe, Japan and the United States have improved following the economic slowdown in 2008 and 2009, steel producers in those regions are facing continued challenges due to slacking demand. The Commonwealth of Independent States region (mainly Russia and Ukraine) are large exporters mainly due to low operating costs because of their access to cheap raw materials and weakened currencies. The recent shift to Asia is also evident in the number of Asia based steel producers who are ranked amongst the top ten in crude steel production.

The following table set forth the top ten steel producers in the world in 2009, according to the WSA:

| Company | Steel production |
|---|---|
| | (in mt) |
| ArcelorMittal | 77.5 |
| Baosteel | 31.3 |
| POSCO | 31.1 |
| Nippon Steel | 26.5 |
| JFE | 25.8 |
| Jiangsu Shagang | 20.5 |
| Tata Steel | 20.5 |
| Ansteel | 20.1 |
| Severstal | 16.7 |
| Evraz | 15.3 |

*Source: WSA World Steel in Figures 2010. Includes only Worldsteel Member Companies with crude steel production over three mt.*

### *Global Steel Consumption*

The United States and Europe have historically been the major consumers of steel. In 2000, the United States and EU27 accounted for 37.8% of apparent consumption of steel globally, while Japan accounted for 10% and India and China accounted for 3.6% and 16.3%, respectively. By 2005, the United States and EU27 accounted for 26.4%, Japan accounted for 7.3% and China and India accounted for 33.2% and 3.8% of global apparent steel consumption. In 2009, the contribution of the United States and EU27 in aggregate was just 15.8% and that of Japan was 4.7%. However, China accounted for 48.1% and India accounted for 4.9% of the global apparent steel consumption in 2009.

Overall apparent steel consumption in 2009 was 1,127.3 mt, a 6.7% decrease over the previous year. Over this period, as reflected in the table below, apparent steel consumption decreased in all regions except China and India. The EU 27 apparent consumption was 118.7 mt, a 34.9% decrease over the previous year. The EU 27 decrease represented 78.2% of the total global decrease in apparent consumption. The progression of the U.S. financial crisis into a global economic crisis brought about a massive and regionally synchronized global decline in demand for steel in late 2008. For most of the world, this trend continued into the first quarter of 2009. According to the WSA, in 2009, China was the largest single apparent steel consumer of finished steel products in the world, consuming approximately 542.4 mt of finished steel products, which represents a 24.8% increase over 2008. In 2009, India was the fourth largest apparent steel consumer consuming approximately 55.3 mt of crude steel.

The following table sets forth apparent steel consumption data by country or region for the periods indicated:

| | Year ended December 31, | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Country/Region** | **2000** | **2001** | **2002** | **2003** | **2004** | **2005** | **2006** | **2007** | **2008** | **2009** |
| | | | | | | (in mt) | | | | |
| **China** | 124.3 | 158.0 | 191.3 | 240.5 | 275.8 | 347.5 | 377.7 | 422.5 | 434.7 | 542.4 |
| **EU 27** | 167.7 | 163.6 | 162.4 | 164.2 | 172.6 | 166.2 | 189.5 | 200.2 | 182.3 | 118.7 |
| **United States** | 120.0 | 106.0 | 107.3 | 105.7 | 120.9 | 110.3 | 122.4 | 111.2 | 101.1 | 59.3 |
| **India** | 27.6 | 28.5 | 30.7 | 33.1 | 35.3 | 39.9 | 45.6 | 51.5 | 51.4 | 55.3 |
| **Japan** | 76.1 | 73.2 | 71.7 | 73.4 | 76.8 | 76.7 | 79.0 | 81.2 | 78.0 | 53.2 |
| **South Korea** | 38.3 | 38.1 | 43.7 | 45.4 | 47.2 | 47.1 | 50.2 | 55.1 | 58.6 | 45.4 |
| **Middle East** | 19.5 | 23.1 | 25.3 | 30.2 | 31.0 | 34.6 | 36.2 | 41.5 | 45.4 | 40.1 |
| **Russia** | 24.4 | 26.9 | 24.9 | 25.3 | 26.3 | 29.3 | 34.9 | 40.4 | 35.4 | 24.7 |
| **Rest of World** | 162.8 | 160.3 | 171.6 | 175.8 | 194.9 | 196.1 | 207.6 | 222.2 | 221.7 | 188.2 |
| **World** | **760.7** | **777.7** | **828.9** | **893.6** | **980.8** | **1047.7** | **1143.1** | **1225.8** | **1208.6** | **1127.3** |

*Source: WSA Steel Statistical Yearbook 2010*

### *Global Steel Prices*

Steel prices are volatile and fluctuate in response to changes in global supply and demand, raw material costs and general economic conditions. After a downturn in demand beginning in 1998, global steel prices reached a historic low in the third quarter of 2001. Since then, global steel prices have generally increased, reflecting stronger global demand, notably led by China. In the third quarter of 2008, global steel prices declined sharply due to weak global economic conditions which led to a fall in global demand. The steel industry also fluctuates in response to a combination of factors, including the availability and cost of raw materials, global production capacity, the existence of, and changes in, steel imports, exchange rates, transportation and labour costs, and protective trade measures.

In recent years, global steel prices have also been increasingly volatile due to increased communications across global markets and levels of steel trading as a percentage of total steel production.

### ***Market Trends***

The emergence of China as a significant producer and consumer of steel has been and will continue to be a significant factor affecting the global steel industry. Several additional trends have emerged.

- *Higher raw material costs.* The cost of procuring key raw materials used in the production of steel, including iron ore and coking coal, have steadily increased due to the robust growth in global crude steel production levels. In addition, many of these materials are concentrated in a limited number of locations. Costs associated with transportation and logistics add to the cost of sourcing such raw materials. Consequently, many major iron ore and coal producers are investing in new mines to increase production capacity. Several global steel producers, such as ArcelorMittal, POSCO and Baosteel, have sought to secure their raw materials from low-cost, iron ore rich countries such as Brazil and Russia, to secure access to iron ore. Steel producers, including Tata Steel, POSCO, CSN and Bhushan Steel, have acquired stakes in coking coal assets in Africa and Australia in order to secure their future supplies. Recently, several global steel producers have looked to Africa to secure their key raw materials. However, many have faced difficulties with relatively under-developed transportation infrastructure to and from Africa.

- *Globalisation of the steel industry.* Steel production and trade have become increasingly global. Increased access to key raw materials, declining steel tariffs and import restrictions have had a significant impact on domestic steel markets. In addition, developed countries have experienced increased costs associated with labour, freight and raw materials, which have in turn reduced the economic viability of basic steel production.

Emerging markets, such as India, have become a target for global steel producers because of their relatively low steel penetration alongside relatively strong GDP growth outlook. In addition, cheap skilled labour and the presence of domestic sources for raw materials make certain emerging markets, including India, attractive locations for steel production operations. Leading steel producers such as ArcelorMittal, Nippon Steel, POSCO, and Severstal are setting up or have announced plans to set up steel operations in India either through joint ventures or independently.

- *Increased bargaining power of raw material suppliers*. The top three mining companies, BHP Billiton, CVRD and Rio Tinto, supply the majority of the global market for processed iron ore to steel mills and therefore have significant bargaining power. Substantial increases in iron ore prices by these mining companies in recent years have resulted in steel producers having to raise prices to maintain margins. Many leading steel companies are also looking to pursue investments in mines as a safeguarding measure against rising raw material costs. In addition, steelmakers are adjusting to a recent shift in the pricing of iron ore and coking coal after Vale, BHP Billiton and other raw material suppliers abandoned the 40-year tradition of annual prices in favor of the quarterly, index-linked contracts system. This change to quarterly pricing exposes steel producers to additional volatility and price risk.

Steel producers have responded to these industry trends in part through consolidation. In 2002, Europe's Usinor, Arbed and Aceralia merged to form Arcelor, and Japan's Kawasaki Steel and NKK merged to form JFE. Also in 2002, Nucor acquired the assets of Birmingham Steel, and International Steel Group ("**ISG**") acquired the assets of Acme, LTV and Bethlehem Steel in the United States. In late 2004, Ispat International N.V. and LNM Holdings N.V., which comprised the LNM Group, merged to form Mittal Steel, and in early 2005, Mittal Steel merged with ISG, forming the world's then largest steel company. The merger of Arcelor and Mittal Steel in 2006 has created a steel giant that continues to be the largest steel producer in the world accounting for approximately 77.5 mt of steel production in 2009, representing approximately 6.3% of total global output, according to the WSA. The Company's acquisition of Corus is another example of consolidation within the industry. Chinese steel producers are also consolidating to become major players.

Despite recent consolidation, the global steel market remains highly fragmented. According to the WSA, the five largest global steel producers in 2009 accounted for approximately 16% of total worldwide steel production, and the fifteen largest steel producers accounted for approximately 29% of total global steel production.

***Global Steel Outlook***

According to the WSA, in 2009 apparent steel consumption in the United States declined by 39.8% compared to 2008 but is expected to increase by 32.9% in 2010 and 9.4% in 2011, bringing it back to 80% of its 2007 level. Europe had been the most affected region outside the NAFTA region. The EU27, Other Europe, and Commonwealth of Independent States regions had shown declines of 35.7%, 17.3% and 28.3%, respectively, in their apparent steel consumption in 2009. Japan has also been affected by a sharp decline in the exports of its steel-using industries, especially the automotive and machinery industries. Apparent steel consumption in Japan declined by 32.3% in 2009 but is expected to increase by 19% in 2010. Apparent steel consumption in EU27 is expected to increase by 18.9% in 2010 and 5.7% in 2011. Other Europe is also expected to witness growth in apparent steel consumption by 20.1% in 2010 and 9.5% in 2011. Apparent steel consumption in the NAFTA region is likely to grow by 31.3% in 2010 and 8.7% in 2011. Apparent steel consumption in EU is expected to increase by 18.9% in 2010 due to inventory rebuilding and strength in the export sector. In 2011, an increase in real usage is expected to drive the steel demand to 147.4 mt bringing it to 75% of the 2007 peak.

Emerging economies were affected by the economic crisis as well, but to a lesser degree. India is projected to have positive growth of 13.9% for apparent steel consumption in 2010 and 13.7% in 2011 after growing 7.7% in 2009. The economies of the BRIC countries as a whole are forecasted to grow by 8.6% in 2010 and 4.9% in 2011 after growing 17.5% in 2009. The BRIC economies are expected to contribute 37.4% and 50.5% of the incremental demand in 2010 and 2011.

China is expected to witness growth of 6.7% in apparent steel consumption in 2010 and 3.5% in 2011 after growing 24.8% in 2009. The last time that China's apparent steel use recorded negative growth was in 1995 when apparent steel consumption fell by 17.2% following the real estate bubble burst. Apparent steel consumption for the world excluding China is expected to increase by 19.0% in 2010 and 6.8% in 2011.

The following table sets forth the WSA's 2009 figures and 2010 and 2011 forecasts for global steel consumption based on apparent steel use by country or region:

| | Year ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| **Country/Region** | **2009(a)** | **2010(f)** | **2011(f)** | **2009** | **2010** | **2011** |
| | | (in mt) | | | (percentage change) | |
| **EU (27)** | 117.2 | 139.4 | 147.4 | -35.7 | 18.9 | 5.7 |
| **Other Europe** | 23.9 | 28.7 | 31.4 | -17.3 | 20.1 | 9.5 |
| **CIS** | 35.8 | 45.3 | 50.3 | -28.3 | 26.5 | 11.1 |
| **NAFTA** | 82.7 | 108.5 | 118.0 | -36.2 | 31.3 | 8.7 |
| **Central and South America** | 34.1 | 43.6 | 47.6 | -23.6 | 28.2 | 9.1 |
| **Africa** | 26.6 | 28.0 | 30.0 | 9.7 | 5.1 | 7.1 |
| **Middle East** | 42.2 | 45.6 | 47.6 | -7.5 | 7.9 | 4.4 |
| **China** | 542.4 | 578.7 | 599.0 | 24.8 | 6.7 | 3.5 |
| **India** | 55.3 | 63.0 | 71.6 | 7.7 | 13.9 | 13.7 |
| **Asia and Oceania** | 762.8 | 833.1 | 867.4 | 8.9 | 9.2 | 4.1 |
| **World** | 1125.3 | 1272.2 | 1339.7 | -6.6 | 13.1 | 5.3 |
| **BRIC** | 641.0 | 696.0 | 730.1 | 17.5 | 8.6 | 4.9 |
| **World (excl. BRIC)** | 484.3 | 576.3 | 609.6 | -26.6 | 19.0 | 5.8 |
| **World (excl. China)** | 582.9 | 693.5 | 740.7 | -24.4 | 19.0 | 6.8 |

*Source: WSA Short Range Outlook for Apparent Steel Use October 2010 Tables*
*a—Actual, f—Forecast*

### *Key Growth Drivers for Indian Steel Industry*

The Indian economy is one of the largest economies in the world with a GDP at current prices estimated at US$ 1.4 trillion (Rs. 59.5 trillion) for 2010, according to the International Monetary Fund ("**IMF**"). India's economy has grown significantly in recent years with an average annual growth of 8.2% from 2005 to 2009 and GDP growth rates are estimated to be 9.7% in 2010 and 8.4% in 2011, according to the World Economic Outlook (October 2010) published by the IMF. According to the WSA, apparent steel consumption in India is projected to grow 13.9% in 2010 and 13.7% in 2011 after recording growth of 7.7% in 2009. In addition, according to the WSA, India's per capita consumption of finished steel is relatively low at 47.8 kg as compared to China at 405.2 kg, Japan at 418.9 kg, the United States at 192.9 kg and a world average at 181.5 kg in 2009.

Growth in steel demand in India is projected to increase, spurred by the increasing local need for steel based products including from the infrastructure and automobile industries. For example, the Central Government set out its Eleventh Five Year Plan establishing targets for increased total investment in domestic infrastructure from approximately 5% of GDP in Financial Year 2007 to 9% by Financial Year 2012. The Eleventh Five Year Plan included addition of 78,577 megawatts of power capacity and 830 mtpa of new capacity in ports, the expansion of India's four-laned and six-laned highway systems and an expansion of its railway system's freight capacity. The total projected investment in infrastructure during the Eleventh Five Year Plan was Rs. 20,561 billion (including projected investment in infrastructure during the Financial Year 2012 to total approximately Rs. 5,959 billion). In addition, the automobile and automobile components industries are also expected to drive the growth of steel in India. According to the Society of Indian Automotive Manufacturers ("**SIAM**"), the Indian automobile sector has grown rapidly in recent years with total production growing at a CAGR of 21.7% from Financial Year 2004 to Financial Year 2010, driven by growth in production of all of its major segments such as passenger vehicles, commercial vehicles and utility vehicles. This growth has been supported by increases in domestic sales and exports.

# BUSINESS

## Overview

The Company is one of the world's largest steel companies with a steel production capacity of approximately 27.2 mtpa. According to WSA, the Company was the seventh largest steel company in the world in terms of crude steel production volume in 2009. The Company is also one of the most geographically diversified steel producers, with operations in 26 countries and a commercial presence in more than 50 countries. As of March 31, 2010, the Company had approximately 81,000 employees.

The Company was established as India's first integrated steel company in 1907 by Jamsetji N. Tata, the founder of the Tata Group, and is currently one of the flagship companies of the Tata Group. The Company has a presence across the entire value chain of steel manufacturing, including producing and distributing finished products as well as mining and processing iron ore and coal for its steel production. The Company's operations are primarily focused in India, Europe and other countries in Asia Pacific. In Financial Year 2010, the Company's operations in Europe and India represented 62.9% and 28.8%, respectively, of its total steel production.

The Company has grown significantly in recent years with its steel production capacity increasing from approximately 5.0 mtpa in Financial Year 2006 to 27.2 mtpa currently. This growth was primarily due to the Company's acquisition in April 2007 of Corus Group plc ("**Corus**"), which at the time was estimated by WSA to be the ninth largest steel producer in the world. As a result of this acquisition, the majority of the Company's steel production capacity is currently located in the United Kingdom and the Netherlands where the Company has four facilities with a total steel production capacity of 18.4 mtpa. The Company also has significant operations in Jamshedpur, India, where the Company operates a 6.8 mtpa steel production plant and a variety of finishing plants. The Company's Indian operations also include captive iron ore and coal mines. The remaining 2.0 mtpa of the Company's steel production capacity is located in Singapore and Thailand. The Company plans to further increase its steel production capacity by an additional 2.9 mtpa through the brownfield expansion of the Jamshedpur facility and is also planning to expand steel production capacity through greenfield investments.

The Company offers a broad range of steel products including a portfolio of high value-added downstream products such as hot rolled coils, sections, plates and wires. The Company is also a large producer of ferro chrome in India. The Company's main markets for its products are Europe and India, which accounted for approximately 72.6% of the Company's net sales in Financial Year 2010, with the remaining sales primarily taking place in other markets in Asia and in North America. The Company's customers primarily comprise the construction, automotive, aerospace, consumer goods and material handling and general engineering industries.

In Financial Years 2009 and 2010 and the first half of Financial Year 2011, the Company recorded net sales of Rs. 1,473,293 million, Rs. 1,023,931 million and Rs. 558,399 million, respectively. The Company recorded a profit after taxes, minority interests and share of profit of associates of Rs. 35,042 million in Financial Year 2009, a loss after taxes, minority interests and share of profit of associates of Rs. 20,147 million in Financial Year 2010 and a profit after taxes, minority interests and share of profit of associates of Rs. 37,978 million in the first half of Financial Year 2011. The Company had total assets of Rs. 1,213,678 million and total net worth of Rs. 277,416 million as of September 30, 2010.

**Key Strengths**

***Global Scale***

The Company today has its principal operations in Europe, India and Asia Pacific. The Company believes that its global presence in the steel market enhances its ability to attract multi-national customers and, in particular, customers from the European and Asian automotive, packaging and construction industries. As customers of large steel companies are also globalising and consolidating and are increasingly relying on a select few global suppliers for their products, the Company believes it can attract new customers and maintain its relationships with existing customers through its international production capabilities and downstream operations, as well as its extensive distribution and production capabilities.

***Strong Position in the Indian Market***

In India, the Company produces flat products used in the automotive, roofing and general engineering industries and long products used in the construction industry, including in the industrial, commercial, infrastructure and housing sectors. Over the past decade, these industries have been growing and competition from other Indian producers is relatively limited as there are high barriers of entry to the production and commercialisation of high-grade steel. In recent years, through continued investment in flat steel technologies, the Company has established itself as a major supplier of high-grade steel products to certain key markets in India. For example, the Company has become a major supplier of steel products to the Indian automotive industry establishing a market share of approximately 40%, with imported products representing most of the remaining markets in this industry. In addition, as a member company of the Tata Group, the Company also benefits from being identified with the Tata brand, which is a widely recognised brand in India.

***Strong Position in Western Europe***

Europe, principally the EU, is the most important market for the Company's operations, and accounted for 46.4% of its net sales in Financial Year 2010. The Company's European operations consist of its principal production facilities in the United Kingdom and the Netherlands, and a sales and trading network, with sales offices, stockholder wholesalers, service centres and joint venture and associate arrangements for distribution and further processing of steel products. The Company believes that the Tata Steel Europe brand name and product brands will continue to generate customer loyalty after being rebranded from Corus in September 2010.

***Cost Competitiveness of the Company's Indian Operations***

The Company has access to raw materials for steel production and a skilled workforce with a relatively low cost of labour at its operations in India. These factors have allowed the Company's Indian operations to benefit from low production costs. In addition, with respect to its Indian operations, for Financial Year 2010, the Company obtained all of its iron ore requirements, approximately 49% of its coal requirements and a significant amount of its ferro alloy requirements from captive mines leased by the Company. Consequently, the Company believes that its exposure to the volatility of raw material prices for its Indian operations is significantly more limited than for its non-Indian operations.

***Diversified Product Offering***

Through its acquisition of Corus and capacity expansions in India, the Company has significantly enhanced its portfolio of downstream steel products. Historically, the Company's steel products included only flat products and long products. With the acquisition of Corus, the Company added a portfolio of high value-added downstream products including advanced high strength steel, superior automotive steel, rods for tyre cord, structural sections of railways and packaging steel. With its capacity expansions in India, the Company has further strengthened its ability to provide a greater variety of and more value-added products, including steel wires, tin plates and welded tubes. A majority of the Company's steel production is rolled into hot rolled coils, and most of the remainder is processed into structured sections, plates, engineering steels or wire rods, or sold in semi-finished form.

The Company is also a large producer of ferro alloys in India. The Company's ferro alloy operations include the sale of charge chrome, high carbon ferro chrome, high carbon silico manganese and ferro manganese, chrome concentrate, dolomite and pyroxenite.

***Efficient Project Implementation***

The Company believes that it has a proven track record in implementing significant projects, including cost reduction plans and the expansion of its major production facilities, on schedule and within budget. For example, by focusing on increasing production efficiencies at its Jamshedpur facility between April 2005 and March 2006, the Company was able to significantly expand its production capacity with comparatively lower costs than would have been incurred through investments in other greenfield projects. Between April 2006 and May 2008, the Company successfully implemented a 1.8 mtpa brownfield capacity expansion at its Jamshedpur production facility. In addition, the Company rapidly responded to the reduced global demand for steel products caused by the global financial crisis by undertaking a series of cost-saving initiatives beginning in the second half of Financial Year 2009, which involved a reduction in use of third-party services, flexible production to reduce energy costs and reduction in employment costs through reduced overtime and bonuses, as well as putting on hold certain capital expenditure programmes.

***Economies of Scale and Cost Reductions***

The Corus acquisition significantly enlarged the Company's production, sales and asset base, which allowed the Company as a whole to achieve greater economies of scale and cost efficiencies. The Company has integrated Corus' business and operations to develop a large global network of procurement and sales offices and production plants, which allow the Company to manage its supply and distribution chain costs more effectively, with lower procurement and logistics costs, increased bargaining power, improved product flow and better management of inventory. In addition, the Company's increased scale provides it with greater resources to support its fixed costs, such as research and development expenses, and permits the use of shared services to eliminate duplicative business functions and administrative expenses. The Company has used the operational best practices and experience from its Indian operations to improve operating costs and efficiencies at its European operations as well as at its Asia Pacific operations.

***Experienced Management Team***

The Company's senior management team comprises members with extensive experience and professional qualifications in the steel industry. Their rich experience and understanding of the Company have been instrumental in building a sustainable business and supporting the Company's domestic and international operations. See the section "**Management**" beginning on page 112 of this Red Herring Prospectus.

**Strategy**

***Increase Capacity in India***

The Company intends to increase the size of its Indian operations, where it maintains a competitive advantage as a low-cost producer, by increasing the capacity of its current production facilities and through greenfield investments. The Company completed a brownfield expansion of its Jamshedpur facility in May 2008 that increased capacity by 1.8 mtpa and is implementing an additional brownfield expansion that will increase capacity by an additional 2.9 mtpa, and that is expected to be completed by the end of Financial Year 2012. The Company is also developing a 6.0 mtpa greenfield steel plant in Orissa and a 5.0 mtpa greenfield steel plant in Chhattisgarh and is in the initial planning phase for the construction of a 3.0 mtpa greenfield steel plant in Karnataka. The Company expects to produce a mix of flat and long products through greenfield expansions. The Company believes that the increase in size of its Indian operations will enable it to compete more effectively with other steel manufacturers.

The Company expects continued growth in steel demand in India, spurred by the increasing local need for steel based products (construction and infrastructure, automobiles, appliances, etc.) and estimated gross domestic product growth rates of 8.4% in 2011 and 8.0% in 2012, according to the World Economic Outlook (October 2010) published by the International Monetary Fund.

***Increase Raw Materials Security***

The Company seeks proprietary access to raw materials in order to achieve economic returns and to optimise its costs by securing offtake rights. The Company believes that becoming increasingly self-sufficient in raw materials procurement, particularly with respect to its European operations, will enable the Company to better respond to cyclical fluctuations in the demand for its products and reduce volatility in production costs. In addition, the Company expects to benefit from the experience in raw material procurement that it has gained from its Indian operations.

In recent years, the Company has pursued a number of initiatives to gain access to coal and iron ore deposits around the world. For example:

- In November 2007, the Company purchased a 35% stake in a coal project owned by Riversdale Mining Limited in the Tete province of Mozambique. In addition, the Company also has a direct interest of approximately 24% in Riversdale Mining Limited;

- In December 2007, the Company entered into a joint venture with Societe pour le Developpement Minier de Cote d'Ivoire ("**SODEMI**") for an 85% stake in the development of an iron ore mine in Cote d'Ivoire with SODEMI earning a 15% stake;

- In January 2008, the Company entered into a 50-50 joint venture with Steel Authority of India Limited and established a joint venture company, S&T Mining Co., in September 2008 to acquire and develop coal mines in India; and

- In September 2010, the Company acquired an 80% interest in a Canadian iron ore project owned by New Millennium Capital Corporation ("**NML**"), which is currently in the feasibility stage, along with 100% of the offtake rights for the project. In addition, the Company has also acquired approximately 27% of the common shares of NML.

For a further discussion and current status of these and other raw materials initiatives, see "***Business—Raw Materials and Other Key Inputs—Raw Material Projects***" on page 85 of this Red Herring Prospectus.

If all of the Company's initiatives with respect to raw material security come on line as scheduled, the Company is targeting a move towards 50% raw material security for iron ore and coal in the next five to six years. The Company intends to continue to work with its partners to pursue its current initiatives and, if the opportunities arise and subject to market conditions, pursue new initiatives to become more self-sufficient in its raw materials procurement.

***Increase Sales of High Value-Added Products***

The Company plans to continue to expand its downstream operations with the objective of improving its product mix and generating increased and more stable margins. The Company is also developing integrated downstream operations and expand global product capabilities to enable it to shift its production and focus on the most appropriate product mix in each of the regions where it operates. The Company plans to continue to enrich its product mix from its Indian operations by increasing its production and sales of high value-added steel products such as cold rolled coil, galvanised steel and automotive-grade sheets and also increasing the production of other products such as tinplates. For example, the Company intends to leverage its position as the leading steel service organisation in India to continue to provide and, subject to market demand, increase its supply of higher value-added steel products to the Indian market from processing flat products and long products. The Company is also implementing a new greenfield project for Tata Bluescope Steel Limited ("**TBS**"), a 50-50 joint venture company established with Bluescope Steel Limited that is engaged in the manufacture and sale of high-end building products. The new project will provide TBS with backward integration in the form of metal coating capacity of approximately 250,000 tpa and colour coating capacity of approximately 150,000 tpa by April 2011. In addition, the Company's affiliate, The Tinplate Company of India Limited, in which the Company currently holds an equity stake of approximately 45%, has undertaken strategic initiatives to expand its capacity to approximately 379,000 tpa. The first part of this expansion, including the tinning line, was commissioned in 2008 with the balance of facilities, including the cold-rolling mill, to be commissioned in 2011. In January 2011, the Company entered into a joint venture with Nippon Steel Corporation ("**Nippon Steel**") for the construction of a continuous annealing and processing line to produce automotive cold-rolled flat products with a planned capacity of 600,000 tpa by 2013.

With respect to its existing asset base in Europe, the Company will seek to prioritise and attract customers of high value-added products, especially those in the construction, packaging, automotive and engineering markets. Increasing sales of high value products is particularly important in Europe where margins are lower due to higher production costs. For example, at Scunthorpe, United Kingdom, efforts are underway to improve the Company's competitive position in the sale of structural sections used in the rail industry and wire rods used in the construction market. At IJmuiden, Netherlands, the Company recently completed the installation of a cold rolling mill and a new galvanising line. These investments will allow the Company to develop new products, including advanced high strength steels, which would reinforce its existing market position in the automotive and construction markets.

The Company is also looking to add value to its steel operations by increasing the sale of branded products, particularly from its Indian facilities, which typically sell at a premium above non-branded products. These branded products include cold rolled steel products under the Tata Steelium brand as well as galvanized sheets under the Tata Shaktee brand, rebars under the Tata Tiscon brand and wires under the Tata Wiron brand. For its European production, the Company has begun marketing its products under the Tata Steel Europe brand (which was rebranded from Corus in September 2010).

***Enhance Competitiveness through Continuous Improvement***

The Company continues to improve its competitiveness through a number of initiatives and programmes aimed at enhancing operational efficiencies and optimising asset and material flows. The Company seeks to benefit from sharing experiences and best operational practices across its business units in Europe and Asia.

*"One Company" operating model:* The Company is in the process of transforming its operations to directly align its marketing, sales and distribution teams with major industries and sectors. The Company is also transforming its supply chain in Europe and creating a platform that will allow information to be shared across the Company's different operations. This new platform will also allow the Company to manage stock levels, from raw materials to works in progress to finished goods, and guide product deliveries more efficiently. In addition, for its European operations, the Company is optimising its supply chain and manufacturing processes to establish a common system covering sales and marketing functions across its operational hubs.

*Product development and marketing:* Through research and development initiatives, the Company is working to capture market share in a number of potential high growth areas such as thin film products (including photovoltaic coated products) and high strength steel designed for the automotive industry. The Company is also organising a global strategic marketing unit to target key market segments in line with its "Customer First" strategy.

*Cost saving initiatives:* The Company has implemented, and plans to continue to implement, strategic cost-saving measures to improve the long-term competitiveness of its business. During the second half of Financial Year 2009, the Company introduced its "Fit for the Future" initiatives for its European operations that included, among others, the sale of certain non-core operations, the mothballing of certain facilities and production lines, closure of certain satellite sites and streamlining of downstream facilities in distribution, building systems and tubes. The "Fit for the Future" initiatives were undertaken in response to the global downturn in steel demand that affected the Company's business. Although the steel industry has, to a certain extent, rebounded from the downturn beginning in the last quarter of Financial Year 2010, the Company plans to continue to promote cost-saving initiatives in its entire chain of operations to maintain its profitability and competitiveness.

*Strong retail management:* As part of its retail management program, the Company works closely with retail and wholesale customers to ensure value by scheduling deliveries on a just-in-time basis. By minimising delivery times and lead time needed for new orders, the Company is able to reduce its customers' inventory stock and increase their margins.

***Control Over Logistics***

The Company plans to increase its access to ports, shipping lines and other logistics in order to gain control over its distribution channels, improve supply chain processing and reduce freight and logistics costs. In order to enhance the Company's import and export capabilities from India, in October 2004, the Company entered into a 50-50 joint venture with Larsen & Toubro Limited, an Indian engineering and construction company, to develop a deep sea port at Dhamra, on the east coast of India. The Dhamra Port is located in close proximity to the Orissa steel project and is also relatively close to the Jamshedpur facility. Trial operations commenced in September 2010 with the arrival of the first ship carrying coal cargo. The port is expected to be capable of handling 13 mtpa of coking coal and 6 mtpa of iron ore and accommodate vessels with a capacity of up to 180,000 deadweight tonnes. In December 2006, the Company entered into a 50-50 joint venture with Nippon Yusen Kabushiki Kaisha ("**NYK Line**") and established a shipping company focused on shipping dry bulk and break bulk cargo. The joint venture currently operates twelve chartered and two owned vessels and is expected to assist the Company with the shipping of coal and limestone, large quantities of which may be needed in the future for the Company's production.

***Strategic Alliances with Joint Venture Partners***

The Company plans to expand its operations through strategic alliances with joint venture partners throughout its chain of operations, including for raw material procurement (primarily for mining), steel production and port and shipping. Its strategic partners include, among others:

- New Millennium Capital Corporation, Societe pour le Developpement Minier de Cote d'Ivoire ("**SODEMI**"), Vale, JFE Steel, Nippon Steel, POSCO, Riversdale Mining Limited and the Steel Authority of India Limited with respect to mining;

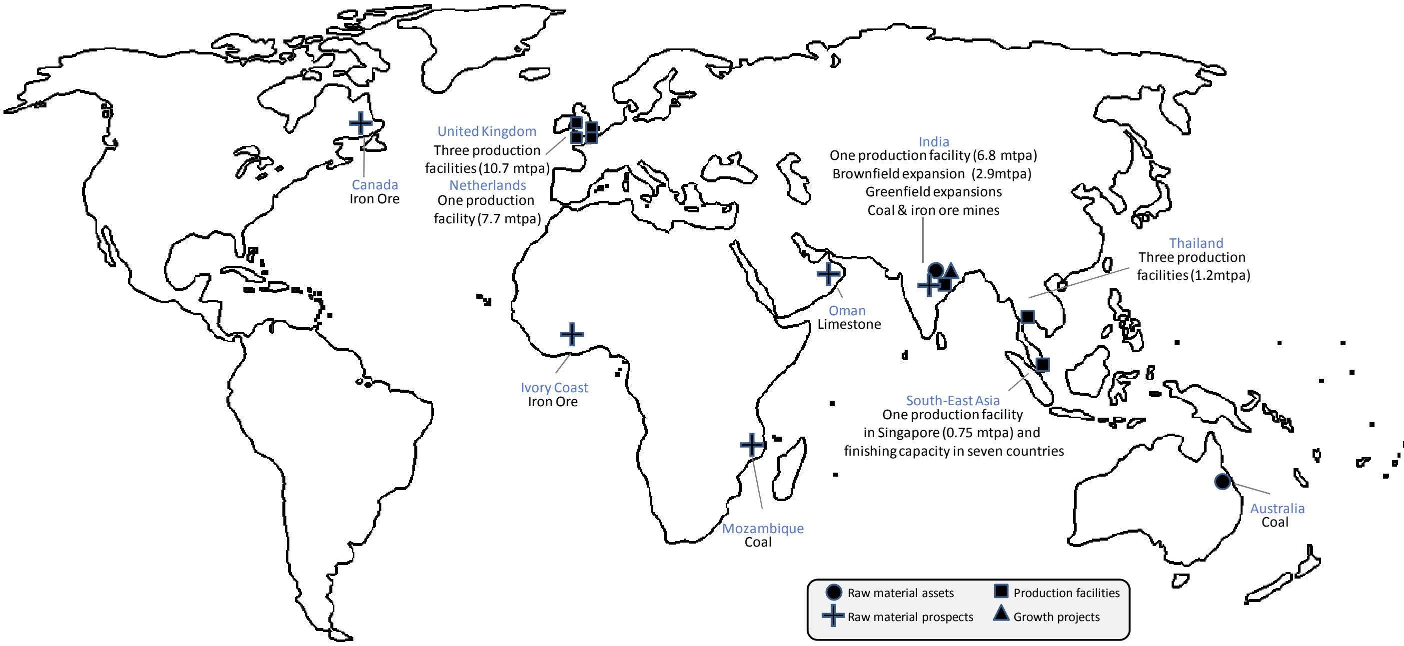
- Vietnam Steel Corporation ("**VN Steel**"), Vietnam Cement Industries Corporation ("**Vicem**"), BlueScope Steel Limited and Nippon Steel with respect to steel production; and

- Larsen & Toubro Limited and NYK Line with respect to port and shipping.

In particular, the Company plans to use joint ventures to procure raw materials and businesses in new geographic markets. When entering a new geographic market or business where the Company does not have substantial local experience and infrastructure, teaming up with a local partner enables the Company to reduce its capital investment by leveraging the pre-existing infrastructure of the local partner. In addition, local partners in these markets provide the Company with knowledge and insight into local customs and practices and access to local suppliers. These joint venture arrangements also allow the Company to create synergies with its partners reducing costs and increasing efficiencies.

**Facilities**

The following map illustrates the locations of the Company's main steel production facilities and sources of raw materials, including future facilities and raw material projects:




The Company's operations are primarily focused in India, Europe and other countries in Asia Pacific. The majority of the Company's steel production capacity is located in the United Kingdom and the Netherlands, where it operates four facilities with a total production capacity of 18.4 mtpa. The Company also has significant operations in Jamshedpur, India, where the Company historically conducted the majority of its steel production and currently operates a facility with a steel production capacity of 6.8 mtpa. The Company's steel production facilities primarily consist of furnaces, converters, casters and rolling facilities and also include support facilities such as power stations, boiler houses, repair and maintenance workshops, research, development and testing laboratories and harbours.

The Company conducts its European operations through its wholly owned subsidiary Tata Steel Europe ("**TSE**") and its Indian operations are primarily conducted directly by Tata Steel Limited. The Company's remaining steel production capacity of 2.0 mtpa is located in Singapore and Thailand.

***European Facilities***

The Company currently has four principal operating sites in Europe, three in the United Kingdom and one in the Netherlands. These plants, as well as a fifth plant that was mothballed in February 2010, produced a total of 14.4 mt of steel in Financial Year 2010, representing approximately 62.9% of the Company's total steel production over this period.

The following table sets forth the Company's principal operating facilities in Europe as of September 30, 2010:

| Facility[(1)] | Steel production capacity[(2)] | Financial Year 2010 Actual output | First half of Financial Year 2011 Actual output |
|---|---|---|---|
| | (in mtpa) | (in mt) | |
| IJmuiden steelworks, Netherlands | 7.7 | 5.7 | 3.3 |
| Port Talbot steelworks, West Glamorgan, Wales | 4.9 | 3.3 | 2.0 |
| Scunthorpe steelworks, South Humberside, England | 4.5 | 2.7 | 1.7 |
| Rotherham steelworks, South Yorkshire, England [(3)] | 1.3 | 0.4 | 0.3 |

(1) Chart does not include ironmaking and steelmaking operations at Teesside steelworks facility in Cleveland, England, which was mothballed at the end of February 2010. Actual output from the Teesside steelworks facility for Financial Year 2010 was 2.3 mt.
(2) Production capacity is based on the maximum possible steel production in Financial Year 2010, taking into account upstream and downstream bottlenecks, assuming full manning of facilities and including any plant mothballed. In practice, facilities may be manned only to the level required to provide semi-finished materials for downstream finishing processes and for sale.
(3) Restructuring of the Rotherham facility's operations during Financial Year 2010 resulted in manned capacity being reduced to 500,000 tpa. However, with full manning, the capacity remains at 1.3 mtpa.

*IJmuiden Steelworks Facility*

The IJmuiden facility is the Company's largest facility in terms of steel production capacity and was responsible for approximately 24.9% of total steel production in Financial Year 2010. The facility produces a wide variety of steel products, which fall into five broad categories: hot rolled strip, cold rolled strip, hot dipped metallic coated and pre-painted and plastic coated tinplate.

The IJmuiden facility comprises the following principal plants:

- *Blast furnaces*: Two operating blast furnaces, which produce hot metal, and related processing units such as coke oven batteries, a sinter plant and raw material storage and processing facilities.
- *Converters*: Three 325 tonne oxygen converters, one 325 tonne vacuum degasser, two 325 tonne stirring stations and one 325 tonne ladle furnace.
- *Casters*: Two continuous slab casters used to produce semi-finished steel in the form of slabs and one direct sheet plant that combines casting and rolling into one line.
- *Rolling facilities*: Hot strip mill with two walking beam furnaces and two pusher reheating furnaces (service centre includes a temper mill, band slitting line and recoiling line). Two cold strip mills: a four high mill and a four-stand, six high tandem mill. Three hot dipped galvanised lines and two paint lines.

In 2009, the Company completed the installation of a new continuous galvanising line, a three-stand cold rolling mill and a ladle furnace and the conversion of a seven-stand finishing mill with heavy bending and hydraulic gauge control.

*Port Talbot Steelworks Facility*

The Port Talbot facility, including its satellite site in Llanwern, Wales, is the Company's third largest facility in terms of steel production capacity and was responsible for approximately 14.4% of total steel production in

Financial Year 2010. The facility produces a wide variety of steel products, which fall into three broad categories: hot rolled strip, cold rolled strip and hot dipped galvanised.

The Port Talbot facility comprises the following principal plants:

- *Blast furnaces*: Two operating blast furnaces, which produce hot metal, and related processing units such as coke oven batteries, a sinter plant and raw material storage and processing facilities.
- *Converters*: Two 330 tonne oxygen converters and two 330 tonne degassing units to convert hot metal into steel.
- *Casters*: Three continuous slab casters used to produce semi-finished steel in the form of slabs.
- *Rolling facilities*: One hot mill, one cold mill link (a continuous turbulent technology pickling line linked to a 5 stand tandem mill with wide strip capability) and a continuous annealing process line for conversion of slabs into various finished steel products.

In 2010, the Company completed the installation of a gas recovery equipment and energy management system.

*Scunthorpe Steelworks Facility*

The Scunthorpe facility is the Company's fourth largest facility in terms of steel production capacity and was responsible for approximately 11.8% of total steel production in Financial Year 2010. The facility produces a wide variety of steel products, which fall into five categories of long products: sections, rails, plates, rods and bars.

The Scunthorpe facility comprises the following principal plants:

- *Blast furnaces*: Three operating blast furnaces which produce hot metal, and related processing units such as onsite coke oven batteries, a two strand sinter plant and raw material storage and processing facilities. There is a raw material receipt and storage area at the Immingham Bulk Terminal.
- *Converters*: Three 300 tonne oxygen converters used to convert hot metal into steel. Secondary steelmaking facilities include three ladle arc furnaces and two vacuum degassers.
- *Casters*: Five casting machines: one slab caster, one billet caster, one bloom caster, one small bloom and large billet caster and a large bloom caster. The large bloom caster operates at significantly below capacity and all products from this machine are rerolled in the Scunthorpe Bloom Billet Mill (a primary mill) to billets or narrow slabs. The other casters produce semi-finished steel in the form of slabs, blooms and billets for long products. The steel output is produced through the continuous casting method.
- *Rolling facilities*: The casters support rolling operations at the medium section mill (sections and rail), rod mill and plate mill (reversing mill plate) all of which are on the Scunthorpe site. In addition, the caster output supports offsite rolling facilities at Skinningrove (special profiles), Hayange (rail), Teesside (Lackenby) (heavy sections), Dalzell and Clydebridge (heavy plate) and Thrybergh (bar). The semi-finished feed into the units at Teesside, Dalzell and Clydebridge and Thrybergh is supplemented by slab and billet supplied by other TSE facilities.

*Rotherham Steelworks Facility*

The Rotherham facility is the Company's fifth largest facility in terms of steel production capacity and is the Company's only electric arc furnace facility in the United Kingdom. The facility has a fully manned production capacity of 1.3 mtpa but produced only 0.4 mt of steel in Financial Year 2010. The operations at the facility were restructured in Financial Year 2010 to reduce production of low-margin products and increase high-margin, high-value products resulting in a manned capacity of 500,000 tpa. The facility produces specialised, high-value steel products, which fall into three broad categories: steels for aerospace and power generation, steels for oil and gas exploration and steels for automotive and general engineering applications. The Company plans to expand manned capacity as demand warrants.

The Rotherham facility comprises the following principal plants:

- *Electric Arc Furnaces*: Two 160 tonne electric arc furnace units, which produce liquid steel, and related raw material storage and processing facilities.

- *Ladle Furnaces*: Three 160 tonne ladle furnaces for temperature and analysis control.

- *Casters*: Two bloom casters are used to produce semi-finished steel in the form of slabs for long products. 80% of the steel output at the facility is produced through the continuous casting method.

- *Ingot casting*: Ingot casting facilities for producing large section products and remelt feedstock.

- *Rolling facilities*: For conversion of slabs into various finished steel products.

- *Bar processing facilities*: For drawing, turning and heat treating bars for various end applications.

*Mothballed Facilities*

*Teesside Steelworks Facility*

The Company's steelmaking and ironmaking operations at its Teesside facility were mothballed in February 2010 after an offtake agreement for approximately 78% of the facility's slab output was purportedly terminated in April 2009. The offtake agreement was with four customers and had a term expiring in December 2014. The Company has continued to conduct certain coking and power generating operations at the Teesside facility.

In August 2010, the Company entered into a memorandum of understanding with Sahaviriya Steel Industries Public Company Limited ("**SSI**") for the potential sale of the steelmaking and ironmaking business at the Teesside facility including the coking and power generating facilities still in operation. A sale agreement would also result in the Company and SSI operating Redcar Wharf (TCP's bulk terminal) as a joint venture, giving the company the flexibility to use the terminal to serve its other steelmaking operations, while also meeting the requirements for Teesside. Discussions between the Company and SSI are ongoing and no definitive agreements have been executed.

***Indian Facilities***

The Company's main facility in India is a vertically integrated 6.8 mtpa steel production facility at Jamshedpur, in the State of Jharkhand in east India. The Company also owns a number of other production facilities in India.

The following table sets forth the Company's principle facilities in India as of September 30, 2010:

| Facility | Steel production capacity[(1)] | Financial Year 2010 | First half of Financial Year 2011 |
|---|---|---|---|
| | | Actual output | Actual output |
| | (in mtpa) | (in mt) | |
| Jamshedpur steelworks, Jharkhand .................... | 6.8 | 6.6 | 3.4 |

(1) Production capacity is based on the maximum possible production in Financial Year 2010, taking into account upstream and downstream bottlenecks, assuming full manning of facilities.

*Jamshedpur Facility*

The Jamshedpur facility is the Company's second largest in terms of steel production capacity and was responsible for approximately 28.8% of the Company's total production in Financial Year 2010. The facility manufactures a wide variety of steel products, which fall into two broad categories: flat products and long products. In May 2008, the Company completed a 1.8 mtpa capacity expansion of the Jamshedpur facility. As of September 30, 2010, the Jamshedpur facility had a total steel capacity of 6.8 mtpa－3.5 mtpa for flat products and 3.3 mtpa for long products.

In addition to capacity expansion, the expansion programme contributed to improvements in the quality of finished steel and increased the efficiency of the finished steel production process through the replacement of lumpy ore with sinter produced from iron ore fines, which is a lower cost item, a reduction in coke consumption through higher injection of pulverised coal in the blast furnace, an improvement in the quality of hot metal due to lower silicone and sulphur content and a reduction in the usage of sponge iron and pig iron in the blast furnace.

The Jamshedpur facility comprises the following principal plants:

- *Blast furnaces*: Eight blast furnaces, which produce hot metal, and related processing units such as stamp charged coke oven batteries, four sinter plants and raw material storage and processing facilities.
- *Converters*: Five 160 tonne oxygen converters to convert hot metal into steel.
- *Casters*: Three slab casters and three billet casters are used to produce semi-finished steel in the form of slabs and billets for flat and long products, respectively. The steel output is produced through the continuous casting method.
- *Rolling facilities*: Consist of a hot strip mill, a cold rolling mill, a wire rod mill and bar mills for conversion of slabs and billets into various finished steel products.

For a discussion of the ongoing expansion programme for the Jamshedpur facility, see "***Business—Expansion and Development Projects***" on page 76 of this Red Herring Prospectus.

*Other Steel Units*

The Company owns and operates five large processing units located across India. As of March 31, 2010, the Company's processing capacity was approximately two mtpa. It is also engaged in the business of high-end plate fabrication for major equipment manufacturers including Caterpillar and JBP Group. The Company conducts these processing operations through Tata Steel Processing and Distribution Limited, which became a wholly owned subsidiary in July 2009.

In addition, the Company produces metallic coated steel at three plants in Pune, Bhiwadi and Chennai with a combined total installed capacity of approximately 136,000 tpa, all of which have been in operation since 2009. These plants are operated pursuant to a 50-50 joint venture with an Australian steel producer, BlueScope Steel Limited, and produce painted steel, coated steel products and steel building materials for the Indian construction industry. Development works at a coated steel plant in Jamshedpur are currently in progress to set up a metal coating facility with a capacity of 250,000 tpa and colour coating facility with a capacity of 150,000 tpa and the Company expects the project to be commissioned by April 2011.

The Company's tube production facility is located in Jamshedpur. The tubes division had six mills with a combined capacity of 288,000 tpa as of March 31, 2010 for the production of welded tubes in the commercial, structural and precision tubes categories. The division has commissioned hydroforming facilities from which hydroformed tubes are being produced for use in the manufacture of Tata Nano automobiles by Tata Motors.

The Company also produces wires at its steelworks facility in Tarapur, Maharashtra and at the wire divisions of the Company's facilities in Indore and Bengaluru.

*Non-Steel Indian Facilities*

The Company's ferro alloy production facilities in India consist primarily of plants in the State of Orissa at Sukinda, Bamnipal and Joda. Chrome and manganese ores, which are used in the production of ferro alloys, are sourced from the Company's captive mines at Sukinda and Joda. As of March 31, 2010, the Bamnipal plant had a capacity of 50,000 tpa of charge chrome and the Joda plant had a capacity of 30,500 tpa of ferro manganese. The Company also has a ferro alloy plant near Cuttack, India, with a production capacity of approximately 50,000 tpa of high carbon ferro chrome as of March 31, 2010.

***Other Facilities***

Through Natsteel, a wholly owned subsidiary, the Company owns a steel production plant in Singapore with a capacity of approximately 750,000 tpa as of September 30, 2010 and finishing plants in Singapore, China, Vietnam, Thailand and Australia with a combined finishing capacity of approximately 2.0 mtpa as of September 30, 2010. The Company supplies steel to these finishing plants from its Indian operations, or from other locations where the cost of steel production is more competitive, to be converted into finished products and distributed in the various Asia Pacific markets where the Company has operations. Natsteel's products primarily consist of bars, rebars and wire rods.

Through Tata Steel Thailand, a subsidiary of the Company in which it owns a 67.9% interest, the Company operates three steel plants in Thailand, at Ban Mor, Ampher Muang and Sriracha. These plants had a total steel production capacity of 1.2 mtpa and a finishing capacity of 1.7 mtpa as of September 30, 2010, including a mini blast furnace project completed in 2009 with a production capacity of 500,000 tpa, and produce rebars, wire rods and small sections.

The Company completed construction of a greenfield ferro chrome plant in Richards Bay, South Africa, in April 2008 and production commenced the same month. The plant utilises power, lumpy chrome ore and chrome concentrate sourced in South Africa, to produce ferro chrome for export to Europe and Asia.

**Expansion and Development Projects**

The Company is currently working on a number of expansion and development projects. The majority of these projects are aimed at increasing the size of its Indian operations through a combination of expansions at the Jamshedpur facility and greenfield investments.

***India***

*Jamshedpur Expansion*

Following the completion of a 1.8 mtpa expansion project in 2008, the Company began a new brownfield expansion of the Jamshedpur facility in 2009, which is expected to be completed by the end of Financial Year 2012. This expansion programme will increase steel production capacity at Jamshedpur by 2.9 mtpa and includes the augmentation of facilities at iron ore mines, a new blast furnace with a capacity of 3.1 mtpa, a new pellet plant with a capacity of 6 mtpa, a new steel melting shop for crude steel, a new thin slab caster and rolling mill, a new coke oven battery with a capacity of 700,000 tpa and two lime kilns. The expansion programme also includes the construction of an additional coke oven battery with a capacity of 700,000 tpa, which will service the facility's existing production.

The total capital expenditures expected to be incurred in connection with this brownfield expansion programme are approximately Rs. 163,720 million. The project is under construction and is proceeding on schedule. The capital expenditure incurred on this project as of November 30, 2010 was Rs. 67,400 million.

*Greenfield Projects*

The Company is also undertaking additional expansions of its Indian operations through a number of greenfield projects, including the construction of three new steel plants and an industrial park. The timing and feasibility of these greenfield projects depends on a number of factors, including receipt of governmental approvals, securing land leases and obtaining leases for new captive iron ore mines to support the additional production.

*Orissa Steel Project*

In November 2004, the Company entered into a memorandum of understanding with the government of Orissa to develop a new steel plant at Kalinganagar, Orissa. This memorandum of understanding expired in November 2009 and the Company has applied for an extension. The plant is expected to have a total steel capacity of 6.0 mtpa which will consist solely of flat products and will be developed in two separate modules of 3.0 mtpa each. The first module has an estimated total construction cost of Rs. 167,500 million and is expected to commence operation in three to four years. The second module is currently in the planning phase with commencement of operations planned for five to six years. The facilities will consist of a blast furnace, coke ovens, a sinter plant, a caster and a hot strip mill.

The Company has executed a land lease deed for the location of the plant, obtained final environmental and statutory clearances for rail transportation, power and water, and has executed contracts for the construction of the iron and steelmaking facilities and the slab caster. A portion of the land covered by the lease has already been registered in the Company's name with the remainder still in the registration process. Physical possession of the land has not been transferred due to resettlement and rehabilitation activities taking place at the site and the Company plans to commence construction after it receives possession of the land.

The project also contemplates leasing iron ore and coal mines in India to meet the new plant's raw material requirements, as well as the development of townships for the employees of the plant. Any coal or iron requirements that are not met through the procurement from the captive mines will be sourced from third parties. The Company has also obtained an allocation of a coal block at Jharkhand and the associated approvals for environment clearance and the mine plan. The Company's application for an iron ore mine lease is still awaiting government approval.

*Chhattisgarh Steel Project*

In June 2005, the Company entered into a memorandum of understanding with the State of Chhattisgarh for the construction of a steel plant in the State of Chhattisgarh. The memorandum of understanding is scheduled to expire in June 2012. The plant is expected to have a total capacity of 5.0 mtpa which is proposed to consist solely of long products. The Company is awaiting final governmental approval including environmental clearances as well as final approval for forest clearance and rail transportation before taking physical possession.

The project also includes the leasing and the development of an iron ore mine to meet the iron ore requirements of the plant. The Company has been granted the prospecting license for iron ore from the Bailadila Deposit 1 mine. The coal requirements for the new plant would have to be met either through the acquisition or lease of new mines, an increase in coal sourced from third parties or a combination of these sources.

*Karnataka Steel Project*

Through Tata Metaliks, a subsidiary of the Company in which it owns an interest of approximately 50%, the Company entered into a memorandum of understanding with the Government of Karnataka in June 2010 for the construction of a greenfield steel plant in Haveri, Karnataka with a planned capacity of 3.0 mtpa. The Karnataka State High Level Clearance Committee cleared land in Haveri in March 2010 for the steel plant. The project is in the initial planning phase and is also being considered for an iron ore mine allocation by the Government of Karnataka.

*Industrial Park at Gopalpur*

The Company is constructing a multi-purpose industrial park at Gopalpur in the Ganjam district of Orissa. The project is now in the feasibility stage and, based on the pre-feasibility study and discussions with consultants, the industrial park will consist primarily of office and industrial space and will plan to target companies in the ores and minerals, gems and jewellery, engineering, auto ancillary, chemicals and drugs, textiles and marine processing sectors as tenants.

*Nippon Steel Joint Venture*

In January 2011, the Company and Nippon Steel entered into a joint venture agreement relating to the construction of a continuous annealing and processing line to produce automotive cold-rolled flat products. The Company and Nippon Steel will have equity stakes of 51% and 49%, respectively, in the joint venture. The line will be located in Jamshedpur, India with completion scheduled for 2013 and a planned capacity of 600,000 tpa. The joint venture will source steel from the Company's existing Jamshedpur facility.

***Europe***

The Company's major expansion and development projects in Europe include the following:

- In the third quarter of 2009, the Company announced a project to enhance the rail facility at Hayange, France in response to growing European demand for longer rolled rail lengths in support of future high-speed rail projects and, in particular, to support a six-year contract secured with France's national state-owned railway company, Societe Nationale des Chemins de fer Francais (SNCF).

- In August 2010, the Company announced its plans to rebuild the No. 4 Blast Furnace at Port Talbot steelworks. The furnace is expected to undergo a rebuild starting in July 2012, to improve its safety, environmental performance and reliability. The project will yield the additional benefit of balancing the iron and steelmaking capacities at Port Talbot and increasing the capacity of the two blast furnaces.

- The Company has also approved plans to construct a new manufacturing plant in Teesside. Preliminary engineering works are underway at the Redcar site to develop a new facility to produce steel foundation structures called monopiles which are used to secure offshore wind turbines to the seabed. The plan involves redeploying and re-equipping redundant buildings on the Company's Teesside site for monopile production and shipment of the structures. This new facility was not included as one of the assets contemplated for sale to SSI in the memorandum of understanding entered into in August 2010.

***Other Growth Projects***

*Vietnamese Steel Plant Joint Ventures*

In August 2008, the Company, VN Steel and Vicem entered into a joint venture agreement relating to the construction of an integrated steel plant in Vietnam. The Company, VN Steel and Vicem will have equity stakes of 65%, 30% and 5%, respectively, in the joint venture. The initial capacity of the plant is expected to be 4.5 mtpa.

*Port and Shipping Facilities*

In October 2004, the Company entered into a 50-50 joint venture with Larsen & Toubro Limited, an Indian engineering and construction company, to develop a deep sea port at Dhamra, Orissa in order to enhance the Company's import and export logistics capabilities from India. The port is expected to be capable of handling 13 mtpa of coal and 6 mtpa of iron ore and accommodates vessels with a capacity of 180,000 dead weight tonnes. Trial operations commenced in September 2010 with the arrival of the first ship carrying coal cargo.

In December 2006, the Company also entered into a 50-50 joint venture with NYK Line and established a shipping company focused on shipping dry bulk and break bulk cargo. The joint venture currently operates twelve chartered vessels and two owned vessels. The joint venture is expected to assist the Company with the shipping of coal and limestone, large quantities of which may be needed in the future as inputs in the Company's production. The Company will also carry bulk and break-bulk cargo from and to India.

**Products**

***Products from European Operations***

In Financial Year 2010, the majority of the Company's crude steel production in Europe was rolled into hot rolled coil, which is sold as unprocessed coil or processed in cold rolling mills and coating lines. Hot rolled coils are also transferred to TSE's tube mills for the manufacture of welded tubes. The remaining production was primarily processed further into sections, plates, engineering steels or wire rod, or sold in semi-finished form. Principal end markets for TSE's steel products are the construction, automotive, packaging, mechanical and electrical engineering, metal goods, and oil and gas industries.

TSE's strip products are produced in the United Kingdom at Port Talbot and in the Netherlands at IJmuiden. Uncoated strip products comprise hot rolled, cold reduced and electrical steels, which are sold both in coil form and, cut to length, in sheet form. TSE is one of the market leaders in the manufacture of coated strip products. Its coated strip product range comprises metallic coated products (e.g., zinc and alloy-coated), non-metallic coated products (e.g., painted and plastic coated steels) and tinplate. TSE is also one of the global market leaders in steel for packaging production.

TSE produces long products at Scunthorpe. Long products comprise sections and plates, and rods. Engineering steels are produced at Rotherham in the United Kingdom by the electric arc steelmaking method, as opposed to the basic oxygen steelmaking method. TSE's wide range of engineering steels products include free cutting, improved machining, spring, forging and general steel for the automotive and related markets, together with specialist steels for the aerospace, power generation, oil and gas exploration and engineering industries. TSE also produces a variety of other carbon steel products including semi-finished carbon steel products in the form of billets, blooms and slabs for re-rolling and subsequent processing for TSE's service centres and to third party service centres.

The following table lists the various TSE products, as well as their principal uses and principal markets:

| Products | Types | Principal End Usage | Principal Markets |
|---|---|---|---|
| Uncoated strip products | Hot rolled coil | Various uses including manufacture of welded tubes and as feedstock for cold reduced coil | Various industrial applications |
| | Cold reduced coil | Various uses including car body panels, domestic appliances and the manufacture of drums and radiators | Automotive industry and engineering and metal goods industries |
| Coated strip products | Hot dipped metallic coated products; pre-painted and plastic coated products | Roofing, side cladding and decking of buildings, body panels in motor vehicles and the casing of domestic appliances | Construction industry, automotive and domestic appliance manufacturers |
| | Tinplate | Used for packaging in the food and beverage industries and for other domestic and industrial applications | Food and beverage producers and packagers |
| Electrical steels | Non-oriented and grain oriented electrical steel | Electrical equipment including transformers, motors, generators and alternators | Manufacturers of electrical equipment |
| Plated and precision strip products | Range of nickel, zinc and other specialist plated products | Batteries, automotive components | The battery and automotive markets, and other specialist areas |

| | | | |
|---|---|---|---|
| Sections products | Products include beams, columns joists, channels and custom-designed special profiles. | Structural and other industrial applications. | The construction, engineering and mining industries.<br><br>Special profiles are used as components in earth-moving equipment, materials handling, and the automotive, shipbuilding and mining industries. |
| Rail products | Rail products | Rails and sleepers | Railway and related sectors |
| Plates | Plates | Used in a broad range of applications | Offshore oil and gas production, renewable energy, power generation, mining, earth moving and mechanical handling equipment, shipbuilding, boiler and pressure vessels, and structural steelwork |
| Wire rod | Wire rod | Drawing into wire products | Construction and automotive industries |
| Bars | Hot rolled and bright bars in wide range of grades and dimensions | Numerous applications in engineering industries. | Engineering industries, machining, forging, automotive and spring applications. |
| Specialty steels | Specialty grade carbon, alloy and stainless steel products (ingots, billets and bars) | Wide variety of industrial applications | Applications in aerospace, automotive industry and related markets, power generation, oil and gas exploration, forging and machining and engineering industries |
| Welded steel tubes | Hot finished and cold-formed steel tubular products | Tubes and pipes for oil, gas, water and air transportation and structural applications | Various, including construction and the automotive, engineering and oil and gas industries |
| Semi-finished steel | Billets, blooms and slabs | Rerolling for downstream products | Third parties and other divisions of the Company. |

***Products from Indian and other Asian Operations***

*Finished and Semi-finished Steel Products*

The Company's finished steel products are produced at its facilities located in India, Thailand and various Asia Pacific countries. Production at the Indian facilities comprises primarily flat products and long products. In addition, the Indian facilities also produce relatively smaller quantities of semi-finished steel, rings, agricultural tools, and steel equipment. The remaining facilities in Asia principally produce long products.

The following table lists the various finished and semi-finished products produced in Asia, as well as the principal uses for these products and their principal markets:

| Products | Types | Principal End Usage | Principal Markets |
|---|---|---|---|
| Flat Products | Hot rolled coils and sheets | Automotive, pipes and tubes, cold rolling, railways, general engineering | Flat products produced by the Company's Indian operations are sold principally to the Indian automotive, appliances, construction and infrastructure, general engineering, packaging and furniture industries |
| | Cold rolled coils and sheets | Automotive, furniture, packaging, appliances, panel | |

| Products | Types | Principal End Usage | Principal Markets |
|---|---|---|---|
| | Galvanized coils and sheets | Automotive, construction, appliances, bus body, panel, general engineering | |
| Long Products | Wire rods | Conversion into wire | Long products produced in the Indian facilities are sold principally to the Indian construction and automotive industries while long products produced in other Asian facilities are used principally in the domestic construction industry of the relevant country |
| | Rebars | Structural support in construction | |
| Wires | Coated and uncoated wires | Motor tyre bead, low relaxation pre-stressed concrete, pre-stressed concrete, springs, cable armour, conductors and galvanized iron wires | Indian construction and automotive industries |
| Others | Semi-finished steel | Billets, slabs and blooms that can be made into flat or long products | Re-rolling steel industry |

In recent years, the Company has been expanding its Indian production of high value-added products, which generally command higher prices and margins than low value-added products. Within the flat product category, certain hot rolled products as well as cold rolled, galvanised and tinplate products are considered to be high value-added products, as are wire rods in the long products category. Wires are also considered a high value-added product. In recent years, the Company's production and sales of high value-added products in India has generally increased at the expense of low value-added products. In Financial Year 2010, finished steel production of cold rolled products from India amounted to 1.6 mtpa, compared to 1.4 mtpa in Financial Year 2009.

*Ferro Alloy*

At its Indian facilities, the Company produces and sells charge chrome, high carbon ferro chrome, high carbon silico manganese and ferro manganese and chrome concentrate. The Company also sells magnesium ore, dolomite and pyroxenite. The Company is a large manufacturer of ferro chrome in India and a supplier of chrome ore, charge chrome and high carbon ferro chrome internationally. Chrome concentrate is primarily used for making ferro chrome and may also be used directly for making stainless steel. Ferro chrome, ferro manganese and silico manganese are used in the making of various kinds of steel, used in the construction and automotive industries, including stainless steels, high-strength-low-alloy steels and alloy steels. Manganese alloys produced in the Company's Indian facilities are used primarily by the Company for further production.

*Other Products*

The Company's other products in Asia principally consist of tubes and bearings. The Company produces tube products mainly in the commercial tube and precision tube categories. Commercial tubes are used primarily for piping water, gas and steam for irrigation and other agricultural uses as well as for industrial purposes and are marketed primarily to builders, contractors and distributors. Precision tubes are sold primarily to automotive and bicycle manufacturers, boiler manufacturers, the fertiliser industry and to furniture manufacturers.

The Company also manufactures ball bearings and taper roller bearings which it sells primarily to companies in the automotive and engineering industries.

The Company also produces refractories products in Asia and sells a variety of services, including electricity, through its subsidiary, Jamshedpur Utilities Services Company Limited, and logistics services through its logistics unit.

**Sales**

The Company sells a majority of its products to customers in the European and Indian markets. In Financial Years 2008, 2009 and 2010, sales to customers in Europe and India accounted for approximately 78.1%, 72.8% and 72.6%, respectively, of the Company's total net sales. The Company's remaining sales are to customers in Asia (excluding India) and other countries.

The following table sets forth the Company's net sales by destination for the periods indicated:

| | Financial Year | | |
|---|---|---|---|
| | 2008 | 2009 | 2010 |
| | | (Rs. millions) | |
| Europe | 825,089 | 809,967 | 474,756 |
| India | 201,709 | 262,996 | 268,487 |
| Asia (excluding India) | 183,414 | 223,915 | 152,464 |
| Other | 105,124 | 176,415 | 128,224 |
| **Total** | **1,315,336** | **1,473,293** | **1,023,931** |

***Sales in Europe***

The majority of the Company's sales are to customers in Europe, which accounted for 46.4% of the Company's net sales in Financial Year 2010. Net sales to customers in Europe for Financial Year 2010 decreased 41.4% to Rs. 474,756 million, compared to net sales of Rs. 809,967 million for Financial Year 2009, due primarily to the global financial recession and its effect on demand for steel.

The Company's largest customers in Europe are in the construction, automotive and packaging industries. The Company's customers in Europe also include those in energy and power, lifting and excavating, aerospace, rail, consumer goods and shipbuilding industries. Principal end markets for the Company's European sales are the construction, automotive, packaging, mechanical and electrical engineering, metal goods, and oil and gas industries.

***Sales in India***

A significant portion of the Company's sales consists of sales to customers in India, which accounted for approximately 26.2% of the Company's net sales in Financial Year 2010. Net sales to customers in India during Financial Year 2010, represent an increased percentage of the Company's total net sales compared to Financial Year 2008 and 2009 as a result of increased production in India and decreased sales in Europe. Most of these sales consist of domestic sales of Indian production, which accounted for approximately 85.5% of the Company's net sales in India in Financial Year 2010. Sales of European production exported to customers in India accounted for approximately 4.1% of the Company's net sales in India in Financial Year 2010.

In India, the Company sells the majority of its steel products to the construction, infrastructure, automotive and general engineering industries. In Financial Year 2010, the Company supplied 1.7 mt of steel products to the Indian construction and infrastructure industries compared to 1.3 mt in Financial Year 2009. The principal products sold to the Indian construction and infrastructure industry are long products including rebars and wire rods. The Company's principal customers in the Indian construction and infrastructure industry include Larsen & Toubro Limited, Shapoorji Pallonji, Gammon, Hindustan Construction Company, DLF Ltd, Tata Projects and Simplex Infrastructures.

In Financial Year 2010, the Company supplied 891,000 tonnes of steel products to the Indian automotive industry compared to 687,300 tonnes in Financial Year 2009 and 860,000 tonnes in Financial Year 2008. The principal products for the Indian automotive industry are hot rolled, cold rolled and galvanized products. The Company's key customers in the Indian automotive industry are Maruti Suzuki India Limited, Tata Motors, Toyota, Nissan, Hyundai Motor, Honda Motor, Ford, Mahindra & Mahindra, Bajaj Auto and Hero Honda Motor.

***Sales in Other Asian Markets***

The Company's sales in markets in Asia excluding India accounted for 15.0% of the Company's net sales in Financial Year 2010. These products consist primarily of industrial wires, wire rods and rebars, which are sold to customers in Southeast Asia.

**Distribution and Marketing**

The Company sells finished carbon steel products from its European facilities directly to end-users and through stockholding and service centres. Stockholders purchase steel from high-volume producers for subsequent resale, and service centres purchase steel stocks for further processing prior to selling to customers. The Company's European service centre network includes centres in the United Kingdom, Ireland, France, Germany, Italy, the Netherlands, Poland and Spain. Typically, the large volume customers purchase directly from the Company's main hubs, while low volume customers purchase from stockholders and service centres, including those owned by the Company.

The Company delivers flat and long products to customers in India through direct supply channels, stockyards, consignment agents, external processing agents and a network of distributors and retailers. The Company's Indian operations are located in eastern India while much of the market for steel is on the west coast of India. As a result, the Company incurs additional transportation costs relative to its competitors that are in closer proximity to the bulk of the Indian market.

The Company markets its products by closely monitoring its sales activities and catering to the customer's needs. As a global steel producer, the Company gathers marketing intelligence and experience from its sales offices in the respective regions where it conducts business. The Company has introduced a number of marketing initiatives in recent years. In 2006, the Company held sessions to train dealers on various selling techniques. In addition, in 2005, the Company inaugurated its Steeljunction store, India's first organised steel retail store selling a range of steel products.

The Company markets a number of its products under the Tata brand, which is a widely recognised brand in India. Tata Steel Limited is also using the Tata Shaktee brand for its corrugated galvanised sheets, the Tata Steelium brand for cold rolled sheets, the Tata Tiscon brand for rebars and the Tata Wiron brand for wires. Products manufactured by Tata Steel Limited's tubes unit are marketed under three brands: Tata Pipes, Tata Structura and Tata Precision. For its European production, the Company has begun marketing its products under the Tata Steel Europe brand (which was rebranded from Corus in September 2010).

**Raw Materials and Other Key Inputs**

Steel production requires a substantial amount of raw materials and energy, including iron ore, coal and coke, scrap and energy. Raw materials and energy comprise the single most significant percentage of the Company's manufacturing costs and in Financial Years 2008, 2009 and 2010, accounted for 34%, 37% and 38%, respectively, of the Company's total manufacturing costs. Iron ore and coal are the primary materials used in steel production and the prices of these commodities are subject to significant volatility. In 2006, 2007 and through the first half of 2008, the prices of most commodities used in the steelmaking process rose sharply before collapsing in late 2008 as a result of the global economic crisis.

Energy costs in Financial Years 2008, 2009 and 2010, accounted for approximately 15%, 14% and 14%, respectively, of the Company's raw material and energy costs. The Company's remaining raw material and energy costs consist of scrap, limestone, water and costs relating to ferro alloy operations.

See "***Risk Factor—The steel industry is characterised by a high proportion of fixed costs, and price volatility may adversely affect the company's business***" on page xvi of this Red Herring Prospectus.

***Iron Ore and Coal***

*European Operations*

The Company purchases all of its iron ore and coal requirements for its European operations from third parties and in Financial Years 2008, 2009 and 2010, the cost of such purchases accounted for 33%, 29% and 39%, respectively, of the total raw material and energy costs of the Company's European operations. In Financial Years 2008, 2009 and 2010, the Company purchased approximately 27.0 mt, 22.0 mt and 18.0 mt, respectively, of iron ore, and 12.0 mt, 11.0 mt and 8.9 mt, respectively, of coal for its European operations. The iron ore was obtained principally from Australia, Canada, South Africa, South America and Sweden, and the coal was obtained principally from Australia, Canada and the United States.

The Company purchases iron ore and coal for its European operations at market prices under supply contracts that typically last between three and five years, with prices that historically were typically negotiated annually. Starting in 2010, certain suppliers of iron ore and metallurgical coal have moved to quarterly fixed-price schemes from annual fixed prices. The Company aims to secure a majority of its iron ore and coal requirement for its European operations under supply contracts that typically last between three and five years. The remaining iron ore and coal is purchased through one-year contracts, options and spot market transactions at market rates.

*Indian Operations*

The Company obtains the majority of its iron and coal requirements for its Indian operations from its captive mines, with all of its iron ore requirements and approximately 49% of its coal requirements coming from the Company's captive mines in Financial Year 2010. The Company operates several iron ore and coal mines in India that are under long-term leases with the relevant Indian State Governments pursuant to which it pays royalties. The Company typically applies to the relevant State Government for a renewal of its mining leases within 12 months prior to the lease's expiration. However, the renewal of a mining lease in India may take a number of years, during which time the Company, as matter of practice, will continue to operate such mine. As a result, the Company may from time-to-time operate some of its mines under lease agreements that are expired but are in the process of being renewed. The iron ore found in the Company's captive iron ore mines in India contains medium-grade to high-grade iron ore, while coal from the Company's captive coal mines in India contains high levels of ash and other impurities and requires the blending of high grade imported coal for coke making. See "***Risk Factors—The Company relies on leased mines and if it is unable to renew these leases, obtain new leases or is required to pay more royalties under these leases, it may be forced to purchase such minerals for higher prices in the open market, which may negatively impact its results of operations and financial condition***" on page xviii of this Red Herring Prospectus.

Iron ore is obtained from the Noamundi and Joda iron mines in the form of lumps and small particles known as fines. After extraction and processing, the iron ore is transported by rail to Jamshedpur, which is approximately 200 kilometres from the mines. The lump ore is used directly in the blast furnaces while the fines must first be converted in the sinter plants before being used in the blast furnaces. All the iron mines are operated through opencast methods using excavator and dumper combination as well as crushers, screens, beneficiation plants, conveyors and loading facilities. In Financial Years 2008, 2009 and 2010, the Company produced a total of 10.0 mt, 10.4 mt and 12.0 mt, respectively, of iron ore from these mines.

Raw coal is obtained from the coal mines at West Bokaro and Jharia and is beneficiated to lower its high ash content. The majority of this coal is then transported by rail to the coke plant at Jamshedpur, which is approximately 200 kilometres from the mines. Coal is also transported to the coke plant in Haldia. At the coke plants, the coal is converted into coke for use in the blast furnaces. Even with treatment, given the high-ash characteristics of Indian coal, the Company must import clean coal to mix with its domestically sourced coal to produce a satisfactory blend of coal for coke-making. In Financial Years 2008, 2009 and 2010, the Company produced 7.2 mt, 7.3 mt and 7.2 mt, respectively, of raw coal from the West Bokaro and Jharia coal mines.

In Financial Years 2008, 2009 and 2010, the Company imported a total of 1.3 mt, 2.5 mt and 3.1 mt, respectively, of clean coal, representing approximately 30%, 45% and 51%, respectively, of the Company's total coal requirements for its Indian operations. Historically, coal purchased from third parties was typically imported under one-year contracts. Beginning in 2010, the Company's coal purchases are now based on quarterly contracts due to changes in industry standards.

***Energy***

During Financial Years 2008, 2009 and 2010, the Company's energy consumption at its European operations accounted for approximately 12%, 11% and 12%, respectively, of its total raw materials and energy costs at its European operations. These costs primarily consisted of electricity costs, bulk gases, water, fuel oil, and climate change levy charges. The power needs for the Company's European facilities were primarily purchased from their respective national electricity grids and generated through power stations at the facilities. The IJmuiden facility also received power from three power plants at its site which are owned and operated by a third party.

During Financial Years 2008, 2009 and 2010, the Company's energy consumption at its Indian operations accounted for approximately 24%, 18% and 20%, respectively, of its total raw materials and energy costs at its Indian operations. These costs primarily consisted of electricity costs, furnace oil, and liquefied petroleum gas. The Company's Jamshedpur steel plant consumed 2,521 million kilowatt hours of power in Financial Year 2010, approximately 35% of which was generated through on-site power stations. The Company purchased the plant's remaining power needs at market prices from its affiliate, Tata Power, under a thirty-year purchase agreement that expires in 2027 and also obtained power from a joint venture with Tata Power and from the national power grid. The Company also provides power to consumers in the city of Jamshedpur at market rates.

***Scrap***

The Company's European operations utilise scrap for steel production, which is primarily purchased from Europe and Russia. Steel scrap prices are generally based on spot market prices.

The Company's Indian operations consume scrap metal mainly generated as a by-product from its own operations while the Company's operations in Singapore and Thailand consume significant amounts of scrap metal sourced externally from companies that collect scrap metal.

***Raw Material Projects***

The Company is focused on seeking proprietary access to raw materials in order to optimise its costs and to achieve a higher level of self-sufficiency in raw materials, especially for its European operations, which would enable it to better respond to cyclical fluctuations in demand and reduce volatility in production costs. The Company has pursued, and plans to continue to pursue, a number of initiatives to gain access to coal and iron ore deposits around the world. As of September 30, 2010, the Company's raw material initiatives included the following projects:

*Iron Projects*

*Joint Venture with New Millennium Capital Corporation*

From October 2008 to June 2010, the Company acquired approximately 27% of the common shares of New Millennium Capital Corporation, Canada ("**NML**"), a publicly owned Canadian mining sponsor listed on the TSX Venture Exchange. NML engages in the exploration and development of iron ore properties and controls iron ore mineral resources.

In September 2010, the Company exercised its option to acquire an 80% interest in NML's Direct Shipping Ore Project ("**DSO Project**") in exchange for covering the first C$300 million of expenses and its share of any future expenses. In accordance with the terms of the joint venture agreement, the Company incorporated a joint venture entity with NML in October 2010 to acquire mining claims and related assets from the DSO Project. The joint venture entity will carry out detailed engineering and construction of facilities and will be responsible for the operations of the DSO Project. The Company owns 80% of the joint venture and NML the remaining 20%. The project feasibility has been completed and the joint venture is in pre-development stage, awaiting regulatory approvals. Once completed, the project is expected to commence production of iron ore in 2012. Under the terms of the joint venture agreement, the Company has 100% of the offtake rights for the DSO Project.

The Company also has an exclusive right to negotiate a proposed investment in the LabMag and Ke-Mag Projects at the Millennium Iron Range until February 28, 2011, each of which includes iron ore reserves.

*Cote d'Ivoire Iron Ore Mine Joint Venture*

In December 2007, the Company entered into a joint venture with Societe pour le Developpement Minier de Cote d'Ivoire ("**SODEMI**"), a state owned company for the development of mineral resources, for an 85% stake in the development of an iron ore mine at Mount Nimba in Cote d'Ivoire with SODEMI owning the remaining 15%. Upon grant of a mining license to the joint venture, the Government of Cote d'Ivoire would own a 10% stake in the joint venture, as per local mining laws, and the stake of the Company would be reduced to 75%.

In September 2009, in response to the Government of Cote d'Ivoire denying an application for an exploration license for Mount Nimba citing environmental concerns, the joint venture was modified to include the development of another iron ore deposit at Mount Gao and the joint venture procured an exploration license for Mount Gao.

Operations are currently in the pre-feasibility stage with exploratory activities taking place. The Company expects to complete exploration in the next two years at which time, depending on the results of the exploration, it may proceed to conduct a detailed feasibility study to assess the economic viability of this project.

*Coal Projects*

*Carborough Downs Coal Project*

In 2005, in an effort to secure more coking coal for the Company's Indian operations, the Company purchased a 5% interest in the Carborough Downs Coal Project located in Queensland, Australia. The Company also entered into an agreement that entitles it to purchase up to 20% of the project's annual coal production (with a minimum offtake of 5%), on 12 months' notice and at market prices, over the life of the project. The Company's partners include, among others, Vale, JFE Steel, Nippon Steel and Posco.

Underground longwall mining at the project commenced in September 2010 and coal production commenced in 2010.

*Mozambique Coal Mine Joint Venture*

In November 2007, the Company purchased a 35% stake in a coal venture owned by Riversdale Mining Limited that is currently under development in the Tete province of Mozambique for AUD$100 million. The Company has offtake rights for the output wherein the Company will purchase a minimum of 40% of the coking coal. In addition, the Company owns a direct interest of approximately 24% in Riversdale Mining Limited. In December 2010, Rio Tinto Group and Riversdale Mining Limited entered into a Bid Implementation Agreement for a cash offer by Rio Tinto to acquire all of the issued and outstanding shares of Riversdale by way of a recommended off-market takeover offer. The Company is currently evaluating this bid in context of other available alternatives.

Construction of a coal handling and processing plant has begun, with completion expected in 2011.

*Joint Venture with SAIL to Develop Coal Mines in India*

In January 2008, the Company entered into a joint venture with Steel Authority of India Limited ("**SAIL**"), a state-owned steel company, to acquire and develop coal mines in India. Pursuant to the joint venture agreement, SAIL and the Company formed a 50-50 joint venture company, S&T Mining Co. ("**S&T**"), in September 2008. S&T has been working towards acquiring several coal blocks in India. It has also identified additional blocks for potential acquisition, and it is participating in tenders for coal blocks and exploring possible joint ventures for mining and selling coal. S&T intends to leverage the strengths of both SAIL and the Company and acquire coal mines to fulfil the increased requirements of its promoters.

*Other Projects*

*Joint Venture to Develop Limestone Mines in Oman*

Limestone is a key raw material for producing high quality steel, and the Company currently sources limestone from Central India, Thailand and Middle Eastern countries for its Indian operations. In order to reduce its dependence on purchased limestone, in January 2008, the Company signed a shareholders' agreement and a share sale and purchase agreement with Al Rimal LLC and its local shareholders to acquire a 70% equity stake in Al Rimal LLC. Al Rimal LLC is expected to mine limestone in the Uyun region, which lies in the Salalah province of Oman and where large deposits of limestone have been identified. Based on the results of exploratory drilling in part of the Uyun region, application has been made for grant of a mining license.

**Competition**

The market for steel is very competitive with high levels of international trade. Despite the consolidation that has taken place in the steel industry in recent years, such as the consolidation of Mittal and Arcelor in 2006, levels of global industry concentration still remain well below those of other metals and mining sectors. According to the WSA, the fifteen largest steel producers represented approximately 29% of global steel production in 2009. As a global producer, the Company faces significant competition from other steel producers worldwide. The Company's competitors in the global steel market include ArcelorMittal, Baosteel Co., Ltd., Nippon Steel, JFE Steel Corporation, POSCO, Shagang Group and ThyssenKrupp AG.

In Europe, the Company operates in the strip products, long products and distribution and building systems products markets. Since Europe is the Company's biggest market, its main competitors are steel producers with significant European operation such as ArcelorMittal, ThyssenKrupp, Salzgitter AG, Voestalpine and Rautaruukki. In India, the Company operates in the flat product and the long product markets and faces competition from integrated and partially integrated steel producers such as SAIL, Vishakhapatnam Steel Plant (Rashtriya Ispat Nigam Limited), JSW Steel Ltd., ESSAR Steel Ltd. and Jindal Steel and Power Limited, as well as rerollers including, among others, Pennar and Uttam Galva and imports from China.

**Research and Development and Intellectual Property**

Research and development activities are important to producers in the steel industry as these activities can provide producers with competitive advantages and new business opportunities with new and existing customers. As of March 31, 2010, the Company employed over 1,000 employees in connection with its research and development activities in its European and Indian operations.

In September 2009, the Company reorganised its departments to run a global research and development programme in order to enhance its research and development capabilities. The main areas of research currently being conducted by the Company include the reduction of coal ash content without reducing yield, the reduction of alumina in iron ore fines, the development of higher yield blast furnaces, the lowering of phosphorus in steelmaking vessels and developing high strength and high formability steels for automotive applications. In particular, the research on coal ash content is expected to help the Company reduce the need for high-quality coal imports by improving the efficiency of its blast furnaces and by reducing the impurities and ash content of the coal from the Company's captive mines. The Company's research and development department also collaborates with a number of leading research institutes on a variety of projects.

For Financial Years 2008, 2009 and 2010, the Company incurred total research and development expenditures of Rs. 422.0 million, Rs. 415.9 million and Rs. 438.6 million, respectively.

The Company conducts its business using the Tata brand. The Company licenses the use of the Tata brand name from Tata Sons, its principal shareholder, under the terms of a licensing agreement.

**Insurance**

The Company currently maintains two insurance schemes, one covering TSE and a second covering its other operations. TSE maintains insurance cover through a combination of policies purchased from external insurers and self-funding. TSE, including its plants and facilities, is insured against a range of risks, including material damage and consequential loss, business interruption, public and products liability, UK employers' liability, professional indemnity, aviation products liability, marine cargo liability and directors' and officers' liability. TSE arranges some of its insurance through a wholly owned subsidiary; however, catastrophe risks are insured with the external insurance market.

The Company's operating assets (other than those owned by TSE), including its plants and facilities, are insured against a range of risks, including fire, explosion, machinery breakdown, terrorism and acts of nature such as storms, earthquakes and floods. The Company also maintains directors' and officers' liability insurance, business interruption insurance, based on its gross profit, covering its various units (other than TSE). The insurance cover is based on a "mega policy" through a consortium of insurers. The Company (other than TSE) also maintains insurance against third-party liability for injuries and losses caused by its business operations or arising out of the use of the Company's products.

**Environmental Standards**

The Company is committed to minimising the environmental impact of its operations and its products through the adoption of sustainable practices and continuous improvement in environmental performance. The Company's Jamshedpur steelworks facility and certain of its mining operations in India and its manufacturing operations in Europe are certified to ISO-14001 standards.

The Company believes that it adheres to the statutory norms enforced by the relevant governmental bodies in the countries in which the Company's production facilities are located. The Company's operations, including steelmaking, in Europe are subject to the EU Emissions Trading Scheme ("**EU ETS**"), which came into force in January 2005 and focuses on carbon dioxide emissions. Each EU member state has its own nationally negotiated emission rights allowance, which is allocated back to carbon dioxide emitting sites. Sites have permission to emit carbon dioxide up to the value of their rights allocation. Any surplus can be sold and any deficit can be purchased on the emission rights market. The Company's operations in the United Kingdom and the Netherlands are also subject to the UK National Allocation Plan ("**NAP**") and the Dutch NAP, respectively, which have been prepared in order to implement the EU ETS. The Company believes that it has been in compliance with the EU ETS. See "***Risk Factors—Environmental matters, including compliance with laws and regulations and remediation of contamination, could result in substantially increased capital requirements and operating costs***" on page xxv of this Red Herring Prospectus.

In addition, the Company undertakes rehabilitation of areas that had already been mined, transforming them into forests, parks and recreational facilities. As part of its expansion programme at Jamshedpur, the Company is also designing new air pollution control equipment to keep emission level below statutory standards.

**Employees**

As of March 31, 2010, the Company had approximately 81,000 employees worldwide including approximately 34,000 employees of Tata Steel India in India and 35,000 employees of TSE in Europe.

*Europe*

As of September 30, 2010, the Company had approximately 35,000 employees in Europe compared to approximately 41,000 and 35,000 as of March 30, 2009 and 2010, respectively. As of March 31, 2010, approximately 19,500 of the TSE employees are members of trade unions, including approximately 70% of employees in the United Kingdom, 45% of employees in the Netherlands and over 50% of employees in Germany. TSE has set up policies and procedures to provide information and to consult and negotiate with trade unions, works council and employee representatives on a regular basis, so that views of employees can be taken into account in making decisions that are likely to affect their interests.

The British Steel Pension Scheme ("**BSPS**") is the principal defined benefit pension scheme of the Company in the United Kingdom. Members contribute to the scheme at the rate of 6% of pensionable earnings. The triennial valuation of the BSPS as at March 31, 2008 was completed on January 30, 2009. Following the triennial valuation, the trustee and the Company, after obtaining the advice of the BSPS actuary, agreed that Company contributions to meet the cost of future service benefits should remain at 12%, subject to review at future actuarial valuations. The next formal valuation of the scheme is scheduled to be undertaken as at March 31, 2011.

The Company executed an agreement in April 2009 to facilitate the merger of the Corus Engineering Steels Pension Scheme ("**CESPS**") into the BSPS. The merger was completed in April 2009 and the assets and liabilities of CESPS were transferred to BSPS. Under the terms of the agreement, the Company will contribute GBP 10 million per annum over a seven-year period in order to clear the funding deficit in CESPS and bring both schemes to comparable funding levels.

In January 2009, TSE announced proposals to close the BSPS to new recruits following consultation with employees and their representatives. Discussions regarding alternative pension arrangements for new recruits are ongoing.

The Stichting Pensioenfonds Hoogovens ("**SPH**") scheme is the principal defined benefit pension scheme of the Company in the Netherlands. As a result of global market conditions, the nominal funding level of the SPH fell to 100% on February 2, 2009, but has subsequently recovered to 118% as of March 31, 2010. During 2010, the level of contributions has been set at the maximum level allowed, and no indexation will be applied to pensions in payment and pensionable earnings. Contributions to the SPH in Financial Year 2010, which can vary according to the funding ratio of the scheme, stood at 13.3% from the contributing company and 5.9% from members relative to gross pensionable earnings.

*India*

As of September 30, 2010, TSL had approximately 34,000 employees in India. TSL has undertaken a number of initiatives in recent years to increase the productivity of its Indian operations, including plant closures, retirement and early retirement schemes and outsourcing of non-core activities. Between Financial Year 2000 and Financial Year 2010, the number of Indian employees decreased by over 30% from approximately 52,100 to approximately 34,100, while Indian steel production increased by almost 90%.

Each of the Company's production facilities in India enters into collective bargaining agreements with its trade unions which are renegotiated every four to seven years. The Company believes its relations with its Indian trade unions are strong. There have been no strikes or other cases of industrial action at any of the Company's production facilities in India in over 80 years.

*Other*

As of March 31, 2010, the Company's remaining employees of approximately 12,000 were located outside Europe and India and comprised of employees working for Tata Steel Thailand, Natsteel and other subsidiaries of the Company.

***Health and Safety***

Health and safety is a priority at all of the Company's facilities. Health and safety is reviewed regularly by the Company's board of directors and the Company has established a Health, Safety and Environment Committee to carry out more detailed reviews of the Company's overall performance in this category. As part of its commitment to create a safer work place, the Company has implemented a number of campaigns and initiatives including the 2010 Company-wide "Zero Harm" campaign to raise hazard awareness.

*Health and Safety Initiatives in Europe*

The Company is committed to discharging its corporate responsibility to create a safer work place and supports the integrated and systemic Health and Safety Management System introduced in TSE in 2008. Regular safety tours are taken by TSE's board of directors and executive committee members to monitor TSE's performance in the category of health and safety.

TSE received a national training award in October 2009 for the "Felt Leadership" programme implemented in its steelmaking and ironmaking operations.

*Health and Safety Initiatives in India*

The Company has adopted a behaviour-based safety management system focusing on inculcating safe behaviour among people, achieve world-class safety and health performance and the involvement of the line function in safety and health. In addition, the Company has also begun a Process Safety and Risk Management Programme through which it plans to identify process-related hazards and develop risk mitigation engineering solutions for existing facilities.

In 2009 and 2010, the Company received the Safety and Health Excellence Recognition Award from the WSA for its operations in India.

***Corporate and Social Responsibility***

The Company recognises its responsibilities to the communities in the regions where it operates. Many of its businesses have strong links to their neighbouring towns and surrounding regions. In addition, donations have been made across a range of local organisations, including amateur sporting groups, local branches of national charities, youth clubs, hospitals, voluntary organisations and schools. In Financial Year 2010, the Company's charitable donations in the United Kingdom amounted to approximately GBP 170,000. Support is given for cultural, social, educational and sporting activities, both in the immediate vicinity of plants and elsewhere. For example, in September 2009, the Company held an event to introduce school children in the United Kingdom to the sport of triathlon. In the Netherlands, the Company has provided sponsorships in the areas of art, culture, sport and recreation.

The Company also has a significant social outreach programme in Eastern India, covering the city of Jamshedpur (with a population of approximately one million people), as well as over 800 villages in and around its manufacturing and mining operations. Through its subsidiary, JUSCO, the Company provides utilities and services to the city of Jamshedpur and is responsible for town planning and engineering, civil construction and maintenance, public health, education, water and wastewater management, electrical power distribution and other related activities.

In addition, the Company has continually supported community and social programmes in the city of Jamshedpur and neighbouring villages. Examples of such programmes include dedicated agencies for community welfare work; HIV and AIDS awareness initiatives; family planning and free reproductive health services for women; rural development initiatives, including schooling, mobile medical centres and agricultural improvement programmes to ensure that the broader local population benefits from the Company's operations in the area; and a number of sport initiatives, including the building and maintenance of the JRD Tata Sports Complex and Keenan Stadium. In August 2009, the Indian Government awarded the Company the Rashtriya Khel Protsahan Puraskar award for "Financial Support for Excellence in Sport."

# REGULATIONS AND POLICIES IN INDIA

## *Mines*

The Mines and Minerals (Development and Regulations) Act, 1957, as amended ("**MMDR Act**") was enacted to provide for the development and regulation of mines and minerals under the control of the union of India and it lays down the substantive law pertaining to the grant, renewal and termination of reconnaissance, mining and prospecting licenses and mining leases. The Mineral Concession Rules, 1960, ("**MC Rules**") outline the procedures for obtaining a prospecting license or the mining lease, the terms and conditions of such licenses and the model form in which they are to be issued. The Central Government has also framed the Mineral Conservation and Development Rules, 1988 ("**MCD Rules**") that lay down guidelines for ensuring mining is carried out in a scientific and environmentally friendly manner. Furthermore the Central Government announced the National Mineral Policy in 1993, which was modified in 2008, to sustain and develop mineral resources so as to ensure their adequate supply for the present needs and future requirements of India in a manner which will minimize the adverse effects of mineral development on the forest, environment and ecology through appropriate protective measures.

A mining lease must be executed with the relevant state government. The mining lease agreement governs the terms on which the lessee can use the land for the purposes of mining operations. If the land on which a mine is located belongs to a private party, the lessee would have to acquire the surface rights from such private party. If the private party refuses to grant such surface rights, the lessee is to inform the relevant state government of the refusal and deposit an amount in compensation for the acquisition of the surface rights with such state government. If the state government deems that the compensatory amount is fair and reasonable, then such state government will order the private party to permit the lessee to enter the land and carry out such operations as may be necessary for the purpose of the mining lease. For determining compensation to be paid to a private party, the state governments are guided by the principles of the Land Acquisition Act, 1894. In case of government land, the surface right to operate in the lease area is granted by the state government through the mining lease.

If the mining operation in respect of any mining lease leads to a displacement of people, the mining project may operate only after obtaining the consent of such affected persons. The resettlement and rehabilitation of the persons displaced by the mining operations and payment of other benefits is required to be carried out in accordance with the guidelines of the relevant state governments, including payment for the acquired land, owned by those displaced persons.

Applications for a mining lease must be made with the relevant state government along with the proposed mining plan and must contain certain details in accordance with the MC Rules. In respect of iron ore, coal and other minerals listed in the First Schedule of the MMDR Act, prior approval of the Central Government is required for the relevant state government to enter into a mining lease. The approval of the Central Government is accorded on the basis of the recommendations of the relevant state government; however, the Central Government has the discretion to disregard such recommendation. The approval of the Central Government is also based on the approval of the plan for the mine by the Indian Bureau of Mines. On receiving the clearance of the Central Government, the state government grants the final mining lease. Further, in terms of section 6 of the MMDR Act, in a state (province), one person cannot acquire one or more mining leases covering a total area of more than 10 square kilometers. The mining of coal is governed by the Coal Mines (Nationalisation) Act, 1973, which provides that for a private entity, no person other than a company engaged in (1) the production of iron and steel, (2) generation of power, (3) washing of coal obtained from a mine, or (4) such other end uses as the Central Government, may by notification specify, can be granted a lease for mining of coal.

The maximum term for which a mining lease may be granted varies, but for iron ore mines it is currently 30 years. A mining lease may be renewed for further periods of 20 years or for a lesser period at the request of the lessee, provided that for any renewal after the first renewal the state government must consult the Controller General of the Indian Bureau of Mines prior to granting the approval. For coal mine leases, the prior approval of the Central Government is also required for any renewal, while in the case of iron ore mine leases, only the approval of the applicable state government is required. Renewals are subject to the lessee not being in breach of any applicable laws, including environmental laws. The lessee must apply to the relevant state government for renewal of the mining lease at least one year prior to the expiry of the lease. In the event that the state government does not pass any orders in relation to an application for renewal prior to the expiry of the lease, the lease will be deemed to be extended until the state government passes an order on the application for renewal.

Further, where any person has made an application for a mining lease in respect of minerals not specified in an existing mining lease held by another party, the state government will notify the person who already holds that mining lease. If the existing lessee applies for a prospecting license or mining lease in respect of the newly discovered minerals within six months of the date of communication of such information by the state government, then the existing lessee shall have preference in respect of such grant.

The MMDR Act also deals with the measures required to be taken by the lessee for the protection of the environment from any adverse effects of mining. The rules framed under the MMDR Act provide that every holder of a mining lease shall take all possible precautions for the protection of the environment and control of pollution while conducting mining operations in the area. The environmental protection measures touch upon a variety of matters, including prevention of water pollution, measures in respect of surface water, total suspended solids, ground water pH, chemicals and suspended particulate matter in respect of air pollution, noise levels, slope stability and impact on flora and fauna and local habitation.

The MCR Rules also provides the framework for the closure of mines by a lessee. The lessee is required to submit a final mine closure plan to the Regional Controller of Mines or an officer authorized by the state government for approval one year prior to the proposed closure of the mine. The Regional Controller of Mines or the authorized state government officer conveys approval or refusal to such final mine closure plan. The mining closure plan must contain protective measures, including reclamation and rehabilitation work, and the lessee has the responsibility of carrying out such work. If the same are not carried out to the satisfaction of the Regional Controller of Mines or the authorized state government officer, the lessee will be liable to forfeit the financial assurance that has to be furnished by the lessee, such financial assurance being computed in accordance with a formula provided in the MCR Rules.

***Royalty Payable***

Royalties on minerals extracted and a dead rent component are payable to the relevant state government by the lessee in accordance with the MMDR Act. The royalty is payable in respect of an operating mine that has started extracting minerals and is computed in accordance with a stipulated formula. The Central Government has broad powers to change the royalty scheme, but may not do so more than once every three years.

In addition, the lessee will be liable to pay the occupier of the surface of the land over which it holds the mining lease an annual compensation determined by the relevant state government, which varies depending on whether the land is agricultural or non-agricultural.

Other mining laws and regulations that may be applicable to the Company include the following: Mineral Conservation and Development Rules, 1988; Mining Lease (Modification of Terms) Rules, 1956; The Mines Act, 1952 and Mines Rules, 1955; The Payment of Wages (Mines) Rules, 1956; and Metalliferous Mine Regulations, 1961.

***National Mineral Policy, 2008***

The Central Government approved the National Mineral Policy, 2008, (the "**NMP**") on March 13, 2008, revisiting the previous National Mineral Policy, 1993, and has given its approval for the setting up of the Mining Administrative Appellate Tribunal as an independent dispute resolution authority. The NMP highlights the importance of ensuring that regional and detailed exploration is carried out systematically in the entire geologically conducive mineral-bearing area of the country, using state-of-the-art techniques in a time-efficient manner. The NMP calls for the maximisation of extraction of mineral resources, located through exploration, using scientific methods of mining, beneficiation and economic utilisation. The NMP also promotes zero waste mining and calls for an upgrade in existing mining technology. It proposes to freely allow the import of mining machinery and equipments and also strengthen indigenous industry for their manufacturing.

The NMP proposes to facilitate financing and funding of mining activities and development of mining infrastructure based on the principle of user charges and public private partnerships. It aims to develop manpower through education and specialized training, making the regulatory environment conducive to investment and technology flow. Under the NMP, efforts will be made to attune indigenous industry to the international economic situation in order to derive maximum advantage from foreign trade by anticipating technology and demand changes in international markets. Cooperation with countries with complementary resource bases will be developed. Efforts will be made to export minerals in a value-added form. A long-term export policy would provide stability and prove to be an incentive for investing in large-scale mining activities. It may also provide for assurances on exports, which is a key factor for investment decisions, particularly for foreign direct investment in the sector. The NMP aims to provide a framework of sustainable development designed to take care of bio diversity issues, restoration of ecological balance, protection of environment and proper relief and rehabilitation of people displaced and affected by the mining process.

***Mines and Minerals (Development and Regulation) Bill, 2010***

The Ministry of Mines has prepared the Mines and Minerals (Development and Regulation) Bill, 2010, which according to its last publically available version, seeks to decentralize powers to the states, increase revenues to the government by bringing in concepts of price discovery and true value (including through rationalisation of royalties, taxes and cesses), ensure equity, fair play, transparency and simple procedures (including through offer of mining blocks on auction basis, pursuant to promotional regional exploration by the state government), and scientific mining and sustainable development. The draft bill proposes, among other things, that mining companies be required to pay 26% of their profit after tax of the previous year, through a district level mechanism, to persons affected in the mining area and for other developmental activities in the area. The draft bill further proposes that the transfer of the mining lease or any rights under the mining lease or any arrangement, contract or understanding whereby the lessee may directly or indirectly be financed or controlled by a person other than the lessee would require the prior consent of the state government. Further, any change in control of the lessee would also require the prior consent of the state government. A group of ministers approved a revised version of the MMDR Bill on September 17, 2010, which is yet to be introduced in the Indian Parliament. The provisions of the last publically available version of the MMDR Bill which are mentioned above do not represent the current position.

***Compliance with Other Applicable Laws***

The Company is also required to obtain clearances under the Environment (Protection) Act, 1986, the Forest (Conservation) Act, 1980, if any forest land is involved, and other environmental laws such as the Water (Prevention and Control of Pollution) Act, 1974, the Water (Prevention and Control of Pollution) Cess Act, 1977 and the Air (Prevention and Control of Pollution) Act, 1981, before commencing mining operations. To obtain an environmental clearance, a no-objection certificate from the concerned state pollution control board must first be obtained, which is granted after a notified public hearing, submission and approval of an environmental impact assessment ("**EIA**") report and an environment management plan ("**EMP**"). The EIA report spells out all the operating parameters, including, for example, the pollution load as well as any mitigating measures for the particular mine. Mining activity within a forest area is not permitted in contravention of the provisions of the Forest (Conservation) Act, 1980. Final clearance in respect of both forest and environment is given by the Central Government, through the Ministry of Environment and Forest. However, all applications must be made through the relevant state government who then recommends the application to the Central Government. The penalties for non-compliance include closure or prohibition of mining activity as well as the power to stop the supply of energy, water or other services and monetary penalties payable by and imprisonment of the persons in charge of the conduct of the business of the company in accordance with the terms of the Environment (Protection) Act, 1986 and the Forest Conservation Act, 1980.

The Company must also comply at all times with the provisions of The Hazardous Waste (Management and Handling) Rules, 1989, as amended, and as superceded by the Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008, and the Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989 (collectively the "**Hazardous Wastes Rules**"). The Company also frequently obtains approvals under various other legislations including the Boilers Act, 1923. In addition, the Company must comply with various other statutes, such as the Factories Act, 1948 and labour laws.

*Water (Prevention and Control of Pollution) Act, 1974*

The lessee is required to comply with the provisions of the Water (Prevention and Control of Pollution) Act, 1974, ("**Water Act**") which aims at prevention and control of water pollution as well as restoration of water quality through the establishment of state pollution control boards. Under the provisions of the Water Act, any individual, industry or institution discharging industrial or domestic wastewater is required to apply to obtain the consent of the state pollution control board. The consent to operate is granted for a specific period after which the conditions stipulated at the time of granting consent are reviewed by the state pollution control board. Even before the expiry of the consent period, the state pollution control board is authorized to carry out random checks on any industry to verify if the standards prescribed are being complied with by the industry. In the event of non-compliance, and after serving notice to the concerned person, the state pollution control board may close the mine or withdraw water supply to the mine or cause magistrates to pass injunctions to restrain such polluters.

*Water (Prevention and Control of Pollution) Cess Act, 1977*

Mining is a specified industry under the Water (Prevention and Control of Pollution) Cess Act, 1977 ("**Water Cess Act**") and the lessee is required to pay the cess as per the terms of the Water Cess Act. The state-level assessing authority levies and collects cess based on the amount of water consumed by such industries. The rate is also based on the purpose for which the water is used. Based on the cess returns to be furnished by the industry every month, the amount of cess is evaluated by the assessing authorities. A rebate of up to 25% on the cess payable is available to those companies who consume water within the quantity prescribed for that category of industry in which such company operates and also comply with the effluents standards prescribed under the Water (Prevention and Control of Pollution) Act, 1974 or the Environment (Protection) Act, 1986.

The lessee can draw water from bore wells or from water harvested in open pits within the lease area. However, cess under the Water Cess Act is to be paid by a company to the state government of the state in which the mine is located.

*Air (Prevention and Control of Pollution) Act, 1981*

The lessee is also required to comply with the provisions of the Air (Prevention and Control of Pollution) Act, 1981 ("**Air Act**"). The terms of the Air Act provide that any individual, industry or institution responsible for emitting smoke or gases by way of the use of fuel or chemical reactions must apply for and obtain consent from the state pollution control board prior to commencing any mining activity. The board is required to grant consent within four months of receipt of the application. The consent may contain conditions relating to specifications of pollution control equipment to be installed.

For ensuring the continuation of the mining operations, a yearly consent certification from the state pollution control board is required both under the Air Act and the Water Act, as discussed above.

Apart from the above, other laws and regulations that may be applicable to the Company include the following:

- Contract Labour (Regulation and Abolition) Act, 1970;
- Industries (Development and Regulation) Act, 1951;
- Factories Act, 1948;
- The Indian Boilers Act, 1923 and the Indian Boiler Regulations, 1950;
- Explosives Act, 1884;
- Employees' State Insurance Act, 1948;
- Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- Payment of Gratuity Act, 1972;
- Payment of Bonus Act, 1965;
- Payment of Wages Act, 1936;
- Industrial Disputes Act, 1947 and Industrial Disputes (Central) Rules, 1957;
- Shops and Commercial Establishments Act; and
- Environment (Protection) Act, 1986, and Environment (Protection) Rules, 1986.

***Foreign Trade Policy***

Under the Foreign Trade (Development and Regulation) Act, 1992, the Central Government is empowered to periodically formulate the Export Import Policy (the "**EXIM Policy**") and amend it thereafter whenever it deems fit. All exports and imports must be in compliance with the EXIM Policy. The iron and steel industry has been extended various schemes for the promotion of exports of finished goods and imports of inputs. The major schemes available are the Duty Exemption and Remission Scheme and the Export Promotion of Capital Goods ("**EPCG**") Scheme.

The Duty Exemption Scheme enables duty free imports of inputs required for the production of exports by obtaining an advance license. The Duty Remission Scheme enables post export replenishment/remission of duty on inputs used in the export product. This scheme consists of a Duty Free Import Authorisation Scheme ("**DFIA**"), the Duty Drawback Scheme ("**DBK**") and the Duty Entitlement Pass Book (the "**DEPB**").

DFIA enables duty free replenishment of inputs used in manufacture of exports. Under the DEPB Scheme, exporters on the basis of notified entitled rates are granted duty credit, which would entitle them to import goods, except capital goods, without duty. The current DEPB rates for saleable products manufactured by the Company range from 3% to 7%.

The EPCG Scheme permits the import of capital goods at a concession rate of duty, which as presently applicable to the Company is 0%, subject to additional export obligation, which is linked to the amount of duty saved at the time of import of such capital goods as per the provisions of the EXIM Policy.

***Excise Regulations***

The Central Excise Act, 1944 seeks to impose an excise duty on excisable goods which are produced or manufactured in India. The rate at which such a duty is imposed is contained in the Central Excise Tariff Act, 1985. However, the Central Government has the power to exempt certain specified goods from excise duty by notification. Steel products are classified under Chapter 72 of the Central Excise Tariff Act and presently attract an ad-valorem excise duty at the rate of 16% and also an education cess of 2% and a secondary and higher education cess of 1% over the duty element.

***Customs Regulations***

All imports into India are subject to duties under the Customs Act, 1962 at the rates specified under the Customs Tariff Act, 1975. However, the Central Government has the power to exempt certain specified goods from excise duty by notification. The customs duty on iron and steel items falling under Chapter 72 of the Custom Tariff Act, 1975 has been reduced sharply during the last five years. The peak rate of custom duty on iron and steel items falling under Chapter 72 items was brought down from 40% to 20% on January 1, 2005, and further down to 10% by the Finance Act, 2007. The current basic custom duties on imports of raw materials range up to 10%.

# HISTORY AND CERTAIN CORPORATE MATTERS

The Company was originally incorporated as "The Tata Iron and Steel Company Limited" on August 26, 1907 as a public limited company, under the provisions of the Indian Companies Act, 1882. The Company was established by Jamsetji N. Tata, the founder of the Tata companies and today is one of the flagship Tata companies. Pursuant to a resolution of the Board of Directors dated May 19, 2005 and of the shareholders of the Company dated July 27, 2005, the name of the Company was changed to "Tata Steel Limited" with effect from August 12, 2005. The Registered Office of the Company is situated at Bombay House, 24 Homi Mody Street, Fort, Mumbai 400 001. There has been no change in the Registered Office of the Company.

The Company manufactures a diversified portfolio of steel products, with a product range that includes flat products and long products, as well as some non-steel products such as ferro alloys and minerals, tubes and bearings. The Company, through its Indian operations, is a large manufacturer of ferro chrome and steel wires in India and a supplier of chrome ore internationally. The Company's main markets include the Indian construction, automotive and general engineering industries. The Company's main facilities have been historically concentrated around the Indian city of Jamshedpur (Jharkhand), where the Company operates a 6.8 mtpa crude steel production plant and a variety of finishing plants close to the iron ore and coal reserves. The Company proposes to increase the crude steel production of the Jamshedpur plant by 2.9 mtpa to 9.7 mtpa. The Company's bearing division is located at Kharagpur (West Bengal), ferro manganese plant is located in Joda (Orissa), charge chrome plant is located in Bamnipal (Orissa), cold rolling complex is located in Tarapur (Maharashtra) and wire division is located at Tarapur (Maharashtra), Bangalore (Karnataka), and Indore (Madhya Pradesh). The Company also has iron ore and coal mines, collieries and quarries in the states of Jharkhand, Orissa and Karnataka.

In February 2005, the Company acquired the steel-related businesses of NatSteel Asia, with facilities located in Singapore, China, Malaysia, Vietnam, the Philippines, Thailand and Australia. In March 2006 the Company also acquired a 25.0% interest in Millennium Steel, the largest steel producer in Thailand, and in April 2006 a further 42.1% interest, for a total interest of 67.1% in Millenium Steel, (now known as Tata Steel (Thailand) Public Company Limited). On April 2, 2007 the Company acquired Corus Group Limited, with key production facilities located in the United Kingdom and the Netherlands. The acquisition was implemented by Tata Steel UK Holdings Limited which is a wholly owned subsidiary of Tata Steel Europe Limited, formerly known as Tulip UK Holdings (No. 1) Limited. In April 2009, Hoogly Metcoke & Power Company Limited, which was earlier a subsidiary of the Company was merged with the Company.

The Equity Shares of the Company were first listed on the BSE in 1937 as per records available with the Company and previously were also listed with the Native Share and Stock Brokers' Association Limited (the predecessor of the BSE). The Company's Equity Shares were listed on the NSE on November 18, 1998. The Company's Equity Shares were delisted from the Calcutta Stock Exchange Association Limited ("**CSE**") with effect from May 30, 2008. 3,867 Global Depository Receipts issued by the Company are listed on the Luxembourg Stock Exchange and 5,753,386 Global Depository Receipts issued by the Company are listed on the London Stock Exchange. Convertible Alternative Reference Securities ("**CARS**") issued by the Company are listed on the Singapore Stock Exchange. The Convertible Bonds issued by the Company are listed on the Singapore Exchange Securities Trading Limited.

The Company has entered into a Brand Equity and Business Promotion Agreement with the Promoter dated December 18, 1998 for the use of the "Tata" name.

The Company is not operating under any injunction or restraining order.

***Milestones achieved by the Company since incorporation are mentioned below:***

| Year | Event |
|---|---|
| 1910 | Tata Steel obtains its first colliery. |
| 1912 | a) First ingot rolls out.<br>b) Bar mills commence operations.<br>c) Introduction of 8 hour working day. |
| 1938 | Introduction of electric process for making steel which was employed for production of high grade iron |

| Year | Event |
|---|---|
| | and steel casting. |
| 1972-1973 | Coal fine washeries were set up for the first time in Jamadoba and West Bokaro. |
| 1980-1996 | Modernisation programme of the Jamshedpur steel works was initiated in four phases during this period. |
| 2000 | a) Cold rolling mill set up at Jamshedpur. The mill was completed in a record time of 26 months.<br>b) Creation of B2B portal called metaljunction.com in collaboration with SAIL and Kalyani Steel. |
| 2001 | World Steel Dynamics ranks Tata Steel as "India's only World-class steel maker". |
| 2003 | a) The Company launches its first branded cold rolled steel product called "Tata Steelium"<br>d) The Company celebrates 75 years of industrial harmony. |
| 2004 | a) The Company's biggest blast furnace completes production of 14 million tones of hot metal which is the highest production achieved by a blast furnace in India in its first campaign.<br>b) The Company files a corporate sustainability report where the Company was rated as India's "Top Reporter" by United Nations Environment Program and Standard and Poor's. |
| 2005 | a) The Company acquires NatSteel Asia in Singapore.<br>b) The Company launches "Steel Junction" which is India's first organized retail store for steel products.<br>c) The Company is ranked as the "World's Best Steel Maker" by World Steel Dynamics. |
| 2006-2007 | a) The Company's steel works at Jamshedpur crosses 5 million tonne mark in crude steel production.<br>b) The Company is ranked again as the "World's Best Steel Maker" by World Steel Dynamics.<br>c) The Company acquires Corus, which makes the Company the sixth largest steel maker in terms of actual crude steel production.<br>d) The Company was conferred the Prime Minister of India's Trophy for the "Best Integrated Steel Plant". |
| 2008-2009 | a) 1.8 mtpa capacity expansion at Jamshedpur becomes operational, bringing total crude steel production capacity to 6.8 mtpa.<br>b) Prime Minister Dr. Manmohan Singh unveiled the centenary postage stamp to commemorate the Company's centenary year.<br>c) The Company was conferred the Best Establishment Award by the President of India.<br>d) The Company was awarded the Demining Application Prize.<br>e) The Company was awarded the TERI Corporate Award for its HIV/ AIDS initiative. |
| 2009-2010 | a) The Company issued Global Depository Receipts worth US$ 500 million.<br>b) The Company was awarded the CSR Excellence Award 2010 by the Associated Chambers of Commerce and Industry.<br>c) The Company was awarded the FE-EVI Green Business Leadership Award in the iron and steel category.<br>d) The Company was awarded "Asia's Best Employer Brand Awards, 2010" for talent management, best human resource strategy in line with business, excellence in training, CEO with human resource orientation and human resource leadership.<br>e) The Company was awarded the Rashtriya Khel Protsahan Puruskar award for outstanding contribution in the field of sports in the category of 'Financial Support for Sports Excellence'. |

**Achievements**

Some of the key achievements/awards received in Financial Year 2010 are as follows:

1. The Company was awarded the 'Economic Times Company of the Year Award'.

2. The Company was conferred the "Indian Most Admired Knowledge Enterprise" award for sustained excellence in field of knowledge management.

3. In 2010, one of the Company's employee was awarded the Prime Minister's Shram awards for years 2005 to 2007.

4. Tubes Division of the Company won the 16th JRD QV Award.

5. Corporate Social Responsibility Excellence Award to the Company by Associated Chambers of Commerce & Industry of India.

**Main Objects of the Company**

The objects *inter alia* as contained in the Company's Memorandum of Association include:

1. To carry on in India and elsewhere the trades or businesses of iron masters, steel makers, steel converters, manufacturers of ferro-manganese, colliery proprietors, coke, manufacturers, miners, smelters, engineers, tin plate makers and iron founders in all their respective branches.

2. To search for, get, work, raise, make merchantable, sell and deal in iron, coal, ironstone, limestone, managenese, ferro manganese, magnesite, clay, fire clay, brick earth, bricks, and other metals, minerals and substances, and to manufacture and sell briquettes and other fuel and generally to undertake and carry on any business, transaction or operation commonly undertaken or carried on by explorers, prospectors, or concessionaires and to search for, win, work, get, calcine, reduce, amalgamate, dress, refine and prepare for the market any quartz and ore and mineral substances, and to buy, sell, manufacture and deal in minerals and mineral products, plant and machinery and other things capable of being used in connection with mining or metallurgical operations or required by the workmen and others employed by the Company.

3. To carry on business as manufacturers of chemicals and manures, distillers, dye makers, gas makers, mettalurgists and mechanical engineers, ship owners and charterers and carriers by land and sea, wharfingers, warehousemen, barge-owners, planters, farmers, and sugar merchants, and so far as may be deemed expedient the business of general merchants, and to carry on any other business whether manufacturing or otherwise, which may seem to the Company capable of being conveniently carried on in connection with the above, or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights.

4. To construct, purchase, take on lease, or otherwise acquire, any railways, tramways, or other ways, and to equip, maintain, work and develop the same by electricity, steam, oil, gas, petroleum, horses, or any other motive power, and to employ the same in the conveyance of passengers, merchandise and goods of every description, and to authorize the Government of India or any Local Government or any municipal or local authority, company, or persons, to use and work the same or any part thereof, and to lease or sell and dispose of the same or any part thereof.

5. To purchase or otherwise acquire or undertake all or any part of the business, property and liabilities of any persons or company carrying on any business which this Company is authorised to carry on, or possessed of property suitable for the purposes of the Company, and to pay for the same by shares, debentures, debenture stock, bonds, cash or otherwise.

6. Generally to acquire by purchase, lease or otherwise, for the purposes of the Company any real or personal property, rights, or privileges, and in particular any land, buildings, rights of way, easements, licenses, concessions and privileges, patents, patent rights, machinery, rolling stock, plant, accessories and stock in trade.

7. To enter into partnership, or into any arrangement for sharing profits, union of interests, cooperation, joint adventure, reciprocal concession or otherwise, with the Government of India, or any Native State in India or elsewhere, or any foreign State or any Local Government or any municipal or local authority, partnership, person, firm or company carrying on or engaged in, or about to carry on or engage in, any business or transaction which the Company is authorised to carry on or engage in or any business or transaction capable of being conducted so as directly or indirectly to benefit this Company; and to lend money to, guarantee the contracts of, or otherwise assist any such authority, person or company, and to take or otherwise acquire and hold shares or stock in or securities of, and to subsidize or otherwise assist, any such company, authority, partnership, firm or person, and to sell, hold, reissue with or without guarantee or

otherwise deal with such shares, stock or securities.

**Changes in the Memorandum of Association**

During the last ten years, the following changes have been made to the Company's Memorandum of Association:

| Date of Shareholders approval | Changes |
|---|---|
| July 29, 1999 | Increase in the authorized capital of the Company from Rs. 4,400 million to Rs. 6,900 million by creation of 25,000,000 Cumulative Redeemable Preference Shares of Rs. 10 each. Consequentially, Clauses 5 and 6 of the Memorandum of Association were altered.<br><br>Deletion of Clause 7. Clause 7 provided the rights to be attached to Equity Shares, Preference Shares and Deferred Shares. |
| July 22, 2004 | Increase in the authorized capital of the Company from Rs. 6,900 million to Rs. 8,500 million by creation of 160,000,000 Equity Shares of Rs. 10 each. Consequentially, Clauses 5 and 6 of the Memorandum of Association were altered. |
| July 27, 2005 | Name changed from 'The Tata Iron and Steel Company Limited' to 'Tata Steel Limited' and wherever the name occurred in the Memorandum of Association, the same name was replaced with the new name of the Company. |
| July 5, 2006 | Increase in the authorized capital of the Company from Rs. 8,500 million to Rs. 20,000 million by creation of 1,150,000,000 Equity Shares of Rs. 10 each.<br><br>Consequentially, Clause 5 of the Memorandum of Association was altered.<br><br>Deletion of Clause 6. Clause 6 divided the capital into 350,000 Equity Shares of Rs. 75 each, 50,000 Preference Shares of Rs. 150 each and 48,750 Deferred Shares of Rs. 30 each. |
| August 29, 2007 | Increase in the authorised capital of the Company from Rs. 20,000 million to Rs. 80,000 million by creation of 600,000,000 CCPS of Rs. 100 each. Clause 5 of the Memorandum of Association was altered. |
| December 22, 2010 | Increase in the authorised capital of the Company from Rs. 80,000 million to Rs. 83,500 million by the creation of 350,000,000 'A' Ordinary Shares of Rs.10 each. Clause 5 of the Memorandum of Association was altered. |

**Holding Company**

The Company does not have a holding company.

# SUBSIDIARIES

## A. Indian Subsidiaries:

The Company has the following subsidiaries which are incorporated in India as of the date of this Red Herring Prospectus:

1. Adityapur Toll Bridge Company Limited
2. Centennial Steel Company Limited
3. Corus India Private Limited
4. Gopalpur Special Economic Zone Limited
5. Haldia Water Management Limited
6. Indian Steel and Wire Products Limited
7. Jamshedpur Utilities and Services Company Limited
8. Kalimati Investment Company Limited
9. Naba Diganta Water Management Limited
10. SEZ Adityapur Limited
11. T S Alloys Limited
12. Tata Korf Engineering Services Limited
13. Tata Metaliks Kubota Pipes Limited
14. Tata Metaliks Limited
15. Tata Refractories Limited
16. Tata Steel International (India) Limited
17. Tata Steel Processing and Distribution Limited
18. Tayo Rolls Limited
19. The Tata Pigments Limited
20. TKM Global Logistics Limited
21. TM Harbour Services Private Limited
22. TM International Logistics Limited

**<u>Details of Indian Subsidiaries:</u>**

### 1. Adityapur Toll Bridge Company Limited

***Corporate Information*:**

Adityapur Toll Bridge Company Limited ("**Adityapur Toll Bridge**") was incorporated under the Companies Act on March 19, 1996 in Jamshedpur. Adityapur Toll Bridge is engaged in the business of designing and constructing toll bridges.

***Capital Structure and Shareholding Pattern:***

The authorised share capital of Adityapur Toll Bridge is Rs. 210 million divided into 21,000,000 equity shares of face value Rs. 10 each.

The shareholding pattern of Adityapur Toll Bridge is as follows:

| S. No. | Name of the shareholder | No. of equity shares | Percentage of total equity holding (%) |
|---|---|---|---|
| 1. | Tata Steel Limited | 15,000,000 | 73.62 |
| 2. | Adityapur Industrial Area Development Authority | 5,055,000 | 24.81 |
| 3. | Tata Motors Limited | 181,800 | 0.89 |
| 4. | Usha Martin Industries Limited | 100,000 | 0.49 |
| 5. | Ashiana Housing Private Limited | 20,000 | 0.10 |

| S. No. | Name of the shareholder | No. of equity shares | Percentage of total equity holding (%) |
|---|---|---|---|
| 6. | Sanderson Industries Limited | 6,810 | 0.03 |
| 7. | Tayo Rolls Limited | 5,000 | 0.02 |
| 8. | Adityapur Small Industries Association | 5,000 | 0.02 |
| 9. | Singhbhum Chamber of Commerce & Industries | 5,000 | 0.02 |
| 10. | Others (individuals) | 7 | Nil |
| | **Total** | **20,378,617** | **100** |

2. **Centennial Steel Company Limited**

***Corporate Information*:**

Centennial Steel Company Limited ("**Centennial Steel**") was incorporated under the Companies Act on August 19, 2009 in Mumbai. Centennial Steel is engaged in the setting up of the Company's 2.9 mtpa project at Jamshedpur.

***Capital Structure and Shareholding Pattern:***

The authorised share capital of Centennial Steel is Rs. 25,000 million divided into 2,500,000,000 equity shares of face value Rs. 10 each.

Centennial Steel is a wholly owned direct subsidiary of the Company.

3. **Corus India Private Limited**

***Corporate Information*:**

Corus India Private Limited was incorporated on June 7, 1960 in India with the name Tata-Johnson Private Limited. Its name was changed to Corus India Limited in 2000 and it was converted from Corus India Limited to Corus India Private Limited in 2009. The main business activities includes providing total solutions for the external envelope of the building encompassing roofs, façades, metal roofing cladding systems, aluminium and steel goods and all necessary accessories.

***Capital Structure and Shareholding Pattern:***

The authorised share capital of Corus India Private Limited is Rs. 250 million divided into 250,000 equity shares of face value of Rs. 1,000 each.

| S. No. | Name of the Shareholder | No. of Equity Shares | Percentage of total equity holding (%) |
|---|---|---|---|
| 1. | British Steel Nederland International BV* | 54,599 | 99.9981 |
| 2. | Sankar Ghosh | 1 | 0.0018 |
| | **Total** | **54,600** | **100** |

* British Steel Nederland International BV is an overseas subsidiary of the Company.

4. **Gopalpur Special Economic Zone Limited**

***Corporate Information*:**

Gopalpur Special Economic Zone Limited ("**Gopalpur SEZ**") was incorporated under the Companies Act on October 11, 2006 in Bhubaneshwar, Orissa. Gopalpur SEZ is engaged in the business of developing a multi product Special Economic Zone at Gopalpur, Orissa.

*Capital Structure and Shareholding Pattern:*

The authorised share capital of Gopalpur SEZ is Rs. 250 million divided into 25,000,000 equity shares of face value Rs. 10 each.

Gopalpur SEZ is a wholly owned direct subsidiary of the Company.

**5. Haldia Water Management Limited**

***Corporate Information*:**

Haldia Water Management Limited ("**Haldia Water**") was incorporated under the Companies Act on June 12, 2008 in Kolkata. Haldia Water is engaged in the business of water distribution at Haldia.

*Capital Structure and Shareholding Pattern:*

The authorised share capital of Haldia Water is Rs. 300 million divided into 30,000,000 equity shares of face value Rs. 10 each.

The shareholding pattern of Haldia Water is as follows:

| S. No. | Name of the shareholder | No. of equity shares | Percentage of total equity holding (%) |
|---|---|---|---|
| 1. | Jamshedpur Utilities and Services Company Limited* | 10,353,060 | 60 |
| 2. | Ranhill Utilities SDN Berhad | 6,902,040 | 40 |
| | **Total** | **17,255,100** | **100** |

*Jamshedpur Utilities and Services Company Limited is a wholly owned direct subsidiary of the Company.

**6. Indian Steel and Wire Products Limited**

***Corporate Information*:**

Indian Steel and Wire Products Limited ("**Indian Steel**") was incorporated under the Indian Companies Act, 1913 on December 2, 1935 in Kolkata. Indian Steel is engaged in the business of manufacture of steel rolls and wire drawing.

*Capital Structure and Shareholding Pattern:*

The authorised share capital of Indian Steel is Rs. 70 million divided into 7,000,000 equity shares of face value Rs. 10 each.

The shareholding pattern of Indian Steel is as follows:

| S. No. | Name of the shareholder | No. of equity shares | Percentage of total equity holding (%) |
|---|---|---|---|
| 1. | Tata Steel Limited | 5,474,030 | 91.36 |
| 2. | ***Financial Institutions*** | | |
| | LIC of India | 98,971 | 1.65 |
| | UTI | 27,709 | 0.46 |
| | New India Assurance Company Limited | 28,200 | 0.47 |
| | Oriental Insurance Company Limited | 3,124 | 0.05 |
| | Others | 22,035 | 0.37 |

| S. No. | Name of the shareholder | No. of equity shares | Percentage of total equity holding (%) |
|---|---|---|---|
| 3. | ***Foreign Financial Institutions*** | | |
| | Habib Bank, Bangladesh | 10,485 | 0.18 |
| | Others | 1,847 | 0.03 |
| 4. | **Other Bodies Corporate** | | |
| | Indra Singh & Sons Private Limited | 110,870 | 1.85 |
| | Others | 28,589 | 0.48 |
| 5. | Directors | 800 | 0.01 |
| 6. | General Public | 185,236 | 3.09 |
| | **TOTAL** | **5,991,896** | **100.00** |

**7. Jamshedpur Utilities and Services Company Limited**

***Corporate Information*:**

Jamshedpur Utilities and Services Company Limited ("**JUSCO**") was incorporated under the Companies Act on January 25, 2003 in Jamshedpur. JUSCO is engaged in the business of water and waste water management, municipal waste management, power distribution, planning, engineering and construction.

***Capital Structure and Shareholding Pattern:***

The authorised share capital of JUSCO is Rs. 210 million divided into 21,000,000 equity shares of face value Rs. 10 each.

JUSCO is a wholly owned direct subsidiary of the Company.

**8. Kalimati Investment Company Limited**

***Corporate Information*:**

Kalimati Investment Company Limited ("**Kalimati Investment**") was incorporated under the Companies Act on September 15, 1983 in Mumbai. Kalimati Investment is registered as a non-banking financial company with the RBI and is categorised as a systemically important non-deposit taking non-banking financial company. Kalimati Investment is engaged in the business of an investment company.

***Capital Structure and Shareholding Pattern:***

The authorised share capital of Kalimati Investment is Rs. 370 million divided into 16,999,982 equity shares of face value Rs. 10 each, 18 non-cumulative redeemable preference shares of Rs. 10 each and 20,000,000 12% cumulative redeemable preference shares of Rs. 10 each.

Kalimati Investment is a wholly owned direct subsidiary of the Company.

**9. Naba Diganta Water Management Limited**

***Corporate Information*:**

Naba Diganta Water Management Limited ("**Naba Diganta**") was incorporated under the Companies Act on January 9, 2008 in Kolkata. Naba Diganta is engaged in the business of water distribution.

***Capital Structure and Shareholding Pattern:***

The authorised share capital of Naba Diganta is Rs. 185 million divided into 18,500,000 equity shares of face value Rs. 10 each.

The shareholding pattern of Naba Diganta is as follows:

| S. No. | Name of the shareholder | No. of equity shares | Percentage of total equity holding (%) |
|---|---|---|---|
| 1. | Jamshedpur Utilities and Services Company Limited and nominees* | 13,653,000 | 74 |
| 2. | Voltas Limited and nominees | 4,797,000 | 26 |
| | **Total** | **18,450,000** | **100** |

*Jamshedpur Utilities and Services Company Limited is a wholly owned direct subsidiary of the Company.

**10. SEZ Adityapur Limited**

***Corporate Information*:**

SEZ Adityapur Limited ("**SEZ Adityapur**") was incorporated under the Companies Act on October 30, 2006 in Jamshedpur. The main business activities of SEZ Adityapur include carrying on the business of planning, designing, financing, construction, engineering, site development, marketing, administration and operating the special economic zone for automobile, auto components and ancillary industries, on build, operate and transfer basis at Adityapur.

***Capital Structure and Shareholding Pattern:***

The authorised share capital of SEZ Adityapur is Rs. 500,000 divided into 50,000 equity shares of face value Rs. 10 each.

The shareholding pattern of SEZ Adityapur is as follows:

| S. No. | Name of the shareholder | No. of equity shares | Percentage of total equity holding (%) |
|---|---|---|---|
| 1. | Jamshedpur Utilities and Services Company Limited* and nominees | 25,500 | 51 |
| 2. | Gammon Infrastructure Projects Limited and nominees | 19,000 | 38 |
| 3. | Adityapur Industrial Area Development Authority | 5,500 | 11 |
| | **Total** | **50,000** | **100** |

*Jamshedpur Utilities and Services Company Limited is a wholly owned direct subsidiary of the Company.

**11. T S Alloys Limited**

***Corporate Information*:**

Rawmet Ferrous Industries Private Limited was incorporated under the Companies Act on March 29, 2004 in Bhubaneshwar and was converted into a public limited company, Rawmet Ferrous Industries Limited, on January 7, 2008. Subsequently, its name was changed to T S Alloys Limited ("**T S Alloys**") pursuant to a fresh certificate of incorporation dated August 16, 2010. T S Alloys is engaged in the business of manufacturing ferrous alloys.

***Capital Structure and Shareholding Pattern:***

The authorised share capital of T S Alloys is Rs. 650 million divided into 65,000,000 equity shares of face value Rs. 10 each.

T S Alloys is a wholly owned direct subsidiary of the Company.

**12. Tata Korf Engineering Services Limited**

***Corporate Information*:**

Tata Korf Engineering Services Limited ("**Tata Korf**") was incorporated under the Companies Act on October 30, 1985 in Kolkata. Tata Korf is engaged in the business of providing engineering services.

***Capital Structure and Shareholding Pattern:***

The authorised share capital of Tata Korf is Rs. 5 million divided into 500,000 equity shares of face value Rs. 10 each.

The shareholding pattern of Tata Korf is as follows:

| S. No. | Name of the shareholder | No. of equity shares | Percentage of total equity holding (%) |
|---|---|---|---|
| 1. | Tata Steel Limited | 240,390 | 60.0975 |
| 2. | Kalimati Investment Company Limited* | 159,600 | 39.9000 |
| 3. | Mr. Amresh Chandra Sen | 2 | 0.0005 |
| 4. | Mr. Abhijit Kumar Sen | 2 | 0.0005 |
| 5. | Mr. Krishnendu Nandy | 2 | 0.0005 |
| 6. | Mr. Kamlesh Chandra Mehra | 2 | 0.0005 |
| 7. | Mr. Valadi Krishnaswami Lakshmanana | 2 | 0.0005 |
| | **Total** | **400,000** | **100** |

*Kalimati Investment Company Limited is a wholly owned direct subsidiary of the Company.

**13. Tata Metaliks Kubota Pipes Limited**

***Corporate Information*:**

Tata Metaliks Kubota Pipes Limited ("**Tata Kubota**") was incorporated under the Companies Act on October 16, 2007 in Kolkata. Tata Kubota was jointly set up as a joint venture between Tata Metaliks Limited, Kubota Corporation, Japan and Metal One Corporation, Japan. Tata Kubota is engaged in manufacture and sale of ductile iron pipes.

***Capital Structure and Shareholding Pattern:***

The authorised share capital of Tata Kubota is Rs. 2,000 million divided into 200,000,000 equity shares of face value Rs. 10 each.

The shareholding pattern of Tata Kubota is as follows:

| S. No. | Name of the shareholder | No. of equity shares | Percentage of total equity holding (%) |
|---|---|---|---|
| 1. | Tata Metaliks Limited* | 56,100,000 | 51 |
| 2. | Kubota Corporation | 48,400,000 | 44 |
| 3. | Metal One | 5,500,001 | 5 |
| 4. | Mr. Sudhin Mitter | 1 | 0 |
| 5. | Mr. Shamit Sengupta | 1 | 0 |
| 6. | Mr. Subhasis Dey | 1 | 0 |

| S. No. | Name of the shareholder | No. of equity shares | Percentage of total equity holding (%) |
|---|---|---|---|
| 7. | Mr. Vishwanath G Malagi | 1 | 0 |
| 8. | Mr. Naoya Tanaka | 1 | 0 |
| 9. | Mr. Kokichi Uji | 1 | 0 |
| | **Total** | **110,000,007** | **100** |

*Tata Metaliks Limited is a subsidiary of the Company.

**14. Tata Metaliks Limited**

***Corporate Information*:**

Tata Metaliks Limited ("**Tata Metaliks**") was incorporated under the Companies Act on October 10, 1990 in Kolkata as Tata Korf Metals West Bengal Limited. Its name was changed to Tata Metaliks Limited pursuant to a fresh certificate of incorporation dated January 16, 1992. Tata Metaliks is engaged in the business of manufacturing and selling of pig iron.

***Capital Structure and Shareholding Pattern:***

The authorised share capital of Tata Metaliks is Rs. 1,000 million divided into 100,000,000 equity shares of face value Rs. 10 each.

The shareholding pattern of Tata Metaliks is as follows:

| S. No. | Name of the shareholder | No. of equity shares | Percentage of total equity holding (%) |
|---|---|---|---|
| 1. | *Promoters* | | |
| | Tata Steel Limited | 11,799,992 | 46.66 |
| | Kalimati Investment Company Limited* | 854,383 | 3.38 |
| 2. | UTI/Mutual Funds/Banks | 72,961 | 0.29 |
| 3. | Insurance Companies | 591,451 | 2.34 |
| 4. | General Insurance Corporation of India | 326,451 | 1.29 |
| 5. | The Oriental Insurance Company Limited | 265,000 | 1.05 |
| 6. | FIs | 5,685 | 0.023 |
| 7. | FII | 62,339 | 0.247 |
| 8. | State Government (WBIDC) | 250,000 | 0.989 |
| 9. | Others | 11,724,150 | 46.071 |
| 10. | **Total** | **25,288,000** | **100** |

*Kalimati Investment Company Limited is a wholly owned direct subsidiary of the Company.

**15. Tata Refractories Limited**

***Corporate Information*:**

Belpahar Refractories Limited was incorporated under the Companies Act on September 5, 1958 in Belpahar, Orissa and its name was changed to Tata Refractories Limited ("**Tata Refractories**") pursuant to a fresh certificate of incorporation dated March 6, 1986. Tata Refractories is engaged in the business of manufacturing, selling and exporting refractories products.

*Capital Structure and Shareholding Pattern:*

The authorised share capital of Tata Refractories is Rs. 250 million divided into 25,000,000 equity shares of face value Rs. 10 each.

The shareholding pattern of Tata Refractories is as follows:

| S. No. | Name of the shareholder | No. of equity shares | Percentage of total equity holding (%) |
|---|---|---|---|
| 1. | Tata Steel Limited | 14,898,360 | 71.28 |
| 2. | Steel Authority of India Limited | 2,203,150 | 10.54 |
| 3. | Kalimati Investment Company Limited* | 1,290,890 | 6.18 |
| 4. | Life Insurance Corporation of India Limited | 962,500 | 4.61 |
| 5. | Others (106 shareholders) | 1,545,100 | 7.39 |
| | **Total** | **20,900,000** | **100** |

*Kalimati Investment Company Limited is a wholly owned direct subsidiary of the Company.

**16. Tata Steel International (India) Limited**

***Corporate Information*:**

Tata Steel International (India) Limited ("**Tata Steel International**") was incorporated under the Companies Act on March 2, 2005 in Mumbai as Corus International (India) Private Limited and its name was changed to Tata Steel International (India) Limited pursuant to a fresh certificate of incorporation dated December 8, 2010. Tata Steel International is engaged in the business of procuring orders for mills and has set up a dedicated operation for decking lines and stock trading activities.

*Capital Structure and Shareholding Pattern:*

The authorised share capital of Tata Steel International is Rs. 330 million divided into 33,000,000 equity shares of face value Rs. 10 each.

The shareholding pattern of Tata Steel International is as follows:

| S. No. | Name of the shareholder | No. of equity shares | Percentage of total equity holding (%) |
|---|---|---|---|
| 1. | Tata Steel UK Limited* and its nominees | 6,390,697 | 100.00 |
| | **Total** | **6,390,697** | **100** |

Tata Steel UK Limited is an overseas subsidiary of the Company.

**17. Tata Steel Processing and Distribution Limited**

***Corporate Information*:**

Tata Steel Processing and Distribution Limited was incorporated under the Companies Act on April 17, 1997 in Kolkata as Tata Ryerson Limited and its name was changed to Tata Steel Processing and Distribution Limited ("**Tata Steel Processing**") pursuant to a fresh certificate of incorporation dated December 29, 2009. Tata Steel Processing is engaged in the business of steel service centres and processes the Company's steel products.

*Capital Structure and Shareholding Pattern:*

The authorised share capital of Tata Steel Processing is Rs. 750 million divided into 75,000,000 equity shares of face value Rs. 10 each.

Tata Steel Processing is a wholly owned direct subsidiary of the Company.

**18. Tayo Rolls Limited**

***Corporate Information*:**

Tayo Rolls Limited ("**Tayo Rolls**") was incorporated under the Companies Act on February 2, 1968 in Jamshedpur. Tayo Rolls is engaged in the business of manufacturing and supplying cast iron and steel rolls, forged steel rolls, pig iron, ingots and engineering forgings.

***Capital Structure and Shareholding Pattern:***

The authorised share capital of Tayo Rolls is Rs. 150 million divided into 15,000,000 equity shares of face value Rs. 10 each.

The shareholding pattern of Tayo Rolls is as follows:

| S. No. | Name of the shareholder | No. of equity shares | Percentage of total equity holding (%) |
|---|---|---|---|
| 1. | Sojitz Corporation, Japan | 307,341 | 3.00 |
| 2. | Yodogawa Steel Works Limited, Japan | 1,536,704 | 14.98 |
| 3. | Non-resident Indians | 25,842 | 0.25 |
| 4. | Life Insurance Corporation of India Limited | 400 | 0.00 |
| 5. | Nationalised Banks | 850 | 0.00 |
| 6. | National Insurance Company Limited | 50 | 0.00 |
| 7. | Other banks | 100 | 0.00 |
| 8. | Reliance Growth Fund | 150 | 0.00 |
| 9. | Other bodies corporate | 290,509 | 2.83 |
| 10. | Trusts | 200 | 0.00 |
| 11. | Tata Steel Limited | 5,587,372 | 54.45 |
| 12. | Tata Industries Limited | 3,750 | 0.04 |
| 13. | Ewart Investments Limited | 30,200 | 0.29 |
| 14. | Rujuvalika Investments Limited | 47,050 | 0.46 |
| 15. | Others (Public individuals) | 2,430,417 | 23.68 |
| | **Total** | **10,260,935** | **100** |

**19. The Tata Pigments Limited**

***Corporate Information*:**

The Tata Pigments Limited ("**Tata Pigments**") was incorporated under the Companies Act on April 2, 1959 in Jamshedpur. Tata Pigments is engaged in manufacturing of synthetic iron oxide pigments and flooring oxides.

***Capital Structure and Shareholding Pattern:***

The authorised share capital of Tata Pigments is Rs. 10 million divided into 100,000 equity shares of Rs. 100 each.

Tata Pigments is a wholly owned direct subsidiary of the Company.

**20. TKM Global Logistics Limited**

***Corporate Information*:**

TKM Global Logistics Limited ("**TKM Global**") was incorporated under the Companies Act on June 5, 1991 in Kolkata. TKM Global is engaged in the business of freight forwarding activities.

***Capital Structure and Shareholding Pattern:***

The authorised share capital of TKM Global is Rs. 10 million divided into 1,000,000 equity shares of face value Rs. 10 each.

The shareholding pattern of TKM Global is as follows:

| S. No. | Name of the shareholder | No. of equity shares | Percentage of total equity holding (%) |
|---|---|---|---|
| 1. | TM International Logistics Limited* | 1,000,000 | 100 |
| | **Total** | **1,000,000** | **100** |

*TM International Logistics Limited is a direct subsidiary of the Company.

**21. TM Harbour Services Private Limited**

***Corporate Information*:**

TM Harbour Services Private Limited ("**TM Harbour**") was incorporated under the Companies Act on September 2, 2009 in Kolkata. TM Harbour is engaged in owning and operating harbor tugs and providing marine services like pilotage, laying and maintaining buoys, mooring of vessels at berth and mid-stream.

***Capital Structure and Shareholding Pattern:***

The authorised share capital of TM Harbour is Rs. 346,152,930 divided into 34,615,293 equity shares of face value Rs. 10 each.

The shareholding pattern of TM Harbour is as follows:

| S. No. | Name of the shareholder | No. of equity shares | Percentage of total equity holding (%) |
|---|---|---|---|
| 1. | TKM Global GmbH* | 25,679,292 | 74.18 |
| 2. | International Shipping & Logistics FZE* | 8,936,000 | 25.82 |
| 3. | International Shipping & Logistics FZE jointly with TKM Global GmbH | 1 | 0 |
| | **Total** | **34,615,293** | **100** |

*TKM Global GmbH and International Shipping & Logistics FZE are subsidiaries of TM International Logistics Limited, which is a direct subsidiary of the Company.

**22. TM International Logistics Limited**

***Corporate Information*:**

TM International Logistics Limited ("**TM International**") was incorporated under the Companies Act on January 18, 2002 in Kolkata. TM International is engaged in the business of port operations, cargo handling and other related services.

***Capital Structure and Shareholding Pattern:***

The authorised share capital of TM International is Rs. 190 million divided into 19,000,000 equity shares of face value Rs. 10 each.

The shareholding pattern of TM International is as follows:

| S. No. | Name of the shareholder | No. of equity shares | Percentage of total equity holding (%) |
|---|---|---|---|
| 1. | Tata Steel Limited | 9,180,000 | 51 |
| 2. | IQ Martrade Holding and Management Gmbh | 4,140,000 | 23 |
| 3. | NYK Holding (Europe) B.V. | 4,680,000 | 26 |
| | **Total** | **18,000,000** | **100** |

**B. Overseas Subsidiaries:**

The Company has 338 overseas subsidiaries. Tata Steel Europe Limited and its subsidiaries constitute approximately 64% of the annual turnover of the Company on a consolidated basis.

**1. Tata Steel Europe Limited and its subsidiaries:**

Tata Steel Europe Limited was incorporated on October 5, 2006 as Tulip UK Holdings (No. 1) Limited and commenced trading on October 19, 2006. Its name was changed to Tata Steel Europe Limited on November 21, 2008. Tata Steel Europe Limited is the wholly owned subsidiary of the Company.

On April 2, 2007, the Company acquired Corus Group plc, a public limited company registered in England and Wales, which was formed on October 6, 1999 through the merger of British Steel and Koninklijke Hoogovens. The acquisition was implemented by Tata Steel UK Holdings Limited, a wholly owned subsidiary of Tata Steel Europe Limited.

Corus Group plc re-registered as a private limited company, Corus Group Limited, with effect from July 16, 2007.

Tata Steel UK Holdings Limited was incorporated on July 26, 2006 as Tata Steel UK Limited and commenced trading on 19 October 2006. The company name was changed to Tata Steel UK Holdings Limited on November 27, 2010.

Tata Steel Europe Limited is engaged in the production of steel with manufacturing facilities in the United Kingdom and the Netherlands.

*Shareholding Pattern*

The shareholding pattern of Tata Steel Europe Limited is as follows:

| S. No | Name of the Shareholder | No. of Equity Shares | Percentage of total equity holding (%) |
|---|---|---|---|
| 1. | Tata Steel Global Holdings Pte | 3,514,860,999 | 100 |
| | **Total** | **3,514,860,999** | **100** |

Tata Steel Europe Limited has 280 subsidiaries. However, the subsidiaries that contribute to 5% of the annual turnover of Tata Steel Europe Limited are as follows:

**a. Tata Steel UK Limited**

Tata Steel UK Limited was incorporated on July 26, 1988. Tata Steel UK Limited is engaged in steel production, further processing and related activities.

***Capital Structure and Shareholding Pattern:***

The authorised share capital of Tata Steel UK Limited is GBP 2,500 million divided into 5,000,000,000 equity shares of face value 50 pence each.

The shareholding pattern of Tata Steel UK Limited is as follows:

| S. No | Name of the Shareholder | No. of Equity Shares | Percentage of total equity holding (%) |
|---|---|---|---|
| 1 | Corus Group Limited | 4,482,600,612 | 100 |
| | | | |
| | **Total** | 4,482,600,612 | **100** |

**b. Tata Steel IJmuiden BV**

Tata Steel IJmuiden BV was incorporated on June 28, 1972. Tata Steel IJmuiden BV is engaged in steel production, further processing and related activities.

***Capital Structure and Shareholding Pattern:***

The authorised share capital of Tata Steel IJmuiden BV is Euro 226,890,000 divided into 500,000 equity shares of face value Euro 453,778 each.

The shareholding pattern of Tata Steel IJmuiden BV is as follows:

| S. No | Name of the Shareholder | No. of Equity Shares | Percentage of total equity holding (%) |
|---|---|---|---|
| 1 | Tata Steel Nederland Investment BV | 250,000 | 100 |
| | | | |
| | **Total** | **250,000** | **100** |

**Common Pursuits**

Except as disclosed in this Red Herring Prospectus, the subsidiaries of the Company do not have any interest in any venture that is involved in any activities similar to those conducted by the Company.

**Interest of the Subsidiaries in the Company**

None of the subsidiaries of the Company hold any Equity Shares in the Company, except for 671,455 Equity Shares held by Kalimati Investment Company Limited as on September 30, 2010 which were allotted on May 12, 2003 pursuant to an order of the Bombay High Court dated April 3, 2003 pursuant to a scheme of amalgamation of Tata SSL Limited with the Company. Except as stated in the section "***Financial Statements- Related Party Transactions***" beginning on page F-40 of this Red Herring Prospectus, the subsidiaries of the Company do not have any other interest in the Company's business.

# MANAGEMENT

## Board of Directors

The following table sets forth details regarding the Company's Board of Directors as on December 15, 2010:

| Sr. No. | Name, Designation, Address, Occupation, Nationality, Term, Date of Birth and DIN | Age (in years) | Other Directorships |
|---|---|---|---|
| 1. | Mr. Ratan N. Tata<br>Non-Independent, Non-Executive Chairman<br><br>*Address*: 'Bakhtavar',163, Lower Colaba Road Mumbai 400 005<br><br>*Occupation:* Business<br><br>*Nationality:* Indian<br><br>*Term:* Retires by rotation<br><br>*Date of Birth:* December 28, 1937<br><br>*DIN*: 00000001 | 73 | 1. Tata Sons Limited<br>2. Tata Industries Limited<br>3. Tata Motors Limited<br>4. Tata Chemicals Limited<br>5. The Indian Hotels Company Limited<br>6. The Tata Power Company Limited<br>7. Tata Global Beverages Limited<br>8. The Bombay Dyeing & Manufacturing Company Limited<br>9. Tata Consultancy Services Limited<br>10. Tata Teleservices Limited<br>11. Antrix Corporation Limited<br>12. RNT Associates Private Limited<br>13. Tata Technologies (Pte) Ltd., Singapore<br>14. Tata International AG Zug, Switzerland<br>15. Tata AG Zug, Switzerland<br>16. Tata Limited, London, UK<br>17. Tata Incorporated, New York, USA<br>18. Tata Motors European Technical Centre, Plc.<br>19. Fiat S.p.A., Turin, Italy,<br>20. Tata America International Corporation Ltd.<br>21. Alcoa Inc., USA<br>22. JaguarLandRover Limited, UK<br>23. RNT Associates International Pte Ltd. |
| 2. | Mr. B. Muthuraman<br>Non-Independent, Non-Executive Vice Chairman<br><br>*Address*: Flat No. 111A, NCPA Residential Apartments<br>Dorabji Tata Road, Nariman Point<br>Mumbai 400 021<br><br>*Occupation:* Professional<br><br>*Nationality:* Indian<br><br>*Term:* Retires by rotation<br><br>*Date of Birth:* September 26, 1944 | 66 | 1. Tata International Limited<br>2. Tata Industries Limited<br>3. Bosch Limited<br>4. Tata Incorporated, New York<br>5. Tata Steel Europe Limited<br>6. Tulip UK Holdings No.2 Ltd.<br>7. Tulip UK Holdings No.3 Ltd.<br>8. Tata Steel Global Minerals Holdings Pte Ltd. ,Singapore<br>9. Tata Africa Holdings (SA) (Pty) Ltd. |

| Sr. No. | Name, Designation, Address, Occupation, Nationality, Term, Date of Birth and DIN | Age (in years) | Other Directorships |
|---|---|---|---|
| | *DIN*: 00004757 | | |
| 3. | Mr. Nusli N. Wadia<br>Independent, Non-Executive Director<br><br>*Address*: "Beach House" Savarkar Marg<br>Prabhadevi<br>Mumbai 400 025<br><br>*Occupation:* Business<br><br>*Nationality:* Indian<br><br>*Term:* Retires by rotation<br><br>*Date of Birth:* February 15, 1944<br><br>*DIN*: 00015731 | 66 | 1. The Bombay Dyeing & Manufacturing Company Limited<br>2. Gherzi Eastern Limited<br>3. The Bombay Burmah Trading Corpn. Ltd.<br>4. Tata Motors Limited<br>5. Britannia Industries Limited (Britannia Industries Limited has made an application for voluntary delisting from the Calcutta Stock Exchange and the same is pending.)<br>6. Tata Chemicals Limited<br>7. Go Airlines (India) Private Limited<br>8. Britannia Dairy Private Limited<br>9. Leila Lands Sdn. Bhd. (Malaysia)<br>10. Naira Holdings Limitwd (B.V.I.)<br>11. Strategic Food International Co. LLC, Dubai UAE<br>12. Strategic Brand Holdings Co. Ltd., UAE<br>13. Al Sallan Food Industries Co. SAOG, Oman<br>14. Britannia & Associates(Dubai) Private Limited<br>15. Al Fayafi General Tradmg Co.LLC, UAE |
| 4. | Mr. S.M. Palia<br>Independent, Non-Executive Director<br><br>*Address*: 16, Ruchir Bungalows, Vastrapur<br>Beyond Sarathi Hotel<br>Ahmedabad 380 054<br><br>*Occupation:* Professional<br><br>*Nationality:* Indian<br><br>*Term:* Retires by rotation<br><br>*Date of Birth:* April 25, 1938<br><br>*DIN*: 00031145 | 72 | 1. GRUH Finance Limited<br>2. Saline Area Vitalisation Enterprises Limited<br>3. ACC Limited<br>4. Tata Motors Limited.<br>5. Al Champdany Industries Limited<br>6. The Bombay Dyeing & Manufacturing Company Limited |
| 5. | Mr. Suresh Krishna<br>Independent, Non-Executive Director<br><br>*Address*: 79, Poes Garden<br>Chennai 600 086<br><br>*Occupation:* Business | 74 | 1. Sundram Fasteners Limited<br>2. Sundram Clayton Limited<br>3. Sundram Non-Conventional Energy Systems Limited<br>4. Lucas TVS Limited<br>5. T V Sundram Iyengar & Sons Limited |

| Sr. No. | Name, Designation, Address, Occupation, Nationality, Term, Date of Birth and DIN | Age (in years) | Other Directorships |
|---|---|---|---|
| | *Nationality:* Indian<br><br>*Term:* Retires by rotation<br><br>*Date of Birth:* December 24, 1936<br><br>*DIN*: 00046919 | | 6. TVS Sewing Needles Limited<br>7. TVS Logistics Services Ltd.<br>8. Upasana Engineering Limited<br>9. Sundram International Inc. |
| 6. | Mr. Ishaat Hussain<br>Non-Independent, Non-Executive Director<br><br>*Address*: Flat No. 222 “B” Wing, NCPA Residential Apartments, Dorabji Tata Road<br>Nariman Point<br>Mumbai 400 021<br><br>*Occupation:* Professional<br><br>*Nationality:* Indian<br><br>*Term:* Retires by rotation<br><br>*Date of Birth:* September 2, 1947<br><br>*DIN*: 00027891 | 63 | 1. Tata Sons Limited<br>2. Voltas Limited<br>3. Tata Teleservices Limited<br>4. Tata Industries Limited<br>5. Tata AIG General Insurance Co Limited<br>6. Titan Industries Limited<br>7. Tata AIG Life Insurance Co Limited<br>8. Tata Sky Limited<br>9. Tata Refractories Limited<br>10. The Bombay Dyeing & Manufacturing Company Limited<br>11. Tata Capital Limited<br>12. The Bombay Burmah Trading Corporation Limited<br>13. Tata Consultancy Services Limited<br>14. Tata Trustee Company Limited<br>15. Speech & Software Technologies (I) Private Limited<br>16. Tata Inc. USA<br>17. Tata Steel Europe Limited<br>18. Tata International AG, Switzerland<br>19. Tata AG, Switzerland<br>20. Tata Enterprises (Overseas) AG – Switzerland<br>21. Tata Limited, UK |
| 7. | Dr. Jamshed J. Irani<br>Non-Independent, Non-Executive Director<br><br>*Address*: Flat No. 221, “A” Wing, NCPA Residential Apartments, Dorabji Tata Road, Nariman Point<br>Mumbai 400 021.<br><br>*Occupation:* Professional<br><br>*Nationality:* Indian<br><br>*Term:* Retires by rotation<br><br>*Date of Birth:* June 2, 1936<br><br>*DIN*: 00311104 | 74 | 1. Tata Refractories Limited<br>2. TRF Limited<br>3. Tata Motors Limited<br>4. Tata Sons Limited<br>5. Repro India Limited<br>6. BOC India Limited<br>7. Electrosteel Castings Limited<br>8. Kansai Nerolac Paints Limited<br>9. Housing Development Finance Corporation Limited<br>10. Tata Incorporated, New York<br>11. Everronn Education Limited |

| Sr. No. | Name, Designation, Address, Occupation, Nationality, Term, Date of Birth and DIN | Age (in years) | Other Directorships |
|---|---|---|---|
| | | | |
| 8. | Mr. Subodh Bhargava<br>Independent, Non-Executive Director<br><br>*Address*: A-15/1, DLF, Phase-I<br>Gurgaon 122 001<br><br>*Occupation:* Professional<br><br>*Nationality:* Indian<br><br>*Term:* Retires by rotation<br><br>*Date of Birth:* March 30, 1942<br><br>*DIN*: 0035672 | 68 | 1. Tata Communications Limited<br>2. Samtel Colour Limited<br>3. TRF Limited<br>4. Carborundum Universal Limited<br>5. GlaxoSmithKline Consumer Healthcare Limited<br>6. Batliboi Limited<br>7. SRF Limited<br>8. Larsen & Toubro Limited<br>9. Tata Motors Limited<br>10. Viom Networks Limited<br>11. Sun Barne Energy Holdings LLC<br>12. Tata Communication International Pte. Ltd. |
| 9. | Mr. Jacobus Schraven<br>Independent, Non-Executive Director<br><br>*Address*: Nassaulaan 16, 2514 JT<br>Den Haag, The Netherlands<br><br>*Occupation:* Professional<br><br>*Nationality:* Dutch<br><br>*Term:* Retires by rotation<br><br>*Date of Birth:* February 8, 1942<br><br>*DIN*: 01462126 | 68 | 1. Tata Steel Europe Limited, U K<br>2. Tata Steel Nederland B.V.<br>3. BNP Paribas Obam NV<br>4. NV Nuon Energy<br>5. Stork BV |
| 10. | Mr. Andrew Robb<br>Independent, Non - Executive Director<br><br>*Address*: 16, Hillgate Palace<br>London UK W87SJ<br><br>*Occupation:* Professional<br><br>*Nationality:* British<br><br>*Term:* Retires by rotation<br><br>*Date of Birth:* September 2, 1942<br><br>*DIN*: 01911023 | 68 | 1. Tata Steel Europe Limited, U K<br>2. Kesa Electricals Plc<br>3. Paypoint plc<br>4. Pilkington Brothers Superannuation Trustee Limited<br>5. JaguarLandRover Limited<br>6. Laird Plc |
| 11. | Dr.Karl-Ulrich Kohler<br>Non Independent, Non - Executive Director<br><br>*Address*: Adlerhorst 10 | 54 | 1. Tata Steel Europe Limited<br>2. Tata Steel UK Consulting Limited<br>3. Tata Steel Netherland BV<br>4. Friedhelm Loh Group |

| Sr. No. | Name, Designation, Address, Occupation, Nationality, Term, Date of Birth and DIN | Age (in years) | Other Directorships |
|---|---|---|---|
| | Mulheim, Germany<br><br>*Occupation:* Professional<br><br>*Nationality:* German<br><br>*Term:* Retires by rotation<br><br>*Date of Birth:* April 1, 1956<br><br>*DIN*: 03319129 | | 5. Frachtcontar Junge & Co. Gmbh |
| 12. | Mr. H.M. Nerurkar<br>Non-Independent, Executive, Managing Director<br><br>*Address*: 5, C Road, Northern Town<br>Jamshedpur 831 001<br><br>*Occupation:* Professional<br><br>*Nationality:* Indian<br><br>*Term:* October 1, 2009 to October 31, 2013<br><br>*Date of Birth:* October 20, 1948<br><br>*DIN*: 00265887 | 62 | 1. Tata BlueScope Steel Limited<br>2. Centennial Steel Company Limited<br>3. NatSteel Asia Pte Ltd. Singapore<br>4. Tata Steel (Thailand) Public Co. Ltd. Bangkok<br>5. NatSteel Holdings Pte Ltd., Singapore<br>6. Corus Consulting Ltd. UK<br>7. Tata Steel Holdings Pte Limited, Singapore.<br>8. Tata Steel Global Holdings Pte Ltd., Singapore.<br>9. Tata Steel Global Minerals Holdings Pte Ltd., Singapore.<br>10. Tata Steel Global Procurement Co. Pte Ltd., Singapore.<br>11. Proco Issuer Pte Ltd., Singapore |

None of the Directors are related to each other.

**Brief Biographies**

**Mr. Ratan N. Tata** joined the Company as a director in 1977 and was appointed Chairman of the Board in April 1993. He is presently Chairman of Tata Sons Limited, the Promoter of the Company and also the chairman of other major Tata companies including Tata Motors Limited, Tata Power Limited and Tata Chemicals Limited. It is under his leadership that the Company has scaled new heights and established a presence as one of the leading steel conglomerates in the world. Mr. Ratan Tata has a Bachelor's degree in Science in the field of architecture. He specialised with structural engineering from Cornell University in 1962 and he completed the Advanced Management Programme at Harvard Business School in 1975. Mr. Ratan Tata is associated with various organisations in India and abroad. The Government of India honoured Mr. Ratan Tata with its second highest civilian award, the Padma Vibhushan, in 2008. Earlier, in 2000, he had been awarded the Padma Bhushan. He has also been conferred an honorary doctorate in business administration by the Ohio State University, an honorary doctorate in technology by the Asian Institute of Technology, Bangkok, an honorary doctorate in science by the University of Warwick, and an honorary fellowship by the London School of Economics. Mr. Ratan Tata is on the Board of a number of prestigious companies and Government bodies.

**Mr. B. Muthuraman** joined the Company in 1966 as a graduate trainee. On completion of training, he worked in the areas of iron-making and engineering development for ten years and then moved to the marketing and sales division and spent nearly twenty years there, ultimately rising to the position of vice president. Mr B. Muthuraman holds a B.Tech. in Metallurgical Engineering from Indian Institute of Technology Madras. Mr. B. Muthuraman also completed his Masters in Business Administration from XLRI Jamshedpur in 1975 and Advanced Management Programme from Institut Européen d'Administration des Affaires (European Institute for Business Administration, France. He was appointed Executive Director (Special Projects) in August 2000 and played a key role the major diversification projects of the Company during that period. He was appointed Managing Director of the Company on July 22, 2001 and is currently the Company's Vice Chairman. Mr. Muthuraman was conferred the Honorary Fellowship by All India Management Association on September 6, 2007. He was awarded the Tata gold medal from the Indian Institute of Metals in 2002, CEO of the Year Award from the Institute of Materials Management in 2002, National HRD Network Pathfinders Award 2004 in the CEO Category, Business Standard Award, CEO of the year 2005 and CEO with HR Orientation Award in 2005, at the World HRD Congress at Mumbai.

**Mr. Nusli Neville Wadia** joined the Company on August 29, 1979 as a Director. Mr. Wadia is a famous Indian industrialists and is also the chairman of various Indian companies. Mr. Wadia was the chairman of organisations such as the Millowners' Association and the Associated Chambers of Commerce and Industry. Mr. Wadia was appointed to the Prime Minister's Council on Trade and Industry for the years 1998 to 1999 and from 2000 to 2004. Mr. Wadia has a distinct presence in public affairs and has been actively associated with leading charitable institutions. He is also on the Managing Committee of the Nehru Centre, Mumbai.

**Mr. S M Palia** joined the Company in 1988 as a nominee director of IDBI and was appointed as a Director in 1994. He holds a Bachelors degree in Commerce from Mumbai University, and is also a qualified lawyer. He is also a Certified Associate of the Indian Institute of Bankers and is a Development Banker by profession. He was with IDBI Bank from 1964 to 1989 during which period he held various responsible positions including that of an executive director of IDBI Bank. Mr. Palia has also acted as an advisor to Industrial Bank of Yemen, Saana (North Yemen) and Industrial Bank of Sudan, Khartoum (Sudan) under World Bank Assistance Programmes. He was also the managing director of Kerala Industrial and Technical Consultancy Organisation Limited which was set up to provide consultancy services to micro enterprises and small and medium enterprises. Mr. Palia is on the boards of various companies in the industrial and financial service sectors and is also actively involved as a trustee in various NGOs and Trusts.

**Mr. Suresh Krishna** joined the Company as a Director in 1994. Mr. Krishna holds a Bachelor's Degree in Science from Madras Christian College and a Master of Arts (Literature) from the University of Wisconsin. He is the chairman and managing director of Sundram Fasteners Limited. He was the president of the Confederation of Engineering Industry from 1987 to 1988 and the president of the Automotive Component Manufacturers Association of India from 1982 to 1984. Mr. Krishna also served as a director on the central board of the Reserve Bank of India from 2000 to 2006. He served as director of Tata Communications Limited (Formerly Videsh Sanchar Nigam Ltd.) from May 2002 to March 2006 and has been involved in several other public bodies set up by the central and state governments. Mr. Krishna has won numerous awards and honours, including the Sir Jehangir Ghandy Medal for Industrial Peace from XLRI in 1991, Business India Magazine's Businessman of the Year award, 1995, the Qimpro Platinum Standard 1997 for being a role model for quality leadership; the Juran Quality Medal from the Indian Merchants Chamber, Mumbai, the national award for 2000 (for India) from the Asian Productivity Organisation, Japan, the JRD Tata Corporate Leadership Award 2000 from the All India Management Association; and Ernst & Young's Entrepreneur of the Year award for manufacturing for 2001. Mr. Krishna has been conferred with the "Padma Shri" award by the Government of India in 2006.

**Mr. Ishaat Hussain** joined the Company as a Director on July 15, 1999. Mr. Hussain graduated in economics from the University of Delhi. He is a member of the Institute of Chartered Accountants in England and Wales. He has also attended the advanced management programme at the Harvard Business School. Mr. Hussain is the finance director of Tata Sons Limited and has been with the Tata Group for 30 years. Prior to joining the Tata Sons Limited's board in 1999, he held various positions in the Company and was a finance director of the Company for 10 years from 1989. Mr. Hussain is also on the board of Tata Sons Limited and is the chairman of Voltas Limited and Tata Sky Limited. Mr. Hussain has been a member of the Board of Trade of India and is currently a member of SEBI's committees on capital markets. He is also a trustee of the India Foundation of the Arts.

**Dr. Jamshed J. Irani** joined the Company in 1968 and was made Director in 1988. Dr. Irani holds degrees in Bachelor of Science (Geology) from Science College, Nagpur and a Masters of Science (Geology) from the Nagpur University. He also holds a Masters degree in Metallurgy and Ph.D. from the University of Sheffield. Dr. Irani was the Managing Director of the Company from 1992 to 2001. He is also a director of several Tata companies, including Tata Sons Limited and Tata Motors Limited. He was appointed chairman of the Expert Committee set up by the Ministry of Company Affairs, India in December 2004 to advise the Government of India on drafting the new Companies Act. He was conferred an honourary Knighthood by Queen Elizabeth II in 1997 and was awarded the Padma Bhushan in 2007.

**Mr. Subodh Bhargava** joined the Company as a Director in 2006. Mr. Bhargava holds a Bachelor's degree in Mechanical Engineering from the University of Roorkee. Mr. Bhargava was the group chairman and chief executive officer of the Eicher Group of companies and is now the chairman emeritus of the group. He was the president of the Confederation of Indian Industry for the years 1994 and 1995, the president of the Association of Indian Automobile Manufacturers from 1993 to 1994, and the vice president of the Tractor Manufacturers Association from 1991 to 1992. He has held positions with various state governments, including as a member of the Insurance Tariff Advisory Committee and the Economic Development Board of the State of Rajasthan. Mr. Bhargava is currently the chairman of Tata Communications Limited and on the board of a number of companies. He is also the recipient of the first Distinguished Alumnus Award in 2005 by Indian Institute of Technology, Roorkee.

**Mr. Jacobus Schraven:** Mr.Schraven was appointed as an Additional Director of the Company with effect from May 17, 2007. Mr. Schraven was appointed a non-executive director and deputy chairman of Corus Plc. in December 2004. Additionally, in 2005 he was appointed a member and chairman of the supervisory board of Corus Nederland BV. Until June 2005 he was President of the Confederation of The Netherlands Industry and Employers. He was also the chairman of the board of Shell Nederland BV. He is chairman of the supervisory board of Stork B.V. and member of the supervisory board of NUON Energy B.V. and BNP OBAM NV. He is also member of the board of trustees of the Netherlands Blood Institute, the Netherlands Normalisation Institute and the Carnegie Foundation (Peace Palace in The Hague). He is also the chairman of European Issuers, which represents the interests of companies listed on the European stock exchanges. Mr. Schraven is an Officer of the l'Legion d'Honneur (France).

**Mr. Andrew Robb** is a Fellow of the Chartered Institute of Management Accountants and holds a Joint Diploma in Management Accounting. Mr. Robb has been a Non-Executive Independent Director of the Company since November 22, 2007. He joined the board of Corus Group plc**,** and became chairman of the audit committee in August 2003. Following the takeover of Corus by Tata Steel in March 2007, Mr. Robb remained on the Board and, in November 2007, he became a Non-Executive Independent Director of the Company. He is currently the chairman of the board and the audit committee of Tata Steel Europe Limited. Mr. Robb was finance director of the Peninsular and Oriental Steam Navigation Co, between 1983 and 1989 and then became finance director of Pilkington Group PLC from 1989 to 2001. Mr. Robb remained a director of Pilkington until January 28, 2003. He has been chairman of the board of Tata Steel Europe Limited since March 2009 and its independent director since August 1, 2003.

**Dr. Karl-Ulrich Kohler** was appointed as a Director of the Company with effect from November 12, 2010. He studied metallurgy at Clausthal University of Technology, where he gained his doctorate in 1988. Mr. Kohler. has been chief executive officer and managing director of Tata Steel Europe Limited since October 1, 2010. He was appointed chief operating officer of Tata Steel Europe Limited in February 2010. In 2005, he was awarded an honorary professorship in flat steel product technology by Freiberg University. Dr. Kohler is a former member of the executive committee of the World Steel Association and vice chairman of VDEh, the German Iron and Steel Institute. He has worked during his 30-year steel industry career at the companies that today comprise ThyssenKrupp Steel, where he was chairman of the executive board and a member of the executive board of the parent company, ThyssenKrupp AG. Until October 2009, he was president of Eurofer, the European steelmaking federation. He has knowledge and experience of steelmaking in Europe, as well as of the European steel supply chain and customer base. Dr. Kohler is based at IJmuiden in the Netherlands.

**Mr. H.M. Nerurkar** joined the Company on February 1, 1982 and has held various positions including Chief Metallurgist, Senior Divisional Manager (LD-1), Deputy General Manager (Steel and Primary Mills), General Manager (Marketing), Senior General Manager (Supply Chain) and Chief Operating Officer. Mr. Nerurkar holds degree in Bachelor of Technology in metallurgical engineering from the College of Engineering, Pune University. He is associated with several professional organisations, such as Indian Institute of Metals, Institute for Steel Development and Growth and All India Management Association, amongst others. His experience ranges from project execution, manufacturing and quality control to supply chain and marketing. He became the Vice President

(Flat Products) in November 2002 and in September 2007 was appointed Chief Operating Officer. During his career, Mr. Nerurkar has been conferred with several prestigious awards such as the 'Tata Gold Medal 2004', 'SMS Demag Excellence Award 2002', 'Steel 80's Award – 1990', 'SAIL Gold Medal – 1989', 'Visveswaraya Award – 1988' and 'NMD Award 1987'.

**Terms of appointment of the Managing Director are as follows:**

**1. Mr. H.M. Nerurkar, Managing Director**

Mr. H.M. Nerurkar was appointed as the Whole-time Director of the Company with effect from April 9, 2009. At the AGM held on August 13, 2010, the shareholders of the Company approved the appointment and terms of remuneration of Mr. H.M. Nerurkar as the Managing Director of the Company for a period commencing from October 1, 2009 to October 31, 2013.

The terms and conditions of his appointment were determined through a contract dated March 29, 2010 between Mr. H.M. Nerurkar and the Company. The brief details of which are as follows:

**A. Salary:**

Mr. H.M. Nerurkar received a salary of Rs. 7.10 million for Financial Year 2010. This includes his salary as Executive Director with effect from April 9, 2009 to September 30, 2009 and Managing Director with effect from October 1, 2009.

**B. Perquisites:**

In addition to the salary, Mr. H.M. Nerurkar is entitled to certain perquisites including residential accommodation, car, leave travel concession, medical allowance, contribution to provident fund, superannuation fund and gratuity as per the rules of the Company. Mr. H.M. Nerurkar received perquisites of Rs. 3.02 million for Financial Year 2010 in his capacity as Executive Director with effect from April 9, 2009 to September 30, 2009 and as Managing Director with effect from October 1, 2009.

**C. Commission:**

Mr. H.M. Nerurkar is entitled to remuneration by way of commission, in addition to salary, perquisites and allowances payable. Mr. H.M. Nerurkar received a commission of Rs. 20.0 million for Financial Year 2010.

**Notes:**

1. The aggregate of the salary, special pay, allowances and perquisites in any financial year shall be subject to the limits prescribed from time to time under sections 198, 309 and other applicable provisions of the Companies Act read with Schedule XIII to the Companies Act as may for the time being, be in force, or otherwise as may be permissible at law.

2. Where in any Financial Year comprised by the period of appointment, the Company has no profits or its profits are inadequate, the foregoing amount of remuneration and benefits shall be paid or given to the Whole time Director in accordance with the applicable provisions of Schedule XIII of the Companies Act and subject to the approval of the central government, wherever required.

3. The Managing Director of the Company is not subject to retirement by rotation. No sitting fees are paid to the Managing Director.

**Borrowing Powers of the Board**

The Company has resolved by way of a resolution dated August 28, 2008 passed at the AGM, that pursuant to the provisions of Section 293(1)(d) of the Companies Act the Board is authorised to borrow moneys (apart from temporary loans obtained from the bankers of the Company in ordinary course of business) from banks, financial institutions, NBFCs etc., from time to time, for the purpose of Company's business in excess of the aggregate of the paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) provided that the total amount of such borrowings together with the amounts already borrowed and outstanding shall not exceed Rs. 400,000 million.

**Compensation of the Directors**

The following tables set forth all compensation paid by the Company to the Directors for Financial Year 2010.

**A. Non-Executive Directors**

The Non-Executive Directors ("**NEDs**") are paid remuneration by way of commission and sitting fees. In terms of the shareholders' approval obtained at the AGM held on July 5, 2010, it was decided that commission shall be paid at a rate not exceeding 1% per annum of the profits of the Company computed in accordance with Section 309(5) of the Companies Act. The commission is distributed on the basis of the attendance and contribution at the Board and certain committee meetings as well as time spent on operational matters other than at the meetings.

The Company pays sitting fees of Rs. 20,000 per meeting to the NEDs for attending the meetings of the Board, Executive Committee of the Board, Audit Committee, Remuneration Committee, Nomination Committee, Safety, Health and Environment Committee and other committees constituted by the Board from time to time. For meetings of Investor's Grievance Committee and Ethics and Compliance Committee, the Company pays to the NEDs sitting fees of Rs. 5,000 per meeting.

The following tables set forth all compensation paid by the Company to the NEDs for Financial Year 2010.

| Name of Director | Sitting Fees | |
|---|---|---|
| | Board/Committee Meetings Attended | Amount (Rs. million) |
| Mr. Ratan N. Tata | 17 | 0.34 |
| Mr. B. Muthuraman | 21 | 0.18[1] |
| Mr. James Leng | 1 | 0.02 |
| Mr. Nusli N. Wadia | 13 | 0.26 |
| Mr. S.M. Palia | 31 | 0.62 |
| Mr. Suresh Krishna | 9 | 0.15 |
| Mr. Ishaat Hussain | 29 | 0.55 |
| Dr. Jamshed J. Irani | 16 | 0.32 [2] |
| Mr. Subodh Bhargava | 17 | 0.34 |
| Mr. Jacobus Schraven | 11 | 0.22 |
| Mr. Andrew Robb | 21 | 0.42 |
| Mr. Kirby Adams[3] | 17 | 0.34 |
| Mr. Philippe Varin[4] | 2 | 0.40 |
| Dr. Karl-Ulrich Kohler[5] | - | - |

[1]Excluding retirement benefits of Rs. 31.90 million paid to Mr. B. Muthuraman
[2]Excluding retirement benefits of Rs. 3.63 million paid to Dr. J. J. Irani.
[3] Mr. Kirby Adams resigned from the Board on September 30, 2010.
[4] Mr. Philippe Varin resigned from the Board on May 27, 2009.
[5] Dr. Karl-Ulrich Kohler was appointed as a Director with effect from November 12, 2010.

Further, based on the recommendation of the Remuneration Committee, the Board decided that no commission be paid to the Non-Executive Directors of the Company for Financial Year 2010.

**B. Executive Director**

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and commission (variable component) to Managing Director. Salary is paid within the range approved by the shareholders. Annual increments effective from April 1, each year, as recommended by the Remuneration Committee are approved by the Board. The ceiling on perquisites and allowances as a percentage of salary is fixed by the Board. Within the prescribed ceiling, the perquisites package is approved by the Remuneration Committee. The commission is calculated with reference to the net profits of the Company in a particular Financial Year and is determined by the Board of Directors at the end of the Financial Year based on the recommendations of the Remuneration Committee, subject to overall ceilings in accordance with Sections 198 and 309 of the Companies Act. The specific amount payable to such Directors is based on the performance criteria laid down by the Board which broadly takes into account the profits earned by the Company for the year.

The following tables set forth all compensation paid by the Company to the Managing Director and Whole-time Directors for Financial Year 2010:

| Name of Director | Salary (Rs. million) | Perquisites and Allowances (Rs. million) | Commission (Rs. million) | Total (Rs. million) |
|---|---|---|---|---|
| Mr. B. Muthuraman * | 6.34 | 3.75 | 30.0 | 40.09 |
| Mr. H.M. Nerurkar ** | 7.10 | 3.02 | 20.0 | 30.12 |

* Managing Director till September 30, 2009

** Executive Director with effect from April 9, 2009 to September 30, 2009 and Managing Director with effect from October 1, 2009

**Shareholding of the Directors in the Company**

The following table details the shareholding of the Directors in their personal capacity and either as sole or first or joint holder, as at the date of this Red Herring Prospectus:

| Name of Directors | Number of Equity Shares |
|---|---|
| Mr. Ratan N. Tata | 24,821 |
| Mr. B. Muthuraman | 5,490 |
| Mr. H.M. Nerurkar | 592 |
| Mr. S.M. Palia | 3,208 |
| Mr. Ishaat Hussain | 2,216 |
| Dr. Jamshed J. Irani | 8,070 |
| Mr. Subodh Bhargava | 1,012 |

**Changes in the Board of Directors during the last three years**

| Name | Date of Appointment | Date of Cessation | Reason |
|---|---|---|---|
| Mr. Andrew Robb | November 22, 2007 | - | Appointed |
| Mr. James Leng | May 17, 2007 | July 07, 2009 | Resigned |
| Mr. Philippe Varin | May 17, 2007 | May 27, 2009 | Resigned |
| Dr. Anthony Hayward | May 17, 2007 | September 18, 2009 | Resigned |
| Mr. Kirby Adams | April 9, 2009 | September 30, 2010 | Resigned |
| Mr. H.M. Nerurkar | April 9, 2009 | - | Appointed |
| Dr. Karl-Ulrich Kohler | November 12, 2010 | - | Appointed |

**Interest of Directors**

All of the Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board of Directors or a Committee thereof as well as to the extent of other remuneration, commission and reimbursement of expenses payable to them under the Articles, and to the extent of remuneration paid to them for services rendered as an officer or employee of the Company.

The Directors may also be regarded as interested in the Equity Shares, if any, held by them or their dependants and relatives or that may be subscribed by or allotted to the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Issue. All of the Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

The Directors have no interest in any property acquired by the Company within two years from the date of this Red Herring Prospectus.

Except as stated otherwise in this Red Herring Prospectus, the Company has not entered into any contract, agreement or arrangement during the preceding two years from the date of this Red Herring Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them. Except as stated otherwise in this Red Herring Prospectus, the Company's Directors have not taken any loan from the Company.

Except as stated in the section "***Financial Statements - Related Party Transactions***" beginning on page F-84 of this Red Herring Prospectus and described herein and to the extent of shareholding in the Company, if any, the Directors do not have any other interest in the business of the Company.

**Corporate Governance**

The Company has complied with SEBI Regulations and the Listing Agreement in respect of corporate governance including with respect to constituting the various committees of the Board. The Company has a non-executive Chairman and the number of Independent Directors is 50% of the total number of Directors. The Company has 12 Directors on its Board, of which 6 Directors are independent. The number of Non-Executive Directors ("**NEDs**") is more than 50% of the total number of Directors. The Company is in compliance with the Clause 49 of the Listing Agreement pertaining to compositions of directors. None of the Directors on the Board is a member on more than 10 committees and chairman of more than five committees across all the companies in which he is a director, as specified in Clause 49 of the Listing Agreement.

There are three Board level committees in the Company, which have been constituted and function in accordance with the relevant provisions of the Companies Act and the Listing Agreement. These are (i) Audit Committee, (ii) Investors' Grievance Committee and (iii) Remuneration Committee. The Company has also constituted five other Board level committees, namely, (i) Executive Committee of the Board, (ii) Nomination Committee, (iii) Committee of Directors, (iv) Safety, Health and Environment Committee and (v) Ethics and Compliance Committee. A brief on each Committee, its scope and its composition is given below:

**The Audit Committee**

The Audit Committee consists of:

i. Mr. Subodh Bhargava, Chairman (Independent, Non-Executive Director)
ii. Mr. S.M. Palia, (Independent, Non-Executive Director)
iii. Mr. Ishaat Hussain (Non-Independent, Non-Executive Director)
iv. Mr. Andrew Robb, (Independent, Non-Executive Director)

The Company established the Audit Committee in 1986. The Audit Committee is responsible for reviewing the Company's compliance with internal control systems; reviewing the findings of the internal auditor relating to various functions of the Company; holding periodic discussions with the statutory auditors and the internal auditors of the Company concerning the accounts of the Company, internal control systems; the scope of audit and observations of the independent auditors and internal auditors; reviewing the quarterly, half-yearly and annual financial results of the Company before submission to the Board of Directors; and making recommendations to the Board of Directors on any matter relating to the financial management of the Company, including audit reports, the appointment of auditors and the remuneration of the auditors.

The Audit Committee met eight times in Financial Year 2010.

**The Remuneration Committee**

The Remuneration Committee consists of:

i. Mr. Suresh Krishna, Chairman (Independent, Non-Executive Director)
ii. Mr. Ratan Tata (Non-Independent, Non-Executive Chairman)
iii. Mr. S.M. Palia (Independent, Non-Executive Director)

The Company established a Remuneration Committee in 1993. The Remuneration Committee is responsible for reviewing the performance of the Managing Director and the full-time Directors, after considering the Company's performance; recommending to the Board of Directors the remuneration, including salary, perquisites and commission, to be paid to them; and recommending to the Board of Directors retirement benefits to be paid to the Managing Director and the full-time Directors under the Retirement Benefit Guidelines adopted by the Board of Directors. The Remuneration Committee also functions as the Compensation Committee as per the SEBI guidelines on employees' stock option schemes.

The Committee met thrice in Financial Year 2010.

**The Shareholders' Committee**

The Shareholders' Committee or the Investors' Grievance Committee consists of:

i. Mr. Ishaat Hussain, Chairman (Non-Independent, Non-Executive Director)
ii. Mr. Suresh Krishna (Independent, Non-Executive Director)

The Committee was constituted to look into the redressal of grievances of investors like non receipt of share certificates, non-receipt of balance sheet, non-receipt of dividend warrants etc. During the period from April 1, 2009 to March 31, 2010, the Company received 1,492 complaints from shareholders and regulatory authorities etc. As of March 31, 2010, six complaints were pending.

The Committee met once in Financial Year 2010.

**Employee Stock Options Scheme**

The Company has not issued any Equity Shares or granted any options under any scheme of employees stock option or employees stock purchase.

**Management Organisation Structure**

The Company's management organisation structure is as follows:

In addition to Mr. H.M. Nerurkar, Managing Director and Dr. Karl-Ulrich Kohler, Managing Director and Chief Executive Officer of Tata Steel Europe Limited ("**TSE**"), the Company's key managerial personnel are as follows:

***Group Corporate Functions***

- Koushik Chatterjee, *Group Chief Financial Officer*
- Jean-Sébastien Jacques, *Group Director(Strategy)*

- Manzer Hussain, *Group Director (Communications)*
- Kees Gerretse, *Group Director(Procurement and Transport)*
- Avneesh Gupta, *Group Director(Total Quality Management)*
- Dr. Debashish Bhattacharjee, *Director (Research, Development and Technology)*
- Andrew Page, *Director(Health and Safety)*
- Dr. Paul Brooks, *Director (Environment)*
- Shreekant Mokashi, *Chief (Group Information Services)*

***Senior Management:***

- Uday Chaturvedi, *Chief Technology Officer, TSE*
- Anand Sen, *Vice President, (Total Quality Management and Shared Services)*
- Frank Royle, *Director (Finance), TSE*
- Abanindra M. Misra, *Vice President (Coke, Sinter and Iron, and IR)*
- Theo Henrar, *Director Sales and Marketing Mainland Europe, TSE*
- Varun Jha, *Vice President (Engineering and Chhattisgarh Project)*
- Tor Farquhar, *Director, (Human Resource) TSE*
- Adriaan Vollebergh, *Director Sales and Marketing UK & Ireland and International, TSE*
- Partha Sengupta, *Vice President, (Raw Materials)*
- Hridayeshwar Jha, *Vice President, (Orissa Project)*
- Alastair Aitken, *Director Supply Chain, TSE*
- N.K. Misra, *Group Head, (Mergers and Acquisitions)*
- Dook van den Boer, *Director Strip Products Mainland Europe Hub, TSE*
- Sanjeev Paul, *Vice President, (Corporate Services)*
- Jon Bolton, *Director Long Products EU Hub, TSE*
- T.V. Narendran, *Vice President, (Safety and Flat Products)*
- Rod Jones, *Director, (Corus Consulting) T*SE
- Bimlendra Jha, *Vice President, (Long Products)*
- V.S.N. Murty, *Chief Financial Controller, (Corporate)*
- Laptawee Senavonge, *President, Tata Steel Thailand*
- Vivek Kamra, *President and Chief Executive Officer, NatSteel Holdings*
- Sandip Biswas, *Group Head (Corporate Finance, Treasury and Investor Relations)*
- Lim Say Yan, *Group Head (Corporate Assurance and Risk Management)*
- A. Anjeneyan, *Company Secretary and Chief of Compliance*
- Helen Matheson, *Director Legal, TSE*
- Dr. Shaun Doherty, *Executive Officer to the Managing Director and Chief Executive Officer, TSE*
- Arun Misra, *Principal Executive Officer*
- Jon Ferriman, *Director Strip Products UK Hub, TSE*

None of the key management personnel are related to each other.

# THE PROMOTER AND GROUP COMPANIES

The promoter of the Company is Tata Sons Limited ("**Tata Sons**").

**Tata Sons**

CIN: U99999MH1917PLC000478

Tata Sons was incorporated as a private limited company under the Indian Companies Act, 1913 on November 8, 1917. Its registered office is located at Bombay House, 24 Homi Mody Street, Fort, Mumbai 400 001. Tata Sons became a deemed public company with effect from May 1, 1975. Tata Sons is the principal investment and holding company of various Tata companies and has a significant shareholding in the share capital of major operating companies which it has promoted.

Tata Sons is the successor to trading firms promoted by the founder Jamsetjee Tata and was in existence long before the creation of Tata Trusts. Presently about 66% of the ordinary capital of Tata Sons is now held by public philanthropic trusts endowed by members of the Tata family, the two largest shareholder trusts being the Sir Dorabji Tata Trust and the Sir Ratan Tata Trust, both created by the sons of the founder.

In addition to its significant holdings in major operating companies, Tata Sons is the owner of the Tata brand name and the Tata trademarks, which are registered in India and several other countries and are used by most of the Tata companies in relation to their corporate names, products and services.

Amongst its subsidiaries, Tata Consultancy Services Limited ("**TCS**"), Tata Investment Corporation Limited (TICL) and Tata Teleservices (Maharashtra) Limited are listed on the stock exchanges.

Tata Sons also has two operating divisions:

*Tata Financial Services ("***TFS***"):* This division provides financial advisory services related to corporate finance and restructuring, project finance and treasury and portfolio management of operating and investment companies.

*Tata Quality Management Services ("***TQMS***"):* This division is involved in creating awareness of and imparting training in the Tata Business Excellence Model ("**TBEM**") amongst Tata companies. This is done to assist Tata companies to achieve well-defined levels of business excellence using the TBEM framework. The framework encompasses four approaches—Assurance, Assessment, Assistance and Award (the JRD QV Award).

The Company confirms that the permanent account number, bank account numbers and company registration number of Tata Sons and the address of the Registrar of Companies where Tata Sons is registered have been submitted to the BSE and NSE.

***Board of Directors***

The board of directors of Tata Sons as of November 30, 2010 consists of:

| Sr. No. | Name | Designation |
|---|---|---|
| 1. | Mr. Ratan N. Tata | Chairman |
| 2. | Mr. F. K. Kavarana | Director |
| 3. | Dr. J. J. Irani | Director |
| 4. | Mr. R. Gopalakrishnan | Executive Director |
| 5. | Mr. Ishaat Hussain | Finance Director |
| 6. | Mr. R. K. Krishna Kumar | Director |
| 7. | Mr. A. R. Gandhi | Executive Director |
| 8. | Mr. Cyrus P. Mistry | Director |

***Changes in management of Tata Sons in the last three years***

| Name of Director | Change (Appointment/Cessation) | Date of change |
|---|---|---|
| Mr. N.A. Soonawala | Cessation | June 27, 2010 |
| Mr. Syamal Gupta | Cessation | April 15, 2009 |
| Mr. Alan Rosling | Cessation | March 31,2009 |

***Shareholding Pattern of Tata Sons***

The shareholding pattern of Tata Sons as on November 30, 2010 is as follows:

| Name | Shareholding (%) |
|---|---|
| Charitable Trusts | 65.89 |
| Tata Companies | 12.86 |
| Other Companies | 18.40 |
| Directors | 0.83 |
| Individuals | 2.02 |
| **Total** | **100.00** |

The equity shares of Tata Sons are not listed on any stock exchange.

There have been no overdue/defaults to any banks/financial institutions by Tata Sons.

***Financial Performance***

The summary audited financial statements for the last three years are as follows:

*(in Rs. million, except per share data)*

| | As of and for the Financial Year ended March 31 | | |
|---|---|---|---|
| | **2010** | **2009** | **2008** |
| Total Income | 28,056.8 | 41,240.1 | 44,766.7 |
| Profit after tax (PAT) | 16,210.9 | 30,535.7 | 37,798.0 |
| Equity capital (par value Rs. 1,000 per share) | 404.1 | 404.1 | 404.1 |
| Reserves and Surplus | 189,250.0 | 180,428.2 | 155,243.3 |
| Earnings per share (EPS) (Rs.) | 32,324.00 | 69,319.00 | 91,155.00 |
| Net asset value per equity share (Rs.) | 469,271.00 | 447,443.00 | 385,124.00 |

***Interests of Tata Sons in the Company and Common Pursuits***

Except as stated in the section "***Financial Statements - Related Party Transactions***" on page F-84 of this Red Herring Prospectus, and to the extent of shareholding and warrants held in the Company, Tata Sons does not have any other interest in the Company's business.

Tata Sons confirms that they have no interest in any property acquired by the Company during the last two years from the date of filing of this Red Herring Prospectus.

Except as disclosed below, none of the Group Companies of Tata Sons holds any Equity Shares, warrants or other convertible instruments in the Company:

| Sr. No | Name of the shareholder | Total Equity Shares held (September 30, 2010) | |
|---|---|---|---|
| | | **Number of Equity Shares** | **Shares as a percentage of total number of shares** |
| 1. | Tata Motors Limited | 4,432,497 | 0.49 |
| 2. | Tata Chemicals Limited | 4,251,977 | 0.47 |
| 3. | Tata Investments Corporation Limited | 3,385,885 | 0.38 |

| Sr. No | Name of the shareholder | Total Equity Shares held (September 30, 2010) | |
|---|---|---|---|
| | | Number of Equity Shares | Shares as a percentage of total number of shares |
| 4. | Ewart Investments Limited | 1,795,142 | 0.20 |
| 5. | Tata AIG Life Insurance Company Limited | 1,550,117 | 0.17 |
| 6. | Tata Industries Limited | 791,675 | 0.09 |
| 7. | Tata AIG General Insurance Company Limited | 15,000 | 0.00 |
| 8. | Tata Capital Limited | 13,500 | 0.00 |
| 9. | Tata Global Beverages Limited | 12,021 | 0.00 |
| 10. | Titan Industries Limited | 2,025 | 0.00 |
| 11. | Niskalp Energy Limited | 1 | 0.00 |

There are no significant explanatory notes in the auditors' report in relation to the financial statements of Tata Sons.

Tata Sons and its directors have not been:

- prohibited from accessing the capital markets under any order or direction passed by the SEBI and no penalty has been imposed at any time by any of the capital market regulators (including the SEBI) or other regulatory authorities or courts/tribunals, inside and outside India;
- subjected to any penalties or disciplinary action or investigation by the SEBI or the stock exchanges, nor has any regulatory authority or court/tribunal (inside and outside India) found any probable cause for enquiry, adjudication, prosecution or other regulatory action;
- refused listing of their equity shares or failed to meet the listing requirements of any stock exchange, in India or abroad; or
- found to be non-compliant with securities law.

None of the companies promoted by Tata Sons have been prohibited from accessing capital markets under any order or direction passed by the SEBI.

***Payment of Benefits to Tata Sons***

Except as stated in the section "***Financial Statements - Related Party Transactions***" on page F-84 of this Red Herring Prospectus, and to the extent of shareholding in the Company, there has been no payment of benefits to Tata Sons during the two years prior to the filing of this Red Herring Prospectus.

**Companies with which Tata Sons has disassociated in the last three years:**

Tata Sons under Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 1997 was disclosed as a promoter of Rallis India Limited. In August 2009, Tata Sons transferred its entire holding in Rallis India Limited to Tata Chemicals Limited and hence ceased to be a promoter.

Tata Sons as a direct promoter has not disassociated itself with any company during the last 3 Financial Year.

**Companies promoted by Tata Sons**

***Direct Subsidiaries of Tata Sons***

The following is a list of the direct subsidiaries of Tata Sons as on December 15, 2010:

| Sr. No. | Name |
|---|---|
| 1. | Advinus Therapeutics Private Limited |
| 2. | Niskalp Energy Limited |
| 3. | Tata Advanced Systems Limited |

| Sr. No. | Name |
|---|---|
| 4. | Tata Asset Management Limited |
| 5. | Tata Autocomp Systems Limited |
| 6. | Tata Business Support Services Limited |
| 7. | Tata Capital Limited |
| 8. | Tata Consultancy Services Limited |
| 9. | Tata Consulting Engineers Limited |
| 10. | Tata Housing Development Company Limited |
| 11. | Tata Industries Limited |
| 12. | Tata International AG, Zug |
| 13. | Tata International Limited |
| 14. | Tata Realty and Infrastructure Limited |
| 15. | Tata Sky Limited |
| 16. | Tata Teleservices Limited |

***Indirect Subsidiaries of Tata Sons***

The following is a list of the indirect subsidiaries of Tata Sons as on December 15, 2010:

| Sr. No. | Name |
|---|---|
| 1. | 21st Century Infra Tele Limited |
| 2. | Acme Living Solutions Private Limited |
| 3. | ACTVE Digital Services Private Limited |
| 4. | Advinus Therapeutics Inc. |
| 5. | Ahinsa Realtors Private Limited |
| 6. | Apex Investments (Mauritius) Holdings Private Limited |
| 7. | APONLINE Limited |
| 8. | Ardent Properties Private Limited |
| 9. | Arrow Infraestate Private Limited |
| 10. | AVANA Integrated Systems Limited |
| 11. | Blackwood Hodge Zimbabwe (Private) Limited |
| 12. | C-Edge Technologies Limited |
| 13. | CMC Americas Inc |
| 14. | CMC Limited |
| 15. | Cometal, S.A.R.L. |
| 16. | Computational Research Laboratories Limited |
| 17. | Concept Marketing and Advertising Limited |
| 18. | Diligenta 2 Limited |
| 19. | Diligenta Limited |
| 20. | e-Nxt Financials Limited |
| 21. | ERI Holdings Corp |
| 22. | Ewart Investment Private Limited |
| 23. | Ewart Investments Limited |
| 24. | Exegenix Research Inc. |
| 25. | Financial Network Services (Beijing) Co. Ltd. |
| 26. | Good Health TPA Services Limited |
| 27. | Graziella Shoes Limited |
| 28. | Gurgaon Construct Well Private Limited |
| 29. | Gurgaon Infratech Private Limited |
| 30. | Gurgaon Realtech Limited |
| 31. | India Emerging Companies Investment Limited |
| 32. | Indian Rotorcraft Limited |
| 33. | Infiniti Retail Limited |
| 34. | Inshaallah Investments Limited |

| Sr. No. | Name |
|---|---|
| 35. | Landscape Structures Private Limited |
| 36. | Light Source Manufacturers Limited |
| 37. | MahaOnline Limited |
| 38. | MGDC S.C. |
| 39. | MMP Mobi Wallet Payment Systems Limited |
| 40. | MP Online Limited |
| 41. | Nanjing Tata Autocomp Systems Limited |
| 42. | Nova Integrated Systems Limited |
| 43. | Pamodzi Hotels Plc |
| 44. | Panatone Finvest Limited |
| 45. | Pioneer Infratech Private Limited |
| 46. | PT Financial Network Services |
| 47. | PT Tata Consultancy Services Indonesia |
| 48. | Smart Value Homes Private Limited |
| 49. | SUPERVALU Services India Private Limited |
| 50. | T Sec Commodities Broking Limited |
| 51. | Taco Composites Limited |
| 52. | TACO Grundstuckverwaltungs GmbH |
| 53. | TACO Holdings (Mauritius) Limited |
| 54. | TACO Kunststoffechnik GmbH |
| 55. | TACO Mobility Telematics Limited |
| 56. | TACO Sasken Automotive Electronics Limited |
| 57. | Tara Aerospace Systems Limited |
| 58. | TASL Aerostructures Private Limited |
| 59. | Tata Advanced Materials Limited |
| 60. | TATA Aerostructures Limited |
| 61. | Tata Africa (Senegal) S.A.R.L. |
| 62. | Tata Africa Holdings (Ghana) Limited |
| 63. | TATA Africa Holdings (Kenya) Limited |
| 64. | Tata Africa Holdings (SA) (Proprietary) Limited |
| 65. | Tata Africa Holdings (Tanzania) Limited |
| 66. | Tata Africa Services (Nigeria) Limited |
| 67. | Tata Africa Steel Processors (Proprietary) Limited |
| 68. | Tata AG, Zug |
| 69. | Tata AIG General Insurance Company Limited |
| 70. | Tata AIG Life Insurance Company Limited |
| 71. | Tata America International Corporation |
| 72. | Tata Asset Management (Mauritius) Private Limited |
| 73. | Tata Automobile Corporation (SA) (Proprietary) Limited |
| 74. | Tata Capital Advisors Pte. Limited |
| 75. | Tata Capital Housing Finance Limited |
| 76. | Tata Capital Markets Limited |
| 77. | Tata Capital Markets Pte. Limited |
| 78. | Tata Capital Plc |
| 79. | Tata Capital Pte. Limited |
| 80. | Tata Consultancy Services (Africa) (PTY) Ltd. |
| 81. | Tata Consultancy Services (China) Co., Ltd. |
| 82. | Tata Consultancy Services (Philippines) Inc. |
| 83. | Tata Consultancy Services (South Africa) (PTY) Ltd. |
| 84. | Tata Consultancy Services (Thailand) Limited |
| 85. | Tata Consultancy Services Argentina S.A. |
| 86. | Tata Consultancy Services Asia Pacific Pte Ltd. |

| Sr. No. | Name |
|---|---|
| 87. | Tata Consultancy Services Belgium SA |
| 88. | Tata Consultancy Services BPO Chile SA |
| 89. | Tata Consultancy Services Canada Inc. |
| 90. | Tata Consultancy Services De Espana S.A. |
| 91. | Tata Consultancy Services De Mexico S.A., De C.V. |
| 92. | Tata Consultancy Services Deutschland GmbH |
| 93. | Tata Consultancy Services Do Brasil Ltda |
| 94. | Tata Consultancy Services France SAS |
| 95. | Tata Consultancy Services Japan Ltd. |
| 96. | Tata Consultancy Services Luxembourg S.A |
| 97. | Tata Consultancy Services Malaysia Sdn Bhd |
| 98. | Tata Consultancy Services Morocco SARL AU |
| 99. | Tata Consultancy Services Netherlands BV |
| 100. | Tata Consultancy Services Portugal Unipessoal Limitada |
| 101. | Tata Consultancy Services Sverige AB |
| 102. | Tata Consultancy Services Switzerland Ltd |
| 103. | Tata De Mocambique, Limitada |
| 104. | Tata Holdings Mocambique, Limitada |
| 105. | Tata Industrial Services Limited |
| 106. | Tata Information Technology (Shanghai) Company Limited |
| 107. | Tata Infrastructure Capital Limited |
| 108. | Tata Interactive Systems AG, Zug, Switzerland |
| 109. | Tata Interactive Systems GmbH, Germany |
| 110. | Tata International (Australia) Proprietary Limited |
| 111. | Tata Internet Services Limited |
| 112. | Tata Investment Corporation Limited |
| 113. | Tata Limited |
| 114. | Tata Namibia (Pty) Limited |
| 115. | Tata Pension Management Limited |
| 116. | Tata Petrodyne Limited |
| 117. | Tata Securities Limited |
| 118. | Tata South-East Asia Limited |
| 119. | Tata Teleservices (Maharashtra) Limited |
| 120. | TATA Toyo Radiator Limited |
| 121. | Tata Trustee Company Limited |
| 122. | Tata Uganda Limited |
| 123. | Tata West Asia FZE |
| 124. | Tata Zambia Limited |
| 125. | Tata Zimbabwe (Private) Limited |
| 126. | TATASOLUTION CENTER S.A |
| 127. | TC Travel and Services Limited |
| 128. | TCE QSTP-LLC |
| 129. | TCS e-Serve America, Inc |
| 130. | TCS e-Serve International Limited |
| 131. | TCS e-Serve Limited |
| 132. | TCS Financial Solutions Australia Holdings Pty Limited |
| 133. | TCS Financial Solutions Australia Pty Limited |
| 134. | TCS FNS Pty. Limited |
| 135. | TCS Iberoamerica SA |
| 136. | TCS Inversiones Chile Limitada |
| 137. | TCS Italia SRL |
| 138. | TCS Management Pty Ltd. |

| Sr. No. | Name |
|---|---|
| 139. | TCS Solution Center S.A. |
| 140. | TCS Uruguay S.A. |
| 141. | TRIF Gandhinagar Projects Private Limited |
| 142. | TRIF Gurgaon Housing Projects Private Limited |
| 143. | TRIF Hyderabad Projects Private Limited |
| 144. | TRIF Infrastructure Private Limited |
| 145. | TRIF Investment Management Limited |
| 146. | TRIF Kolkata Projects Private Limited |
| 147. | TRIF Mega Projects Private Limited |
| 148. | TRIF Property Development Private Limited |
| 149. | TRIF Real Estate and Development Private Limited |
| 150. | TRIF Realty Projects Private Limited |
| 151. | TRIF Structures and Builders Private Limited |
| 152. | TRIF Trivandrum Projects Private Limited |
| 153. | TRIL Constructions Limited |
| 154. | TRIL Developers Limited |
| 155. | TRIL Highway Projects Limited |
| 156. | TRIL Logistics Private Limited |
| 157. | TS Investments Limited |
| 158. | TT Holdings & Services Private Limited |
| 159. | VIOM Networks Limited |
| 160. | WTI Advanced Technology Ltd. |

***Group Companies of Tata Sons***

The following are the Group Companies of Tata Sons as on December 15, 2010:

| Sr. No. | Name |
|---|---|
| 1. | Advinus Therapeutics Private Limited |
| 2. | Computational Research Laboratories Limited |
| 3. | e-NXT Financials Private Limited |
| 4. | Ewart Investments Limited |
| 5. | Ewart Investments Private Limited |
| 6. | Infiniti Retail Limited |
| 7. | Panatone Finvest Limited |
| 8. | Strategic Equipment Supplies Limited |
| 9. | Tata Advanced Systems Limited |
| 10. | Tata AIG General Insurance Company Limited |
| 11. | Tata AIG Life Insurance Company Limited |
| 12. | Tata Asset Management Limited |
| 13. | Tata Business Support Services Limited |
| 14. | Tata Capital Limited |
| 15. | Tata Chemicals Limited |
| 16. | Tata Communications Limited |
| 17. | Tata Consultancy Services Limited |
| 18. | Tata Consulting Engineers Limited |
| 19. | Tata Elxsi Limited |
| 20. | Tata Global Beverages Limited |
| 21. | Tata Housing Development Company Limited |
| 22. | Tata Industries Limited |
| 23. | Tata International AG. Zug |
| 24. | Tata International Limited |
| 25. | Tata Investment Corporation Limited |

| Sr. No. | Name |
|---|---|
| 26. | Tata Limited, London |
| 27. | Tata Motors Limited |
| 28. | Tata Petrodyne Limited |
| 29. | Tata Realty and Infrastructure Limited |
| 30. | Tata Services Limited |
| 31. | Tata Sky Limited |
| 32. | Tata Teleservices (Maharashtra) Limited |
| 33. | Tata Teleservices Limited |
| 34. | Tata Trustee Company Limited |
| 35. | The Indian Hotels Company Limited |
| 36. | The Tata Power Company Limited |
| 37. | Titan Industries Limited |
| 38. | Trent Limited |
| 39. | TS Investments Limited |
| 40. | Voltas Limited |
| 41. | Tata Autocomp Systems Limited |

**Details of the top five Group Companies**

The details of the Company's top five listed Group Companies, in terms of market capitalisation are:

1. **Tata Consultancy Services Limited ("TCS")**

TCS was incorporated as RR Donnelley (India) Private Limited on January 19, 1995 in Mumbai. RR Donnelley and Sons Company ("**RRD**") had through its wholly owned subsidiary RR Donnelley (Mauritius) Holdings Limited ("**RRDM**") invested in 100% of the shares of RR Donnelley (India) Private Limited. The main object of RR Donnelley (India) Private Limited was to invest and hold the paid up capital of Tata Donnelley Limited, subsequently renamed as Tata Infomedia Limited. In June 2000, Tata Sons acquired the entire shareholding of RRDM in RR Donnelley (India) Private Limited, whereby it became a wholly owned subsidiary of Tata Sons. Thereafter, the name of RR Donnelley (India) Private Limited was changed to Orchid Print India Limited on March 19, 2001. At that time, the primary business of Orchid Print India Limited was to hold the equity shares of Tata Infomedia Limited. The name of Orchid Print India Limited was changed to Tata Consultancy Services Limited on December 17, 2002. On December 30, 2003, TCS sold its entire holding in Tata Infomedia Limited.

On August 9, 2004, the Tata Consultancy Services division of Tata Sons Limited was transferred to TCS pursuant to the orders of the Bombay High Court dated May 9, 2003 and April 7, 2004 and in terms of a scheme of arrangement under sections 391-394 of the Companies Act, between Tata Sons, TCS and their respective shareholders and creditors. The transfer was effective from April 1, 2004. The registered office of TCS is at 9$^{th}$ Floor, Nirmal Building, Nariman Point, Mumbai 400 021.

TCS is principally engaged in providing information technology ("**IT"**) and IT enabled services.

***Interest of the Promoter***

Tata Sons Limited holds 1,443,404,398 equity shares of Re. 1 each, aggregating to 73.75% of the issued and paid-up equity share capital of TCS as on September 30, 2010.

Further, Tata Sons has subscribed to 1,000,000,000 redeemable preference shares of Re. 1 each aggregating to Rs. 1,000 million. These preference shares carry a fixed cumulative dividend of one percent per annum and a variable non cumulative dividend of one percent of the difference between the rate of dividend declared during the year on the equity shares of the company and the average rate of dividend declared on the equity shares of the company for three years preceding the year of issue of the redeemable preference shares.

***Financial Performance***

The summary audited financial statements for the last three years are as follows:

| | As of and for the Financial Year ended March 31 | | |
|---|---|---|---|
| | 2010 | 2009 | 2008 |
| Sales and other income | 303,009.90 | 273,858.90 | 233,478.10 |
| Profit after tax (PAT) | 70,006.40 | 52,564.20 | 50,260.20 |
| Equity capital (par value Re. 1 per share) | 1,957.20 | 978.60 | 978.60* |
| Reserves and Surplus | 181,710 | 155,022 | 121,023 |
| Earnings per share (EPS) (Rs.)*** | 35.67 | 26.81** | 51.36 |
| Net asset value per equity share (Rs.)*** | 94.40 | 160.40 | 125.70 |

** Apart from equity capital, redeemable preference shares of Re. 1 each aggregating Rs. 1,000 million have been allotted on March 28, 2008. The said shares are fully paid-up.*
***Adjusted for bonus issue of 978,610,498.*
**** The total number of shares of TCS was 1,957,220,996 as on March 31, 2010 and 978,610,498 as on March 31, 2009 and March 31, 2008.*

***Share price information***

The equity shares of TCS are listed on the NSE and the BSE.

The details of the highest and lowest price on the NSE during the preceding six months are as follows:

| Month | Monthly High (Rs.) | Monthly Low (Rs.) |
|---|---|---|
| December 2010 | 1,180.00 | 1,048.40 |
| November 2010 | 1108.00 | 998.95 |
| October 2010 | 1072.95 | 869.00 |
| September 2010 | 960.00 | 835.10 |
| August 2010 | 885.00 | 828.55 |
| July 2010 | 859.80 | 725.75 |

Source: www.nse-india.com

The details of the highest and lowest price on the BSE during the preceding six months are as follows:

| Month | Monthly High (Rs.) | Monthly Low (Rs.) |
|---|---|---|
| December 2010 | 1,179.00 | 1,050.00 |
| November 2010 | 1107.00 | 1002.00 |
| October 2010 | 1069.60 | 922.55 |
| September 2010 | 1006.00 | 835.00 |
| August 2010 | 883.40 | 829.70 |
| July 2010 | 858.90 | 725.50 |

Source: www.bseindia.com

***Details of public / rights issue made in the last three years***

TCS has not made any public or rights issue in the last three years other than as provided below and there has been no change in the capital structure in the last six months.

***Promise vis-a-vis Objects***

TCS completed a public issue of 55,452,600 equity shares of Re. 1 each for cash at a price of Rs. 850 per share aggregating Rs. 47,134.7 million in August 2004, consisting of a fresh issue of 22,775,000 equity shares and an offer for sale of 32,677,600 equity shares by certain selling shareholders (including Tata Sons Limited). There was also a green shoe option of 8,317,880 equity shares offered by Tata Sons Limited for cash at a price of Rs. 850 per equity share aggregating Rs. 7,070.2 million. The issue closed on August 5, 2004.

The object of the issue was to create a public trading market for the equity shares of TCS by listing them on the stock exchanges. The net proceeds of the fresh issue of equity shares have been fully utilized in paying in part the transfer consideration of Rs. 23,000 million to Tata Sons Limited pursuant to the scheme of arrangement. TCS did not receive any proceeds of the offer for sale of equity shares by the selling shareholders and from the sale of equity shares pursuant to the exercise of green shoe option.

No financial projections were made in the prospectus for the issue.

***Mechanism for redressal of investor grievance***

The board of directors of TCS has constituted a shareholders/investors grievance committee comprising of Mrs. Laura M. Cha, Chairperson, Mr. S. Ramadorai, director and Mr. V. Thyagarajan, director, in accordance with clause 49 of the listing agreement with the Stock Exchanges to specifically look into the redressal of complaints of investors such as transfers or credit of shares to demat accounts, non receipt of dividend/ interest/ annual reports, etc. An Investor Relations Department ("**IRD**") was set up in June, 2004 prior to the company's initial public offering of its equity shares. The IRD focuses on servicing the needs of investors, analysts, brokers and the general public. Mr. Suprakash Mukhopadhyay (company secretary) is the compliance officer. As at September 30, 2010, there was one investor grievance pending against TCS.

**2. Tata Motors Limited ("TML")**

TML was incorporated on September 1, 1945 in Mumbai as a public limited liability company under the Indian Companies Act, 1913 as Tata Locomotive and Engineering Company Limited. Its name was changed to Tata Engineering and Locomotive Company Limited on September 24, 1960 and to Tata Motors Limited on July 29, 2003. TML commenced operations as a steam locomotive manufacturer. This business was discontinued in 1971. Since 1954, it has been manufacturing automotive vehicles. The automotive vehicle business commenced with the manufacture of commercial vehicles under financial and technical collaboration with Daimler-Benz AG (now Daimler AG) of Germany. This agreement ended in 1969. TML produced only commercial vehicles until 1991, when it started producing passenger vehicles as well.

TML is principally engaged in the business of manufacturing automotive vehicles and activities ancillary thereto. It offers a broad portfolio of automotive products, ranging from sub 1 ton to 49 ton gross vehicle weight, trucks (including pickup trucks) to small, medium, and large buses and coaches to passenger cars, including the world's most affordable car — the Tata Nano, premium luxury cars and sport utility vehicles. By volume, it is the world's fourth largest truck manufacturer and the second largest bus manufacturer in above eight ton category.

TML has a substantial presence in India and also owns Jaguar and Land Rover premium passenger vehicles brands. It is the largest automobile manufacturer by revenue in India, the largest commercial vehicle manufacturer in terms of revenue in India and among the top three passenger vehicle manufacturers in terms of units sold in India during Financial Year 2010. The registered office of TML is at Bombay House, 24 Homi Mody Street, Fort, Mumbai 400 001.

***Interest of the Promoter***

Tata Sons holds 137,858,939 ordinary shares of Rs. 10 each aggregating to 27.22% of the total issued and paid-up ordinary share capital of TML and 21,980,511 'A' ordinary shares of Rs. 10 each aggregating to 34.25% of the total issued and paid-up 'A' ordinary share capital of TML as on September 30, 2010.

***Financial Performance***

The summary audited financial statements for the last three years are as follows:

*(in Rs. million except per share data)*

| | As of and for the Financial Year ended March 31 | | |
|---|---|---|---|
| | 2010 | 2009 | 2008 |
| Sales and other income | 943,123.7 | 716,799.1 | 358,718.0 |
| Profit after tax (PAT) | 25,710.6 | (25,052.5) | 22,347.5 |
| Equity capital (par value Rs.10 per share) | 5,706.0 | 5,140.5 | 3,855.4 |
| Reserves and Surplus | 76,358.8 | 54,265.9 | 83,119.8 |
| Earnings per share (EPS) (Rs.) for ordinary shares (basic) | 48.64 | (56.88) | 56.24 |
| Earnings per share (EPS) (Rs.) for ordinary shares (diluted) | 44.65 | (56.88) | 51.31 |
| Net asset value per equity share (Rs.) | 143.83 | 113.90 | 225.43 |

The actuarial losses (net) have been accounted "Reserves and Surplus" in respect of a group of subsidiary companies.

***Share price information***

The equity shares of TML are listed on the NSE and the BSE.

The details of the highest and lowest price of ordinary shares on the NSE during the preceding six months are as follows:

| Month | Monthly High (Rs.) | Monthly Low (Rs.) |
|---|---|---|
| December 2010 | 1,382.00 | 1,212.00 |
| November 2010 | 1,348.00 | 1,138.00 |
| October 2010 | 1,210.00 | 1,093.00 |
| September 2010 | 1,115.00 | 1,003.15 |
| August 2010 | 1,058.50 | 835.00 |
| July 2010 | 869.25 | 748.40 |

Source: www.nse-india.com

The details of the highest and lowest price of 'A' ordinary shares on the NSE during the preceding six months are as follows:

| Month | Monthly High (Rs.) | Monthly Low (Rs.) |
|---|---|---|
| December 2010 | 868.00 | 743.50 |
| November 2010 | 940.00 | 740.15 |
| October 2010 | 889.50 | 744.00 |
| September 2010 | 805.00 | 716.20 |
| August 2010 | 796.00 | 600.25 |
| July 2010 | 632.05 | 407.35 |

Source: www.nse-india.com

The details of the highest and lowest price of ordinary shares on the BSE during the preceding six months are as follows:

| Month | Monthly High (Rs.) | Monthly Low (Rs.) |
|---|---|---|
| December 2010 | 1,381.40 | 1,212.85 |
| November 2010 | 1,350.00 | 1,137.70 |
| October 2010 | 1,206.60 | 1,092.00 |
| September 2010 | 1,111.00 | 1,002.00 |

| Month | Monthly High (Rs.) | Monthly Low (Rs.) |
|---|---|---|
| August 2010 | 1,055.00 | 820.25 |
| July 2010 | 869.00 | 748.55 |

Source: www.bseindia.com

The details of the highest and lowest price of 'A' ordinary shares on the BSE during the preceding six months are as follows:

| Month | Monthly High (Rs.) | Monthly Low (Rs.) |
|---|---|---|
| December 2010 | 867.85 | 744.15 |
| November 2010 | 940.25 | 740.00 |
| October 2010 | 889.90 | 745.00 |
| September 2010 | 804.00 | 717.00 |
| August 2010 | 795.00 | 602.70 |
| July 2010 | 617.70 | 482.90 |

Source: www.bseindia.com

The company has made rights issue of its equity shares in 2008 and there has been an increase in capital due to qualified institutions placement made in October 2010.

***Details of the public/rights issue made in the last three years***

Following are the details of any public or rights issue in the last three years:

*Rights issue in 2008:*

| Particulars | For ordinary shares | For 'A' ordinary shares |
|---|---|---|
| Date of closure | October 20, 2008 | October 20, 2008 |
| Date of completion of delivery of share/debenture certificates | October 31, 2008 | October 31, 2008 |
| Type of issue | Rights issue (ordinary shares) | Rights issue ('A' ordinary shares) |
| Issue Price | Rs.340 | Rs. 305 |
| Amount of issue | Rs. 21,853,895,760 | Rs. 19,604,230,020 |
| Current Market Price (as on December 10, 2010) | 1,248.10*<br>1,247.60** | 787.90*<br>787.70** |
| Number of shares | 62,276,164 | 64,276,164 |
| Date of completion of the project, where object of the issue was financing the project | The amount raised had been utilised | |
| Dividend per share | 2008-2009 – Rs. 6.00<br>2009 – 2010 – Rs. 15.00<br><br>For 'A' Ordinary Shares dividend paid is 5% additional as compared to ordinary shares. | 2008-2009 – Rs. 6.00<br>2009 – 2010 – Rs. 15.00<br><br>For 'A' Ordinary Shares dividend paid is 5% additional as compared to ordinary shares. |

* as quoted on the BSE
** as quoted on the NSE

TML had raised Rs. 41,458.1 million through a rights issue of ordinary shares and 'A' ordinary shares. The proceeds of this Issue were used to fund TMLs investment in its wholly owned subsidiary, TML Holdings Pte Limited, a limited liability company incorporated in Singapore. TML Holdings Pte Limited in turn used the funds to make an investment in its wholly owned subsidiary, JaguarLandRover Limited (a limited liability company incorporated in England). JaguarLandRover Limited utilised the funds to prepay part of a short term bridge loan availed by it to partially fund the purchase consideration for the acquisition of Jaguar Land Rover from Ford.

*Promise v. Performance*

The details of proceeds of the Issue are summarized in the following table:

| S. No. | Description | Amount (Rs. million) |
|---|---|---|
| 1. | Gross Proceeds of the Issue<br>(including rights issue of ordinary shares for Rs. 21,853.9 million and Rights Issue of 'A' ordinary shares for Rs. 19,604.2 million) | 41,458.1 |
| 2. | Estimated Issue Expenses | 538.6 |
| 3. | **Net Proceeds of the Issue** | **40,919.5** |

*Global depository shares and foreign currency convertible notes issued in 2009:*

| Particulars | For Global depository shares and foreign currency convertible notes |
|---|---|
| Year | 2009 |
| Amount | GDSs - US$ 375 million<br>FCCNs 2014 - US$ 375 million |
| Date of closure of the issue | October 15, 2009 |
| Date of completion of delivery of share/debenture certificates | October 15, 2009 |
| Date of completion of the project, where object of the issue was financing the project | This amount has been utilised |
| Dividend per share | 2008-2009 – Rs. 6.00<br>2009 – 2010 – Rs. 15.00<br><br>For 'A' Ordinary Shares dividend paid is 5% additional as compared to ordinary shares. |

The net proceeds received from GDSs issues in 2009 was intended to be used for investment in wholly owned subsidiaries by way of equity investments or inter-company loans to be applied to, or towards the financing or refinancing of, debt incurred in connection with the acquisition of the business of Jaguar Land Rover. The funds had already been fully utilised as per the objects of the issue mentioned in the letter of offer dated October 9, 2009.

***Mechanism for redressal of investor grievance***

The board of directors of TML has constituted a shareholders/investors grievance committee comprising of three directors, namely, Mr. S.M. Palia, Mr. V.K. Jairath and Mr. Ravi Kant, in accordance with clause 49 of the listing agreement with the Stock Exchanges to specifically look into the redressal of complaints of investors such as transfers or credit of shares to demat accounts, non receipt of dividend/ interest/ annual reports, etc. Mr. H.K. Sethna (company secretary) is the compliance officer. As at September 30, 2010, there were two investor grievances pending against TML.

**3. The Tata Power Company Limited ("Tata Power")**

Tata Power was incorporated as a public limited company under the Indian Companies Act of 1913 on September 18, 1919 in Mumbai. It is *inter alia* engaged in generation, transmission and distribution of electrical energy and manufacture of electronic equipment. Tata Sons is the promoter of Tata Power.

Tata Power along with The Tata Hydro–Electric Power Supply Company Limited and The Andhra Valley Power Supply Company Limited were jointly referred to as the Tata Electric Companies. The High Court of Judicature at Bombay vide its order dated October 18, 2000, sanctioned the arrangement embodied in the scheme of amalgamation of The Tata Hydro-Electric Power Supply Company Limited and The Andhra Valley Power Supply

Company Limited ("**Transferor Companies**") and the Transferor Companies ceased to exist with effect from November 27, 2000.

***Interest of the Promoter***

Tata Sons holds 70,751,157 equity shares of Rs. 10 each, aggregating to 29.81% of the issued and paid-up equity share capital of Tata Power as on September 30, 2010.

***Financial Performance***

The summary audited financial statements for the last three years are as follows:

*(in Rs. million except per share data)*

| | As of and for the Financial Year ended March 31 | | |
|---|---|---|---|
| | **2010** | **2009** | **2008** |
| Sales and other income | 195,747 | 186,253 | 114,138 |
| Profit after tax (PAT) | 21,386 | 12,987 | 11,770 |
| Equity capital (par value Re.10 per share) | 2,373 | 2,214 | 2,207 |
| Reserves and Surplus | 111,631 | 83,975 | 73,713 |
| Earnings per share (EPS) (Rs.) | 85.01 | 57.09 | 47.47 |
| Net asset value per equity share (Rs.) | 442 | 346 | 293 |

***Share price information***

The equity shares of Tata Power are listed on the NSE and the BSE.

The details of the highest and lowest price on the NSE during the preceding six months are as follows:

| Month | Monthly High (Rs.) | Monthly Low (Rs.) |
|---|---|---|
| December 2010 | 1,382.85 | 1,260.40 |
| November 2010 | 1,404.65 | 1,272.80 |
| October 2010 | 1,438.25 | 1,374.90 |
| September 2010 | 1,355.20 | 1,239.00 |
| August 2010 | 1,334.45 | 1,222.40 |
| July 2010 | 1,342.00 | 1,304.95 |

Source: www.nse-india.com

The details of the highest and lowest price on the BSE during the preceding six months are as follows:

| Month | Monthly High (Rs.) | Monthly Low (Rs.) |
|---|---|---|
| December 2010 | 1,379.65 | 1,262.00 |
| November 2010 | 1,399.40 | 1,276.90 |
| October 2010 | 1,433.40 | 1,374.45 |
| September 2010 | 1,354.30 | 1,238.00 |
| August 2010 | 1,334.65 | 1,224.45 |
| July 2010 | 1,338.70 | 1,301.80 |

Source: www.bseindia.com

***Details of public / rights issue made in the last three years***

Tata Power has not made any public or rights issue in the last three years other than as provided below and there has been no change in the capital structure in the last six months.

***Mechanism for redressal of investor grievance***

In accordance with clause 49 of the listing agreement entered into with the Stock Exchange, the board of directors of Tata Power has constituted a shareholders/ investors' grievance committee comprising of Dr. H.S. Vachha, (chairman), Mr S. Ramakrishnan and Mr. S. Padmanabhan. In addition to the powers given to the members of the said committee, the board of directors of Tata Power has also authorised Mr B.J. Shroff, vice-president and company secretary and compliance officer and Mr. A.S. Bapat, Chief (corporate legal) of Tata Power, to severally approve share transfer/ transmissions. All investor complaints which cannot be settled at the level of Mr. B.J. Shroff are placed before the shareholders'/investors' grievance committee for final settlement. Investor complaints are normally attended to and resolved within 5 days of receipt. As at September 30, 2010, there were no investor grievance(s) pending.

**4. Titan Industries Limited ("Titan")**

Titan was originally incorporated as Titan Watches Limited on July 26, 1984 at Hosur, Tamilnadu. Titan changed its name to Titan Industries Limited with effect from September 21, 1993. Titan was promoted jointly by the Tata companies and Tamilnadu Industrial Development Corporation Limited ("**TIDCO**").

The registered office of Titan is at 3, SIPCOT Industrial Complex, Hosur, Tamilnadu. The equity shares of Titan are listed on the NSE and BSE. Titan's securities, which were also listed on the Madras Stock Exchange Limited, were voluntarily de-listed with effect from February 8, 2009.

Titan Industries Limited is principally engaged in the manufacture, trading and sale of watches, jewellery, eye wear and precision engineering business.

***Interest of the Promoter***

Tata Sons holds 4,748,218 equity shares of Rs. 10 each, aggregating to 10.70% of the issued and paid-up equity share capital of Titan as on September 30, 2010.

Financial Performance

The summary audited financial statements for the last three years are as follows:

*(in Rs. million except per share data)*

| | **As of and for the Financial Year ended March 31** | | |
|---|---|---|---|
| | **2010** | **2009** | **2008** |
| Sales and other income | 46,899 | 38,379 | 30,003 |
| Profit after Tax (PAT) | 2,542 | 1,748 | 1,476 |
| Equity capital (par value Rs.10 per share) | 444 | 444 | 444 |
| Reserves and Surplus | 6,875 | 5,135 | 4,014 |
| Earnings per share (EPS) | 56.61 | 36.93 | 33.24 |
| Net Asset Value per equity share | 164.87 | 125.68 | 100.22 |

The equity shares of Titan are listed on the NSE and BSE.

The details of the highest and lowest price on the NSE during the preceding six months are as follows:

| Month | Monthly High (Rs.) | Monthly Low (Rs.) |
|---|---|---|
| December 2010 | 3,866.15 | 3,210.00 |
| November 2010 | 4,146.75 | 3,552.15 |
| October 2010 | 3,587.95 | 3,171.75 |
| September 2010 | 3,396.80 | 2,951.05 |
| August 2010 | 3,035.95 | 2,772.85 |
| July 2010 | 2,842.80 | 2,322.70 |

The details of the highest and lowest price on the BSE during the preceding six months are as follows:

| Month | Monthly High (Rs.) | Monthly Low (Rs.) |
|---|---|---|
| December 2010 | 3,860.00 | 3,209.10 |
| November 2010 | 4,149.85 | 3,668.35 |
| October 2010 | 3,579.20 | 3,167.60 |
| September 2010 | 3,394.15 | 2,952.50 |
| August 2010 | 3,033.50 | 2,770.05 |
| July 2010 | 2,839.75 | 2,323.45 |

***Details of public / rights issue made in the last three years***

Titan has not made any public / rights issue in the last three years and there has been no change in the capital structure in the last six months.

***Promise vis-a-vis Objects***

The last public / rights issue by Titan Industries in the preceding 10 years was the Rights Issue in 2006 and the objects of the issue were to:

- Setting up new showrooms and upgradations and expansion of existing showrooms
- Replacement, refurbishing and expansion of the watch manufacturing facilities
- Expansion of jewellery making facilities
- Expansion of precision engineering manufacturing facilities
- Redemption of preference shares
- General corporate purposes

The entire proceeds of Rs 1,267.8 million were used towards fulfilling the objects in the years in the Financial Years 2007 and 2008.

***Mechanism for redressal of investor grievance***

The board of directors of Titan has constituted a shareholders/investors grievance committee comprising of four directors, in accordance with clause 49 of the listing agreement with the Stock Exchanges to specifically look into the redressal of complaints of investors such as transfer or credit of shares to demat accounts, non receipt of dividends/interest/annual reports etc. Mr. A.R. Rajaram, (Head – legal & company secretary) is the compliance officer. As at September 30, 2010 there were three investor grievances pending against Titan.

**5. Tata Chemicals Limited**

Tata Chemicals was incorporated on January 23, 1939 in Mumbai. Tata Chemicals is currently the second largest producer of soda ash in the world with manufacturing facilities in India, UK, Kenya and USA. It is India's leading crop nutrients player with its own manufacturing of urea and phosphatic fertilisers and a leading player in crop protection business through its subsidiary Rallis India Limited. Tata Chemicals is the pioneer and India's market leader in the branded, iodised salt segment and Tata Salt has been recognised as India's No.1 food brand for more than five years.

The registered office of Tata Chemicals is at Bombay House, 24 Homi Mody Street, Fort, Mumbai 400 001.

***Interest of the Promoter***

Tata Sons held 45,034,323 equity shares of Rs. 10 each, aggregating to 17.68% of the issued and paid-up equity share capital of Tata Chemicals as on September 30, 2010.

***Financial Performance***

The summary audited financial statements for the last three years are as follows:

*(in Rs. million except per share data)*

| | As of and for the Financial Year ended March 31 | | |
|---|---|---|---|
| | **2010** | **2009** | **2008** |
| Sales and other Income | 97,126.00 | 128,326.10 | 66,070.10 |
| Profit after tax (PAT) (after minority interest and share of profit in Associate) | 6,059.10 | 6,481.00 | 9,644.00 |
| Equity capital (par value Re. 10 per share) | 2,433.20 | 2,352.30 | 2,340.60 |
| Reserves and Surplus. | 44,731.00 | 45,345.50 | 34,843.90 |
| Earnings per share (Basic) (EPS) (Rs.) | 25.61 | 27.59 | 43.51 |
| Net asset value per equity share (Rs.)* | 193.89 | 202.82 | 158.91 |

**formula used to calculate net assets value per equity shares = (Equity share capital And Reserves & Surplus)/ (Number of equity shares)*

***Share price information***

The equity shares of Tata Chemicals are listed on the NSE and the BSE.

The details of the highest and lowest price on the NSE during the preceding six months are as follows:

| Month | Monthly High (Rs.) | Monthly Low (Rs.) |
|---|---|---|
| December 2010 | 399.85 | 330.10 |
| November 2010 | 419.00 | 341.00 |
| October 2010 | 440.00 | 390.45 |
| September 2010 | 429.60 | 395.90 |
| August 2010 | 405.30 | 339.95 |
| July 2010 | 336.80 | 322.05 |

Source: www.nse-india.com

The details of the highest and lowest price on the BSE during the preceding six months are as follows:

| Month | Monthly High (Rs.) | Monthly Low (Rs.) |
|---|---|---|
| December 2010 | 399.65 | 330.10 |
| November 2010 | 418.00 | 342.00 |
| October 2010 | 446.30 | 386.00 |
| September 2010 | 433.80 | 392.00 |
| August 2010 | 412.00 | 338.55 |
| July 2010 | 340.45 | 320.00 |

Source: www.bseindia.com

Tata Chemicals has not made any public or rights issue in the last three years other than as provided below.

***Details of the public/rights issue made in the last three years***

No public or rights issue was made in the last three years.

***Mechanism for redressal of investor grievance***

The board of directors of Tata Chemicals has constituted a shareholders/investors grievance committee comprising of two directors and the chairman of the said committee is an independent director. The terms of reference of this committee include, inter-alia, looking into redressal of investors' complaints and requests such as transfer of shares/debentures, non-receipt of dividend, annual report etc. Mr. Rajiv Chandan, company secretary and head- legal is the compliance officer of Tata Chemicals. As at September 30, 2010 there was one investor grievance pending against Tata Chemicals.

**Group Companies with negative net worth**

The details of the Group Companies which have negative networth are as follows:

1. **Advinus Therapeutics Private Limited**

Advinus Therapeutics Private Limited is engaged in the business of research and development. The operations are organized into two separate businesses, one focusing of drug discovery research and intellectual property creation located at Pune and the other located at Bangalore focusing on drug development services required for the pharmaceutical industry.

***Interest of the Promoter***

Tata Sons holds 48.53% of the share capital of Advinus Therapeutics Private Limited as on December 15, 2010.

***Summary of Consolidated Financial Information***

The summary audited financial statements for the last three years are as follows:

*(in Rs. million except per share data)*

| | Financial Year 2010 | Financial Year 2009 | Financial Year 2008 |
|---|---|---|---|
| Sales and other income | 86.27 | 68.86 | 52.89 |
| Profit after tax (PAT) | (22.41) | (37.08) | (30.79) |
| Equity capital | 117.63 | 116.10 | 114.73 |
| Reserves and Surplus | - | - | - |
| Earnings per share (EPS) (Rs.) (Basic) | (1.92) | (3.20) | (4.53) |
| Net asset value per equity share (Rs.) | (1.65) | 0.11 | 3.10 |

2. **Ewart Investments Private Limited ("Ewart")**

Ewart is an investment company based in Mauritius.

***Interest of the Promoter***

Tata Sons holds 100% of the share capital of Ewart as on December 15, 2010.

***Summary of Consolidated Financial Information***

The summary audited financial statements for the last three years are as follows:

*(in Rs. million except per share data)*

| | Financial Year 2010 | Financial Year 2009 | Financial Year 2008 |
|---|---|---|---|
| Sales and other income | - | - | - |
| Profit after tax (PAT) | (0.1) | (0.3) | (0.07) |
| Equity capital | 1.1 | 1.3 | 1 |
| Reserves and Surplus | (1.4) | (1.4) | (0.9) |
| Earnings per share (EPS) (Rs.) | - | - | - |
| Net asset value per equity share (Rs.) | (12.00) | (4.00) | 4.00 |

### 3. Tata Sky Limited ("Tata Sky")

Tata Sky is engaged in the business of providing satellite television services in India and offers a range of media and entertainment options to its customers.

***Interest of the Promoter***

Tata Sons holds 50% of the share capital of Tata Sky as on December 15, 2010.

***Summary of Consolidated Financial Information***

The summary audited financial statements for the last three years are as follows:

*(in Rs. million except per share data)*

| | Financial Year 2010 | Financial Year 2009 | Financial Year 2008 |
|---|---|---|---|
| Sales and other income | 11,107.8 | 8,020.9 | 5,124.4 |
| Profit after tax (PAT) | (6,266.1) | (11,519.5) | (8,637.0) |
| Equity capital | 9,618.9* | 7,904.0 | 6,177.6 |
| Reserves and Surplus | (26,259.3) | (21,047.1) | (12,980.4) |
| Earnings per share (EPS) (Rs.) | (7.58) | (16.47) | (15.19) |
| Net asset value per equity share (Rs.) | (19.74) | (16.63) | (11.01) |

*Includes application money pending allotment of Rs. 1,188.0 million.

Intangible assets of Tata Sky comprise licence fees and softwares. The same has not been reduced for arriving at net asset value. Tata Sky does not have goodwill or miscellaneous expenditure not written off in its intangible assets.

### 4. Tata Teleservices (Maharashtra) Limited ("Tata Teleservices Maharashtra")

Tata Teleservices Maharashtra was incorporated on March 13, 1995 under the Companies Act with the name Hughes Ispat Limited and was changed to Hughes Tele.com (India) Limited on April 26, 2000 and to Tata Teleservices (Maharashtra) Limited with effect from February 13, 2003.

Tata Teleservices Maharashtra is licensed to provide telecommunication services and internet services in two Circles, namely, the Maharashtra Circle (which includes the State of Goa) and Mumbai Circle.

***Interest of the Promoter***

Tata Sons holds 20.72% of the issued and paid-up share capital of Tata Teleservices Maharashtra as on December 15, 2010.

***Summary of Consolidated Financial Information***

The summary audited financial statements for the last three years are as follows:

*(in Rs. million except per share data)*

| | Financial Year 2010 | Financial Year 2009 | Financial Year 2008 |
|---|---|---|---|
| Sales and other income | 20,691.0 | 19,416.8 | 17,071.9 |
| Profit after tax (PAT) | (2,980.1) | (1,596.0) | (1,257.4) |
| Equity capital | 18,972.0 | 18,971.9 | 18,935.6 |
| Reserves and Surplus | (25,635.3) | (22,758.6) | (20,941.5) |
| Earnings per share (EPS) (Rs.) (Basic) | (1.57) | (0.84) | (0.68) |
| Net asset value per equity share (Rs.) | (6.83) | (5.53) | (4.74) |

***Share price information***

The equity shares of Tata Teleservices Maharashtra are listed on the NSE and the BSE.

The details of the highest and lowest price on the NSE during the preceding six months are as follows:

| Month | Monthly High (Rs.) | Monthly Low (Rs.) |
|---|---|---|
| December 2010 | 20.30 | 18.05 |
| November 2010 | 24.00 | 18.00 |
| October 2010 | 25.65 | 22.15 |
| September 2010 | 24.00 | 21.95 |
| August 2010 | 25.40 | 22.00 |
| July 2010 | 23.35 | 21.15 |

Source: www.nse-india.com

The details of the highest and lowest price on the BSE during the preceding six months are as follows:

| Month | Monthly High (Rs.) | Monthly Low (Rs.) |
|---|---|---|
| December 2010 | 20.95 | 18.10 |
| November 2010 | 23.95 | 18.05 |
| October 2010 | 25.65 | 22.20 |
| September 2010 | 24.00 | 21.95 |
| August 2010 | 25.00 | 22.25 |
| July 2010 | 23.35 | 21.10 |

Source: www.bseindia.com

***Details of the public/rights issue made in the last three years***

Tata Teleservices Maharashtra has not made any public or rights issue in the last three years and there has been no change in the capital structure in the last six months.

***Mechanism for redressal of investor grievance***

Tata Teleservices Maharashtra has constituted a shareholders/investors' grievance committee consisting of Mr. N.S. Ramachandran and Mr. Anil Sardana. The investors' grievance committee of the board of Tata Teleservices Maharashtra looks into redressal of the shareholders' complaints in respect of any matter including transfer of shares, non-receipt of annual report, non-receipt of declared dividends, dematerialisation of shares, issue of duplicates and renewed share certificates. The committee is authorized to delegate its powers to officers and employees of the Tata Teleservices Maharashtra and/or to its registrar and share transfer agent. Mr. Madhav Joshi (chief legal officer & company secretary) is the compliance officer. As September 30, 2010 there are no investor complaints pending against the company.

**5. e-NXT Financials Limited ("e-NXT")**

e-NXT is an enterprise solution provider with the objective of delivering value added services to its customers.

***Interest of the Promoter***

Tata Sons holds 50% of the share capital of e-NXT as on December 15, 2010.

***Summary of Consolidated Financial Information***

The summary audited financial statements for the last three years are as follows:

*(in Rs. million except per share data)*

| | Financial Year 2010 | Financial Year 2009 | Financial Year 2008 |
|---|---|---|---|
| Sales and other income | 1,027.5 | 855.4 | 488.3 |
| Profit after tax (PAT) | 5.7 | (229) | (86.5) |

| | Financial Year 2010 | Financial Year 2009 | Financial Year 2008 |
|---|---|---|---|
| Equity capital | 30 | 30 | 30 |
| Reserves and Surplus | (308.6) | (314.4) | (85.4) |
| Earnings per share (EPS) (Rs.) | (2.75) | (76.35) | (79.00) |
| Net asset value per equity share (Rs.) | (93.73) | (96.17) | (19.20) |

**6. Strategic Equipment Supplies Limited ("Strategic Equipment Supplies")**

Strategic Equipment Supplies is a joint venture between the Tatas and Sasol (a South African company) to engage in the business of exploration, mining, supply and processing of coal on a captive basis for the its proposed coal-to-liquids project in India.

***Interest of the Promoter***

Tata Sons holds 25% of the issued and paid-up share capital of Strategic Equipment Supplies as on December 15, 2010.

***Summary of Consolidated Financial Information***

The summary audited financial statements for the last three years are as follows:

*(in Rs. million except per share data)*

| | Financial Year 2010 | Financial Year 2009 | Financial Year 2008 |
|---|---|---|---|
| Sales and other income | - | - | - |
| Profit after tax (PAT) | (52.3) | - | - |
| Equity capital | 51 | 1 | - |
| Reserves and Surplus | (52.3) | - | - |
| Earnings per share (EPS) (Rs.) | (12.14) | - | - |
| Net asset value per equity share (Rs.) | (0.25) | 10.00 | - |

**Details of other Group Companies**

**1. Advinus Therapeutics Private Limited**

For details in relation to Advinus Therapeutics Private Limited, see the section "***The Promoter and Group Companies – Group Companies with negative net worth***" on page 142 of this Red Herring Prospectus.

**2. Computational Research Laboratories Limited**

Computational Research Laboratories Limited is engaged in research, development and business of providing high performance computing services and solutions. It provides these services to various industries including oil & gas, aerospace, automotive, pharmaceuticals, media and entertainment and power generation.

Tata Sons holds 100.00% of the share capital of Computational Research Laboratories Limited as on December 15, 2010.

**3. e-NXT Financials Limited**

For details in relation to e-Nxt Financials Limited, see the section "***The Promoter and Group Companies – Group Companies with negative net worth***" beginning on page 144 of this Red Herring Prospectus.

**4. Ewart Investments Limited**

Ewart Investments Limited is an investment company and a wholly owned subsidiary of Tata Sons Limited.

Tata Sons holds 100.00% of the share capital of Ewart Investments Limited as on December 15, 2010.

**5. Ewart Investments Private Limited**

For details in relation to Ewart Investments Private Limited, see the section "***The Promoter and Group Companies – Group Companies with negative net worth***" beginning on page 142 of this Red Herring Prospectus.

**6. Infiniti Retail Limited**

Infiniti Retail Limited is engaged in the operation of a national chain of multi-brand electronics stores under the brand name Croma.

Tata Sons holds 100.00% of the share capital of Infiniti Retail Limited as on December 15, 2010.

**7. Panatone Finvest Limited**

Panatone Finvest Limited was incorporated as a special purpose vehicle for acquiring the stake in Tata Communications Limited at the time of divestment by the Government of India.

Tata Sons holds 60.01% of the share capital of Panatone Finvest Limited as on December 15, 2010.

**8. Strategic Equipment Supplies Limited**

For details in relation to Strategic Equipment Supplies Limited, see the section "***The Promoter and Group Companies – Group Companies with negative net worth***" beginning on page 145 of this Red Herring Prospectus.

**9. Tata Advanced Systems Limited**

Tata Advanced Systems Limited is primarily engaged in the business of defense and security, aero structures and 3Vs. Tata Advanced Systems Limited has established a cabin assembly facility in a SEZ at Adhibatla, Hyderabad for assembly of S- 92 cabins for supplying to Sikorsky for its global business.

Tata Sons holds 100% of the share capital of Tata Advanced Systems Limited as on December 15, 2010.

**10. Tata AIG General Insurance Company Limited**

Tata AIG General Insurance Company Limited, incorporated in 2001, is engaged in the business of providing non-life insurance solutions to individuals, groups and corporate houses in India. Tata Sons holds a 74 percent stake in the company with American International Group Inc. holding the balance 26 percent.

Tata Sons holds 74.00% of the share capital of Tata AIG General Insurance Company Limited as on December 15, 2010.

**11. Tata AIG Life Insurance Company Limited**

Tata AIG Life Insurance Company Limited is a joint venture company, formed by Tata Sons Limited and AIA Group Limited ("**AIA**") and is engaged in the business of providing life insurance services. Tata Sons Limited holds 74 percent in the company and AIA holds 26 percent through an AIA group company.

Tata Sons holds 74.00% of the share capital of Tata AIG Life Insurance Company Limited as on December 15, 2010.

**12. Tata Asset Management Limited**

Tata Asset Management Limited is a subsidiary of Tata Sons Limited, functioning mainly as the investment management arm of Tata Mutual Fund.

Tata Sons holds 67.91% of the share capital of Tata Asset Management Limited as on December 15, 2010.

**13. Tata Business Support Services Limited**

Tata Business Support Services Limited is an outsourced customer service provider serving domestic as well as international customers with delivery centres located in North America and India.

Tata Sons holds 100.00% of the share capital of Tata Business Support Services Limited as on December 15, 2010.

**14. Tata Capital Limited**

Tata Capital Limited is a finance company providing financial services to retail and institutional customers in India. It was established in 2007 as a wholly owned subsidiary of Tata Sons and is registered with the Reserve Bank of India as a systemically important non-deposit taking non-banking financial company.

Tata Sons holds 93.74% of the share capital of Tata Capital Limited as on December 15, 2010.

**15. Tata Chemicals Limited**

For details in relation to Tata Chemicals Limited, see the section "***The Promoter and Group Companies – Details of the top five Group Companies***" beginning on page 140 of this Red Herring Prospectus.

**16. Tata Communications Limited**

Tata Communications Limited, incorporated as Tata Telecommunications Limited on March 19, 1986, is a leading global provider of telecommunications solutions serving the voice, data and next generation service needs of carriers, enterprises and consumers across the world.

Tata Sons holds 14.22% of the share capital of Tata Communications Limited as on December 15, 2010.

**17. Tata Consultancy Services Limited**

For details in relation to Tata Consultancy Limited, see the section "***The Promoter and Group Companies – Details of the top five Group Companies***" beginning on page 132 of this Red Herring Prospectus.

**18. Tata Consulting Engineers Limited**

Tata Consulting Engineers Limited, established as the Tata-Ebasco Consulting Engineering Services in 1962, offers a range of services covering project engineering, from inception to commissioning.

Tata Sons holds 100.00% of the share capital of Tata Consulting Engineers Limited as on December 15, 2010.

**19. Tata Elxsi Limited**

Tata Elxsi Limited is a product design company engaged in the business of delivering outsourced product design, research and development services and technology development solutions to customers across the world.

Tata Sons holds 42.22% of the share capital of Tata Elxsi Limited as on December 15, 2010.

**20. Tata Global Beverages Limited**

Tata Global Beverages Limited operates an integrated beverage business with a portfolio of strong brands.

Tata Sons holds 22.78% of the share capital of Tata Global Beverages Limited as on December 15, 2010.

**21. Tata Housing Development Company Limited**

Tata Housing Development Company Limited is engaged in the business of real estate development in India.

Tata Sons holds 99.74% of the share capital of Tata Housing Development Company Limited as on December 15, 2010.

**22. Tata Industries Limited**

Tata Industries Limited is engaged in the business of promotion of ventures in several sectors, including control systems, information technology, financial services, auto components, advanced materials, telecom hardware and telecommunication services.

Tata Sons holds 49.58% of the share capital of Tata Industries Limited as on December 15, 2010.

**23. Tata International AG ZUG**

Tata International AG ZUG, along with its subsidiary Tata AG, and its associate Tata Enterprises (Overseas) AG, is engaged in the business of providing promotional and project services, including project identification, design, planning and establishment of industrial ventures overseas. It also offers managerial, technical and operational expertise and personnel to a wide range of industries.

Tata Sons holds 100.00% of the share capital of Tata International AG ZUG as on December 15, 2010.

**24. Tata International Limited**

Tata International Limited is an international marketing company engaged in the business of exports including leather and engineering.

Tata Sons holds 38.00% of the share capital of Tata International Limited as on December 15, 2010.

**25. Tata Investment Corporation Limited**

Tata Investment Corporation Limited is a non-banking financial company and is engaged in the business of investing in long-term investments such as equity shares and equity-related securities.

Tata Sons holds 65.21% of the share capital of Tata Investment Corporation Limited as on December 15, 2010.

**26. Tata Limited, London**

Tata Limited was established in London in 1907 and acts as an agent for the overseas procurement of goods and services for the Tata companies.

Tata Sons holds 100% of the share capital of Tata Limited as on December 15, 2010.

**27. Tata Motors Limited**

For details in relation to Tata Motors Limited, see the section "***The Promoter and Group Companies – Details of the top five Group Companies***" beginning on page 134 of this Red Herring Prospectus.

**28. Tata Petrodyne Limited**

Tata Petrodyne Limited, incorporated in 1993, is engaged in the exploration and production of crude oil and natural gas.

Tata Sons holds 100% of the share capital of Tata Petrodyne Limited as on December 15, 2010.

**29. Tata Realty and Infrastructure Limited**

Tata Realty and Infrastructure Limited, incorporated in 2007, is engaged in the real estate and infrastructure sectors.

Tata Sons holds 100% of the share capital of Tata Realty and Infrastructure Limited as on December 15, 2010.

**30. Tata Services Limited**

Tata Services Limited, incorporated in 1957, is engaged in providing centralized services on a no profit no loss basis to the Tata companies.

Tata Sons holds 10.14% of the share capital of Tata Services Limited as on December 15, 2010.

**31. Tata Sky Limited**

For details in relation to Tata Sky Limited, see the section "***The Promoter and Group Companies – Group Companies with negative net worth***" beginning on page 143 of this Red Herring Prospectus.

**32. Tata Teleservices (Maharashtra) Limited**

For details in relation to Tata Teleservices (Maharashtra) Limited, see the section "***The Promoter and Group Companies – Group Companies with negative net worth***" beginning on page 143 of this Red Herring Prospectus.

**33. Tata Teleservices Limited**

Tata Teleservices Limited, incorporated in 1996 is a telecom services provider and is the pioneer of the CDMA Ix technology platform in India.

Tata Sons holds 33.68% of the share capital of Tata Teleservices Limited as on December 15, 2010.

**34. Tata Trustee Company Limited**

Tata Trustee Company Limited is engaged in the business of providing trusteeship services for investment management businesses. It currently oversees investor interest for investors of Tata Mutual Fund, as well as for Tata Capital Limited.

Tata Sons holds 50.00% of the share capital of Tata Trustee Company Limited as on December 15, 2010.

**35. The Indian Hotels Company Limited**

The Indian Hotels Company Limited and its subsidiaries are collectively known as the Taj Hotels Resorts and Palaces and are engaged in the business of operating a group of hotels.

Tata Sons holds 15.21% of the share capital of The Indian Hotels Company Limited as on December 15, 2010.

**36. The Tata Power Company Limited**

For details in relation to Tata Power Company Limited, see the section "***The Promoter and Group Companies – Details of the top five Group Companies***" beginning on page 137 of this Red Herring Prospectus.

**37. Titan Industries Limited**

For details in relation to Titan Industries Limited, see the section "***The Promoter and Group Companies – Details of the top five Group Companies***" beginning on page 139 of this Red Herring Prospectus.

**38. Trent Limited**

Trent Limited is a retail operations company that owns and manages a number of retail chains in India.

Tata Sons holds 25.26% of the share capital of Trent Limited as on December 15, 2010.

**39. TS Investments Limited**

TS Investments Limited is an investment company.

Tata Sons holds 51.00% of the share capital of TS Investments Limited as on December 15, 2010.

**40. Voltas Limited**

Voltas Limited is engaged in the business of air-conditioning, refrigeration and engineering services.

Tata Sons holds 26.64% of the share capital of Voltas Limited as on December 15, 2010.

**41. Tata Autocomp Systems Limited**

Tata Autocomp Systems Limited is engaged in the business of manufacture and supply of a variety of components, assemblies and aggregates to automotive original equipment manufacturers and other customers primarily based in India.

Tata Sons holds 14.25% of the share capital of Tata Autocomp Systems Limited as on December 15, 2010.

**Common Pursuits amongst the Group Companies and the Company**

There are no common pursuits amongst any of the Group Companies and the Company.

**Related Business Transactions within the Group Companies and Significance on the Financial Performance of the Company**

For details, see the section "***Financial Statements - Related Party Transactions***" beginning on page F-84 of this Red Herring Prospectus.

**Sale/Purchase between Group Companies, Subsidiaries and Associate Companies**

Nil

**Business Interest of Group Companies in the Company**

None of the Group Companies has any business interest in the Company.

**Defunct Group Companies**

None of the Group Companies remain defunct and no application has been made to the registrar of companies for striking off the name of any of the Group Companies, during the five years preceding the date of filing this Red Herring Prospectus.

Unless otherwise stated none of the companies forming part of the Group Companies is a sick company under the meaning of SICA and none of them are under winding up.

## DIVIDEND POLICY

The Company has paid dividends in relation to the Equity Shares and 2% Cumulative Convertible Preference Shares ("**CCPS**"). None of the CCPS are outstanding as on date.

**Equity Shares**

The following are the dividend pay outs in relation to the Equity Shares in the last five years by the Company:

| Financial Year | Dividend per Equity Share of Rs. 10 each (Amount in Rs.) | Amount (in Rs. million)(1) |
|---|---|---|
| 2006 | 13.00 | 7,195.1 |
| 2007 | 15.50* | 9,439.1 |
| 2008 | 16.00 | 11689.3 |
| 2009 | 16.00 | 11689.5 |
| 2010 | 8.00 | 7097.7 |

(1) Excluding dividend tax where applicable.
* This includes a special dividend of Rs. 2.50 per Equity Share on account of the centenary year of the Company.

**CCPS**

The following are the dividend pay outs in relation to CCPS in the last three years by the Company:

| Financial Year | Dividend per CCPS of Rs. 100 each (Amount in Rs.) | Amount (in Rs. million)(1) |
|---|---|---|
| 2008 (pro rata from January 18, 2008 to March 31, 2008) | 0.41 | 221.90 |
| 2009 | 2.00 | 1094.53 |
| 2010 (pro rata from April 1, 2009 to August 31, 2009) | 0.84 | 458.80 |

(1) Excluding dividend tax where applicable

As per the terms of the issue of CCPS, the CCPS were allotted in January 2008 and have been compulsory converted into Equity Shares on September 1, 2009.

The Company does not have a formal dividend policy. Dividend amounts are determined from year to year in accordance with the Board's assessment of the Company's earnings, cash flow, financial conditions and other factors prevailing at the time.

The amounts paid as dividends in the past are not necessarily indicative of the Company's dividend policy or dividend amounts, if any, in the future. Investors are cautioned not to rely on past dividends as an indication of the future performance of the Company or for an investment in the Equity Shares.

# SECTION V – FINANCIAL INFORMATION

## FINANCIAL STATEMENTS

## AUDITORS' REPORT

The Board of Directors,
Tata Steel Limited
Bombay House
24 Homi Mody Street
Mumbai-400001, India

Dear Sirs,

We have examined the financial information of Tata Steel Limited annexed to this report and initialled by us for identification. The said financial information has been prepared by the Company in accordance with the requirements of paragraph B(1) of Part II of Schedule II to the Companies Act, 1956 as amended ("**the Companies Act**") and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended ("**SEBI Regulations**") notified on 26$^{th}$ August 2009, issued by the Securities and Exchange Board of India in pursuance of Section 11 of the Securities and Exchange Board of India Act, 1992 and in terms of our engagement agreed with you in accordance with our engagement letter dated December 6, 2010 in connection with its Proposed Issue of Equity Shares. The financial information has been prepared by the Company and approved by the Board of Directors.

**1. Financial Information as per Audited Financial Statements**

We have examined the attached 'Summary Statement of Assets and Liabilities, as Restated' of Tata Steel Limited as at September 30, 2010, March 31, 2010, 2009, 2008, 2007 and 2006 (Annexure I) and the attached 'Summary Statement of Profit and Losses, as Restated' (Annexure II) for the period ended September 30, 2010 and each of the years ended March 31, 2010, 2009, 2008, 2007 and 2006 together referred to as 'Restated Summary Statements'. These Restated Summary Statements have been extracted by the management from the non-consolidated financial statements of Tata Steel Limited as at and for the years ended March 31, 2010, 2009, 2008, 2007 and 2006 and have been approved/ adopted by the Board of Directors/ Members for those respective years. The Restated Summary Statements for the period ended September 30, 2010 have been extracted from the condensed non-consolidated financial statements as at and for the period then ended which have been approved by the Board of Directors and other accounting records of the Company.

The audit for the financial year ended March 31, 2006 was conducted by Messrs A.F.Ferguson & Co. ("AFF") and Messrs S.B.Billimoria & Co., ("SBB" and, together with AFF, the "Erstwhile Auditors") and our opinion in so far as they relate to the amounts included in respect of that year is based solely on the report submitted by them. The condensed non-consolidated financial statements as at and for the period ended September 30, 2010 and the non-consolidated financial statements of the Company as at and for the years ended March 31, 2010, 2009, 2008 and 2007 have been audited by us, in which are incorporated the returns from the Singapore branch audited by another auditor. Based on our examination of these summary statements, we state that:

i. The 'Restated Summary Statements' have to be read in conjunction with the notes given in Annexure IV to this report.

ii. The 'Restated Summary Statements' of the Company have not been restated with retrospective effect to reflect the significant accounting policies being adopted by the Company as at September 30, 2010, as stated in the notes forming part of the Restated Summary Statements vide Annexure IV to this report.

iii. The restated profits have been arrived at after charging all expenses including depreciation and after making such adjustments and regroupings as in our opinion are appropriate in the year/period to which they are related as described in Note E (1) appearing in Annexure IV.

iv There are no extra ordinary items that need to be disclosed separately in the Restated Summary Statements.

v There are no qualifications in the auditors' report on the non-consolidated financial statements that require adjustments to the Restated Summary Statements.

**2. Other Financial Information**

We have examined the following information relating to Tata Steel Limited as at and for the period ended September 30, 2010 and as at and for the years ended March 31, 2010, 2009, 2008, 2007 and 2006 of the Company, proposed to be included in the Letter of Offer, as approved by the Board of Directors and annexed to this report:

i. Statement of Cash Flows as Restated of Tata Steel Limited for the period ended September 30, 2010 and for the years ended March 31, 2010, 2009, 2008, 2007, and 2006 (Annexure III)

ii. Significant Accounting Policies and Notes on Restated Summary Statements (Annexure IV)

iii. Details of Share capital as at September 30, 2010, March 31, 2010, 2009, 2008, 2007 and 2006 (Annexure V)

iv. Details of Secured and Unsecured Loans as at September 30, 2010, March 31, 2010, 2009, 2008, 2007 and 2006 (Annexure VI)

v. Statement of Investments as at September 30, 2010, March 31, 2010, 2009, 2008, 2007 and 2006 (Annexure VII)

vi. Age-wise analysis of Sundry Debtors as at September 30, 2010, March 31, 2010, 2009, 2008, 2007 and 2006 (Annexure VIII)

vii. Details of Loans and Advances as at September 30, 2010, March 31, 2010, 2009, 2008, 2007 and 2006 (Annexure IX)

viii. Details of Current Liabilities as Restated as at September 30, 2010, March 31, 2010, 2009, 2008, 2007 and 2006 (Annexure X)

ix. Details of Provisions as Restated as at September 30, 2010, March 31, 2010, 2009, 2008, 2007 and 2006 (Annexure XI)

x. Statement of Other Income for the period ended September 30, 2010 and for the years ended March 31, 2010, 2009, 2008, 2007 and 2006 (Annexure XII)

xi. Details of Deferred Tax Liability as at September 30, 2010, March 31, 2010, 2009, 2008, 2007 and 2006 (Annexure XIII)

xii. Statement of Dividends Paid for the years ended March 31, 2010, 2009, 2008, 2007 and 2006 (Annexure XIV)

xiii. Statement of Tax Shelter for the period ended September 30, 2010 and for the years ended March 31, 2010, 2009, 2008, 2007 and 2006 (Annexure XV)

xiv. Summary of Accounting Ratios based on adjusted profits related to earnings per share, net asset value and return on net worth (Annexure XVI)

xv. Capitalisation Statement as at September 30, 2010 and March 31, 2010 (Annexure XVII)

xvi. Related Party Information as at and for the period ended September 30, 2010 and for the years ended March 31, 2010, 2009, 2008, 2007 and 2006 (Annexure XVIII )

xvii. Segment Information as at and for the period ended September 30, 2010 and as at and for the years ended March 31, 2010, 2009, 2008, 2007 and 2006 (Annexure XIX)

xviii. Consolidated Statement of Assets and Liabilities, as Restated as at September 30, 2010, March 31, 2010, 2009, 2008, 2007 and 2006 (Annexure XX )

xix. Consolidated Statement of Profit and Losses, as Restated for the period ended September 30, 2010 and for the years ended March 31, 2010, 2009, 2008, 2007 and 2006 (Annexure XXI)

xx. Consolidated Statement of Cash Flows, as Restated for the period ended September 30, 2010 and for the years ended March 31, 2010, 2009, 2008, 2007 and 2006 (Annexure XXII)

xxi. Significant Accounting Policies and the Notes on Consolidated Restated Financial Information (Annexure XXIII)

xxii. Consolidated statement of Share Capital as at September 30, 2010, March 31, 2010, 2009, 2008, 2007 and 2006 (Annexure XXIV)

xxiii. Consolidated Statement of Secured and Unsecured Loans as at September 30, 2010, March 31, 2010, 2009, 2008, 2007 and 2006 (Annexure XXV)

xxiv. Consolidated Summary of Investments as at September 30, 2010, March 31, 2010, 2009, 2008, 2007 and 2006 (Annexure XXVI)

xxv. Consolidated age-wise analysis of Sundry Debtors as at September 30, 2010, March 31, 2010, 2009, 2008, 2007 and 2006 (Annexure XXVII)

xxvi. Consolidated Statement of Loans and Advances as at September 30, 2010, March 31, 2010, 2009, 2008, 2007 and 2006 (Annexure XXVIII)

xxvii. Consolidated Statement of Current Liabilities as Restated as at September 30, 2010, March 31, 2010, 2009, 2008, 2007 and 2006 (Annexure XXIX )

xxviii. Consolidated Statement of Provisions as Restated as at September 30, 2010, March 31, 2010, 2009, 2008, 2007 and 2006 (Annexure XXX)

xxix. Consolidated Statement of Other Income for the period ended September 30, 2010 and for the years ended March 31, 2010, 2009, 2008, 2007 and 2006 (Annexure XXXI)

xxx. Consolidated Statement of Accounting Ratios based on adjusted profits related to earnings per share, net asset value and return on net worth (Annexure XXXII)

xxxi. Consolidated Capitalisation Statement as at September 30, 2010 and March 31, 2010 (Annexure XXXIII)

xxxii. Consolidated Related Party Information, as Restated as at and for the period ended September 30, 2010 and for the years ended on March 31, 2010, 2009, 2008, 2007 and 2006 (Annexure XXXIV)

xxxiii. Consolidated Segment Information as Restated as at and for the period ended September 30, 2010 and as at and for the years ended March 31, 2010, 2009, 2008, 2007 and 2006 (Annexure XXXV)

3. The Consolidated Summary Statements referred in para 2 (xviii) to (xxxiii) above have been extracted from the Consolidated Financial Statements of the Company as at and for the years ended March 31, 2010, 2009, 2008,

2007, and 2006 and have been approved by the Board of Directors for those respective years. The Consolidated Summary Statements referred in para 2 (xviii) to (xxxiii) above as at and for the period ended September 30, 2010 have been extracted from the Condensed Consolidated Financial Statements as at and for the period then ended which have been approved by the Board of Directors and other accounting records of the Company.

4. i. Attention is invited to Note 18 of Annexure XXIII regarding investment in Millennium Steel Public Company Limited ("Millennium"), being consolidated as an "Associate" as at March 31, 2006 for the reasons stated therein

ii. Attention is invited to Note 19 of Annexure XXIII regarding investment of Rs. 115,229.7 million in Corus Group plc ("Corus") and the financial statements of Corus not being considered for consolidation as at March 31, 2007 for the reasons stated therein.

iii. The financial statements of certain subsidiaries and joint ventures of the Company, whose financial statements reflect total assets (net) of Rs. 565,332.4 million as at September 30, 2010 (31.03.2010: Rs. 550,088.3 million, 31.03.2009: Rs. 653,246.8 million, 31.03.2008: Rs.782,554.3 million, 31.03.2007: Rs. 188,326.7 million) total revenue of Rs.453,956.4 Million for the period then ended (Year ended 31.03.2010: Rs. 816,887.6 million, 31.03.2009: Rs. 1,239,663.3 million, 31.03.2008: Rs. 1,140,844.7 million, 31.03.2007: Rs. 90,667.3 million) and net cash flows amounting to Rs. 16,420.2 million for the period then ended (Year ended 31.03.2010: Rs. (8852.9) million, 31.03.2009: Rs. 6,884.6 million, 31.03.2008: Rs.(61463.7) million, 31.03.2007: Rs. 22,359.2 million) were audited/reviewed by other auditors, whose reports were furnished to us, and our opinion was based solely on the report of these other auditors.

iv. The consolidated financial statements of the Company as at and for the year ended March 31, 2006 has been audited by the Erstwhile Auditors whose reports have been furnished to us, and our opinion, in so far as they relate to the amounts included in respect of these years are based solely on reports submitted by them.

v. In the case of certain other subsidiaries and joint ventures of the Company, having total assets (net) of Rs. 68,839.8 million as at September 30, 2010 (31.03.2010: Rs. 14,223.5 million, 31.03.2009: Rs. 5,009.5 million, 31.03.2008: Rs. 1273.5 million, 31.03.2007: Rs. (147.1) million) total revenue of Rs. 40259.2 million for the period then ended (Year ended 31.03.2010: Rs. 127.1 million, 31.03.2009: Rs. 42,085.5 million, 31.03.2008: Rs.1,340 million, 31.03.2007: Rs. 173.1 million) and net cash flows amounting to Rs. 2861.9 million for the period then ended (Year ended 31.03.2010: Rs.(17.3) million) and in the case of associate companies having a carrying value of Rs. 17,868.6 million (31.03.2010: Rs. 13,157.3 million, 31.03.2009: Rs. 1,750 million), the figures used for the consolidation are based on the management's estimates and are therefore un-audited.

vi. As stated in Note 1 of Annexure XXIII, in the case of certain associates, the financial statements as at September 30, 2010 are not available. The investments in these associates have not been adjusted in the Condensed Consolidated Financial Statements in the absence of their financial statements as at September 30, 2010.

5. Based on our examination of these Summary Statements and subject to the matters referred to in paragraph 4.(v) and (vi) and read with our comments in paragraph 4 (1) to (iv) above, we state that in our opinion, the 'Financial Information as per Audited Financial Statements' and 'Other Financial Information' mentioned above as at and for the period ended September 30, 2010 and as at and for the years ended March 31, 2010, 2009, 2008, 2007 and 2006 have been prepared in accordance with Part IIB of Schedule II of the Companies Act and the SEBI Regulations.

6. This report should not in any way be construed as a reissuance or redating of any of the previous audit reports issued by us or by other firms of Chartered Accountants nor should this be construed as a new opinion on any of the financial statements referred to herein.

7. We did not perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions, and accordingly, we express no opinion thereon.

8. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

9. This report is intended solely for your information and for inclusion in the Letter of Offer in connection with the Proposed Issue of Equity Shares and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**For DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No. 117366W)

**P.R.Ramesh**
Partner
Membership No.: 70928

Mumbai
January 10, 2011

# Annexure I

## Statement of Assets and Liabilities, as Restated of Tata Steel Limited

| | Particulars | As at Sept 30, 2010 | As at March 31 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|---|---|
| | | | | | (Rs. in million) | | |
| A | **Fixed Assets** | | | | | | |
| | Gross Block | 223,620.8 | 223,060.7 | 200,570.1 | 164,795.9 | 160,294.9 | 154,071.7 |
| | Less: Depreciation | 103,503.8 | 100,375.6 | 89,620.0 | 81,230.1 | 73,859.6 | 66,056.6 |
| | Less: Impairment | 1,181.4 | 1,060.7 | 1,004.7 | 1,004.7 | 1,004.1 | 941.9 |
| | Net Block | 118,935.6 | 121,624.4 | 109,945.4 | 82,561.1 | 85,431.2 | 87,073.2 |
| | Capital Work in Progress (Net) | 54,661.4 | 38,435.9 | 34,876.8 | 43,674.5 | 24,974.4 | 11,577.3 |
| | **Total** | **173,597.0** | **160,060.3** | **144,822.2** | **126,235.6** | **110,405.6** | **98,650.5** |
| B | **Investments** | **435,045.4** | **449,796.7** | **423,717.8** | **41,031.9** | **61,061.8** | **40,699.6** |
| C | **Current Assets, Loans and Advances** | | | | | | |
| | Inventories | 425,94.7 | 30,777.5 | 34,804.7 | 26,049.8 | 23,329.8 | 21,747.5 |
| | Sundry Debtors | 6,181.2 | 4,348.3 | 6,359.8 | 5,434.8 | 6,316.3 | 5,394.0 |
| | Cash and Bank Balances | 15,961.4 | 32,341.4 | 15,906.0 | 4,650.4 | 76,813.5 | 2,883.9 |
| | Interest Accrued on Investments | – | – | – | 2.0 | 2.0 | 2.0 |
| | Loans and Advances | 118,713.2 | 54,999.7 | 45,610.4 | 333,317.4 | 30,387.3 | 12,338.6 |
| | **Total** | **183,450.5** | **122,466.9** | **102,680.9** | **369,454.4** | **136,848.9** | **42,366.0** |
| D | **Liabilities and Provisions** | | | | | | |
| | Secured Loans | 19,326.0 | 22,593.2 | 39,130.5 | 35,205.8 | 37,589.2 | 21,917.4 |
| | Unsecured Loans | 238,249.9 | 229,798.8 | 230,331.3 | 145,011.1 | 58,864.1 | 3,244.1 |
| | Deferred Tax Liability | 9,438.9 | 8,676.7 | 5,857.3 | 6,818.0 | 7,489.4 | 9,570.0 |
| | Provision for Employee Separation Compensation | 9,098.3 | 9,571.6 | 10,336.0 | 10,713.0 | 11,070.8 | 13,887.1 |
| | Current Liabilities | 72,726.6 | 66,530.9 | 60,398.6 | 38,552.6 | 35,232.0 | 27,787.0 |
| | Provisions | 24,954.0 | 23,465.2 | 29,171.9 | 28,965.2 | 19,134.6 | 9,910.1 |
| | **Total** | **373,793.7** | **360,636.4** | **375,225.6** | **265,265.7** | **169,380.1** | **86,315.7** |
| E | **Net Worth (A + B + C – D )** | **418,299.2** | **371,687.5** | **295,995.3** | **271,456.2** | **138,936.2** | **95,400.4** |
| F | **Represented by** | | | | | | |
| | Share Capital | 9,024.1 | 8,874.1 | 62,034.5 | 62,033.0 | 5,806.7 | 5,536.7 |
| | Share Warrants | 1,782.0 | – | – | – | 1,470.6 | – |
| | Reserves and Surplus | 406,043.0 | 360,743.9 | 239,728.1 | 210,974.3 | 133,684.2 | 92,396.4 |
| | Add/(Less) Foreign currency monetary item translation difference account | 1,450.1 | 2,069.5 | (4,716.6) | – | – | – |
| | Less: Miscellaneous Expenditure (to the extent not written off or adjusted) | – | – | 1,050.7 | 1,551.1 | 2,025.3 | 2,532.7 |
| | **Net Worth** | **418,299.2** | **371,687.5** | **295,995.3** | **271,456.2** | **138,936.2** | **95,400.4** |

The accompanying Significant Accounting Policies and Notes are an integral part of this statement.

# Annexure II

## Statement of Profit and Losses, as Restated of Tata Steel Limited

| Particulars | For the period ended Sept. 30, 2010 | For the year ended March 31 | | | | |
|---|---|---|---|---|---|---|
| | | 2010 | 2009 | 2008 | 2007 | 2006 |
| | | | | (Rs. in million) | | |
| **Income** | | | | | | |
| Sales and Other Operating Income | 148,196.1 | 267,578.0 | 268,437.3 | 221,895.5 | 197,673.6 | 171,402.4 |
| Less: Excise Duty | 11,613.8 | 17,358.2 | 25,279.6 | 24,985.2 | 22,114.8 | 19,287.2 |
| Net Sales | 136,582.3 | 250,219.8 | 243,157.7 | 196,910.3 | 175,558.8 | 152,115.2 |
| Other Income | 7,811.0 | 8,537.9 | 3,082.7 | 2,428.0 | 2,153.0 | 1,505.5 |
| **Total** | **144,393.3** | **258,757.7** | **246,240.4** | **199,338.3** | **177,711.8** | **153,620.7** |
| **Expenditure** | | | | | | |
| Cost of Materials | 28,242.6 | 56,638.2 | 60,687.8 | 37,431.4 | 35,775.8 | 30,293.6 |
| Accretion/(Reduction) in Stocks of Finished and Semi-finished products and Work-in-progress | (2,957.2) | 1,349.7 | (2,892.7) | (387.3) | (824.7) | (1,049.1) |
| Payment to and Provision for Employees | 12,618.8 | 23,614.8 | 23,058.1 | 18,159.5 | 16,069.3 | 14,042.8 |
| Manufacturing, Selling and Other Expenses | 43,223.4 | 79,096.2 | 70,970.2 | 61,568.9 | 56,326.7 | 49,979.8 |
| Net Finance Charges | 6,701.6 | 15,084.0 | 11,526.9 | 7,865.0 | (444.7) | 203.0 |
| Depreciation | 5,616.6 | 10,831.8 | 9,734.0 | 8,346.1 | 8,192.9 | 7,751.0 |
| **Total** | **93,445.8** | **186,614.7** | **173,084.3** | **132,983.6** | **115,095.3** | **101,221.1** |
| **Profit before Exceptional Items and Tax** | **50,947.5** | **72,143.0** | **73,156.1** | **66,354.7** | **62,616.5** | **52,399.6** |
| **Exceptional Items** | | | | | | |
| Contribution for Sports Infrastructure | – | – | – | (1,500.0) | – | – |
| Exchange Gain | – | – | – | 5,808.9 | – | – |
| **Profit after Exceptional Items before tax** | **50,947.5** | **72,143.0** | **73,156.1** | **70,663.6** | **62,616.5** | **52,399.6** |
| Provision for Taxation — Current Tax | 13,730.0 | 19,980.0 | 21,730.0 | 22,520.0 | 20,760.1 | 15,790.0 |
| — Deferred Tax | 772.3 | 1,695.0 | (751.3) | 1,083.3 | (525.1) | 1,275.8 |
| — Fringe Benefits Tax | – | – | 160.0 | 190.0 | 160.0 | 270.0 |
| **Net Profit after Tax** | **36,445.2** | **50,468.0** | **52,017.4** | **46,870.3** | **42,221.5** | **35,063.8** |
| **Adjustments** | | | | | | |
| Prior Period Adjustments | – | – | – | – | (572.9) | (402.0) |
| Tax Impact of Adjustments | – | – | – | – | 192.8 | 135.3 |
| **Total of Adjustments** | – | – | – | – | (380.1) | (266.7) |
| **Adjusted Profit** | **36,445.2** | **50,468.0** | **52,017.4** | **46,870.3** | **41,841.4** | **34,797.1** |
| Balance brought forward | 127,726.5 | 95,089.8 | 63,874.6 | 45,939.8 | 30,141.7 | 18,548.9 |
| **Profit available for Appropriation** | **164,171.7** | **145,557.8** | **115,892.0** | **92,810.1** | **71,983.1** | **53,346.0** |
| **Appropriations** | | | | | | |
| Proposed Dividend | – | 7,556.5 | 12,784.0 | 11,911.2 | 9,439.1 | 7,195.1 |
| Tax on Dividends | – | 1,228.0 | 2,141.0 | 2,024.3 | 1,604.2 | 1,009.2 |
| General Reserve | – | 5,046.8 | 6,000.0 | 15,000.0 | 15,000.0 | 15,000.0 |
| Debenture Redemption Reserve | – | 4,000.0 | – | – | – | – |
| Surplus Carried to Balance Sheet | 164,171.7 | 127,726.5 | 94,967.0 | 63,874.6 | 45,939.8 | 30,141.7 |
| **Total** | **164,171.7** | **145,557.8** | **115,892.0** | **92,810.1** | **71,983.1** | **53,346.0** |

**Note:**

i) Opening balance brought forward for financial year 2009-10 includes, Rs 122.8 million of Hooghly Met Coke and Power Company Ltd. on amalgamation with Tata Steel Ltd.

The accompanying Significant Accounting Policies and Notes are an integral part of this statement.

# Annexure III

## Statement of Cash Flows, as Restated of Tata Steel Limited

| | Particulars | For the period ended Sept. 30, 2010 | For the year ended March 31 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|---|---|
| | | | (Rs. in million) | | | | |
| A | **CASH FLOW FROM OPERATING ACTIVITIES:** | | | | | | |
| | Net Profit before tax | **50,947.5** | **72,143.0** | **73,156.1** | **70,663.6** | **62,043.6** | **51,997.6** |
| | **Adjustments for :** | | | | | | |
| | Depreciation | 5,616.6 | 10,831.8 | 9,734.0 | 8,346.1 | 8,192.9 | 7,751.0 |
| | (Profit) / Loss on sale of Assets discarded / Assets written off | (155.2) | (77.5) | 64.3 | (282.6) | (111.9) | (410.0) |
| | (Profit)/Loss on sale of other investments | (6,480.9) | (6,283.9) | (1,864.6) | (0.3) | (42.3) | – |
| | Impairment of Assets | 120.7 | 56.0 | – | 0.6 | 62.2 | – |
| | (Gain)/Loss on cancellation of forward covers / options /swaps | (294.6) | 310.3 | (266.2) | (1,243.0) | (826.9) | (377.3) |
| | Provision for diminution in value of investments | – | – | 1.0 | – | 1.0 | – |
| | Reversal of Impairment Loss | – | – | – | – | – | (33.3) |
| | Interest and income from current investments | (1,750.4) | (3,397.9) | (3,368.1) | (1,425.3) | (2,957.2) | (1,542.1) |
| | Income from other Investments | (880.3) | (2,486.8) | (1,016.2) | (884.2) | (1,171.9) | (718.2) |
| | Interest charged to Profit and Loss Account | 8,452.0 | 18,481.9 | 14,895.0 | 9,290.3 | 2,512.5 | 1,745.1 |
| | Exchange (Gain) / Loss on revaluation of foreign currency loans | (820.3) | 111.3 | 679.1 | (7,436.0) | (2,221.0) | – |
| | Provision for Wealth Tax | 5.0 | 10.0 | 10.0 | 9.5 | 9.7 | 8.0 |
| | Amortisation of long term loan expenses | 314.2 | 795.2 | 327.1 | 579.9 | 651.0 | 49.8 |
| | Contribution for sports infrastructure | – | – | – | 1,500.0 | – | – |
| | **Operating Profit before Working Capital Changes** | **55,074.3** | **90,493.4** | **92,351.5** | **79,118.6** | **66,141.7** | **58,470.6** |
| | **Adjustments for :** | | | | | | |
| | Trade and Other Receivables | 1,468.1 | 4,382.2 | (65.6) | (2.6) | (61.8) | (1,759.4) |
| | Inventories | (11,817.2) | 4,134.2 | (8,754.9) | (2,720.0) | (1,582.2) | (3,023.5) |
| | Trade Payables and Other Liabilities | 9,241.5 | 5,477.3 | 19,943.6 | 8,181.9 | 4,965.8 | 158.0 |
| | **Cash Generated from Operations** | **53,966.7** | **104,487.1** | **103,474.6** | **84,577.9** | **69,463.5** | **53,845.7** |
| | Direct Taxes Paid | (7,834.2) | (20,794.9) | (27,975.6) | (20,602.0) | (20,345.9) | (17,471.1) |
| | **Net Cash from Operating Activities** | **46,132.5** | **83,692.2** | **75,499.0** | **63,975.9** | **49,117.6** | **36,374.6** |
| B | **CASH FLOW FROM INVESTING ACTIVITIES:** | | | | | | |
| | Purchase of fixed assets | (21,265.4) | (21,020.4) | (27,862.9) | (24,589.7) | (20,095.8) | (15,275.8) |
| | Sale of fixed assets | 2,157.3 | 783.4 | 151.8 | 638.8 | 178.5 | 440.0 |
| | Purchase of Investments | (406,793.8) | (1,899,298.1) | (597,973.3) | (315,951.7) | (183,061.3) | (80,373.2) |
| | Purchase of Investments in Subsidiaries | (35,568.0) | (58,118.4) | (44,389.0) | (295,874.0) | (1,181.7) | (2,774.0) |
| | Sale of Investments | 427,798.0 | 1,923,269.6 | 571,816.1 | 341,104.6 | 146,234.8 | 70,895.1 |
| | Intercorporate deposits/ Shareholder's loan | (20,719.3) | (1,216.8) | (419.1) | (2,289.8) | (357.6) | – |
| | Interest and income from current investments received | 1,139.1 | 565.5 | 1,852.5 | 1,460.0 | 2,658.6 | 1,723.8 |
| | Dividend Received | 880.3 | 2,486.8 | 1,016.2 | 884.2 | 1,171.9 | 718.2 |
| | **Net Cash used in Investing Activities** | **(52,371.8)** | **(52,548.4)** | **(95,807.7)** | **(294,617.6)** | **(54,452.6)** | **(24,645.9)** |

| Particulars | For the period ended Sept., 2010 | For the year ended March 31 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|---|
| | | | | (Rs. in million) | | |
| **C CASH FLOW FROM FINANCING ACTIVITIES:** | | | | | | |
| Issue of Equity Capital | 8,910.0 | 24,215.0 | 2.5 | 48,814.5 | 13,932.0 | – |
| Issue of Cumulative Convertible Preference Shares | – | – | 1.4 | 54,725.2 | – | – |
| Issue of Share Warrants | 1,782.0 | – | – | – | 1,470.6 | - |
| Capital contributions received | – | 17.6 | – | – | 55.9 | – |
| Proceeds from borrowings | 32,108.5 | 64,573.6 | 64,944.3 | 176,327.0 | 80,436.9 | 5,356.4 |
| Repayment of borrowings | (35,312.2) | (70,477.8) | (8,943.8) | (103,868.2) | (6,923.1) | (7,589.6) |
| Amount received/(paid) on cancellation of forward covers / options / swaps | 300.3 | (308.2) | (101.7) | 1,344.1 | 936.5 | 437.6 |
| Long term loan expenses | (1,280.2) | (2,787.9) | (325.1) | (2,023.8) | (1,188.8) | (579.7) |
| Interest paid | (9,606.4) | (16,784.4) | (12,139.6) | (7,460.7) | (2,278.5) | (1,802.1) |
| Dividend paid | (7,042.7) | (13,179.2) | (11,873.7) | (9,379.5) | (7,176.9) | (7,134.6) |
| **Net Cash from / (used in) Financing Activities** | **(10,140.7)** | **(14,731.3)** | **31,564.3** | **158,478.6** | **79,264.6** | **(11,312.0)** |
| **Net Increase / (Decrease) in Cash and Cash equivalents (A+B+C)** | **(16,380.0)** | **16,412.5** | **11,255.6** | **(72,163.1)** | **73,929.6** | **416.7** |
| **Opening Cash and Cash equivalents** | **32,341.4** | **15,928.9** | **4,650.4** | **76,813.5** | **2,883.9** | **2,467.2** |
| **Closing Cash and Cash equivalents** | **15,961.4** | **32,341.4** | **15,906.0** | **4,650.4** | **76,813.5** | **2,883.9** |

Notes:

i) Figures in brackets represent outflows.

ii) Cash and cash equivalents include gain/loss on foreign exchange revaluation.

iii) Interest paid is exclusive of, and purchase of Fixed Assets is inclusive of, interest capitalised.

iv) Investment in subsidiaries represents the portion of purchase consideration discharged in cash during the year/period out of the total consideration.

v) Sale of investment includes sale of investment in subsidiaries for which disposal consideration has been received in cash.

vi) Opening cash and cash equivalents for financial year 2009-10 includes, Rs. 22.9 million of Hoogly Met Coke and Power Company Ltd. on amalgamation with Tata Steel Ltd.

vii) Closing cash balance as at March 31, 2007 includes Rs. 72,259.4 million ringfenced for a specific purpose.

# Annexure IV

## Significant Accounting Policies and Notes on Restated Summary Statements of Tata Steel Limited

**A. Significant Accounting Policies as at September 30, 2010:**

**(a) Basis for Accounting**

The financial statements are prepared under the historical cost convention on an accrual basis of accounting in accordance with the generally accepted accounting principles, Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 and the relevant provisions thereof.

**(b) Revenue Recognition**

(i) Sales comprises sale of goods and services, net of trade discounts.

(ii) Export incentive under the Duty Entitlement Pass Book Scheme has been recognised on the basis of credits afforded in the pass book.

**(c) Employee Benefits**

(i) Short-term employee benefits are recognised as an expense at the undiscounted amount in the Profit and Loss Account of the year in which the related service is rendered.

(ii) Post employment benefits are recognised as an expense in the Profit and Loss Account for the year in which the employee has rendered services. The expense is recognised at the present value of the amount payable towards contributions. The present value is determined using the market yields of government bonds, at the balance sheet date, as the discounting rate.

(iii) Other long-term employee benefits are recognised as an expense in the Profit and Loss Account for the period in which the employee has rendered services. Estimated liability on account of long-term benefits is discounted to the current value, using the market yield on government bonds, as on the date of balance sheet.

(iv) Actuarial gains and losses in respect of post employment and other long-term benefits are charged to the Profit and Loss Account.

(v) Miscellaneous Expenditure

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

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

**(d) Fixed Assets**

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

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

**(e) Depreciation**

(I) Capital assets whose ownership does not vest in the Company is depreciated over their estimated useful life or five years, whichever is less.

(II) In respect of other assets, depreciation is provided on a straight line basis applying the rates specified in Schedule XIV to the Companies Act, 1956 or rates based on estimated useful life whichever is higher. However, asset value upto Rs. 25,000 is fully depreciated in the year of acquisition. The details of estimated life for each category of asset is as under :

(i) Buildings — 30 to 62 years.

(ii) Plant and Machinery — 6 to 21 years.

(iii) Railway Sidings — 21 years.

(iv) Vehicles and Aircraft — 5 to 18 years.

(v) Furniture, Fixtures and Office Equipment — 5 years.

(vi) Intangibles (Computer Software) — 5 to 10 years.

(vii) Development of property for development of mines and collieries are depreciated over the useful life of the mine or lease period whichever is less, subject to maximum of 10 years.

(viii) Blast Furnace relining is depreciated over a period of 10 years (average expected life).

(ix) Freehold land is not depreciated.

(x) Leasehold land is amortised over the life of the lease.

(xi) Roads — 30 to 62 years.

**(f) Foreign Currency Transactions**

Foreign Currency Transactions (FCT) and forward exchange contracts used to hedge FCT are initially recognised at the spot rate on the date of the transaction/contract. Monetary assets and liabilities relating to foreign currency transactions and forward exchange contracts remaining unsettled at the end of the year are translated at year end rates.

The company has opted for accounting the exchange differences arising on reporting of long term foreign currency monetary items in line with Companies (Accounting Standards) Amendment Rules 2009 relating to Accounting Standard 11 (AS-11) notified by Government of India on March 31, 2009. Accordingly the effect of exchange differences on foreign currency loans of the company is accounted by addition or deduction to the cost of the assets so far it relates to depreciable capital assets and in other cases by transfer to “Foreign Currency Monetary Items Translation Difference Account” to be amortised over the balance period of the long-term monetary items or period upto March 31, 2011 whichever is earlier.

The differences in translation of FCT and forward exchange contracts used to hedge FCT (excluding the long term foreign currency monetary items accounted in line with Companies (Accounting Standards) Amendment Rules 2009 on Accounting Standard 11 notified by Government of India on March 31, 2009) and realised gains and losses, other than those relating to fixed assets are recognised in the Profit and Loss Account. The outstanding derivative contracts at the balance sheet date other than forward exchange contracts used to hedge FCT are valued by marking them to market and losses, if any, are recognised in the Profit and Loss Account.

Exchange difference relating to monetary items that are in substance forming part of the Company's net investment in non integral foreign operations are accumulated in Foreign Exchange Fluctuation Reserve Account.

**(g) Investments**

Long term investments are carried at cost less provision for diminution other than temporary, if any, in value of such investments. Current investments are carried at lower of cost and fair value.

**(h) Inventories**

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

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

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

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

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

**(i) Relining Expenses**

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

**(j) Research and Development**

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

**(k) Deferred Tax**

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

**B. Significant Changes in Accounting Policies:**

The restated financial statements have not been adjusted for the effect of changes in accounting policies during the years 2005-06 to 2009-10 and the period ended September 30, 2010 as the accounting policy changes were:

(i) technical corrections where the impact for previous periods were insignificant; or

(ii) consequent to the introduction of new accounting standards or amendment to any existing standards and for which the information relevant to prior periods could not be determined with reasonable accuracy as the accounting systems were not designed to comply with the Accounting Standards applicable in those years.

The changes in accounting policies are as detailed below:

1. The company has opted for accounting the exchange differences arising on reporting of long term foreign currency monetary items in line with Companies (Accounting Standards) Amendment Rules 2009 relating to Accounting Standard 11 (AS-11) notified by Government of India on March 31, 2009 which allows foreign exchange difference on long-term monetary items to be capitalised to the extent they relate to acquisition of depreciable assets and in other cases to amortise over the period of the monetary asset/liability or the period up to March 31, 2011, whichever is earlier.

   As on September 30, 2010, a credit of Rs. 1,450.1 million (31.03.2010 : Credit of Rs. 2,069.5 million) remains to be amortised in the "Foreign Currency Monetary Items Translation Difference Account" after taking a credit of Rs. 837.3 million (2009-10 : Debit of Rs. 856.7 million) in the Profit & Loss Account and Rs. 20.3 million (net of deferred tax Rs. 10.1 million) [2009-10 : Rs. 473.5 million (net of deferred tax Rs. 243.8 million)] adjusted against Securities Premium Account during the period ended September 30, 2010 on account of amortisation. The Depreciation for the period ended September 30, 2010 is higher by Rs. 2.4 million (2009-10 : Rs. 4.1 million) and the Profit before taxes for the period ended September 30, 2010 is higher by Rs. 656.5 million (2009-10 : Lower by Rs. 5,616.0 million).

2. Employee Benefits

   The Company adopted AS 15 (revised 2005) on Employee Benefits effective April 1, 2006.

Consequent to the adoption, an amount of Rs. 1,065 million (net of deferred tax, Rs. 525 million) has been adjusted against General Reserves as at April 1, 2006, in accordance with the transitional provision in the Standard.

| Benefit | Reserves Debit/(Credit) | Deferred Tax Debit/(Credit) |
|---|---|---|
| | (Rs. in million) | |
| **Post Employment Benefits—Funded Defined Benefit Plans:** | | |
| Retiring Gratuity | (77.5) | 39.3 |
| **Post Employment Benefits—Unfunded Defined Benefit Plans:** | | |
| Post Retirement Medical Benefits | 3,092.9 | (1,569.3) |
| Pensions to Directors | 82.7 | (42.0) |
| Farewell Gifts on Retirement | 23.9 | (12.2) |
| Packing and Transportation Costs on Retirement | 32.4 | (16.4) |
| **Long Term Benefits:** | | |
| Leave (other than furlough leave) | (997.9) | 521.6 |
| Furlough (Long service) Leave | (24.7) | 12.6 |
| Long Service Awards | 36.8 | (18.7) |
| Loyalty Bonus | 26.3 | (13.1) |
| **Termination Benefits:** | | |
| Employees Separation Compensation | (1,049.2) | 532.3 |
| Employees Family Benefit Scheme | (80.7) | 40.9 |
| **Total** | **1,065.0** | **(525.0)** |

**C. Significant Changes in Accounting Estimates:**

1. In accordance with the guidelines of Accounting Standard on Employee Benefits AS-15 (revised 2005), the rate used to discount provision for employee separation compensation (ESS) was determined with reference to market yields on government bonds as at March 31, 2006. Consequently, the provision for employee separation compensation and miscellaneous expenditure were lower by Rs. 1,190 million and Rs. 240 million respectively as at March 31, 2006 and the profit before taxes was higher by Rs. 950 million for the year then ended.
2. The useful life of Office Equipments, Furniture and Fixtures and Light Vehicles has been revised effective April 1, 2006. The net written down value of these assets as at March 31, 2006 is being depreciated over the revised remaining useful life of the assets. As a result of this change, depreciation for the year ended March 31, 2007 is higher by Rs. 198.4 million.

**D. Amalgamation of Hooghly Met Coke & Power Company Ltd. (HMPCL)**

1. Pursuant to the sanction of the Honourable High Court of Calcutta to the Scheme of Amalgamation, the assets and liabilities of the erstwhile Hooghly Met Coke & Power Company Ltd. (HMPCL) whose principal business was manufacture of metallurgical coke, have been merged with the Company with effect from 1st April, 2009 in accordance with the Scheme so sanctioned. The effect of the merger has been given in the accounts of financial year 2009-10 as per the scheme sanctioned.
2. The amalgamation has been accounted for under the "Pooling of Interests method" as prescribed by Accounting Standard 14 (AS-14) as notified by the Government of India. Accordingly the assets, liabilities and other reserves of the erstwhile HMPCL as at 1st April, 2009 have been taken over at their book values. As a result reserves of the erstwhile HMPCL aggregating to Rs. 122.8 million have been added to the reserves of the Company.
3. The difference of Rs. 6.9 million between the value of net assets taken over, and the investment of the Company in the shares of HMPCL has been adjusted to the Amalgamation Reserve of the Company.
4. Pursuant to the Scheme, referred to in (1) above, 582,663,618 shares held by the Company in the erstwhile HMPCL have been cancelled.

**E. Significant Notes to Accounts:**

1. Prior Period Adjustments: In the financial statements for the years ended March 31, 2007 and 2006, certain items of income/expenses have been identified as prior period items. These prior-period items mainly represent liabilities no longer required. The liabilities included provisions which were made based on estimates available at that point of time. For the purpose of this statement, such prior period items have been appropriately adjusted in the respective prior years.

   The cumulative year wise adjustments and the details thereof are given below:

| Particulars | Rs. in million |
|---|---|
| Year ended March 31, 2007 | (572.9) |
| Year ended March 31, 2006 | (402.0) |
| Adjusted to opening reserves as at April 1, 2005 in the Restated Balance Sheet | (974.9) |

The details of the above prior year adjustments are as follows:

| Details of Prior Period Adjustments | Rs. in million |
|---|---|
| Raw materials consumed | (138.5) |
| Purchase of power | (411.1) |
| Others | 5.1 |
| Stores and spares consumed | (59.8) |
| Commission, rebate and discounts | (150.3) |
| Excise duty | (14.2) |
| Freight and handling charges | (48.9) |
| Purchase of finished and semi-finished products | (61.4) |
| Conversion charges | (9.6) |
| Profit on sale of capital asset | (11.3) |
| Miscellaneous income | (100.8) |
| Rates and taxes | (3.0) |
| Repairs to building | (1.4) |
| Repairs to machinery | 3.2 |
| Sale of products | 25.0 |
| Royalty | 2.1 |
| **Total** | **(974.9)** |

Figure in bracket represents credits

2. **Contingent Liabilities as at September 30, 2010:**

(a) Guaran

The Company has given guarantees aggregating Rs. 7,552.3 million (31.03.2010 : Rs. 3,552.8 million) to banks and financial institutions on behalf of others.

(b) Claims not acknowledged by the Company

| Particulars | As at Sept. 30, 2010 (Rs. in million) | As at March 31, 2010 (Rs. in million) |
|---|---|---|
| (i) Excise | 2,969.0 | 2,965.9 |
| (ii) Customs | 136.8 | 136.8 |
| (iii) Sales Tax and VAT | 6,171.4 | 5,879.7 |
| (iv) State Levies | 1,766.0 | 1,736.2 |
| (v) Suppliers and Service Contract | 720.2 | 710.2 |
| (vi) Labour Related | 376.3 | 369.2 |
| (vii) Income Tax | 1,348.5 | 1,434.4 |

(c) Claim by a party arising out of conversion arrangement - Rs. 1,958.2 million (31.03.2010 : Rs. 1,958.2 million). The Company has not acknowledged this claim and has instead filed a claim of Rs. 1,396.5 million (31.03.2010 : Rs. 1,396.5 million) on the party. The matter is pending before the Calcutta High Court.

(d) The Excise Department has raised a demand of Rs. 2,354.8 million (31.03.2010 : Rs. 2354.8 million) denying the benefit of Notification No. 13/2000 which provides for exemption to the integrated steel plant from payment of excise duty on the freight amount incurred for transporting material from plant to stock yard and consignment agents. The Company filed an appeal with CESTAT, Kolkata and the order of the department was set aside. The department has filed an appeal in Supreme Court where the matter is pending.

(e) TMT bars and rods in coil form are sent to external processing agents (EPA) for decoiling and cutting into specified lengths before the products are despatched for sale. Excise department demanded duty from the EPA, holding the activity as manufacture and ignoring the payment of duty made by Tata Steel. An appeal against the order of the Commissioner of Central Excise, Jamshedpur was filed in CESTAT, Kolkata and was allowed in favour of the EPA. Subsequently, the department challenged the same in Jharkhand High Court, Ranchi, which is still pending for hearing. Subsequent demands in this regard have not been adjudicated. The liability till 30th September 2010, if materializes, will be to the tune of Rs. 2,988.6 million (31.03.2010 : Rs. 2,912.2 million). However, the company has already paid duty amounting to Rs. 1,964.8 million (2009-10: Rs. 1,895.2 million) till date based on the final sale price of the material.

(f) The State Government of Orissa introduced "Orissa Rural Infrastructure and Socio Economic Development Act 2004" with effect from February 2005 levying tax on mineral bearing land computed on the basis of value of minerals produced from the mineral bearing land. The Company had filed a Writ Petition in the High Court of Orissa, challenging the validity of the Act. Orissa High Court held in November 2005 that State does not have authority to levy tax on minerals. The State Government of Orissa moved to the Supreme Court against the order of Orissa High Court and the case is pending with Supreme Court. The liability, if it materializes, as at September 30, 2010 would be Rs. 14,077.2 million (31.03.2010 : Rs. 12,777.4 million).

(g) In terms of the agreements entered into between Tata Teleservices Ltd. (TTSL), Tata Sons Ltd. (TSL) and NTT DoCoMo, Inc. of Japan (Strategic Partner-SP), the Company was given by Tata Sons an option to sell 5,246,590 equity shares in TTSL to the SP, as part of a secondary sale of 253,163,941 equity shares effected along with a primary issue of 843,879,801 shares by TTSL to the SP. In 2008-09, the company realised Rs. 609.1 million on sale of these shares resulting in a profit of Rs. 497.7 million.

If certain performance parameters and other conditions are not met, should the SP decide to divest its entire shareholding in TTSL, acquired under the primary issue and the secondary sale, and should TSL be unable to find a buyer for such shares, the Company is obligated to acquire the shareholding of the SP, at the higher of fair value or 50 percent of the subscription purchase price, in proportion of the number of shares sold by the company to the aggregate of the secondary shares sold to the SP, or if the SP divests the shares at a lower price pay a compensation representing the difference between such lower sale price and the price referred to above.

Further, in the event of breach of the representations and warranties (other than title and tax) and covenants not capable of specific performance, the Company is liable to reimburse TSL, on a pro rata basis, upto a maximum sum of Rs. 787.5 million. The exercise of the option by SP being contingent on several variables the liability, if any, is remote and indeterminable.

(h) The Company has been paying royalty on coal extracted from its quarries pursuant to the judgement and order dated July 23, 2002 passed by the Jharkhand High Court. However, the State Government demanded royalty on processed coal at rates applicable to processed coal. Though the Company has contested the above demand, it has started paying, under protest, royalty on processed coal from November 2008. The incremental amount, if payable for the period till October 2008 works out to Rs. 3,676.8 million (31.03.2010 : Rs. 3,441.9 million) and has been considered as a contingent liability. Payments made under protest from November 2008 till date has been charged off to Profit and Loss Account.

(i) Uncalled liability on partly paid shares and debentures Rs. 0.1 million (31.03.2010 : Rs. 0.1 million).

(j) Bills discounted Rs. 1,987.5 million (31.03.2010 : Rs. 2,745.5 million).

3. The Company has given undertakings to (a) IDBI Bank Ltd. not to dispose of its investment in The Tinplate Company of India Limited, (b) ICICI Bank Ltd., IFCI and IIBI not to dispose of its investment in the Indian Steel Rolling Mills Ltd. (ISRM). The ISRM is under liquidation, (c) IDBI not to dispose of its investment in Wellman Incandescent India Ltd., (d) IDBI and ICICI Bank Ltd. not to dispose of its investment in Standard Chrome Ltd., (e) State Bank of India not to dispose of its investment in Tata BlueScope Ltd. (f) Standard Chartered Bank, Hong Kong and Shanghai Banking Corporation and Nedbank not to dispose of majority stake in Tata Steel (KZN) (Pty) Ltd., (g) Mizuho Corporate Bank Limited, not to dispose of its investments in Tata NYK Shipping Pte. Limited, (minimal stake required to be able to provide a corporate guarantee towards long term debt), (h) State Bank and others not to dispose of its investment in Centennial Steel Company Ltd. (CSCL), below 51% of CSCL's paid up equity share capital, without the prior consent of the respective financial institutions/banks so long as any part of the loans/facilities sanctioned by the institutions/banks to these eight companies remains outstanding.

The Company has furnished a Security Bond in respect of its immovable property to the extent of Rs. 200.0 million in favour of the Registrar of the Delhi High Court and has given an undertaking not to sell or otherwise dispose of the said property.

The Promoters' (i.e. L & T Infrastructure Development Projects Ltd. and Tata Steel Ltd.) combined investments in The Dhamra Port Company Ltd. (DPCL), representing 51% of DPCL's paid-up equity share capital are pledged with IDBI Trusteeship Services Ltd.

The Promoters' (i.e. The Tata Power Company Limited. and Tata Steel Ltd.) combined investments in Industrial Energy Limited. (IEL), representing 51% of IEL's paid-up equity share capital are pledged with Infrastructure Development Corporation Limited (IDFC).

The company has agreed to provide contingent support up to a maximum of £ 500 million as at March 31, 2010 to Tata Steel Europe Limited, a wholly owned indirect subsidiary, only in the event Tata Steel Europe Limited is unable to generate the required liquidity internally or externally.

4. The Company had, on August 20, 2005, signed an agreement with the Government of Jharkhand to participate in a special health insurance scheme to be formulated by the Government of Jharkhand for the purpose of providing medical facilities to the families of the people below poverty line. The state government would develop a suitable scheme and the Company has agreed to contribute to such scheme, when operational, a sum of Rs. 250 million annually for a period of 30 years or upto the year of operation of the scheme whichever is less. The scheme is yet to be formed and no contribution has been made till September 30, 2010.

5. The Board of Industrial and Financial Reconstruction (BIFR) sanctioned a scheme for rehabilitation of The Indian Steel and Wire Products Limited (ISWP), a sick Company in FY 2003-04. In terms of the scheme, the Company –

(a) took management control of ISWP; (b) acquired 474,130 Equity Shares from the existing promoters at Re. 1/- per share; (c) converted Rs. 50.0 million of dues into 5,000,000 fully paid Equity Shares at Rs. 10 each and Rs. 108.8 million into unsecured loan to be repaid by ISWP in 8 annual installments starting from FY 2004-05; (d) has an advance of Rs. 149.1 million as at 31.03.2010 (31.03.2009: Rs. 194.7 million) with ISWP towards one time settlement with financial institutions for capital expenditure and margin for working capital.

6. Estimated amount of contracts remaining to be executed on Capital Account and not provided for as at March 31, 2010 : Rs. 106,985.4 million (31.03.2009 : Rs. 101,529.9 million).

7. The Company has taken on lease Plant and Machinery, having an aggregate cost of Rs. 37.9 million as at March 31, 2010. 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. Future obligations by way of minimum lease rentals in respect of these lease agreements amount to Rs. 2.6 million (present value Rs. 2.5 million) as at March 31, 2010.

8. The Company raised Rs. 35,787.5 million (US $ 875 million) through the issue of Foreign Currency Convertible Alternative Reference Securities ("CARS") during FY 2007-08. The CARS will be convertible into either qualifying securities (which may be in the form of depository receipts with restricted rights of withdrawal representing underlying ordinary shares with differential rights as to voting) or ordinary shares only between September 4, 2011 to August 6, 2012 and are redeemable in foreign currency only in September 2012, if not converted into equity. The CARS will be convertible at a conversion price of Rs. 733.13 per share. The CARS carry a coupon rate of 1% p.a. The outstanding CARS, if any, at maturity will be redeemable at a premium of 23.34% of the principal amount, with an effective YTM of 5.15%.

During 2009-10, the Company invited holders of the CARS to exchange their holdings for 4.5% Convertible Bonds due in 2014. The offer closed on November 16, 2009 and CARS having face value of US$ 493 million were exchanged into Convertible Bonds worth US$ 546.94 million. The net exchange difference of Rs. 1,431.5 million has been recognised as an expense in the Profit and Loss Account during the year ended March 31, 2010. The 4.5% Convertible Bonds are convertible at Rs. 605.53 at an exchange rate of 1 US$ = Rs. 46.35 at any time on or after December 31, 2009 and up to the close of business on November 11, 2014. The aggregate principal amount of CARS remaining outstanding after this exchange is US$ 382 million.

Premium payable on redemption and the expenses related to the issue of CARS are adjusted against the Securities Premium Account. Changes to premium payable on account of exchange fluctuation is transferred to "Foreign Currency Monetary Items Translation Difference Account" in line with Companies (Accounting Standards) Amendment Rules 2009 relating to Accounting Standard 11 (AS-11) notified by Government of India on March 31, 2009. Such exchange fluctuation on the premium payable is amortised over the balance period of CARS but not beyond March 31, 2011, by adjusting the same to Securities Premium Account. Accordingly, an amount of Rs. 20.3 million (net of deferred tax Rs. 10.1 million) [2009-10: Rs. 473.5 million (net of deferred tax Rs. 243.8 million)] has been amortised and adjusted against Securities Premium Account during the period ended September 30, 2010.

9. The Condensed Financial Statements as at and for the period ended September 30, 2010 are prepared in accordance with Accounting Standard (AS)-25 on Interim Financial Reporting issued by The Institute of Chartered Accountants of India. Accordingly, the notes above and other Financial Information include figures as on September 30, 2010 only in cases where such information is presented in the aforesaid Condensed Financial Statements.

# Annexure V
## Share Capital of Tata Steel Limited

| Particulars | | As at Sept. 2010 | As at March 31 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|---|---|
| | | | (Rs. in million) | | | | |
| **Authorised :** | | | | | | | |
| **1,750,000,000** | Ordinary Shares of Rs. 10 each .......................................... (31.03.2010: 1,750,000,000 Shares of Rs. 10 each (31.03.2009: 1,750,000,000 Shares of Rs. 10 each) (31.03.2008: 1,750,000,000 Shares of Rs. 10 each) (31.03.2007: 1,750,000,000 Shares of Rs. 10 each) (31.03.2006: 600,000,000 Shares of Rs. 10 each) | 17,500.0 | 17,500.0 | 17,500.0 | 17,500.0 | 17,500.0 | 6,000.0 |
| **25,000,000** | Cumulative Redeemable Preference Shares of Rs. 100 each .................................................................. (31.03.2010: 25,000,000 Shares of Rs. 100 each) (31.03.2009: 25,000,000 Shares of Rs. 100 each) (31.03.2008: 25,000,000 Shares of Rs. 100 each) (31.03.2007: 25,000,000 Shares of Rs. 100 each) (31.03.2006: 25,000,000 Shares of Rs. 100 each).............. | 2,500.0 | 2,500.0 | 2,500.0 | 2,500.0 | 2,500.0 | 2,500.0 |
| **600,000,000** | Cumulative Convertible Preference Shares of Rs. 100 each.................................................................. (31.03.2010: 600,000,000 Shares of Rs. 100 each) (31.03.2009: 600,000,000 Shares of Rs. 100 each) (31.03.2008: 600,000,000 Shares of Rs. 100 each) (31.03.2007: Nil) (31.03.2006: Nil) | 60,000.0 | 60,000.0 | 60,000.0 | 60,000.0 | – | – |
| | | **80,000.0** | **80,000.0** | **80,000.0** | **80,000.0** | **20,000.0** | **8,500.0** |
| **Issued :** | | | | | | | |
| **903,126,020** | Ordinary Shares of Rs. 10 each.......................................... (31.03.2010: 888,126,020 Shares of Rs. 10 each) (31.03.2009: 731,369,503 Shares of Rs. 10 each) (31.03.2008: 731,369,503 Shares of Rs. 10 each) (31.03.2007: 581,074,932 Shares of Rs. 10 each) (31.03.2006: 554,074,932 Shares of Rs. 10 each) | 9,031.3 | 8,881.3 | 7,313.7 | 7,313.7 | 5,810.7 | 5,540.7 |
| **–** | 2% Cumulative Convertible Preference Shares of Rs. 100 each .................................................................. (31.03.2010: Nil) (31.03.2009: 548,075,571 Shares of Rs. 100 each) (31.03.2008: 548,075,571 Shares of Rs. 100 each) (31.03.2007: Nil) (31.03.2006: Nil) | – | – | 54,807.6 | 54,807.6 | – | – |
| **Subscribed :** | | | | | | | |
| **902,214,196** | Ordinary Shares of Rs. 10 each .......................................... (31.03.2010: 887,214,196 Shares of Rs. 10 each) (31.03.2009: 730,592,471 Shares of Rs. 10 each) (31.03.2008: 730,584,320 Shares of Rs. 10 each) (31.03.2007: 580,472,856 Shares of Rs. 10 each) (31.03.2006: 553,472,856 Shares of Rs. 10 each) | 9,022.1 | 8,872.1 | 7,305.9 | 7,305.8 | 5,804.7 | 5,534.7 |
| | *Add* — Amount paid up on 3,89,516 Ordinary Shares forfeited..................................................... (31.03.2010: 389,516 Shares of Rs. 10 each) (31.03.2009: 389,516 Shares of Rs. 10 each) (31.03.2008: 389,516 Shares of Rs. 10 each) (31.03.2007: 389,516 Shares of Rs. 10 each) (31.03.2006: 389,516 Shares of Rs. 10 each) | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| | | **9,024.1** | **8,874.1** | **7,307.9** | **7,307.8** | **5,806.7** | **5,536.7** |
| **–** | 2% Cumulative Convertible Preference Shares of Rs. 100 each.................................................................. (31.03.2010: Nil) (31.03.2009: 547,266,011 Shares of Rs. 100 each) (31.03.2008: 547,251,605 Shares of Rs. 100 each) (31.03.2007: Nil) (31.03.2006: Nil) | – | – | 54,726.6 | 54,725.2 | – | – |
| | | **9,024.1** | **8,874.1** | **62,034.5** | **62,033.0** | **5,806.7** | **5,536.7** |

# Annexure VI

## Secured Loans of Tata Steel Limited

| Particulars | As at Sept. 30, 2010 | As at March 31 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|---|
| | | | | (Rs. in million) | | |
| Banks and Financial Institutions | – | 4,537.6 | – | – | – | 634.7 |
| International Finance Corporation, Washington | – | – | 20,288.0 | 16,048.0 | 17,414.0 | – |
| Joint Plant Committee-Steel Development Fund (including funded interest) @ | 18,367.2 | 18,055.4 | 17,524.0 | 17,006.3 | 16,502.4 | 16,092.5 |
| Privately Placed Non-Convertible Debentures | – | – | 418.3 | 834.2 | 1,750.0 | 4,625.0 |
| Cash Credits/Packing Credits from Banks | 958.6 | – | 900.0 | 1,317.1 | 1,922.6 | 564.9 |
| Government of India | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| Assets Under Lease | – | – | – | – | – | 0.1 |
| **Total** | **19,326.0** | **22,593.2** | **39,130.5** | **35,205.8** | **37,589.2** | **21,917.4** |

@ Includes repayments and interest on earlier loans for which applications for funding are awaiting sanction.

## Unsecured Loans of Tata Steel Limited

| Particulars | As at Sept. 30, 2010 | As at March 31 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|---|
| | | | | (Rs. in million) | | |
| Fixed Deposits (including interest accrued and due) | 11.1 | 9.4 | 42.4 | 127.4 | 209.8 | 334.1 |
| Housing Development Finance Corporation Ltd. | 6.0 | 12.0 | 30.3 | 55.0 | 86.9 | 123.6 |
| Banks and Financial Institutions | 138,427.1 | 129,989.6 | 143,014.9 | 101,524.9 | 58,562.2 | 2,780.7 |
| Non-Convertible Debentures (Privately Placed) | 54,009.0 | 54,009.0 | 32,500.0 | – | – | – |
| Convertible Alternate Reference Securities | 21,176.6 | 21,168.3 | 54,739.2 | 43,299.2 | – | – |
| Foreign Currency Convertible Bonds | 24,582.0 | 24,572.4 | – | – | – | – |
| Interest Free Loan under Sales Tax Deferral Scheme | 38.1 | 38.1 | 4.5 | 4.6 | 5.2 | 5.7 |
| **Total** | **238,249.9** | **229,798.8** | **230,331.3** | **145,011.1** | **58,864.1** | **3,244.1** |

# Annexure VI

## Details of Loans Taken and Assets charged as securities of Tata Steel Limited as at Sept. 30, 2010

| Lender | Date of Agreement | Amount Outstanding as at Sept, 30, 2010 | Amount Outstanding as at March 31, 2010 | Rate of Interest | Repayment Terms | Security |
|---|---|---|---|---|---|---|
| | | (Rs. in million) | (Rs. in million) | (%) | | |
| Secured Loans: | | | | | | |
| Joint Plant Committee-Steel Development Fund | Various dates | 18,367.2 | 18,055.4 | 2% below the bank rate as applicable on April 1 every year | Loan is repayable in sixteen semi annual instalments after completion of 4 years (moratorium period) from the date of receipt of the last tranche relating to the loan. | Secured by mortgages, ranking pari passu inter se, on all present and future fixed assets, excluding land and buildings mortgaged in favour of Government of India for constructing a hostel for trainees at Jamshedpur and setting up a dispensary and a clinic at Collieries, land and buildings, plant and machinery and movables of the Tubes Division and the Bearings Division mortgaged in favour of the financial institutions and banks, assets of the Ferro Alloys Plant at Bamnipal mortgaged in favour of State Bank of India and assets of Cold Rolling Complex (West) at Tarapur and a floating charge on other properties and assets (excluding investments) of the Company, subject to the prior floating charge in favour of State Bank of India and other banks with respect to cash credits. This loan is not secured by charge on moveable assets of the Company |
| Facility Agreement with State Bank of India & Others | January 01, 2006 | – | 2,609.0 | 2.50% below State Bank Advance Rate | Repayment dates falling at consecutive quarterly intervals commencing from October, 2007 to April, 2015. | Secured by a first charge on the entire fixed assets (including mortgage over the immovable properties) of erstwhile HMPCL, ranking pari passu with the other term lenders. The term loan is also secured by a first charge on receivables from sale of Hot Flue gases, pari passu with other term lenders and second charge on the current assets comprising of stocks, receivables etc. of erstwhile HMPCL (other than power receivables on which the term lenders have an exclusive charge). |
| Facility Agreement with State Bank of India & Others | January 22, 2008 | – | 1,928.6 | 1.75% below State Bank Advance Rate | Repayment dates falling at consecutive quarterly intervals commencing from April 2009 to January 2016. | Secured by a first charge on the entire fixed assets (including mortgage over the immovable properties) of erstwhile HMPCL, ranking pari passu with the other term lenders. The term loan is also secured by a first charge on receivables from sale of Hot Flue gases, pari passu with other term lenders and second charge on the current assets comprising of stocks, receivables etc. of erstwhile HMPCL (other than power receivables on which the term lenders have an exclusive charge). |
| Cash Credits/Packing Credits from Banks | Various dates | 958.6 | – | Various rates | Payable on Demand | Secured by hypothecation of stocks, stores and book debts, ranking in priority to the floating charge under above mentioned loans. |
| Government of India : | | | | | | |
| (i) for constructing a hostel for trainees at Jamshedpur | | 0.1 | 0.1 | | | Secured respectively by a first mortgage on the lands together with the buildings for hostel and dispensary and clinic constructed thereon. |
| (ii) for setting up a dispensary and clinic at Collieries | | 0.1 | 0.1 | | | |
| **Total Secured Loans** | | **19,326.0** | **22,593.2** | | | |

| Lender | Date of Agreement | Amount Outstanding as at Sept, 30, 2010 (Rs. in million) | Amount Outstanding as at March 31, 2010 (Rs. in million) | Rate of Interest (%) | Repayment Terms | Security |
|---|---|---|---|---|---|---|
| **Unsecured Loans:** | | | | | | |
| Fixed Deposits including interest accrued and due | Various dates | 11.1 | 9.4 | Various rates | Various dates | N.A |
| Housing Development Finance Corporation Ltd | Various dates | 6.0 | 12.0 | Various rates | Various dates | N.A |
| JPY Syndicated ECB Loan—US $ 495 million equivalent (repayable in foreign currency) | March 07, 2006 | 31,559.9 | 28,201.5 | Libor+0.50 | 20% in each instalment—April 6, 2011, Oct 6, 2011, April 6, 2012, Oct 6, 2012 and April 6, 2013 | N.A |
| Canara Bank, London ECB Loan US $ 5 million (repayable in foreign currency) | March 07, 2006 | 224.7 | 224.6 | Libor+0.50 | 20% in each instalment—April 6, 2011, Oct 6, 2011, April 6, 2012, Oct 6, 2012 and April 6, 2013 | N.A |
| Euro Hermes Loan from Deutsche Bank, Frankfurt (repayable in foreign currency) | March 13, 2006 | 445.9 | 444.4 | Euribor+0.12 | 20 equal, consecutive, semi annual instalments, the first instalment being due 6 months after the starting point. | N.A |
| JPY Syndicated Standard Chartered Bank Loan—US $ 750 million equivalent (repayable in foreign currency) | October 10, 2006 | 48,140.7 | 43,017.9 | Libor+0.34 | 20% in each instalment—October 10, 2011, April 10, 2012, October 10, 2012, April 10, 2013 and October 10, 2014 | N.A |
| Interest Free Loan under Sales Tax Deferral Scheme | Various dates | 38.1 | 38.1 | N.A | Various dates | N.A |
| Euro Sace Loan from Deutsche Bank, Frankfurt (repayable in foreign currency) | March 13, 2006 | 2,445.2 | 2,564.5 | Euribor+0.12 | 20 equal, consecutive, semi annual instalments, the first instalment being due 6 months after the starting point. | N.A |
| Syndicated Standard Chartered Bank Loan—GBP 100 million (repayable in foreign currency) | January 29, 2010 | 7,064.2 | 2,046.7 | Libor + 290 | The date which is 5 years and 1 days from the relevant Weighted Average Utilisation date i.e. April 04, 2015 | N.A |
| Syndicated Standard Chartered Bank Loan— US $ 335 million (repayable in foreign currency) | January 29, 2010 | 15,056.5 | – | Libor + 297 | The date which is 5 years and 1 days from the relevant Weighted Average Utilisation date i.e. June 10, 2015 | N.A |
| Convertible Alternate Reference Securities (repayable in foreign currency) | September 04,2007 | 21,176.6 | 21,168.3 | 1% | Maturity date September 05, 2012 | N.A. |
| Foreign Currency Convertible Bonds (repayable in foreign currency) | November 20, 2009 | 24,582.0 | 24,572.4 | 4.5% | Maturity date November 21, 2014 | N.A |

| Lender | Date of Agreement | Amount Outstanding as at Sept, 30, 2010 | Amount Outstanding as at March 31, 2010 | Rate of Interest | Repayment Terms | Security |
|---|---|---|---|---|---|---|
| | | (Rs. in million) | (Rs. in million) | (%) | | |
| Term loan from State Bank of India | January 28, 2008 | 25,000.0 | 25,000.0 | 1.50% over SBI Base Rate (Reset annually) | First Repayment Date falling on the completion of the 54th month i.e. July 28, 2012, Second Repayment Date falling on the completion of the 60th month i.e. January 28, 2013 and Final Repayment Date falling on the completion of the 66th month i.e. July 28, 2013. | N.A |
| Term loan from State Bank of India | March 30, 2009 | – | 10,000.0 | SBAR (Reset annually) | Repayment in nine consecutive semi annual installments starting from 18th month after the date of final disbursement | N.A |
| Term loan from Axis Bank | May 29, 2008 | – | 10,000.0 | 10% | Bullet repayment at the end of two years from the date of disbursement i.e. May 29, 2010 | N.A |
| Term loan from Housing Development Finance Corporation Limited | June 16, 2009 | 6,500.0 | 6,500.0 | Link to HDFC CPLR reset quarterly. Current applicable rate will be 9.86% | Bullet repayment at the end of 120 months commencing from July 01, 2009 i.e. June 30, 2019. | N.A |
| Term loan from Infrastructure Development Finance Company Limited | June 24, 2009 | 1,990.0 | 1,990.0 | 10.30% | Bullet repayment at the end of 7th year from the date of first disbursement i.e. June 30, 2017 | N.A |
| Non-Convertible Debentures - Issue 2008 Series - I (privately placed with various parties) | May 7, 2008 | 6,200.0 | 6,200.0 | 10.20% | May 7, 2015 | N.A |
| Non-Convertible Debentures - Issue 2008 Series - II (privately placed with various parties) | May 7, 2008 | 10,900.0 | 10,900.0 | "NSE MIBOR (Mumbai Inter-Bank Offer Rate) compounded daily plus 2.50%, where NSE MIBOR is the MIBOR published by the National Stock Exchange of India on Reuters page MIBR=NS at 0940 IST." | May 7, 2011 | N.A |

| Lender | Date of Agreement | Amount Outstanding as at Sept, 30, 2010 | Amount Outstanding as at March 31, 2010 | Rate of Interest | Repayment Terms | Security |
|---|---|---|---|---|---|---|
| | | (Rs. in million) | (Rs. in million) | (%) | | |
| Non-Convertible Debentures - Issue 2008 Series - III (privately placed with various parties) | May 7, 2008 | 2,900.0 | 2,900.0 | 9.80% | May 7, 2011 | N.A |
| Non-Convertible Debentures (privately placed with LIC) | November 18, 2008 | 12,500.0 | 12,500.0 | 12.50% | Equal redemptions at the end of 6th, 7th and 8th year. | N.A |
| Non-Convertible Debentures (privately placed with various parties) | May 19, 2009 | 15,000.0 | 15,000.0 | 11.00% | Bullet at the end of the 10th year i.e. May 19, 2019. | N.A |
| Non-Convertible Debentures (privately placed with various parties) | May 15, 2009 | 6,509.0 | 6,509.0 | 10.40% | At par at the end of 10th year from the Deemed Date of Allotment i.e on May 15, 2019. | N.A |
| **Total Unsecured Loans** | | **238,249.9** | **229,798.8** | | | |
| **Total** | | **257,575.9** | **252,392.0** | | | |

# Annexure VII
## Statement of Investments of Tata Steel Limited

| SN | Particulars | As at Sept. 30, 2010 | As at March 31 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|---|---|
| | | | (Rs. in million) | | | | |
| A. | **LONG TERM INVESTMENTS** | | | | | | |
| | **Trade Investments** | | | | | | |
| | SHARES & DEBENTURES (Quoted) | | | | | | |
| (1) | The Tinplate Company of India Ltd. | 1,286.1 | 1,286.1 | 296.8 | 296.8 | 296.8 | 296.8 |
| (2) | Tata Metaliks Ltd. (Became subsidiary during the year 2007-08) | – | – | – | – | 118.0 | 118.0 |
| (3) | Tayo Rolls Ltd. (Became subsidiary during the year 2008-09) | – | – | – | 33.6 | 33.6 | 33.6 |
| (4) | Tata Steel Processing & Distribution Ltd. (Formerly Tata Ryerson Ltd.) (Became subsidiary during the year 2009-10) | – | – | 341.2 | 341.2 | 341.2 | 341.2 |
| (5) | TRF Ltd. | 43.8 | 46.7 | 46.7 | 46.7 | 46.7 | 46.7 |
| (6) | Kumardhubi Fireclay and Silica Works Ltd. * | – | – | – | – | – | – |
| (7) | Tata Constructions and Projects Ltd. * | – | – | – | – | – | – |
| (8) | Tata Constructions and Projects Ltd. [Non-convertible Debentures] * | – | – | – | – | – | – |
| (9) | Indian Steel Rolling Mills Ltd. * | – | – | – | – | – | – |
| (10) | Tata Sponge Iron Ltd. | 72.0 | 72.0 | 72.0 | 72.0 | 72.0 | 72.0 |
| (11) | Tata Motors Ltd. | 2,614.3 | 3,026.8 | 3,353.1 | 1,470.3 | 1,470.3 | 1,470.3 |
| (12) | Tata Motors Ltd.-' A ' Ordinary Shares | – | – | 1,689.0 | – | – | – |
| (13) | Reliance Firebrick and Pottery Co. Ltd. * | – | – | – | – | – | – |
| (14) | Reliance Firebrick and Pottery Co. Ltd. (Partly paid-up) * | – | – | – | – | – | – |
| (15) | Sijua (Jherriah) Electric Supply Co. Ltd. | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| (16) | Wellman Incandescent India Ltd. * | – | – | – | – | – | – |
| (17) | Nicco Corporation Ltd. | – | – | – | – | – | 1.8 |
| (18) | Sanderson Industries Ltd. * | – | – | – | – | – | – |
| (19) | Standard Chrome Ltd. * | – | – | – | – | – | – |
| (20) | Timken India Ltd. | – | – | – | – | – | – |
| (21) | The Tata Power Company Ltd. | 304.8 | 604.0 | 1,000.0 | 1,000.0 | 1,000.0 | 1,000.0 |
| (22) | Housing Development Finance Corporation Ltd. | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| (23) | The Tinplate Company of India Ltd. - Fully Convertible Debentures | 1,724.8 | 1,724.8 | – | – | – | – |
| | SHARES & DEBENTURES (Unquoted) | | | | | | |
| (1) | mjunction Services Ltd.(Formerly Metaljunction Services Ltd.) | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 |
| (2) | The Dhamra Port Company Ltd. # | 2,465.0 | 2,465.0 | 1,585.6 | 1,235.6 | 935.6 | 533.1 |
| (3) | Tata Bluescope Steel Ltd. | 3,280.0 | 3,280.0 | 3,280.0 | 2,610.0 | 2,210.0 | – |
| (4) | Tata NYK Shipping Pte Ltd. (Face Value of US $ 1 each) | 1,195.6 | 1,195.6 | 1,088.5 | 210.1 | – | – |
| (5) | Bhubaneshwar Power Pvt. Ltd. | 1.4 | 1.4 | 1.4 | – | – | – |
| (6) | S & T Mining Company Private Limited | 20.3 | 9.3 | 5.3 | – | – | – |
| (7) | Nicco Jubilee Park Ltd. * | – | – | – | – | – | – |
| (8) | Kumardhubi Metal Casting & Engineering Ltd. * | – | – | – | – | – | – |
| (9) | Kalinga Aquatics Ltd. * | – | – | – | – | – | – |
| (10) | Jamipol Ltd. | 31.8 | 31.8 | 31.8 | 31.8 | 31.8 | 31.8 |
| (11) | Industrial Energy Ltd. | 865.8 | 865.8 | 865.8 | 260.0 | – | – |
| (12) | Malusha Travels Ltd. | – | – | – | – | – | – |
| (13) | Tata Industries Ltd. (Face Value of Rs. 100 each) | 1,496.2 | 722.3 | 722.3 | 722.3 | 722.3 | 722.3 |
| (14) | Tata Services Ltd. (Face Value of Rs. 1,000 each) | 1.6 | 1.6 | 1.6 | 1.6 | 1.6 | 1.6 |
| (15) | Tata International Ltd. (Face Value of Rs. 1,000 each) | 4.9 | 4.9 | 4.9 | 4.9 | 4.9 | 4.9 |
| (16) | Tata Projects Ltd. (Face Value of Rs. 100 each) | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 |
| (17) | IFCI Venture Capital Funds Ltd. (Formerly Risk Capital & Technology Finance Corporation Ltd.) | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| (18) | Tata Teleservices Ltd. | 1,340.6 | 1,340.6 | 1,340.6 | 1,452.0 | 1,452.0 | 1,452.0 |

| SN | Particulars | As at Sept. 30, 2010 | As at March 31 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|---|---|
| | | | (Rs. in million) | | | | |
| (19) | The Tinplate Company of India Ltd. (Face Value of Rs. 100 each)...... - 12.50% optionally convertible redeemable non-cumulative preference shares........................................................ | 1,081.7 | 1,081.7 | 1,081.7 | 1,067.0 | 934.1 | 933.8 |
| (20) | Panatone Finvest Ltd............................................................................ | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| (21) | Rallis India Ltd. – 7.50% cumulative preference shares....................... | – | – | 85.0 | 85.0 | 85.0 | 85.0 |
| (22) | Tata Teleservices Ltd............................................................................ - 0.10% redeemable non-cumulative convertible preference shares.... | – | – | 500.0 | 500.0 | 500.0 | 500.0 |
| (23) | Tata Autocomp Systems Ltd. – 7% cumulative redeemable preference shares .............................................................. | – | – | – | 70.0 | 70.0 | 70.0 |
| (24) | Steelscape Consultancy Pvt Ltd........................................................... | 0.5 | 0.5 | 0.5 | 0.5 | – | – |
| (25) | Bokaro & Ramgarh Ltd......................................................................... | – | – | – | – | – | – |
| (26) | Jamshedpur Education & Culture Co-operative Society Ltd............... (Face Value of Rs. 100 each) | – | – | – | – | – | – |
| (27) | Barajamda Mine Works Co-operative Society Ltd. ............................ (Face Value of Rs. 25 each) | – | – | – | – | – | – |
| (28) | Joda Employees Co-operative Society Ltd. .......................................... (Face Value of Rs. 25 each) | – | – | – | – | – | – |
| (29) | Ferro Manganese Plant Employees Co-operative Society Ltd. ............ (Face Value of Rs. 25 each) | – | – | – | – | – | – |
| (30) | Jamshedpur Co-operative House Building Society Ltd....................... | – | – | – | – | – | – |
| (31) | Jamshedpur Co-operative Stores Ltd. .................................................. (Face Value of Rs. 5 each) | – | – | – | – | – | – |
| (32) | Tarapur Environment Protection Society ............................................ (Face Value of Rs. 100 each) | 1.6 | 1.6 | 1.6 | 1.6 | – | – |
| (33) | Strategic Energy Technology Systems Private Ltd.............................. | 10.5 | 0.3 | 0.3 | – | – | – |
| (34) | Himalaya Steel Mill Services Pvt. Ltd. .......................................... | 0.1 | – | – | – | – | – |
| | # (125,715,000 shares have been pledged in favour of IDBI and other bankers for facilities obtained by The Dhamra Port Company Ltd.) | | | | | | |
| | **Investment in Subsidiaries** | | | | | | |
| | **Shares & Debentures (Quoted)** | | | | | | |
| (1) | Tata Metaliks Ltd. ................................................................................. (Became subsidiary during the year 2007-08) | 118.0 | 118.0 | 118.0 | 118.0 | – | – |
| (2) | Tayo Rolls Ltd....................................................................................... (Became subsidiary during the year 2008-09) | 485.7 | 485.7 | 485.7 | – | – | – |
| (3) | The Indian Steel & Wire Products Ltd. *............................................. | – | – | – | – | – | – |
| | **Shares & Debentures (Unquoted)** | | | | | | |
| (1) | Kalimati Investments Company Ltd. .................................................... | 866.8 | 866.8 | 866.8 | 866.8 | 866.8 | 866.8 |
| (2) | Tata Refractories Ltd............................................................................ | 909.7 | 909.7 | 909.7 | 909.7 | 909.7 | 909.7 |
| (3) | Tata Pigments Ltd. (Face Value of Rs. 100 each) ................................ | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 |
| (4) | Tata Korf Engineering Services Ltd. *.................................................. | – | – | – | – | – | – |
| (5) | Tata Incorporated (Face Value of US $ 1000 each) ............................. | 16.4 | 16.4 | 16.4 | 16.4 | 16.4 | 16.4 |
| (6) | TM International Logistics Ltd. ........................................................... | 91.8 | 91.8 | 91.8 | 91.8 | 91.8 | 91.8 |
| (7) | Lanka Special Steels Ltd. (Face Value of LKR 10 each)...................... | 11.6 | 11.6 | 11.6 | 11.6 | 11.6 | 11.6 |
| (8) | Jamshedpur Utilities & Services Company Ltd.................................... | 203.5 | 203.5 | 203.5 | 3.5 | 3.5 | 3.5 |
| (9) | NatSteel Asia Pte Ltd. (Face Value of S$ 1 each)................................ | 7,684.1 | 7,684.1 | 7,684.1 | 7,684.1 | 7,470.2 | 6,900.2 |
| (10) | Sila Eastern Ltd. (Face Value of THB 100 each)................................. | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| (11) | Hooghly Metcoke & Power Company Ltd. .......................................... (Merged with the compay during the year 2009-10) | – | – | 5,483.6 | 5,142.0 | 980.5 | 980.5 |
| (12) | Tata Steel (Thailand) Public Company Ltd. (Face Value of THB 1 each) . (Formerly Millennium Steel Public Company Ltd.) | – | – | – | 2,956.0 | 2,956.0 | 2,796.8 |
| (13) | Tata Steel KZN (Proprietory) Ltd. (Face Value of ZAR 1 each) .......... | 847.0 | 847.0 | 847.0 | 847.0 | 0.1 | – |

| SN | Particulars | As at Sept. 30, 2010 | As at March 31 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|---|---|
| | | | | (Rs. in million) | | | |
| (14) | Tata Steel Holdings Pte Ltd. (Face Value of GBP 1 each) (Formerly Tata Steel Asia Holdings Pte Ltd.) | 400,140.8 | 400,140.8 | 356,333.8 | 7.2 | 7.2 | – |
| (15) | TS Alloys Ltd (Formerly Rawmet Ferrous Industries Pvt. Ltd.) | 515.3 | 515.3 | 515.3 | 435.3 | 435.3 | – |
| (16) | Adityapur Toll Bridge Company Ltd. | 144.4 | 144.4 | – | – | – | – |
| (17) | Gopalpur SEZ Ltd. | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | – |
| (18) | Centennial Steel Company Ltd | 0.5 | 0.5 | – | – | – | – |
| (19) | Tata Steel Processing & Distribution Ltd. (Formerly Tata Ryerson Ltd.) (Became subsidiary during the year 2009-10) | 2,744.5 | 2,744.5 | – | – | – | – |
| **B.** | **CURRENT INVESTMENTS** (at lower of cost and fair value) | | | | | | |
| | Quoted | | | | | | |
| (1) | 6.75% Tax Free Bonds of Unit Trust of India (Face value of Rs. 100 each) | – | – | – | 89.6 | 89.6 | 89.6 |
| | Unquoted | | | | | | |
| (1) | Investment in Mutual Funds@ | | | | | | |
| | a) Liquid Funds | 2,360.4 | 16,342.3 | 32,693.3 | 10,278.4 | 35,665.7 | 12,919.8 |
| | b) Fixed Maturity Funds | | 850.0 | – | – | 1,170.0 | 7,346.5 |
| | | **435,045.4** | **449,796.7** | **423,717.8** | **41,031.9** | **61,061.8** | **40,699.6** |

* These investments are carried at a book value of Re. 1.00.

@ Includes Rs. 32,625.9 million ringfenced for a specific purpose as at March 31, 2007.

# Annexure VIII

## Statement showing Agewise Analysis of Sundry Debtors of Tata Steel Limited

| Particulars | As at Sept. 30, 2010 | As at March 31 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|---|
| | (Rs. in million) | | | | | |
| Due for a period exceeding six months | 683.9 | 572.7 | 423.6 | 732.5 | 632.4 | 817.3 |
| Others | 5,720.6 | 3,984.9 | 6,195.1 | 5,039.0 | 6,041.4 | 4,898.5 |
| Less: Provision for doubtful debts | 223.3 | 209.3 | 258.9 | 336.7 | 357.5 | 321.8 |
| **Total** | **6,181.2** | **4,348.3** | **6,359.8** | **5,434.8** | **6,316.3** | **5,394.0** |

# Annexure IX

## Statement showing details of Loans and Advances of Tata Steel Limited

| Particulars | As at Sept. 30, 2010 | As at March 31 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|---|
| | | (Rs. in million) | | | | |
| Advances with public bodies | 3,852.4 | 3,664.3 | 3,797.8 | 3,699.8 | 3,081.5 | 3,378.3 |
| Other advances | 37,125.8 | 27,327.3 | 37,392.4 | 16,213.2 | 5,636.0 | 5,723.7 |
| Application money on Investments | 47,020.6 | 18,714.0 | 2,476.1 | 308,961.6 | 18,110.8 | – |
| Loans and Advances to subsidiary companies | 30,169.9 | 5,017.9 | 1,875.0 | 4,803.8 | 3,765.8 | 3,217.2 |
| Advance payment against taxes | 1,013.8 | 741.4 | 788.0 | 464.8 | 538.5 | 740.2 |
| | 119,182.5 | 55,464.9 | 46,329.3 | 334,143.2 | 31,132.6 | 13,059.4 |
| Less : Provison for doubtful advances | 469.3 | 465.2 | 718.9 | 825.8 | 745.3 | 720.8 |
| **Total** | **118,713.2** | **54,999.7** | **45,610.4** | **333,317.4** | **30,387.3** | **12,338.6** |

# Annexure X

## Current Liabilities, as Restated of Tata Steel Limited

| Particulars | As at Sept. 30, 2010 | As at March 31 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|---|
| | | | (Rs. in million) | | | |
| *(a)* Sundry creditors : | 45,222.6 | 40,866.5 | 38,427.9 | 32,434.2 | 31,459.9 | 24,767.4 |
| *(b)* Subsidiary companies | 18,382.1 | 15,143.0 | 13,581.2 | 1,157.4 | 1,026.1 | 623.7 |
| *(c)* Interest accrued but not due | 5,614.0 | 6,766.6 | 5,066.8 | 2,310.5 | 471.1 | 242.9 |
| *(d)* Advances received from customers | 3,058.5 | 3,349.9 | 2,973.6 | 2,260.3 | 1,982.8 | 1,850.7 |
| *(e)* Liability towards Investors Education and Protection Fund under Section 205C of the Companies Act, 1956 | | | | | | |
| Due as on | | | | | | |
| (i) Unpaid Dividends | – | – | – | – | – | – |
| (ii) Application Money Pending Refund | – | – | – | – | – | – |
| (iii) Unclaimed Matured Deposits | – | – | 0.1 | 0.2 | – | 0.1 |
| (iv) Unclaimed Matured Debentures | – | – | – | – | – | – |
| (v) Interest Accrued on (i) to (iv) above | – | – | 0.7 | 0.8 | 0.3 | 0.6 |
| Not due as on | | | | | | |
| (i) Unpaid Dividends | 449.4 | 394.4 | 330.8 | 293.3 | 233.7 | 215.5 |
| (ii) Application Money Pending Refund | – | 1.4 | 2.4 | 56.5 | 0.1 | 0.1 |
| (iii) Unclaimed Matured Deposits | – | 7.3 | 10.3 | 17.3 | 25.9 | 38.0 |
| (iv) Unclaimed Matured Debentures | – | – | 1.4 | 17.9 | 17.6 | 39.6 |
| (v) Interest Accrued on (i) to (iv) above | – | 1.8 | 3.4 | 4.2 | 14.5 | 8.4 |
| | **72,726.6** | **66,530.9** | **60,398.6** | **38,552.6** | **35,232.0** | **27,787.0** |

# Annexure XI

## Provisions, as Restated of Tata Steel Limited

| Particulars | As at Sept. 30, 2010 | As at March 31 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|---|
| | | | | (Rs. in million) | | |
| (a) Provision for employee benefits | 13,688.0 | 11,275.0 | 11,430.8 | 8,485.4 | 5,195.0 | 8.1 |
| (b) Provision for taxation | 11,205.1 | 5,071.3 | 4,935.9 | 8,547.4 | 4,486.8 | 2,693.2 |
| (c) Provision for fringe benefit tax | 60.9 | 21.2 | 21.2 | 21.2 | 13.7 | 13.7 |
| (d) Proposed dividends | – | 7,097.7 | 12,784.0 | 11,911.2 | 9,439.1 | 7,195.1 |
| | **24,954.0** | **23,465.2** | **29,171.9** | **28,965.2** | **19,134.6** | **9,910.1** |

# Annexure XII
## Break up of Other Income of Tata Steel Limited

| Particulars | As at Sept. 30, 2010 | For the year ended March 31 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|---|
| | | | | (Rs. in million) | | |
| Income from Investments | | | | | | |
| i. Trade Investments | 783.5 | 575.8 | 643.9 | 717.2 | 1,068.6 | 637.9 |
| ii. Investments in subsidiary companies | 96.8 | 1,911.0 | 372.3 | 167.0 | 103.3 | 80.3 |
| | 880.3 | 2,486.8 | 1,016.2 | 884.2 | 1,171.9 | 718.2 |
| Profit/(Loss) on sale / redemption of other investments | 6,480.9 | 6,283.9 | 1,864.6 | 0.3 | 42.3 | – |
| Profit on sale of capital assets (net of loss on assets sold/scrapped / written off) | 155.2 | 77.5 | (64.3) | 282.6 | 111.9 | 410.0 |
| Gain/(Loss) from cancellation of forward covers/options/swaps | 294.6 | (310.3) | 266.2 | 1,243.0 | 826.9 | 377.3 |
| Miscellaneous Income | – | – | – | 17.9 | – | – |
| **Total** | **7,811.0** | **8,537.9** | **3,082.7** | **2,428.0** | **2,153.0** | **1,505.5** |

# Annexure XIII

## Statement of Deferred Tax Liability of Tata Steel Limited

| Particulars | As at Sept. 30, 2010 | As at March 31 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|---|
| | | (Rs. in million) | | | | |
| **Deferred Tax Liabilities** | | | | | | |
| (i) Difference between book and tax depreciation . ..... | 20,183.9 | 19,732.3 | 18,606.4 | 16,063.5 | 16,611.8 | 16,958.0 |
| (ii) Prepaid Expenses .................................................... | 1,088.8 | 730.2 | 316.6 | 385.4 | 368.1 | 206.0 |
| (iii) Revaluation of Foreign Currency Loans ................ | – | – | – | 2,483.7 | – | – |
| **(A)** | 21,272.7 | 20,462.5 | 18,923.0 | 18,932.6 | 16,979.9 | 17,164.0 |
| **Deferred Tax Assets** | | | | | | |
| (i) Employee Separation Scheme ................................ | (4,750.8) | (4,917.9) | (5,042.1) | (5,036.9) | (5,068.7) | (5,337.2) |
| (ii) Wage Provision........................................................ | (1,475.3) | (1,275.5) | (694.7) | (652.8) | (104.3) | (104.1) |
| (iii) Provision for doubtful debts and advances ............. | (304.3) | (298.3) | (359.6) | (330.3) | (310.0) | (286.7) |
| (iv) Disallowance under Section 43B............................. | (1,651.1) | (1,651.1) | (1,658.6) | (1,119.7) | (1,001.7) | (648.8) |
| (v) Provision for Leave Salary ...................................... | (1,400.9) | (1,401.0) | (1,432.3) | (1,356.9) | (1,282.7) | (1,108.4) |
| (vi) Provision for Employee Benefits............................. | (689.1) | (689.2) | (705.2) | (705.2) | (1,718.4) | (2.7) |
| (vii) Other Deferred Tax (Assets) / Liabilities ................ | (226.4) | (227.0) | (178.6) | (127.6) | (4.7) | – |
| (viii) Redemption premium on CARS............................. | (1,335.9) | (1,325.8) | (2,994.6) | (2,785.2) | – | (106.1) |
| **(B)** | (11,833.8) | (11,785.8) | (13,065.7) | (12,114.6) | (9,490.5) | (7,594.0) |
| **Net Deferred Tax Liability (A) + (B)** .................. | **9,438.9** | **8,676.7** | **5,857.3** | **6,818.0** | **7,489.4** | **9,570.0** |

# Annexure XIV

## Statement showing Rates and Amount of Dividend Paid by Tata Steel Limited

| Particulars | As at / For the year ended March 31 | | | | |
|---|---|---|---|---|---|
| | 2010 | 2009 | 2008 | 2007 | 2006 |
| | (Rs. in million) | | | | |
| Number of Equity Shares | 887,214,196 | 730,592,471 | 730,584,320 | 580,472,856 | 553,472,856 |
| Face Value Per Share (Rs.) | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 |
| Paid Up Value Per Share (Rs.) | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 |
| Rate of Dividend | 80% | 160% | 160% | 155% | 130% |
| Total Dividend Paid (Rs. in million) | 7,097.7 | 11,689.5 | 11,689.3 | 9,439.1 | 7,195.1 |
| Tax on Dividends (Rs. in million) | 1,150.0 | 1,954.9 | 1,986.6 | 1,604.2 | 1,009.2 |

Note :

i) The Company has not declared any Interim Dividend during the period ended September 30, 2010.

# Annexure XV
## Statement of Tax Shelter of Tata Steel Limited

| Particulars | As at Sept. 30, 2010 | For the year ended March 31 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|---|
| | | | | (Rs. in million) | | |
| **Profit Before Tax** | **50,947.5** | **72,143.0** | **73,156.1** | **70,663.6** | **62,043.6** | **51,997.6** |
| Tax rates applicable (%) | 33.2 | 34.0 | 34.0 | 34.0 | 33.7 | 33.7 |
| **Tax at applicable rates (A)** | **16,923.5** | **24,521.4** | **24,865.8** | **24,018.6** | **20,883.9** | **17,502.4** |
| **Adjustments:** | | | | | | |
| **Permanent Differences** | | | | | | |
| Long Term Capital Gains | (6,480.9) | (6,283.9) | (1,864.6) | – | (31.0) | (48.1) |
| Dividend Income and others | (881.1) | (2,471.5) | (1,836.3) | (1,712.8) | (3,247.7) | (1,666.9) |
| Exchange Fluctuation/CARS expenses/14A disallowance/donation | 73.2 | 381.1 | (7,735.0) | 491.0 | 778.1 | 16.1 |
| **Total (B)** | **(7,288.8)** | **(8,374.3)** | **(11,435.9)** | **(1,221.8)** | **(2,500.6)** | **(1,698.9)** |
| **Timing Differences** | | | | | | |
| Difference between tax and book depreciation | (1,359.7) | (1,072.6) | (7,481.2) | 1,526.1 | 1,028.5 | (2,708.0) |
| Early Separation Scheme | (503.1) | (29.8) | 15.3 | (93.5) | (797.6) | (1,917.7) |
| Wage Provision | 601.3 | 1,708.8 | 123.1 | 1,613.7 | 0.6 | 304.8 |
| Leave Salary provision | – | (95.9) | 221.9 | 218.3 | 517.8 | 502.9 |
| Prepaid Expenses | (1,079.8) | (1,216.7) | 202.5 | (61.0) | (481.5) | (530.0) |
| Provision for doubtful debts and advances | 18.2 | (180.4) | 86.1 | 59.4 | 69.2 | (99.2) |
| Unpaid Statutory Liability | – | (22.2) | 1,735.5 | 347.2 | 1,048.3 | 356.9 |
| Revaluation Gains (Unrealised) | – | – | 7,307.2 | (7,307.2) | – | – |
| Others | (1.9) | (4,077.9) | – | 509.9 | 174.7 | 300.0 |
| **Total (C)** | **(2,325.0)** | **(4,986.7)** | **2,210.4** | **(3,187.1)** | **1,560.0** | **(3,790.3)** |
| **Net Adjustments (B+C)** | **(9,613.8)** | **(13,361.0)** | **(9,225.5)** | **(4,408.9)** | **(940.6)** | **(5,489.2)** |
| **Tax Expense/(Saving) thereon (D)** | **(3,193.5)** | **(4,541.4)** | **(3,135.8)** | **(1,498.6)** | **(316.6)** | **(1,847.7)** |
| **Total Current Tax (A+D)** | **13,730.0** | **19,980.0** | **21,730.0** | **22,520.0** | **20,567.3** | **15,654.7** |

Note: The Statement of tax shelter has been prepared based on restated Profits as per Annexure II.

# Annexure XVI

## Accounting Ratios of Tata Steel Limited

| Particulars | As at / For the period ended September 30, 2010 | As at / For the year ended March 31 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|---|
| 1 Adjusted Profit after Tax for (Rs. in million) | | | | | | |
| a) Basic EPS | 36,445.2 | 49,931.2 | 50,736.9 | 46,610.7 | 41,841.4 | 34,797.1 |
| b) Diluted EPS | 37,009.9 | 50,547.0 | 54,645.8 | 46,423.1 | 41,841.4 | 34,797.1 |
| 2 Weighted average number of Equity Shares for : | | | | | | |
| a) Basic EPS | 892,951,901 | 828,550,811 | 730,584,834 | 697,748,601 | 646,823,122 | 625,424,327 |
| b) Diluted EPS | 956,204,391 | 881,927,841 | 868,257,538 | 748,089,251 | 646,833,353 | 625,434,917 |
| 3 Number of Equity Shares outstanding at the end of the year/period | 902,214,196 | 887,214,196 | 730,592,471 | 730,584,320 | 580,472,856 | 553,472,856 |
| 4 Net Worth (Rs. in million) | 418,299.2 | 371,687.5 | 295,995.3 | 271,456.2 | 138,936.2 | 95,400.4 |
| 5 Accounting Ratios: | | | | | | |
| Earning per Share | | | | | | |
| — Basic EPS (Rs.) (1a)/(2a) | 40.8 | 60.3 | 69.4 | 66.8 | 64.7 | 55.6 |
| — Diluted EPS (Rs.) (1b)/(2b) | 38.7 | 57.3 | 62.9 | 62.1 | 64.7 | 55.6 |
| Return on Net Worth (1a)/(4)-% | 8.7% | 13.4% | 17.1% | 17.2% | 30.1% | 36.5% |
| Net Asset Value Per Share (Rs.) (4)/(3) | 463.6 | 418.9 | 405.1 | 371.6 | 239.4 | 172.4 |

i) The above ratios have been computed on the basis of the Restated Summary Statements—Annexure I and Annexure II.

ii) The effect of potential dilution pursuant to the current issue has not been considered since the quantum of equity shares that will ultimately be subscribed cannot be ascertained at present.

iii) Outstanding warrants issued to Tata Sons Ltd., have been considered for computation of diluted earning per share as at September 30, 2010.

iv) Return on Net Worth (%) represents Adjusted Profit divided by Net Worth.

v) Net Assets Value is calculated as Net Worth at the end of each financial year/period divided by the number of equity shares outstanding at the end of each financial year/period.

vi) The basic EPS, diluted EPS and return on net worth for the period ended September 30, 2010 have not been annualised.

# Annexure XVII
## Capitalisation Statement of Tata Steel Limited

| Particulars | Pre-Issue as at March 31, 2010 | Pre-Issue as at Sept 30, 2010 | Adjusted for Current Issue |
|---|---|---|---|
| | | (Rs. in million) | |
| **Borrowings:** | | | |
| Secured | 22,593.2 | 19,326.0 | |
| Unsecured | 229,798.8 | 238,249.9 | |
| **Total Debts** | **252,392.0** | **257,575.9** | |
| **Shareholders Funds** | | | |
| Equity Share Capital | 8,874.1 | 9,024.1 | |
| Share Warrants | – | 1,782.0 | |
| Reserves and Surplus (Note iii) | 360,743.9 | 406,043.0 | |
| Foreign currency monetary item translation difference account | 2,069.5 | 1,450.1 | |
| **Total Shareholders Funds** | **371,687.5** | **418,299.2** | |
| **Debt/Equity Ratio** | **0.7** | **0.6** | |

Notes:

i) The above has been computed on the basis of the Restated Summary Statements.

ii) Above capitalisation statement is prepared on the assumption that the proposed current issue will be subscribed fully.

iii) Reserves have not been adjusted for any issue expenses that will be adjusted against the Securities Premium Account consequent to the current issue of shares.

# Annexure XVIII
## Related Party Information of Tata Steel Limited
### List of Related Parties and Relationships as at September 30, 2010

| Party | | | | Country |
|---|---|---|---|---|
| **A.** | **Subsidiaries** | | | |
| i) | **Adityapur Toll Bridge Company Ltd.** | | | India |
| ii) | **Centennial Steel Company Ltd.** | | | India |
| iii) | **Gopalpur Special Economic Zone Ltd.** | | | India |
| iv) | **Jamshedpur Utilities & Services Company Ltd.** | | | India |
| | 1. | Haldia Water Management Limited | | India |
| | 2. | Naba Diganta Water Management Ltd. | | India |
| | 3. | SEZ Adityapur Ltd. | | India |
| v) | **Kalimati Investment Company Ltd.** | | | India |
| | 1. | Bangla Steel & Mining Co. Ltd. | | Bangladesh |
| vi) | **Lanka Special Steels Ltd.** | | | Sri Lanka |
| vii) | **NatSteel Asia Pte. Ltd.** | | | Singapore |
| | 1. | NatSteel Iranian Private Joint Stock Company | | Iran |
| | 2. | NatSteel Middle East FZE | | UAE |
| | 3. | Tata Steel Asia (Hong Kong) Ltd. | | Hongkong |
| | 4. | Tata Steel Resources Australia Pty. Ltd. | | Australia |
| viii) | **Sila Eastern Ltd.@** | | | Thailand |
| ix) | **TS Alloys Ltd.** (Formerly Rawmet Ferrous Industries Pvt. Ltd.) | | | India |
| x) | **Tata Incorporated** | | | USA |
| xi) | **Tata Korf Engineering Services Ltd.** | | | India |
| xii) | **Tata Metaliks Ltd.** | | | India |
| | 1. | Tata Metaliks Kubota Pipes Ltd. | | India |
| xiii) | **Tata Refractories Ltd.** | | | India |
| | 1. | TRL Asia Pvt. Limited | | Singapore |
| | 2. | TRL China Limited | | China |
| xiv) | **Tayo Rolls Ltd.** | | | India |
| xv) | **Tata Steel (KZN) (Pty) Ltd.** | | | South Africa |
| xvi) | **Tata Steel Holdings Pte. Ltd.** | | | Singapore |
| | a) | **NSA Holdings Pte Ltd.*** | | Singapore |
| | b) | **Tata Steel Global Holdings Pte Ltd.** | | Singapore |
| | | I | **NatSteel Holdings Pte. Ltd.** | Singapore |
| | | 1. | Bestbar (Vic) Pte. Ltd. | Australia |
| | | 2. | Best Bar Pty. Ltd. | Australia |
| | | 3. | Burwill Trading Pte. Ltd. | Singapore |
| | | 4. | Easteel Construction Services Pte. Ltd. | Singapore |
| | | 5. | Easteel Services (M) Sdn. Bhd. | Malaysia |
| | | 6. | Eastern Steel Fabricators Phillipines, Inc. | Phillipines |
| | | 7. | Eastern Steel Services Pte. Ltd. | Singapore |
| | | 8. | Eastern Wire Pte. Ltd. | Singapore |
| | | 9. | Materials Recycling Pte. Ltd. | Singapore |
| | | 10. | NatSteel (Xiamen) Ltd. | China |
| | | 11. | NatSteel Asia (S) Pte. Ltd. | Singapore |
| | | 12. | NatSteel Australia Pty. Ltd. | Australia |
| | | 13. | NatSteel Equity IV Pte. Ltd. | Singapore |
| | | 14. | Natsteel Recycling Pte Ltd. | Singapore |
| | | 15. | NatSteel Trade International (Shanghai) Company Ltd. | China |
| | | 16. | NatSteel Trade International Pte. Ltd. | Singapore |

| | | | |
|---|---|---|---|
| | 17. | NatSteel Vina Co. Ltd. | Vietnam |
| | 18. | PT Materials Recycling Indonesia | Indonesia |
| | 19. | The Siam Industrial Wire Co. Ltd. | Thailand |
| | 20. | Wuxi Jinyang Metal Products Co. Ltd. | China |
| II | **Orchid Netherlands (No.1) B.V.** | | Netherlands |
| III | **Tata Steel Europe Ltd.** | | UK |
| | 1. | Almana Steel Dubai (Jersey) Limited | Jersey |
| | 2. | Apollo Metals Ltd. | USA |
| | 3. | Ashorne Hill Management College | UK |
| | 4. | Augusta Grundstucks GmbH | Germany |
| | 5. | Automotive Laser Technologies Limited | UK |
| | 6. | B S Pension Fund Trustee Ltd. | UK |
| | 7. | Bailey Steels Limited | UK |
| | 8. | Beheermaatschappij Industriele Produkten B.V. | Netherlands |
| | 9. | Belfin Beheermaatschappij B.V. | Netherlands |
| | 10. | Bell & Harwood Limited | UK |
| | 11. | Blastmega Limited (United Steel Forgings Ltd.) | UK |
| | 12. | Blume Stahlservice GmbH | Germany |
| | 13. | Blume Stahlservice Polska Sp. Z.O.O | Poland |
| | 14. | Bore Samson Group Ltd. | UK |
| | 15. | Bore Steel Ltd. | UK |
| | 16. | British Guide Rails Ltd. | UK |
| | 17. | British Steel Holdings B.V. | Netherlands |
| | 18. | British Steel Nederland International B.V. | Netherlands |
| | 19. | British Steel Benelux B.V. | Netherlands |
| | 20. | British Steel Corporation Ltd | UK |
| | 21. | British Steel De Mexico S.A. de C.V. | Mexico |
| | 22. | British Steel Directors (Nominees) Limited | UK |
| | 23. | British Steel Employee Share Ownership Trustees Ltd. | UK |
| | 24. | British Steel Engineering Steels (Exports) Limited | UK |
| | 25. | British Steel International B.V. | Netherlands |
| | 26. | British Steel Samson Limited | UK |
| | 27. | British Steel Service Centres Ltd. | UK |
| | 28. | British Steel Tubes Exports Ltd. | UK |
| | 29. | British Transformer Cores Ltd. | UK |
| | 30 | British Tubes Stockholding Ltd. | UK |
| | 31. | Bs Quest Trustee Limited | UK |
| | 32. | Bskh Corporate Services (UK) Limited | UK |
| | 33. | Burgdorfer Grundstuecks GmbH | Germany |
| | 34. | C V Benine | Netherlands |
| | 35. | C Walker & Sons Ltd. | UK |
| | 36. | Catnic GmbH | Germany |
| | 37. | Catnic Limited | UK |
| | 38. | Cbs Investissements SAS | France |
| | 39. | Cladding & Decking (UK) Limited | UK |
| | 40. | Cogent Power Inc. | Canada |
| | 41. | Cogent Power Inc. | Mexico |
| | 42. | Cogent Power Inc. | USA |
| | 43. | Cogent Power Limited | UK |
| | 44. | Cold Drawn Tubes Ltd. | UK |
| | 45. | Color Steels Limited | UK |
| | 46. | Corbeil Les Rives SCI | France |

| | | |
|---|---|---|
| 47. | Corby (Northants) & District Water Co. | UK |
| 48. | Cordor (C& B) Limited | UK |
| 49. | Corus - Sistemas Constructivos E Revestimentos Metalicos, Lda | Portugal |
| 50. | Corus Aerospace Service Centre Suzhou Co Ltd | China |
| 51. | Corus Aluminium Beheer B.V.* | Netherlands |
| 52. | Corus Aluminium Limited | UK |
| 53. | Corus Aluminium Verwaltungsgesellschaft Mbh | Germany |
| 54. | Corus America Holdings Inc. | USA |
| 55. | Corus America Inc. | USA |
| 56. | Corus Batiment Et Systemes SAS | France |
| 57. | Corus Belgium Bvba | Belgium |
| 58. | Corus Benelux B.V. | Netherlands |
| 59. | Corus Beteiligungs GmbH | Germany |
| 60. | Corus Brokers Limited | UK |
| 61. | Corus Building Systems Bulgaria AD | Bulgaria |
| 62. | Corus Building Systems N.V. | Belgium |
| 63. | Corus Building Systems SAS | France |
| 64. | Corus Byggesystemer A/S | Denmark |
| 65. | Corus Byggsystem AB | Sweden |
| 66. | Corus Byggsystemer A/S | Norway |
| 67. | Corus Central Europe S.R.O. | Czech Republic |
| 68. | Corus Cic Holdings Inc. | Canada |
| 69. | Corus Cic Inc. | Canada |
| 70. | Corus CNBV Investments | UK |
| 71. | Corus Coatings Usa Inc. | USA |
| 72. | Corus Cold Drawn Tubes Limited | UK |
| 73. | Corus Construction Products (Thailand) Limited | Thailand |
| 74. | Corus Consulting And Technical Services B.V. | Netherlands |
| 75. | Corus Consulting B.V. | Netherlands |
| 76. | Corus Consulting Limited | UK |
| 77. | Corus Consulting Romania SRL | Romania |
| 78. | Corus Degels GmbH | Germany |
| 79. | Corus Denmark A/S | Denmark |
| 80. | Corus Deutschland GmbH | Germany |
| 81. | Corus Distribution Europe BV | Netherlands |
| 82. | Corus Electrical Limited | UK |
| 83. | Corus Engineering Limited | UK |
| 84. | Corus Engineering Steels (UK) Limited | UK |
| 85. | Corus Engineering Steels Holdings Limited | UK |
| 86. | Corus Engineering Steels Limited | UK |
| 87. | Corus Engineering Steels Overseas Holdings Limited | UK |
| 88. | Corus Finance Limited | UK |
| 89. | Corus Finland Oy | Finland |
| 90. | Corus France SAS | France |
| 91. | Corus Group Limited | UK |
| 92. | Corus Holdings Ltd. | UK |
| 93. | Corus Holdings SA | France |
| 94. | Corus Hungary Trading Limited Liability Company | Hungary |
| 95. | Corus India Ltd. | India |

| | | |
|---|---|---|
| 96. | Corus International (India) Pvt. Limited | India |
| 97. | Corus International (Overseas Holdings) Limited | UK |
| 98. | Corus International Bulgaria Limited | Bulgaria |
| 99. | Corus International Deutschland GmbH | Germany |
| 100. | Corus International Limited | UK |
| 101. | Corus International Nigeria | Nigeria |
| 102. | Corus International Representacoes Do Brasil Ltda. | Brazil |
| 103. | Corus International Romania SRL | Romania |
| 104. | Corus International Services N.V | Belgium |
| 105. | Corus International Trading Limited | UK |
| 106. | Corus International Trading Limited | USA |
| 107 | Corus Investment B.V. | Netherlands |
| 108. | Corus Investments Ltd. | UK |
| 109. | Corus Ireland Ltd. | Ireland |
| 110. | Corus Laminacion Y Derivados, S.L. | Spain |
| 111. | Corus Large Diameter Pipes Limited | UK |
| 112. | Corus Liaison Services (India) Limited | UK |
| 113. | Corus Management Limited | UK |
| 114. | Corus Met B.V. | Netherlands |
| 115. | Corus Metal Iberica S.A | Spain |
| 116. | Corus Metal Sanayi Ve Ticaret AS | Turkey |
| 117. | Corus Metals Limited | UK |
| 118. | Corus Middle East FZE | UAE |
| 119. | Corus Multi-Metals Limited | UK |
| 120. | Corus Nederland B.V. | Netherlands |
| 121. | Corus New Zealand Limited | New Zealand |
| 122. | Corus Norge A/S | Norway |
| 123. | Corus Packaging Plus Belgium N.V | Belgium |
| 124. | Corus Packaging Plus Norway A/S | Norway |
| 125. | Corus Perfo B.V. | Netherlands |
| 126. | Corus Polska Sp.Z.O.O. | Poland |
| 127. | Corus Primary Aluminium B.V. | Netherlands |
| 128. | Corus Properties (Germany) Limited | UK |
| 129. | Corus Property | UK |
| 130. | Corus Quest Trustee Limited | UK |
| 131. | Corus Rail Consultancy Limited | UK |
| 132. | Corus Rail France S.A | France |
| 133. | Corus Rail Limited | UK |
| 134. | Corus Republic Of Ireland Subsidiaries Pension Scheme Trustee Limited | Ireland |
| 135. | Corus Service Center Milano Spa | Italy |
| 136. | Corus Service Centre Limited | N Ireland |
| 137. | Corus Service Centre Maastricht B.V. | Netherlands |
| 138. | Corus Services Nederland B.V. | Netherlands |
| 139. | Corus Sheet & Tube Inc. | USA |
| 140. | Corus Special Strip Asia Limited | Hong Kong |
| 141. | Corus Staal B.V. | Netherlands |
| 142. | Corus Stahl GmbH | Germany |
| 143. | Corus Stainless Limited | UK |
| 144. | Corus Stainless Nl B.V. | Netherlands |
| 145. | Corus Stainless UK Ltd. | UK |
| 146. | Corus Star-Frame B.V. | Netherlands |
| 147. | Corus Steel Limited | UK |

| | | |
|---|---|---|
| 148. | Corus Steel Usa Inc. | USA |
| 149. | Corus Sverige AB | Sweden |
| 150. | Corus Technology B.V. | Netherlands |
| 151. | Corus Trico Holdings Inc. | USA |
| 152. | Corus Tubes B.V. | Netherlands |
| 153. | Corus Tuscaloosa Corp. | USA |
| 154. | Corus UK Healthcare Trustee Limited | UK |
| 155. | Corus UK Limited | UK |
| 156. | Corus Vlietjonge B.V. | Netherlands |
| 157. | Cpn 85 Limited | UK |
| 158. | Crucible Insurance Company Ltd. | I of Man |
| 159. | Demka B.V. | Netherlands |
| 160. | Dsrm Group Plc. | UK |
| 161. | Ees Group Services Limited | UK |
| 162. | Ees Nederland B.V. | Netherlands |
| 163. | Eric Olsson & Soner Forvaltnings AB | Sweden |
| 164. | Esmil B.V. | Netherlands |
| 165. | Euro-Laminations Limited | UK |
| 166. | European Electrical Steels Limited | UK |
| 167. | Europressings Limited | UK |
| 168. | Firsteel Group Limited | UK |
| 169. | Firsteel Holdings Limited | UK |
| 170. | Firsteel Steel Processing Limited | UK |
| 171. | Firsteel Strip Mill Products Limited | UK |
| 172. | Fischer Profielen NV | Belgium |
| 173. | Fischer Profil GmbH | Germany |
| 174. | Gamble Simms Metals Ltd. | Ireland |
| 175. | Grant Lyon Eagre Ltd. | UK |
| 176. | H E Samson Ltd. | UK |
| 177. | Hadfields Holdings Ltd. | UK |
| 178. | Hammermega Limited | UK |
| 179. | Harrowmills Properties Ltd. | UK |
| 180. | Hille & Muller GmbH | Germany |
| 181. | Hille & Muller Italia SRL. | Italy |
| 182. | Hille & Muller Usa Inc. | USA |
| 183. | Holorib GmbH | Germany |
| 184. | Hoogovens (UK) Limited | UK |
| 185. | Hoogovens Aluminium UK Limited | UK |
| 186. | Hoogovens Finance B.V. | Netherlands |
| 187. | Hoogovens Technical Services Coahuila B.V. | Netherlands |
| 188. | Hoogovens Technical Services Mexico De S. De R.L. De C.V. | Mexico |
| 189. | Hoogovens Technical Services Monclova B.V. | Netherlands |
| 190. | Hoogovens Tubes Poland Spolka Z.O.O | Poland |
| 191. | Hoogovens Usa Inc. | USA |
| 192. | Huizenbezit "Breesaap" B.V. | Netherlands |
| 193. | Ickles Cottage Trust | UK |
| 194. | Immobilliere De Construction De Maubeuge Et Louvroil SAS | France |
| 195. | Industrial Steels Limited | UK |
| 196. | Inter Metal Distribution SAS | France |
| 197. | K&S Management Service Limited | UK |
| 198. | Kalzip Asia Pte | Singapore |
| 199. | Kalzip GmbH | Austria |

| | | |
|---|---|---|
| 200. | Kalzip GmbH | Germany |
| 201. | Kalzip Guanhzou Limited | China |
| 202. | Kalzip Inc | USA |
| 203. | Kalzip Limited | UK |
| 204. | Kalzip Spain S.L.U. | Spain |
| 205. | Lister Tubes Ltd. | Ireland |
| 206. | London Works Steel Company Ltd. | UK |
| 207. | Midland Steel Supplies Ltd. | UK |
| 208. | Mistbury Investments Limited | UK |
| 209. | Montana Bausysteme AG | Switzerland |
| 210. | Myriad Deutschland GmbH | Germany |
| 211. | Myriad Espana Sl | Spain |
| 212. | Myriad Nederland B.V. | Netherlands |
| 213. | Myriad SA | France |
| 214. | Myriad United Kingdom Limited | UK |
| 215. | Namascor B.V. | Netherlands |
| 216. | Nationwide Steelstock Limited | UK |
| 217. | Nebam Nedelandse Bevrachting En Agentuur Maatschappij B.V. | Netherlands |
| 218. | Oostflank B.V. | Netherlands |
| 219. | Orb Electrical Steels Limited | UK |
| 220. | Ore Carriers Ltd. | UK |
| 221. | Oremco Inc. | USA |
| 222. | Plated Strip International Limited | UK |
| 223. | Precoat International Limited | UK |
| 224. | Precoat Limited | UK |
| 225. | Rafferty-Brown Steel Co Inc Of Conn. | USA |
| 226. | Richard Thomas And Baldwins 1978 Limited | New Zealand |
| 227. | Richard Thomas And Baldwins (Australia) Pty Ltd. | Australia |
| 228. | Round Oak Steelworks Ltd. | UK |
| 229. | Runblast Limited | UK |
| 230. | Runmega Limited | UK |
| 231. | S A B Profiel B.V. | Netherlands |
| 232. | S A B Profil GmbH | Germany |
| 233. | SA Intertubes | Belgium |
| 234. | Sacra-Nord SAS | France |
| 235. | Scrap Processing Holding B.V. | Netherlands |
| 236. | Seamless Tubes Ltd. | UK |
| 237. | Sia Corus Building Systems | Latvia |
| 238. | Simiop Investments Ltd. | UK |
| 239. | Simiop Ltd. | UK |
| 240. | Simms Steel Holdings Ltd. | UK |
| 241. | Skruv Erik AB | Sweden |
| 242. | Societe Europeenne De Galvanisation (Segal) Sa | Belgium |
| 243. | Staalverwerking En Handel B.V. | Netherlands |
| 244. | Steel Company (N.I.) Ltd. | UK |
| 245. | Steel Stockholdings Ltd. | UK |
| 246. | Steelstock Ltd. | UK |
| 247. | Stewarts & Lloyds Of Ireland Ltd. | Ireland |
| 248. | Stewarts And Lloyds (Overseas) Ltd. | UK |
| 249. | Stocksbridge Cottage Trust | UK |
| 250. | Surahammar Bruks AB | Sweden |

| | | | |
|---|---|---|---|
| | 251. | Swinden Housing Association | UK |
| | 252 | Tata Steel International (Italia) SRL | Italy |
| | 253. | Tata Steel International (Schweiz) AG | Switzerland |
| | 254. | Tata Steel Netherlands B.V. | Netherlands |
| | 255. | Tata Steel UK Ltd. | UK |
| | 256. | Telmag (Holdings) Limited | UK |
| | 257. | Telmag Magnetic Components Limited | UK |
| | 258. | The Newport And South Wales Tube Company Ltd. | UK |
| | 259. | The Stanton Housing Company Ltd. | UK |
| | 260. | The Steel Company Of Ireland Limited | Ireland |
| | 261. | The Templeborough Rolling Mills Ltd. | UK |
| | 262. | Thomas Processing Company | USA |
| | 263. | Thomas Steel Strip Corp. | USA |
| | 264. | Tinsley Trailers Limited | UK |
| | 265. | Toronto Industrial Fabrications Ltd. | UK |
| | 266. | Trierer Walzwerk GmbH | Germany |
| | 267. | Tulip Netherlands (No. 1) B.V. | Netherlands |
| | 268. | Tulip Netherlands (No. 2) B.V. | Netherlands |
| | 269. | Tulip UK Holdings (No. 2) Ltd. | UK |
| | 270. | Tulip UK Holdings (No. 3) Ltd. | UK |
| | 271. | U.E.S. Bright Bar Limited | UK |
| | 272. | UK Steel Enterprise Ltd. | UK |
| | 273. | Ukse Fund Managers Limited | UK |
| | 274. | Ukse Fund Mangers (General Partner) Limited | UK |
| | 275. | United Steels Co (N Z) Ltd. | New Zealand |
| | 276. | Unitol SAS | France |
| | 277. | Walker Manufacturing And Investments Ltd. | UK |
| | 278. | Walkersteelstock Ireland Limited | Ireland |
| | 279. | Walkersteelstock Ltd. | UK |
| | 280. | Westwood Steel Services Ltd. | UK |
| | 281. | Whitehead (Narrow Strip) Ltd. | UK |
| IV | **Tata Steel Global Minerals Holdings Pte Ltd.** | | Singapore |
| | 1. | Al Rimal Mining LLC | Oman |
| | 2. | Black Ginger 461 Proprietary Ltd | South Africa |
| | 3. | Kalimati Coal Company Pty. Ltd. | Australia |
| | 4. | Tata Steel Cote D' Ivoire S.A. @ | Ivory Coast |
| | 5. | Tata Steel Minerals UK Ltd* | UK |
| V | **Tata Steel International (Singapore) Holding Pte. Ltd.** | | Singapore |
| | 1. | Corus International (Shanghai) Ltd. | China |
| | 2. | Tata Steel International (Asia) Limited | Hongkong |
| | 3. | Tata Steel International (Gunagzhou) Ltd | China |
| | 4. | Tata Steel International (Hongkong) Limited | Hongkong |
| | 5. | Tata Steel International (Malaysia) Sdn Bhd | Malaysia |
| | 6. | Tata Steel International (Singapore) Pte Ltd. | Singapore |
| | 7. | Tata Steel International (Thailand) Limited | Thailand |
| | 8. | TSIA Holdings (Thailand) Limited | Thailand |
| VI | **Tata Steel Global Procurement Company Pte Ltd*** | | Singapore |
| | 1. | Proco Issuer Pte Ltd* | Singapore |
| VII | **Tata Steel (Thailand) Public Company Ltd.** | | Thailand |
| | 1. | NTS Steel Group Plc | Thailand |
| | 2. | The Siam Construction Steel Co. Ltd. | Thailand |
| | 3. | The Siam Iron And Steel (2001) Co. Ltd. | Thailand |

| | |
|---|---|
| xvii) **Tata Steel Processing And Distribution Limited** (Formerly Tata Ryerson Ltd.) | India |
| xviii) **TM International Logistics Ltd.** | India |
| 1. International Shipping & Logistics, FZE | UAE |
| 2. TKM Global China Ltd. | China |
| 3. TKM Global GmbH | Germany |
| 4. TKM Global Logistics Ltd. | India |
| 5. TM Harbour Services Private Ltd.* | India |
| xix) **The Indian Steel and Wire Products Ltd.** | India |
| xx) **The Tata Pigments Ltd.** | India |
| **B. Associate through** | |
| i) **Kalimati Investment Company Ltd.** | |
| 1. Rujuvalika Investments Ltd. | India |
| ii) **NatSteel Asia Pte. Ltd.** | |
| 1. Steel Asia Development and Management Corporation | Singapore |
| 2. Steel Asia Industries Inc. | Singapore |
| 3. Steel Asia Manufacturing Corporation | Singapore |
| iii) **Tata Incorporated** | |
| 1. TKM Overseas Limited | India |
| iv) **Tata Refractories Ltd.** | |
| 1. Almora Magnesite Ltd. | India |
| v) **Tata Steel Ltd.** | |
| 1. Indian Steel Rolling Mills Limited | India |
| 2. Industrial Energy Limited | India |
| 3. Jamipol Limited | India |
| 4. Kalinga Aquatics Limited | India |
| 5. Kumardhubi Fireclay & Silica Works Limited | India |
| 6. Kumardhubi Metal Casting & Engineering Limited | India |
| 7. Nicco Jubilee Park Limited | India |
| 8. Strategic Energy Technology Systems Pvt. Ltd. | India |
| 9. Tata Construction & Projects Limited | India |
| 10. Tata Sponge Iron Limited | India |
| 11. The Tinplate Company of India Limited | India |
| 12. TRF Limited | India |
| vi) **Tata Steel Holdings Pte. Ltd.** | |
| a) **Tata Steel Global Holdings Pte Ltd**. | |
| I **NatSteel Holdings Pte. Ltd.** | |
| 1. Southern Steel, Berhard* | Malaysia |
| II **Tata Steel Europe Ltd.** | |
| 1. Ab Norskstal AS | Norway |
| 2. Albi Profils SRL | France |
| 3. Altos Hornos De Mexico S.A. de C.V. | Mexico |
| 4. Appleby Frodingham Cottage Trust Limited | UK |
| 5. Combulex B.V. | Netherlands |
| 6. Cv Gasexpansie Ijmond | Netherlands |
| 7. Danieli Corus Canada Inc. | Canada |
| 8. Danieli Corus Asia B.V. | Netherlands |
| 9. Danieli Corus B.V. | Netherlands |
| 10. Danieli Corus Braseq Ltda. | Brazil |
| 11. Danieli Corus Construction Services B.V. | Netherlands |
| 12. Danieli Corus Construction Services Usa Inc. | USA |
| 13. Danieli Corus Do Brasil Ltda. | Brazil |
| 14. Danieli Corus Inc. | USA |
| 15. Danieli Corus Services Usa Inc. | USA |
| 16. Danieli India (PVT) Ltd. | India |

| | | |
|---|---|---|
| 17. | Endex European Energy Derivates Exchanges N.V.* | Netherlands |
| 18. | European Profiles (Marketing) Sdn. Bhd. | Malaysia |
| 19. | Galvpro LP. | USA |
| 20. | Gietwalsonderhoudcombinatie B.V. | Netherlands |
| 21. | Hoogovens Court Roll Service Technologies Vof | Netherlands |
| 22. | Hoogovens Gan Multimedia S.A. De C.V. | Mexico |
| 23. | Isolation Du Sud SA | France |
| 24. | Issb Limited | UK |
| 25. | MDC Sublance Probe Technology | Shanghai |
| 26. | Regionale Ontwikkelingsmaatschappij Voor Het Noordzeekanaalgebied N.V. | Netherlands |
| 27. | Richard Lees Steel Decking Asia Snd. Bhd. | Malaysia |
| 28. | Rsp Holding B.V. | Netherlands |
| 29. | Schreiner Fleischer AS | Norway |
| 30. | Shanghai Bao Yi Beverage Can Making Co Ltd. | China |
| 31. | Sms Mevac UK Limited | Uk |
| 32. | Stuwadoorsbedrijf Velserkom B.V. | Netherlands |
| 33. | Thoresen & Thorvaldsen AS | Norway |
| 34. | Trico LLC | USA |
| 35. | Weirton/Hoogovens GP | USA |
| 36. | Workington Cottage Trust | UK |
| 37. | Wupperman Staal Nederland B.V. | Netherlands |

**III Tata Steel Global Minerals Holdings Pte Ltd**

| | | |
|---|---|---|
| 1. | New Millenium Capital Corp* | Canada |
| 2. | Riversdale Mining Ltd. | Australia |

**IV Tata Steel International (Singapore) Holding Pte. Ltd.**

| | | |
|---|---|---|
| 1. | European Profiles Malaysia (M) Sdn.Bhd. | Malaysia |

**vii) The Indian Steel and Wire Products Ltd.**

| | | |
|---|---|---|
| 1. | Metal Corporation of India Ltd. | India |

**C. Joint Ventures of**

**i) Tata Steel Ltd.**

| | | |
|---|---|---|
| 1. | Bhubaneshwar Power Pvt. Ltd. | India |
| 2. | Himalaya Steel Mills Services Private Ltd. | India |
| 3. | mjunction services ltd.(Formerly Metaljunction Services Ltd.) | India |
| 4. | S & T Mining Company Pvt. Ltd. | India |
| 5. | Tata Bluescope Steel Ltd. | India |
| 6. | Tata NYK Shipping Pte Ltd. | Singapore |
| 7. | The Dhamra Port Company Ltd. | India |

**ii) Tata Steel Holdings Pte. Ltd.**

**a) Tata Steel Global Holdings Pte Ltd.**

**I Tata Steel Europe Ltd.**

| | | |
|---|---|---|
| 1. | Afon Tinplate Company Limited | UK |
| 2. | Air Products Llanwern Limited | UK |
| 3. | B V Ijzerleew | Netherlands |
| 4. | Bsr Pipeline Services Limited | UK |
| 5. | Caparo Merchant Bar Plc | UK |
| 6. | Cindu Chemicals B.V. | Netherlands |
| 7. | Corus Celik Ticaret AS | Turkey |
| 8. | Corus Cogifer Switches And Crossings Limited | UK |

| | | |
|---|---|---|
| 9. | Corus Kalpinis Simos Rom SRL. | Romania |
| 10. | Danieli Corus Technical Services B.V. | Netherlands |
| 11. | Hks Scrap Metals B.V. | Netherlands |
| 12. | Ijzerhandel Geertsema Staal B.V. | Netherlands |
| 13. | Industrial Rail Services Ijmond B.V. | Netherlands |
| 14. | Laura Metaal Holding B.V. | Netherlands |
| 15. | Norsk Stal AS | Norway |
| 16. | Norsk Stal Tynnplater AS | Norway |
| 17. | Ravenscraig Limited | UK |
| 18. | Tata Elastron SA | Greece |
| 19. | Tata Elastron SA Steel Service Center | Greece |
| 20. | Texturing Technology Limited | UK |
| II | **Tata Steel Global Minerals Holdings Pte. Ltd.** | |
| 1. | Riversdale Energy (Mauritius) Ltd. | Mauritius |

**D. Promoters holding together with its subsidiary is more than 20%**

Tata Sons Ltd.

**E. Key Management Personnel – Whole time Director**

Mr. H. M. Nerurkar

**F. Relatives of Key Management Personnel – (Disclosure will be given only if there have been transactions)**

N.A.

* Part of the period

@ By virtue of management control.

# Annexure XVIII
## Related Party Information, as Restated of Tata Steel Limited

(Rs. in million)

| Nature of transactions | Period/Year | Subsidiaries | Associates and JVs # | Key Management Personnel | Relatives of Key Management Personnel | Promoter | Grand Total |
|---|---|---|---|---|---|---|---|
| **Purchase of Goods** | Apr-Sept 10 | | Refer annexure IV, Note E(9) | | | | |
| | 2009-10 | 28,358.3 | 1,072.8 | – | – | – | 29,431.1 |
| | 2008-09 | 32,312.9 | 1,366.6 | – | – | – | 33,679.5 |
| | 2007-08 | 7,871.4 | 1,816.4 | – | – | – | 9,687.8 |
| | 2006-07 | 1,884.3 | 948.3 | – | – | – | 2,832.6 |
| | 2005-06 | 933.6 | 1,171.8 | – | – | – | 2,105.4 |
| **Sale of Goods** | Apr-Sept 10 | | Refer annexure IV, Note E(9) | | | | |
| | 2009-10 | 16,221.2 | 5778.3 | – | – | – | 21,999.5 |
| | 2008-09 | 15,828.0 | 12,279.0 | – | – | – | 28,107.0 |
| | 2007-08 | 11,145.7 | 12,237.0 | – | – | – | 23,382.7 |
| | 2006-07 | 4,063.7 | 8,563.3 | – | – | – | 12,627.0 |
| | 2005-06 | 209.3 | 6,877.2 | – | – | – | 7,086.5 |
| **Receiving of Services** | Apr-Sept 10 | | Refer annexure IV, Note E(9) | | | | |
| | 2009-10 | 6,342.6 | 4,195.0 | – | – | 13.6 | 10,551.2 |
| | 2008-09 | 7,957.8 | 4,711.4 | – | – | 538.3 | 13,207.5 |
| | 2007-08 | 6,593.5 | 3,356.6 | 0.2 | 0.2 | 6.9 | 9,957.4 |
| | 2006-07 | 4,409.5 | 3,234.6 | 0.2 | 0.2 | 10.0 | 7,654.5 |
| | 2005-06 | 3,328.9 | 2,517.0 | 0.2 | 0.2 | 02.8 | 5,849.1 |
| **Rendering of Services** | Apr-Sept 10 | | Refer annexure IV, Note E(9) | | | | |
| | 2009-10 | 827.6 | 526.2 | – | – | 2.4 | 1356.2 |
| | 2008-09 | 615.8 | 683.3 | – | – | 2.4 | 1301.5 |
| | 2007-08 | 312.7 | 638.4 | – | – | 1.4 | 952.5 |
| | 2006-07 | 246.6 | 458.0 | – | – | 1.4 | 706.0 |
| | 2005-06 | 206.1 | 414.3 | – | – | 0.6 | 621.0 |
| **Purchase of Fixed Assets** | Apr-Sept 10 | | Refer annexure IV, Note E(9) | | | | |
| | 2009-10 | – | 34.8 | – | – | – | 34.8 |
| | 2008-09 | 9.1 | 171.6 | – | – | – | 180.7 |
| | 2007-08 | 3.2 | 432.5 | – | – | – | 435.7 |
| | 2006-07 | – | 276.1 | – | – | – | 276.1 |
| | 2005-06 | – | 23.3 | – | – | – | 23.3 |
| **Sale of Fixed Assets** | Apr-Sept 10 | | Refer annexure IV, Note E(9) | | | | |
| | 2009-10 | 1.8 | 0.7 | – | – | – | 2.5 |
| | 2008-09 | – | – | – | – | – | – |
| | 2007-08 | – | – | – | – | – | – |
| | 2006-07 | 0.4 | – | – | – | – | 0.4 |
| | 2005-06 | 2.4 | – | – | – | – | 2.4 |
| **Leasing or Hire Purchase Arrangements** | Apr-Sept 10 | | Refer annexure IV, Note E(9) | | | | |
| | 2009-10 | – | – | – | – | – | – |
| | 2008-09 | – | – | – | – | – | – |
| | 2007-08 | – | – | – | – | – | – |
| | 2006-07 | – | – | – | – | – | – |
| | 2005-06 | – | 0.8 | – | – | – | 0.8 |
| **Dividend and Fraction Bonus amount paid to Shareholders** | Apr-Sept 10 | | Refer annexure IV, Note E(9) | | | | |
| | 2009-10 | 10.8 | 18.6 | 0.1 | ** | 4,084.2 | 4,113.7 |
| | 2008-09 | 10.8 | 18.6 | ** | ** | 3,330.7 | 3,360.1 |
| | 2007-08 | 10.4 | – | ** | ** | 2,608.1 | 2,618.5 |
| | 2006-07 | 8.7 | – | ** | ** | 1,446.4 | 1,455.1 |
| | 2005-06 | 18.3 | 15.2 | ** | ** | 1,424.4 | 1,457.9 |

| Nature of transactions | Period/Year | Subsidiaries | Associates and JVs # | Key Management Personnel | Relatives of Key Management Personnel | Promoter | Grand Total |
|---|---|---|---|---|---|---|---|
| | | | | (Rs. in million) | | | |
| **Dividend Income** | Apr-Sept 10 | | Refer annexure IV, Note E(9) | | | | |
| | 2009-10 | 1,911.0 | 235.2 | – | – | – | 2,146.2 |
| | 2008-09 | 372.3 | 84.3 | – | – | – | 456.6 |
| | 2007-08 | 237.8 | 93.1 | – | – | – | 330.9 |
| | 2006-07 | 174.1 | 234.0 | – | – | – | 408.1 |
| | 2005-06 | 80.3 | 179.5 | – | – | – | 259.8 |
| **Interest Income** | Apr-Sept 10 | | Refer annexure IV, Note E(9) | | | | |
| | 2009-10 | 208.8 | 164.6 | – | – | – | 373.4 |
| | 2008-09 | 227.4 | 234.9 | – | – | – | 462.3 |
| | 2007-08 | 231.4 | 24.1 | – | – | – | 255.5 |
| | 2006-07 | 198.4 | – | – | – | – | 198.4 |
| | 2005-06 | 176.7 | 10.0 | – | – | – | 186.7 |
| **Management contracts including deputation of employees** | Apr-Sept 10 | | Refer annexure IV, Note E(9) | | | | |
| | 2009-10 | – | – | – | – | 500.0 | 500.0 |
| | 2008-09 | – | – | – | – | 500.0 | 500.0 |
| | 2007-08 | – | – | – | – | 427.9 | 427.9 |
| | 2006-07 | – | – | – | – | 378.5 | 378.5 |
| | 2005-06 | – | – | – | – | 326.2 | 326.2 |
| **Finance Provided (including loans and equity contributions in cash or in kind)** | Apr-Sept 10 | | Refer annexure IV, Note E(9) | | | | |
| | 2009-10 | 63,089.4 | 3,710.9 | – | – | – | 66,800.3 |
| | 2008-09 | 48,771.8 | 4,005.3 | – | – | – | 52,777.1 |
| | 2007-08 | 297,217.9 | 2,671.5 | – | – | – | 299,889.4 |
| | 2006-07 | 20,417.3 | 2,717.2 | – | – | – | 23,134.5 |
| | 2005-06 | 5,257.4 | 3,345.8 | – | – | 6.5 | 8,609.7 |
| **Unsecured Advances / Deposits given** | Apr-Sept 10 | | Refer annexure IV, Note E(9) | | | | |
| | 2009-10 | 29.3 | – | – | – | – | 29.3 |
| | 2008-09 | 321.6 | – | – | – | – | 321.6 |
| | 2007-08 | 107.2 | – | – | – | – | 107.2 |
| | 2006-07 | – | – | – | – | – | – |
| | 2005-06 | – | – | – | – | – | – |
| **Unsecured Advances / Deposits accepted** | Apr-Sept 10 | | Refer annexure IV, Note E(9) | | | | |
| | 2009-10 | – | – | – | – | – | – |
| | 2008-09 | – | – | – | – | – | – |
| | 2007-08 | ** | 9.5 | – | – | – | 9.5 |
| | 2006-07 | – | 0.6 | – | – | – | 0.6 |
| | 2005-06 | – | 0.9 | – | – | 10.3 | 11.2 |
| **Remuneration Paid** | Apr-Sept 10 | | Refer annexure IV, Note E(9) | | | | |
| | 2009-10 | – | – | 70.2 | – | – | 70.2 |
| | 2008-09 | – | – | 50.7 | – | – | 50.7 |
| | 2007-08 | – | – | 68.4 | – | – | 68.4 |
| | 2006-07 | – | – | 58.7 | – | – | 58.7 |
| | 2005-06 | – | – | 52.9 | – | – | 52.9 |

| Nature of transactions | Period/Year | Subsidiaries | Associates and JVs # | Key Management Personnel | Relatives of Key Management Personnel | Promoter | Grand Total |
|---|---|---|---|---|---|---|---|
| | | | | (Rs. in million) | | | |
| **Provision for Receivables made during the year/period** | Apr-Sept 10 | | Refer annexure IV, Note E(9) | | | | |
| | 2009-10 | – | – | – | – | – | – |
| | 2008-09 | – | – | – | – | – | – |
| | 2007-08 | – | – | – | – | – | – |
| | 2006-07 | 1.9 | 6.1 | – | – | – | 8.0 |
| | 2005-06 | 10.0 | 0.5 | – | – | – | 10.5 |
| **Bad Debts written off** | Apr-Sept 10 | | Refer annexure IV, Note E(9) | | | | |
| | 2009-10 | – | – | – | – | – | – |
| | 2008-09 | – | – | – | – | – | – |
| | 2007-08 | – | – | – | – | – | – |
| | 2006-07 | 2.0 | ** | – | – | – | 2.0 |
| | 2005-06 | 0.9 | 1.8 | – | – | – | 2.7 |
| **Bad Debts recovered** | Apr-Sept 10 | | Refer annexure IV, Note E(9) | | | | |
| | 2009-10 | 30.7 | – | – | – | – | 30.7 |
| | 2008-09 | 21.6 | – | – | – | – | 21.6 |
| | 2007-08 | – | – | – | – | – | – |
| | 2006-07 | – | – | – | – | – | – |
| | 2005-06 | – | – | – | – | – | – |
| **Provision of diminution in value of Investments made during the year/period** | Apr-Sept 10 | | Refer annexure IV, Note E(9) | | | | |
| | 2009-10 | – | – | – | – | – | – |
| | 2008-09 | – | – | – | – | – | – |
| | 2007-08 | – | – | – | – | – | – |
| | 2006-07 | 1.0 | – | – | – | – | 1.0 |
| | 2005-06 | – | – | – | – | – | – |
| **Guarantees and Collaterals given during the year** | Apr-Sept 10 | | Refer annexure IV, Note E(9) | | | | |
| | 2009-10 | 1,392.8 | 1,347.8 | – | – | – | 2,740.6 |
| | 2008-09 | – | 250.0 | – | – | – | 250.0 |
| | 2007-08 | – | – | – | – | – | – |
| | 2006-07 | 31,826.4 | – | – | – | – | 31,826.4 |
| | 2005-06 | – | – | – | – | – | – |
| **Guarantees Outstanding as at** | Sept. 30, 2010 | | Refer annexure IV, Note E(9) | | | | |
| | March 31, 2010 | 1,392.8 | 1347.8 | – | – | – | 2,740.6 |
| | March 31, 2009 | – | – | – | – | – | – |
| | March 31, 2008 | – | 250.0 | – | – | – | 250.0 |
| | March 31, 2007 | 26,920.4 | 964.4 | – | – | – | 27,884.8 |
| | March 31, 2006 | – | 964.4 | – | – | – | 964.4 |
| **Outstanding Receivables as at** | Sept. 30, 2010 | | Refer annexure IV, Note E(9) | | | | |
| | March 31, 2010 | 24,957.7 | 209.7 | – | – | 40.1 | 25,207.5 |
| | March 31, 2009 | 5,745.5 | 2,404.8 | – | – | 40.1 | 8,190.4 |
| | March 31, 2008 | 315,261.0 | 2,560.2 | 0.1 | 0.1 | 33.6 | 317,855.0 |
| | March 31, 2007 | 22,775.6 | 892.2 | 0.1 | 0.1 | 26.0 | 23,694.0 |
| | March 31, 2006 | 3,697.9 | 517.8 | 0.1 | 0.1 | 26.0 | 4,241.9 |

| Nature of transactions | Period/Year | Subsidiaries | Associates and JVs # | Key Management Personnel | Relatives of Key Management Personnel | Promoter | Grand Total |
|---|---|---|---|---|---|---|---|
| | | | | (Rs. in million) | | | |
| **Provision for Outstanding Receivables as at**.................................. | Sept. 30, 2010 | | Refer annexure IV, Note E(9) | | | | |
| | March 31, 2010 | – | – | – | – | – | – |
| | March 31, 2009 | – | – | – | – | – | – |
| | March 31, 2008 | – | – | – | – | – | – |
| | March 31, 2007 | 55.3 | 22.7 | – | – | ** | 78.0 |
| | March 31, 2006 | 89.7 | 20.9 | – | – | – | 110.6 |
| **Outstanding Payables as at** ...................................................... | Sept. 30, 2010 | | Refer annexure IV, Note E(9) | | | | |
| | March 31, 2010 | 15,143.0 | 423.1 | – | – | 561.0 | 16,127.1 |
| | March 31, 2009 | 13,581.2 | 681.0 | – | – | 556.8 | 14,819.0 |
| | March 31, 2008 | 1,157.4 | 815.0 | – | – | 469.5 | 2,441.9 |
| | March 31, 2007 | 1,026.1 | 290.6 | – | – | 419.7 | 1,736.4 |
| | March 31, 2006 | 624.6 | 332.0 | – | – | 367.0 | 1,323.6 |

** Amount below Rs 50,000.
# Transactions with Joint Ventures have been disclosed at full value.

# Annexure XIX
## Segment Information, as Restated of Tata Steel Limited

| Particulars | Period/Year | Business Segments | | | Unallocable | Eliminations | Total |
|---|---|---|---|---|---|---|---|
| | | Steel | FAMD | Others | | | |
| | | | | | (Rs. in million) | | |
| **Revenue:** | | | | | | | |
| **Total External Sales** | Apr-Sep'10 | 118,548.6 | 9,505.4 | 8,528.3 | – | | 136,582.3 |
| | 2009-10 | 219,281.9 | 15,530.1 | 15,407.8 | | | 250,219.8 |
| | 2008-09 | 204,559.8 | 23,236.4 | 15,361.5 | | | 243,157.7 |
| | 2007-08 | 165,397.2 | 18,073.7 | 13,439.4 | | | 196,910.3 |
| | 2006-07 | 148,603.0 | 14,558.4 | 12,397.4 | | | 175,558.8 |
| | 2005-06 | 129,081.2 | 13,100.6 | 9,933.4 | | | 152,115.2 |
| Inter segment sales | Apr-Sep'10 | 6,398.9 | 1,892.5 | 351.6 | – | (8,643.0) | – |
| | 2009-10 | 10,343.6 | 3,016.6 | 325.1 | – | (13,685.3) | – |
| | 2008-09 | 12,106.9 | 3,132.2 | 300.8 | – | (15,539.9) | – |
| | 2007-08 | 9,590.8 | 1,979.5 | 161.4 | – | (11,731.7) | – |
| | 2006-07 | 7,695.9 | 1,203.0 | 178.0 | | (9,076.9) | – |
| | 2005-06 | 6,305.1 | 1,137.1 | 142.7 | | (7,584.9) | – |
| **Total Revenue** | Apr-Sep'10 | 124,947.5 | 11,397.9 | 8,879.9 | | (8,643.0) | 136,582.3 |
| | 2009-10 | 229,625.5 | 18,546.7 | 15,732.9 | | (13,685.3) | 250,219.8 |
| | 2008-09 | 216,666.7 | 26,368.6 | 15,662.3 | – | (15,539.9) | 243,157.7 |
| | 2007-08 | 174,988.0 | 20,053.2 | 13,600.8 | | (11,731.7) | 196,910.3 |
| | 2006-07 | 156,298.9 | 15,761.4 | 12,575.4 | | (9,076.9) | 175,558.8 |
| | 2005-06 | 135,386.3 | 14,237.7 | 10,076.1 | | (7,584.9) | 152,115.2 |
| **Segment results before net finance charges, exceptional items and tax** | Apr-Sep'10 | 46,438.0 | 4,028.6 | 416.6 | 6,765.9 | | 57,649.1 |
| | 2009-10 | 79,419.2 | 3,404.4 | 1,136.9 | 3,266.5 | | 87,227.0 |
| | 2008-09 | 73,913.1 | 12,339.4 | (295.4) | (1,274.1) | – | 84,683.0 |
| | 2007-08 | 67,365.1 | 8,324.8 | 61.0 | (1,531.2) | | 74,219.7 |
| | 2006-07 | 55,865.3 | 5,736.7 | 536.2 | (539.3) | | 61,598.9 |
| | 2005-06 | 45,845.3 | 5,725.2 | 541.3 | 88.8 | | 52,200.6 |
| Less: Net Finance Charges | Apr-Sep'10 | | | | | | 6,701.6 |
| | 2009-10 | | | | | | 15,084.0 |
| | 2008-09 | | | | | | 11,526.9 |
| | 2007-08 | | | | | | 7,865.0 |
| | 2006-07 | | | | | | (444.7) |
| | 2005-06 | | | | | | 203.0 |
| Profit before Exceptional items and tax | Apr-Sep'10 | | | | | | 50,947.5 |
| | 2009-10 | | | | | | 72,143.0 |
| | 2008-09 | | | | | | 73,156.1 |
| | 2007-08 | | | | | | 66,354.7 |
| | 2006-07 | | | | | | 62,043.6 |
| | 2005-06 | | | | | | 51,997.6 |
| **Exceptional items** | | | | | | | |
| Contribution for Sports Infrastructure | Apr-Sep'10 | | | | | | – |
| | 2009-10 | | | | | | – |
| | 2008-09 | | | | | | – |
| | 2007-08 | | | | | | (1,500.0) |
| | 2006-07 | | | | | | – |
| | 2005-06 | | | | | | – |

| Particulars | Period/Year | Business Segments: Steel | FAMD | Others | Unallocable | Eliminations | Total |
|---|---|---|---|---|---|---|---|
| | | | | | (Rs. in million) | | |
| Exchange Gain/(Loss) | Apr-Sep'10 | | | | | | – |
| | 2009-10 | | | | | | – |
| | 2008-09 | | | | | | – |
| | 2007-08 | | | | | | 5,808.9 |
| | 2006-07 | | | | | | – |
| | 2005-06 | | | | | | – |
| **Profit before Tax** | Apr-Sep'10 | | | | | | 50,947.5 |
| | 2009-10 | | | | | | 72,143.0 |
| | 2008-09 | | | | | | 73,156.1 |
| | 2007-08 | | | | | | 70,663.6 |
| | 2006-07 | | | | | | 62,043.6 |
| | 2005-06 | | | | | | 51,997.6 |
| Tax Expense | Apr-Sep'10 | | | | | | 14,502.3 |
| | 2009-10 | | | | | | 21,675.0 |
| | 2008-09 | | | | | | 21,138.7 |
| | 2007-08 | | | | | | 23,793.3 |
| | 2006-07 | | | | | | 20,202.2 |
| | 2005-06 | | | | | | 17,200.5 |
| **Profit after Taxes** | Apr-Sep'10 | | | | | | 36,445.2 |
| | 2009-10 | | | | | | 50,468.0 |
| | 2008-09 | | | | | | 52,017.4 |
| | 2007-08 | | | | | | 46,870.3 |
| | 2006-07 | | | | | | 41,841.4 |
| | 2005-06 | | | | | | 34,797.1 |
| Segment Assets as at | Sept. 30, 2010 | 222,532.6 | 6,061.4 | 4,237.8 | 77,195.1 | | 310,026.9 |
| | March 31, 2010 | 195,883.1 | 4,214.4 | 3,862.2 | 59,853.5 | | 263,813.2 |
| | March 31, 2009 | 184,232.7 | 6,643.1 | 4,082.1 | 50,069.1 | | 245,027.0 |
| | March 31, 2008 | 158,532.0 | 5,322.2 | 4,091.0 | 18,783.2 | | 186,728.4 |
| | March 31, 2007 | 142,623.4 | 3,452.0 | 4,147.9 | 78,920.4 | | 229,143.7 |
| | March 31, 2006 | 128,730.6 | 3,288.8 | 3,110.0 | 5,887.1 | | 141,016.5 |
| Segment Liabilities as at | Sept. 30, 2010 | 72,236.7 | 2,604.4 | 1,891.6 | 20,947.9 | | 97,680.6 |
| | March 31, 2010 | 64,888.0 | 2,333.5 | 1,624.3 | 21,150.3 | | 89,996.1 |
| | March 31, 2009 | 56,928.6 | 2,388.0 | 1,295.4 | 28,958.5 | | 89,570.5 |
| | March 31, 2008 | 39,600.5 | 2,355.3 | 1,307.5 | 24,254.5 | | 67,517.8 |
| | March 31, 2007 | 36,369.7 | 1,953.0 | 1,385.9 | 14,658.0 | | 54,366.6 |
| | March 31, 2006 | 24,456.7 | 1,395.3 | 1,075.0 | 10,770.1 | | 37,697.1 |
| Total cost incurred during the year/ period to acquire Segment assets | Apr-Sep'10 | Refer annexure IV, Note E(9) | | | | | |
| | 2009-10 | 20,898.2 | 77.8 | 44.4 | | | 21,020.4 |
| | 2008-09 | 27,357.6 | 195.6 | 309.7 | | | 27,862.9 |
| | 2007-08 | 24,169.0 | (7.9) | 428.6 | | | 24,589.7 |
| | 2006-07 | 18,313.9 | 900.6 | 881.3 | | | 20,095.8 |
| | 2005-06 | 14,970.6 | 118.4 | 186.8 | | | 15,275.8 |
| Segment Depreciation | Apr-Sep'10 | Refer annexure IV, Note E(9) | | | | | |
| | 2009-10 | 10,402.2 | 202.3 | 227.3 | | | 10,831.8 |
| | 2008-09 | 9,310.0 | 218.7 | 205.3 | | | 9,734.0 |
| | 2007-08 | 7,932.0 | 234.2 | 179.9 | | | 8,346.1 |
| | 2006-07 | 7,930.0 | 153.7 | 109.2 | | | 8,192.9 |
| | 2005-06 | 7,532.3 | 140.7 | 78.0 | | | 7,751.0 |

| Particulars | Period/Year | Steel | FAMD | Others | Unallocable | Eliminations | Total |
|---|---|---|---|---|---|---|---|
| | | Business Segments | | | | | |
| | | | | | (Rs. in million) | | |
| Non-cash Expenses other than depreciation | Apr-Sep'10 | Refer annexure IV, Note E(9) | | | | | |
| | 2009-10 | 421.2 | 6.7 | (0.4) | 377.1 | | 804.6 |
| | 2008-09 | 257.4 | 14.6 | 30.2 | 328.1 | | 630.3 |
| | 2007-08 | 452.0 | 13.2 | 12.6 | 579.9 | | 1,057.7 |
| | 2006-07 | 147.1 | 34.2 | 8.2 | 652.0 | | 841.5 |
| | 2005-06 | 91.8 | (6.1) | 9.0 | 49.8 | | 144.5 |

**Information about Secondary Segments : Geographical**

| | For the period ended Sept. 30, 2010 | For the year ended March 31 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|---|
| | | | | (Rs. in million) | | |
| **Revenue by Geographical Market** | | | | | | |
| India | Annex. IV, Note E(9) | 229,544.3 | 209,140.2 | 174,921.5 | 155,060.0 | 131,072.5 |
| Outside India | Annex. IV, Note E(9) | 20,675.5 | 34,017.5 | 21,988.8 | 20,498.8 | 21,042.7 |
| | – | **250,219.8** | **243,157.7** | **196,910.3** | **175,558.8** | **152,115.2** |
| **Additions to Fixed Assets and Intangible Assets** | | | | | | |
| India | Annex. IV, Note E(9) | 21,020.4 | 27,862.9 | 24,589.7 | 20,095.8 | 15,275.8 |
| Outside India | Annex. IV, Note E(9) | – | – | – | – | – |
| | – | **21,020.4** | **27,862.9** | **24,589.7** | **20,095.8** | **15,275.8** |

| **Carrying Amount of Segment Assets** | As at Sept. 30, 2010 | As at March 31 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|---|
| | | | | (Rs. in million) | | |
| India | Annex. IV, Note E(9) | 261,764.6 | 245,015.4 | 186,718.6 | 156,788.5 | 138,170.9 |
| Outside India | Annex. IV, Note E(9) | 2,048.6 | 11.6 | 9.8 | 72,355.2 | 2,855.6 |
| | – | **263,813.2** | **245,027.0** | **186,728.4** | **229,143.7** | **141,026.5** |

Notes:

(i) The Company has disclosed Business Segment as the primary segment. Segments have been identified taking into account the nature of the products, the differing risks and returns, the organisational structure and internal reporting system. The Company's operations predominantly relate to manufacture of Steel and Ferro Alloys and Minerals business. Other business segments comprise Tubes and Bearings.

(ii) Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis. The expenses, which are not directly relatable to the business segment, are shown as unallocated corporate cost. Assets and liabilities that cannot be allocated between the segments are shown as unallocated corporate assets and liabilities respectively.

| | As at Sept. 30, 2010 | As at March 31 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|---|
| | | | | (Rs. in million) | | |
| **(iii) Total Unallocable Assets exclude :** | | | | | | |
| Investments | 435,045.4 | 449,796.70 | 423,717.80 | 41,031.90 | 61,061.80 | 40,699.60 |
| Advance against Equity | 47,020.6 | 18,714.00 | 2,476.10 | 308,961.90 | 18,110.80 | – |
| Foreign Currency Monetary Item Translation Difference Account | – | – | 4,716.60 | – | – | – |
| Miscellaneous Expenditure | – | – | 1,050.70 | 1,551.10 | 2,025.30 | 2,532.70 |
| | **482,066.0** | **468,510.70** | **431,961.20** | **351,544.90** | **81,197.90** | **43,232.30** |
| **(iv) Total unallocable liabilities exclude :** | | | | | | |
| Secured Loans | 19,326.0 | 22,593.20 | 39,130.50 | 35,205.80 | 37,589.20 | 21,917.40 |
| Unsecured Loans | 238,249.9 | 229,798.80 | 230,331.30 | 145,011.10 | 58,864.10 | 3,244.10 |
| Foreign Currency Monetary Item Translation Difference Account | 1,450.1 | 2,069.50 | – | – | – | – |
| Provision for Employee Separation Compensation | 9,098.3 | 9,571.60 | 10,336.00 | 10,713.00 | 11,070.80 | 13,887.10 |
| Deferred Tax Liability (Net) | 9,438.9 | 8,676.70 | 5,857.30 | 6,818.00 | 7,489.40 | 9,570.00 |
| | **277,563.2** | **272,709.80** | **285,655.10** | **197,747.90** | **115,013.50** | **48,618.60** |

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

# Annexure XX

## Consolidated Statement of Assets and Liabilites, as Restated

| | Particulars | As at Sept 30, 2010 | As at March 31 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|---|---|
| | | | | | (Rs. in million) | | |
| **A** | **Fixed Assets** | | | | | | |
| | Gross Block | 1,006,428.4 | 972,890.0 | 994,586.7 | 962,293.5 | 200,837.8 | 166,306.8 |
| | Less: Depreciation | 609,584.7 | 579,028.5 | 598,580.9 | 599,389.2 | 90,892.1 | 71,058.0 |
| | Less: Impairment | 29,593.1 | 28,609.6 | 31,830.4 | 31,717.0 | 1,004.1 | 941.9 |
| | Net Block | 367,250.6 | 365,251.9 | 364,175.4 | 331,187.3 | 108,941.6 | 94,306.9 |
| | Capital Work in Progress (Net) | 122,312.1 | 92,706.4 | 88,883.2 | 88,475.6 | 33,263.7 | 13,574.1 |
| | **Total** | **489,562.7** | **457,958.3** | **453,058.6** | **419,662.9** | **142,205.3** | **107,881.0** |
| **B** | **Goodwill on Consolidation** | **150,393.1** | **145,418.2** | **153,649.2** | **180,499.6** | **2,196.6** | **1,140.0** |
| **C** | **Investments** | **47,155.9** | **54,177.9** | **64,111.0** | **33,674.3** | **164,975.0** | **34,789.0** |
| **D** | **Current Assets, Loans and Advances** | | | | | | |
| | Inventories | 253,479.3 | 186,866.4 | 216,684.2 | 230,643.4 | 38,881.3 | 27,733.1 |
| | Sundry Debtors | 116,477.6 | 115,124.4 | 129,535.3 | 185,583.4 | 16,865.3 | 12,187.2 |
| | Cash and Bank Balances | 71,465.8 | 68,151.1 | 61,483.6 | 42,318.6 | 108,879.6 | 7,767.5 |
| | Deferred Tax Asset | 1,819.6 | 1,488.3 | 1,074.0 | 297.0 | 69.3 | 16.2 |
| | Interest accrued on investments | 64.5 | 76.3 | 68.1 | 89.6 | 11.6 | 11.0 |
| | Loans and Advances | 83,259.4 | 68,459.7 | 130,768.3 | 155,822.9 | 19,633.4 | 11,371.8 |
| | **Total** | **526,566.2** | **440,166.2** | **539,613.5** | **614,754.9** | **184,340.5** | **59,086.8** |
| **E** | **Liabilities and Provisions** | | | | | | |
| | Secured Loans | 289,170.6 | 280,593.3 | 342,438.8 | 354,149.9 | 49,612.3 | 25,033.9 |
| | Unsecured Loans | 270,201.3 | 250,410.2 | 256,566.2 | 182,097.5 | 199,643.0 | 8,740.4 |
| | Deferred Tax Liability | 20,979.3 | 18,029.4 | 18,168.3 | 24,841.2 | 7,928.7 | 9,938.0 |
| | Minority Interest | 9,243.0 | 8,843.4 | 8,974.0 | 8,368.2 | 6,021.1 | 1,276.6 |
| | Warrants issued by a Subsidiary Company | 174.6 | 174.6 | 174.6 | 174.6 | 174.6 | – |
| | Provision for Employee Separation Compensation | 9,167.7 | 9,636.7 | 10,424.1 | 10,800.5 | 11,183.0 | 14,025.6 |
| | Current Liabilities | 270,983.3 | 233,787.8 | 230,717.4 | 263,328.0 | 54,407.7 | 32,308.7 |
| | Provisions | 66,342.1 | 65,974.1 | 71,479.7 | 64,504.3 | 20,636.6 | 10,946.6 |
| | **Total** | **936,261.9** | **867,449.5** | **938,943.1** | **908,264.2** | **349,607.0** | **102,269.8** |
| F | **Net Worth (A+B+C+D-E)** | **277,416.0** | **230,271.1** | **271,489.2** | **340,327.5** | **144,110.4** | **100,627.0** |
| G | **Represented by** | | | | | | |
| | Share Capital | 9,017.4 | 8,867.4 | 62,027.8 | 62,026.3 | 5,800.0 | 5,530.0 |
| | Share Warrants | 1,782.0 | – | – | – | 1,470.6 | – |
| | Reserves and Surplus | 265,166.5 | 219,334.2 | 215,232.8 | 279,857.5 | 138,937.5 | 97,657.1 |
| | Add/(Less) Foreign Currency Monetary Item Translation Difference Account | 1,450.1 | 2,069.5 | (4,716.6) | – | – | – |
| | Less: Miscellaneous Expenditure (to the extent not written off or adjusted) | – | – | 1,054.8 | 1,556.3 | 2,097.7 | 2,560.1 |
| | **Net Worth** | **277,416.0** | **230,271.1** | **271,489.2** | **340,327.5** | **144,110.4** | **100,627.0** |

The accompanying Significant Accounting Policies and Notes are an integral part of this statement.

# Annexure XXI
## Consolidated Statement of Profit and Losses, as Restated

| Particulars | For the period ended Sept. 30, 2010 | For the year ended March 31 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|---|
| | | (Rs. in million) | | | | |
| **Income** | | | | | | |
| Sales and Other Operating Income | 570,522.3 | 1,042,298.3 | 1,499,849.4 | 1,340,867.7 | 274,420.8 | 222,681.6 |
| Less: Excise Duty | 12,123.5 | 18,367.1 | 26,556.8 | 25,531.4 | 22,249.1 | 19,500.0 |
| Net Income from Operations | 558,398.8 | 1,023,931.2 | 1,473,292.6 | 1,315,336.3 | 252,171.7 | 203,181.6 |
| Other Income | 8,737.3 | 11,858.5 | 2,656.7 | 4,758.6 | 2,145.7 | 1,402.3 |
| **Total** | **567,136.1** | **1,035,789.7** | **1,475,949.3** | **1,320,094.9** | **254,317.4** | **204,583.9** |
| **Expenditure** | | | | | | |
| Cost of Materials | 244,843.3 | 440,915.3 | 729,376.5 | 602,286.9 | 91,769.1 | 67,107.4 |
| Accretion/(Reduction) in Stocks of Finished and Semi-finished products and Work-in-progress | (17,186.9) | 6,600.4 | 19,762.2 | (16,491.5) | (5,402.2) | (470.0) |
| Payment to and Provision for Employees | 76,046.0 | 164,629.9 | 179,750.6 | 168,995.7 | 20,380.0 | 17,266.6 |
| Manufacturing, Selling and Other Expenses | 173,647.2 | 331,359.0 | 363,126.6 | 382,720.9 | 72,453.6 | 56,375.5 |
| Net Finance Charges | 12,613.0 | 30,220.6 | 32,901.8 | 40,854.1 | 1,876.9 | 550.9 |
| Depreciation | 21,220.4 | 44,917.3 | 42,653.9 | 41,369.5 | 10,109.8 | 8,603.7 |
| **Total** | **511,183.0** | **1,018,642.5** | **1,367,571.6** | **1,219,735.6** | **191,187.2** | **149,434.1** |
| **Profit / (Loss) before Exceptional Items and Tax** | **55,953.1** | **17,147.2** | **108,377.7** | **100,359.3** | **63,130.2** | **55,149.8** |
| **Exceptional Items** | | | | | | |
| Restructuring Costs | (914.6) | (16,837.2) | (40,945.3) | – | – | – |
| Contribution for Sports Infrastructure | – | – | – | (1,500.0) | – | – |
| Exchange Gain | – | – | – | 5,782.9 | – | – |
| Acturial Gain | – | – | – | 59,068.4 | – | – |
| **Profit/ (Loss) after Exceptional Items before tax** | **55,038.5** | **310.0** | **67,432.4** | **163,710.6** | **63,130.2** | **55,149.8** |
| Provision for Taxation — Current Tax | 13,909.7 | 21,625.3 | 19,971.2 | 33,537.3 | 21,455.2 | 16,199.7 |
| — Deferred Tax | 3,544.6 | (106.9) | (1,219.3) | 6,745.8 | (155.2) | 1,449.5 |
| — Fringe Benefits Tax | – | – | 188.1 | 209.9 | 174.1 | 289.9 |
| **Net Profit / (Loss) after Tax (Before Adjustment)** | **37,584.2** | **(21,208.4)** | **48,492.4** | **123,217.6** | **41,656.1** | **37,210.7** |
| **Adjustments** | | | | | | |
| Change in Accounting Policies | – | – | (16,560.1) | (52,884.8) | – | – |
| Prior Period Adjustments | (97.9) | (117.7) | (63.8) | 245.2 | (582.2) | (428.3) |
| Tax Impact of Adjustments | 32.5 | 40.0 | 2,140.8 | 3,989.1 | 196.0 | 144.2 |
| **Total of Adjustments** | **(65.4)** | **(77.7)** | **(14,483.1)** | **(48,650.5)** | **(386.2)** | **(284.1)** |
| **Net Profit / (Loss) after Adjustments** | **37,518.8** | **(21,286.1)** | **34,009.3** | **74,567.1** | **41,269.9** | **36,926.6** |
| Less: Minority Interest | (40.4) | 129.9 | (425.3) | 1,403.4 | 671.6 | 191.2 |
| Add: Share of Profits of Associates | 418.8 | 1,268.6 | 607.2 | 1,681.6 | 791.8 | 321.9 |
| **Profit / (Loss) as Restated after Minority Interest and Share of Profits of Associates** | **37,978.0** | **(20,147.4)** | **35,041.8** | **74,845.3** | **41,390.1** | **37,057.3** |
| Balance brought forward | 65,982.5 | 105,552.4 | 92,740.3 | 48,390.0 | 33,349.3 | 19,860.7 |
| **Profit available for Appropriation** | **103,960.5** | **85,405.0** | **127,782.1** | **123,235.3** | **74,739.4** | **56,918.0** |
| **Appropriations** | | | | | | |
| Proposed Dividends On Prefernce Shares | – | 458.8 | 1,094.5 | 221.9 | – | – |
| Proposed Dividends On Ordinary Shares | – | 7,092.3 | 11,678.8 | 11,678.6 | 9,428.7 | 7,186.4 |
| Tax on Dividends | – | 1,543.3 | 2,176.4 | 2,077.5 | 1,634.2 | 1,033.6 |
| General Reserve | – | 5,525.8 | 6,722.3 | 15,490.8 | 15,247.0 | 15,287.0 |
| Special Reserve | – | 485.5 | 42.4 | 63.2 | 39.5 | 61.7 |
| Debenture Redemption Reserve | – | 4,000.0 | – | – | – | – |
| Statutory Reserve | – | 316.9 | 515.3 | 963.0 | – | – |
| Surplus Carried to Balance Sheet | 103,960.5 | 65,982.4 | 105,552.4 | 92,740.3 | 48,390.0 | 33,349.3 |
| **Total** | **103,960.5** | **85,405.0** | **127,782.1** | **123,235.3** | **74,739.4** | **56,918.0** |

The accompanying Significant Accounting Policies and Notes are an integral part of this statement.

# Annexure XXII

## Consolidated Statement of Cash Flows, as Restated

| Particulars | For the period ended Sept. 30, 2010 | For the year ended March 31 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|---|
| | | | (Rs. in million) | | | |
| **A. CASH FLOW FROM OPERATING ACTIVITIES:** | | | | | | |
| Profit/(Loss) before taxes, minority interest and share of profits of associates | **54,940.6** | **192.3** | **50,808.5** | **111,071.0** | **62,548.0** | **54,721.5** |
| **Adjustments for:** | | | | | | |
| Depreciation | 21,220.4 | 44,917.3 | 42,653.9 | 41,369.5 | 10,109.8 | 8,603.7 |
| Income from Other Investments | (858.6) | (699.8) | (796.2) | (770.0) | (1,071.9) | (601.8) |
| (Profit)/Loss on sale of other investments | (7,357.4) | (10,360.7) | (1,144.5) | (184.1) | (130.8) | (1.8) |
| (Profit)/Loss on sale of assets / discarded assets written off | (222.7) | (1,090.0) | (449.4) | (2,543.6) | (107.1) | (421.4) |
| Restructuring Costs | 914.6 | 16,837.2 | 40,945.3 | – | – | – |
| Gain/(Loss) on cancellation of forward covers / options | (298.6) | 292.0 | (266.6) | (1,243.0) | (835.9) | (377.3) |
| Provision for diminution in value of investments | – | – | – | – | 1.0 | 0.2 |
| Interest and Income from current Invesments | (2,124.3) | (4,722.4) | (5,005.1) | (4,539.6) | (4,463.8) | (1,524.7) |
| Interest charged to Profit & Loss Account | 14,737.3 | 34,943.0 | 37,906.9 | 45,393.7 | 6,340.7 | 2,075.6 |
| Exchange (Gain)/Loss on revaluation of foreign currency loans | (908.8) | (941.3) | 1,598.4 | (7,410.2) | – | – |
| Contribution for sports infrastructure | – | – | – | 1,500.0 | – | – |
| Provision for Wealth Tax | 5.1 | 16.2 | 16.8 | 17.3 | – | – |
| Other amortisation and non-cash expenditures | 6,173.9 | 3,692.1 | 3,801.7 | 7,352.5 | 2,903.7 | 273.1 |
| Unrealised Foreign exchange on consolidation net (gain) / loss | 1,181.1 | (2,589.9) | (1,006.6) | (2,858.7) | (1,201.3) | (205.5) |
| Preliminary Expenditure written off | – | 27.3 | 0.1 | 26.3 | 11.1 | 10.8 |
| | **32,462.0** | **80,321.0** | **118,254.7** | **76,110.1** | **11,555.5** | **7,830.9** |
| **Operating Profit before Working Capital Changes** | **87,402.6** | **80,513.3** | **169,063.2** | **187,181.1** | **74,103.5** | **62,552.4** |
| Adjustments for: | | | | | | |
| Trade and Other Receivables | (7,381.9) | 21,191.6 | 29,886.5 | 34,631.5 | (9,601.3) | (1,129.7) |
| Inventories | (62,327.6) | 18,842.4 | 10,123.0 | (27,013.4) | (6,399.5) | (2,372.5) |
| Trade Payables and Other Liabilities | 26,372.3 | 9,063.8 | (18,448.2) | (31,772.7) | 18,373.0 | (3,496.7) |
| | **(43,337.2))** | **49,097.8** | **21,561.3** | **(24,154.6)** | **2,372.2** | **(6,998.9)** |
| **Cash generated from Operations** | **44,065.4** | **129,611.1** | **190,624.5** | **163,026.5** | **76,475.7** | **55,553.5** |
| Direct Taxes Paid | (9,618.2) | (24,631.1) | (33,665.4) | (27,788.5) | (21,445.6) | (18,198.3) |
| **Net Cash Flow from Operating Activities** | **34,447.2** | **104,980.0** | **156,959.1** | **135,238.0** | **55,030.1** | **37,355.2** |
| **B CASH FLOW FROM INVESTING ACTIVITIES:** | | | | | | |
| Purchase of fixed assets | (49,750.8) | (71,495.1) | (84,337.4) | (84,197.3) | (29,751.1) | (19,327.5) |
| Sale of fixed assets | 1,430.3 | 2,023.6 | 726.8 | 4,230.5 | 480.3 | 511.1 |
| Purchase of investments | (443,472.5) | (1,915,783.4) | (607,568.0) | (333,778.6) | (285,519.0) | (82,007.2) |
| Acquisition of subsidiaries/joint ventures (net of disposals) | (139.7) | (3,538.0) | (1,827.5) | (407,404.5) | (6,686.2) | (16.7) |
| Sale of Investments | 458,779.0 | 1,936,850.9 | 580,683.3 | 353,534.5 | 153,424.7 | 73,560.8 |
| Intercorporate Deposits (net) | – | 1,950.7 | (649.2) | (1,301.5) | – | – |
| Interest and Income from current Invesmtents received | 1,650.3 | 2,166.2 | 3,669.6 | 4,530.7 | 4,144.6 | 1,693.0 |
| Dividend received | 1,047.6 | 890.5 | 1,084.1 | 1,100.2 | 1,071.9 | 601.8 |
| Pre-operative expenses | – | (26.3) | (0.7) | – | (47.5) | (17.5) |
| **Net Cash flow from Investing Activities** | **(30,455.8)** | **(46,960.9)** | **(108,219.0)** | **(463,286.0)** | **(162,882.3)** | **(25,002.2)** |

| Particulars | For the period ended Sept. 30, 2010 | For the year ended March 31 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|---|
| | | (Rs. in million) | | | | |
| **C CASH FLOW FROM FINANCING ACTIVITIES:** | | | | | | |
| Issue of Share Capital | 8,910.0 | 24,215.0 | 2.5 | 48,814.5 | 13,932.0 | 7.3 |
| Issue of Share Warrants | 1,782.0 | – | – | – | 1,470.6 | – |
| Capital contributions received | 79.4 | 249.7 | 141.5 | 38.7 | 55.9 | – |
| Issue of cumulative convertible preferece shares | – | – | 1.4 | 54,725.2 | | |
| Proceeds from borrowings | 80,310.6 | 100,383.8 | 105,085.2 | 524,653.0 | 227,607.1 | 8,212.0 |
| Repayment of borrowings | (64,595.7) | (127,250.1) | (84,571.2) | (354,580.6) | (24,209.7) | (7,762.1) |
| Amount received on cancellation of forward covers/options | 304.3 | (289.9) | (101.2) | 1,344.1 | 945.5 | 437.6 |
| Long term loan expenses | (4,333.2) | (2,787.9) | (366.3) | (17,370.0) | (1,704.7) | (589.3) |
| Interest paid | (16,061.8) | (32,661.5) | (35,473.4) | (42,720.9) | (6,125.7) | (2,640.2) |
| Dividend paid | (7,073.2) | (13,209.1) | (12,266.2) | (9,478.2) | (7,168.2) | (7,116.6) |
| **Net Cash flow from Financing Activities** | **(677.6)** | **(51,350.0)** | **(27,547.7)** | **205,425.8** | **204,802.8** | **(9,451.3)** |
| **Net Increase / (decrease) in cash / cash equivalents (A + B + C)** | **3,313.8** | **6,669.1** | **21,192.4** | **(122,622.2)** | **96,950.6** | **2,901.7** |
| **Opening Cash and Cash equivalents** | **68,152.0** | **61,482.0** | **40,291.2** | **164,940.8** | **11,929.0** | **4,865.8** |
| **Closing Cash and Cash equivalents** | **71,465.8** | **68,151.1** | **61,483.6** | **42,318.6** | **108,879.6** | **7,767.5** |

Notes:

(i) Figures in brackets represent outflows.

(ii) Cash and cash equivalents include loss on foreign exchange revaluation.

(iii) Interest paid is exclusive of and purchase of Fixed Assets is inclusive of interest capitalised.

(iv) Opening cash and cash equivalent of respective years includes cash and cash equivalents of companies which became subsidiaries/joint venture of the group and excludes the cash balances of companies which ceased to be subsidiaries.

(v) Closing cash balance as at March 31, 2007 includes Rs. 72,259.4 million ringfenced for a specific purpose.

(vi) Previous year figures have been recast / restated wherever necessary.

# Annexure XXIII

## Significant Accounting Policies and Notes on Consolidated Restated Financial Information

**1. Principles of Consolidation :**

The Consolidated Financial Statements relate to Tata Steel Limited (“the Company”) and its subsidiary companies. The Consolidated Financial Statements have been prepared on the following basis :

— The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses as per Accounting Standard 21 – "Consolidated Financial Statements" notified by Companies (Accounting Standards) Rules, 2006.

— In case of foreign subsidiaries, being non-integral operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the foreign currency translation reserve.

— The difference between the cost of investment in the subsidiaries and joint ventures, and the Company's share of net assets at the time of acquisition of shares in the subsidiaries and joint ventures is recoginised in the financial statement as Goodwill or Capital Reserve as the case may be.

— Minority Interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separately from liabilities and equity of the company's shareholders.

Minority interest in the net assets of consolidated subsidiaries consists of :

a) The amount of equity attributable to minority at the date on which investment in a subsidiary is made; and

b) The minority share of movements in equity since the date the parent subsidiary relationship came into existence.

— Minority interest’s share of net profit for the year of consolidated subsidiaries is identified and adjusted against the profit after tax of the group.

— Investment in associates where the company directly or indirectly through subsidiaries holds more than 20% of equity, are accounted for using equity method as per Accounting Standard 23 – "Accounting for Investments in Associates in Consolidated Financial Statements" notified by Companies (Accounting Standards) Rules, 2006.

— The company accounts for its share of post acquisition changes in net assets of associates, after eliminating unrealised profits and losses resulting from transactions between the company and its associates to the extent of its share, through its profit and loss account, to the extent such change is attributable to the associates' profit and loss account and through its reserves for the balance based on available information.

— The difference between the cost of investment in the associates and the Company's share of net assets at the time of acquisition of share in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.

— Interests in Joint Ventures have been accounted by using the proportionate consolidation method as per Accounting Standard 27 – "Financial Reporting of Interests in Joint Ventures" notified by Companies (Accounting Standards) Rules, 2006.

— The financial statements of the subsidiaries, associates and joint ventures used in the consolidation are drawn up to the same reporting date as that of the Company i.e. March 31, 2010, except for certain associates (indicated as # below) for which financial statements as on reporting date are not available. These have been consolidated based on last available financial statements.

The list of subsidiary companies and joint ventures which are included in the consolidation and the Company's holdings therein are as under :

| | Name of the Company | Ownership in % either directly or through Subsidiaries as at Sept 30, 2010 | Country of Incorporation |
|---|---|---|---|
| A. | **Subsidiaries** | | |
| i) | **Adityapur Toll Bridge Company Ltd.** | **73.63** | India |
| ii) | **Centennial Steel Company Ltd.** | **100.00** | India |
| iii) | **Gopalpur Special Economic Zone Ltd.** | **100.00** | India |
| iv) | **Jamshedpur Utilities & Services Company Ltd.** | **100.00** | India |
| | 1. Haldia Water Management Limited | **60.00** | India |
| | 2. Naba Diganta Water Management Ltd. | **74.00** | India |
| | 3. SEZ Adityapur Ltd. | **51.00** | India |
| v) | **Kalimati Investment Company Ltd.** | **100.00** | India |
| | 1. Bangla Steel & Mining Co. Ltd. | **100.00** | Bangladesh |
| vi) | **Lanka Special Steels Ltd.** | **100.00** | Sri Lanka |
| vii) | **NatSteel Asia Pte. Ltd.** | **100.00** | Singapore |
| | 1. NatSteel Iranian Private Joint Stock Company | **100.00** | Iran |
| | 2. NatSteel Middle East FZE | **100.00** | UAE |
| | 3. Tata Steel Asia (Hong Kong) Ltd. | **100.00** | Hongkong |
| | 4. Tata Steel Resources Australia Pty. Ltd. | **100.00** | Australia |
| viii) | **Sila Eastern Ltd.@** | **49.00** | Thailand |
| ix) | **TS Alloys Ltd.** | **100.00** | India |
| x) | **Tata Incorporated** | **100.00** | USA |
| xi) | **Tata Korf Engineering Services Ltd.** | **100.00** | India |
| xii) | **Tata Metaliks Ltd.** | **50.04** | India |
| | 1. Tata Metaliks Kubota Pipes Ltd. | **25.52** | India |
| xiii) | **Tata Refractories Ltd.** | **77.46** | India |
| | 1. TRL Asia Pvt. Limited | **68.16** | Singapore |
| | 2. TRL China Limited | **77.46** | China |
| xiv) | **Tayo Rolls Ltd.** | **54.45** | India |
| xv) | **Tata Steel (KZN) (Pty) Ltd.** | **90.00** | South Africa |
| xvi) | **Tata Steel Holdings Pte. Ltd.** | **100.00** | Singapore |
| | a) **NSA Holdings Pte Ltd.** | **100.00** | Singapore |
| | b) **Tata Steel Global Holdings Pte Ltd.** | **100.00** | Singapore |
| | I **NatSteel Holdings Pte. Ltd.** | **100.00** | Singapore |
| | 1. Bestbar (Vic) Pte. Ltd. | **71.00** | Australia |
| | 2. Best Bar Pty. Ltd. | **71.00** | Australia |
| | 3. Burwill Trading Pte. Ltd. | **100.00** | Singapore |
| | 4. Easteel Construction Services Pte. Ltd. | **100.00** | Singapore |
| | 5. Easteel Services (M) Sdn. Bhd. | **100.00** | Malaysia |
| | 6. Eastern Steel Fabricators Phillipines, Inc. | **67.00** | Phillipines |
| | 7. Eastern Steel Services Pte. Ltd. | **100.00** | Singapore |
| | 8. Eastern Wire Pte. Ltd. | **100.00** | Singapore |
| | 9. Materials Recycling Pte. Ltd. | **100.00** | Singapore |
| | 10. NatSteel (Xiamen) Ltd. | **100.00** | China |
| | 11. NatSteel Asia (S) Pte. Ltd. | **100.00** | Singapore |
| | 12. NatSteel Australia Pty. Ltd. | **100.00** | Australia |
| | 13. NatSteel Equity IV Pte. Ltd. | **100.00** | Singapore |
| | 14. Natsteel Recycling Pte Ltd. | **100.00** | Singapore |
| | 15. NatSteel Trade International (Shanghai) Company Ltd. | **100.00** | China |
| | 16. NatSteel Trade International Pte. Ltd. | **100.00** | Singapore |
| | 17. NatSteel Vina Co. Ltd. | **56.50** | Vietnam |
| | 18. PT Materials Recycling Indonesia | **100.00** | Indonesia |
| | 19. The Siam Industrial Wire Co. Ltd. | **100.00** | Thailand |
| | 20. Wuxi Jinyang Metal Products Co. Ltd. | **95.00** | China |

| | Name of the Company | Ownership in % either directly or through Subsidiaries as at Sept 30, 2010 | Country of Incorporation |
|---|---|---|---|
| II | **Orchid Netherlands (No.1) B.V.** | **100.00** | Netherlands |
| III | **Tata Steel Europe Ltd.** | **100.00** | UK |
| 1. | Almana Steel Dubai (Jersey) Limited | **100.00** | Jersey |
| 2. | Apollo Metals Ltd. | **100.00** | USA |
| 3. | Ashorne Hill Management College | **100.00** | UK |
| 4. | Augusta Grundstucks GmbH | **100.00** | Germany |
| 5. | Automotive Laser Technologies Limited | **100.00** | UK |
| 6. | B S Pension Fund Trustee Ltd. | **100.00** | UK |
| 7. | Bailey Steels Limited | **100.00** | UK |
| 8. | Beheermaatschappij Industriele Produkten B.V. | **100.00** | Netherlands |
| 9. | Belfin Beheermaatschappij B.V. | **100.00** | Netherlands |
| 10. | Bell & Harwood Limited | **100.00** | UK |
| 11. | Blastmega Limited (United Steel Forgings Ltd.) | **100.00** | UK |
| 12. | Blume Stahlservice GmbH | **100.00** | Germany |
| 13. | Blume Stahlservice Polska Sp. Z.O.O | **100.00** | Poland |
| 14. | Bore Samson Group Ltd. | **100.00** | UK |
| 15. | Bore Steel Ltd. | **100.00** | UK |
| 16. | British Guide Rails Ltd. | **100.00** | UK |
| 17. | British Steel Holdings B.V. | **100.00** | Netherlands |
| 18. | British Steel Nederland International B.V. | **100.00** | Netherlands |
| 19. | British Steel Benelux B.V. | **100.00** | Netherlands |
| 20. | British Steel Corporation Ltd | **100.00** | UK |
| 21. | British Steel De Mexico S.A. de C.V. | **100.00** | Mexico |
| 22. | British Steel Directors (Nominees) Limited | **100.00** | UK |
| 23. | British Steel Employee Share Ownership Trustees Ltd. | **100.00** | UK |
| 24. | British Steel Engineering Steels (Exports) Limited | **100.00** | UK |
| 25. | British Steel International B.V. | **100.00** | Netherlands |
| 26. | British Steel Samson Limited | **100.00** | UK |
| 27. | British Steel Service Centres Ltd. | **100.00** | UK |
| 28. | British Steel Tubes Exports Ltd. | **100.00** | UK |
| 29. | British Transformer Cores Ltd. | **100.00** | UK |
| 30 | British Tubes Stockholding Ltd. | **100.00** | UK |
| 31. | Bs Quest Trustee Limited | **100.00** | UK |
| 32. | Bskh Corporate Services (UK) Limited | **100.00** | UK |
| 33. | Burgdorfer Grundstuecks GmbH | **100.00** | Germany |
| 34. | C V Benine | **76.92** | Netherlands |
| 35. | C Walker & Sons Ltd. | **100.00** | UK |
| 36. | Catnic GmbH | **100.00** | Germany |
| 37. | Catnic Limited | **100.00** | UK |
| 38. | Cbs Investissements SAS | **100.00** | France |
| 39. | Cladding & Decking (UK) Limited | **100.00** | UK |
| 40. | Cogent Power Inc. | **100.00** | Canada |
| 41. | Cogent Power Inc. | **100.00** | Mexico |
| 42. | Cogent Power Inc. | **100.00** | USA |
| 43. | Cogent Power Limited | **100.00** | UK |
| 44. | Cold Drawn Tubes Ltd. | **100.00** | UK |
| 45. | Color Steels Limited | **100.00** | UK |
| 46. | Corbeil Les Rives SCI | **67.30** | France |
| 47. | Corby (Northants) & District Water Co. | **100.00** | UK |
| 48. | Cordor (C& B) Limited | **100.00** | UK |
| 49. | Corus - Sistemas Constructivos E Revestimentos Metalicos, Lda | **100.00** | Portugal |
| 50. | Corus Aerospace Service Centre Suzhou Co Ltd | **100.00** | China |

| Name of the Company | | Ownership in % either directly or through Subsidiaries as at Sept 30, 2010 | Country of Incorporation |
|---|---|---|---|
| 51. | Corus Aluminium Beheer B.V.* | **100.00** | Netherlands |
| 52. | Corus Aluminium Limited | **100.00** | UK |
| 53. | Corus Aluminium Verwaltungsgesellschaft Mbh | **100.00** | Germany |
| 54. | Corus America Holdings Inc. | **100.00** | USA |
| 55. | Corus America Inc. | **100.00** | USA |
| 56. | Corus Batiment Et Systemes SAS | **100.00** | France |
| 57. | Corus Belgium Bvba | **100.00** | Belgium |
| 58. | Corus Benelux B.V. | **100.00** | Netherlands |
| 59. | Corus Beteiligungs GmbH | **100.00** | Germany |
| 60. | Corus Brokers Limited | **100.00** | UK |
| 61. | Corus Building Systems Bulgaria AD | **100.00** | Bulgaria |
| 62. | Corus Building Systems N.V. | **100.00** | Belgium |
| 63. | Corus Building Systems SAS | **100.00** | France |
| 64. | Corus Byggesystemer A/S | **100.00** | Denmark |
| 65. | Corus Byggsystem AB | **100.00** | Sweden |
| 66. | Corus Byggsystemer A/S | **100.00** | Norway |
| 67. | Corus Central Europe S.R.O. | **100.00** | Czech Republic |
| 68. | Corus Cic Holdings Inc. | **100.00** | Canada |
| 69. | Corus Cic Inc. | **100.00** | Canada |
| 70. | Corus CNBV Investments | **100.00** | UK |
| 71. | Corus Coatings Usa Inc. | **100.00** | USA |
| 72. | Corus Cold Drawn Tubes Limited | **100.00** | UK |
| 73. | Corus Construction Products (Thailand) Limited | **82.35** | Thailand |
| 74. | Corus Consulting And Technical Services B.V. | **100.00** | Netherlands |
| 75. | Corus Consulting B.V. | **100.00** | Netherlands |
| 76. | Corus Consulting Limited | **100.00** | UK |
| 77. | Corus Consulting Romania SRL* | **100.00** | Romania |
| 78. | Corus Degels GmbH | **100.00** | Germany |
| 79. | Corus Denmark A/S | **100.00** | Denmark |
| 80. | Corus Deutschland GmbH | **100.00** | Germany |
| 81. | Corus Distribution Europe BV | **100.00** | Netherlands |
| 82. | Corus Electrical Limited | **100.00** | UK |
| 83. | Corus Engineering Limited | **100.00** | UK |
| 84. | Corus Engineering Steels (UK) Limited | **100.00** | UK |
| 85. | Corus Engineering Steels Holdings Limited | **100.00** | UK |
| 86. | Corus Engineering Steels Limited | **100.00** | UK |
| 87. | Corus Engineering Steels Overseas Holdings Limited | **100.00** | UK |
| 88. | Corus Finance Limited | **100.00** | UK |
| 89. | Corus Finland Oy | **100.00** | Finland |
| 90. | Corus France SAS | **100.00** | France |
| 91. | Corus Group Limited | **100.00** | UK |
| 92. | Corus Holdings Ltd. | **100.00** | UK |
| 93. | Corus Holdings SA | **100.00** | France |
| 94. | Corus Hungary Trading Limited Liability Company | **100.00** | Hungary |
| 95. | Corus India Ltd. | **100.00** | India |
| 96. | Corus International (India) Pvt. Limited | **100.00** | India |
| 97. | Corus International (Overseas Holdings) Limited | **100.00** | UK |
| 98. | Corus International Bulgaria Limited | **100.00** | Bulgaria |
| 99. | Corus International Deutschland GmbH | **100.00** | Germany |
| 100. | Corus International Limited | **100.00** | UK |
| 101. | Corus International Nigeria | **100.00** | Nigeria |
| 102. | Corus International Representacoes Do Brasil Ltda. | **100.00** | Brazil |

| Name of the Company | | Ownership in % either directly or through Subsidiaries as at Sept 30, 2010 | Country of Incorporation |
|---|---|---|---|
| 103. | Corus International Romania SRL | **100.00** | Romania |
| 104. | Corus International Services N.V | **100.00** | Belgium |
| 105. | Corus International Trading Limited | **100.00** | UK |
| 106. | Corus International Trading Limited | **100.00** | USA |
| 107 | Corus Investment B.V. | **100.00** | Netherlands |
| 108. | Corus Investments Ltd. | **100.00** | UK |
| 109. | Corus Ireland Ltd. | **100.00** | Ireland |
| 110. | Corus Laminacion Y Derivados, S.L. | **100.00** | Spain |
| 111. | Corus Large Diameter Pipes Limited | **100.00** | UK |
| 112. | Corus Liaison Services (India) Limited | **100.00** | UK |
| 113. | Corus Management Limited | **100.00** | UK |
| 114. | Corus Met B.V. | **100.00** | Netherlands |
| 115. | Corus Metal Iberica S.A | **100.00** | Spain |
| 116. | Corus Metal Sanayi Ve Ticaret AS | **88.00** | Turkey |
| 117. | Corus Metals Limited | **100.00** | UK |
| 118. | Corus Middle East FZE | **100.00** | UAE |
| 119. | Corus Multi-Metals Limited | **100.00** | UK |
| 120. | Corus Nederland B.V. | **100.00** | Netherlands |
| 121. | Corus New Zealand Limited | **100.00** | New Zealand |
| 122. | Corus Norge A/S | **100.00** | Norway |
| 123. | Corus Packaging Plus Belgium N.V | **100.00** | Belgium |
| 124. | Corus Packaging Plus Norway AS | **100.00** | Norway |
| 125. | Corus Perfo B.V. | **100.00** | Netherlands |
| 126. | Corus Polska Sp.Z.O.O. | **100.00** | Poland |
| 127. | Corus Primary Aluminium B.V. | **100.00** | Netherlands |
| 128. | Corus Properties (Germany) Limited | **100.00** | UK |
| 129. | Corus Property | **100.00** | UK |
| 130. | Corus Quest Trustee Limited | **100.00** | UK |
| 131. | Corus Rail Consultancy Limited | **100.00** | UK |
| 132. | Corus Rail France S.A | **100.00** | France |
| 133. | Corus Rail Limited | **100.00** | UK |
| 134. | Corus Republic Of Ireland Subsidiaries Pension Scheme Trustee Limited | **100.00** | Ireland |
| 135. | Corus Service Center Milano Spa | **100.00** | Italy |
| 136. | Corus Service Centre Limited | **100.00** | UK |
| 137. | Corus Service Centre Maastricht B.V. | **100.00** | Netherlands |
| 138. | Corus Services Nederland B.V. | **100.00** | Netherlands |
| 139. | Corus Sheet & Tube Inc. | **100.00** | USA |
| 140. | Corus Special Strip Asia Limited | **100.00** | Hong Kong |
| 141. | Corus Staal B.V. | **100.00** | Netherlands |
| 142. | Corus Stahl GmbH | **100.00** | Germany |
| 143. | Corus Stainless Limited | **100.00** | UK |
| 144. | Corus Stainless Nl B.V. | **100.00** | Netherlands |
| 145. | Corus Stainless UK Ltd. | **100.00** | UK |
| 146. | Corus Star-Frame B.V. | **100.00** | Netherlands |
| 147. | Corus Steel Limited | **100.00** | UK |
| 148. | Corus Steel Usa Inc. | **100.00** | USA |
| 149. | Corus Sverige AB | **100.00** | Sweden |
| 150. | Corus Technology B.V. | **100.00** | Netherlands |
| 151. | Corus Trico Holdings Inc. | **100.00** | USA |
| 152. | Corus Tubes B.V. | **100.00** | Netherlands |
| 153. | Corus Tuscaloosa Corp. | **100.00** | USA |

| Name of the Company | | Ownership in % either directly or through Subsidiaries as at Sept 30, 2010 | Country of Incorporation |
|---|---|---|---|
| 154. | Corus UK Healthcare Trustee Limited | **100.00** | UK |
| 155. | Corus UK Limited | **100.00** | UK |
| 156. | Corus Vlietjonge B.V. | **100.00** | Netherlands |
| 157. | Cpn 85 Limited | **100.00** | UK |
| 158. | Crucible Insurance Company Ltd. | **100.00** | I of Man |
| 159. | Demka B.V. | **100.00** | Netherlands |
| 160. | Dsrm Group Plc. | **100.00** | UK |
| 161. | Ees Group Services Limited | **100.00** | UK |
| 162. | Ees Nederland B.V. | **100.00** | Netherlands |
| 163. | Eric Olsson & Soner Forvaltnings AB | **100.00** | Sweden |
| 164. | Esmil B.V. | **100.00** | Netherlands |
| 165. | Euro-Laminations Limited | **100.00** | UK |
| 166. | European Electrical Steels Limited | **100.00** | UK |
| 167. | Europressings Limited | **100.00** | UK |
| 168. | Firsteel Group Limited | **100.00** | UK |
| 160. | Firsteel Holdings Limited | **100.00** | UK |
| 170. | Firsteel Steel Processing Limited | **100.00** | UK |
| 171. | Firsteel Strip Mill Products Limited | **100.00** | Ireland |
| 172. | Fischer Profielen NV | **100.00** | Belgium |
| 173. | Fischer Profil GmbH | **100.00** | Germany |
| 174. | Gamble Simms Metals Ltd. | **100.00** | Ireland |
| 175. | Grant Lyon Eagre Ltd. | **100.00** | UK |
| 176. | H E Samson Ltd. | **100.00** | UK |
| 177. | Hadfields Holdings Ltd. | **62.50** | UK |
| 178. | Hammermega Limited | **100.00** | UK |
| 179. | Harrowmills Properties Ltd. | **100.00** | UK |
| 180. | Hille & Muller GmbH | **100.00** | Germany |
| 181. | Hille & Muller Italia SRL. | **100.00** | Italy |
| 182. | Hille & Muller Usa Inc. | **100.00** | USA |
| 183. | Holorib GmbH | **100.00** | Germany |
| 184. | Hoogovens (UK) Limited | **100.00** | UK |
| 185. | Hoogovens Aluminium UK Limited | **100.00** | UK |
| 186. | Hoogovens Finance B.V. | **100.00** | Netherlands |
| 187. | Hoogovens Technical Services Coahuila B.V. | **100.00** | Netherlands |
| 188. | Hoogovens Technical Services Mexico De S. De R.L. De C.V. | **100.00** | Mexico |
| 189. | Hoogovens Technical Services Monclova B.V. | **100.00** | Netherlands |
| 190. | Hoogovens Tubes Poland Spolka Z.O.O | **100.00** | Poland |
| 191. | Hoogovens Usa Inc. | **100.00** | USA |
| 192. | Huizenbezit “Breesaap” B.V. | **100.00** | Netherlands |
| 193. | Ickles Cottage Trust | **100.00** | UK |
| 194. | Immobilliere De Construction De Maubeuge Et Louvroil SAS | **100.00** | France |
| 195. | Industrial Steels Limited | **100.00** | UK |
| 196. | Inter Metal Distribution SAS | **100.00** | France |
| 197. | K&S Management Service Limited | **100.00** | UK |
| 198. | Kalzip Asia Pte Ltd. | **100.00** | Singapore |
| 199. | Kalzip GmbH | **100.00** | Austria |
| 200. | Kalzip GmbH | **100.00** | Germany |
| 201. | Kalzip Guanhzou Limited | **100.00** | China |
| 202. | Kalzip Inc | **100.00** | USA |
| 203. | Kalzip Limited | **100.00** | UK |
| 204. | Kalzip Spain S.L.U. | **100.00** | Spain |

| Name of the Company | | Ownership in % either directly or through Subsidiaries as at Sept 30, 2010 | Country of Incorporation |
|---|---|---|---|
| 205. | Lister Tubes Ltd. | **100.00** | Ireland |
| 206. | London Works Steel Company Ltd. | **100.00** | UK |
| 207. | Midland Steel Supplies Ltd. | **100.00** | UK |
| 208. | Mistbury Investments Limited | **100.00** | UK |
| 209. | Montana Bausysteme AG | **100.00** | Switzerland |
| 210. | Myriad Deutschland GmbH | **100.00** | Germany |
| 211. | Myriad Espana Sl | **100.00** | Spain |
| 212. | Myriad Nederland B.V. | **100.00** | Netherlands |
| 213. | Myriad SA | **100.00** | France |
| 214. | Myriad United Kingdom Limited | **100.00** | UK |
| 215. | Namascor B.V. | **100.00** | Netherlands |
| 216. | Nationwide Steelstock Limited | **100.00** | UK |
| 217. | Nebam Nedelandse Bevrachting En Agentuur Maatschappij B.V. | **100.00** | Netherlands |
| 218. | Oostflank B.V. | **100.00** | Netherlands |
| 219. | Orb Electrical Steels Limited | **100.00** | UK |
| 220. | Ore Carriers Ltd. | **100.00** | UK |
| 221. | Oremco Inc. | **100.00** | USA |
| 222. | Plated Strip International Limited | **100.00** | UK |
| 223. | Precoat International Limited | **100.00** | UK |
| 224. | Precoat Limited | **100.00** | UK |
| 225. | Rafferty-Brown Steel Co Inc Of Conn. | **100.00** | USA |
| 226. | Richard Thomas And Baldwins 1978 Limited | **100.00** | New Zealand |
| 227. | Richard Thomas And Baldwins (Australia) Pty Ltd. | **100.00** | Australia |
| 228. | Round Oak Steelworks Ltd. | **100.00** | UK |
| 229. | Runblast Limited | **100.00** | UK |
| 230. | Runmega Limited | **100.00** | UK |
| 231. | S A B Profiel B.V. | **100.00** | Netherlands |
| 232. | S A B Profil GmbH | **100.00** | Germany |
| 233. | SA Intertubes | **100.00** | Belgium |
| 234. | Sacra-Nord SAS | **100.00** | France |
| 235. | Scrap Processing Holding B.V. | **100.00** | Netherlands |
| 236. | Seamless Tubes Ltd. | **100.00** | UK |
| 237. | Sia Corus Building Systems | **100.00** | Latvia |
| 238. | Simiop Investments Ltd. | **100.00** | UK |
| 239. | Simiop Ltd. | **100.00** | UK |
| 240. | Simms Steel Holdings Ltd. | **100.00** | UK |
| 241. | Skruv Erik AB | **100.00** | Sweden |
| 242. | Societe Europeenne De Galvanisation (Segal) Sa | **100.00** | Belgium |
| 243. | Staalverwerking En Handel B.V. | **100.00** | Netherlands |
| 244. | Steel Company (N.I.) Ltd. | **100.00** | UK |
| 245. | Steel Stockholdings Ltd. | **100.00** | UK |
| 246. | Steelstock Ltd. | **100.00** | UK |
| 247. | Stewarts & Lloyds Of Ireland Ltd. | **100.00** | Ireland |
| 248. | Stewarts And Lloyds (Overseas) Ltd. | **100.00** | UK |
| 249. | Stocksbridge Cottage Trust | **100.00** | UK |
| 250. | Surahammar Bruks AB | **100.00** | Sweden |
| 251. | Swinden Housing Association | **100.00** | UK |
| 252. | Tata Steel International (Italia) SRL | **100.00** | Italy |
| 253. | Tata Steel International (Schweiz) AG | **100.00** | Switzerland |
| 254. | Tata Steel Netherlands B.V. | **100.00** | Netherlands |
| 255. | Tata Steel UK Ltd. | **100.00** | UK |

| Name of the Company | | Ownership in % either directly or through Subsidiaries as at Sept 30, 2010 | Country of Incorporation |
|---|---|---|---|
| 256. | Telmag (Holdings) Limited | **100.00** | UK |
| 257. | Telmag Magnetic Components Limited | **100.00** | UK |
| 258. | The Newport And South Wales Tube Company Ltd. | **100.00** | UK |
| 259. | The Stanton Housing Company Ltd. | **100.00** | UK |
| 260. | The Steel Company Of Ireland Limited | **100.00** | Ireland |
| 261. | The Templeborough Rolling Mills Ltd. | **100.00** | UK |
| 262. | Thomas Processing Company | **100.00** | USA |
| 263. | Thomas Steel Strip Corp. | **100.00** | USA |
| 264. | Tinsley Trailers Limited | **100.00** | UK |
| 265. | Toronto Industrial Fabrications Ltd. | **100.00** | UK |
| 266. | Trierer Walzwerk GmbH | **100.00** | Germany |
| 267. | Tulip Netherlands (No. 1) B.V. | **100.00** | Netherlands |
| 268. | Tulip Netherlands (No. 2) B.V. | **100.00** | Netherlands |
| 269. | Tulip UK Holdings (No. 2) Ltd. | **100.00** | UK |
| 270. | Tulip UK Holdings (No. 3) Ltd. | **100.00** | UK |
| 271. | U.E.S. Bright Bar Limited | **100.00** | UK |
| 272. | UK Steel Enterprise Ltd. | **100.00** | UK |
| 273. | Ukse Fund Managers Limited | **100.00** | UK |
| 274. | Ukse Fund Mangers (General Partner) Limited | **100.00** | UK |
| 275. | United Steels Co (N Z) Ltd. | **100.00** | New Zealand |
| 276. | Unitol SAS | **100.00** | France |
| 277. | Walker Manufacturing And Investments Ltd. | **100.00** | UK |
| 278. | Walkersteelstock Ireland Limited | **100.00** | Ireland |
| 279. | Walkersteelstock Ltd. | **100.00** | UK |
| 280. | Westwood Steel Services Ltd. | **100.00** | UK |
| 281. | Whitehead (Narrow Strip) Ltd. | **100.00** | UK |
| IV | **Tata Steel Global Minerals Holdings Pte Ltd.** | **100.00** | Singapore |
| 1. | Al Rimal Mining LLC | **70.00** | Oman |
| 2. | Black Ginger 461 Proprietary Ltd | **100.00** | South Africa |
| 3. | Kalimati Coal Company Pty. Ltd. | **100.00** | Australia |
| 4. | Tata Steel Cote D' Ivoire S.A. @ | **85.00** | Ivory Coast |
| 5. | Tata Steel Minerals UK Ltd* | **100.00** | UK |
| V | **Tata Steel International (Singapore) Holding Pte. Ltd.** | **100.00** | Singapore |
| 1. | Corus International (Shanghai) Ltd. | **100.00** | China |
| 2. | Tata Steel International (Asia) Limited | **100.00** | Hongkong |
| 3. | Tata Steel International (Gunagzhou) Ltd | **100.00** | China |
| 4. | Tata Steel International (Hongkong) Limited | **100.00** | Hongkong |
| 5. | Tata Steel International (Malaysia) Sdn Bhd | **100.00** | Malaysia |
| 6. | Tata Steel International (Singapore) Pte Ltd. | **100.00** | Singapore |
| 7. | Tata Steel International (Thailand) Limited | **74.00** | Thailand |
| 8. | TSIA Holdings (Thailand) Limited | **49.55** | Thailand |
| VI | **Tata Steel Global Procurement Company Pte Ltd*** | **100.00** | Singapore |
| 1. | Proco Issuer Pte Ltd* | **100.00** | Singapore |
| VII | **Tata Steel (Thailand) Public Company Ltd.** | **67.90** | Thailand |
| 1. | NTS Steel Group Plc | **67.67** | Thailand |
| 2. | The Siam Construction Steel Co. Ltd. | **67.89** | Thailand |
| 3. | The Siam Iron And Steel (2001) Co. Ltd. | **67.89** | Thailand |
| xvii) | **Tata Steel Processing And Distribution Limited** | **100.00** | India |
| xviii) | **TM International Logistics Ltd.** | **51.00** | India |
| 1. | International Shipping & Logistics, FZE | **51.00** | UAE |
| 2. | TKM Global China Ltd. | **51.00** | China |
| 3. | TKM Global GmbH | **51.00** | Germany |

| Name of the Company | Ownership in % either directly or through Subsidiaries as at Sept 30, 2010 | Country of Incorporation |
|---|---|---|
| 4. TKM Global Logistics Ltd. | **51.00** | India |
| 5. TM Harbour Services Private Ltd.* | **51.00** | India |
| xix) **The Indian Steel and Wire Products Ltd.** | **91.36** | India |
| xx) **The Tata Pigments Ltd.** | **100.00** | India |
| **B. Joint Ventures of** | | |
| i) **Tata Steel Ltd.** | | |
| 1. Bhubaneshwar Power Pvt. Ltd. | **26.00** | India |
| 2. Himalaya Steel Mills Services Private Ltd. | **26.00** | India |
| 3. mjunction services ltd. | **50.00** | India |
| 4. S & T Mining Company Pvt. Ltd. | **50.00** | India |
| 5. Tata Bluescope Steel Ltd. | **50.00** | India |
| 6. Tata NYK Shipping Pte Ltd. | **50.00** | Singapore |
| 7. The Dhamra Port Company Ltd. | **50.00** | India |
| ii) **Tata Steel Holdings Pte. Ltd.** | | |
| a) **Tata Steel Global Holdings Pte Ltd.** | | |
| I **Tata Steel Europe Ltd.** | | |
| 1. Afon Tinplate Company Limited | **64.00** | UK |
| 2. Air Products Llanwern Limited | **50.00** | UK |
| 3. B V Ijzerleew | **50.00** | Netherlands |
| 4. Bsr Pipeline Services Limited | **50.00** | UK |
| 5. Caparo Merchant Bar Plc | **25.00** | UK |
| 6. Cindu Chemicals B.V. | **50.00** | Netherlands |
| 7. Corus Celik Ticaret AS | **50.00** | Turkey |
| 8. Corus Cogifer Switches And Crossings Limited | **50.00** | UK |
| 9. Corus Kalpinis Simos Rom SRL. | **50.00** | Romania |
| 10. Danieli Corus Technical Services B.V. | **50.00** | Netherlands |
| 11. Hks Scrap Metals B.V. | **50.00** | Netherlands |
| 12. Ijzerhandel Geertsema Staal B.V. | **50.00** | Netherlands |
| 13. Industrial Rail Services Ijmond B.V. | **50.00** | Netherlands |
| 14. Laura Metaal Holding B.V. | **49.00** | Netherlands |
| 15. Norsk Stal AS | **50.00** | Norway |
| 16. Norsk Stal Tynnplater AS | **50.00** | Norway |
| 17. Ravenscraig Limited | **100.00** | UK |
| 18. Tata Elastron SA | **50.00** | Greece |
| 19. Tata Elastron SA Steel Service Center | **50.00** | Greece |
| 20. Texturing Technology Limited | **50.00** | UK |
| II **Tata Steel Global Minerals Holdings Pte. Ltd.** | | |
| 1. Riversdale Energy (Mauritius) Ltd. | **35.00** | Mauritius |
| **C. Associates** | | |
| **i) Kalimati Investment Company Ltd.** | | |
| 1. Rujuvalika Investments Ltd. | **24.12** | India |
| ii) **NatSteel Asia Pte. Ltd.** | | |
| 1. Steel Asia Development and Management Corporation | **40.00** | Singapore |
| 2. Steel Asia Industries Inc. | **50.00** | Singapore |
| 3. Steel Asia Manufacturing Corporation | **40.00** | Singapore |
| iii) **Tata Incorporated** | | |
| 1. TKM Overseas Limited | **49.00** | India |
| iv) **Tata Refractories Ltd.** | | |
| 1. Almora Magnesite Ltd. | **39.00** | India |

| Name of the Company | | | | Ownership in % either directly or through Subsidiaries as at Sept 30, 2010 | Country of Incorporation |
|---|---|---|---|---|---|
| v) | **Tata Steel Ltd.** | | | | |
| | 1. | Indian Steel Rolling Mills Limited | | **20.56** | India |
| | 2. | Industrial Energy Limited | | **26.00** | India |
| | 3. | Jamipol Limited | | **31.78** | India |
| | 4. | Kalinga Aquatics Limited | | **30.00** | India |
| | 5. | Kumardhubi Fireclay & Silica Works Limited | | **27.78** | India |
| | 6. | Kumardhubi Metal Casting & Engineering Limited | | **49.31** | India |
| | 7. | Nicco Jubilee Park Limited | | **23.46** | India |
| | 8. | Strategic Energy Technology Systems Pvt. Ltd. | | **25.00** | India |
| | 9. | Tata Construction & Projects Limited | | **29.66** | India |
| | 10. | Tata Sponge Iron Limited | | **43.24** | India |
| | 11. | The Tinplate Company of India Limited | | **44.27** | India |
| | 12. | TRF Limited | | **34.29** | India |
| vi) | **Tata Steel Holdings Pte. Ltd.** | | | | |
| | a) | **Tata Steel Global Holdings Pte Ltd.** | | | |
| | | I | **NatSteel Holdings Pte. Ltd.** | | |
| | | | 1. Southern Steel, Berhard* | **27.03** | Malaysia |
| | | II | **Tata Steel Europe Ltd.** | | |
| | | 1. | Ab Norskstal AS | **50.00** | Norway |
| | | 2. | Altos Hornos De Mexico S.A. de C.V. | **4.50** | Mexico |
| | | 3. | Antheus Magnesium B.V | **25.00** | Netherlands |
| | | 4. | Appleby Frodingham Cottage Trust Limited | **33.30** | UK |
| | | 5. | Combulex B.V. | **50.00** | Netherlands |
| | | 6. | Cv Gasexpansie Ijmond | **50.00** | Netherlands |
| | | 7. | Danieli Corus Canada Inc. | **50.00** | Canada |
| | | 8. | Danieli Corus Asia B.V. | **50.00** | Netherlands |
| | | 9. | Danieli Corus B.V. | **50.00** | Netherlands |
| | | 10. | Danieli Corus Braseq Ltda. | **50.00** | Brazil |
| | | 11. | Danieli Corus Construction Services B.V. | **50.00** | Netherlands |
| | | 12. | Danieli Corus Construction Services USA Inc. | **50.00** | USA |
| | | 13 | Danieli Corus South Africa Pty. Ltd. | **50.00** | South Africa |
| | | 14. | Danieli Corus Do Brasil Ltda. | **50.00** | Brazil |
| | | 15. | Danieli Corus Inc. | **50.00** | USA |
| | | 16. | Danieli Corus Services Usa Inc. | **50.00** | USA |
| | | 17. | Danieli India (Pvt.) Ltd. | **50.00** | India |
| | | 18. | European Profiles (Marketing) Sdn. Bhd. | **10.20** | Malaysia |
| | | 19. | Galvpro LP. | **45.50** | USA |
| | | 19. | Gietwalsonderhoudcombinatie B.V. | **50.00** | Nertherlands |
| | | 19. | Hoogovens Court Roll Service Technologies Vof | **50.00** | Nertherlands |
| | | 20. | Hoogovens Gan Multimedia S.A. De C.V. | **50.00** | Mexico |
| | | 21. | Isolation Du Sud SA | **0.33** | France |
| | | 22. | Issb Limited | **50.00** | UK |
| | | 23. | MDC Sublance Probe Technology | **50.00** | Shanghai |
| | | 24. | Regionale Ontwikkelingsmaatschappij Voor Het Noordzeekanaalgebied N.V. | **6.67** | Nertherlands |
| | | 25. | Richard Lees Steel Decking Asia Snd. Bhd. | **10.00** | Malaysia |
| | | 26. | Rsp Holding B.V. | **13.19** | Nertherlands |
| | | 27. | Schreiner Fleischer AS | **50.00** | Norway |
| | | 28. | Shanghai Bao Yi Beverage Can Making Co Ltd. | **12.50** | China |

| Name of the Company | Ownership in % either directly or through Subsidiaries as at Sept 30, 2010 | Country of Incorporation |
|---|---|---|
| 29. Sms Mevac UK Limited | **45.00** | UK |
| 30. Stuwadoorsbedrijf Velserkom B.V. | **50.00** | Nertherlands |
| 31. Thoresen & Thorvaldsen AS | **50.00** | Norway |
| 32. Trico LLC | **25.00** | USA |
| 33. Weirton/Hoogovens GP | **50.00** | USA |
| 34. Workington Cottage Trust | **33.00** | UK |
| 35. Wupperman Staal Nederland B.V. | **30.00** | Nertherlands |
| III **Tata Steel Global Minerals Holdings Pte Ltd.** | | |
| 1. New Millenium Capital Corp* | **27.40** | Canada |
| 2. Riversdale Mining Ltd. | **24.17** | Australia |
| IV **Tata Steel International (Singapore) Holding Pte. Ltd.** | | |
| 1. European Profiles Malaysia (M) Sdn.Bhd. | **20.00** | Malaysia |
| vii) **The Indian Steel and Wire Products Ltd.** | | |
| 1. Metal Corporation of India Ltd. | **42.05** | India |

* Part of the period.

@ By virtue of management control.

**2. Significant Accounting Policies as at September 30, 2010**

**(a) Basis for Accounting**

The financial statements are prepared under the historical cost convention on an accrual basis of accounting in accordance with the generally accepted accounting principles, Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 and the relevant provisions thereof.

**(b) Revenue Recognition**

(i) Sales comprises sale of goods and services, net of trade discounts.

(ii) Export incentive under the Duty Entitlement Pass Book Scheme has been recognised on the basis of credits afforded in the pass book.

(iii) In one of the subsidiaries, income from services are recognised upon completion of the relevant shipping activities and related services. Income and expenses relating to incomplete voyages are carried forward as voyages-in-progress. Despatch earnings are accounted for on receipt basis.

**(c) Employee Benefits**

(i) Short-term employee benefits are recognised as an expense at the undiscounted amount in the Profit and Loss Account of the year in which the related service is rendered.

(ii) Post employment benefits are recognised as an expense in the Profit and Loss Account for the year in which the employee has rendered services. The expense is recognised at the present value of the amount payable towards contributions. The present value is determined using the market yields of government bonds, at the balance sheet date, as the discounting rate. In some of the foreign subsidiaries, the present value is determined using the AA rated corporate bonds.

(iii) Other long-term employee benefits are recognised as an expense in the Profit and Loss Account for the period in which the employee has rendered services. Estimated liability on account of long-term benefits is discounted to the current value, using the market yield on government bonds, as on the date of balance sheet, as the discounting rate. In some of the foreign subsidiaries, the present value is determined using the AA rated corporate bonds.

(iv) Actuarial gains and losses in respect of post employment and other long-term benefits are recognised in the Profit and Loss Account. However in one of the subsidiary (Tata Steel Europe Limited) because of potential volatility caused by periodic changes in the assumptions underlying the computation of the pension liabilities, it is not considered practicable to adopt a common accounting policy for accouting for the pension liability of the company and Tata Steel Europe Limited. The actuarial gains and losses for these pension plans of Tata Steel Europe Limited have been accounted in Reserves and Surplus.

(v) Miscellaneous Expenditure

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

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

**(d) Fixed Assets**

All fixed assets are valued at cost less depreciation. Pre-operating expenses including trial run expenses (net of revenue) are capitalised. Borrowing costs during the period of construction is added to the cost of fixed assets.

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

**(e) Depreciation**

(I) Capital assets whose ownership does not vest in the Company is depreciated over their estimated useful life or five years, whichever is less.

(II) In respect of other assets, depreciation is provided on a straight line basis applying the rates specified in Schedule XIV to the Companies Act, 1956 or based on estimated useful life whichever is higher. However, asset value upto Rs. 25,000 is fully depreciated in the year of acquisition. The details of estimated life for each category of assets is as under :

(i) Buildings — 30 to 62 years.

(ii) Plant and Machinery — 6 to 21 years.

(iii) Railway Sidings — 21 years.

(iv) Vehicles and Aircraft — 5 to 18 years.

(v) Furniture, Fixtures and Office Equipment — 5 years.

(vi) Intangibles (Computer Software) — 5 to 10 years.

(vii) Development of property for development of mines and collieries are depreciated over the useful life of the mine or lease period whichever is less, subject to maximum of 10 years.

(viii) Blast Furnace relining is depreciated over a period of 10 years (average expected life).

(ix) Freehold land is not depreciated.

(x) Leasehold land is amortised over the life of the lease.

(xi) Roads — 30 to 62 years.

In some of the subsidiaries, joint ventures and associates depreciation is calculated on written down value basis and intangible assets are amortised over the period for which the rights are obtained. The depreciation charge in respect of these entities is not significant in the context of the consolidated financial statements.

In case of some foreign subsidiaries, the assets are depreciated on a straight line basis over the estimated useful life of the assets.

**(f) Foreign Currency Transactions**

Foreign Currency Transactions (FCT) and forward exchange contracts used to hedge FCT are initially recognised at the spot rate on the date of the transaction/contract. Monetary assets and liabilities relating to foreign currency transactions and forward exchange contracts remaining unsettled at the end of the year are translated at year end rates.

The company and some of its Indian subsidiaries and joint ventures have opted for accounting the exchange differences arising on reporting of long-term foreign currency monetary items in line with Companies (Accounting Standards) Amendment Rules 2009 relating to Accounting Standard 11 (AS-11) notified by Government of India on March 31, 2009. Accordingly the effect of exchange differences on foreign currency loans of the company is accounted by addition or deduction to the cost of the assets so far it relates to depreciable capital assets and in other cases by transfer to "Foreign Currency Monetary Items Translation Difference Account" to be amortised over the balance period of the long-term monetary items or period upto March 31, 2011 whichever is earlier.

The differences in translation of FCT and forward exchange contracts used to hedge FCT (excluding the long term foreign currency monetary items accounted in line with Companies (Accounting Standards) Amendment Rules 2009 on Accounting Standard 11 notified by Government of India on March 31, 2009) and realised gains and losses, other than those relating to fixed assets are recognised in the Profit and Loss Account. The outstanding derivative contracts at the balance sheet date other than forward exchange contracts used to hedge FCT are valued by marking them to market and losses, if any, are recognised in the Profit and Loss Account.

Exchange difference relating to monetary items that are in substance forming part of the Company's net investment in non integral foreign operations are accumulated in Foreign Exchange Fluctuation Reserve Account.

In the absence of any operative Indian Accounting Standard on the subject, changes in fair value of outstanding derivative instruments designated as cash flow hedges against firm commitments and highly probable forecast transactions are accounted in "Reserves & Surplus".

**(g) Investments**

Long term investments are carried at cost less provision for diminution other than temporary, if any, in value of such investments. Current investments are carried at lower of cost and fair value. Stock in trade in case of one of the subsidiaries, being an investment company, has been valued at cost or at market quotation whichever is lower scripwise.

**(h) Inventories**

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

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

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

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

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

**(i) Relining Expenses**

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

**(j) Research and Development**

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

**(k) Deferred Tax**

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

**(l) Taxes on Income**

i) Indian Companies :

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of Income Tax Act, 1961.

ii) Foreign Companies :

Foreign Companies recognise tax liabilities and assets in accordance with the applicable local laws.

**(m)** In case of certain subsidiaries, goodwill is amortised over a period of 60 months.

**3. Prior Period Adjustments:**

In the financial statements for the years ended March 31, 2010, 2009, 2008, 2007, 2006 and period ended September 30, 2010, certain items of income/expenses have been identified as prior period items. These prior-period items mainly represent liabilities no longer required. The liabilities included provisions which were made based on estimates available at that point of time. For the purpose of this statement, such prior period items have been appropriately adjusted in the respective prior years.

The cumulative year wise adjustments and the details thereof are given below:

| Particulars | Rs. in million |
|---|---|
| Period ended Sept 30, 2010 | (97.9) |
| Year ended March 31, 2010 | (117.7) |
| Year ended March 31, 2009 | (63.8) |
| Year ended March 31, 2008 | 245.2 |
| Year ended March 31, 2007 | (582.2) |
| Year ended March 31, 2006 | (428.3) |
| Adjusted to opening reserves as at April 1, 2005 in the Restated Balance Sheet | **(1,044.7)** |

The details of the above prior year adjustments are as follows:

| Details of Prior Period Adjustments | Rs. in million |
|---|---|
| Raw materials consumed | (138.5) |
| Purchase of power | (411.1) |
| Stores and spares consumed | (62.3) |
| Commission, rebate and discounts | (150.4) |
| Excise duty | (14.2) |
| Freight and handling charges | (76.3) |
| Purchase of finished and semi-finished products | (61.4) |
| Miscellaneous income | (100.8) |
| Other expenses | (28.2) |
| Conversion charges | (9.7) |
| Profit on sale of capital assets | (11.3) |
| Rates and taxes | (3.0) |
| Repairs to buildings | (2.9) |
| Repairs to machinery | 2.5 |
| Royalty | 0.6 |
| Sale of products | 25.0 |
| Payment to employees | (0.5) |
| Provision for doubtful debts | (0.2) |
| Income from power and water | (2.0) |
| **Total** | **(1,044.7)** |

Figure in bracket represents credits

**4. Significant Change in Accounting Policies**

**a)** The pension liability of Tata Steel Europe Limited is computed and accounted for in accordance with International Financial Reporting Standards (IFRS). IFRS permits the impact of changes in the assets and liabilities, inter alia, due to assumption of variables like bond yield rates, inflation and demographic assumptions to be accounted for in "Reserves and Surplus". This practice is consistently followed by Tata Steel Europe Limited. The Indian Accounting Standard (AS-15) is different from the above and requires such changes to be accounted for in the Profit and Loss Account. Given the large share of Tata Steel Europe Limited in the consolidated Profit and Loss Account of the company, and the potential volatility caused by periodic changes in the assumptions underlying the computation of the pension liabilities, it is not considered practicable to adopt a common accounting policy for accounting for the actuarial gains/losses in respect of the pension liability of the Company and Tata Steel Europe Limited. Accordingly the actuarial gain/loss in Tata Steel Europe Limited has been accounted in Reserves and Surplus in the consolidated financial statements in accordance with IFRS principles and as permitted by Accounting Standard 21 – Consolidated Financial Statements w.e.f. April 1, 2008.

**b)** In the absence of any operative Indian Accounting Standard on the subject, changes in fair value of outstanding derivative instruments designated as cash flow hedges against firm commitments and highly probable forecast transactions which were hitherto accounted in the profit & loss account w.e.f. April 1, 2009 have been accounted in "Reserves & Surplus" in accordance with IFRS principles and the proposed Accounting Standard AS30.

**c)** The Institute of Chartered Accountants of India had deferred the date of applicability of Accounting Standard (AS) 15, Employee Benefits (revised 2005). As early application of the Standard was encouraged, the Group adopted AS 15 (revised 2005) on Employee Benefits effective April 1, 2006. Consequent to the adoption, an amount of Rs. 1,195.8 million (net of deferred tax Rs. 559.9 million) has been adjusted against General Reserve as at April 1, 2006, in accordance with the transitional provision in the Standard.

**5. Contingent Liabilities as at September 30, 2010**

**(a) Guarantees**

The Company has given guarantees aggregating Rs. 6,449.4 million (31.03.2010 : Rs. 6,223.7 million) to banks and financial institutions on behalf of others.

**(b) Claims not acknowledged by the Company :**

| Particulars | As at Sept. 30, 2010 Rs in million | As at March 31, 2010 Rs in million |
|---|---|---|
| (i) Excise | 4,666.9 | 4,650.6 |
| (ii) Customs | 138.8 | 138.8 |
| (iii) Sales Tax and VAT | 6,379.5 | 6,056.6 |
| (iv) State Levies | 1,866.8 | 1,839.6 |
| (v) Suppliers and Service Contract | 720.2 | 711.6 |
| (vi) Labour Related | 378.2 | 378.5 |
| (vii) Income Tax | 1,443.1 | 1,547.3 |
| (viii) Others | 6,235.6 | 6,231.9 |

**(c)** Claim by a party arising out of conversion arrangement - Rs. 1,958.2 million (31.03.2010 : Rs. 1,958.2 million). The Company has not acknowledged this claim and has instead filed a claim of Rs. 1,396.5 million (31.03.2010 : Rs. 1,396.5 million) on the party. The matter is pending before the Calcutta High Court.

**(d)** The Excise Department has raised a demand of Rs. 2,354.8 million (31.03.2010 : Rs. 2,354.8 million) denying the benefit of Notification No. 13/2000 which provides for exemption to the integrated steel plant from payment of excise duty on the freight amount incurred for transporting material from plant to stock yard and consignment agents. The Company filed an appeal with CESTAT, Kolkata and the order of the department was set aside. The department has filed an appeal in Supreme Court where the matter is pending.

**(e)** TMT bars and rods in coil form are sent to external processing agents (EPA) for decoiling and cutting into specified lengths before the products are despatched for sale. Excise department demanded duty from the EPA, holding the activity as manufacture and ignoring the payment of duty made by Tata Steel. An appeal against the order of the Commissioner Central Excise, Jamshedpur was filed in CESTAT, Kolkata and was allowed in favour of the EPA. The department has filed an appeal against CESTAT order with Jharkhand High Court, Ranchi, which is still pending for hearing. Subsequent demands in this regard have not been adjudicated. The liability till 30th September, 2010, if materializes, will be to the tune of Rs. 2,988.6 million (31.03.2010 : Rs. 2,912.2 million). However, the company has already paid duty amounting to Rs. 1,964.8 million (31.03.2010: Rs. 1,895.2 million) based on the final sale price of the material.

**(f)** The State Government of Orissa introduced “Orissa Rural Infrastructure and Socio Economic Development Act 2004” with effect from February 2005 levying tax on mineral bearing land computed on the basis of value of minerals produced from the mineral bearing land. The Company had filed a Writ Petition in the High Court of Orissa, challenging the validity of the Act. Orissa High Court held in November 2005 that State does not have authority to levy tax on minerals. The State Government of Orissa moved to the Supreme Court against the order of Orissa High Court and the case is pending with Supreme Court. The liability, if it materializes, as at September 30, 2010 would be Rs. 14,077.2 million (31.03.2010 : Rs. 12,777.4 million).

**(g)** In terms of the agreements entered into between Tata Teleservices Ltd. (TTSL), Tata Sons Ltd. (TSL) and NTT DoCoMo, Inc. of Japan (Strategic Partner-SP), the Company was given by Tata Sons an option to sell 5,246,590 equity shares in TTSL to the SP, as part of a secondary sale of 253,163,941 equity shares effected along with a primary issue of 843,879,801 shares by TTSL to the SP. In 2008-09, the company realised Rs. 609.1 million on sale of these shares resulting in a profit of Rs. 497.7 million.

If certain performance parameters and other conditions are not met, should the SP decide to divest its entire shareholding in TTSL, acquired under the primary issue and the secondary sale, and should TSL be unable to find a buyer for such shares, the Company is obligated to acquire the shareholding of the SP, at the higher of fair value or 50 percent of the subscription purchase price, in proportion of the number of shares sold by the company to the aggregate of the secondary shares sold to the SP, or if the SP divests the shares at a lower price pay a compensation representing the difference between such lower sale price and the price referred to above.

Further, in the event of breach of the representations and warranties (other than title and tax) and covenants not capable of specific performance, the Company is liable to reimburse TSL, on a pro rata basis, upto a maximum sum of Rs. 787.5 million. The exercise of the option by SP being contingent on several variables the liability, if any, is remote and indeterminable.

**(h)** The Company has been paying royalty on coal extracted from its quarries pursuant to the judgement and order dated 23.07.2002 passed by the Jharkhand High Court. However, the State Government demanded royalty on processed coal at rates applicable to processed coal. Though the Company has contested the above demand, it has started paying, under protest, royalty on processed coal from November 2008. The incremental amount, if payable for the period till October 2008 works out to Rs. 3,676.8 million (31.03.2010 : Rs. 3,441.9 million) and has been considered as a contingent liability. Payments made under protest from November 2008 till date has been charged off to Profit and Loss Account.

**(i)** Uncalled liability on partly paid shares and debentures Rs. 0.1 million (31.03.2010 : Rs. 0.1 million).

**(j)** Bills discounted Rs. 2,994.3 million (31.03.2010 : Rs. 3,320.3 million).

**6.** The Indian Steel and Wire Products Limited (ISWPL), a subsidiary, was declared a sick industrial company within the meaning of Section 3(i)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985 (hereinafter referred to as 'SICA'). The Board for Industrial and Financial Reconstruction (BIFR) sanctioned a scheme vide its Order dated October 22, 2003, November 21, 2003 and December 18, 2003 for rehabilitation of the ISWPL by takeover of its management by Tata Steel Limited.

The significant notes appearing in the accounts of The Indian Steel and Wire Products Limited are given below :

As per clause 6.12 (xiii) of BIFR order dated November 21, 2003, all liabilities not disclosed in the audited balance sheet for the year ended March 31, 2002 including notes on accounts as then would be the personal responsibility of the erstwhile promoters to discharge. In view of the above, the following liabilities, which were not disclosed in the said balance sheet including the notes on accounts, have not been provided for or recognised in the accounts for financial year 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10 as well as in the accounts for period ended September 30, 2010.

| Particulars | Rs. million |
|---|---|
| Show cause notices/Demand raised by Central Excise Authorities (Under Appeal) | 2.9 |
| The Sales Tax Assessment is pending from the year 1998-99 onwards. | |
| Additional liability, if any, for pending assessments has not been ascertained (Under Appeal) | 47.3 |
| Employee State Insurance demand (Under Appeal) | 14.9 |
| Leave liability for ex-employees | 3.3 |
| Labour court cases | 0.1 |
| Income tax demand (Under Appeal) | 30.5 |
| Railway dues | 0.4 |
| Power dues | 62.1 |
| Liability for loan for Learjet Aircraft purchase | 14.9 |
| Wealth tax | 39.0 |
| Liability for Security Services | 3.2 |

The items indicated above are not exhaustive and any other liability, which may come to the notice of the present management also would be the personal liability of the erstwhile promoters.

**7.** The Company has given undertakings to *(a)* IDBI Bank Ltd. not to dispose of its investment in The Tinplate Company of India Limited, *(b)* ICICI Bank Ltd., IFCI and IIBI not to dispose of its investment in the Indian Steel Rolling Mills Ltd. (ISRM). The ISRM is under liquidation, *(c)* IDBI not to dispose of its investment in Wellman Incandescent India Ltd., *(d)* IDBI and ICICI Bank Ltd. not to dispose of its investment in Standard Chrome Ltd., *(e)* State Bank of India not to dispose of its investment in Tata BlueScope Ltd. *(f)* Standard Chartered Bank, Hong Kong and Shanghai Banking Corporation and Nedbank not to dispose of majority stake in Tata Steel (KZN) (Pty) Ltd., *(g)* Mizuho Corporate Bank Limited, not to dispose of its investments in Tata NYK Shipping Pte. Limited, (minimal stake required to be able to provide a corporate guarantee towards long term debt), *(h)* IL&FS Trust Company Ltd. not to transfer, dispose off, assign, charge or lien or in any way encumber its holding in Taj Air Ltd., *(i)* State Bank and others not to dispose of its investment in Centennial Steel Company Ltd. (CSCL), below 51% of CSCL's paid up equity share capital, without the prior consent of the respective financial institutions/banks so long as any part of the loans/facilities sanctioned by the institutions/banks to these nine companies remains outstanding.

The Company has furnished a Security Bond in respect of its immovable property to the extent of Rs. 200 million in favour of the Registrar of the Delhi High Court and has given an undertaking not to sell or otherwise dispose of the said property.

The Promoters' (i.e. L & T Infrastructure Development Projects Ltd. and Tata Steel Ltd.) combined investments in The Dhamra Port Company Ltd., (DPCL) representing 51% of DPCL's paid-up equity share capital are pledged with IDBI Trusteeship Services Ltd.

The Promoters' (i.e. The Tata Power Company Limited. and Tata Steel Ltd.) combined investments in Industrial Energy Limited., (IEL) representing 51% of IEL's paid-up equity share capital are pledged with Infrastructure Development Corporation Limited (IDFC).

Tata Steel Global Minerals Holdings Pte Ltd (TSGMH), a subsidiary of the Company and Riversdale Mining Limited (RML) have executed a deed of cross charge in favour of each other to secure the performance of obligation under Joint Venture agreement and funding requirements of the Joint Venture Riversdale Energy (Mauritius) Limited (REML) upto a maximum amount of US$ 100 mn on the Shares of REML and all of its present and future benefits and rights under the Joint Venture agreement.

**8.** The Company had, on August 20, 2005, signed an agreement with the Government of Jharkhand to participate in a special health insurance scheme to be formulated by the Government of Jharkhand for the purpose of providing medical facilities to the families of the people below poverty line. The state government would develop a suitable scheme and the Company has agreed to contribute to such scheme, when operational, a sum of Rs. 250 million annually for a period of 30 years or upto the year of operation of the scheme whichever is less. The scheme is yet to be formed and no contribution has been made till September 30, 2010.

**9.** The notes to accounts of Tata Korf Engineering Services Limited (TKES), a subsidiary, state that : The accumulated losses of the Company as at March 31, 2010 exceed its paid up Share Capital. The Company has practically closed its operations. Pending the preparation of a scheme, the financial statements have been prepared on a "going concern" basis. The report of the auditors to the members of TKES contains an audit qualification on this account.

Tata Korf Engineering Services Ltd. has a negative net worth of Rs. 86.3 million as at September 30, 2010 (31.03.2010 : Rs. 86.2 million).

**10.** The company has opted for accounting the exchange differences arising on reporting of long term foreign currency monetary items in line with Companies (Accounting Standards) Amendment Rules 2009 relating to Accounting Standard 11 (AS-11) notified by Government of India on March 31, 2009 which allows foreign exchange difference on long-term monetary items to be capitalised to the extent they relate to acquisition of depreciable assets and in other cases to amortise over the period of the monetary asset/liability or the period up to March 31, 2011, whichever is earlier.

As on September 30, 2010, a credit of Rs. 1,450.1 million (31.03.2010 : Credit of Rs. 2,069.5 million) remains to be amortised in the "Foreign Currency Monetary Items Translation Difference Account" after taking a credit of Rs. 837.3 million (2009-10 : Debit of Rs. 856.7 million) in the Profit & Loss Account and Rs. 20.3 million (net of deferred tax Rs. 10.1 million) [2009-10 : Rs. 473.5 million (net of deferred tax

Rs. 243.8 million)] adjusted against Securities Premium Account during the period ended September 30, 2010 on account of amortisation. The Depreciation for the period ended September 30, 2010 is lower by Rs. 1.4 million (2009-10: Higher by Rs. 4.4 million) and the Profit after taxes, minority interest and share of profit of associates for the period ended September 30, 2010 is higher by Rs. 663.2 million (2009-10 : Losses after taxes, minority interest and share of profit of associates is higher by Rs. 5,770.4 million).

**11.** Restructuring Costs in exceptional items relates to disposal/impairment of assets and restructuring arising out of the 'Fit for the Future' programme at Tata Steel Europe Limited.

**12.** Estimated amount of contracts remaining to be executed on Capital Account and not provided for : Rs. 168,237.0 million as at March 31, 2010 (31.03.2009 : Rs. 135,253.3 million).

**13.** The Company has taken on lease Plant and Machinery, having an aggregate cost of Rs. 37.9 million as at March 31, 2010 (31.03.2009 : Rs. 37.9 million). The element of the lease rental applicable to the cost of the asssets has been charged to the Profit and Loss Account over the estimated life of the asset and financing cost has been allocated over the life of the lease on an appropriate basis. The total charge to the Profit and Loss Account for the year 2009-10 is Rs. 6.2 million (2008-09 : Rs. 6.2 million). The break up of total minimal lease payments due as at March 31, 2010 and their corresponding present value are as follows :

Rs. million

| Period | **As at 31.03.2010** | | As at 31.03.2009 | |
|---|---|---|---|---|
| | **Minimum Lease Payments** | **Present Value** | Minimum Lease Payments | Present Value |
| Not later than one year | 2.6 | 2.5 | 6.2 | 5.9 |
| Later than one year but not later than five years | – | – | 2.6 | 2.3 |
| Later than five years | – | – | – | – |
| Total | 2.6 | 2.5 | 8.8 | 8.2 |

The break-up of total minimum lease payments for operating lease due as on March 31, 2010, entered into by the company, its subsidiaries and joint ventures are as follows:

Rs. million

| Period | **As at 31.03.2010** | As at 31.03.2009 |
|---|---|---|
| | **Minimum Lease Payments** | Minimum Lease Payments |
| Not later than one year | 11,645.6 | 12,250.5 |
| Later than one year but not later than five years | 30,444.9 | 31,020.8 |
| Later than five years | 21,273.7 | 12,720.8 |
| Total | 63,364.2 | 55,992.1 |

The total charge to the Profit and Loss Account for the year ended March 31, 2010 on account of operating lease is Rs. 9,672.2 million (2008-09: Rs. 9,999.8 million).

The company, its subsidiaries and joint venture have taken certain leaseholds on finance lease, having an aggregate cost of Rs. 14,348.4 million as at March 31, 2010 (31.03.2009: 15,968.4 million). The break up of total minimum lease payments for finance lease due as on March 31, 2010 and their corresponding present values, are as follows :

Rs. million

| Period | **As at 31.03.2010** | | As at 31.03.2009 | |
|---|---|---|---|---|
| | **Minimum Lease Payments** | **Present Value** | Minimum Lease Payments | Present Value |
| Not later than one year | 1,295.1 | 953.5 | 1,370.4 | 1,215.6 |
| Later than one year but not later than five years | 4,564.2 | 3,064.6 | 5,358.5 | 3,788.1 |
| Later than five years | 5,170.7 | 3,790.3 | 5,893.7 | 5,018.0 |
| Total | 11,030.0 | 7,808.4 | 12,622.6 | 10,021.7 |

**14.** In one of the subsidiaries, in terms of the Licence Agreement dated 29.01.2002 with Board of Trustees for the Port of Kolkata, the subsidiary is required to invest in equipment and infrastructure as follows :

| Sl. No. | Purpose of Investment | Phasing of Investment (Rs. million) | | | |
|---|---|---|---|---|---|
| | | Within 18 months | Within 24 months | Within 36 months | Total |
| 1. | For Procurement of Equipment for ship to shore handling & vice versa and horizontal transfer of cargo | 230.6 | 28.5 | – | 259.1 |
| 2. | Storage of cargo | – | 17.4 | 12.0 | 29.4 |
| 3. | Office building, workshop etc. | – | 7.5 | 2.5 | 10.0 |
| 4. | Utility Services | – | 2.2 | – | 2.2 |
| | Total | 230.6 | 55.6 | 14.5 | 300.7 |

As at March 31, 2010 the subsidiary's investments in equipments and infrastructure aggregate to Rs. 258.0 million (31.03.2009 : Rs. 258.0 million). The management of the subsidiary company has requested the Port Trust Authorities for suitable modification to the investment obligation in view of the changes in the business and economic scenario. The Port Trust Authorities have, subject to sanction of Central Government approved the changes proposed by the subsidiary in the specifications of the equipments and other required infrastructure.

**15.** The Company raised Rs. 35,787.5 million (US $ 875 million) through the issue of Foreign Currency Convertible Alternative Reference Securities ("CARS") during FY 2007-08. The CARS will be convertible into either qualifying securities (which may be in the form of depository receipts with restricted rights of withdrawal representing underlying ordinary shares with differential rights as to voting) or ordinary shares only between September 4, 2011 to August 6, 2012 and are redeemable in foreign currency only in September 2012, if not converted into equity. The CARS will be convertible at a conversion price of Rs. 733.13 per share. The CARS carry a coupon rate of 1% p.a. The outstanding CARS, if any, at maturity will be redeemable at a premium of 23.34% of the principal amount, with an effective YTM of 5.15%.

During 2009-10, the Company invited holders of the CARS to exchange their holdings for 4.5% Convertible Bonds due in 2014. The offer closed on November 16, 2009 and CARS having face value of US$ 493 million were exchanged into Convertible Bonds worth US$ 546.94 million. The net exchange difference of Rs. 1,431.5 million has been recognised as an expense in the Profit and Loss Account during the year. The 4.5% Convertible Bonds are convertible at Rs. 605.53 at an exchange rate of 1 US$ = Rs. 46.36 at any time on or after December 31, 2009 and up to the close of business on November 11, 2014. The aggregate principal amount of CARS remaining outstanding after this exchange is US$ 382 million.

Premium payable on redemption and the expenses related to the issue of CARS are adjusted against the Securities Premium Account. Changes to premium payable on account of exchange fluctuation is transferred to "Foreign Currency Monetary Items Translation Difference Account" in line with Companies (Accounting Standards) Amendment Rules 2009 relating to Accounting Standard 11 (AS-11) notified by Government of India on March 31, 2009. Such exchange fluctuation on the premium payable is amortised over the balance period of CARS but not beyond March 31, 2011, by adjusting the same to Securities Premium Account. Accordingly, an amount of Rs. 473.5 million (net of deferred tax Rs. 243.8 million) [2008-09 : Rs. 325.4 million (net of deferred tax Rs. 167.6 million)] has been amortised and adjusted against Securities Premium Account.

**16.** Pursuant to the sanction of the Honourable High Court of Calcutta to the Scheme of Amalgamation, the assets and liabilities of the erstwhile Hooghly Met Coke & Power Company Ltd. (HMPCL) whose principal business was manufacture of metallurgical coke, have been merged with the Company with effect from April 1, 2009 in accordance with the Scheme so sanctioned. The effect of the merger has been given in the accounts as per the scheme sanctioned.

The amalgamation has been accounted for under the "Pooling of Interests method" as prescribed by Accounting Standard 14 (AS-14) as notified by the Government of India. Accordingly the assets, liabilities and other reserves of the erstwhile HMPCL as at April 1, 2009 have been taken over at their book values. As a result reserves of the erstwhile HMPCL aggregating to Rs. 122.8 million have been added to the reserves of the Company. The difference of Rs. 6.9 million between the value of net assets taken over, and the investment of the Company in the shares of HMPCL has been adjusted to the Amalgamation Reserve of the Company.

Pursuant to the Scheme, referred above, 582,663,618 shares held by the Company in the erstwhile HMPCL have been cancelled.

**17.** For the following companies unaudited Financial Statements have been considered for consolidation as at September 30, 2010:

Tata Steel Global Holding Pte Ltd, Tata Steel Global Mineral Holding Pte Ltd, Tata Steel Holdings Pte Ltd, Orchid Netherlands B.V, Bangla Steel & Mining Co. Ltd, Sila Eastern Ltd, Tata Incorporated, Tata Steel (KZN) (Pty) Ltd., Gopalpur Special Economic Zone Ltd., Tata Korf Engineering Services Ltd., Naba Diganta Water Management Ltd., Haldia Water Management Limited, SEZ Adityapur Ltd., Materials Recycling Pte Ltd., PT Materials Recycling Pte Ltd., Eastern Steel Fabricators Philps, Easteel Services Malaysia, NatSteel Vina Co. Ltd., NatSteel Middle East FZE, Tata Steel Asia (Hong Kong) Ltd., Tata Steel Resources (Australia) Pty. Ltd., Tata Steel International (Guangzhou) Ltd., Corus International (Shanghai) Ltd., Tata Steel International (Malaysia) Sdn. Bhd., Tata Steel International Holdings (Thailand) Ltd., Tata Steel International (Thailand) Ltd., TKM Global China Ltd. being subsidiaries.

Bhubaneshawar Power Private Limited, S & T Mining Company Private Limited, Tata Bluescope Steel Limited, Tata NYK Shipping Pte Limited, Himalaya Steel Mill Services Private Limited, The Dhamra Port Company Limited being joint ventures.

European Profiles Malaysia (M) Sdn. Bhd., Southern Steel Berhad, Riversdale Mining Ltd., New Millenium Capital Corp., Rujuvalika Investments Ltd., Strategic Energy Technology Systems Pvt. Ltd. being associates.

**18.** The Company has, on March 22, 2006, acquired 24.99% of equity stake in the Millennium Steel Public Company Limited, Thailand (The Name of the Company has since been Renamed Tata Steel (Thalind) Public Company Ltd.) by way of preferential allotment. The Company also announced a tender offer to the balance shareholders of the Company subject to the aggregate equity holding of the Company in Millennium Steel would be over 51%. The tender offer closed on March 31, 2006 and the Company received offers equivalent to 42.12% of the paid up capital of Millennium Steel. An announcement of the results of the tender offer was filed with the Stock Exchange of Thailand on April 4, 2006. The consideration for the said shares was paid by NatSteel Asia Pte. Ltd. on April 3, 2006 and received by the participating shareholders on April 4, 2006. The Company has been legally advised that Millennium Steel is not a subsidiary as at March 31, 2006 and, consequently, the investment in Millennium Steel has been accounted as an Associate in accordance with Accounting Standard AS-23, issued by The Institute of Chartered Accountants of India for the year then ended.

**19.** a) Tata Steel UK Limited (Tata Steel UK), a wholly owned subsidiary of the Company, through open market purchased 20.66% shares of Corus Group plc (Corus) on January 31, 2007 and additional 2.18% during February 2007.

b) The Company, through Tata Steel UK, acquired Corus through a Scheme of Arrangement approved by the shareholders of Corus and sanctioned by the Honorable Court of Justice, England and Wales on April 2, 2007.

c) The financial statements of Corus for the period from January 31, 2007 to March 31, 2007 have not been considered for consolidation as Tata Steel Limited did not have "significant influence" or "control" having regard to the provisions of the UK Takeover Code and the Scheme.

**20.** The company completed the restructuring of its foreign subsidiaries during the year 2008-09 with Tata Steel Global Holdings Pte. Ltd. Singapore (TSGH) (a subsidiary of Tata Steel Ltd.) as the international holding company of the Tata Steel Group. Tata Steel Global Holdings holds investments of steel business of Europe and South East Asia and also the international raw materials assets of the group.

Further as a part of the restructuring process the following transactions were also affected during the year 2008-09:

a) Shares of Tata Steel (Thailand) Public Company Ltd., previously held by Tata Steel Ltd. and NatSteel Asia Pte Ltd. (NSA Group) were transferred to Tata Steel Global Holdings Pte Ltd.

b) Shares of eight erstwhile subsidiaries of Tata Steel Europe Group namely Corus Asia Ltd., Corus South East Asia Pte. Ltd., Corus Holdings (Thailand) Ltd. and Corus Metal Thailand Ltd. were transferred to Corus International (Singapore) Holdings Pte. Ltd., a subsidiary of Tata Steel Global Holdings Pte. Ltd.

c) The steel business units of NatSteel Asia Pte. Ltd. (NSA Group) were transferred to NatSteel Holdings Pte. Ltd., (NSH Group), a subsidiary of Tata Steel Global Holdings Pte. Ltd.

**21.** The Condensed Consolidated Financial Statements as at and for the period ended September 30, 2010 are prepared in accordance with Accounting Standard (AS) 25 on Interim Financial Reporting issued by The Institute of Chartered Accountants of India. Accordingly, the information in the notes above includes figures as at September 30, 2010 mainly incases where such information is presented in the aforesaid Condensed Consolidated Financial Statements.

**22.** Figures pertaining to the subsidiary companies and joint ventures have been reclassified wherever necessary to bring them in line with the Company's financial statements.

# Annexure XXIV
## Consolidated Share Capital, as Restated

| Particulars | | As at Sept. 2010 | As at March 31 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|---|---|
| | | | (Rs. in million) | | | | |
| Authorised : | | | | | | | |
| **1,750,000,000** | Ordinary Shares of Rs. 10 each (31.03.2010: 1,750,000,000 Shares of Rs. 10 each (31.03.2009: 1,750,000,000 Shares of Rs. 10 each) (31.03.2008: 1,750,000,000 Shares of Rs. 10 each) (31.03.2007: 1,750,000,000 Shares of Rs. 10 each) (31.03.2006: 600,000,000 Shares of Rs. 10 each) | 17,500.0 | 17,500.0 | 17,500.0 | 17,500.0 | 17,500.0 | 6,000.0 |
| **25,000,000** | Cumulative Redeemable Preference Shares of Rs. 100 each (31.03.2010: 25,000,000 Shares of Rs. 100 each) (31.03.2009: 25,000,000 Shares of Rs. 100 each) (31.03.2008: 25,000,000 Shares of Rs. 100 each) (31.03.2007: 25,000,000 Shares of Rs. 100 each) (31.03.2006: 25,000,000 Shares of Rs. 100 each) | 2,500.0 | 2,500.0 | 2,500.0 | 2,500.0 | 2,500.0 | 2,500.0 |
| **600,000,000** | Cumulative Convertible Preference Shares of Rs. 100 each (31.03.2010: 600,000,000 Shares of Rs. 100 each) (31.03.2009: 600,000,000 Shares of Rs. 100 each) (31.03.2008: 600,000,000 Shares of Rs. 100 each) (31.03.2007: Nil) (31.03.2006: Nil) | 60,000.0 | 60,000.0 | 60,000.0 | 60,000.0 | – | – |
| | | **80,000.0** | **80,000.0** | **80,000.0** | **80,000.0** | **20,000.0** | **8,500.0** |
| **Issued :** | | | | | | | |
| **902,454,565** | Ordinary Shares of Rs. 10 each (31.03.2010: 887,454,565 Shares of INR 10 each) (31.03.2009: 730,698,048 Shares of INR 10 each) (31.03.2008: 730,698,048 Shares of INR 10 each) (31.03.2007: 580,403,477 Shares of INR 10 each) (31.03.2006: 553,403,477 Shares of INR 10 each) | 9,024.5 | 8,874.5 | 7,307.0 | 7,307.0 | 5,804.0 | 5,534.0 |
| – | 2% Cumulative Convertible Preference Shares of Rs. 100 each (31.03.2010: Nil) (31.03.2009: 548,075,571 Shares of Rs. 100 each) (31.03.2008: 548,075,571 Shares of Rs. 100 each) (31.03.2007: Nil) (31.03.2006: Nil) | – | – | 54,807.6 | 54,807.6 | – | – |
| **Subscribed :** | | | | | | | |
| **901,542,741@** | Ordinary Shares of Rs. 10 each (31.03.2010: 886,542,741 Shares of INR 10 each) (31.03.2009: 729,921,016 Shares of INR 10 each) (31.03.2008: 729,912,865 Shares of INR 10 each) (31.03.2007: 579,801,401 Shares of INR 10 each) (31.03.2006: 552,801,401 Shares of INR 10 each) | 9,015.4 | 8,865.4 | 7,299.2 | 7,299.1 | 5,798.0 | 5,528.0 |
| | *Add* — Amount paid up on 3,89,516 Ordinary Shares forfeited (31.03.2010: 389,516 Shares of Rs. 10 each) (31.03.2009: 389,516 Shares of Rs. 10 each) (31.03.2008: 389,516 Shares of Rs. 10 each) (31.03.2007: 389,516 Shares of Rs. 10 each) (31.03.2006: 389,516 Shares of Rs. 10 each) | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| | | **9,017.4** | **8,867.4** | **7,301.2** | **7,301.1** | **5,800.0** | **5,530.0** |
| – | 2% Cumulative Convertible Preference Shares of Rs. 100 each (31.03.2010: Nil) (31.03.2009: 547,266,011 Shares of Rs. 100 each) (31.03.2008: 547,251,605 Shares of Rs. 100 each) (31.03.2007: Nil) (31.03.2006: Nil) | – | – | 54,726.6 | 54,725.2 | – | – |
| | | **9,017.4** | **8,867.4** | **62,027.8** | **62,026.3** | **5,800.0** | **5,530.0** |

@ Excludes 671,455 (31.03.2009: 671,455 shares) Ordinary Shares held by a Subsidiary.

# Annexure XXV

## Consolidated Statement of Secured Loans

| Particulars | As at Sept. 30, 2010 | As at March 31 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|---|
| | | | | (Rs. in million) | | |
| Banks and Financial Institutions | 261,051.3 | 256,729.2 | 317,512.3 | 327,261.2 | 27,356.7 | 634.7 |
| Joint Plant Committee—Steel Development Fund | 18,367.2 | 18,055.4 | 17,524.0 | 17,006.3 | 16,502.4 | 16,092.5 |
| Privately Placed Non-Convertible Debentures | 2,950.0 | 450.0 | 868.3 | 834.2 | 1,750.0 | 4,625.0 |
| Working Capital Demand Loans / Term Loans from Banks | 701.1 | 900.0 | 500.0 | 1,199.6 | 1,221.3 | 2,952.8 |
| Cash Credits / Packing Credits from Banks | 2,831.3 | 1,146.3 | 2,351.6 | 3,687.2 | 2,737.5 | 722.1 |
| Government of India | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| Assets Under Lease | 3,269.5 | 3,312.2 | 3,682.4 | 4,161.2 | 44.2 | 6.6 |
| **Total** | **289,170.6** | **280,593.3** | **342,438.8** | **354,149.9** | **49,612.3** | **25,033.9** |

## Consolidated Statement of Unsecured Loans

| Particulars | As at Sept. 30, 2010 | As at March 31 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|---|
| | | | | (Rs. in million) | | |
| Banks and Financial Institutions | 163,101.7 | 145,462.1 | 162,420.6 | 130,087.6 | 198,812.7 | 8,101.7 |
| Fixed Deposits (including interest accrued and due) | 88.5 | 64.0 | 68.2 | 144.3 | 241.4 | 369.4 |
| Privately placed non–convertible debentures | 54,009.0 | 54,009.0 | 32,500.0 | – | – | – |
| Housing Development Finance Corporation Ltd. | 6.0 | 12.0 | 30.3 | 55.0 | 86.9 | 123.5 |
| Convertible Alternate Account Securities | 21,176.6 | 21,168.3 | 54,739.2 | 43,299.2 | – | – |
| Foreign Currency Convertible Bonds | 24,582.0 | 24,572.4 | – | – | – | – |
| Assets under lease | 6,600.8 | 4,496.2 | 6,339.3 | 7,931.2 | – | – |
| Interest free loans under Sales Tax Deferral Scheme | 38.1 | 38.1 | 4.5 | 4.6 | 5.2 | 5.7 |
| Others | 598.6 | 588.1 | 464.1 | 575.6 | 496.8 | 140.1 |
| **Total** | **270,201.3** | **250,410.2** | **256,566.2** | **182,097.5** | **199,643.0** | **8,740.4** |

# Annexure XXVI
## Consolidated Summary of Investments

| Particulars | As at Sept. 30, 2010 | As at March 31 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|---|
| | | (Rs. in million) | | | | |
| **A. LONG TERM INVESTMENTS** | | | | | | |
| At cost less provision for diminution in value | | | | | | |
| 1 In Associates | | | | | | |
| Cost of Investment (Including Goodwill net of Capital Reserve arising on Consolidation) | 22,324.1 | 15,663.7 | 3,610.9 | 3,027.9 | 1,681.4 | 4481.6 |
| Add: Share of post acquisition profit/ loss (net) | 2,013.4 | 3,168.4 | 2,906.8 | 2,590.8 | 1,694.1 | 1,068.2 |
| 2 Others | | | | | | |
| (a) Shares (Quoted) | 6,136.9 | 6,786.1 | 7,288.6 | 3,638.8 | 3,643.6 | 3,272.0 |
| (b) Shares (Unquoted) (Note i) | 8,707.0 | 8,232.3 | 15,259.6 | 11,538.1 | 119,954.9 | 4,724.5 |
| 3 Investment Properties | 1,033.8 | 1,015.1 | 1,067.7 | 1,541.3 | – | – |
| | **40,215.2** | **34,865.6** | **30,133.6** | **22,336.9** | **126,974.0** | **13,546.3** |
| **B CURRENT INVESTMENTS** (At lower of cost and fair value) | | | | | | |
| (Quoted) | | | | | | |
| 4 Units in Unit Trust of India | – | – | – | 102.1 | 102.1 | 102.1 |
| 5 Others | 27.2 | 24.9 | 69.7 | 17.4 | 17.9 | 17.9 |
| (Unquoted) | | | | | | |
| 6 Investment in Mutual Funds (Note ii) | 6,913.5 | 19,287.4 | 33,907.7 | 11,117.0 | 37,634.6 | 20,902.7 |
| 7 Others | – | – | – | 100.9 | 246.4 | 220.0 |
| | **69,40.7** | **19,312.3** | **33,977.4** | **11,337.4** | **38,001.0** | **21,242.7** |
| **Total Investments** | **47,155.9** | **54,177.9** | **64,111.0** | **33,674.3** | **164,975.0** | **34,789.0** |

Notes:

i) Includes investment of Rs. 115,229.7 million in Corus Group plc. as at March 31, 2007.

ii) Includes Rs. 32,625.9 million ringfenced for a specific purpose as at March 31, 2007.

# Annexure XXVII

## Consolidated Statement showing Agewise Analysis of Sundry Debtors

| Particulars | As at Sept. 30, 2010 | As at March 31 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|---|
| | (Rs. in million) | | | | | |
| Due for a period exceeding six months | 7,817.5 | 7,819.0 | 8,042.8 | 7,522.7 | 2,927.3 | 1,572.9 |
| Others | 113,993.0 | 112,466.9 | 126,362.3 | 182,814.6 | 15,818.2 | 11,355.2 |
| Less: Provision for doubtful debts | 5,332.9 | 5,161.5 | 4,869.8 | 4,753.9 | 1,880.2 | 740.9 |
| **Total** | **116,477.6** | **115,124.4** | **129,535.3** | **185,583.4** | **16,865.3** | **12,187.2** |

# Annexure XXVIII

## Consolidated Statement of Loans and Advances

| Particulars | As at Sept. 30, 2010 | As at March 31 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|---|
| | | | (Rs. in million) | | | |
| Advances with Public Bodies | 8,509.8 | 6,826.6 | 5,946.9 | 5,664.8 | 3,803.3 | 3,786.3 |
| Advance against Equity | 113.6 | – | – | – | – | – |
| Other advances | 74,126.0 | 61,021.8 | 124,237.9 | 150,161.1 | 14,555.2 | 6,851.5 |
| Advance against payment of taxes | 2,261.3 | 2,310.2 | 2,405.30 | 2,018.8 | 2,002.6 | 1,575.2 |
| | 85,010.7 | 70,158.6 | 132,590.1 | 157,844.7 | 20,361.1 | 12,213.0 |
| Less: Provision for doubtful advances | 1,751.3 | 1,698.9 | 1,821.8 | 2,021.8 | 727.7 | 841.2 |
| **Total** | **83,259.4** | **68,459.7** | **130,768.3** | **155,822.9** | **19,633.4** | **11,371.8** |

# Annexure XXIX

## Consolidated Statement of Current Liabilities, as Restated

| Particulars | As at Sept. 30, 2010 | As at March 31 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|---|
| | | | | (Rs. in million) | | |
| *(a)* Sundry creditors : | 259,025.9 | 220,101.7 | 217,933.1 | 256,299.5 | 50,765.7 | 29,661.8 |
| *(b)* Subsidiary companies | – | – | – | – | – | – |
| *(c)* Interest accrued but not due | 6,427.7 | 7,712.0 | 5,502.0 | 3,185.7 | 498.1 | 288.9 |
| *(d)* Advances received from customers | 4,953.3 | 5,452.9 | 6,783.1 | 3,368.1 | 2,910.2 | 2,055.7 |
| *(e)* Unpaid dividend etc. | 576.4 | 521.2 | 499.2 | 474.7 | 233.7 | 302.3 |
| | **270,983.3** | **233,787.8** | **230,717.4** | **263,328.0** | **54,407.7** | **32,308.7** |

# Annexure XXX

## Consolidated Statement of Provisions, as Restated

| Particulars | As at Sept. 30, 2010 | As at March 31 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|---|
| | | (Rs. in million) | | | | |
| (a) Provision for employee benefits | 28,055.8 | 24,668.4 | 26,867.3 | 20,443.2 | 5,498.8 | 132.3 |
| (b) Provision for taxation | 16,001.4 | 11,885.7 | 14,044.8 | 22,636.5 | 5,650.8 | 3,576.1 |
| (c) Provision for fringe benefit tax | 61.5 | 21.7 | 27.8 | 29.1 | 33.3 | 29.0 |
| (d) Proposed dividends | – | 7,092.3 | 12,773.3 | 11,900.5 | 9,428.7 | 7,186.4 |
| (e) Provision for contingencies & others | 22,223.4 | 22,306.0 | 17,766.5 | 9,495.0 | 25.0 | 22.8 |
| | **66,342.1** | **65,974.1** | **71,479.7** | **64,504.3** | **20,636.6** | **10,946.6** |

# Annexure XXXI
## Consolidated Statement of Other Income

| Particulars | As at Sept. 30, 2010 | As at March 31 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|---|
| | | (Rs. in million) | | | | |
| Income from other Investments | 858.6 | 699.8 | 796.2 | 770.0 | 1,071.9 | 601.8 |
| Profit on sale / redemption of other Investments | 7,357.4 | 10,360.7 | 1,144.5 | 184.1 | 130.8 | 1.8 |
| Profit on sale of capital assets (net of loss on assets sold/scrapped/written off) | 222.7 | 1,090.0 | 449.4 | 2,543.6 | 107.1 | 421.4 |
| Gain /(Loss) from cancellation of forward covers/options/swaps | 298.6 | (292.0) | 266.6 | 1,243.0 | 835.9 | 377.3 |
| Miscellaneous Income | – | – | – | 17.9 | – | – |
| **Total** | **8,737.3** | **11,858.5** | **2,656.7** | **4,758.6** | **2,145.7** | **1,402.3** |

# Annexure XXXII

## Consolidated Accounting Ratios

| | | As at/for the period ended | As at / For the year ended March 31 | | | | |
|---|---|---|---|---|---|---|---|
| Particulars | | Sept. 30, 2010 | 2010 | 2009 | 2008 | 2007 | 2006 |
| | | | | | (Rs. in million) | | |
| 1 | Adjusted Profit after Tax, Minority Interest and Share of Profits of Associates for: (Rs. in million) | | | | | | |
| | a) Basic EPS | 37,978.0 | (20,147.4) | 35,041.8 | 74,845.3 | 41,390.1 | 37,057.3 |
| | b) Diluted EPS | 38,542.7 | (20,147.4) | 38,950.7 | 79,554.6 | 41,390.1 | 37,057.3 |
| 2 | Weighted average number of Equity Shares for: | | | | | | |
| | a) Basic EPS | 892,280,446 | 827,879,356 | 729,913,379 | 697,012,514 | 646,064,378 | 624,089,784 |
| | b) Diluted EPS | 955,532,936 | 827,890,228 | 867,586,083 | 747,353,164 | 646,074,609 | 624,100,374 |
| 3 | Number of Equity Shares outstanding at the end of the year/period | 901,542,741 | 886,542,741 | 729,921,016 | 729,912,865 | 579,801,401 | 552,801,401 |
| 4 | Net Worth (Rs. in million) (Note v) | 277,416.0 | 230,271.1 | 271,489.2 | 340,327.5 | 144,110.4 | 100,627.1 |
| 5 | Accounting Ratios: | | | | | | |
| | Earning per Share: | | | | | | |
| | — Basic EPS (Rs.) (1a)/(2a) | 42.6 | (24.3) | 48.0 | 107.4 | 64.1 | 59.4 |
| | — Diluted EPS (Rs.) (1b)/(2b) | 40.4 | (24.3) | 44.9 | 106.4 | 64.1 | 59.4 |
| | Return on Net Worth (1a)/(4)% | 13.7% | (8.7)% | 12.9% | 22.0% | 28.7% | 36.8% |
| | Net Asset Value Per Share (Rs.) (4)/(3) | 307.7 | 259.7 | 371.9 | 466.3 | 248.6 | 181.0 |

Notes:

i) The above ratios have been computed on the basis of the Restated Summary Statements—Annexures XX and XXI.

ii) The effect of potential dilution pursuant to the current issue has not been considered since the quantum of equity shares that will ultimately be subscribed cannot be ascertained at present.

iii) Outstanding warrants issued to Tata Sons Ltd., have been considered for computation of diluted earning per share as at September 30, 2010.

iv) Goodwill has not been deducted for calculation of the Net Worth.

v) Return on Net Worth (%) represents Profit as Restated after Minority Interest and Share of Profits of Associates, divided by Net Worth.

vi) Net Assets Value is calculated as Net Worth at the end of each financial year/period divided by the number of equity shares at the end of each financial year/period.

vii) The basic EPS, diluted EPS and return on net worth for the period ended September 30, 2010 have not been annualised.

# Annexure XXXIII

## Consolidated Capitalisation Statement

| Particulars | Pre-Issue as at March 31, 2010 | Pre-Issue as at Sept. 30, 2010 | Adjusted for Current Issue |
|---|---|---|---|
| | | (Rs. in million) | |
| **Borrowings:** | | | |
| Secured | 280,593.3 | 289,170.6 | |
| Unsecured | 250,410.2 | 270,201.3 | |
| **Total Debts** | **531,003.5** | **559,371.9** | |
| **Shareholders Funds:** | | | |
| Equity Share Capital | 8,867.4 | 9,017.4 | |
| Share Warrants | – | 1,782.0 | |
| Reserves and Surplus (Note iii) | 219,334.2 | 265,166.5 | |
| Foreign currency monetary Item Translation difference account | 2,069.5 | 1,450.1 | |
| **Total Shareholders Funds** | **230,271.1** | **277,416.0** | |
| **Debt/Equity Ratio** | 2.3 | 2.0 | |

**Notes:**

i) The above has been computed on the basis of the Restated Summary Statements.

ii) Above capitalisation statement is prepared on the assumption that the current issue will be subscribed fully.

iii) Reserves have not been adjusted for any issue expenses that will be adjusted against the Securities Premium Account consequent to the current issue of shares.

# Annexure XXXIV
## Consolidated Related Party Information
### List of Related Parties and Relationships as at September 30, 2010

| Party | Relationship |
|---|---|
| i) **Kalimati Investment Company Ltd.** | Associate – Where the Company exercises significant influence |
| 1. Rujuvalika Investments Ltd. | |
| ii) **NatSteel Asia Pte. Ltd.** | |
| 1. Steel Asia Development and Management Corporation | |
| 2. Steel Asia Industries Inc. | |
| 3. Steel Asia Manufacturing Corporation | |
| iii) **Tata Incorporated** | |
| 1. TKM Overseas Limited | |
| iv) **Tata Refractories Ltd.** | |
| 1. Almora Magnesite Ltd. | |
| v) **Tata Steel Ltd.** | |
| 1. Indian Steel Rolling Mills Limited | |
| 2. Industrial Energy Limited | |
| 3. Jamipol Limited | |
| 4. Kalinga Aquatics Limited | |
| 5. Kumardhubi Fireclay & Silica Works Limited | |
| 6. Kumardhubi Metal Casting & Engineering Limited | |
| 7. Nicco Jubilee Park Limited | |
| 8. Strategic Energy Technology Systems Pvt. Ltd. | |
| 9. Tata Construction & Projects Limited | |
| 10. Tata Sponge Iron Limited | |
| 11. The Tinplate Company of India Limited | |
| 12. TRF Limited | |
| vi) **Tata Steel Holdings Pte. Ltd.** | |
| a) **Tata Steel Global Holdings Pte Ltd**. | |
| I **NatSteel Holdings Pte. Ltd.** | |
| 1. Southern Steel, Berhard* | |
| II **Tata Steel Europe Ltd.** | |
| 1. Ab Norskstal AS | |
| 2. Albi Profils SRL | |
| 3. Altos Hornos De Mexico S.A. de C.V. | |
| 4. Appleby Frodingham Cottage Trust Limited | |
| 5. Combulex B.V. | |
| 6. Cv Gasexpansie Ijmond | |
| 7. Danieli Corus Canada Inc. | |
| 8. Danieli Corus Asia B.V. | |
| 9. Danieli Corus B.V. | |
| 10. Danieli Corus Braseq Ltda. | |
| 11. Danieli Corus Construction Services B.V. | |
| 12. Danieli Corus Construction Services Usa Inc. | |
| 13. Danieli Corus Do Brasil Ltda. | |
| 14. Danieli Corus Inc. | |
| 15. Danieli Corus Services Usa Inc. | |
| 16. Danieli India (PVT) Ltd. | |
| 17. Endex European Energy Derivates Exchanges N.V.* | |
| 18. European Profiles (Marketing) Sdn. Bhd. | |
| 19. Galvpro LP. | |
| 20. Gietwalsonderhoudcombinatie B.V. | |
| 21. Hoogovens Court Roll Service Technologies Vof | |
| 22. Hoogovens Gan Multimedia S.A. De C.V. | |
| 23. Isolation Du Sud SA | |
| 24. Issb Limited | |
| 25. MDC Sublance Probe Technology | |
| 26. Regionale Ontwikkelingsmaatschappij Voor Het Noordzeekanaalgebied N.V. | |

| Party | Relationship |
|---|---|
| 27. Richard Lees Steel Decking Asia Snd. Bhd.<br>28. Rsp Holding B.V.<br>29. Schreiner Fleischer AS<br>30. Shanghai Bao Yi Beverage Can Making Co Ltd.<br>31. Sms Mevac UK Limited<br>32. Stuwadoorsbedrijf Velserkom B.V.<br>33. Thoresen & Thorvaldsen AS<br>34. Trico LLC<br>35. Weirton/Hoogovens GP<br>36. Workington Cottage Trust<br>37. Wupperman Staal Nederland B.V.<br>III **Tata Steel Global Minerals Holdings Pte Ltd**<br>1. New Millenium Capital Corp*<br>2. Riversdale Mining Ltd.<br>IV **Tata Steel International (Singapore) Holding Pte. Ltd.**<br>1. European Profiles Malaysia (M) Sdn.Bhd.<br>vii) **The Indian Steel and Wire Products Ltd.**<br>1. Metal Corporation of India Ltd. | |
| i) **Tata Steel Ltd.**<br>1. Bhubaneshwar Power Pvt. Ltd.<br>2. Himalaya Steel Mills Services Private Ltd.<br>3. mjunction services ltd.(Formerly Metaljunction Services Ltd.)<br>4. S & T Mining Company Pvt. Ltd.<br>5. Tata Bluescope Steel Ltd.<br>6. Tata NYK Shipping Pte Ltd.<br>7. The Dhamra Port Company Ltd.<br>ii) **Tata Steel Holdings Pte. Ltd.**<br>a) **Tata Steel Global Holdings Pte Ltd.**<br>I **Tata Steel Europe Ltd.**<br>1. Afon Tinplate Company Limited<br>2. Air Products Llanwern Limited<br>3. B V Ijzerleew<br>4. Bsr Pipeline Services Limited<br>5. Caparo Merchant Bar Plc<br>6. Cindu Chemicals B.V.<br>7. Corus Celik Ticaret AS<br>8. Corus Cogifer Switches And Crossings Limited<br>9. Corus Kalpinis Simos Rom SRL.<br>10. Danieli Corus Technical Services B.V.<br>11. Hks Scrap Metals B.V.<br>12. Ijzerhandel Geertsema Staal B.V.<br>13. Industrial Rail Services Ijmond B.V.<br>14. Laura Metaal Holding B.V.<br>15. Norsk Stal AS<br>16. Norsk Stal Tynnplater AS<br>17. Ravenscraig Limited<br>18. Tata Elastron SA<br>19. Tata Elastron SA Steel Service Center<br>20. Texturing Technology Limited<br>II **Tata Steel Global Minerals Holdings Pte. Ltd.**<br>1. Riversdale Energy (Mauritius) Ltd. | Joint Venture |

| Party | Relationship |
|---|---|
| Tata Sons Ltd. | Promoters holding together with its subsidiary is more than 20% |
| **Key Management Personnel**<br>Mr. H. M. Nerurkar | Whole time Director |
| **Relatives of Key Management Personnel**<br>N.A. | Relative of Whole Time Director (Disclosure will be given only if there have been transactions) |

* Part of the period
@ By virtue of management control.

# Annexure XXXIV
## Consolidated Related Party Information, as Restated

| Nature of transactions | Period/Year | Associates and JVs # | Key Management Personnel | Relatives of Key Management Personnel | Promoter | Grand Total |
|---|---|---|---|---|---|---|
| | | | | (Rs. in million) | | |
| **Purchase of Goods** | Apr-Sept 10 | Refer Annexure XXIII, Note 21 | | | | |
| | 2009-10 | 4,466.2 | – | – | – | 4,466.2 |
| | 2008-09 | 5,998.8 | – | – | – | 5,998.8 |
| | 2007-08 | 8,180.8 | – | – | – | 8,180.8 |
| | 2006-07 | 955.2 | – | – | – | 955.2 |
| | 2005-06 | 1,900.8 | – | – | – | 1,900.8 |
| **Sale of Goods** | Apr-Sept 10 | Refer Annexure XXIII, Note 21 | | | | |
| | 2009-10 | 19,433.9 | – | – | – | 19,433.9 |
| | 2008-09 | 37,692.6 | – | – | – | 37,692.6 |
| | 2007-08 | 31,915.0 | – | – | – | 31,915.0 |
| | 2006-07 | 18,529.5 | – | – | – | 18,529.5 |
| | 2005-06 | 13,348.2 | – | – | – | 13,348.2 |
| **Receiving of Services** | Apr-Sept 10 | Refer Annexure XXIII, Note 21 | | | | |
| | 2009-10 | 7,259.8 | – | – | 13.6 | 7,273.4 |
| | 2008-09 | 6,906.9 | – | – | 538.3 | 7,445.2 |
| | 2007-08 | 3,356.5 | 0.2 | 0.2 | 6.9 | 3,363.8 |
| | 2006-07 | 3,234.6 | 0.2 | 0.2 | 10.0 | 3,245.0 |
| | 2005-06 | 2,517.0 | 0.2 | 0.2 | 2.8 | 2,520.2 |
| **Rendering of Services** | Apr-Sept 10 | Refer Annexure XXIII, Note 21 | | | | |
| | 2009-10 | 777.0 | – | – | 2.4 | 779.4 |
| | 2008-09 | 1,020.1 | – | – | 2.4 | 1,022.5 |
| | 2007-08 | 739.4 | – | – | 1.4 | 740.8 |
| | 2006-07 | 497.9 | – | – | 1.4 | 499.3 |
| | 2005-06 | 475.8 | – | – | 0.6 | 476.4 |
| **Purchase of Fixed Assets** | Apr-Sept 10 | Refer Annexure XXIII, Note 21 | | | | |
| | 2009-10 | 34.8 | – | – | – | 34.8 |
| | 2008-09 | 175.0 | – | – | – | 175.0 |
| | 2007-08 | 505.8 | – | – | – | 505.8 |
| | 2006-07 | 276.1 | – | – | – | 276.1 |
| | 2005-06 | 23.3 | – | – | – | 23.3 |
| **Leasing or Hire Purchase Arrangements** | Apr-Sept 10 | Refer Annexure XXIII, Note 21 | | | | |
| | 2009-10 | – | – | – | – | – |
| | 2008-09 | – | – | – | – | – |
| | 2007-08 | – | – | – | – | – |
| | 2006-07 | – | – | – | – | – |
| | 2005-06 | 0.8 | – | – | – | 0.8 |
| **Sale of Fixed Asset** | Apr-Sept 10 | Refer Annex XXIII, Note 21 | | | | |
| | 2009-10 | 0.7 | – | – | – | 0.7 |
| | 2008-09 | – | – | – | – | – |
| | 2007-08 | – | – | – | – | – |
| | 2006-07 | – | – | – | – | – |
| | 2005-06 | – | – | – | – | – |
| **Dividend and Fraction Bonus amount paid to Shareholders** | Apr-Sept 10 | Refer Annexure XXIII, Note 21 | | | | |
| | 2009-10 | 18.6 | 0.1 | – | 4,084.2 | 4,102.9 |
| | 2008-09 | 18.6 | ** | ** | 3,330.7 | 3,349.4 |
| | 2007-08 | – | ** | ** | 2,608.1 | 2,608.2 |
| | 2006-07 | – | ** | ** | 1,446.4 | 1,446.4 |
| | 2005-06 | 15.2 | ** | *** | 1,424.4 | 1,439.6 |

| Nature of transactions | Period/Year | Associates and JVs # | Key Management Personnel | Relatives of Key Management Personnel | Promoter | Grand Total |
|---|---|---|---|---|---|---|
| | | | | (Rs. in million) | | |
| **Dividend Income** ................................ | Apr-Sept 10 | Refer Annexure XXIII, Note 21 | | | | |
| | 2009-10 | 660.2 | – | – | – | 660.2 |
| | 2008-09 | 1,336.2 | – | – | – | 1,336.2 |
| | 2007-08 | 1,114.3 | – | – | – | 1,114.3 |
| | 2006-07 | 305.2 | – | – | – | 305.2 |
| | 2005-06 | 181.8 | – | – | – | 181.8 |
| **Interest Expense** ................................ | Apr-Sept 10 | Refer Annexure XXIII, Note 21 | | | | |
| | 2009-10 | – | – | – | – | – |
| | 2008-09 | 21.7 | – | – | – | 21.7 |
| | 2007-08 | 30.5 | – | – | – | 30.5 |
| | 2006-07 | 0.4 | – | – | – | 0.4 |
| | 2005-06 | 0.4 | – | – | – | 0.4 |
| **Interest Income** .................................. | Apr-Sept 10 | Refer Annexure XXIII, Note 21 | | | | |
| | 2009-10 | 164.6 | – | – | – | 164.6 |
| | 2008-09 | 253.8 | – | – | – | 253.8 |
| | 2007-08 | 1,658.8 | – | – | – | 1,658.8 |
| | 2006-07 | 17.0 | – | – | – | 17.0 |
| | 2005-06 | 10.2 | – | – | – | 10.2 |
| **Management contracts including deputation of employees** .... | Apr-Sept 10 | Refer Annexure XXIII, Note 21 | | | | |
| | 2009-10 | – | – | – | 500.0 | 500.0 |
| | 2008-09 | – | – | – | 500.0 | 500.0 |
| | 2007-08 | – | – | – | 427.9 | 427.9 |
| | 2006-07 | – | – | – | 378.5 | 378.5 |
| | 2005-06 | – | – | – | 326.2 | 326.2 |
| **Finance Provided (including loans and equity contributions in cash or in kind)** ........ | Apr-Sept 10 | Refer Annexure XXIII, Note 21 | | | | |
| | 2009-10 | 3,710.9 | – | – | – | 3,710.9 |
| | 2008-09 | 4,006.5 | – | – | – | 4,006.5 |
| | 2007-08 | 2,671.6 | – | – | – | 2,671.6 |
| | 2006-07 | 2,718.9 | – | – | – | 2,718.9 |
| | 2005-06 | 586.2 | – | – | 6.5 | 592.7 |
| **Unsecured Advances / Deposits accepted** ................................ | Apr-Sept 10 | Refer Annexure XXIII, Note 21 | | | | |
| | 2009-10 | – | – | – | – | – |
| | 2008-09 | – | – | – | – | – |
| | 2007-08 | 9.5 | – | – | – | 9.5 |
| | 2006-07 | 0.6 | – | – | – | 0.6 |
| | 2005-06 | 0.9 | – | – | 10.3 | 11.2 |
| **Remuneration Paid** ............................ | Apr-Sept 10 | Refer Annexure XXIII, Note 21 | | | | |
| | 2009-10 | – | 70.2 | – | – | 70.2 |
| | 2008-09 | – | 50.7 | – | – | 50.7 |
| | 2007-08 | – | 68.4 | – | – | 68.4 |
| | 2006-07 | – | 58.7 | – | – | 58.7 |
| | 2005-06 | – | 52.9 | – | – | 52.9 |
| **Provision for Receivables made during the year/period** ............. | Apr-Sept 10 | Refer Annexure XXIII, Note 21 | | | | |
| | 2009-10 | – | – | – | – | – |
| | 2008-09 | – | – | – | – | – |
| | 2007-08 | – | – | – | – | – |
| | 2006-07 | 6.1 | – | – | – | 6.1 |
| | 2005-06 | 0.5 | – | – | – | 0.5 |

| Nature of transactions | Period/Year | Associates and JVs # | Key Management Personnel | Relatives of Key Management Personnel | Promoter | Grand Total |
|---|---|---|---|---|---|---|
| | | | | (Rs. in million) | | |
| **Bad Debts written off** | Apr-Sept 10 | Refer Annexure XXIII, Note 21 | | | | |
| | 2009-10 | – | – | – | – | – |
| | 2008-09 | – | – | – | – | – |
| | 2007-08 | – | – | – | – | – |
| | 2006-07 | ** | – | – | – | ** |
| | 2005-06 | 1.8 | – | – | – | 1.8 |
| **Guarantees and Collaterals given during the year** | Apr-Sept 10 | Refer Annexure XXIII, Note 21 | | | | |
| | 2009-10 | 1347.8 | – | – | – | 1347.8 |
| | 2008-09 | 250.0 | – | – | – | 250.0 |
| | 2007-08 | – | – | – | – | – |
| | 2006-07 | – | – | – | – | – |
| | 2005-06 | – | – | – | – | – |
| **Guarantees Outstanding as at** | Sept. 30, 2010 | Refer Annexure XXIII, Note 21 | | | | |
| | March 31, 2010 | 1,347.8 | – | – | – | 1,347.8 |
| | March 31, 2009 | – | – | – | – | – |
| | March 31, 2008 | 250.0 | – | – | – | 250.0 |
| | March 31, 2007 | 964.4 | – | – | – | 964.4 |
| | March 31, 2006 | 964.4 | – | – | – | 964.4 |
| **Outstanding Receivables as at** | Sept. 30, 2010 | Refer Annexure XXIII, Note 21 | | | | |
| | March 31, 2010 | 3,769.5 | – | – | 40.1 | 3,809.6 |
| | March 31, 2009 | 11,208.6 | – | – | 40.1 | 11,248.7 |
| | March 31, 2008 | 6,982.9 | 0.1 | 0.1 | 33.6 | 7,016.7 |
| | March 31, 2007 | 1,407.0 | 0.1 | 0.1 | 26.0 | 1,433.2 |
| | March 31, 2006 | 804.1 | 0.1 | 0.1 | 26.0 | 830.3 |
| **Provision for Outstanding Receivables as at** | Sept. 30, 2010 | Refer Annexure XXIII, Note 21 | | | | |
| | March 31, 2010 | – | – | – | – | – |
| | March 31, 2009 | – | – | – | – | – |
| | March 31, 2008 | – | – | – | – | – |
| | March 31, 2007 | 24.5 | – | – | ** | 24.5 |
| | March 31, 2006 | 22.6 | – | – | – | 22.6 |
| **Outstanding Payables as at** | Sept. 30, 2010 | Refer Annexure XXIII, Note 21 | | | | |
| | March 31, 2010 | 998.5 | – | – | 561.0 | 1,559.5 |
| | March 31, 2009 | 1,149.9 | – | – | 556.8 | 1,706.7 |
| | March 31, 2008 | 1,840.7 | – | – | 469.5 | 2,310.2 |
| | March 31, 2007 | 362.3 | – | – | 419.7 | 782.0 |
| | March 31, 2006 | 337.2 | – | – | 367.0 | 704.2 |

# Annexure XXXV

## Consolidation Segment Information, as Restated

| Particulars | Period/Year | Business Segments: Steel | Business Segments: Others | Unallocable | Eliminations | Total |
|---|---|---|---|---|---|---|
| | | | | (Rs. in million) | | |
| **Revenue:** | | | | | | |
| **Total External Sales** | Apr-Sep'10 | 513,167.0 | 43,428.5 | 1,803.3 | – | 558,398.8 |
| | 2009-10 | 937,061.5 | 82,971.5 | 3,898.2 | – | 1,023,931.2 |
| | 2008-09 | 1,334,818.2 | 131,755.3 | 6,719.1 | – | 1,473,292.6 |
| | 2007-08 | 1,177,332.3 | 133,860.3 | 4,143.7 | – | 1,315,336.3 |
| | 2006-07 | 213,429.6 | 38,742.1 | – | – | 252,171.7 |
| | 2005-06 | 171,088.9 | 32,092.7 | – | – | 203,181.6 |
| Inter segment sales | Apr-Sep'10 | 21,723.7 | 15,346.3 | 5,096.1 | (42,166.1) | – |
| | 2009-10 | 36,828.0 | 25,799.8 | 10,392.5 | (73,020.3) | – |
| | 2008-09 | 46,167.8 | 33,857.6 | 9,418.1 | (89,443.5) | – |
| | 2007-08 | 40,546.9 | 24,429.0 | 6,760.8 | (71,736.7) | – |
| | 2006-07 | 12,972.4 | 7,554.8 | – | (20,527.2) | – |
| | 2005-06 | 6,444.9 | 5,095.4 | – | (11,540.3) | – |
| Total Revenue | Apr-Sep'10 | 534,890.7 | 58,774.8 | 6,899.4 | (42,166.1) | 558,398.8 |
| | 2009-10 | 973,889.5 | 108,771.3 | 14,290.7 | (73,020.3) | 1,023,931.2 |
| | 2008-09 | 1,380,986.0 | 165,612.9 | 16,137.2 | (89,443.5) | 1,473,292.6 |
| | 2007-08 | 1,217,879.2 | 158,289.3 | 10,904.5 | (71,736.7) | 1,315,336.3 |
| | 2006-07 | 226,402.0 | 46,296.9 | – | (20,527.2) | 252,171.7 |
| | 2005-06 | 177,533.8 | 37,188.1 | – | (11,540.3) | 203,181.6 |
| **Segment result before net finance charges, exceptional items and tax** | Apr-Sep'10 | 64,117.8 | 5,619.0 | (368.0) | (900.6) | 68,468.2 |
| | 2009-10 | 40,705.9 | 10,313.4 | (143.0) | (3,626.2) | 47,250.1 |
| | 2008-09 | 114,166.6 | 11,646.8 | (2,427.5) | 1,269.7 | 124,655.6 |
| | 2007-08 | 83,146.1 | 11,626.0 | (5,805.4) | (392.9) | 88,573.8 |
| | 2006-07 | 59,334.7 | 6,461.3 | (476.4) | (894.7) | 64,424.9 |
| | 2005-06 | 47,857.1 | 7,657.1 | 138.9 | (380.7) | 55,272.4 |
| Less: Net Finance Charges | Apr-Sep'10 | | | | | 12,613.0 |
| | 2009-10 | | | | | 30,220.6 |
| | 2008-09 | | | | | 32,901.8 |
| | 2007-08 | | | | | 40,854.1 |
| | 2006-07 | | | | | 1,876.9 |
| | 2005-06 | | | | | 550.9 |
| Profit before exceptional items and tax | Apr-Sep'10 | | | | | 55,855.2 |
| | 2009-10 | | | | | 17,029.5 |
| | 2008-09 | | | | | 91,753.8 |
| | 2007-08 | | | | | 47,719.7 |
| | 2006-07 | | | | | 62,548.0 |
| | 2005-06 | | | | | 54,721.5 |
| **Exceptional items:** | | | | | | |
| Restructuring Costs | Apr-Sep'10 | | | | | (914.6) |
| | 2009-10 | | | | | (16,837.2) |
| | 2008-09 | | | | | (40,945.3) |
| | 2007-08 | | | | | – |
| | 2006-07 | | | | | – |
| | 2005-06 | | | | | – |

| Particulars | Period/Year | Business Segments: Steel | Business Segments: Others | Unallocable | Eliminations | Total |
|---|---|---|---|---|---|---|
| | | | | (Rs. in million) | | |
| Exchange Gain / (Loss) | Apr-Sep'10 | | | | | – |
| | 2009-10 | | | | | – |
| | 2008-09 | | | | | – |
| | 2007-08 | | | | | 5,782.9 |
| | 2006-07 | | | | | – |
| | 2005-06 | | | | | – |
| Contribution for Sports Infrastructure | Apr-Sep'10 | | | | | – |
| | 2009-10 | | | | | – |
| | 2008-09 | | | | | – |
| | 2007-08 | | | | | (1,500.0) |
| | 2006-07 | | | | | – |
| | 2005-06 | | | | | – |
| Actuarial Gain/ (Loss) | Apr-Sep'10 | | | | | – |
| | 2009-10 | | | | | – |
| | 2008-09 | | | | | – |
| | 2007-08 | | | | | 59,068.4 |
| | 2006-07 | | | | | – |
| | 2005-06 | | | | | – |
| **Profit before Tax** | Apr-Sep'10 | | | | | 54,940.6 |
| | 2009-10 | | | | | 192.3 |
| | 2008-09 | | | | | 50,808.5 |
| | 2007-08 | | | | | 111,071.0 |
| | 2006-07 | | | | | 62,548.0 |
| | 2005-06 | | | | | 54,721.5 |
| Taxes | Apr-Sep'10 | | | | | 17,486.8 |
| | 2009-10 | | | | | 21,558.4 |
| | 2008-09 | | | | | 21,080.8 |
| | 2007-08 | | | | | 44,482.1 |
| | 2006-07 | | | | | 21,670.1 |
| | 2005-06 | | | | | 18,083.3 |
| **Profit after Tax** | Apr-Sep'10 | | | | | 37,453.8 |
| | 2009-10 | | | | | (21,366.1) |
| | 2008-09 | | | | | 29,727.7 |
| | 2007-08 | | | | | 66,588.9 |
| | 2006-07 | | | | | 40,877.9 |
| | 2005-06 | | | | | 36,638.2 |
| Segment Assets as at | Sept. 30, 2010 | 1,012,133.2 | 77,357.5 | 191,248.9 | (263,270.2) | 1,017,469.4 |
| | March 31, 2010 | 817,397.2 | 66,510.5 | 155,018.3 | (139,201.9) | 899,724.1 |
| | March 31, 2009 | 849,449.8 | 64,482.7 | 164,879.4 | (84,440.5) | 994,371.4 |
| | March 31, 2008 | 808,442.9 | 80,849.7 | 211,798.5 | (64,366.9) | 1,036,724.2 |
| | March 31, 2007 | 189,254.9 | 66,473.9 | 80,381.2 | (7,109.0) | 329,001.0 |
| | March 31, 2006 | 148,609.5 | 18,398.4 | 6,410.6 | (4,292.1) | 169,126.4 |
| Segment Liabilities as at | Sept. 30, 2010 | 476,656.5 | 28,569.3 | 94,656.3 | (262,556.7) | 337,325.4 |
| | March 31, 2010 | 335,589.2 | 25,093.0 | 77,842.5 | (138,762.4) | 299,762.3 |
| | March 31, 2009 | 282,171.9 | 24,228.5 | 80,050.7 | (84,254.0) | 302,197.1 |
| | March 31, 2008 | 270,037.6 | 33,167.8 | 88,953.2 | (64,326.1) | 327,832.5 |
| | March 31, 2007 | 47,929.7 | 18,035.2 | 16,030.7 | (6,951.0) | 75,044.6 |
| | March 31, 2006 | 30,843.0 | 5,113.9 | 11,853.4 | (4,555.4) | 43,254.9 |

| Particulars | Period/Year | Business Segments: Steel | Business Segments: Others | Unallocable | Eliminations | Total |
|---|---|---|---|---|---|---|
| | | | | (Rs. in million) | | |
| Total Cost incurred during the year/period to acquire Segment assets .................... | Apr-Sep'10 | Refer Annexure XXIII, Note 21 | | | | |
| | 2009-10 | 58,676.2 | 10,069.4 | 2,842.1 | (92.6) | 71,495.1 |
| | 2008-09 | 73,013.6 | 8,232.2 | 3,139.4 | (47.8) | 84,337.4 |
| | 2007-08 | 70,254.5 | 11,750.8 | 2,308.6 | (116.6) | 84,197.3 |
| | 2006-07 | 25,336.5 | 9,043.8 | – | (300.9) | 34,079.4 |
| | 2005-06 | 16,350.7 | 2,976.1 | – | 59.3 | 19,386.1 |
| Segment Depreciation.......................... | Apr-Sep'10 | Refer Annexure XXIII, Note 21 | | | | |
| | 2009-10 | 41,362.8 | 2,123.6 | 1,430.9 | – | 44,917.3 |
| | 2008-09 | 39,655.8 | 1,899.3 | 1,098.8 | – | 42,653.9 |
| | 2007-08 | 36,384.9 | 2,593.6 | 2,391.0 | – | 41,369.5 |
| | 2006-07 | 9,617.8 | 492.0 | – | – | 10,109.8 |
| | 2005-06 | 8,237.1 | 366.6 | – | – | 8,603.7 |
| Non-Cash Expenses other than depreciation.................................. | Apr-Sep'10 | Refer Annexure XXIII, Note 21 | | | | |
| | 2009-10 | 1,845.6 | 12.9 | 3,051.8 | – | 4,910.3 |
| | 2008-09 | 3,794.0 | 73.1 | 3,189.8 | – | 7,056.9 |
| | 2007-08 | 3,965.6 | 751.7 | 579.9 | – | 5,297.2 |
| | 2006-07 | 1,915.8 | 62.0 | 652.0 | – | 2,629.8 |
| | 2005-06 | 427.4 | 22.2 | 49.8 | – | 499.4 |

**Information about Secondary Segments :- Geographical**

| | For the period ended Sept. 30, 2010 | 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|---|
| | | | For the year ended March 31 | | | |
| | | | | (Rs. in million) | | |
| **Revenue by Geographical Market:** | | | | | | |
| India ...................................................... | Annex. XXIII, Note 21 | 268,486.8 | 262,995.7 | 201,708.8 | 160,896.6 | 137,111.1 |
| Outside India......................................... | Annex. XXIII, Note 21 | 755,444.4 | 1,210,296.9 | 1,113,627.5 | 91,275.1 | 66,070.5 |
| | – | **1,023,931.2** | **1,473,292.6** | **1,315,336.3** | **252,171.7** | **203,181.6** |
| **Additions to Fixed Assets and Intangible Assets:** | | | | | | |
| India ...................................................... | Annex. XXIII, Note 21 | 44,081.3 | 37,238.4 | 32,521.6 | 26,929.8 | 18,177.7 |
| Outside India......................................... | Annex. XXIII, Note 21 | 27,413.8 | 47,099.0 | 51,675.7 | 7,149.6 | 1,208.4 |
| | – | **71,495.1** | **84,337.4** | **84,197.3** | **34,079.4** | **19,386.1** |

| | For the period ended Sept. 30, 2010 | 2010 | As at March 31 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|---|
| | | | (Rs. in million) | | | |
| **Carrying Amount of Segment Assets:** | | | | | | |
| India ...... Annex. XXIII, Note 21 | | 324,709.2 | 288,190.4 | 220,049.3 | 226,193.8 | 146,862.6 |
| Outside India...... Annex. XXIII, Note 21 | | 575,014.9 | 706,181.0 | 816,674.9 | 102,807.2 | 22,273.8 |
| | **–** | **899,724.1** | **994,371.4** | **1,036,724.2** | **329,001.0** | **169,136.4** |

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 Ferro Alloys and Minerals, Tubes, Bearings, Refractories, Pigments, Port opearations and Municipal services and investment activities.

(ii) Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on 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 asets and liabilities respectively.

| | As at Sept. 30, 2010 | 2010 | As at March 31 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|---|
| | | | | (Rs. in million) | | |
| **(iii) Total unallocable assets exclude :** | | | | | | |
| Investments | 43,882.2 | 51,090.0 | 61,337.7 | 31,070.9 | 162,450.0 | 32,614.2 |
| Miscellaneous expenditure | – | – | 1,054.8 | 1,556.3 | 2,097.7 | 2,560.1 |
| Goodwill on Consolidation | 150,393.1 | 145,418.2 | 153,649.2 | 180,499.6 | 2,196.6 | 1,140.0 |
| Foreign Currency Monetary Item Translation Difference Account | – | – | 4,716.6 | – | – | – |
| Advance Against Equity | 113.6 | – | – | – | 0.5 | – |
| Deferred Tax Asset | 1,819.6 | 1,488.3 | 1,074.0 | 297.0 | 69.3 | 16.2 |
| | **196,208.5** | **197,996.5** | **221,832.3** | **213,423.8** | **166,814.1** | **36,330.5** |
| **(iv) Total Unallocable Liabilities exclude :** | | | | | | |
| Secured loans | 289,170.6 | 280,593.3 | 342,438.8 | 354,149.9 | 49,612.3 | 25,033.9 |
| Unsecured Loans | 270,201.3 | 250,410.2 | 256,566.2 | 182,097.5 | 199,643.0 | 8,740.4 |
| Provision for Employee Seperation Compensation | 9,167.7 | 9,636.7 | 10,424.1 | 10,800.5 | 11,183.0 | 14,025.6 |
| Foreign Currency Monetary Item Translation Difference Account | 1,450.1 | 2,069.5 | – | – | – | – |
| Deferred Tax Liability | 20,979.3 | 18,029.4 | 18,168.3 | 24,841.2 | 7,928.7 | 9,938.0 |
| Share Warrants Issued by a Subsidiary | 174.6 | 174.6 | 174.6 | 174.6 | 174.6 | – |
| Minority Interest | 9,243.0 | 8,843.4 | 8,974.0 | 8,368.2 | 6,021.1 | 1,276.5 |
| | **600,386.6** | **569,757.1** | **636,746.0** | **580,431.9** | **274,562.7** | **59,014.4** |

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

# MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion of the Company's financial condition and results of operations should be read in conjunction with the Company's consolidated financial statements, the schedules and notes thereto and the other information included elsewhere in this Red Herring Prospectus. The Company's financial statements are prepared in conformity with Indian GAAP. Indian GAAP and Indian auditing standards differ in certain respects from IFRS and the accounting principles and auditing standards in other countries with which prospective investors may be familiar.*

*This section contains forward-looking statements that involve risks and uncertainties. The Company's actual results may differ materially from those discussed in such forward-looking statements as a result of various factors, including those described under the sections "**Risk Factors**" and "**Forward-Looking Statements**" beginning on page XIV and xii of this Red Herring Prospectus, respectively.*

*The segment analysis provided in this section is only available on a total revenue basis, which includes inter segment revenue. Net sales are total revenue less inter segment revenue.*

## Overview

The Company is a global steel company headquartered in Mumbai, India, with operations in 26 countries and a commercial presence in nearly 50 countries. The Company has a presence across the entire value chain of steel manufacturing including producing and distributing finished products as well as mining and processing iron ore and coal for its steel production. The Company's operations are primarily focused in India and Europe and in other countries in Asia Pacific. According to WSA, the Company was the seventh largest steel company in the world in terms of crude steel production volume in 2009. As of March 31, 2010, the Company had approximately 81,000 employees.

The majority of the Company's steel production capacity is currently located in the United Kingdom and the Netherlands where the Company has four facilities with a total steel production capacity of 18.4 mtpa. The Company also has significant operations in Jamshedpur, India, where the Company operates a 6.8 mtpa steel production plant and a variety of finishing plants. The Company's Indian operations also include captive iron ore and coal mines. The remaining 2.0 mtpa of the Company's steel production capacity is located in Singapore and Thailand. The Company plans to further increase its production capacity by an additional 2.9 mtpa through the brownfield expansion of the Jamshedpur facility and is also planning to expand steel production capacity through greenfield investments.

The Company's business is currently divided into two main segments for financial reporting purposes: (1) the steel segment, which is the Company's principal business segment and includes predominantly the production and sale of finished and semi-finished steel products, including wires, and (2) the other operations segment, which includes the production and sale of ferro alloys, tubes, bearings, refractory products and pigments and also includes port operations, municipal services provided to the city of Jamshedpur, investment activities and trading revenue from steel trading by the Company's subsidiary, Tata Inc. Various items that cannot be included in either the steel segment or the other operations segment comprise the unallocable category. On a total revenues basis (including inter segment sales), the steel segment generated 87.8%, 88.4%, 88.8% and 89.1% of the Company's total revenues (including inter segment sales) in Financial Years 2008, 2009 and 2010 and the first half of Financial Year 2011, respectively. The Company's other operations segment contributed 11.4%, 10.6%, 9.9% and 9.8% of total revenues (including inter segment sales) in Financial Years 2008, 2009 and 2010 and the first half of Financial Year 2011, respectively. Unallocable items accounted for 0.8%, 1.0%, 1.3%, and 1.1% of total revenues (including inter segment sales) in Financial Years 2008, 2009 and 2010 and the first half of Financial Year 2011, respectively.

In Financial Years 2008, 2009 and 2010 and the first half of Financial Year 2011, the Company recorded net sales of Rs. 1,315,336 million, Rs. 1,473,293 million, Rs. 1,023,931 million and Rs. 558,399 million, respectively. The Company recorded profits after taxes, minority interests and share of profit of associates of Rs. 74,845 million and Rs. 35,042 million in Financial Years 2008 and 2009, respectively, a loss after taxes, minority interests and share of profit of associates of Rs. 20,147 million in Financial Year 2010 and a profit after taxes, minority interests and share of profit of associates of Rs. 37,978 million in the first half of Financial Year 2011. The Company had total assets of Rs. 1,213,678 million and total net worth of Rs. 277,416 million as of September 30, 2010.

**Key Factors Affecting the Results of Operations**

The primary factors affecting the Company's results of operations are:

- sales volume and steel prices;
- production cost;
- product mix;
- capacity expansions; and
- transition to IFRS starting in 2011.

See **"*Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations*"** on page 157 of this Red Herring Prospectus, for a discussion of the extent to which these factors have affected the Company's results of operations in the periods stated.

***Sales Volume and Prices***

The primary factors affecting the Company's results of operations are its sales volume and the price of steel. The Company derives its revenues primarily from the sale of finished steel products. The market for steel is substantially driven by changes in supply and demand in the global steel market, which are significantly affected by the state of the global economy and competition and consolidation within the steel industry. The Company's sales revenues also depend on the price of steel in the international markets. The global price of steel, in turn, depends upon a combination of factors, including the availability and cost of raw material inputs, worldwide production and capacity, fluctuations in the volume of steel imports, transportation costs, protective trade measures and various social and political factors. In recent years, China became the largest steel producing country in the world by a significant margin, with the balance between its domestic production and demand being an important factor in the determination of global steel prices. In addition, Chinese steel exports may have a significant impact on steel prices in markets outside of China, including in the markets that the Company operates.

Starting in September 2008, a steep downturn in the global economy, sparked by uncertainty in credit markets and deteriorating consumer confidence, sharply reduced global demand for steel products. This has had a pronounced negative effect, and to some extent continues to have a negative effect, on the Company's business and results of operations. The global economy has shown signs of recovery since the end of 2009 and in 2010, but should the recovery falter, the outlook of steel producers could again worsen. Global steel producers, including the Company, heavily rely on key consumers of steel products such as the construction, automotive, aerospace, packaging, appliance, machinery, equipment and transportation industries to purchase their products. These industries are in turn affected by the state of the markets in which they operate. Although the Company operates a globally diversified steel business, it derives a majority of its revenues from Europe and India. In Financial Year 2010, the European and Indian markets accounted for 46.4% and 26.2%, respectively of the Company's total net sales of steel products.

The global economic downturn generally had a negative effect on all markets, but it has had a varying degree of impact on different markets, and of particular importance to the Company, on India and Europe. India's economy continued to grow at a relatively robust rate in 2009 although at a substantially slower rate than prior to the global financial crisis. Despite a decrease in the price of steel in India due to the global downturn, demand for steel products in India remained high in 2009 and, according to WSA, along with China, India was the only major region where apparent steel consumption increased in 2009 compared to 2008. In addition, along with China and the Middle East, India was the only major region where total steel production increased in 2009 compared to 2008. See "***Industry Overview—Global Steel Industry—Global Steel Production****" and* "***Industry Overview—Global Steel***

***Industry—Global Steel Consumption***." Although the Indian steel market has been less affected by the global economic downturn, should the global recovery falter, there is no assurance that such market conditions will not have a material impact on the Company's Indian operations and its results of operations.

The global financial crisis has severely impacted the European economy and the European steel industry and market. According to WSA, crude steel production in the EU27 decreased from 198.0 mt in 2008 to 138.8 mt in 2009 and apparent steel consumption decreased from 182.3 mt in 2008 to 118.7 mt in 2009. See "***Industry Overview—Global Steel Industry—Global Steel Production***" *and* "***Industry Overview—Global Steel Industry—Global Steel Consumption***." In addition, the European economy and the European steel industry and market have been slower to recover from the global economic downturn than the economies and steel industries and markets of other regions. The European construction industry, a key consumer of steel products, including the Company's, has been particularly severely affected and has not fully recovered from the recession, which has adversely impacted, and continues to negatively affect, the Company's operations in Europe. In addition, several European countries including Ireland, Greece and Portugal are showing increasing signs of fiscal stress and may experience difficulties in meeting their debt service requirements. There is no assurance that the economic conditions in Europe will improve or that it will not further deteriorate in the near future. Any protracted declines in steel consumption caused by poor economic conditions in Europe, India or any of the Company's other markets or the deterioration of the business or financial condition of its key customers would have a material and adverse impact on the Company's sales revenues.

In recent years, there has been a trend toward industry consolidation among steel producers. For example, consolidation of Mittal and Arcelor in 2006 created a company that continues to be the largest producer in the world, representing 6.3% of global steel production in 2009, according to WSA. Competition from global steel manufacturers with expanded production capacity such as ArcelorMittal and new market entrants, especially from China and India, could result in significant price competition, declining margins and reductions in revenue. Larger competitors may also use their resources against the Company in a variety of ways, including by making additional acquisitions, investing more aggressively in product development and capacity and displacing demand for the Company's export products. If competition increases due to the further consolidation among steel producers or the market entry of new competitors, it could materially and adversely impact the Company's results of operations.

***Production Costs***

After revenues, production costs are the most significant factor affecting the Company's results of operations. The Company's principal production costs are raw material costs, purchases of semi-finished steel, labour related expenses and other production-related costs such as freight, repairs to machinery and energy costs. The Company, except for its Indian operations, primarily purchases its raw materials on the open market from third parties. The Company is therefore subject to fluctuations in prices of raw materials. In particular:

- TSE purchased 100% of its iron ore and coal requirements from international markets during Financial Year 2010.
- The Company's Indian operations are generally self-sufficient in terms of iron ore used in their production processes, but approximately 51% of their coal requirements were purchased from international markets in Financial Year 2010.
- The Company's NatSteel subsidiary purchased 100% of its scrap requirements from third parties in Financial Year 2010. The Company's Tata Steel Thailand subsidiary also purchased 100% of its scrap requirements and a small percentage of its semi-finished steel requirements from third parties to supplement its own production in Financial Year 2010.

The availability and prices of raw materials may be negatively affected by, among other factors: new laws or regulations; suppliers' allocations to other purchasers; business continuity of suppliers; interruptions in production by suppliers; accidents or other similar events at suppliers' premises or along the supply chain; wars, natural disasters and other similar events; fluctuations in exchange rates; consolidation in steel-related industries; the bargaining power of raw material suppliers, and the availability and cost of transportation. The raw materials industry is highly concentrated and suppliers in recent years have had significant pricing power, as was the case during 2007 and the first half of 2008, when demand peaked at record levels. Further consolidation among suppliers would exacerbate this trend. Starting in 2010, certain suppliers of iron ore and metallurgical coal, including suppliers to the Company, have moved to quarterly fixed-price schemes from annual fixed prices, increasing the Company's exposure to production cost and price volatility. Increases in production costs which the Company cannot pass on to its customers will adversely impact the Company's results of operations. In addition, exposure to raw material price volatility may also reduce the Company's access to reliable supplies of raw materials. In order to reduce its exposure to market price fluctuations of raw materials, the Company plans to increase its steel production capacity at its facilities in India so as to be able to supply a larger portion of the steel requirements of its TSE, NatSteel and Tata Steel Thailand subsidiaries.

The following table sets forth the Company's cost of materials for the periods indicated:

| | Financial Year | | | First half of Financial Year 2011 |
|---|---|---|---|---|
| | **2008** | **2009** | **2010** | |
| | **(Rs. million)** | | | |
| Raw materials consumed | 332,593 | 415,317 | 310,045 | 172,145 |
| Purchase of steel, semi-finished steel and other products ...... | 269,694 | 314,059 | 130,870 | 72,698 |
| **Total cost of materials** ........................................................ | **602,287** | **729,377** | **440,915** | **244,843** |

In addition, energy costs, including the cost of electricity and natural gas, represent a substantial portion of the cost of goods sold by steel companies generally, including the Company. Historically, energy prices have varied significantly, and this trend may continue due to market conditions and other factors beyond the control of steel companies. Because the production of direct reduced iron and the re-heating of steel involve the use of significant amounts of energy, steel companies are sensitive to energy prices and are dependent on having access to reliable supplies. As a result, even moderate increases in energy prices can have a significant effect on the Company's operations.

Labour related expenses and other production-related costs such as freight and repairs to machinery also constitute a large portion of the Company's total expenditure. Although these costs are not subject to the same level of volatility as raw material and energy costs which fluctuate significantly depending on market conditions, the relatively inflexible nature of such costs can have a material adverse impact on the Company's profitability during times of low volumes of operations because such costs cannot be reduced to the same level as the Company's lower production volume. In particular, a substantial majority of the Company's total labour related expenses arise from its European operations where the Company has the majority of its steel production and where wages are higher compared to the other regions in which it operates.

***Product Mix***

The Company's product mix also affects the Company's revenues. In general, a higher percentage of high value added product sales impacts the Company's revenues favourably, as such products tend to have higher prices and profit margins than other products. For example, within the flat product category, cold rolled, galvanised and tinplate products command higher prices and margins, while in the long products category, wires are considered to be high value added products. The Company's operations at TSE produce a higher percentage of high value added products relative to its Indian and other operations. The Company is also developing its Indian operations with the aim of increasing its percentage of high value added products to supply markets such as the automobile industry.

***Capacity Expansions***

The Company is continuing to expand its operations organically. Expansion programmes generally entail significant capital and operating expenditures, including cash consideration paid or debt incurred in connection with the expansion, marketing of new products and services and the addition of new employees. If successful, expansion programmes may lead to significant production and sales growth. Accordingly, expansion initiatives affect the comparability of the results of operations for different periods.

The Company's current growth strategy is focused on expanding its Indian operations in order to take advantage of the lower production costs at its Indian facilities. See "***Business—Key Strengths—Cost Competitiveness of the Company's Indian Operations***" and "***Business—Strategy—Increase Capacity in India***" on the pages 66 and 67 of this Red Herring Prospectus, respectively. In recent years, the Company has increased its Indian operations mainly through the expansion of its production facilities in Jamshedpur. In May 2008, the Company completed a 1.8 mtpa expansion of its steel production capacity at Jamshedpur from 5.0 mtpa to 6.8 mtpa. The Company is planning to further increase its steel products production capacity at Jamshedpur by 2.9 mtpa. The total capital expenditures expected to be incurred in connection with this brownfield expansion programme are approximately Rs. 163,720 million.

### *Transition to IFRS Starting in 2011*

The Institute of Chartered Accountants of India has announced a road map for the adoption of, and convergence with, the International Financial Reporting Standards, or IFRS, pursuant to which the Company will be required to prepare its annual and interim financial statements under IFRS beginning with the fiscal period commencing April 1, 2011. There is still a significant lack of clarity on the adoption of and convergence with IFRS. The Company has begun the process of determining the impact that such adoption will have on its financial reporting and has identified certain key areas, including (1) property, plant and equipment, (2) equity, (3) investments and (4) depreciation, which may be significantly impacted by the adoption of IFRS. Consequently, the financial condition, results of operations (including in particular, the Company's profitability), cash flows or changes in shareholders' equity of the Company may appear materially different under IFRS than under Indian GAAP.

## Critical Accounting Policies

The Company has identified the accounting policies summarised below as critical to an understanding of its financial condition and results of operations. In order to prepare the financial statements of the Company, estimates and judgments are used based on, amongst others, industry trends, the Company's experience and the terms of existing contracts, which are subject to an inherent degree of uncertainty. While the Company believes its estimates and judgments to be reasonable under the circumstances, there can be no assurance that the Company's judgments will prove correct or that actual results reported in future periods will not differ from expectations reflected in the Company's accounting treatment of certain items. In addition, other companies may utilise different accounting policies, which may impact the comparability of the Company's results of operations to those of companies in similar businesses. For a full discussion of the Company's significant accounting policies, see page F-63 of this Red Herring Prospectus.

### *Employee Benefits*

Discounting rates: The market rate of government bonds as on the date of the balance sheet are used as the discounting rates for discounting the estimated liability of the long term employee benefits (including post employment benefits) to the current value.

Actuarial gains and losses: The actuarial gains and losses in respect of the long term employee benefits (including post employment benefits) are recognised in the Company's Profit and Loss account except for in TSE where the actuarial gains and losses on pension liabilities are accounted for in Reserves and Surplus on account of the potential volatility caused by the changes in assumptions for computation of the pension liabilities.

Mortality rates: Mortality rates are based on actual and projected experience.

Rate of increase in pay: The rate of increment reflects the Company's long-term outlook.

***Fixed Assets and Depreciation***

Depreciation is provided on fixed assets based on rates specified in Schedule XIV of the Companies Act, 1956, or based on estimated useful lives, whichever is higher. Capital assets which ownership does not vest in the Company are depreciated over their estimated useful life or five years, whichever is less. The depreciable lives of the fixed assets are determined based on the useful lives of the assets. The useful lives are estimated based on industry practice, historical trends, and best estimates of future market and operating conditions. Impairment tests of assets are done periodically and in case of any indications that the carrying amounts of the assets are more than the recoverable amount, the assets are impaired. The Company makes a number of significant assumptions and estimates when applying its impairment test. Results in actual operations or transactions could differ from estimates used to evaluate the impairment of assets. All fixed assets are valued at cost less depreciation. Blast furnace relining is capitalised.

***Inventory Valuation***

Finished and semi-finished products, work-in-progress, raw materials and stores and spare parts are valued at cost or net realisable price, whichever is lower. Costs of inventories are generally ascertained on a weighted average basis while the finished and semi-finished products along with work-in-progress are valued on full absorption cost basis. In case of identified obsolete and non-moving items, provisions are made in the books of accounts for the stores and spare parts.

***Foreign Currency Transactions***

Foreign currency transactions and forward exchange contracts used to hedge foreign currency transactions are recognised at the spot rate on the date of the relevant transaction/contract. Monetary assets and liabilities relating to foreign currency transactions and forward exchange contracts remaining unsettled at the year-end are translated at year-end rates. With respect to the Company's Indian operations (including the Company's Indian subsidiaries and joint ventures), the effect of exchange differences on the Company's foreign currency loans are accounted by adding or reducing the costs of the assets so far as they relate to the depreciable capital assets, and in other cases by transferring to the Foreign Currency Monetary Items Translation Difference Account to be amortised over the balance period of the long-term monetary items or period up to the end of the following Financial Year, whichever is earlier. This policy is followed in accordance with the Companies (Accounting Standards) Amendment Rules 2009 relating to Accounting Standard 11 (AS-11) notified by the Indian Government on March 31, 2009.
The difference in translation of foreign currency and forward exchange contracts used to hedge foreign currency transactions, other than in cases mentioned in the preceding paragraph, and realised gains and losses (other than those relating to fixed assets) are recognised in the Company's Profit and Loss account. Derivatives other than the forward exchange contracts used to hedge foreign currency transactions are marked to market at the balance sheet date and losses if any are recognised in the Company's Profit and Loss account.

Changes in fair value of cash flow hedges against highly probable forecast transaction and firm commitments are accounted for in Reserves and Surplus in the absence of any operative Indian accounting standard on the subject.

***Investments***

Long term investments are carried at cost less diminution (other than temporary diminution) in value of such investments. Current investments are valued at cost or fair value, whichever is lower. In case of an investment company (as is the case with one of the subsidiaries of the Company), stock in trade is valued at cost or market quotation of each scrip whichever is lower.

**Recent Changes in Accounting Policies**

The actuarial gains and losses on funds of employee benefits (pension plans) of TSE for the period from April 1 2008 have been accounted in Reserves and Surplus in the consolidated financial statements in accordance with IFRS principles and as permitted by AS21. This treatment is consistent with the accounting principles followed by Tata Steel Europe and earlier by Corus Group plc. under IFRS. Had the Company followed the previous practice of recognizing changes in actuarial valuations of pension plans of TSE in the Profit and Loss account, the consolidated profit after taxes, minority interest and share of profit of associates for Financial Year 2009 would have been lower by Rs. 54,966 million, the consolidated loss after taxes, minority interest and share of profit of associates for Financial Year 2010 would have been higher by Rs. 35,412 million, and the consolidated profit after taxes, minority interest and share of profit of associates for the first half of Financial Year 2011 would have been lower by Rs. 9,604 million.

The Company and its Indian subsidiaries adopted the Companies (Accounting Standards) Amendment Rules 2009 relating to Accounting Standard AS11 during the last quarter of Financial Year 2009. Consequently, (1) in the Company's consolidated results, exchange translation loss of Rs. 548 million for Financial Year 2009 and exchange translation gain of Rs. 514 million for Financial Year 2010 have been adjusted to the carrying value of capital assets, (2) Rs. 308 million and Rs. 857 million of amortisation of cumulative net loss during Financial Years 2009 and 2010, respectively, have been charged to the Company's Profit and Loss account, (3) the consolidated profit after taxes, minority interest and share of profit of associates for Financial Year 2009 was higher by Rs. 8,996 million, and (4) the consolidated loss after taxes, minority interest and share of profit of associates for Financial Year 2010 was higher by Rs. 5,770 million.

The Company changed its accounting policy from April 1, 2009 for accounting of derivatives in the consolidated accounts. In the absence of any operative Indian Accounting Standard on the subject, changes in fair value of outstanding derivative instruments designated as cash flow hedges against firm commitments and highly probable forecast transactions which were hitherto accounted in the Profit and Loss account have now been accounted in Reserves and Surplus in accordance with IFRS principles and the proposed Accounting Standard AS30. Consequently, the consolidated loss after taxes, minority interest and share of profit of associates for Financial Year 2010 was higher by Rs. 615 million.

**Recent Development and Outlook**

***Update on Market Trend and Performance***

The general recovery of the global steel industry during the last quarter of Financial Year 2010 and the first quarter of Financial Year 2011, which resulted in an increase in global steel prices and an increase in global demand for steel products, began to stall in certain key markets for steel products, including Europe, during the second quarter of Financial Year 2011, and this trend has continued into the third quarter of Financial Year 2011. In particular, the European market has experienced a period of weak demand for steel products beginning in the second quarter which continued into the third quarter of Financial Year 2011 due to, among other factors, seasonal slowdown and the weak conditions in the European construction industry. The Indian steel market continued to show strong demand during the third quarter of Financial Year 2011, but steel prices remained largely flat compared to the previous quarter, in part due to the effects of the global economic conditions affecting global steel prices. In addition, raw material (in particular, coking coal and iron ore) prices increased in the second quarter of Financial Year 2011.

In the third quarter of Financial Year 2011, the Company's Indian operations produced 1.75 million tonnes of saleable steel. The volume of steel products sold by the Indian operations was 1.637 million tonnes, approximately 3% higher compared to the corresponding period of the prior Financial Year and approximately 1% lower than the second quarter of Financial Year 2011. The pricing environment in India in the third quarter was mixed, with prices for flat products being marginally lower compared to the second quarter, while prices for certain long products increased.

The Company's European operations produced 3.7 million tonnes of liquid steel in the third quarter of Financial Year 2011 and recorded volume of steel products sold of 3.5 million tonnes, approximately 8% lower compared to the corresponding period of the prior Financial Year and approximately 1% lower compared to the second quarter of Financial Year 2011. While production and sales volumes in the third quarter were generally in line with the first half of Financial Year 2011, the improvements in the financial performance in the first half of Financial Year 2011 could not be maintained as higher raw material prices and reduced apparent demand due to seasonal slowdown, amongst other factors, adversely affected margins at the Company's European operations.

The Company's South East Asian operations manufactured 721 kt of products in the third quarter of Financial Year 2011, which was approximately 1% lower than the previous quarter, and recorded volume of products sold of 776 kt, approximately 14% lower compared to the corresponding period of the prior Financial Year and approximately 2% lower than the second quarter of Financial Year 2011. The South East Asian operations were marginally affected in the third quarter compared to the second quarter of Financial Year 2011 by rising scrap prices and a delayed increase in finished product prices.

Due to the factors described above, the volume of steel products sold by the Company on a consolidated basis declined marginally compared to the second quarter of Financial Year 2011; with the pricing environment in the third quarter, the Company expects that net sales for the third quarter will be flat compared to the second quarter of Financial Year 2011. Due to the increased raw material prices experienced in the third quarter, the Company further expects its operating results for the third quarter to decline somewhat in comparison to the second quarter.

The expected trends in the Company's operating results for the third quarter of Financial Year 2011 mentioned above are the Company's current expectations of its results based on its internal management reports for such period, and have not been audited. Actual results may be different from the Company's current expectations as of the date of this Red Herring Prospectus, described above. In addition, such trends may not be indicative of the Company's performance for the fourth quarter or for the full Financial Year 2011.

***Update on Production Facilities***

On December 27, 2010, a fire occurred in one of the Company's pickling lines at the IJmuiden plant in the Netherlands. The fire was extinguished without any injuries to any employees, and there was no interruption to the iron and steel making operations since the line was not operating at the time of the fire. Although the Company expects customer deliveries to be met by diverting scheduled production to alternative facilities, the Company has declared force majeure on deliveries of certain strip products from the IJmuiden site.

**Results of Operations**

***Consolidated Financial Results; Overview of the Company***

The following tables set forth selected financial information for the Company, including as a percentage of net sales, for the periods indicated:

| | Financial Year | | | | | | First half of Financial Year 2011 | |
|---|---|---|---|---|---|---|---|---|
| | 2008 | | 2009 | | 2010 | | | |
| | Rs. million | % | Rs. million | % | Rs. million | % | Rs. million | % |
| Net Sales | 1,315,336 | 100.0% | 1,473,293 | 100.0% | 1,023,931 | 100.0% | 558,399 | 100.0% |
| Add: Other Income | 4,759 | 0.4% | 2,657 | 0.2% | 11,859 | 1.2% | 8,737 | 1.6% |
| Total Income | 1,320,095 | 100.4% | 1,475,949 | 100.2% | 1,035,790 | 101.2% | 567,136 | 101.6% |
| Total Expenditure | 1,219,736 | 92.7% | 1,367,572 | 92.8% | 1,018,643 | 99.5% | 511,183 | 91.5% |
| Cost of Materials | 602,287 | 45.8% | 729,377 | 49.5% | 440,915 | 43.1% | 244,843 | 43.8% |
| Payment to and Provision for Employees | 168,996 | 12.8% | 179,751 | 12.2% | 164,630 | 16.1% | 76,046 | 13.6% |
| Manufacturing, Selling and Other Expenses | 382,721 | 29.1% | 363,127 | 24.6% | 331,359 | 32.4% | 173,647 | 31.1% |
| Other expenditure(1) | 65,732 | 5.0% | 95,318 | 6.5% | 81,738 | 8.0% | 16,647 | 3.0% |
| Profit before Exceptional Items and Tax | 100,360 | 7.6% | 108,378 | 7.4% | 17,147 | 1.7% | 55,953 | 10.0% |
| Exceptional Items(2) | 63,351 | 4.8% | (40,945) | 2.8% | (16,837) | 1.6% | (915) | 0.2% |
| Provision for Taxation | 40,493 | 3.1% | 18,940 | 1.3% | 21,518 | 2.1% | 17,454 | 3.1% |
| Net Profit / (Loss) after Tax (Before Adjustment) | 123,218 | 9.4% | 48,492 | 3.3% | (21,208) | 2.1% | 37,584 | 6.7% |
| Adjustments | (48,651) | 3.7% | (14,483) | 1.0% | (78) | 0.0% | (65) | 0.0% |
| Net Profit / (Loss) after Adjustments | 74,567 | 5.7% | 34,009 | 2.3% | (21,286) | 2.1% | 37,519 | 6.7% |

| | Financial Year | | | | | | First half of Financial Year 2011 | |
|---|---|---|---|---|---|---|---|---|
| | 2008 | | 2009 | | 2010 | | | |
| | Rs. million | % | Rs. million | % | Rs. million | % | Rs. million | % |
| Less: Minority Interest | 1,403 | 0.1% | (425) | 0.0% | 130 | 0.0% | (40) | 0.0% |
| Add: Share of Profits of Associates | 1,682 | 0.1% | 607 | 0.0% | 1,269 | 0.1% | 419 | 0.1% |
| Profit / (Loss) as Restated after Minority Interest and Share of Profits of Associates | 74,845 | 5.7% | 35,042 | 2.4% | (20,147) | 2.0% | 37,978 | 6.8% |

(1) Other expenditure includes (1) accretion/(reduction) in stock of finished and semi-finished products and work-in-progress, (2) net finance charges and (3) depreciation expense.

(2) Exceptional items include (1) restructuring costs, (2) contribution for sports infrastructure, (3) exchange gain/(loss) and (4) actuarial gains.

***Six months Ended September 30, 2010***

*Net Sales*

Net sales comprise sales of products and services less excise duty. On a segmental basis, total revenues comprise net sales and inter-segment revenues. The Company's net sales were Rs. 558,399 million in the first half of Financial Year 2011. The contribution of TSE to net sales was Rs. 360,979 million and TSL's contribution to net sales was Rs. 197,420 million.

During the first half of Financial Year 2011, the volume (in tonnage) of steel products sold by the Company was marginally higher than for the six months ended September 30, 2009, but declined on a sequential basis compared to the six months ended March 31, 2010. In a reflection of global economic conditions, the overall decline was a result of a decline in the volume of sales by the Company's European operations, which was partly offset by an increase in deliveries by the Company's Indian operations. The overall decline in sales volume on a consolidated basis was more than offset, however, by an increase in the average selling price of the Company's steel products, with the result that the Company's net sales for the first half of Financial Year 2011 increased in comparison to the six months ended September 30, 2009. The increase in average selling prices reflected a recovery of the steel industry and markets globally in this period, although certain of the Company's markets (including key industries such as the construction industry in Europe) remained (and continue to be) depressed during this period.

Business Segments

The following table presents the Company's total revenues (including inter-segment sales which are not included in net sales) by segment for the period indicated:

| | First half of Financial Year 2011 |
|---|---|
| | (Rs. millions) |
| Steel | 534,891 |
| Other operations | 58,775 |
| Unallocable | 6,899 |
| Total revenues | 600,565 |
| Inter segment revenue | (42,166) |
| Net sales | 558,399 |

Steel Segment

Revenues from the steel segment principally consist of sales of finished and semi-finished steel, which consist of strip products, long products, and distribution and building solutions at TSE, flat products and long products at TSL and long products at NatSteel Holdings and Tata Steel Thailand.

Steel segment total revenues were Rs. 534,891 million in the first half of Financial Year 2011, consisting of TSE's steel segment revenues of Rs. 339,800 million and TSL's steel segment revenues of Rs. 181,579 million.

Other Operations Segment

Revenues of the other operations segment primarily consist of sales of ferro alloy products at the Company's Indian operations and tubes products of TSE. Revenues from this segment were Rs. 58,775 million in the first half of Financial Year 2011.

Unallocable Items

Revenues from unallocable items primarily consisted of income from services provided by the research and development department of TSE. Total revenues of unallocable items were Rs. 6,899 million in the first half of Financial Year 2011.

*Manufacturing and Other Expenses*

Total manufacturing and other expenses comprises total expenditure less depreciation and net finance charges as shown in the Company's Restated Consolidated Profit and Loss Account on page F-49 of this Red Herring Prospectus.

The following table sets forth the Company's total manufacturing and other expenses for the periods indicated:

| | **First half of Financial Year 2011** |
|---|---|
| | (Rs. millions) |
| Cost of materials | 244,843 |
| Accretion/(reduction) in stocks of finished and semi-finished products and work-in-progress | (17,187) |
| Payment to, and provision for, employees | 76,046 |
| Manufacturing, selling and other expenses | 173,647 |
| Total manufacturing and other expenses | 477,349 |

The Company's total manufacturing and other expenses were Rs. 477,349 million in the first half of Financial Year 2011. As a percentage of net sales, the Company's total manufacturing and other expenses was 85.5% in the first half of Financial Year 2011.

Cost of Materials

Cost of materials comprises raw materials consumed and purchases of finished and semi-finished steel and other products.

Cost of materials was Rs. 244,843 million in the first half of Financial Year 2011, which consisted of raw materials consumed in the amount of Rs. 172,145 million and purchase of finished steel, semi-finished steel and other products of Rs. 72,698 million. During the first half of Financial Year 2011, driven by higher demand that resulted from a recovery of the global economy as well as the global steel and raw material markets, steel and raw material prices increased which raised the Company's cost of materials.

Payments to, and Provisions for, Employees

Payments to, and provisions for, employees comprises wages and salaries, including bonuses and the Company's contributions to provident and other funds, and amounted to Rs. 76,046 million in the first half of Financial Year 2011. The average number of employees of the Company declined during the first half of Financial Year 2011 resulting in a decrease to the Company's obligations to pay wages, salaries and bonuses. This reduction in employees resulted from workforce reductions by TSE including those relating to the mothballing of the Teesside facility.

Manufacturing, Selling and Other Expenses

Manufacturing, selling and other expenses comprise all manufacturing and other expenses other than cost of materials, payments to, and provision for, employees and accretion/(reduction) in stocks of finished and semi-finished products and work-in-progress, and includes operation and other expenses, freight and handling charges and provision for doubtful debts and advances less expenditure (other than net finance charges) transferred to capital and other accounts.

Manufacturing, selling and other expenses were Rs. 173,647 million in the first half of Financial Year 2011, which included principally the following:

- Expenditure for stores and spare parts of Rs. 34,976 million;
- Freight and handling charges of Rs. 30,536 million;
- Repairs to machinery amounting to Rs. 23,362 million;
- Purchase of power of Rs. 19,680 million; and
- Rent fees of Rs. 13,003 million.

Segmental Analysis of Gross Expenditures

The following table sets forth the Company's gross expenditures by segment (including depreciation but before adjustments for inter-segment transfers) for the periods indicated:

| | **First half of Financial Year 2011** |
|---|---|
| | (Rs. millions) |
| Steel | 472,003 |
| Other operations | 53,362 |
| Unallocable | 14,922 |
| Total gross expenditure | 540,287 |
| Less: Inter segment expenditure | (41,619) |
| Total expenditure (excluding net finance charges) | 498,668 |

*Steel Segment*. Steel segment gross expenditures were Rs. 472,003 million in the first half of Financial Year 2011. Within the steel segment, gross expenditures were 88.2% of total revenues in the first half of Financial Year 2011.

*Other Operations*. Gross expenditures in the other operations segment were Rs. 53,362 million in the first half of Financial Year 2011. Within the other operations segment, gross expenditures were 90.8% of total revenues in the first half of Financial Year 2011.

*Unallocable Items*. Gross expenditures for unallocable items were Rs. 14,922 million in the first half of Financial Year 2011.

*Other Income*

The Company recorded other income of Rs. 8,737 million in the first half of Financial Year 2011, which related principally to profit on sale of long term investments in Tata Steel India and NatSteel Holdings, profit on sale of capital assets and gain from swaps and cancellation of forward contracts.

*Depreciation Expense*

Depreciation expense, mainly relating to the depreciation of plants and machineries, buildings and equipment, amounted to Rs. 21,220 million in the first half of Financial Year 2011.

*Net Finance Charges*

Net Finance charges amounted to Rs. 12,613 million in the first half of Financial Year 2011. TSL's net finance charges accounted for 43%, and TSE's net finance charges accounted for 57%, of the total net finance charges, respectively.

*Exceptional Items*

In the first half of Financial Year 2011, exceptional items consisted of restructuring costs of Rs. 915 million relating to impairment of assets and restructuring arising out of the 'Fit for the Future' programme at TSE.

*Provision for Tax*

Provision for tax comprises current tax, deferred tax and fringe benefits tax, as shown in the Company's Restated Consolidated Profit and Loss Account on page F-49, and amounted to Rs. 17,454 million in the first half of Financial Year 2011. The Company's effective tax rate, which is income tax expense as a percentage of profit before tax, was 31.7% during the first half of Financial Year 2011.

*Profit after Taxes*

As a result of the factors set forth above, the Company's profit after taxes, minority interest and share of profit of associates amounted to Rs. 37,978.0 million in the first half of Financial Year 2011.

***Financial Year 2010 Compared to Financial Year 2009***

*Net Sales*

The Company's net sales in Financial Year 2010 decreased by 30.5%, or Rs. 449,362 million, to Rs. 1,023,931 million from Rs. 1,473,293 million in Financial Year 2009. The decrease in sales was primarily attributable to a 39.9%, or Rs. 437,271 million, decrease in net sales of TSE in Financial Year 2010 to Rs. 658,426 million from Rs. 1,095,697 million in Financial Year 2009, which mainly resulted from the effects of the steep downturn in the global economy beginning in September 2008 that continued into 2009 and which, to a certain extent, continues have an effect on the steel industry. The weak global economic conditions sharply reduced global demand for the Company's steel products, especially in Europe, which is the Company's largest market, as the Company's major customers such as the automotive industry and the construction industry sharply reduced their production. The decrease in demand also affected global steel prices which decreased sharply until April 2009 before beginning a gradual recovery. The decrease in global steel prices had a significant impact on the average selling price of the Company's products. Such decrease was offset in part by a 2.9%, or Rs. 7,062 million, increase in the net sales of Tata Steel India in Financial Year 2010 to Rs 250,220 million from Rs. 243,158 million in Financial Year 2009, as India, the Company's second largest market, was less affected by the global recession and its economy continued to grow, which led to an increase in demand for steel products in India, although at lower prices, in Financial Year 2010.

Due to the impact of the global economic conditions described above, the Company's sales volume of steel products decreased in Financial Year 2010 compared to the prior Financial Year. The principal cause of such decrease was the decrease in the sales volume of steel products of the Company's European operations, which was offset in part by an increase in the sales volume of steel products of the Company's Indian operations. In addition, in Financial Year 2010 as compared to the prior Financial Year, the average selling price of the Company's steel products decreased substantially due to a significant decrease in global steel prices which also negatively impacted the Company's net sales.

The following table presents the Company's total revenues (including inter segment sales which are not included in net sales) by segment for the periods indicated:

| | **Financial Year** | |
|---|---|---|
| | **2009** | **2010** |
| | (Rs. millions) | |
| Steel | 1,380,986 | 973,889 |
| Other operations | 165,613 | 108,771 |
| Unallocable | 16,137 | 14,291 |
| Total revenues | 1,562,736 | 1,096,951 |
| Less: Inter segment revenue | (89,443) | (73,020) |
| Net sales | 1,473,293 | 1,023,931 |

Steel Segment

Steel segment total revenues were Rs. 973,889 million in Financial Year 2010, a 29.5%, or Rs. 407,097 million, decrease from Rs. 1,380,986 million in Financial Year 2009. The decrease in steel segment revenues resulted primarily from a decrease in TSE's steel segment revenues by 38.5%, or Rs. 390,516 million (95.9% of the total decrease), from Rs. 1,015,242 million in Financial Year 2009 to Rs. 624,726 million in Financial Year 2010 and a decrease in TSL's steel segment revenues by 4.8%, or Rs. 16,581 million, from Rs. 365,744 million in Financial Year 2009 to Rs. 349,163 million in Financial Year 2010. These decreases resulted primarily from a decrease in the sales volume as well as a decreased in the average selling price of the Company's steel products.

Other Operations Segment

Total revenues of the other operations segment were Rs. 108,771 million in Financial Year 2010, a 34.3%, or Rs. 56,842 million, decrease from Rs. 165,613 million in Financial Year 2009. The decrease in other operations revenue resulted primarily from a decrease in the sale of tubes and aluminium products of TSE.

Unallocable Items

Revenues from unallocable items primarily consisted of income from services provided by the research and development department of TSE. Total revenues of unallocable items were Rs. 14,291 million in Financial Year 2010, a 11.4%, or Rs. 1,846 million, decrease from Rs. 16,137 million in Financial Year 2009.

*Total Manufacturing and Other Expenses*

Total manufacturing and other expenses comprises total expenditure less depreciation and net finance charges. The following table sets forth the Company's total manufacturing and other expenses for the periods indicated:

| | Financial Year | |
|---|---|---|
| | 2009 | 2010 |
| | (Rs. millions) | |
| Cost of materials | 729,377 | 440,915 |
| Accretion/(reduction) in stocks of finished and semi-finished products and work-in-progress | 19,762 | 6,600 |
| Payment to, and provision for, employees | 179,751 | 164,630 |
| Manufacturing, selling and other expenses | 363,127 | 331,359 |
| Total manufacturing and other expenses | 1,292,017 | 943,504 |

The Company's total manufacturing and other expenses were Rs. 943,504 million in Financial Year 2010, a 27.0%, or Rs. 348,513 million, decrease from Rs. 1,292,017 million in Financial Year 2009. Total manufacturing and other expenses decreased primarily due to a decrease of Rs. 288,462 million in cost of materials which resulted from the Company's lower volume of operations in response to the weak global economic conditions which led to a substantial decrease in demand for the Company's products. As a percentage of net sales, total manufacturing and other expenses were 87.7% and 92.1% in Financial Year 2009 and 2010, respectively. However, total manufacturing and other expenses did not decrease to the same extent as the Company's net sales primarily because its payments to, and provisions for, employees as well as other manufacturing expenses including expenditure for stores and spare parts, repairs to machinery and freight charges are less flexible in terms of the Company's ability to adjust them to its volume of operations, and therefore did not decrease to the same extent as the Company's steel products sales.

Cost of Materials

Cost of materials were Rs. 440,915 million in Financial Year 2010, a 39.5%, or Rs. 288,462 million, decrease from Rs. 729,377 million in Financial Year 2009. The primary factors causing the decrease in material expenses were a decrease in the purchase of finished steel, semi-finished steel and other products and in the raw materials consumed (primarily iron ore, coal and coke).

The purchase of finished steel, semi-finished steel and other products amounted to Rs. 130,870 million in Financial Year 2010, a 58.3%, or Rs. 183,189 million, decrease from Rs. 314,059 million in Financial Year 2009. The total decrease in the purchase of finished steel, semi-finished steel and other products was mainly due to a decrease in purchases at TSE, which decreased by Rs. 155,670 million (85.0% of total decrease) as compared to the previous Financial Year due to lower volume of operations resulting from a decrease in demand.

Raw materials consumed amounted to Rs. 310,045 million in Financial Year 2010, a 25.4%, or Rs. 105,272 million, decrease from Rs. 415,317 million in Financial Year 2009. The total decrease in raw materials consumed was mainly due to a decrease in raw materials consumed at TSE, which decreased by Rs. 103,636 million (98.4% of total decrease) as compared to the previous Financial Year. The decrease was primarily due to a decline in the volume of operations at TSE along with reduction in prices of major raw materials. At Tata Steel India, raw material consumption remained relatively stable as the reduction in raw materials consumed due to lower cost of coke and lower prices of imported coal was largely offset by an increase in coal consumption to support increased productions and higher costs of manganese ore used in the Ferro Alloys division.

Payments to, and Provisions for, Employees

Payments to, and provisions for, employees were Rs. 164,630 million in Financial Year 2010, a 8.4%, or Rs. 15,121 million, decrease from Rs. 179,751 million in Financial Year 2009. The decrease was primarily attributable to reduced overtime and bonus payments in TSE arising out of the 'Weathering the Storm' programme as well as the reduction in the number of employees from the 'Fit for the Future' restructuring programme.

The total number of employees of the Company declined from 86,548 as of March 31, 2009 to 81,269 as of March 31, 2010. This decrease occurred primarily at TSE, where the number of employees declined from 40,700 to 35,400. During the same period, the number of employees at Tata Steel India declined from 34,918 to 34,101.

Manufacturing, Selling and Other Expenses

Manufacturing, selling and other expenses were Rs. 331,359 million in Financial Year 2010, a 8.7%, or Rs. 31,768 million, decrease from Rs. 363,127 million in Financial Year 2009. This decrease was primarily a result of decreases in purchases of power, expenditures for stores and spare parts, rent, repairs to machinery and freight and handling charges.

Purchase of power amounted to Rs. 40,517 million in Financial Year 2010, a 31.9%, or Rs. 19,018 million, decrease from Rs. 59,535 million in Financial Year 2009, due principally to a decrease of Rs. 22,658 million at TSE due to a lower volume of operations and savings arising from the use of offpeak energy as part of the "Weathering the Storm" programme. Such decrease was in part offset by an increase in the purchased power expenses of Tata Steel India, primarily as a result of higher power consumption to support increased production along with revision of fuel surcharge by DVC, a power supplying unit, and an increase in purchased power tariff by regulatory committee at Jharkhand India.

Expenditure for stores and spare parts was Rs. 77,638 million in Financial Year 2010, a 18.4%, or Rs. 17,561 million, decrease from Rs. 95,199 million in Financial Year 2009. The decrease occurred mainly as a result of lower volume of operations at TSE.

Rent was Rs. 25,343 million in Financial Year 2010, a 31.3%, or Rs. 11,547 million, decrease from Rs. 36,890 million in Financial Year 2009, primarily resulting from a reduction in rented office and facilities space that was implemented as part of the 'Weathering the Storm' programme at TSE.

Repairs to machinery was Rs. 46,896 million in Financial Year 2010, a 19.4%, or Rs. 11,278 million, decrease from Rs. 58,174 million in Financial Year 2009. The decrease occurred mainly as a result of the overall lower volume of operations at TSE's production facilities during Financial Year 2010 as compared to the previous Financial Year.

Freight and handling charges were Rs. 55,491 million in Financial Year 2010, a 7.9%, or Rs. 4,778 million, decrease from Rs. 60,269 million in Financial Year 2009. The decrease was primarily due to a reduction in freight and handling charges of Rs. 7,543 million at TSE due to lower volumes of operations. Such decrease was partly offset by an increase in fuel rates and an increase in freight and handling charges of Rs. 1,060 million at Tata Steel India resulting primarily from higher volume of operations.

Segmental Analysis of Gross Expenditures

The following table sets forth the Company's gross expenditures by segment (including depreciation but before adjustments for inter-segment transfers) for the periods indicated:

| | Financial Year | |
|---|---|---|
| | 2009 | 2010 |
| | (Rs. millions) | |
| Steel | 1,267,800 | 935,739 |
| Other operations | 154,708 | 101,352 |
| Unallocable | 21,766 | 22,881 |
| Total gross expenditure | 1,444,274 | 1,059,972 |
| Less: Inter segment expenditure | (92,980) | (71,432) |
| Total expenditure (excluding net finance charges) | 1,351,294 | 988,540 |

*Steel Segment*. Steel segment gross expenditures decreased by 26.2%, or Rs. 332,061 million, to Rs. 935,739 million in Financial Year 2010 from Rs. 1,267,800 million in Financial Year 2009. Within the steel segment, gross expenditures were 91.8% and 96.1% of total revenues in Financial Year 2009 and 2010, respectively. Gross expenditures in the steel segment decreased primarily on account of a decrease in the cost of, and lower purchases of, input materials due to the general economic slowdown and the effect it had on the steel industry and, to some extent, from the implementation of the Company's cost saving measures.

*Other Operations*. Gross expenditures in the other operations segment decreased by 34.5%, or Rs. 53,356 million, to Rs. 101,352 million in Financial Year 2010 from Rs. 154,708 million in Financial Year 2009. Within the other operations segment, gross expenditures were 93.4% and 93.2% of total revenues in Financial Year 2009 and 2010, respectively. Gross expenditures in the other operations segment decreased primarily on account of a decrease in the cost of, and lower purchases of, input materials for other operations due to the general economic slowdown and the effect it had on the Company's other operations, including its tubes and aluminium business, and, to some extent, from the implementation of the Company's cost saving measures

*Unallocable Items*. Gross expenditures for unallocable items increased by 5.1%, or Rs. 1,115 million, to Rs. 22,881 million in Financial Year 2010, from Rs. 21,766 million in Financial Year 2009. Within the unallocable items category, gross expenditures were 134.9% and 160.1% of total revenues in Financial Year 2009 and 2010, respectively.

*Other Income*

Other income was Rs. 11,859 million in Financial Year 2010, a 346.3%, or Rs. 9,202 million, increase from Rs. 2,657 million in Financial Year 2009. The increase principally reflects Rs. 6,284 million in profit on sale of long-term investments in Tata Steel India.

*Depreciation Expense*

Depreciation expense amounted to Rs.44,917 million in Financial Year 2010, a 5.3%, or Rs. 2,263 million, increase from Rs. 42,654 million in Financial Year 2009. The increase was primarily at Tata Steel India, reflecting the depreciation expenses arising from the additional facilities that have been constructed as part of the ongoing expansion project.

*Net Finance Charges*

Net finance charges amounted to Rs. 30,221 million in Financial Year 2010, a 8.1%, or Rs. 2,681 million, decrease from Rs. 32,902 million in Financial Year 2009. The decrease is primarily due to a decrease in net finance charges of Rs. 4,169 million at TSE resulting primarily from the reduction through debt repayments and reduced interest rates on variable components of its senior debt facility. This decrease was partly offset by increases in net finance charges in TSL, which entered into new term loans and non-convertible debentures during Financial Year 2010. See "***Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources***" on page 177 of this Red Herring Prospectus.

*Exceptional Items*

In Financial Year 2010, exceptional items consisted of restructuring costs of Rs. 16,837 million relating to the disposal/impairment of assets and restructuring arising out of the "Fit for the Future" cost-reduction programme at TSE. In Financial Year 2009, exceptional items consisted of restructuring, impairment and disposal loss of Rs. 40,945 million which were also related to impairment of assets and restructuring arising out of the "Fit for the Future" cost-reduction programme at TSE.

*Provision for Tax*

Provision for tax was Rs. 21,518 million in Financial Year 2010, a 13.6%, or Rs. 2,578 million, increase from Rs. 18,940 million in Financial Year 2009, mainly as a result of the higher tax credits that TSE's operations in the Netherlands received in Financial Year 2009 compared to Financial Year 2010 offset in part by the higher deferred tax credits received by TSE in Financial Year 2010 with respect to its operations in the Netherlands. Because each of the subsidiaries in the Company's consolidated group files a separate tax return, the Company's tax expenses on a consolidated basis were much greater than its profit before tax on a consolidated basis in Financial Year 2010. The Company's effective tax rate, which is income tax expense as a percentage of profit before tax, was 6,941.3% during Financial Year 2010 as compared to 28.1% during Financial Year 2009.

*Profit after Taxes*

As a result of the factors set forth above, the Company recorded a loss after taxes, minority interest and share of profit of associates of Rs. 20,147 million in Financial Year 2010, whereas it recorded a profit after taxes, minority interest and share of profit of associates of Rs. 35,042 million in Financial Year 2009.

***Financial Year 2009 Compared to Financial Year 2008***

*Net Sales*

The Company's net sales in Financial Year 2009 increased by 12.0%, or Rs. 157,957 million, to Rs. 1,473,293 million from Rs. 1,315,336 million in Financial Year 2008. The increase in sales was primarily attributed to a 9.3% increase in the net sales of TSE in Financial Year 2009 to Rs. 1,095,697 million from Rs. 1,002,184 million in Financial Year 2008, and a 23.5% increase in the net sales of Tata Steel India in Financial Year 2009 to Rs. 243,158 million from Rs. 196,910 million in Financial Year 2008.

The increase in the Company's net sales was primarily due to increases in steel prices during the first half of Financial Year 2009, which were offset in part by substantial decreases in steel prices in the second half of Financial Year due to the global market slowdown. Despite the fall of steel prices in the second half of Financial Year, because of high steel price levels during the first half, in Financial Year 2009 as compared to the prior Financial Year, the average selling price of the Company's steel products from its European and Indian operations for the full year substantially increased which more than offset the decrease in the Company's sales volume of steel products during the same period. The Company's sales volume decreased mainly as a result of a significant decrease in the sales volume of the Company's European operations during the second half of Financial Year 2009, as demand for the Company's products decreased primarily as a result of the deterioration of the European market.

The following table presents the Company's total revenues (including inter segment sales which are not included in net sales) by segment for the periods indicated:

| | Financial Year | |
|---|---|---|
| | 2008 | 2009 |
| | (Rs. millions) | |
| Steel | 1,217,879 | 1,380,986 |
| Other operations | 158,289 | 165,613 |
| Unallocable | 10,905 | 16,137 |

| | Financial Year | |
|---|---|---|
| | 2008 | 2009 |
| | (Rs. millions) | |
| Total revenues | 1,387,073 | 1,562,736 |
| Inter segment revenue | (71,737) | (89,443) |
| Net sales | 1,315,336 | 1,473,293 |

Steel Segment

Steel segment total revenues were Rs. 1,380,986 million in Financial Year 2009, a 13.4%, or Rs. 163,107 million, increase from Rs. 1,217,879 million in Financial Year 2008.

The increase in steel segment revenues resulted primarily from an increase of 9.2%, or Rs. 85,140 million (52.2% of the total increase), in TSE's steel segment revenues from Rs. 930,102 million in Financial Year 2008 to Rs. 1,015,242 million in Financial Year 2009 and, to a lesser extent, from an increase of 27.1%, or Rs. 77,967 million (47.8% of the total increase), in TSL's steel segment revenues from Rs. 287,777 million to Rs. 365,744 million during the same period.

Other Operations Segment

Total revenues of the other operations segment were Rs. 165,613 million in Financial Year 2009, a 4.6% increase from Rs. 158,289 million in Financial Year 2008. This increase in total revenue from the other operations segment primarily resulted from an increase in sales of ferro alloy products at the Company's Indian operations and an increase in sales of tubes and aluminium products at TSE, in each case as compared to Financial Year 2008.

Unallocable Items

Revenues from unallocable items primarily consisted of income from services provided by the research and development department of TSE. Total revenues of unallocable items were Rs. 16,137 million in Financial Year 2009, a 48.0% increase from Rs. 10,905 million in Financial Year 2008.

*Total Manufacturing and Other Expenses*

Total manufacturing and other expenses comprises total expenditure less depreciation and net finance charges. The following table sets forth the Company's total manufacturing and other expenses for the periods indicated:

| | Financial Year | |
|---|---|---|
| | 2008 | 2009 |
| | (Rs. millions) | |
| Cost of materials | 602,287 | 729,377 |
| Accretion/(reduction) in stocks of finished and semi-finished products and work-in-progress | (16,492) | 19,762 |
| Payment to, and provision for, employees | 168,996 | 179,751 |
| Manufacturing, selling and other expenses | 382,721 | 363,127 |
| Total manufacturing and other expenses | 1,137,512 | 1,292,017 |

The Company's total manufacturing and other expenses were Rs. 1,292,017 million in Financial Year 2009, a 13.6%, or Rs. 154,505 million, increase from Rs. 1,137,512 million in Financial Year 2008. Total manufacturing and other expenses increased primarily due to an increase of Rs. 127,090 million in cost of materials. As a percentage of net sales, total manufacturing and other expenses were 86.5% and 87.7% in Financial Years 2008 and 2009, respectively.

Cost of Materials

Cost of materials were Rs. 729,377 million in Financial Year 2009, a 21.1%, or Rs.127,090 million, increase from Rs. 602,287 million in Financial Year 2008. The primary factors causing the increase in material expenses were an increase in the purchase of finished steel, semi-finished steel and other products and in the raw materials consumed (primarily iron ore, coal and coke).

The purchase of finished steel, semi-finished steel and other products amounted to Rs. 314,059 million in Financial Year 2009, a 16.5%, or Rs. 44,365 million, increase from Rs. 269,694 million in Financial Year 2008. The total increase in the purchase of finished, semi-finished steel and other products was mainly due to increases in prices experienced in TSE, Natsteel and Tata Steel Thailand, especially during the first half year of Financial Year 2009. Such increases were offset in part when, due to rapidly falling demand of steel products during the third quarter of calendar year 2008, the Company lowered its volume of operations during the second half of Financial Year which resulted in lower purchases at Natsteel, Tata Steel Thailand and TSE.

Raw materials consumed amounted to Rs. 415,317 million in Financial Year 2009, a 24.9%, or Rs. 82,724 million, increase from Rs. 332,593 million in Financial Year 2008. The increase was primarily due to increases in prices of raw materials (primarily iron ore, coal, and coke).

Payments to, and Provisions for, Employees

Payments to, and provisions for, employees were Rs. 179,751 million in Financial Year 2009, a 6.4% increase from Rs. 168,996 million in Financial Year 2008. The increase was primarily attributable to increases in employee expenses at TSE and Tata Steel India. Payments to, and provisions for, employees at TSE increased by 2.9%, or Rs. 4,184 million, as a result of an increase in the average number of employees in the first half of Financial Year 2009, partially offset by the fall in employment costs experienced in the fourth quarter of the year as a result of the production cutbacks and the sale of aluminium business. Payments to, and provisions for, employees at Tata Steel India increased by 27.0%, or Rs. 4,899 million, as a result of revised wages, arrears and impact of change in discounting rate for valuation of employee benefits as per Accounting Standard (AS 15).

The total number of employees of the Company declined from 87,598 as of March 31, 2008 to 86,548 as of March 31, 2009. This decrease occurred primarily at TSE, where the number of employees declined from approximately 41,900 to approximately 40,700 and at Tata Steel India, which declined from 35,870 to 34,918.

Manufacturing, Selling and Other Expenses

Manufacturing, selling and other expenses were Rs. 363,127 million in Financial Year 2009, a 5.1%, or Rs. 19,594 million, decrease from Rs. 382,721 million in Financial Year 2008. This decrease was primarily a result of decreases in expenditure for repairs to machinery and conversion charges, which was offset in part by increases in expenditure for stores and spare parts and purchase of power.

Expenditure for stores and spare parts was Rs. 95,199 million in Financial Year 2009, a 13.2%, or Rs. 11,071 million, increase from Rs. 84,128 million in Financial Year 2008. The increase was mainly due to higher consumption of bulk gases and higher processing costs in the long products division of TSE. Store and spare parts consumed in Tata Steel India was higher in line with the increase in volume of operations.

Purchase of power amounted to Rs. 59,535 million in Financial Year 2009, a 20.8%, or Rs. 10,242 million, increase from Rs. 49,293 million in Financial Year 2008, due principally to the increase in average electricity prices at TSE, and the higher cost of alternate sources of power at Tata Steel India as a unit of Tata Power, one of Tata Steel India's primary suppliers of power, was shut down from August to November 2008 for maintenance activities.

Repairs to machinery was Rs. 58,173 million in Financial Year 2009, an 8.3%, or Rs. 5,281 million, decrease from Rs. 63,454 million in Financial Year 2008, as increases of 10% and 40% at Tata Steel India and Natsteel, respectively, were more than offset by a decrease of 11% at TSE and, to a lesser extent, by a decrease of 7% at Tata

Steel Thailand. The main reason for the decrease at TSE is due to the cost reduction initiatives implemented during Financial Year 2009.

Conversion charges were Rs. 10,964 million in Financial Year 2009, a 24.6%, or Rs. 2,167 million, increase from Rs. 8,797 million in Financial Year 2008, due to an increase of conversion volumes for long products and tin-coated steel products. Conversion charges consist of payments to conversion agents that convert semi-finished steel to rebars, wire rods and wires, tailor flat products to various sizes as required by end-customers, and convert chrome ore and manganese ore to ferro chrome and ferro manganese.

Segmental Analysis of Gross Expenditures

The following table sets forth the Company's gross expenditures by segment (including depreciation but before adjustments for inter-segment transfers) for the periods indicated:

| | Financial Year | |
|---|---|---|
| | **2008** | **2009** |
| | (Rs. millions) | |
| Steel ..... | 1,137,309 | 1,267,800 |
| Other operations ..... | 147,046 | 154,708 |
| Unallocable ..... | 18,855 | 21,766 |
| Total gross expenditure ..... | 1,303,210 | 1,444,274 |
| Less: Inter segment expenditure ..... | (71,689) | (92,980) |
| Total expenditure (excluding net finance charges) ..... | 1,231,521 | 1,351,294 |

*Steel Segment*. Steel segment gross expenditures increased by 11.5% or Rs. 130,491 million, to Rs. 1,267,800 million in Financial Year 2009 from Rs. 1,137,309 million in Financial Year 2008. Within the steel segment, gross expenditures were 93.4% and 91.8% of total revenues in Financial Year 2008 and 2009, respectively. Gross expenditures in the steel segment increased primarily due to increases in the prices of input materials, increases in staff cost and increases in other manufacturing expenses.

*Other Operations*. Gross expenditures in the other operations segment increased by 5.2%, or Rs. 7,662 million, to Rs. 154,708 million in Financial Year 2009 from Rs. 147,046 million in Financial Year 2008. Within the other operations segment, gross expenditures were 92.9% and 93.4% of total revenues in each of Financial Years 2008 and 2009, respectively. Gross expenditures in the other segment increased primarily due to price increases of materials and services in use and staff cost.

*Unallocable Items*. Gross expenditures for unallocable items increased by 15.4%, or Rs. 2,911 million, to Rs. 21,766 million in Financial Year 2009 from Rs. 18,855 million in Financial Year 2008. Within the unallocable items category, gross expenditures were 172.9% and 134.9% of total revenues in Financial Year 2008 and 2009, respectively.

*Other Income*

Other income was Rs. 2,657 million in Financial Year 2009, a 44.2%, or Rs. 2,102 million, decrease from Rs. 4,759 million in Financial Year 2008. The decrease principally reflects higher sales of surplus land of TSE during the previous Financial Year 2008.

*Depreciation Expense*

Depreciation expense amounted to Rs. 42,654 million in Financial Year 2009, a 3.1%, or Rs. 1,284 million, increase from Rs. 41,370 million in Financial Year 2008. The increase was principally at Tata Steel India, reflecting the completion of the 1.8 mtpa expansion project, partly offset by a decrease in depreciation at TSE due to impairment of assets, which reduced the asset base for depreciation.

*Net Finance Charges*

Net finance charges amounted to Rs. 32,902 million in Financial Year 2009, a 19.5%, or Rs 7,952 million, decrease from Rs. 40,854 million in Financial Year 2008. The decrease is primarily due to a decrease in net finance charges resulting from the redenomination of the majority of the senior loan facilities at TSE to Euros from GBP in November and December 2007.

*Exceptional Items*

In Financial Year 2009, exceptional items consisted of restructuring, impairment and disposal loss of Rs. 40,945 million relating to impairment of assets and restructuring arising out of the “Fit for the Future” programme at TSE. In Financial Year 2008, net gain from exceptional items of Rs. 63,351 million comprised Rs. 59,068 million of actuarial gain related to the funds of employee benefits (pension plans) of TSE and Rs. 5,783 million in exchange gain offset partly by Rs. 1,500 million in contributions towards the development of sports infrastructure for the National Games in the State of Jharkhand.

*Provision for Tax*

Provision for tax was Rs. 18,940 million in Financial Year 2009, a 53.2%, or Rs. 21,553 million, decrease from Rs. 40,493 million in Financial Year 2008, due to a decrease of 58.8% in profit before taxes over the period. The Company’s effective tax rate, which is income tax expense as a percentage of profit before tax, was 28.1% during Financial Year 2009 as compared to 24.7% during Financial Year 2008.

*Profit after Taxes*

As a result of the factors set forth above, the Company recorded a profit after taxes, minority interest and share of profit of associates of Rs. 35,042 million in Financial Year 2009, a 53.2%, or Rs. 39,803 million, decrease from Rs. 74,845 million in Financial Year 2008.

**Liquidity and Capital Resources**

***Capital Requirements***

The Company’s principal capital requirements are for capital expenditures, payment of principal and interest on its borrowings and, in some years, acquisitions of subsidiaries and joint ventures. The Company’s operations historically have generated sufficient cash to fund the Company’s operating activities.

*Capital Expenditures*

The Company’s capital expenditures totalled Rs. 84,197 million, Rs. 84,337 million, Rs. 71,495 million and Rs. 49,751 million in Financial Years 2008, 2009 and 2010 and for the first half of Financial Year 2011, respectively. These expenditures related primarily to the expansion projects at the Company’s Jamshedpur facility, the development of a new greenfield steel plant in Orissa and the development of iron ore and coal mines as well as expenditures for the maintenance and improvements of the Company’s various facilities. In addition, in Financial Year 2008, the Company expended Rs. 407,405 million for the acquisition of subsidiaries and joint ventures, substantially all of which related to the acquisition of Corus.

The Company’s current capital investments in India are focused on the expansion of production capacity and increasing production of high value-added products. In contrast, the Company’s capital investments in its European facilities are focused on maintenance and renovation of its existing capacity. The Company is also seeking to improve the efficiency of its facilities in order to reduce production costs. The Company has increased its capital expenditures in Financial Year 2011, as compared to the prior year, and the Company currently expects that capital expenditures for Financial Year 2011 will total approximately Rs. 105,000 million. The Company currently expects that capital expenditures for Financial Year 2012 will range between approximately Rs. 108,000 million and Rs. 122,000 million. The Company periodically reassesses its capital expenditure plans, and the planned amounts of such expenditures may change materially after such assessment.

The Company's expansion plans, including acquisitions of other businesses and joint ventures, require significant capital expenditures. Factors that could affect the feasibility of the Company's expansion plans and its ability to timely complete them include receiving financing on reasonable terms or at all, obtaining required regulatory permits and licenses, the expiration of any agreements with local governments related to such projects, demand for the Company's products and general economic conditions. Any of these factors may cause the Company to delay, modify or forego some or all aspects of its expansion plans. The Company cannot assure prospective investors that it will be able to complete its projects on schedule, within budget, or at all, or achieve an adequate return on its investment.

*Repayment of Borrowings*

The Company expended Rs. 354,581 million, Rs. 84,571 million, Rs. 127,250 million and Rs. 64,596 million, respectively, to repay borrowings in Financial Years 2008, 2009 and 2010 and for the first half of Financial Year 2011. The Company also expended Rs. 42,721 million, Rs. 35,473 million, Rs. 32,662 million and Rs. 16,062 million, respectively, to pay interest on its loans and borrowings during these periods.

The following table sets forth the Company's consolidated secured and unsecured debt position and a summary of the maturity profile for its debt obligations as of September 30, 2010.

| | **Less than or equal to 1 Year** | **1-5 Years** | **More than 5 years** | **Total** |
|---|---|---|---|---|
| | (Rs. million) | | | |
| Secured loans and borrowings [(1)] ........................................ | 50,320 | 137,238 | 83,245 | 270,803 |
| Unsecured loans and borrowings ........................................ | 42,503 | 183,200 | 44,499 | 270,202 |
| **Total** ..................................................................................... | **92,823** | **320,438** | **127,744** | **541,005** |

(1) Excludes loans from Steel Development Fund (SDF) of Rs. 18,367 million, as the Company has filed a writ petition before the High Court at Kolkata in February 2006 claiming refund of the balance lying with SDF and the matter is *sub judice*.

Some of the Company's financing agreements and debt arrangements contain financial covenants that require the Company to satisfy and/or maintain financial tests and ratios, including requirements to maintain debt to equity ratios, debt coverage ratios and certain other liquidity ratios. In addition, such agreements and arrangements also require the Company to obtain prior lender consents for certain specified actions, including issuing new securities, changing business of the Company, merging, consolidating, selling significant assets or making certain acquisitions or investments. See "***Risk Factors—Risks Related to the Company—The Company is subject to certain restrictive covenants in its financing arrangements which may limit the Company's operational and financial flexibility, and the Company's future results of operations and financial condition may be adversely affected if the Company fails to comply with these covenants***" on page xx of this Red Herring Prospectus.

*Contingent Liabilities*

The following table sets forth the Company's consolidated contingent liabilities on account of guarantees and claims not acknowledged by the Company as of the dates indicated.

| | **As of March 31,** | | | **As of September 30, 2010** |
|---|---|---|---|---|
| | **2008** | **2009** | **2010** | |
| | (Rs. million) | | | |
| Total ........................................................................................ | 24,853 | 28,427 | 27,780 | 28,279 |

***Capital Resources***

The Company financed its capital requirements during Financial Years 2008, 2009 and 2010 and the first half of Financial Year 2011 with cash from operations and short-term and long-term debt. In the short term, the Company believes that it has sufficient resources available to meet its planned capital requirements. However, its sources of funding could be adversely affected by an economic slowdown or other macroeconomic factors beyond its control. Any decreases in the demand for the Company's products and services could lead to an inability to obtain funds from external sources on acceptable terms, in a timely manner or in a sufficient amount, or at all.

The following tables respectively set forth (1) the Company's proceeds from its principal financing activities for the periods indicated and (2) the Company's consolidated borrowings as of the dates indicated.

| | **Financial Year** | | | **First half of Financial Year 2011** |
|---|---|---|---|---|
| | **2008** | **2009** | **2010** | |
| | (Rs. million) | | | |
| Issue of share capital | 48,815 | 3 | 24,215 | 8,910 |
| Issue of share warrants | - | - | - | 1,782 |
| Issue of cumulative convertible preference shares | 54,725 | 1 | - | - |
| Proceeds from borrowings | 524,653 | 105,085 | 100,384 | 80,311 |
| **Total** | **628,193** | **105,089** | **124,599** | **91,003** |

| | **As of March 31,** | | | **As of September 30, 2010** |
|---|---|---|---|---|
| | **2008** | **2009** | **2010** | |
| | (Rs. million) | | | |
| Secured loans | 354,150 | 342,439 | 280,593 | 289,171 |
| Unsecured loans | 182,097 | 256,566 | 250,410 | 270,201 |
| **Total** | **536,247** | **599,005** | **531,003** | **559,372** |

During Financial Year 2008, the Company's total liabilities (primarily its borrowings) increased substantially as a result of the Company's financing activities related to the acquisition of Corus. In April 2007, as part of the financing for the acquisition of Corus, TSE entered into a GBP 3,670 million senior credit facility (the "2007 Facility"). In August 2007, the Company issued US$875 million of 1% foreign currency convertible alternative reference securities ("CARS"), the proceeds of which were used to refinance debt incurred in connection with the acquisition of Corus and for general corporate purposes. The CARS accrue interest on the outstanding principal amount at a rate equal to 1% per annum, are convertible into Equity Shares at Rs. 733.1318 per share, and are classified as unsecured debt on the balance sheet of the Company. In November 2007, the Company conducted a rights offering pursuant to which a total of 121,619,615 Equity Shares and 547,266,011 cumulative compulsory convertible preference shares ("CCPSs") were issued. Total proceeds from the issue were Rs. 91,212 million, of which Rs. 90,000 million were used to repay short-term loans from the State Bank of India and other banks. In September 2009, the 547,266,011 CCPSs were converted into 91,211,001 Equity Shares of the Company.

In May 2009, the Company and its lenders agreed to amend the 2007 Facility to accommodate a decline in the Company's EBITDA performance arising from the global economic downturn, which particularly affected the Company's European operations. As part of the agreement with the lenders, testing of the 2007 Facility's earnings related covenants was generally suspended until March 2010. As part of the package, Tata Steel Limited injected GBP 425 million into its subsidiary, Tata Steel UK Holding Limited, of which approximately GBP 213 million was used to prepay debt.

In the second half of Financial Year 2009 and the first half of Financial Year 2010, the Company raised additional debt in order to maintain a liquidity buffer given the weak conditions in the steel market. In May and November 2008, the Company issued Rs. 20,000 and Rs. 12,500 million, respectively, of non-convertible debentures. From April through June 2009, the Company raised Rs. 28,490 million from term loans, and issued an additional Rs. 21,509 million of non-convertible debentures. In July 2009, the Company issued US$500 million of global depository receipts at US$7.644 per GDR (each GDR represents one share).

In the second half of Financial Year 2010, as the global financial market recovered from the liquidity crisis, the Company focused on restructuring its liabilities and prepaying some of its debt in order to reduce finance charge costs and repayment risks. In November 2009, the Company launched an exchange offer of new foreign currency convertible bonds ("FCCBs") for any or all of its existing CARS. The FCCBs have a coupon of 4.5%, mature in November 2014, and are convertible into Equity Shares of the Company at Rs. 605.5325 per share. CARS worth US$493 million were tendered for exchange into FCCBs worth US$546.935 million.

As means of deleveraging, the Company prepaid Rs. 20,000 million of its term debt between December 2009 and March 2010 and US$300 million and JPY1,017 million of foreign currency term loans between February and March 2010. TSE prepaid GBP 105 million and EUR 82 million of its debt between June 2009 and March 2010. In the first half of Financial Year 2011, the Company prepaid an additional Rs. 14,159 million of its term debt and TSE prepaid GBP 119 million and EUR 66 million of its debt.

In April 2010, the Company entered into facility agreements with the State Bank of India and other banks for its 2.9 mtpa brownfield expansion of the Jamshedpur facility pursuant to for which the Company contracted long-term Rupee borrowings in the aggregate amount of Rs. 93,390 million, to be drawn over the next three years and to be repaid over a period of seven years. In May 2009 and November 2010, the Company also obtained Export Credit Agency (ECA) backed long-term buyer's credit of EUR 264 million and EUR 72.85 million, respectively, to be drawn over the next two and a half years and repaid over the next ten years.

In July 2010, the Company allotted to Tata Sons, on a preferential basis, 15,000,000 Equity Shares at a price of Rs 594 per share, for an aggregate amount of Rs 8,910 million. In addition, the Company also issued to Tata Sons 12,000,000 warrants to subscribe to an equal amount of Equity Shares within eighteen months from the date of allotment of warrants, at a price per warrant of Rs 594 per share. The Company has received the application monies of Rs. 10,692 million towards Equity Shares and towards 25% of the price fixed for the preferential issue of Equity Shares on exercise of the warrants.

As a result of the Company's financing activities, as of September 30, 2010, the Company had outstanding consolidated borrowings of Rs. 559,372 million, of which Rs. 289,171 million were secured loans and Rs. 270,201 million were unsecured loans.

In October 2010, the Company refinanced the 2007 Facility in full with the proceeds of a new credit facility (the "2010 Facility") signed with a syndicate of 13 banks. The terms of the 2010 Facility include a five-year term loan of EUR 2,200 million and seven-year term loans of EUR 900 million and US$402 million. The revolving credit facilities for working capital purposes were increased to GBP 690 million and have a tenor of five years. The 2010 Facility is secured by a pledge of the shares of Tata Steel UK Holdings, its material subsidiaries and its fixed assets, with limited exceptions. The terms of the 2010 Facility are more flexible than the 2007 Facility, with substantially reduced amortisation over the next four years through Financial Year 2015, looser financial covenants, and greater flexibility to raise additional working capital and term debt from capital markets to repay the 2010 Facility.

During the first quarter of Financial Year 2011, the Company contracted to raise Rs. 30,000 million through the issuance of 20-year nonconvertible debentures ("NCDs"). In December 2010, the Company issued the first Rs. 5,000 million of the NCDs at a fixed rate of 10.25% per annum. The NCDs will be redeemed in equal installments at the end of years 18, 19 and 20 and will have no coupon payable for the first three years after issuance. Interest for the first three years is accumulated into the principal of the NCDs and the remaining coupon payments are calculated based on this accumulated principal amount beginning after the completion of the fourth year. The Company has the option to redeem the NCDs at the accumulated principal amount, either in part or full, at the end of 10th and 15th years, in each case, from the date of issuance. In January 2011, the Company issued the remaining Rs. 25,000 million of the NCDs on the same terms as those issued in December 2010.

*Cash Flow Data*

The following table sets forth selected items from the Company's consolidated cash flow statement for the periods indicated:

| | Financial Year | | | First half of Financial Year 2011 |
|---|---|---|---|---|
| | 2008 | 2009 | 2010 | |
| | (Rs. Million) | | | |
| Net cash from operating activities ........................ | 135,238 | 156,959 | 104,980 | 34,447 |
| Net cash from (used in) investing activities ......... | (463,286) | (108,219) | (46,961) | (30,456) |
| Net cash from (used in) financing activities ......... | 205,426 | (27,548) | (51,350) | (678) |
| Net increase (decrease) in cash and cash equivalents ...................................................... | (122,622) | 21,192 | 6,669 | 3,314 |

**Cash Flows from Operating Activities**

The Company recorded net cash from operating activities of Rs. 135,238 million during Financial Year 2008, Rs. 156,959 million during Financial Year 2009, Rs. 104,980 million during Financial Year 2010 and Rs. 34,447 million during the first half of Financial Year 2011.

The Company's net cash from operating activities increased by 16.1%, or Rs 21,721 million, to Rs. 156,959 million during Financial Year 2009 as compared to Rs. 135,238 million during Financial Year 2008. The Company's net sales increased by 12.0% in Financial Year 2009 compared to Financial Year 2008 due to increases in both prices and volume of steel sales during the first half of Financial Year 2009, which more than offset the effects of the deterioration of steel prices and volume of sales in the second half and resulted in an increase in gross cash inflow from the Company's sales activities. However, such increase in gross cash inflow was offset to a large extent by increases in gross cash outflow as prices and volume of raw materials and finished and semi-finished steel products purchases increased during the same period. Cash generated from operations in Financial Year 2009 was greater than cash generated from operations in Financial Year 2008, primarily as a result of a decrease in the Company's inventories in Financial Year 2009 as compared to an increase in Financial Year 2008. The decrease in inventories in Financial Year 2009 primarily reflected a decrease in the price of raw material and steel products and, to a lesser extent, a decrease in inventory volume as the Company reduced its volume of operations in response to the global economic conditions during the second half of Financial Year 2009. In Financial Year 2008, the Company increased its production and its inventory volume in order to meet the high demand in steel products.

The Company's net cash from operating activities decreased by 33.1%, or Rs. 51,979 million, to Rs. 104,980 million during Financial Year 2010 as compared to 156,959 million during Financial Year 2009. The Company's net sales decreased by 30.5% in Financial Year 2010 compared to Financial Year 2009 due to a substantial decrease in the prices and volume of steel sales which resulted in a decrease in gross cash inflow from the Company's sales activities. Although the Company's volume of raw material and finished and semi-finished steel products purchases also decreased during Financial Year 2010, the Company experienced a substantial decrease in its net cash inflow from its sales activities in Financial Year 2010 primarily because its employee related expenses as well as other manufacturing expenses including expenditure for stores and spare parts, repairs to machinery and freight charges did not decrease to the same extent as the Company's steel products sales. As a result, cash generated from operations in Financial Year 2010 was significantly lower than cash generated from operations in Financial Year 2009. The decrease in cash generated from operations was offset in part by a greater reduction in inventories in Financial Year 2010 as compared to Financial Year 2009 and an increase in trade payables in Financial Year 2010 as compared to a decrease in trade payables in Financial Year 2009. Inventories decreased in Financial Year 2010 primarily because inventories were carried at lower prices as well as due to liquidation of inventory volumes. The increase in trade payable for goods supplied reflects the increase in production volume at TSE in the fourth quarter of Financial Year 2010.

The Company's net cash from operating activities in the first half of Financial Year 2011 was Rs. 34,447 million. Cash generated from operations before change in working capital was Rs. 87,403 million. During this period, inventories and trade and other receivables increased by Rs. 62,328 million and Rs. 7,382 million, respectively, while trade payables and other liabilities increased by Rs. 26,372 million. Such increases in cash generated from operations, inventories, trade and other receivables primarily resulted from increases in steel prices fueled by an increase in demand for the Company's steel products during the first half of Financial Year 2011 as the global economy, including Europe which is the Company's key market, continued with its recovery. Trade payables and other liabilities increased primarily due to increases in raw material costs, including iron ore and coal.

**Cash Flows from Investing Activities**

Net cash used in investing activities amounted to Rs. 463,286 million, Rs. 108,219 million, Rs. 46,961 million and Rs. 30,456 million in Financial Years 2008, 2009 and 2010 and the first half of Financial Year 2011, respectively. The outflow during Financial Year 2008 principally represented capital expenditures of Rs. 84,197 million and Rs. 407,405 million towards the acquisition of subsidiaries and joint ventures (net of disposals), primarily relating to the Corus acquisition. The outflow during Financial Year 2009 principally represented capital expenditure of Rs. 84,337 million and purchase of investments (net of sale) of Rs. 26,885 million. The outflow during Financial Year 2010 principally represented capital expenditure of Rs. 71,495 million offset in part by sale of investments (net of purchases) of Rs. 21,068 million, and the outflow during the first half of Financial Year 2011 principally represented capital expenditure of Rs. 49,751 million offset in part by sale of investments (net of purchases) of Rs. 15,307 million. The Company's sale and purchase of investments mainly reflect sale and purchases of liquid investments, including mutual funds. For further information regarding the Company's capital expenditures, see "***Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Capital Requirements—Capital Expenditures***" on page 177 of this Red Herring Prospectus.

**Cash Flows from Financing Activities**

The Company recorded net cash provided by financing activities of Rs. 205,426 million in Financial Year 2008, net cash used in financing activities of Rs. 27,548 million in Financial Year 2009, net cash used in financing activities of Rs. 51,350 million in Financial Year 2010, and net cash used in financing activities of Rs. 678 million in the first half of Financial Year 2011.

The Company's net cash provided by financing activities of Rs. 205,426 million in Financial Year 2008 consisted primarily of proceeds from borrowings of Rs. 524,653 million to fund the acquisition of Corus, offset in part by repayment of borrowings of Rs. 354,581 million.

The Company's net cash used in financing activities of Rs. 27,548 million in Financial Year 2009 consisted primarily of a net borrowing (net of payments) of Rs. 20,514 million from the issue of debentures and a term loan from banks and other borrowings, which was more than offset by interest payments of Rs. 35,473 million. During Financial Year 2009, dividend payments amounted to Rs. 12,266 million. In the second half of Financial Year 2009, the Company raised additional debt in order to maintain a liquidity buffer given the weak conditions in the steel market.

The Company's net cash used in financing activities of Rs. 51,350 million in Financial Year 2010 consisted primarily of net payments (net of borrowing) of Rs. 26,866 million including the repayment of borrowings in TSE and Tata Steel India offset in part by issuance of debentures, a term loan from banks and other borrowings, as well as dividend payments of Rs. 32,662 million and interest payments of Rs. 13,209 million. As means of deleveraging, the Company prepaid Rs. 20,512 million of its term debt between December 2009 and March 2010 and US$300 million of foreign currency term loans between February and March 2010. TSE prepaid US$287 million of its debt between June 2009 and March 2010.

The Company's net cash used in financing activities of Rs. 678 million in the first half of Financial Year 2011 consisted primarily of a net borrowing (net of payments) of Rs. 15,715 million and the preferential allotment of Equity Shares and warrants to Tata Sons of Rs. 10,692 million and other borrowings, which was more than offset by interest payments of Rs. 16,062 million.

For a further discussion of the Company's major financing activities, see "***Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Capital Resources***" on page 179 of this Red Herring Prospectus.

**Off-Balance Sheet Arrangements**

As of September 30, 2010, the Company had no material off-balance sheet arrangements.

**Quantitative and Qualitative Disclosures about Market Risk**

The Company is exposed in the ordinary course of its business to risks related to changes in exchange rates, interest rates, commodity prices and energy and transportation tariffs.

***Exchange and Interest Rate Risk***

The Company's presentation currency and the measurement currency of its Indian subsidiaries is the Rupee. The measurement currency of the Company's European operation is the British pound. The measurement currency of the Company's subsidiaries located in other countries is the Singapore dollar in the case of NatSteel and the Thai baht in the case of Tata Steel Thailand. The Company's products are typically priced in British pounds, U.S. dollars or Euros for international sales and in Rupees for Indian sales.

The Company derives a significant portion of its revenues and incurs much of its costs in the EU at its European subsidiaries. TSE's direct costs for labour and transportation are primarily incurred in British pounds and Euros. TSE has substantial assets and sales in the United Kingdom, which is not a member of the euro-zone, and the Netherlands, which is a member of the euro-zone, and therefore fluctuations in the British pound and Euro exchange rate impacts the Company's revenues. Sales in other export markets and major supplies purchases, including iron ore and coal, are mainly denominated in U.S. dollars. As a result, the Company's revenues are impacted by fluctuations in the U.S. dollar to British pound and the U.S. dollar to Euro exchange rates.

Tata Steel India's direct costs for labour and transportation are primarily incurred in Rupees. It purchases significant quantities of low ash coal, certain alloys and other raw materials from third parties which costs are principally incurred in U.S. dollars. In addition, most of the costs of capital equipment employed by TSL, along with related spare parts and technical and design services, are primarily incurred in U.S. dollars, Euros and British pounds. As a result, the Company's revenues are impacted by fluctuations in the Rupee to U.S. dollar, Rupee to euro and Rupee to British pound exchange rates.

Volatility in exchange rates affects the Company's results from operations in a number of ways. It impacts the Company's revenues from export markets and the costs of imports, affects the strength of the Company's competitors and exposes the Company's customers to similar pressures.

The dominant portion of debt in Tata Steel Limited is denominated in Rupees or hedged into Rupees. However, a portion of the liabilities (US$382 Million of the residual 1% CARS due 2012 and US$546.935 Million 4.5% convertible bonds due November 2014) have not been hedged into Rupees and are denominated in U.S. dollars given the uncertain nature of the final liability. Also, US$335 million and GBP100 million of term loans in Tata Steel India are also not yet hedged into rupees, though they will be, in line with the Company's risk management policy. An appreciation of U.S. dollars against the Rupees will result in an increase in the Rupees value of these liabilities. The substantial portion of the external debt in the Company's European operations is denominated in Euros. This is because the dominant currency of revenues for the European operations is also Euros. The Company maintain a fair mix of floating and fixed exchange rate debt on its books in line with its risk management policy.

The following table summarizes the Company's consolidated outstanding debt, including loans and other borrowings, by currency and interest rate method, as of September 30, 2010:

| | Rupee Denominated | US$ Denominated | GBP Denominated | JPY Denominated | SGD Denominated | EUR Denominated | Others(1) | Total(2) |
|---|---|---|---|---|---|---|---|---|
| | | (Rs. million) | | | | | | |
| Fixed rate .......... | 48,744 | 46,883 | 4,495 | 1,152 | - | 1,478 | 1,616 | 104,368 |
| Variable rate ...... | 74,220 | 37,292 | 35,187 | 79,701 | 3,415 | 195,715 | 10,657 | 436,187 |
| Interest free ....... | 106 | 67 | - | - | - | - | 277 | 450 |
| Total ................ | 123,070 | 84,242 | 39,682 | 80,853 | 3,415 | 197,193 | 12,550 | 541,005 |

(1) Includes approximately Rs. 9,142 million of THB denominated loans with variable rates incurred by Tata Steel Thailand and Rs. 1,313 million of RMB denominated loans with fixed rates incurred by NatSteel Holdings Pte. Ltd.

(2) Excludes loans from Steel Development Fund (SDF) of Rs. 18,367 million, as the Company has filed a writ petition before the High Court at Kolkata in February 2006 claiming refund of the balance lying with SDF and the matter is *sub judice*.

Since a substantial portion of the Company's outstanding debt is denominated in foreign currencies, movements in the exchange rate between the rupee and a foreign currency could result in an increase in the Company's overall debt position without the Company having incurred additional debt. Since September 30, 2010, the Company's outstanding debt has increased both as a result of the additional borrowings by the Company, including those disclosed in this Red Herring Prospectus, as well as changes in exchange rates.

***Hedging Activities***

The Company uses foreign currency forward and option contracts to hedge its risks associated with foreign currency fluctuations, on a case-by-case basis. The Company also uses hedging transactions to manage the interest rate and currency risk on its capital account. All hedging activities are carried out in accordance with the Company's internal risk management policies, as approved by the Board of Directors, and in accordance with the applicable national regulations where the Company operates. The Company's risk management policies attempt to (i) determine the financial value of expected earnings in advance, (ii) ensure that Tata Steel India is neutral to adverse currency and interest movements and (iii) ensure that business planning is not impacted during Financial Year due to adverse currency and interest rate movements. The Company does not use derivative contracts for speculative purposes.

Foreign currency risk on the major part of Tata Steel Limited's foreign currency term debt liabilities, except for a convertible bond, has been hedged into Rupees. The accounting policies of the Company require that the liabilities be revalued at each balance sheet date while the hedges are revalued separately and shown as a receivable. As of September 30, 2010, the receivable on this account is Rs. 29,978 million.

***Commodity Price Risk***

The Company's revenue is exposed to the market risk of price fluctuations related to the sale of its steel products. Market forces generally determine prices for the steel products that the Company sells. These prices may be influenced by factors such as supply and demand, production costs (including the costs of raw material inputs) and global and regional economic conditions and growth. Adverse changes in any of these factors may reduce the revenue that the Company earns from the sale of its steel products.

The Company primarily purchases its raw materials on the open market from third parties. The Company is therefore subject to fluctuations in prices for the purchase of coal, ferro alloys, zinc, scrap and other raw material inputs. For example, TSE purchased 100% of its raw material requirements from third parties on the open market in Financial Year 2010. In Financial Year 2010, approximately 51% of the coal requirements for the Company's Indian operations were sourced from third parties. The Company's exposure to price fluctuations in raw materials is mitigated in part by the fact that its Indian operations are currently self-sufficient in terms of its iron ore needs, as they are able to extract sufficient iron ore from their captive mines to satisfy their needs.

# FINANCIAL INDEBTEDNESS

**Details of Secured Borrowings**

The long term secured borrowings of the Company as at September 30, 2010 are as follows:

**A. Working Capital**

| Lender | Nature of Facilities | Total sanctioned Amount | Amount Outstanding | Rate of Interest | Repayment Terms | Security |
|---|---|---|---|---|---|---|
| State Bank of India, Canara Bank, Central Bank of India, Punjab National Bank, HDFC Bank Limited, Citibank, N.A., Deutsche Bank AG, The Hongkong And Shanghai Banking Corporation Limited, ICICI Bank Limited, Bank Of America, National Association, Standard Chartered Bank, Credit Agricole CIB, Axis Bank Limited, ING Vysya Bank Limited, BNP Paribas, Royal Bank of Scotland (collectively "**SBI Consortium**") | Fund based limit is Rs. 15,000 million and Non-Fund based limit is Rs. 5,000 million | Rs. 20,000 million | Rs. 958.57 million | Interest rate as determined by the respective SBI Consortium lenders from time to time in relation to each of their respective facilities. | Repayment on demand | The first charge by way of hypothecation created in favour of the SBI Consortium lenders jointly and each of them severally on the current assets of the Company, namely, the Company's stocks of raw materials, semi-finished and finished goods, stores and spares not relating to plant and machinery (consumable stores and spares), pertaining to the Company's steel plant at Jamshedpur, bills receivables and book debts and all other movables (excluding such movables as may be permitted by the SBI Consortium lenders from time to time) both present and future. |

B. **Secured Loans**

| Lender | Total sanctioned Amount | Amount Outstanding | Date(s) of Availment | Rate of Interest | Repayment Terms | Security |
|---|---|---|---|---|---|---|
| Joint Plant Committee – Steel Development Fund | – | Rs. 18,367.2* million | Various dates | 2% below the bank rate as applicable on April 1 every year | Repayment to be made in 16 semi-annual installments after completion of four years from the date of receipt of the last tranche of the loan. | Secured by mortgages, ranking pari passu inter se, on all present and future fixed assets, excluding land and buildings mortgaged in favour of Government of India for constructing a hostel for trainees at Jamshedpur and setting up a dispensary and a clinic at collieries, land and buildings, plant and machinery and movables of the Tubes Division and the Bearings Division mortgaged in favour of the financial institutions and banks, assets of the Ferro Alloys Plant at Bamnipal mortgaged in favour of State Bank of India and assets of Cold Rolling Complex (West) at Tarapur and a floating charge on other properties and assets (excluding investments) of |

| Lender | Total sanctioned Amount | Amount Outstanding | Date(s) of Availment | Rate of Interest | Repayment Terms | Security |
|---|---|---|---|---|---|---|
| | | | | | | the Company, subject to the prior floating charge in favour of State Bank of India and other banks with respect to cash credits. This loan is not secured by charge on moveable assets of the Company. |

* *The Company has filed a writ petition before the High Court at Kolkata in February 2006 claiming waiver of the outstanding loan and interest and refund of the balance lying with Steel Development Fund and the matter is sub judice.*

## C. Unsecured Borrowings

The unsecured borrowings of the Company as at September 30, 2010 are as follows:

| Lender | Total sanctioned Amount | Amount Outstanding | Period/Date(s) of Availment | Rate of Interest | Repayment Terms |
|---|---|---|---|---|---|
| Deutsche Bank Aktiengesellschaft, Frankfurt am Main | Euro 11.49 million | Euro 7.27 million (Rs. 445.88 million as converted at the exchange rate prevailing on September 30, 2010) | June 22, 2006 (Euro 1.81 million), June 29, 2007 (Euro 4.67 million), March 30, 2010 (Euro 2.14 million) and June 21, 2010 (Euro 0.41 million) | EURIBOR + 0.12% per annum unless a fixed rate of interest is fixed subsequent to fulfilment of certain conditions | Repayment to be made in 20 equal, consecutive, semi-annual installments, the first instalment being due six months after the starting point i.e. May 2, 2008. Any disbursements thereafter shall be repaid in equal amounts on the scheduled repayment dates. |
| Housing Development Finance Corporation Limited (“**HDFC**”) | Rs. 6,500 million | Rs. 6,500 million | June 16, 2009 | HDFC corporate prime lending rate less spread of 4.89% per | Repayment to be made by way of bullet repayment on or before June 30, 2019. |

| Lender | Total sanctioned Amount | Amount Outstanding | Period/Date(s) of Availment | Rate of Interest | Repayment Terms |
|---|---|---|---|---|---|
| | | | | annum (payable on quarterly basis) | |
| Infrastructure Development Finance Company Limited ("**IDFC**") | Rs. 1,990 million | Rs. 1,990 million | On or before July 31, 2009 unless otherwise agreed by IDFC | 10.30% per annum per month for disbursements made on or before June 30, 2009 and three years IDFC benchmark rate plus a spread of 1.9% per annum per month for disbursements on or after July 1, 2009 | Repayment to be made by way of bullet repayment at the end of seven years from the date of first disbursement. |
| State Bank of India | Rs. 25,000 million | Rs. 25,000 million | Upto February 1, 2008 | 1,50% over the State Bank base rate (reset annually) | Repayment shall be made in three installments: (i) on the completion of the 54th month. (ii) on the completion of the 60th month and (iii) on the completion of the 66th month, respectively. |
| Standard Chartered Bank | GBP 100 million | GBP 100 million (Rs. 7,064.23 million as converted at the exchange rate prevailing on September 30, 2010) | March 29, 2010 (GBP 30 million) and April 6, 2010 (GBP 70 million) | The rate of interest is an aggregate of LIBOR plus 2.90% per annum and a mandatory cost, if any (calculated in accordance with terms of the agreement) which is an | Repayment shall be made after five years and one day from the relevant weighted average utilisation date, i.e. April 4, 2015. |

| Lender | Total sanctioned Amount | Amount Outstanding | Period/Date(s) of Availment | Rate of Interest | Repayment Terms |
|---|---|---|---|---|---|
| | | | | additional interest rate to compensate the lender for the cost of compliance with (a) the requirement of the Bank of England and/or financial services authority or (b) the requirements of the Central Bank of Europe. | |
| Standard Chartered Bank | US$ 335 million | US$ 335 million (Rs. 15,056.58 million as converted at the exchange rate prevailing on September 30, 2010) | April 28, 2010 (US$ 90 million), May 28, 2010 (US$ 50 million) and July 2, 2010 (US$ 195 million) | The rate of interest is an aggregate of LIBOR plus 2.97% per annum and a mandatory cost, if any (calculated in accordance with terms of the agreement) which is an additional interest rate to compensate the lender for the cost of compliance with (a) the requirement of the Bank of England and/or financial services authority or (b) the requirements of the Central Bank of Europe. | Repayment shall be made after five years and one day from the relevant weighted average utilisation date i.e. June 10, 2015. |
| ABN Amro Bank N.V., The Bank of | JPY equivalent | JPY 89,497.50 | The availability | LIBOR + 0.34% per | Repayment shall be made |

| Lender | Total sanctioned Amount | Amount Outstanding | Period/Date(s) of Availment | Rate of Interest | Repayment Terms |
|---|---|---|---|---|---|
| Tokyo-Mitsubishi UFJ Limited, Singapore Branch, Calyon, Citigroup Global Markets Singapore Pte Limited, First Commercial Bank, Offshore Banking Branch, Malayan Banking Berhad, Export Development Canada, Mizuho Corporate Bank, Limited, Singapore Branch, Standard Chartered Bank, Sumitomo Mitsui Banking Corporation, Singapore Branch, Citibank N.A., Bahrain Branch, Banca Intesa S.p.A., Hong Kong Branch, Societe Generale, Hong Kong Branch, National Bank of Dubai, Banca Monte Dei Paschi Di Siena S.p.A., Hong Kong Branch, DZ Bank AG Deutsche Zentral-Genossenschaftsbank Frankfurt am Main Singapore Branch and Taiwan Cooperative Bank, Manila Offshore Banking Branch | of US$ 750 million | million (Rs. 48,140.71 million as converted at the exchange rate prevailing on September 30, 2010) | period for this loan was from October 10, 2006 to November 9, 2006 (the "**Availability Period**") | annum | in five equal installments of 20% of the amount outstanding at the end of the Availability Period.<br><br>The repayment period shall be every six months from 60 months to 84 months after October 10, 2006. |
| The Bank of Tokyo-Mitsubishi UFJ Limited, Singapore Branch, BNP Paribas, Calyon, DBS Bank Limited, The Hongkong and Shangai Banking Corporation Limited, Offshore Banking Unit, ING Bank N.V., Mizuho Corporate Bank Limited, Standard Chartered | US$ 500 million (including US$ 5 million and JPY equivalent of US$ 495 million) | US$ 5 million and JPY 58,672.35 million (Rs. 31,559.86 million for the JPY amount and Rs. 224.73 million for the US$ amount, as converted at | The availability period for this loan was from March 7, 2006 to April 6, 2006 (the "**Availability Period**") | LIBOR + 0.50% per annum | Repayment shall be made in five equal installments of 20% of the amount outstanding at the end of the Availability Period.<br><br>The repayment period shall be |

| Lender | Total sanctioned Amount | Amount Outstanding | Period/Date(s) of Availment | Rate of Interest | Repayment Terms |
|---|---|---|---|---|---|
| Bank, Sumitomo Mitsui Banking Corporation, Singapore Branch, Canara Bank, London Branch, Bayerische Landesbank, Hong Kong Branch, Malayan Banking Berhad, Singapore Branch, Societe Generale, Hong Kong Branch, The Sumitomo Trust &Banking Co., Ltd, Singapore Branch, The International Commercial Bank of China, Offshore Banking Branch and Taiwan Cooperative Bank, Offshore Banking Branch | | the exchange rate prevailing on September 30, 2010) | | | every six months from 60 months to 84 months after March 7, 2006. |
| Deutsche Bank Aktiengesellschaft, Frankfurt am Main | Euro 49.92 million | Euro 39.89 million (Rs. 2,445.18 million as converted at the exchange rate prevailing on September 30, 2010) | June 22, 2007 ( Euro 15.61 million), July 31, 2007 (Euro 12.62 million), April 9, 2008 (Euro 2.38 million), June 27, 2008 (Euro 8.07 million) and February 5, 2010 (Euro 7.42 million) | EURIBOR + 0.12% per annum unless a fixed rate of interest is fixed subject to fulfilment of certain conditions | Repayment to be made in 20 equal, consecutive, semi-annual installments, the first installment being due six months after the starting point i.e. November 1, 2008. Any disbursements thereafter shall be repaid in equal amounts on the scheduled repayment dates. |

**D. Convertible Bonds**

| Bond | Total sanctioned Amount | Amount Outstanding | Rate of Interest | Redemption Terms | Maturity Date |
|---|---|---|---|---|---|
| 4.50% Foreign Currency Convertible Bonds ("**Convertible Bond**") | US$ 546.94 million | US$ 546.94 million (Rs. 24,581.99 million as converted at the exchange rate prevailing on September 30, 2010) | 4.5% per annum payable semi-annually | Unless previously redeemed, converted or purchased and cancelled, the Company will redeem each Convertible Bond at 100% of its principal amount together with accrued interest on November 21, 2014 | November 21, 2014 |
| 1 % Convertible Alternate Reference Securities ("**CARS**")* | US$ 875 million | US$ 382 million (Rs. 17,168.99 million as converted at the exchange rate prevailing on September 30, 2010) | 1% per annum payable semi-annually | Unless previously redeemed, converted or repurchased and cancelled, the Company will redeem each CARS at 123.3419% of its principal amount together with accrued interest and unpaid interest on September 5, 2012 | September 5, 2012 |

** An irrevocable letter of credit (the "**Letter of Credit**") was issued in favour Citibank, N.A., London Branch (the "**Trustees**"), for the benefit of the holders of CARS, by Standard Chartered Bank (the "**LC Bank**"). The Trustee may, in certain circumstances following a failure by the Company to make any payment when due or on the occurrence of an event of default, draw upon the Letter of Credit as beneficiary thereunder on behalf of the holders of CARS. The Letter of Credit expires on the date falling five years and one month after the date of issue of the CARS.*

**E. Non-convertible Debentures**

| Details | Total sanctioned Amount | Amount Outstanding | Rate of Interest | Redemption Terms | Negative Pledge/ Security |
|---|---|---|---|---|---|
| Non-convertible Debentures – Issue 2008 Series – I | Rs. 20,000 million including oversubscription option | Rs. 6,200 million | 10.20% per annum | The non-convertible debentures are redeemable at par on May 7, 2015 | The Company shall not create any security over the Jamshedpur Assets save for Permitted Security (as defined below) without offering *pari passu* charge over the security created to the debenture holders.<br><br>Jamshedpur Assets: means all land (whether freehold or leasehold) of the Company at |
| Non-convertible Debentures – Issue 2008 Series – II | | Rs. 10,900 million | NSE MIBOR (Mumbai Inter-Bank Offer Rate) compounded daily plus 2.50%, where NSE MIBOR is the MIBOR published by the National | The non-convertible debentures are redeemable at par on May 7, 2011 | |

| Details | Total sanctioned Amount | Amount Outstanding | Rate of Interest | Redemption Terms | Negative Pledge/ Security |
|---|---|---|---|---|---|
| | | | Stock Exchange of India on Reuters page MIBR=NS at 0940 IST. | | Jamshedpur, India (and all estate or interest therein and all rights from time to time attached or relating thereto) and all plant, machinery and apparatus therein or thereon (limited to fixed assets relating to the 5 MMTPA steel plant situated thereon)<br><br>Permitted Security: means security existing as of the date of allotment of NCDs, immovable property mortgaged in favour of the debenture trustee through the debenture trust deed and other security for working capital purposes in the ordinary course of business. |
| Non-convertible Debentures – Issue 2008 Series – III | | Rs. 2,900 million | 9.80% per annum | The non-convertible debentures are redeemable at par on May 7, 2011 | |
| Non-convertible Debentures | Rs. 12,500 million | Rs. 12,500 million | 12.50% per annum | Amortising equal redemptions at the end of 6th, 7th and 8th year from November 19, 2008 | Mortgage over land admeasuring 2,003.88 square meters at Kalol, Gandhinagar.<br><br>The Company shall not create any security over the Jamshedpur Assets (save for permitted security without offering *pari passu* charge over the security created to the debenture holders without the prior approval of the holders.<br><br>Jamshedpur Assets: |

| Details | Total sanctioned Amount | Amount Outstanding | Rate of Interest | Redemption Terms | Negative Pledge/ Security |
|---|---|---|---|---|---|
| | | | | | means all land (whether freehold or leasehold) of the Company at Jamshedpur, India (and all estate or interest therein and all rights from time to time attached or relating thereto) and all plant, machinery and apparatus therein or thereon (limited to fixed assets relating to the 5 MMTPA steel plant situated thereon) |
| Non-convertible Debentures | Rs. 15,000 million | Rs. 15,000 million | 11% per annum | Bullet redemption at the end of 10 years from May 19, 2009. | The Company shall not create any security over the Jamshedpur Assets save for permitted security (without offering *pari passu* charge over the security created to the debenture holders without the prior approval of the holders.<br><br>Jamshedpur Assets: means all land (whether freehold or leasehold) of the Company at Jamshedpur, India (and all estate or interest therein and all rights from time to time attached or relating thereto) and all plant, machinery and apparatus therein or thereon (limited to fixed assets relating to the 5 MMTPA steel plant situated thereon) |
| Non-convertible | Rs. 10,000 million including | Rs. 6,509 million | 10.40% per annum | The non convertible | N.A |

| Details | Total sanctioned Amount | Amount Outstanding | Rate of Interest | Redemption Terms | Negative Pledge/ Security |
|---|---|---|---|---|---|
| Debentures | oversubscription option | | | debentures are redeemable at par on May 15, 2019. | |

*NCDs issuances post September 30, 2010*

| Details | Total sanctioned Amount | Amount Outstanding | Rate of Interest | Redemption Terms | Negative Pledge/ Security |
|---|---|---|---|---|---|
| Non-convertible Debentures | Rs. 5,000 million | Rs. 5,000 million | 10.25% per annum | The non convertible debentures are redeemable in equal installments at the end of $18^{th}$, $19^{th}$ and $20^{th}$ year from December 22, 2010. | The Company shall not create any security over the Jamshedpur Assets save for permitted security (without offering *pari passu* charge over the security created to the debenture holders without the prior approval of the holders.<br><br>Jamshedpur Assets: means all land (whether freehold or leasehold) of the Company at Jamshedpur, India (and all estate or interest therein and all rights from time to time attached or relating thereto) and all plant, machinery and apparatus therein or thereon (limited to fixed assets relating to the 5 MMTPA steel plant situated thereon) |
| Non-convertible Debentures | Rs. 25,000 million | Rs. 25,000 million | 10.25% per annum | The non convertible debentures are redeemable in equal installments at the end of $18^{th}$, $19^{th}$ and $20^{th}$ year from January 6, 2011. | The Company shall not create any security over the Jamshedpur Assets save for permitted security (without offering *pari passu* charge over the security created to the debenture holders without the prior approval of the holders.<br><br>Jamshedpur Assets: means all land (whether freehold or leasehold) of the Company at Jamshedpur, India (and all estate or interest therein and all rights from time to time attached or relating thereto) |

| Details | Total sanctioned Amount | Amount Outstanding | Rate of Interest | Redemption Terms | Negative Pledge/ Security |
|---|---|---|---|---|---|
| | | | | | and all plant, machinery and apparatus therein or thereon (limited to fixed assets relating to the 5 MMTPA steel plant situated thereon) |

*Corporate Actions:*

Some of the corporate actions for which the Company requires the prior written consent of lenders include the following:

i. to declare and/ or pay dividend to any of its shareholders whether equity or preference, during any Financial Year unless the Company has paid to the lender the installment of principal, interest charge, costs, and other monies payable by the Company in that year or has made provisions satisfactory to the Lender for making the payment. Further, the Company is required to obtain consent from the Joint Plant Committee for payment of dividends;

ii. in the event of a default, to pay commission to its promoters, directors, managers or other person for furnishing guarantees, counter guarantees or indemnities or for undertaking any other liability in connection with any indebtedness incurred by the Company;

iii. to obtain further secured borrowings;

iv. to undertake or permit any merger, amalgamation or compromise with its shareholders, creditors or effect any scheme of amalgamation or reconstruction;

v. to pass any resolution or otherwise take any steps for voluntary winding up or liquidation or dissolution; and

vi. to prepay loans.

## STOCK MARKET DATA FOR EQUITY SHARES OF THE COMPANY

The Equity Shares of the Company are listed on the Stock Exchanges with ISIN INE081A01012. As the Equity Shares are actively traded on the Stock Exchanges, the Company's stock market data have been given separately for BSE (**BSE Code: 500470**) and NSE (**NSE Code: TATASTEEL**).

The high and low prices recorded on the Stock Exchanges for the preceding three years and the number of Equity Shares traded on the days the high and low prices were recorded are stated below.

**BSE**

| Financial Year | High (Rs.) | Date of High | Volume on date of high (no. of Equity Shares) | Low (Rs.) | Date of Low | Volume on date of low (no. of Equity Shares) | Average price for the Financial Year (Rs.)# |
|---|---|---|---|---|---|---|---|
| 2010 | 737.00 | March 26, 2010 | 1,007,955 | 203.30 | April 1, 2009 | 4,831,448 | 483.74 |
| 2009 | 925.00 | May 21, 2008 | 1,238,747 | 146.35 | November 26, 2008 | 4,648,556 | 455.52 |
| 2008 | 969.80 | October 29, 2007 | 1,427,323 | 372.13 | April 2, 2007 | 952,411 | 674.93 |

*Source: www.bseindia.com*
*# Average computed based on the number of trading days during the year*

**NSE**

| Financial Year | High (Rs.) | Date of High | Volume on date of high (no. of Equity Shares) | Low (Rs.) | Date of Low | Volume on date of low (no. of Equity Shares) | Average price for the Financial Year (Rs.)# |
|---|---|---|---|---|---|---|---|
| 2010 | 661.50 | January 8, 2010 | 8,199,586 | 202.95 | April 1, 2009 | 11,916,303 | 483.86 |
| 2009 | 925.50 | May, 21, 2008 | 3,018,121 | 137.50 | November 24, 2008 | 8,945,403 | 455.60 |
| 2008 | 957.00 | January 1, 2008 | 1,361,086 | 372.36 | April 2, 2007 | 2,643,267 | 675.21 |

*Source: www.nseindia.com*
*# Average computed based on the number of trading days during the year*

The details relating to the high and low prices recorded on the Stock Exchanges for the six months preceding the date of filing of this Red Herring Prospectus, the volume of Equity Shares traded on the days the high and low prices were recorded, average price of the Equity Shares during each such month, the volume of Equity Shares traded during each month and the average number of Equity Shares traded during such trading days, are stated below:

**BSE**

| Month | High (Rs.) | Date of High | Volume on date of high (no. of Equity Shares) | Low (Rs. ) | Date of Low | Volume on date of low (no. of Equity Shares) | Average price for the month (Rs.)# | Volume (no. of Equity Shares) | No. of Trading Days | Average no. of Equity Shares traded during trading days |
|---|---|---|---|---|---|---|---|---|---|---|
| December 2010 | 683.25 | December 31, 2010 | 1,141,337 | 586.10 | December 1, 2010 | 1,653,908 | 647.35 | 29,766,416 | 22 | 1,353,019 |

| Month | High (Rs.) | Date of High | Volume on date of high (no. of Equity Shares) | Low (Rs. ) | Date of Low | Volume on date of low (no. of Equity Shares) | Average price for the month (Rs.)# | Volume (no. of Equity Shares) | No. of Trading Days | Average no. of Equity Shares traded during trading days |
|---|---|---|---|---|---|---|---|---|---|---|
| November 2010 | 647.35 | November 11, 2010 | 1,086,232 | 574.65 | November 30, 2010 | 2,484,636 | 613.04 | 29,961,893 | 21 | 1,426,757 |
| October 2010 | 683.70 | October 6, 2010 | 1,128,644 | 581.60 | October 29, 2010 | 1,830,039 | 634.99 | 30,850,625 | 21 | 1,469,077 |
| September 2010 | 664.60 | September 29, 2010 | 1,611,074 | 526.00 | September 1, 2010 | 1,788,183 | 602.53 | 38,006,543 | 21 | 1,809,835 |
| August 2010 | 553.65 | August 10, 2010 | 1,853,706 | 493.10 | August 25, 2010 | 2,914,318 | 524.52 | 35,981,937 | 22 | 1,635,543 |
| July 2010 | 546.00 | July 23, 2010 | 2,267,260 | 448.65 | July 26, 2010 | 1,058,981 | 508.22 | 35,137,221 | 22 | 1,597,146 |

*Source: www.bseindia.com*
*# Average computed based on the number of trading days during the year*

**NSE**

| Month | High (Rs.) | Date of High | Volume on date of high (no. of Equity Shares) | Low (Rs. ) | Date of Low | Volume on date of low (no. of Equity Shares) | Average price for the month (Rs.)# | Volume (no. of Equity Shares) | No. of Trading Days | Average no. of Equity Shares traded during trading days |
|---|---|---|---|---|---|---|---|---|---|---|
| December 2010 | 684.30 | December 31, 2010 | 3,986,647 | 587.00 | December 1, 2010 | 6,227,503 | 647.83 | 113,949,027 | 22 | 5,179,501 |
| November 2010 | 648.40 | November 11, 2010 | 4,895,910 | 574.10 | November 30, 2010 | 7,829,179 | 613.38 | 122,878,170 | 21 | 5,851,341 |
| October 2010 | 685.00 | October 6, 2010 | 5,549,970 | 581.00 | October 29, 2010 | 7,345,044 | 635.00 | 137,735,463 | 21 | 6,558,832 |
| September 2010 | 664.70 | September 29, 2010 | 7,108,846 | 525.70 | September 1, 2010 | 7,598,717 | 602.84 | 161,985,961 | 21 | 7,713,617 |
| August 2010 | 553.30 | August 10, 2010 | 7,274,694 | 450.00 | August 25, 2010 | 3,862,477 | 524.44 | 132,524,702 | 22 | 6,023,850 |
| July 2010 | 548.90 | July 23, 2010 | 6,695,803 | 460.00 | July 26, 2010 | 4,554,548 | 508.39 | 133,281,225 | 22 | 6,058,238 |

*Source: www.nseindia.com*
*# Average computed based on the number of trading days during the year*

The closing price was Rs. [●] on BSE on January 12, 2010, the trading day immediately following the day on which Board of Directors approved the Issue.

The closing price was Rs. [●] on NSE on January 12, 2010, the trading day immediately following the day on which Board of Directors approved the Issue.

The details relating to the weekly high, low and closing prices recorded on the Stock Exchanges after December 31, 2010 are as under:

**BSE**

| Week Ending | Closing (Rs.) | High (Rs.) | Date of High | Low (Rs.) | Date of Low |
|---|---|---|---|---|---|
| January 7, 2011 | 660.90 | 713.80 | January 4, 2011 | 656.50 | January 7, 2011 |

*Source: www.bseindia.com*

**NSE**

| Week Ending | Closing (Rs.) | High (Rs.) | Date of High | Low (Rs.) | Date of Low |
|---|---|---|---|---|---|
| January 7, 2011 | 661.25 | 713.90 | January 4, 2011 | 656.15 | January 7, 2011 |

*Source: www.nseindia.com*

*Note: In the event the high and low price of the Equity Shares are the same on more than one day, the day on which there has been higher volume of trading has been considered for the purposes of this section.*

# SECTION VI – LEGAL AND OTHER INFORMATION

## OUTSTANDING LITIGATION AND DEFAULTS

Except as described below, there are no material outstanding litigations, suits, criminal or civil proceedings or tax liabilities against the Company, its Directors, the Promoter, the subsidiaries of the Company or Group Companies. Civil and tax related proceedings involving the Company, which involve a claim of Rs. 1,000 million and more and notices from regulatory entities have been individually described. A compiled position of the nature of civil and tax related proceedings against the Company involving an amount of less than Rs. 1,000 million and criminal cases involving the Company has been described.

There are no litigations involving any Indian subsidiaries of the Company or Group Companies which would have a material adverse effect on the consolidated results of operations or financial condition of the Company. Hence with respect to the Indian subsidiaries of the Company, the nature of proceedings which the Indian subsidiaries of the Company are involved in has been described on a consolidated basis. With respect to Group Companies, material cases of the top five Group Companies on the basis of market capitalisation which would have a material adverse effect on the results of operations and financial conditions of such Group Companies along with the statement of contingent liabilities as of March 31, 2010 have been described. With respect to the litigations involving Tata Steel Europe Limited and its subsidiaries, proceedings involving a claim of GBP 5 million and more have been individually described.

**Contingent liabilities of the Company**

For information in relation to the contingent liabilities of the Company as at September 30, 2010, see the section "***Financial Statements - Contingent Liabilities as at September 30, 2010***" on page F-65 of this Red Herring Prospectus.

**1. Litigation involving the Company:**

a. *Civil, tax and other cases:*

There are various civil proceedings involving the Company which are pending adjudication at various forums. These proceedings, *inter alia* relate to claims in relation to royalty on coal, title suits, disputes relating to encroachment of government land, eviction suits, disputes relating to mining operations, disputes relating to consumption of electricity and water, breach of the Contract Labour (Regulation and Abolition ) Act, 1970, disposal of industrial wastes, consumer cases, cases relating to the environment and forests, disputes for wrongfully withholding property and cases relating to dishonour of cheques under the Negotiable Instruments Act, 1881. The Company is also involved in various tax related proceedings relating to levying of terminal tax, entry tax, motor vehicle tax, sales tax, excise duty and income tax. The amounts involved in the above matters cannot be ascertained and all the matters are currently pending at various stages of adjudication.

In addition to the above, a brief description of the civil and tax related proceedings involving the Company and amounting to more than Rs. 1,000 million are provided below:

i. State of Orissa has filed a special leave petition (5264/2006) in the Supreme Court of India against the Company and others challenging the order of the High Court of Orissa dated December 5, 2005. The Company had filed a writ petition (7991 of 2005) before the High Court of Orissa challenging the constitutional validity of the Orissa Rural and Infrastructure Socio-Economic Development Act, 2004 ("**ORISED Act**") under which cess of Rs. 1,574 million was imposed on the Company for carrying on activities in mineral bearing lands. The High Court of Orissa, by an order dated December 5, 2005, held that the ORISED Act was unconstitutional as the state legislature was incompetent to levy any taxes or duties on the extraction of minerals and set aside the demand notice of Rs. 1,574 million issued to the Company. The special leave petition is currently pending before the Supreme Court.

ii. The Company has filed a writ petition (70/2006) in the High Court of Calcutta against the Union of India, the Joint Plant Committee and others ("**Respondents**"). The Company has claimed a return and refund of balance of the contribution of approximately Rs. 17,006 million along with interest as on March 31, 2008, contributed by the Company to the Steel Development Fund ("**SDF**"). The High Court of Calcutta has passed an interim order dated February 13, 2006 restraining the Respondents from utilising any amounts from the contributions made by the Company to the SDF, except for the use towards its members, including the Company. The matter is currently pending before the High Court of Calcutta.

iii. The Company has filed a petition (28/2004) in the High Court of Calcutta against Indian Charge Chrome Limited ("**ICCL**"). The Company has challenged an interim award dated January 9, 2003 by the arbitrator which upheld a claim of Rs. 1,970 million made by ICCL for the breach of the agreement between the Company and ICCL for conversion of chrome ore produced by the Company into charge chrome. The Company has sought an order setting aside the award of the arbitrator. The matter is currently pending before the High Court of Calcutta.

iv. The Company has filed four writ petitions (2995/2008, 2999/2008, 1504/2009, 1505/2009) in the High Court of Jharkhand against the Union of India, challenging the constitutional validity of Rules 64B and 64C of Mineral Concession Rules, 1960 and the demand notices of Rs. 1,440 million and Rs. 880 million issued under the rules for payment of differential royalty on coal extracted from West Bokaro mines and Jharia mines, respectively. The High Court of Jharkhand, by interim order dated March 27, 2009, has directed the Company to pay an amount of Rs. 500 million and amounts equivalent to advance royalty for the months of March and April, 2009, respectively, for both the coal mines, which has been deposited by the Company. The said order also provides that if the Company succeeds, appropriate orders shall be passed for refund of the amount under the same writ petition. By order dated April 20, 2010 of the High Court of Jharkhand, all four petitions have been admitted and are pending for final hearing before the High Court of Jharkhand.

v. The Company has filed a special leave petition (24150/2004) in the Supreme Court of India against the State of Jharkhand and others challenging the order of the High Court of Jharkhand dated August 20, 2004. The Company had filed a writ petition (3819/93) before the High Court of Jharkhand challenging water charges of Rs. 2,068 million levied by the state government on the Company for the use of water from the Subarnrekha River for industrial purpose. The High Court of Jharkhand, by an order dated August 20, 2004 upheld the water charges levied by the State of Jharkhand on the Company for drawing water from the river for industrial purpose and directed the Company to make payment of the same. The Supreme Court of India, by an interim order dated December 3, 2004 has stayed the recovery of the water charges levied prior to the enactment of Bihar Irrigation Act, 1997. The special leave petition is currently pending before the Supreme Court.

vi. The Company has filed a writ petition (1915/2005) in the High Court of Jharkhand against the State of Jharkhand and others, challenging the levy of water charges of approximately Rs. 1,000 million from July, 1998 under the Bihar Irrigation Act, 1997 ("**Act**") on the grounds that the Act does not empower the state government to levy and demand water charges for drawing water for domestic and industrial purposes. The petition is currently pending before the High Court of Jharkhand.

vii. The Company has filed a writ petition (6111/2008) before the High Court of Jharkhand against the State of Jharkhand and others for quashing the demand notice dated January 4, 2008, issued by the Deputy Commissioner, East Singhbhum for an approximate amount of Rs. 1705.50 million as dues for the Financial Year 2008 towards rent, cess, sairat, salami and interest in relation to leased land held by the Company. The petition is currently pending before the High Court of Jharkhand.

viii. The Company has filed three special leave petitions (27442–27444/2008) in the Supreme Court of India against the Assistant Commissioner of Sales Tax and others challenging the order of the

High Court of Orissa dated February 18, 2008. The Company vide writ petitions (1884/2007, 2716/2007 and 2717/2007) filed in the High Court of Orissa challenged the constitutional validity of the Entry Tax Act, 1999 which levied tax on entry of certain scheduled goods within the limits of municipal corporation, municipality, notified area or a gram panchayat for consumption, use or sale. The High Court of Orissa, by an order dated February 18, 2008 disposed off the writ petitions and upheld the constitutional validity of the Orissa Entry Tax Act, 1999. The special leave petitions are currently pending before the Supreme Court.

ix. State of Jharkhand has filed two special leave petitions (1288/2007 and 1101/2007) in the Supreme Court against the Company and others challenging the orders of the High Court of Jharkhand dated August 14, 2008 and August 23, 2008. The Company vide writ petitions (5354/2004 and 1555/2006) filed in the High Court of Jharkhand had challenged the constitutional validity of the Bihar Taxes on Entry of Goods into Local Areas for Consumption, Use or Sale thereof Act, 1993, as adopted by the State of Jharkhand ("**Bihar Entry Tax Act**"), which levied tax on entry of certain scheduled goods within the limits of municipal corporation, municipality, notified area or a gram panchayat for consumption, use or sale. The High Court of Jharkhand, by orders dated August 14, 2008 and August 23, 2008 held Bihar Entry Tax Act to be unconstitutional. The special leave petitions are currently pending before the Supreme Court.

x. State of Jharkhand has filed special leave petitions (31304 – 31357/2008) in the Supreme Court of India against the Company and others challenging the order of the High Court of Jharkhand dated June 13, 2008. The Company had vide writ petition (5839/2006) challenged the constitutional validity of section 11 of the Jharkhand Value Added Tax Act, 2005 ("**Jharkhand VAT Act**") which levied tax on the entry of certain scheduled goods within the limits of municipal corporation, municipality, notified area or a gram panchayat for consumption, use or sale. The High Court of Orissa, by an order dated June 13, 2008 held the Jharkhand VAT Act to be unconstitutional. The special leave petitions are currently pending before the Supreme Court.

xi. The Commissioner of Central Excise ("**CCE**") has filed a civil appeal (1091/2009) in the Supreme Court of India against the Company challenging the order dated June 24, 2008 passed by the Customs, Excise and Service Tax Appellate Tribunal, Kolkata Bench ("**CESTAT**"). The CCE by an order dated January 20, 2006 had held that the Company cannot be classified as an integrated steel plant and has ordered a payment of Rs. 2,355 million towards duty and penalty. The CESTAT, vide its order dated June 24, 2008, set aside the order of the CCE including the demand for payment of duty and the levy of penalty. The matter is currently pending before the Supreme Court.

xii. The Company has filed a revision petition before the Commissioner Commercial Taxes, Ranchi, Jharkhand against the demand notice (No. 6741) dated November 5, 2007 for Rs. 1,383.34 million. This revision petition has been filed against the assessment of the assessing officer treating certain stock transfers as interstate sales and levying a tax of 8% on such transfers. The Commissioner, by an order dated January 31, 2008 granted a stay in favour of the Company subject to deposit of 20% of the demand raised amounting to Rs. 276.67 million which was confirmed by the High Court of Jharkhand by an order dated February 26, 2008. The Company had filed a special leave petition before the Supreme Court of India against the order of the High Court of Jharkhand and the Supreme Court by its order dated March 24, 2008 upheld the order of the High Court of Jharkhand and directed the Company to deposit 20% of the amount after adjusting the tax already paid during the year 2003-04 which amounted to Rs. 245.13 million. On March 29, 2008, the Company has deposited the balance amount of Rs. 31.55 million to the Sales Tax authority. The matter is currently pending before the Commissioner Commercial Taxes, Ranchi, Jharkhand

b. *Labour related cases*

There are several cases filed by the state governments through factory inspectors, certain previous and present employees, workmen and their legal heirs, before various forums, against the Company, it officers and Directors. These cases are in relation to various claims including, *inter alia*, (i) fatal accidents involving employees of the Company and workmen employed by the contractors due to violation of various provisions of legislations and rules relating to factories; (ii) dismissal and termination of workmen and claims for re-instatement and regularisation; (iii) demand for provident fund contributions and benefits by employees of the Company and contractor's employees and penalties imposed on the Company in relation to delay or default in contribution to provident fund; (iii) penalties imposed on the Company due to default in payment of minimum wages; (iv) claims to wages for overtime work and back wages from the date of termination; (v) denial of employment to dependants of deceased workmen of the Company; and (vi) applicability of national coal wage agreement to the Company. These matters are pending at various stages of adjudication.

c. *Criminal cases involving the Company and its employees*

There have been various criminal cases filed against the Company or its employees, which are pending before various authorities, tribunals and courts at various stages of adjudication. These proceedings *inter alia* relate to allegations of fatal accidents caused due to the negligent conduct of the Company's employees and Directors, carrying out mining operations without a permit, non-payment of central excise duty, forgery by certain employees of the Company and contravention of the provisions of the Factories Act, 1948, the Standard Weights and Measures (Enforcement) Act, 1985, Contract Labour Regulations and Abolition Act, 1970, Indian Forest Act, 1927, Prevention of Food Adulteration Act, 1954 and other applicable legislations.

d. *Cases in relation to mines*

The Company is involved in certain disputes which are pending before the Mining Tribunal and the High Courts of Jharkhand, Delhi and Karnataka in relation to certain applications made for mining leases and prospecting licenses. These matters are currently pending.

e. *Notices*

i. The Directorate of Revenue Intelligence, Government of India has issued a show cause notice under Customs Act, 1962 (DRI F.No.69/Kol/APP/2009/625) dated March 3, 2010 to the Company and T.M. International Logistics Limited for custom duty demand of Rs. 20.93 million with interest and penalty for the import of designs and drawings. The matter is currently pending.

ii. The Directorate of Revenue Intelligence, Government of India has issued a show cause notice under Customs Act, 1962 (DRI F.No.69/Kol/APP/2009/1029) dated April 18, 2010 and amendment (F.No. 69/Kol/APP/2009(Pt.)/2389) dated July 26, 2010 to the Company and T.M. International Logistics Limited as to why the imported consignment of designs and drawings should not be revalued at Rs. 4,075.95 million and as to why the custom duty demand of Rs.1,242.06 million with interest and penalty on clearance of consignments of design and drawings issued to the Company and T.M. International Logistics Limited. The matter is currently pending.

iii. The Enforcement Directorate issued a notice dated July 8, 2010 to the Company under the Foreign Exchange Management Act, 1999 and Income Tax Act, 1961, seeking details such as name, present residential address contact numbers, bank statements, etc. of the Directors as on the date of the notice, the names and addresses of the Directors who were responsible for conduct of business during 2008 and 2009, names and addresses of the bankers of the Directors with updated statement of accounts, copies of contract/agreement made with foreign suppliers for the goods imported, particulars of outward remittance of foreign exchange for import of design and drawings in compact disks during the Financial Year 2009 and certified copies of import documents like purchase orders, bills of entries and bill of lading.

iv. Show cause notice (F.NO.S45-37/2007 Estt.) dated October 4, 2010, has been issued by Commissioner (Customs & Airport) as to why the Customs House Agent licence held by T.M.

International Logistics Limited should not be revoked on account of mis-declaration of imported design and drawings in compact disks.

## 2. Litigation involving the Directors

***Ratan N. Tata***

a. *Criminal Cases*

i. Ratan N. Tata, Tata Power Company Limited ("**TPCL**") and others have filed two criminal miscellaneous petitions (1157/2009 and 1158/2009) before the High Court of Rajasthan under section 482 of the Code of Criminal Procedure, 1973, challenging the order of the Court of the Judicial Magistrate dated January 16, 2006. Gyanwati Dhakad ("**Complainant**") had filed a criminal complaint (13/2002) before the Court of the Judicial Magistrate, Jaipur alleging that 100 shares of TPCL held by the Complainant and her husband were fraudulently transferred by the TPCL in the name of one of the accused. The Court of the Judicial Magistrate, by its order dated January 16, 2006 has directed for issuance of bailable warrants against all accused including Mr. Ratan N. Tata. The High Court of Rajasthan, by its order dated November 24, 2009, has stayed the proceedings in the criminal complaint. The matter is currently pending.

ii. Dharam Pal Singh has filed a criminal complaint (29/2005) in the court of the Special Judicial Magistrate, Kanpur against Ratan N. Tata and other officials of Tata Teleservices Limited under sections 418, 420, 467 and 468 of the Indian Penal Code, 1860 alleging appointment of another franchisee in the same area and for non-payment of security deposit. The Company has filed a petition before the High Court of Uttar Pradesh for deletion of name of Ratan N. Tata and the High Court has stayed the proceedings before the court of the Special Judicial Magistrate. The matter is currently pending.

iii. Dharam Pal Singh had filed a criminal complaint (147/2006) in the court of the Special Judicial Magistrate, Mainpuri against Ratan N. Tata and other officials of Tata Teleservices Limited under sections 418, 420, 467 and 468 of the Indian Penal Code, 1860 alleging appointment of another franchisee in the same area and for non-payment of security deposit. The Special Judicial Magistrate dismissed the criminal complaint against which a revision petition (281/2006) has been filed before the Sessions Court. The matter is currently pending.

iv. Om Prakash Sharma has filed a criminal complaint (313/2006) in the court of the Judicial Magistrate, Agra against Ratan N. Tata and Tata Teleservices Limited under sections 418, 420, 467, 468 of the Indian Penal Code and has alleged that he was overcharged for his telephone connection and that he was not provided certain facility as committed under the plan. The matter is currently pending.

v. State of Madhya Pradesh has filed a criminal complaint (102/97) in the court of the Judicial Magistrate, 1st Class, Bhopal against Ratan N. Tata and Tata Motors Limited under provisions of the Minimum Wages Act, 1948 for not keeping the inspection report, not issuing any wage slips to the workmen and for not providing with the attendance cards to the workmen. An application for exemption of Ratan N. Tata has been filed and the matter is currently pending.

b. *Civil Cases*

i. Binu Anand Khanna has filed a civil suit (399/2001) before the Delhi High Court, against Ratan N. Tata in his capacity as chairman of Indian Hotels Company Limited and others in a case relating to declaration and damages and recovery of dues of Rs. 10 million. The matter is currently pending.

ii. Ravi Chirania had filed a writ petition (8558/2004) before the High Court of Rajasthan against the State of Rajasthan, Ratan N. Tata in his capacity as chairman of Indian Hotels Company Limited and others and had sought for directions to the Excise Department to take action against the staff and the hotel for serving liquor in holy dress in the theme party at the Rambagh Palace Hotel, Jaipur. The High Court has dismissed the writ petition against which a restoration application has been filed. The matter is currently pending.

iii. Teamsters Local 500 Severance Fund and the Southeastern Pennsylvania Transportation Authority have filed a shareholder derivative suit in the civil division of the Court of Common Pleas of Allegheny County, Pennsylvania, U.S. against certain directors and officers of Alcoa Inc. including Ratan N. Tata alleging breach of fiduciary duty. The derivative suit is based on the allegations made by Aluminum Bahrain B.S.C against Alcoa Inc. in a previous civil litigation. The matter is currently pending.

iv. Philadelphia Gas Works Retirement Fund has filed a shareholder derivative suit in the civil division of the Court of Common Pleas of Allegheny County, Pennsylvania, U.S. against certain directors and officers of Alcoa Inc. including Ratan N. Tata alleging breach of fiduciary duty. The derivative suit is based on the allegations made by Aluminum Bahrain B.S.C against Alcoa Inc. in a previous civil litigation. The matter is currently pending.

v. The Assistant Registrar of Companies, West Bengal has filed a complaint in the court of the Chief Judicial Magistrate at Alipore against Ratan N. Tata and others. This Complaint has been filed under section 217 (5) of the Companies Act and relates to contravention of section 217(1) (e) of the Companies Act for not having disclosed details regarding the quality of coal used under the head conservation of energy, in the directors reports attached to the balance sheets of Tata Global Beverages Limited as at March 31, 2006 and March 31, 2007. The matter is currently pending.

vi. The Assistant Registrar of Companies, West Bengal has filed a complaint in the court of the Chief judicial Magistrate at Alipore against Ratan N. Tata and others. This Complaint has been filed under section 217 (5) of the Companies Act and relates to contravention of section 217(1) (e) of the Companies Act for not having disclosed details about the particulars of export, i.e. activities relating to exports, initiative taken to increase exports, development of new export markets for products and export plans in the directors reports attached to the balance sheet of Tata Global Beverages Limited as at March 31, 2006 and March 31, 2007. The matter is currently pending.

vii. The Assistant Registrar of Companies, West Bengal has filed a complaint in the court of the Chief Judicial Magistrate at Alipore against Ratan N. Tata and others. This Complaint has been filed under section 217 (5) of the Companies Act and relates to contravention of section 217(1) (e) of the Companies Act for not having disclosed details in relation to technology imported during the last five years, year of import, whether the technology has been fully absorbed and if not, areas where not absorbed, reasons thereof and future plan of action in the directors reports attached to the balance sheets of Tata Global Beverages Limited as at March 31, 2006, March 31, 2007 and March 31, 2008. The matter is currently pending.

viii. The Assistant Registrar of Companies, West Bengal has filed a complaint in the court of the Chief Judicial Magistrate at Alipore against D.N. Ghosh, Ratan N. Tata and others. This Complaint has been filed under section 305 (1) of the Companies Act and relates to contravention of section 305 of the Companies Act for having failed to disclose details of appointment / relinquishment of the post of Directors of Tata Global Beverages Limited in other bodies corporate within the provided time under section 305(1) of the Companies Act. The matter is currently pending.

ix. Ratan N. Tata, in his capacity as director of Tata Motors Limited, has been named as a party in 59 consumer complaints filed before various consumer forums in relation to deficiency in products and services provided by Tata Motors Limited.

***B. Muthuraman***

*Criminal Cases*

i. B. Muthuraman and others have filed a criminal miscellaneous petition (849/2006) in the High Court of Jharkhand against the state of Jharkhand and Shyam Narayan Singh. The petition is filed against a case (C1 81/06) filed by Shyam Narayan Singh in relation to payment of bills and reimbursement of labour charges. The matter is currently pending.

ii. B. Muthuraman has filed a criminal miscellaneous petition (109/2006) in the High Court of Jharkhand against the State of Jharkhand. The petition is filed against a case (45/2004) which alleged that that prohibited contract job was being carried out through contract labour at Jamadoba. The High Court of Jharkhand by an interim order dated May 12, 2006 has directed the Chief Judicial Magistrate, Dhanbad to not take coercive step against the Company.

iii. State of Jharkhand has filed criminal miscellaneous petition (59/2009) in the High Court of Jharkhand against B. Muthuraman and others alleging that the Company was transporting coal in contravention of the Jharkhand Mineral Transit Challan Regulations, 2005. The High Court of Jharkhand dismissed the petition by an order dated April 16, 2009. State of Jharkhand has filed a special leave petition (7126/2010) against B. Muthuraman and others in the Supreme Court of India against the order of the High Court of Jharkhand. The matter is currently pending.

***Nusli N. Wadia***

a. *Criminal Cases*

i. The Legal Metrology, Mumbai has filed five criminal cases before the Chief Judicial Magistrate and other Metropolitan Magistrates in the year 2001-2002 against Britannia Industries Limited and its Directors including Nusli N. Wadia alleging violation of schedule III of the Packaged Commodities (Regulation) Order, 1975 on the ground that Britannia Industries Limited in its promotion material did not disclose the entire weight of biscuits including the free quantity that was being offered. Britannia Industries Limited has filed a petition before the High Court of Bombay for quashing the proceedings pursuant to which the High Court of Bombay in 2003 has stayed the proceedings of the case. The matter is currently pending.

ii. Satish Kumar Garcha and others have filed a case before the court of the Metropolitan Magistrate, Delhi against the trustees of Britannia Industries Limited Pension Fund and Nusli N. Wadia in his capacity as a director of Britannia Industries Limited ("**BIL**") alleging criminal breach of trust due to non-payment of pension and withdrawal of sums from the staff pension fund by BIL. BIL has filed a petition before the High Court of Delhi for quashing the Proceedings, pursuant to which, the High Court of Delhi has stayed the proceedings. The matter is currently pending.

b. *Civil Cases*

i. Nazeer Jalaluddin has filed a consumer case before the District Consumer Redressal Forum Tiruvallur, Tamil Nadu against Britannia Industries Limited, Nusli N. Wadia and other directors and officials of Britannia Industries Limited claiming compensation of Rs. 1 million alleging that there was hair inside the packet of biscuits he had bought. The matter is currently pending.

ii. Food Inspector, Prevention of Food Adulteration, Delhi has filed a case before the court of the Metropolitan Magistrate, Delhi against Britannia Dairy Private Limited ("**BDPL**") and its directors including Nusli N. Wadia on the ground that the chedder cheese which was tested by the Food Inspector did not conform to the standards prescribed under the Prevention of Food Adulteration Act, 1954. BDPL has filed a petition before the High Court of Delhi for quashing the proceedings, pursuant to which the High Court of Delhi has stayed the proceedings of the case. The matter is currently pending.

***S.M. Palia***

*Civil Cases*

i. RBI has filed a complaint in the Court of the Chief Magistrate, Kolkata under section 200 of the Code of Criminal Procedure, 1973 and section 53 E (1) of the Reserve Bank of India Act, 1934 against IFB Finance Limited, S.M. Palia and other directors of IFB Finance Limited for the failure to comply with the orders passed by the Eastern Region Branch, Company Law Board, Kolkata in relation to repayment to depositors as per the terms and conditions stipulated in its orders dated January 2000 and March 2001. The matter is currently pending.

***Ishaat Hussain***

*Civil Cases*

i. Tata Korf Engineering Services Limited has filed a writ petition (1824/ 2005) before the Calcutta High Court against an order dated August 22, 2005 of the Foreign Exchange Appellate Tribunal, New Delhi passed against Tata Korf Engineering Services Limited, Ishaat Hussain and J.J. Irani in relation to an investigation initiated by the Enforcement Directorate, New Delhi under the Foreign Exchange Regulation Act, 1973 for import of an aircraft. The writ petition is against the order of the Appellate Tribunal, directing Tata Korf Engineering Services Limited to deposit 25% of the total penalty amount, aggregating approximately to Rs. 22.50 million, as well as a bank guarantee of the same amount. The Calcutta High Court has passed an order of injunction against the order of the Appellate Tribunal.

ii. Labour Enforcement Officer, Vishakapatnam has issued a show cause notice to Voltas Limited ("**Voltas**") and Ishaat Hussain directing Voltas to register under the Building and other Construction Workers Act, 1996 ("**Act**") and pay the cess as per the provisions of the Act. Voltas has filed a writ petition (28861/2008) before the High Court of Andhra Pradesh against a show cause notice and has argued that the Act is not applicable to the activities carried out by Voltas. The High Court of Andhra Pradesh by an order dated December 31, 2008 has granted stay. The matter is currently pending.

***Jamshed J. Irani***

a. *Criminal Cases*

i. Jamshed J. Irani and P.N. Roy have filed a criminal revision (506/2005) in the High Court of Jharkhand against the order of the Sessions Judge, Jamshedpur dated May 16, 2005, modifying the judgment and order passed by the Judicial Magistrate in complaint (C2 663/1991). The matter is currently pending.

ii. Shyam Narayan Singh has filed a criminal complaint (C1 81/2006) in the court of the Judicial Magistrate, First Class at Jamshedpur against Jamshed J. Irani and others under section 420 of the Indian Penal Code, 1860 in relation to payment of bills and reimbursement of labour charges. A criminal miscellaneous petition (849/2006) has been filed before the Jharkhand High Court challenging the cognizance of the offence. The Jharkhand High Court has stayed the proceedings, pending disposal of the petition. The matter is currently pending.

b. *Civil Cases*

i. Tata Korf Engineering Services Limited has filed a writ petition (1824/ 2005) before the Calcutta High Court against an order dated August 22, 2005 of the Foreign Exchange Appellate Tribunal, New Delhi passed against Tata Korf Engineering Services Limited, Ishaat Hussain and J.J. Irani in relation to an investigation initiated by the Enforcement Directorate, New Delhi under the Foreign

Exchange Regulation Act, 1973 for import of an aircraft. The writ petition is against the order of the Appellate Tribunal, directing Tata Korf Engineering Services Limited to deposit 25% of the total penalty amount, aggregating approximately to Rs. 22.50 million, as well as a bank guarantee of the same amount. The Calcutta High Court has passed an order of injunction against the order of the Appellate Tribunal.

ii. The Factory Inspector has filed a complaint (C2 1079/98) in the court of the Judicial Magistrate, First Class at Jamshedpur against Jamshed J. Irani under rule 55A (2) of Bihar Factories Rules, 1950 concerning a fatal accident involving a contractor's employee at a construction site of the Company. A criminal revision petition has been filed in the Jharkhand High Court against order passed in this case and the matter has been remanded for trial and is currently pending.

iii. The Factory Inspector has filed two complaints (C2 913/2000 and C2 914/2000) in the court of the Chief Judicial Magistrate, Jamshedpur against Jamshed J. Irani. The complaints have been filed under section 96(A) of the Factories (Amendment) Act, 1987, and relate to the fatal accidents involving two employees of the Company. The Company has filed a petition seeking to discharge Jamshed J. Irani from liability on the grounds that the Factory Inspector lacks jurisdiction. The case is currently pending.

iv. The Factory Inspector has filed a complaint (C2 2855/2001) in the court of the Judicial Magistrate, First Class at Jamshedpur against Jamshed J. Irani. The complaint has been filed under section 92 of the Factories Act, 1948 and relates to contravention of section 7A of the Factories Act, 1948 read with sub-rule 2 of rule 55A of Bihar Factories Rules, 1950. The Company has filed a petition for discharge of Jamshed J. Irani. The court has allowed the petition and included the name of T. Mukherjee as the occupier of the factory. The Company has filed a case (134/2003) against this order of the court in including the name of another Director, with the Government of Jharkhand has filed another case (151/2003) against the order of the court discharging Jamshed J. Irani. Both the matters are pending before the Second Additional District Judge at Jamshedpur.

v. The Factory Inspector has filed a complaint (2903/2001) in the court of the Chief Judicial Magistrate at Jamshedpur against Jamshed J. Irani and others. This complaint has been filed under section 92 of the Factories Act, 1948 for contravention of section 33 (1) and 7A read with rule 55A (2) of the Bihar Factories Rules, 1950 and relates to the fatal accident involving a contractor worker. The Company has filed a petition seeking discharge of Jamshed J. Irani on the grounds that he was not the occupier of the factory on the date of occurrence of the accident. The matter is currently pending.

vi. The Factory Inspector has filed a complaint (C2 919/99) in the court of the Chief Judicial Magistrate, Jamshedpur against Jamshed J. Irani. This complaint has been filed under sections 29 and 52 of the Factories Act, 1948 read with rules 56 (A) and 59 (C) of the Bihar Factories Rules, 1950 for issues including non-production of fitness certificate of the cranes and deprivation of worker's weekly holiday. The matter is currently pending.

vii. The Factory Inspector has filed a complaint (C2 810/1991) in the court of the Judicial Magistrate, First Class at Jamshedpur against Jamshed J. Irani and P.N. Roy. This complaint has been filed under rule 55A (2) of the Bihar Factories Rules, 1950 and relates to a fatal accident involving an employee of the Company. The case has been stayed by the order of the Jharkhand High Court in a criminal miscellaneous petition (152/2000(R)). The matter is currently pending.

viii. The Factory Inspector has filed a complaint (C2 366/1998) in the court of the Judicial Magistrate, First Class at Jamshedpur against Jamshed J. Irani and others. This complaint has been filed under section 32 of the Factories Act, 1948 read with rule 55A (1) of the Bihar Factories Rules, 1950 and relates to the fatal accident involving an employee of Stewarts & Lloyds Limited in the coke oven department of the Company on January 13, 1998. This case has been stayed by the order of the Jharkhand High Court in a criminal miscellaneous petition (8903/1999(R)). The matter is currently pending.

ix. The Factory Inspector has filed a complaint (C2 884/1998) in the court of the Judicial Magistrate, First Class at Jamshedpur against Jamshed J. Irani (director) and others. This complaint has been filed under section 21 of the Factories Act, 1948 and relates to the fatal accident involving an employee of the Company. The case has been stayed by an order of the Jharkhand High Court in a criminal miscellaneous petition (9395/1999 (R)). The matter is currently pending.

x. The Factory Inspector has filed a complaint (C2 894/1998) in the court of the Judicial Magistrate, First Class at Jamshedpur against Jamshed J. Irani and others. This complaint has been filed under rule 55A (2) of the Bihar Factories Rules, 1950 and relates to the fatal accident involving an employee of the Company. This case has been stayed by an order of the Jharkhand High Court in a criminal miscellaneous petition (9393/1999 (R)). The matter is currently pending.

xi. The Factory Inspector has filed a complaint (C2 895/1998) in the court of the Judicial Magistrate, First Class at Jamshedpur against Jamshed J. Irani, R.P. Tyagi and others. This complaint has been filed under section 54 of the Factories Act, 1948 and relates to denial of a weekly holiday to workmen. This case has been stayed by the Jharkhand High Court by its order in a criminal miscellaneous petition (9394/1999 (R)). The matter is currently pending.

xii. K.B. Prasad has filed a case (G.R. 365A/1989) in the court of the Judicial Magistrate, First Class at Jamshedpur against Jamshed J. Irani and others. The case relates to the offences under sections 338 and 304 of the Indian Penal Code, 1860. Pursuant to a criminal miscellaneous petition (2046/1991) been filed by Jamshed J. Irani and a separate criminal miscellaneous petition (2117/1991) filed by P.N. Roy, the Jharkhand High Court has amalgamated the petitions on July 4, 1991. The matter is currently pending.

xiii. Jamshed J. Irani and another have filed three special leave petitions (5340 – 5342/2007) in the Supreme Court of India against the State of Jharkhand challenging the order of the High Court of Jharkhand dated June 15, 2007 on the ground that the High Court took cognizance of the matter beyond the stipulated limitation period. The Supreme Court of India, by an order dated October 12, 2007 has issued notice to the state of Jharkhand and has stayed proceedings pending before the trial court, Jamshedpur in complaints (C2 224 – 226/1990). The matter is currently pending.

***H.M. Nerurkar***

a. *Criminal Cases*

i. The Factory Inspector has filed a criminal complaint (122/2010) that there is one criminal prosecution case recently filed under Factories Act, 1948 against H.M. Nerurkar concerning a fatal accident of an employee in Tata Growth Shop. The matter is currently pending.

ii. The Inspector, Weights and Measures has filed a criminal complaint (274/2010) in the Court of Judicial Magistrate First Class, Tumsar against H.M. Nerurkar as the managing director of the Company in relation to alleged non-declaration of essential items on the package of products of the Tata Bearings division. The matter is currently pending.

**3. Litigation involving the Subsidiaries of the Company**

**a. Indian Subsidiaries**

The Indian subsidiaries of the Company are involved in various legal proceedings in their ordinary course of businesses. Although the outcome of these legal proceedings are uncertain, the Company does not expect that an adverse outcome in any of these proceedings will have a material adverse effect on the the Company's business, results of operations, financial condition and prospects.

The nature of legal proceedings in which the Indian subsidiaries of the Company are typically involved include, *inter alia*, criminal proceedings against such subsidiaries and its employees for alleged non-payment of minimum wages required under law, trespass, causing hurt, negligence acts causing accidents, criminal intimidation, violation of rules and laws relating to factories; civil cases including contractual disputes in relation to their businesses, claims for restriction on construction activities on land alleged to be private land, money suits, title suits, eviction suits and other disputed related to properties, payment of royalty; labour cases including exemption from applicability of Employees State Insurance Act, 1948, termination of employees, non-payment of dues and other industrial disputes; various tax related proceedings relating to non-payment, disallowances of exemption and deductions from excise duty, sales tax, service tax, value added tax, entry tax, income tax and other state and local taxes and levies; and notices received from environmental authorities in relation to establishment of a plant. These matters are pending before various forums at different stages of adjudication.

b. **Litigation involving Tata Steel Europe Limited**

*ISCOR*

Following a break-out at a blast furnace, ISCOR has made a claim against Danieli Corus Europe BV in connection with design and engineering work carried out in 1992. The claim is for R327.94 million. Preliminary court proceedings were concluded in November 2006. It was expected that ISCOR would wish to resume negotiations towards a settlement, but to date they have not done so.

*Hennis*

Following the use of rubble from the IJmuiden site to fill Minerva harbour in the Netherlands between 1968 and 1969, the harbour has been returned to the municipality of Amsterdam and soil and groundwater pollution has been identified. Remediation costs are being sought from Tata Steel IJmuiden BV ("**TS IJm"**) by Hennis (the contractor involved), and depending on the method of remediation chosen, costs could be in the region of EUR15 million. Stora has pursued Hennis for these costs and Hennis in turn has pursued TS IJm. The court case between Hennis and TS IJm has been postponed to late 2011.

*Tennet TSO B.V.*

Tata Steel IJmuiden B.V. ("**TS IJm"**) is contesting increases in connection tariff by Tennet (the national electricity grid operator) based on a dispute as to what was agreed with Tennet's predecessor. As of 2009 Tennet raised its connection tariff by 2 million Euro per annum and in October 2009 proposed to raise its connection tariff by another 6 million Euro per annum as of 2010. TS IJm has continued paying for the connection, but paid the difference between the original fee and the raised fee under protest, and in accordance with consumption. A court hearing took place in June 2010 between TS IJm and Tennet and a judgment against TS IJm was passed on December 1, 2010. TS IJm is currently considering filing an appeal against the judgment.

*Franked Investment Income*

Tata Steel UK Limited ("**TSUK"**) has joined a group of litigants seeking a ruling regarding Inland Revenue treatment of dividends paid from foreign subsidiaries. The action is being taken jointly as part of a group litigation order ("**GLO**"). TSUK's initial view of the position was that if its claim were successful, surplus ACT of GBP8.308m should be refunded. The GLO also covers claims that dividends received from non-UK subsidiaries/investments should have not been taxed in the UK. If this claim were successful it is estimated that TSUK could expect a tax refund of GBP8.315m, plus additional surplus ACT would arise (up to 1999) since ACT would no longer be required for offset against the UK tax liability on the dividends. In November 2008, the UK High Court gave its judgment and an interim payment was received by TSUK in June 2009. The decision was appealed and the Court of Appeal gave judgment in February 2010. TSUK retained GBP13.5 million of the interim payment with GBP 6.4 million repaid in April 2010. The Court of Appeal's decision is subject to appeal by both sides, with some key issues proceeding to the supreme court and others being returned to the ECJ.

*Dispute with Welsh Water re supplies to Llanwern, Shotton and Trostre*

Welsh Water is the monopoly supplier of water at Llanwern, Shotton and Trostre. Until March 2004, all water supplies were made under special (individual, negotiated) agreements between Tata Steel UK Limited ("**TSUK"**) and Welsh Water at non-tariff prices. At the expiry of these agreements, a dispute arose as to the basis on, and price at which, water would continue to be supplied.

A calculation of the value of the dispute is difficult because there are a large number of variables. However, if (i) TSUK's defence is unsuccessful and Welsh Water is entitled to continue charging TSUK at its standard tariff and (ii) this tariff is increased annually by the maximum amounts permitted by the regulator, then the estimated costs of water supply to TSUK from Welsh Water over the five years from April 2004 (based on present levels of consumption) would be between GBP5m and GBP16m more than the cost TSUK would have incurred if the terms of the special agreements (which TSUK argues should govern the supply to TSUK) were held to apply.

The remaining issues in dispute between the parties (the price and certain terms and conditions of supply) have been referred to the water industry regulator for determination. A response from the regulator is now awaited.

*Dispute with Duferco Participations Holdings Ltd and others*

On December 16, 2004 Tata Steel UK Limited ("**TSUK"**) entered into an Offtake Framework Agreement ("**OFA**") and related Offtake Agreements (together with the OFA the "**Agreements**") for the supply of 78% of the slab output of Teesside Cast Products ("**TCP**") to Duferco International Investment Holding (Guernsey) Ltd (through various assignments replaced as a party by Duferco Participations Holdings Ltd with the slab purchase being made by Steel Invest Trading SA), Grupo Imsa S.A de CV (through various assignments replaced as a party by Alvory SA), Marcegaglia S.P.A and Dongkuk Steel Mill Co., Ltd ("**the Offtakers**"). The Agreements had an initial 10-year term with an expiry date in December 2014.

On April 7, 2009 the Offtakers purported to terminate the Agreements. TSUK considered such action to be in breach of the Agreements and is pursuing all available legal remedies.

The Teesside facility was partially mothballed in February 2010.

***Antidumping—United States***

*Hot rolled steel*

In November 2000, an antidumping ("**AD**") complaint was filed in the US which resulted in an AD order imposing additional duties on Tata Steel Europe sales into the US of hot rolled steel from the Netherlands. The hot rolled order was subsequently included in the EU's successful WTO 'zeroing' challenge, as a result of which it was revoked by the US Department of Commerce ("**DOC**") with effect from April 23, 2007 (see 'zeroing' below).

US petitioners appealed the decision by the DOC, but the appeals were denied. Petitioners have now requested an 'en-banc' review of the appeal court decision.

*'US—Zeroing'*

The EU pursued a complaint through the WTO against the US over 'zeroing', the practice whereby in the calculation of dumping margins, any 'negative' margins are set to zero, rather than being included in the calculation of the overall level of dumping. The WTO Appellate Body ("**AB**") issued its findings in this case in April 2006, upholding most of the EU's main arguments that the use of 'zeroing' was impermissible. To comply with the WTO ruling, the US reassessed the two AD orders affecting Tata Steel Europe without 'zeroing', determining a revised margin of 0% in both cases. Accordingly both orders were revoked with effect from April 23, 2007. However, despite this, the DOC continued to use 'zeroing' after this date in relation to the various review periods. The EU subsequently challenged US implementation, including the continued liquidation of duties in review periods. The WTO AB issued its final ruling on this matter in June 2009, upholding many of the EU's claims. In particular, the WTO AB ordered that the US should refund the monies relating to the fourth and fifth administrative reviews of the AD order against hot rolled steel from the Netherlands, totaling some $18million plus interest. The US has stated it will comply with the WTO AB ruling, and has undertaken to issue proposals on this by the end of 2010.

**4. Litigation involving the Promoter**

*Litigation involving Tata Sons*

There are no material cases, pending litigations, defaults etc. which, even if decided against Tata Sons, could result in a significant financial liability in relation to the profits of Tata Sons.

*Contingent liabilities not provided for as on March 31, 2010:*

I. a. Tata Sons has given guarantees to banks, financial institutions and others in respect of credit facilities extended to other companies of the maximum amount of Rs. 13,295.0 million (March 31, 2009 - Rs.12,178.2 million). The amounts outstanding against the above guarantees as on March 31, 2010 were Rs.13,174.4 million (March 31, 2009 - Rs. 12,011.7 million).

b. Sales tax matters under appeal amounts to Rs. 43.9 million (March 31, 2009 – Rs. 43.9 million).

c. Other claims not acknowledged as debt Rs 24.0 million (March 31, 2009 - Rs 14.9 million). Outflows are dependent on future decisions and appeals. No reimbursements are expected.

d. Tata Sons has pledged shares of the book value of Rs. 22,334.2 million (March 31, 2009 – Rs. 35,559.6 million), held in subsidiaries of Tata Sons, as security for the assistance availed by the subsidiaries from certain banks.

e. Uncalled liability on investments in respect of partly paid equity shares is Rs. 4,000 million (March 31, 2009 – Rs. 4,000 million).

II. a. Tata Sons has provided a procurement option to the holders of 317.6 million (March 31, 2009 – 1,007.5 million) compulsorily convertible preference shares issued by a subsidiary company for an aggregate value of Rs. 3176.0 million (March 31, 2009 - Rs 10,007.5 million) under which it is required to identify a purchaser for the such preference shares at the prevalent fair value determined in accordance with the terms of the shareholders' agreement with the holders of the above shares.

b. In terms of the agreements entered into between Tata Teleservices Limited ("**TTSL**"), NTT DoCoMo, Inc. of Japan, ("**SP**") and Tata Sons in the Financial Year 2009, the SP had acquired 1,097,043,742 equity shares of TTSL comprising of 843,879,801 shares under the primary issue and 253,163,941 shares under the secondary sale (including 142,207,872 equity shares sold by Tata Sons).

If certain performance parameters and other conditions are not met by March 31, 2014, should the SP decide to divest its entire shareholding in TTSL, and should Tata Sons be unable to find a buyer for such shares, Tata Sons is obligated to acquire the shareholding of the SP, at the higher of fair value or 50 percent of the subscription purchase price, or if the SP divests the shares at a lower price pay a compensation representing the difference between such lower sale price and the price referred to above. In case of happening of certain events as specified in the agreement, Tata Sons is obliged to acquire the shareholding of SP at fair value. Tata Sons has entered into agreements with other selling companies where they have agreed to reimburse Tata Sons in their respective pro-rated proportions based on the number of shares sold by them to the SP to the total secondary shares sold.

Further, in the event of breach of the representations and warranties, and covenants not capable of specific performance, Tata Sons and TTSL are jointly and severally liable to reimburse the SP upto a maximum sum of Rs 21,702.2 million (net of Rs 16,297.8 million indemnifiable by other selling companies as identified).

Since the above are dependent on several variables, the liability, if any, is remote and indeterminable.

III. Income Tax Matters as on October 31, 2010:

a. Pending before appellate authorities in respect of which Tata Sons is in appeal Rs. 7,444.3 million (March 31, 2009 – Nil). A substantial amount of the aforesaid liability arises from a contrary position taken by the department in a recent assessment compared to the earlier years. Tata Sons is supported by various judicial pronouncements.

b. Decided in the Tata Sons' favour by appellate authorities and for which the department is in further appeal Rs. 5,121.8 million (March 31, 2009 – Rs. 1,771.5 million).

**5. Litigation involving the top five listed Group Companies**

a. ***Tata Consultancy Services Limited ("TCS")***

*Litigation involving TCS*

In its ordinary course of business, TCS is involved in legal proceedings in relation to, *inter alia*, contractual disputes in relation to its business, intellectual property disputes, eviction suits and other property disputes, disputes related to service tax, claims by ex-employees challenging their termination, claims for shortfall in services provided.

TCS is not involved in any litigation whose outcome will have an adverse effect on Tata Steel Limited.

*Contingent liabilities not provided for as on March 31, 2010:*

| Particulars | As at March 31, 2010 (Rs. in millions) |
|---|---|
| Claims against the group not acknowledged as debt | 1,143 |
| Income Taxes | 4,716 |
| Indirect Taxes | 1,219 |
| Guarantees given by the group | 19,232 |
| Unexpired Letters of Credit | 2 |

None of the contingencies, either individually or in the aggregate, would have a material adverse effect on the financial condition, results of operations or cash flows of TCS.

b. ***Tata Motors Limited ("Tata Motors")***

*Litigation involving Tata Motors*

There are certain claims against Tata Motors which pertain to motor accident claims (involving vehicles that were damaged in accidents while being transferred from the manufacturing plants to regional sales offices), product liability claims and consumer complaints. Some of these cases relate to replacement of parts of vehicles and/or compensation for deficiency in services provided by Tata Motors or its dealers.

Tata Motors is not involved in any litigation whose outcome will have an adverse effect on Tata Steel Limited.

*Contingent liabilities not provided for as on March 31, 2010:*

| **Particulars** | **As at March 31, 2010** |
|---|---|
| | **(Rs. in millions)** |
| Claims not acknowledged as debts | 10,363.5 |
| Provision not made for income tax matters in dispute | 4,251.0 |
| The claims/liabilities in respect of excise duties, sales tax and other matters where the issues were decided in favor of us for which department is in further appeal | 395.4 |
| | |
| Other money for which we are contingently liable: | |
| a. In respect of bills discounted and export sales on deferred credit | 4,621.0 |
| b. We have given guarantees for liability in respect of receivables assigned by way of securitisation | 29,705.6 |
| c. Cash Margin/Collateral | 17,799.1 |
| d. In respect of retained interest in securitisation transactions | 13.2 |
| e. In respect of subordinated receivables | 1,393.0 |
| f. Inter corporate deposits placed as collateral security | 200.0 |
| g. Others | 551.9 |

**Note:**

Concorde Motors (India) Limited ("**CMIL**"), a subsidiary of Tata Motors acquired certain immovable properties pursuant to a scheme of arrangement in 2004. Stamp duty is payable on conveyance of properties in favour of CMIL. The stamp duty adjudication order has been passed by District Registrar (DUS) for Bangalore property fixing the market value of the immovable property situated at Bangalore as on the date of acquisition at Rs.116.5 million on which Stamp duty at 7% amounting to Rs.8.2 million has been paid by CMIL during Financial Year 2008 and has been capitalised under land and building. CMIL is in the process of completing similar formalities in respect of the property situated at Hyderabad that was acquired by CMIL pursuant to the scheme referred above. It is not possible to quantify the amount of duty payable, and adjustments, as and when effected, will be carried out to the cost of land and building relating to the property at Hyderabad.

None of the contingencies, either individually or in the aggregate, would have a material adverse effect on the financial condition, results of operations or cash flows of Tata Motors.

c. ***The Tata Power Company Limited ("Tata Power")***

*Litigation involving Tata Power*

Tata Power is not involved in any litigation whose outcome will have an adverse effect on Tata Steel Limited.

Following is a brief description of the material litigations of Tata Power:

Disputes commenced on April 1, 2009 between Reliance Infrastructure Limited ("**R-Infra**") and Tata Power regarding the sharing of Standby Charges between Tata Power and R-Infra in Mumbai.

The Appellate Tribunal for Electricity ("**ATE**"), while dealing with standby charges issue between R-Infra and Tata Power, had directed Tata Power vide its order dated December 20, 2006 to refund Rs. 3,540 million plus interest at the rate of 10% p.a. from April 1, 2004 till the date of payment. On an appeal filed by the Company, the Supreme Court has stayed the operation of the ATE Order, subject to the condition that Tata Power deposits an amount of Rs. 2,270 million (50% of Rs. 3540 million and Rs. 1,000 millions (assumed interest)) and submit a bank guarantee for an equal amount). Tata Power has complied with both the conditions. R- Infra has also subsequently filed an appeal before the Supreme Court challenging the aforesaid ATE Order. Both the appeals have been admitted and are pending for hearing and final disposal.

The Maharashtra Electricity Regulatory Commission had directed R-Infra to pay Rs.3,230 million to Tata Power towards the difference between the rate of Rs.1.77 per kilowatt hour and Rs. 2.09 per kilowatt hour payable for the energy drawn at a 220 kilo volt interconnection and towards its 'Take or Pay' obligation for the years 1998 to 1999 and 1999 to 2000. On an appeal filed by R-Infra, the ATE upheld Tata Power's contention with regard to payment for energy charges but reduced the rate of interest. Under the ATE order, the amount payable is Rs.5,612 million (including interest), as on May 31, 2008. With respect to the "Take or Pay' obligation, the ATE has ordered that the issue should be examined afresh by MERC after the decision of the Supreme Court in the appeals relating to the distribution license and rebates given by R-Infra. Tata Power and RInfra filed appeals in the Supreme Court. Both the appeals have been admitted and are listed for hearing and final disposal. The Supreme Court, vide its order dated December 14, 2009 has granted stay against the ATE order and has directed R-Infra to deposit with the Supreme Court a sum of Rs.250 million and furnish a bank guarantee for the balance amount. Pursuant to an application to the Supreme Court, Tata Power has withdrawn the above mentioned sum subject to an undertaking to refund the amount with interest, in the event the appeal is decided against Tata Power.

In addition to the above, Tata Power is also involved in legal proceedings in relation to, *inter alia*, recovery of outstanding power supply bills, recovery of arrears of fees, for breach of contractual obligations and certain income tax, customs and excise related claims.

*Contingent liabilities not provided for as on March 31, 2010:*

Contingent Liabilities and Other Commitments:

(a) Claims against the Group not acknowledged as debts Rs. 13,264.51 millions (*31st March, 2009 - Rs. 9,892.36 millions*) [including Rs. 10,433.09 millions *(31st March, 2009 – Rs. 7,402.42 millions)* being the share in Joint Ventures] consists mainly of the following:

(i) Octroi claims disputed by the Parent Company aggregating to Rs. 50.30 millions *(31st March, 2009 - Rs. 50.30 millions)*, consisting of Octroi exemption claimed by the Parent Company, regarding which the writ has been admitted by the High Court.

(ii) A Suit has been filed against the Parent Company claiming compensation of Rs. 205.10 millions *(31st March, 2009 - Rs. 205.10 millions)* by way of damages for alleged wrongful disconnection of power supply and interest accrued thereon Rs. 990.63 millions *(31st March, 2009 - Rs. 947.56 millions).*

(iii) Rates, Duty & Cess claims disputed by the Parent Company aggregating to Rs. 621.42 millions *(31st March, 2009 - Rs. 517.10 millions)*, consisting mainly for levy of cess and way leave fees by Maharashtra Pollution Control Board at higher rates and interest thereon which is challenged by the Parent Company and for levy of excise duty on fuel consumed in generation of electricity that was not sold but consumed by the Parent Company.

(iv) In the case of NDPL, *Rs.* 238.29 millions (*31st March, 2009 – Rs. 227.05 millions)*, consisting mainly of legal cases filed by consumers, employees etc. and sales tax claims.

(v) In the case of CTTL, claims raised by Mumbai Port Trust towards Penal Way Leave Fees and other claims Rs. 43.21 millions (*31st March, 2009 – Rs. 26.54 millions*).

(vi) In the case of NELCO, Rs. 309.70 millions *(31st March, 2009 - Rs. 231.73 millions)* mainly on account of disputed central excise, sales tax, custom demand and other legal disputes.

(vii) In the case of MPL, Rs. Nil *(31st March, 2009 - Rs. 12.10 millions)* mainly on account of extra rehabilitation and resettlement (R&R) compensation.

(viii) In the case of TPTCL, Rs. 32.57 millions *(31st March, 2009 - Rs. Nil)* pertaining to contractual obligation.

(ix) Other claims against the Parent Company not acknowledged as debts Rs. 293.97 millions (*31st March, 2009 – Rs. 165.54 millions*).

(x) In the case of associates, other claims not acknowledged as debts Rs. 46.23 millions (*31st March, 2009 – Rs. 106.92 millions*).

(xi) In the case of Panatone Finvest Ltd. (PFL), an associate of the Group, upon the demerger of surplus land by Tata Communications Ltd. and the issue of shares by the Resulting Company, PFL is contractually obligated to transfer 45% of the share capital of the Resulting Company to Government of India and other Shareholders who had tendered their shares to PFL. Based on its shareholding in Tata Communications Ltd. as on 31st March, 2010, PFL would be entitled to be allotted 33.24% of the share capital of the Resulting Company.

(xii) In the case of PAI and PKPC (Coal Companies), demand for royalty payment is set-off against recoverable Value Added Tax (VAT) paid on inputs for coal production of Rs. 9,909.57 millions, being the Group's share *(31st March, 2009 – Rs. 7,402.42 millions)*. Under the Coal Contract of Work the Coal Companies would recover VAT from the Government within 60 days. As the Government had not refunded VAT within 60 days, the Coal Companies have set-off royalty against VAT recoverable, which has not been accepted by the Government. The managements of the Coal Companies, based on the various legal judgments, are of the view that the said amounts would be allowable as set-off.

(xiii) In the case of PKPC, Thiess Contractors Indonesia (Thiess) a mining contractor of PKPC on 28th March, 2008 sent a letter to PKPC, seeking compensation for additional costs incurred since July, 2007 and costs that would continue to be incurred until a revised pricing is made claiming that the current escalation rate formula with regards to mining service fee no longer reflects the actual increase in its operating costs, hence must be revised starting July 2007. However PKPC believes that the current mining service fee rate with Thiess is still above other comparable mining contractors' rate. The claim for this escalation rate dispute is Rs. 523.52 millions, being the Group's share *(31st March, 2009 – Rs. Nil)*.

(xiv) In the case of PAI and PKPC, in respect of other matters (viz; land dispute, illegal mining etc.) amount is not ascertainable.

(b) Taxation matters for which liability, relating to issues of deductibility and taxability, is disputed by the Group and provision is not made (computed on the basis of assessments which have been re-opened and assessments remaining to be completed):

| | | **in Rs. Millions** | |
|---|---|---|---|
| | | | **As at March 31, 2009** |
| (i) | Matters on which there are decisions of the appellate authorities in the Group's favour, not accepted by the tax authorities | 1,057.54* | *1,363.14** |
| (ii) | Interest and penalty demanded | 191.20 | *64.40* |
| (iii) | In the case of associates, matters on which there are decisions of the appellate authorities in the favour of the companies, not accepted by the tax authorities.......... | 3.28 | *7.76* |

*includes Rs. 25.10 millions *(31st March, 2009 – Rs. 25.10 millions)* being the share in joint ventures.

(c) In the case of Parent Company, the uncalled liability on partly paid up shares - Rs. 556.00 millions (31st March, 2009 – Rs. 722.78 millions) and in the case of associates Rs. 14.30 millions (31st March, 2009 – Rs. 19.30 millions).

(d) (i) Indirect exposures and Other Commitments of the Parent and subsidiary Companies :

| **Name of the company** | **Contingent Liabilities** | | | | **Other Commitments** | |
|---|---|---|---|---|---|---|
| | **Guarantees given** | **Shares pledged** | **Sponsor support agreement** | **Deed of Indemnity** | **Letter of Comfort** | **Undertaking for non-disposal of shares** |
| | (Rs. millions) | (Nos.) | (Rs. millions) | (Rs. millions) | (Rs. millions) | (Rs. millions) |
| Tata Teleservices Ltd. (TTSL) [refer (d) (ii) below] | -<br>- | 21,98,18,101<br>*32,43,08,708* | -<br>- | -<br>- | -<br>- | -<br>- |
| Panatone Finvest Ltd. (PFL) | 2,500.00<br>*2,500.00* | -<br>- | -<br>- | -<br>- | -<br>- | -<br>- |
| Tata Teleservices (Maharashtra) Ltd. (TTML) | -<br>*500.00* | -<br>*8,28,44,452* | -<br>- | -<br>- | -<br>- | -<br>- |
| North Delhi Power Ltd. (NDPL) | -<br>- | -<br>- | -<br>- | -<br>- | -<br>- | 11,572.75<br>*11,072.75* |
| Powerlinks Transmission Ltd. (PTL) | -<br>- | [refer (d) (iii) & (vi) below] | 3,660.00<br>*3,660.00* | -<br>- | -<br>- | -<br>- |
| Coastal Gujarat Power Limited (CGPL) | -<br>- | [refer (d) (vi) below] | [refer (d) (iv) below] | -<br>- | -<br>- | -<br>- |
| Industrial Energy Limited (IEL) | -<br>- | [refer (d) (vi) below] | [refer (d) (v) below] | -<br>- | -<br>- | -<br>- |
| Bhivpuri Investments Ltd. (BHIL) | -<br>- | [refer (d) (vi) below] | -<br>- | -<br>- | -<br>- | -<br>- |
| Bhira Investments Ltd. (BIL) | -<br>- | [refer (d) (vi) below] | -<br>- | -<br>- | -<br>- | -<br>- |
| Tata Sons Limited | [refer (m) below] | -<br>- | -<br>- | -<br>- | -<br>- | -<br>- |

*Note*: Previous year's figures are in italics.

(i) The Parent Company has in terms of the shareholder's agreement, an obligation to subscribe for or arrange along with the participants of the Tata Group, for additional capital as per specified schedule, in case of TTSL.

(ii) In terms of the Deed of Pledge of Shares executed by the Parent Company and PowerGrid Corporation of India Limited (PowerGrid) in favour of Infrastructure Development Finance Company Limited (IDFC) acting as Security Trustee for the Lenders with PTL as a confirming party for pledging the Parent Company's current and future shareholding in

PTL, Powers of Attorney are executed in favour of the Security Trustee and the Lenders to accomplish the purpose of the Deed with full authority in terms of the Deed.

(iii) In terms of the Sponsor Support agreement entered into between the Parent Company, Coastal Gujarat Power Limited (CGPL) and lender's of CGPL, the Parent Company has undertaken to provide support by way of base Equity contribution to the extent of 25% of CGPL's project cost and additional equity or subordinated loans to be made or arranged for, if required as per the financing agreements to finance the project. The sponsor support also includes support by way of additional equity for any overrun in project costs and Debt Service Reserve Guarantee as provided under the financing agreements. The support will cease on the date of "financial completion" as defined under the relevant financing agreements. Further, CGPL has entered into an Agreement with the Parent Company for Additional Subordinated Loan to the extent of US$ 50 million (equivalent to Rs. 2,000.00 millions). In accordance with this agreement the Parent Company has provided an Additional Subordinated Loan of Rs. 1720.00 millions to CGPL as on 31st March, 2010. The accrued interest on Additional Subordinated Loan shall be payable subject to fulfillment of conditions in Subordination Agreement and Coal Supply and Transportation Agreements Completion Date (CSTACD) agreement.

(iv) In terms of the Sponsor Support agreement entered into between the Parent Company, Industrial Energy Limited (IEL) and lender's of IEL, in the event of any overrun in the project cost of IEL to the extent of 10% of the project cost, the Parent Company has undertaken to provide in proportion to its shareholding in IEL, support by way of infusion of fresh equity/preference capital or unsecured loans.

(v) The Parent Company's shares in subsidiaries to the extent of 100% in PTL, 51% in CGPL, 51% in IEL, 100% in BHIL and 100% in BIL have been pledged with the lenders for borrowings availed by the respective subsidiaries.

(e) In respect of Nelco Limited, whose net worth has been substantially eroded, the Parent Company has undertaken to arrange for the necessary financial support to Nelco Limited in the form of interim short term funding, for meeting its business requirements.

(f) In the case of NDPL, as per the provisions of the Transfer Scheme pursuant to Delhi Electricity Reforms Act, 2002, the liabilities arising out of litigation, suits, claims etc. pending on the date of transfer (i.e. 1st July, 2002) and / or arising due to any events prior to that date shall be borne by the Company to the extent of Rs. 10.00 millions p.a. (31st March, 2009 - Rs. 10.00 millions p.a.).

(g) In the case of NDPL, the Company had introduced a Voluntary Separation Scheme (VSS) for its employees in December 2003, in response to which 1,798 employees were separated. As per the Scheme, the retiring employees were paid Ex-gratia separation amount by the Company. They were further entitled to Retiral Benefits (i.e. gratuity, leave encashment, pension commutation, pension, medical and leave travel concession), the payment obligation of which became a matter of dispute between the Company and the DVB Employees Terminal Benefit Fund 2002 ('the Trust'). The Trust is, however, of the view that its liability to pay retiral benefits arises only on the employee attaining the age of superannuation or earlier death. On November 1, 2004, the Company entered into a Memorandum of Understanding with Government of National Capital territory of Delhi (GNCTD) and a special Trust namely Special Voluntary Retirement Scheme Retirees Terminal Benefit Fund (SVRS Trust) was created.

For resolution of the issue through the process of law, the Company had filed a Writ, before the Hon'ble Delhi High Court. The Hon'ble Court has pronounced its judgment on this issue on 2nd July, 2007 whereby it has provided two options to the Discom's for paying terminal benefits / residual pension to the Trust:

i. Terminal benefits due to the VSS optees and to be paid by Discom's which shall be reimbursed to Discom's by the Trust without interest on normal retirement / death (whichever is earlier) of such VSS optees. In addition, the Discom's shall pay the Retiral Pension to VSS optees till their respective dates of normal retirement, after which the Trust shall commence payment to such optees.

ii. The Trust to pay the terminal benefits and all dues of the VSS optees on reimbursement by Discom's of 'Additional Contribution' required on account of premature payout by the Trust which shall be computed by an Arbitral Tribunal of Actuaries.

The Company considers the second option as more appropriate and also estimates that the liability under this option shall be lower than under the first option which it is presently following. Pending computation of the liability by the Arbitral Tribunal of Actuaries, no adjustment has been made in these financial statements.

While the writ petition was pending, Company had in the year of formation of the trust advanced Rs. 777.44 millions *(Previous year Rs. 777.44 millions)* to the SVRS Trust for payment of retiral dues to separated employees. Against this, the Company had recovered Rs. 297.10 millions *(Previous year Rs. 297.10 millions)* and adjusted an amount of Rs. 45.00 millions *(Previous year Rs. Nil)* from pension and leave salary contribution totaling to Rs. 342.10 millions *(Previous year Rs. 297.10 millions)*, against a claim of Rs. 471.78 millions *(Previous year Rs. 387.17 millions)* from the SVRS Trust in respect of retirees, who have expired or attained the age of superannuation till 31st March 2010.

In addition to the payment of terminal benefits / residual pension to the Trust, the Hon'ble Delhi High Court in its above Order has held that the Discom's are liable to pay interest @ 8% per annum on the amount of terminal benefits for the period from the date of voluntary retirement to the date of disbursement. Consequently, the Company has paid Rs. 80.13 millions *(Previous year Rs. 80.13 millions)* as interest to VSS optees.

The Company is of the opinion that the total liability for payment of terminal benefits to the trust based on actuarial valuation including payment of interest to VSS optees, would be less than the amount of retiral pensions already paid to the VSS optees and charged to profit and loss account. Consequently, pending valuation of 'Additional Contribution' computed by an Arbitral Tribunal of Actuaries, the Company has shown interest of *Rs.* 80.13 millions *(Previous year Rs. 80.13 millions)* paid to VSS optees, in addition to retiral dues of Rs. 435.33 millions *(Previous year Rs. 480.30 millions)* as recoverable and are included in Rs. 518.85 millions *(Previous year Rs. 565.18 millions).*

Apart from this, the Company has also been paying the retiral pension to the VSS optees till their respective dates of normal retirement or death (whichever is earlier). DERC has approved the aforesaid retiral pension amount in its Annual Revenue Requirement (ARR) and the same has therefore been charged to profit and loss account.

(h) In the case of NDPL, the liability stated in the opening Balance Sheet of the Company as per the Transfer Scheme as on 1st July, 2002 in respect of consumers' security deposit was Rs. 100.00 millions (Previous year Rs. 100.00 millions). The Company had engaged an independent agency to validate the sample data in digitized form of consumer security deposit received by the erstwhile DVB from its consumers. As per the validation report submitted by this agency the amount of security deposit received from consumers aggregated to Rs. 667.05 millions. The Company has been advised that as per the Transfer Scheme, the liability in excess of Rs. 100.00 millions (Previous year Rs. 100.00 millions) towards refund of the opening consumer deposits and interest thereon is not to the account of the Company. Since the GNCTD was of the view that the aforesaid liability is that of the Company, the matter was referred to Delhi Electricity Regulatory Commission (DERC). During the year 2007-08, DERC vide its letter dated 23rd April, 2007 has conveyed its decision to the GNCTD upholding the Company's view. As GNCTD has refused to accept the DERC decision as binding on it, the Company has filed a writ petition in the Hon'ble Delhi High Court and the matter has been listed on 2nd July, 2010. No stay has been granted by the Hon'ble High Court in the matter for refund of consumption deposit and payment of interest thereon.

(i) In the case of NDPL, Power Grid Corporation of India Limited (PGCIL) has filed a petition on 20th March, 2009 with Central Electricity Regulatory Commission (CERC) under regulation 12 and 13 of the CERC (Terms & Conditions of Tariff) Regulations, 2004 for permission to bill and recover Service Tax on Transmission & other charges recoverable by Central Government in terms of Section 64 of the Finance Act 1994, for the period 2004-2009. PGCIL has transmitted electricity to NDPL commencing 1st April, 2007. While the final proceedings at CERC are in progress, the Central Government has vide notification no. 11/2010 of Service Tax dated 27th February, 2010 exempted this service from the ambit of Service Tax prospectively with immediate effect. Though the Company maintains the view that Service Tax is not applicable on Transmission Charges even for earlier periods, however there may arise a liability for payment of service tax on transmission charges for earlier periods which shall be recoverable through tariff.

(j) In the case of NDPL, in view of para 6.8 of the Multi Year Tariff Order (MYT Order) dated December 20, 2007 Delhi Transco Limited (DTL) has filed the petition on 29th February, 2008 for determination of Reactive Energy Charges payable by beneficiaries including NDPL. In the petition DTL has asked the Hon'ble Commission to allow / approve reactive energy charges at 10 paisa per KVArh to discourage utilisation of reactive power by beneficiaries. In the said petition the Hon'ble Commission has vide its order dated September 3, 2008 directed DTL to carry out a comprehensive study and submit report to the Commission and in the meanwhile the Hon'ble Commission asked to maintain status quo in respect of Reactive Energy Charges. Pending the petition, DTL has raised provisional bills at 2 paisa per KVArh being the rate applicable prior to MYT order and the company is making payment based on the same. Whenever the Commission will decide the petition, there may arise an additional liability payable to DTL on account of Reactive Energy Charge if the rate decided is higher than 2 paisa per KVArh however the same shall be recoverable through tariff.

(k) In respect of the Standby Charges dispute with Reliance Infrastructure Ltd. (R-Infra -formerly Reliance Energy Ltd.) for the periods from 1st April, 1999 to 31st March, 2004, the ATE, set aside the MERC Order dated 31st May, 2004 and directed the Parent Company to refund to R-Infra as on March 31, 2004, Rs. 3,540.00 millions (including interest of Rs. 151.40 millions) and pay interest at 10% per annum thereafter. As at 31st March, 2010 the accumulated interest was Rs. 1,511.60 millions (31st March, 2009 - Rs. 1,399.60 millions) (Rs. 112.00 millions for the year ended March 31, 2010).

On appeal, the Hon'ble Supreme Court vide its interim order dated 7th February, 2007, has stayed the ATE Order and in accordance with its directives, the Parent Company has furnished a bank guarantee of the sum of Rs. 2,270.00 millions and also deposited Rs. 2,270.00 millions with the Registrar General of the Court (the Court) which has been withdrawn by R-Infra on furnishing the required undertaking to the Court. The said deposit has been accounted as "Other Deposits".

Further, no adjustment has been made for the reversal in terms of the ATE Order dated December 20, 2006 of Standby Charges credited in previous years estimated at Rs. 5,190.00 millions. The aggregate of Standby Charges credited in previous years net of tax is estimated at Rs. 4,308.00 millions, which will be adjusted, wholly by a withdrawal / set off from certain Statutory Reserves as allowed by MERC. No provision has been made in the accounts towards interest that may be finally determined as payable to R-Infra. However, since 1st April, 2004, the Parent Company has accounted Standby Charges on the basis determined by the respective MERC Tariff Orders.

The Parent Company is of the view, supported by legal opinion, that the ATE's Order can be successfully challenged and hence, adjustments, if any, including consequential adjustments to the Deferred Tax

Liability Fund and the Deferred Tax Liability Account will be recorded by the Parent Company on the final outcome of the matter.

(l) MERC vide its Tariff Order dated 11th June, 2004, had directed the Parent Company to treat the investment in its Wind energy project as outside the Mumbai Licensed Area, consider a normative Debt Equity ratio of 70:30 to fund the Parent Company's fresh capital investments effective 1st April, 2003 and had also allowed a normative interest charge @ 10% p.a. on the said normative debt. The change to the Clear Profit and Reasonable Return (consequent to the change in the Capital Base) as a result of the above mentioned directives for the period upto 31st March, 2004, has been adjusted by MERC from the Statutory Reserves along with the disputed Standby Charges referred to in note 12(k) above. Consequently, the effect of these adjustments would be made with the adjustments pertaining to the Standby charges dispute as mentioned in note 12(k) above.

(m) During the previous year, in terms of the agreements entered into between Tata Teleservices Ltd. (TTSL), Tata Sons Ltd. (TSL) and NTT DoCoMo, Inc. of Japan (Strategic Partner-SP), the Parent Company was given by Tata Sons an option to sell 27,282,177 equity shares in TTSL to the SP, as part of a secondary sale of 253,163,941 equity shares effected along with a primary issue of 843,879,801 shares by TTSL to the SP. Accordingly, the Parent Company realized Rs. 3,167.19 millions on sale of these shares resulting in a profit of Rs. 2,556.17 millions.

If certain performance parameters and other conditions are not met, should the SP decide to divest its entire shareholding in TTSL, acquired under the primary issue and the secondary sale, and should TSL be unable to find a buyer for such shares, the Parent Company is obligated to acquire the shareholding of the SP, at the higher of fair value or 50 percent of the subscription purchase price, in proportion of the number of shares sold by the Parent Company to the aggregate of the secondary shares sold to the SP, or if the SP divests the shares at a lower price pay a compensation representing the difference between such lower sale price and the price referred to above.

Further, in the event of breach of the representations and warranties (other than title and tax) and covenants not capable of specific performance, the Parent Company is liable to reimburse TSL, on a pro rata basis, upto a maximum sum of Rs. 4,095.10 millions.

The exercise of the option by SP being contingent on several variables the liability, if any, is considered by management to be remote and indeterminable.

(n) The Parent Company has investments in 1,09,80,837 shares of Tata Communications Limited (TCL) which were acquired from Panatone Finvest Limited (Panatone) in previous and prior years. In accordance with the terms of the Share Purchase Agreement (SPA) and the Shareholders' Agreement between Panatone and Government of India ("GOI")/(Principal Owners of TCL), Panatone has agreed to cause TCL to hive off or demerge certain land it owns into a separate company (the "Resultant Company") pursuant to a scheme of arrangement as further described in the SPA. The proportionate shares received in the Resultant Company are to be transferred to GOI at Nil consideration. Consequently, Panatone would require the Company to give up proportionate shares received in the Resultant Company to enable it to meet its obligation

d. ***Titan Industries Limited ("Titan")***

*Litigation involving Titan*

i. There are no significant outstanding litigations pending by or against Titan.

ii. There are no outstanding litigations which would affect Tata Steel Limited.

*Contingent liabilities as per audited annual report as at March 31, 2010 are as below:*

Contingent Liabilities not provided for – Rs. 535.12 million comprising of the following:

a) Sales Tax – Rs. 30.73 million relating to applicability of rate of tax, computation of tax liability, submission of certain statutory forms.

b) Customs Duty – Rs. 31.69 million relating to compliance with the terms of notification, export obligation.

c) Excise Duty – Rs. 339.78 million relating to denial of exemption by amending the earlier notification, computation of assessable value, denial of input credit on service tax.

d) Income Tax – Rs. 123.86 million relating to disallowance of deductions claimed.

e) Others – Rs. 9.05 million relating to miscellaneous claims.

e. ***Tata Chemicals Limited ("Tata Chemicals")***

*Litigation involving Tata Chemicals*

Tata Chemicals is not involved in any litigation whose outcome will have an adverse effect on Tata Steel Limited.

Following is a brief description of the material litigations of Tata Chemicals:

The Income Tax authority have filed seven cases against Tata Chemicals Limited under sections 80 (IA), 80 (IB) and 80 (HHC) of the Income Tax Act, 1961 in relation to fertilizer subsidy for the assessment years 2000-2001, 2001-2002, 2002-2003, 2003-2004, 2004-2005 and 2006-2007 for an aggregate amount of Rs. 2,827.1 million. Five appeals are pending before the Commissioner of Income Tax (Appeals) and one appeal is pending before the Income Tax Appellate Tribunal.

The Department of Excise has filed a case against Tata Chemicals Limited in the Calcutta High Court under provisions of the Central Excise Rules, 1944 and Cenvat Credit Rules, 2004 demanding payment of duty at the rate of eight percent and ten percent amounting to Rs. 5,567 million on certain exempted fertilizers. The matter is currently pending.

The Department of Excise has filed a case against Tata Chemicals Limited in the High Court of Gujarat under provisions of the Cenvat Credit Rules, 2004 demanding payment of Rs. 507 million on the manufacture of certain dutiable and exempted goods. The matter is currently pending.

The Commissioner of Income Tax has filed a case against Tata Chemicals Limited in the Bombay High Court demanding payment of interest of Rs. 150 million under section 244A of the Income Tax Act, 1961 for the assessment year 1996-1997. The matter is currently pending.

Tata Chemicals Limited has filed a case against the Customs Department before the CESTAT, Kolkata challenging the shortage in the quantity of imported ammonia and phosphoric acid received at the shore tank on the grounds that the quantity received in the shore tank was different from the quantity mentioned in the invoice. The amount involved in is Rs. 131.6 million. The matter is currently pending.

Tata Chemicals has filed a case against the Sales Tax Department, Gujarat in the Sales Tax Tribunal, Ahmedabad against the demand of sales tax of Rs. 80 million on imported coal purchased through a local trader. The matter is currently pending.

Tata Chemicals has filed a case against the Commissioner of Income Tax in relation to the issue whether income from shares and securities of Rs. 108.5 million shall be classified as business income or capital gains for the assessment year 1996-1997. The matter is currently pending.

*Details of Contingent liabilities as on March 31, 2010*

**(a) Guarantees:**

(i) Bank Guarantees issued by Banks on behalf of the Group Rs. 937.40 million (previous year Rs. 3,248.70 million). These are covered by the charge created in favour of Tata Chemical's bankers by way of hypothecation of stocks and debtors.

(ii) Guarantees provided to third parties on behalf of subsidiaries US$ 136.80 million (Rs. 6,142.30 million) (previous year US$ 150 million (Rs. 7,608 million).

**(b) Claims not acknowledged by the Group relating to the following areas :**

| | | **(Rs. in million) As at March 31, 2010** |
|---|---|---|
| (i) | Excise and Customs | 952.66 |
| (ii) | Sales Tax / VAT | 425.72 |
| (iii) | Demand for utility charges | 574.10 |
| (iv) | Labour and other claims against the Group not acknowledged as debt | 25.52 |
| (v) | Income Tax (Pending before Appellate authorities in respect of which Tata Chemicals is in appeal) | 2456.86 |
| (vi) | Income Tax (Decided in Company's favour by Appellate authorities and Department is in further appeal) | 387.30 |
| (vii) | Uncalled partly paid shares held as investments | 0.43 |
| (vi) | Others | 49.72 |

(c) Various claims pending before Industrial Tribunals and Labour Courts of which amounts are indeterminate.

(d) Bills discounted by an overseas subsidiary Rs. 721 million (previous year Rs. NIL)

# GOVERNMENT AND OTHER APPROVALS

*The Company has received the necessary consents, licenses, permissions and approvals from the government and various governmental agencies required for its present business and except as mentioned below, no further material approvals are required for carrying on its present business in India.*

**Approvals for the Issue**

1. The Board of Directors has, pursuant to resolutions passed at its meeting held on November 12, 2010 authorised the Issue, subject to the approval by the shareholders of the Company under section 81(1A) of the Companies Act;

2. The shareholders of the Company have authorised the Issue, pursuant to a resolution passed by postal ballot dated December 22, 2010, under section 81(1A) of the Companies Act;

3. In-principle approval from the National Stock Exchange of India Limited dated January 11, 2011; and

4. In-principle approval from Bombay Stock Exchange Limited dated January 10, 2011.

**General**

PAN: AAACT2803M

***(a) Approvals for the Company's business***

The Company requires various approvals for it to carry on its steel manufacturing business in India and overseas.

The approvals that the Company requires in India include the following:

1. Licenses issued under the Factories Act, 1948 and the rules thereof for the maximum number of workers permitted to be employed on any one day in a factory/unit.

2. Central Excise Registration Certificate under the Central Excise Rules, 2002 for manufacturing of excisable goods by the relevant state government.

3. Central Excise Registration Certificate under the Central Excise Rules, 2002 for operating as a dealer of excisable goods by the relevant state government.

4. Certificate of registration issued by the Sales Tax department under the Central Sales Tax (Registration and Turnover) Rules, 1957.

5. Certificate of registration under the Central Sales Tax Act, 1956 for coal mining and selling issued by the Superintendant of Sales Tax of the relevant state.

6. Consents under the Air (Prevention and Control of Pollution) Act, 1981 from the relevant State Pollution Control Board.

7. Consents under the Water (Prevention and Control of Pollution) Act, 1974 from the relevant State Pollution Control Board.

8. Authorisation for the disposal of biomedical wastes under Bio-Medical Waste (Management & Handling) Rules, 1998 from the relevant State Pollution Control Boards.

9. Authorisation under the Hazardous Wastes Rules from the relevant State Pollution Control Boards.

10. Various licenses issued by the Controller of Explosives, Petroleum and Explosive Safety Organisation retail petroleum outlets/service station/consumer pump and other activities such as storage of nitrate mixture – emulsion explosives and detonating fuse.

11. Various licenses to store compressed gas, liquid petroleum gas, propane gas in pressure vessels or vessels issued by the Chief Controller of Explosives under the Indian Explosives Act, 1884.

12. License to import and store petroleum issued by the Department of Explosives under the Petroleum Act, 1934.

13. Registration certificate under the Contract Labour (Regulation and Abolition) Act, 1970 for the employment of contract labour from the Labour Commissioner.

14. Notice of occupation issued by the Chief Inspector of Factories under the Factories Act, 1948.

15. Approval under the Indian Electricity Rules, 1956 for use of high tension equipments from the Director of Mines Safety.

16. Certificate for the use of boilers under the Indian Boilers Act, 1927 from the Directorate of Steam Boiler Department.

17. Certificate of registration for registration as a dealer under the Central Sales Tax Act, 1956 issued by the Superintendant of Sales Tax of the relevant state.

18. License for the storage of oxygen by the Controller of Explosives of the relevant state.

19. Various certificates issued by the Inspector under the Weights and Measure Act of the relevant state.

20. Examination certificates issued by a chartered engineer under the M.P. Factories Act & Rules, 1962 certifying the examination of various machinery like cranes, fork lift trucks, electric chain hoists.

21. Various licenses issued by BIS, Bhopal for uncoated stress relieved strand, indented wire for pre-stressed concrete, plain hard drawn steel wire for pre-stressed concrete.

22. License to buy, possess and use rectified spirit issued by the Collector of the relevant state.

23. Certificate for the use of boiler under the Indian Boilers Act, 1927.

24. Certificate of registration under Shops and Establishments Act with the Shops and Establishments Department, relevant Municipal Corporation / Labour department.

25. Licenses issued by the Forest Officer of the relevant state for the storage of timber.

26. Certificate issued under the Standards of Weights & Measures Act by the Controller, Legal Metrology verifying the various weighing machines.

27. Food license for canteen issued by the civil surgeon of the relevant state.

28. Licenses issued by the Inspector of Factories for the purification of water for domestic supply.

29. Licenses issued by the Inspector of Factories for the pumping of sewage to treatment plants.

30. Licenses issued by the Inspector of Factories for the purification of sewage and disposal of sludge.

31. Licenses issued by the Inspector of Factories for the manufacture of steel tubes and accessories and for washing of coal.

32. Licenses issued by the Wireless Planning and Coordination Wing for radio frequency communications.

33. Licenses issued by the Inspector of Factories for the maintenance and overhauling of aircraft, engine and accessories.

34. License issued by relevant state authority for the generation of power through DG sets.

35. Notice of occupation issued by the Chief Inspector of Factories under the Factories Act, 1948.

36. Plant stability certificate from the office of the Director of Factories and Boilers of the relevant state.

37. Test/calibration certificates issued for the use of various machinery including chain pulley block, electric chain hoist, mobile cranes, fork lifts.

38. Packing license and packing registration from the Department of Legal Metrology from the relevant state government.

***(b) Major factory/unit approvals***

Based on the above, please find below some of the key approvals obtained by each unit of the Company

*Steel Works, Jamshedpur*

1. Consent Letter No. 6475 dated December 15, 2009 from the Jharkhand State Pollution Control Board granting consent to operate under section 25/26 of the Water (Prevention & Control of Pollution) Act, 1974 and under section 21 of the Air (Prevention and Control of Pollution) Act, 1981 for discharge of trade effluent and/or domestic sewage and to operate an industrial plant having an installed production capacity to produce 6.8 mtpa of crude steel at Main Works, Jamshedpur. The consent is valid till December 31, 2010. The Company has made an application to renew this license on August 31, 2010. The renewal application is pending.

2. Factory License (Registration No. 2461/SBM) dated February 13, 2010 issued by the Department of Labour and Employment, Government of Jharkhand, to the Company for the running of an integrated steel plant using sinter plant, coke oven blast furnaces for manufacturing of iron at Jamshedpur. The license is valid till December 31, 2010. The Company has made an application to renew this license on November 29, 2010. The renewal application is pending.

3. Factory License (Registration No. 7020/SBM) dated September 25, 2010 issued by the Department of Labour and Employment, Government of Jharkhand, to the Company for the running of the factory of the Company at Town Engineering Work Shop and Motor Garage, Tata Steel Limited, Jamshedpur. The license is valid till December 31, 2010. The Company has made an application to renew this license on November 2, 2010. The renewal application is pending.

4. Factory License (Registration No. 20043/SBM) dated May 14, 2009 issued by the Department of Labour and Employment, Government of Jharkhand, to the Company for the running of the Company's factory located at Adityapur Complex, Gamharia, Seraikela Kharsawan, Jamshedpur. The license was valid till December 31, 2010. The Company has made an application to renew this license on December 17, 2010. The renewal application is pending.

5. Factory License (Registration No. 2013/SBM) dated June 24, 2010 issued by the Department of Labour and Employment, Government of Jharkhand, to the Company for the running of the Company's Sewage pumping station located at Burmamines Sewage Pumping Station, Burmamines, Jamshedpur. The license is valid till December 31, 2010 The Company has made an application to renew this license on November 2, 2010. The renewal application is pending.

6. Factory License (Registration No. 5720/SBM) dated June 24, 2010 issued by the Department of Labour and Employment, Government of Jharkhand, to the Company for the running of the Company's Aviation Services factory at Sonari Aerodrome, Jamshedpur. The license is valid till December 31, 2010. The Company has made an application to renew this license on December 1, 2010. The renewal application is pending.

7. Factory License (Registration No. 5255/SBM) dated February 18, 2010 issued by the Department of Labour and Employment, Government of Jharkhand, to the Company's tube division factory located at Jamshedpur. The license is valid till December 31, 2010. The Company has made an application to renew this license on December 1, 2010. The renewal application is pending.

8. Factory License (Registration No. 2012/SBM) dated September 25, 2010 issued by the Department of Labour and Employment, Government of Jharkhand, to Tata Steel Water Works factory at Jamshedpur. The license is valid till December 31, 2010. The Company has made an application to renew this license on November 2, 2010. The renewal application is pending.

*Bearings Division, West Bengal*

1. Factory License (License No. 10145) dated August 27, 1979 issued by the Directorate of Factories, Government of West Bengal, to Tata Steel Limited (Bearing Division) located at Neim Pura Industrial Estate, Koragpur, Midnapore. The license is valid till December 31, 2010. The Company has made an application to renew this license on December 21, 2010. The renewal application is pending.

2. Consent Letter No. C045928 dated October 13, 2009 from the West Bengal State Pollution Control Board granting consent to operate under section 26 of the Water (Prevention & Control of Pollution) Act, 1974 and section 21 of the Air (Prevention & Control of Pollution) Act, 1981. The consent is valid till September 30, 2012.

3. Authorisation No. 121/2S(HW)-131/98-99 dated July 28, 2006 under the Hazardous Wastes Rules from the West Bengal State Pollution Control Board. The consent is valid till February 28, 2011.

4. Authorisation of disposal of biomedical wastes under Bio-Medical Waste (Management & Handling) Rules, 1998 from the West Bengal State Pollution Control Board.

*Wire Plant, Tarapur*

1. Approval No. DE/SPA/TRP/139/2009 and DE/SAP/TRP/109/2010 issued by the Maharashtra Industrial Development Corporation for approving plans for the factory building.

2. Factory license with Registration No. 096855 issued by Directorate of Industrial Safety and Health under the Factories Act, 1948. The license is valid till December 31, 2010. The Company has made an application to renew this license on October 16, 2010. The renewal application is pending.

3. Consent Letter No. BO/RO-Thane/APAE/EIC-TN-2090-10& 2093-10/O/CC-114 dated October 1, 2010 from the Maharashtra Pollution Control Board granting consent to operate under section 26 of the Water (Prevention & Control of Pollution) Act, 1974 and section 21 of the Air (Prevention & Control of Pollution) Act, 1981 for the wire plants. The consents are valid till December 31, 2011.

4. Consent Letter No. BO/RO-Thane/PCI-II/RO(P&P/EIC-TN-2089/O/CC-331 dated August 27, 2010 from the Maharashtra Pollution Control Board granting consent to operate the wire rod mill and stainless steel plant under section 26 of the Water (Prevention & Control of Pollution) Act, 1974 and section 21 of the Air (Prevention & Control of Pollution) Act, 1981 and authorisation under the Hazardous Wastes Rules. The consents are valid till December 31, 2012.

5. Consent Letter No. BO/RO-THANE/PCI-II/RO(E&P)/EIC-TN-2089/O/CC-331 dated August 27, 2010 from the Maharashtra Pollution Control Board granting consent to operate under section 26 of the Water (Prevention & Control of Pollution) Act, 1974 and section 21 of the Air (Prevention & Control of Pollution) Act, 1981. The consents are valid till December 31, 2012.

6. Factory Inspector approval No. PLN/161/2009/PTU/2558/Vasai dated August 10, 2010 from the Directorate of Industrial Safety and Health for the wire plant.

7. Factory Inspector approval No. T-20/95/DPM/31982/6 dated October 31, 1995 from the Directorate of Industrial Safety and Health for the wire rod mill.

8. Factory Inspector approval No. PLN/88/2007/VAM/710/Vasai dated April 2, 2007 from the Directorate of Industrial Safety and Health for the spring steel plant.

9. Approval No. DE/SPA/TRP/139/2009 & DE/SAP/TRP/109/2010 dated September 9, 2009 from the Maharashtra Industrial Development Corporation for the wire plant.

10. Approval No. DE/TW/926/ 95 dated November 6, 1996 from the Maharashtra Industrial Development Corporation for the wire rod mill.

11. Approval No. EE/SPA/TRP/CANP/ 121/2002 dated October 25, 2002 from the Maharashtra Industrial Development Corporation for the spring steel plant.

*Wire Plant, Indore*

1. Factory license with Registration No. 10/00205/IND/2m(i) dated November 7, 2009, issued to the wire plant at Indore to work as a factory, under Rule 5 of M.P. Factories Act, 1962. The license is valid till December 31, 2010.

2. Factory license with Registration No. 1/13679/DHR/2m(ii) dated November 1, 2009, issued to the wire plant at Pithampur to work as a factory, under Rule 5 of M.P. Factories Act, 1962. The license is valid till December 31, 2010.

3. Consent Letter No. 4322/TS/MPPCB/2010 dated May 17, 2010 from the Madhya Pradesh Pollution Control Board granting consent to operate a wire plant at Indore, under section 26 of the Water (Prevention & Control of Pollution) Act, 1974. The consent is valid till June 30, 2011.

4. Consent Letter No. 4324/TS/MPPCB/2010 dated May 17, 2010 from the Madhya Pradesh Pollution Control Board granting consent to operate a wire plant at Indore, under section 21 of the Air (Prevention & Control of Pollution) Act, 1981. The consent is valid till June 30, 2011.

5. Authorisation No.1848/HOPCB/HSMD/Indore-24(ii)/2010 from the Madhya Pradesh Pollution Control Board under the Hazardous Wastes Rules to operate a facility for storage, transport and disposal of hazardous waste for the wire plant at Indore. The consent is valid for five years with effect from March 3, 2009.

6. Consent Letter No. 2885/TS/MPPCB/2010 dated March 31, 2010 from the Madhya Pradesh Pollution Control Board granting consent to operate a wire plant at Pithampur, under section 26 of the Water (Prevention & Control of Pollution) Act, 1974. The consent is valid till June 30, 2011.

7. Consent Letter No. 2887/TS/MPPCB/2010 dated March 30, 2010 from the Madhya Pradesh Pollution Control Board granting consent to operate a wire plant at Pithampur, under section 21 of the Air (Prevention & Control of Pollution) Act, 1981. The consent is valid till November 30, 2010. Renewal application dated November 10, 2010 submitted by Tata Steel Limited is pending.

8. Authorisation No. 179/HOPCB/HSMD/2007 under the Hazardous Wastes Rules from the Madhya Pradesh Pollution Control Board to operate a facility for storage, transport and disposal of hazardous waste for the wire plant at Pithampur. The consent is valid till October 22, 2008. Renewal application filed by the Company has been rejected by letter dated March 31, 2010. Reply to the letter has been submitted on May 2, 2010.

*Wire Plant, Bangalore*

1. Factory license with Registration No. MYB-14346 for the Company issued under the Factories Act, 1948. The license is valid till December 31, 2011.

2. Consent Letter No. CFE-CELL/TISCL-1084/NEIA/2005-2006/102 dated September 20, 2005 from the Karnataka State Pollution Control Board for establishing an industry to manufacture steel bead wire of capacity of 500 MT/M under the Water (Prevention & Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981.

3. Consent Letter No. KSCPB/SEO/WPC&APC/2010-2011/1282 dated October 29, 2010 from the Karnataka State Pollution Control Board granting consent for the discharge of effluents and emission under section 25/26 of the Water (Prevention & Control of Pollution) Act, 1974 and under section 21 of the Air (Prevention and Control of Pollution) Act, 1981. The consent is valid till June 30, 2011.

4. Authorisation No. KSPCB/HWM/H457 dated June 19, 2010 from the Karnataka State Pollution Control Board granting authorisation under the Hazardous Wastes Rules for handling hazardous waste. The consent is valid till June 30, 2013.

***(c) Other approvals***

The Company has necessary approvals for undertaking its business overseas including in the United Kingdom, Netherlands, Singapore and Thailand.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

**Authority for the Issue**

The Board of Directors has, pursuant to resolutions passed at its meeting held on November 12, 2010 authorised the Issue, subject to the approval by the shareholders of the Company under section 81(1A) of the Companies Act.

The shareholders of the Company have authorised the Issue, pursuant to a resolution passed by postal ballot dated December 22, 2010, under section 81(1A) of the Companies Act.

The Board of Directors has, pursuant to its resolution dated January 11, 2011 approved this Red Herring Prospectus.

The Company has received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated January 10, 2011 and January 11, 2011, respectively.

**Prohibition by SEBI, RBI or Other Governmental Authorities**

The Company, its Promoter, Directors, Promoter Group or persons in control of the Company or Group Companies have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies with which the Promoter, Directors or persons in control of the Company are associated as promoter, directors or persons in control have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or RBI or any other regulatory or governmental authority.

Details of the entities that the Directors are associated with, which are engaged in securities market related business and are registered with SEBI for the same are as follows:

A. Tata Capital Limited

| | |
|---|---|
| **Name of Director** | Mr. Ishaat Hussain |
| **SEBI Registration Number of the entity** | Tata Capital is registered with SEBI as a Portfolio Manager having registration no. INP000002924 |
| **Validity of Registration** | September 16, 2011 |
| **Details of any inquiry/investigation conducted by SEBI at any time** | Nil |
| **Penalty imposed by SEBI (penalty includes deficiency/warning letter, adjudication proceedings, suspension/cancellation/prohibitory order** | Nil |
| **Outstanding fee payable to SEBI by the entity, if any** | Nil |

B. Tata Trustee Company Limited

| | |
|---|---|
| **Name of Director** | Mr. Ishaat Hussain |
| **SEBI Registration Number of the entity** | MF/023/95/9 (Tata Trustee Company Limited is the trustee company for Tata Mutual Fund) |
| **Validity of Registration** | Perpetual license |
| **Details of any inquiry/investigation conducted by SEBI at any time** | Nil |
| **Penalty imposed by SEBI (penalty includes deficiency/warning letter, adjudication proceedings, suspension/cancellation/prohibitory order** | Nil |
| **Outstanding fee payable to SEBI by the entity, if any** | Nil |

**Prohibition by RBI**

Neither the Company nor its Promoter nor the Group Companies have been identified as wilful defaulters by the RBI or any other governmental authority. There are no violations of securities laws committed by them in the past or are pending against them.

**Eligibility for the Issue**

The Company is eligible for the Issue in accordance with Regulation 27 read with Regulation 26(1) (d) and (e) of the SEBI Regulations, as described below:

(a) The aggregate of the proposed Issue and all previous issues made in the same Financial Year in terms of issue size is not expected to exceed five times the pre-Issue net worth of the Company as per the Company's audited balance sheet of the preceding Financial Year; and

(b) The Company has not changed its name within the last one year.

Accordingly, the Company is eligible to undertake the Issue under Regulation 27 read with Regulation 26(1) (d) and (e) of the SEBI Regulations.

In addition, in accordance with Regulation 26(4) of the SEBI Regulations, the Company will ensure that the number of Bidders to whom Equity Shares are Allotted in the Issue will be not less than 1,000; otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days after the Company become liable to repay it, the Company and every officer in default will, on and from the expiry of such eight days, be jointly and severally liable to repay the money, with interest at the rate of 15% *per annum*, as prescribed under Section 73 of the Companies Act.

Further, the Company is eligible to make a 'fast track issue' in accordance with Regulation 10 of the SEBI Regulations, as described below:

(a) The Equity Shares of the Company have been listed on BSE and NSE, which have nationwide trading terminals for a period of at least three years immediately preceding the date of registering this Red Herring Prospectus with the RoC;

(b) The average market capitalisation of public shareholding of the Company is at least Rs. 50,000 million;

(c) The annualised trading turnover of the Equity Shares of the Company during six calendar months immediately preceding the month of registering this Red Herring Prospectus with the RoC has been atleast 2% of the weighted average number of Equity Shares listed during such six months period;

(d) The Company has redressed at least 95% of the complaints received from the investors until the end of the quarter immediately preceding the month of registering this Red Herring Prospectus with the RoC;

(e) The Company has complied with the Equity Listing Agreement during the last three years immediately preceding the date of registering this Red Herring Prospectus with the RoC;

(f) The impact of auditors' qualifications, if any, on the audited accounts of the Company in respect of those financial years for which such accounts are disclosed in this Red Herring Prospectus does not exceed 5% of the net profit or loss after tax of the Company for the respective years;

(g) No show-cause notices have been issued or prosecution proceedings initiated by SEBI or pending against the Company or its Promoter or whole time Directors as on the date of registering this Red Herring Prospectus with the RoC; and

(h) The entire shareholding of the Promoter and Promoter Group of the Company is held in dematerialized form as on the date of registering this Red Herring Prospectus with the RoC.

**Compliance with Part A of Schedule VIII of the SEBI Regulations, read with Part B of Schedule VIII of the SEBI Regulations**

The Company is in compliance with the provisions specified in Part A of Schedule VIII of the SEBI Regulations, read with Part B of Schedule VIII of the SEBI Regulations. No exemption from eligibility norms has been sought under Regulation 109 of the SEBI Regulations, with respect to the Issue. Further, the Company has not been formed by the conversion of a partnership firm into a company.

**Disclaimer Clause of SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE RED HERRING PROSPECTUS TO SEBI SHOULD NOT IN ANY WAY, BE DEEMED OR CONSTRUED THAT IT HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING KOTAK MAHINDRA CAPITAL COMPANY LIMITED, CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED, DEUTSCHE EQUITIES (INDIA) PRIVATE LIMITED, HSBC SECURITIES AND CAPITAL MARKETS (INDIA) PRIVATE LIMITED, RBS EQUITIES (INDIA) LIMITED, SBI CAPITAL MARKETS LIMITED, STANDARD CHARTERED SECURITIES (INDIA) LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. AS THIS REQUIREMENT IS TO FACILITATE BIDDERS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, KOTAK MAHINDRA CAPITAL COMPANY LIMITED, CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED, DEUTSCHE EQUITIES (INDIA) PRIVATE LIMITED, HSBC SECURITIES AND CAPITAL MARKETS (INDIA) PRIVATE LIMITED, RBS EQUITIES (INDIA) LIMITED, SBI CAPITAL MARKETS LIMITED AND STANDARD CHARTERED SECURITIES (INDIA) LIMITED, HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED JANUARY 11, 2011 WHICH READS AS FOLLOWS:**

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION SUCH AS COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;**

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY;**

   **WE CONFIRM THAT:**

   A. **THE RED HERRING PROSPECTUS IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**

   B. **ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE ISSUE AS ALSO THE**

**REGULATIONS, GUIDELINES, INSTRUCTIONS ETC., FRAMED/ISSUED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

**C. THE DISCLOSURES MADE IN THE RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE BIDDERS TO MAKE A WELL-INFORMED DECISION AS TO INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, AND THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, EACH, AS AMENDED, AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

**3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND UNTIL DATE SUCH REGISTRATION IS VALID;**

**4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS; NOTED FOR COMPLIANCE.**

**5. WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF ITS SECURITIES AS PART OF THE PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE SECURITIES PROPOSED TO FORM PART OF THE PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN, WILL NOT BE DISPOSED/ SOLD/ TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE RED HERRING PROSPECTUS WITH SEBI UNTIL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE RED HERRING PROSPECTUS - NOT APPLICABLE;**

**6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTER'S CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE CLAUSE HAVE BEEN MADE IN THE RED HERRING PROSPECTUS - NOT APPLICABLE;**

**7. WE UNDERTAKE SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WILL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION WILL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT WILL BE DULY SUBMITTED TO THE SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION WILL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND WILL BE RELEASED TO THE COMPANY, WITH THE PROCEEDS OF THE PUBLIC ISSUE - NOT APPLICABLE;**

**8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION;**

**9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE**

**THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SECTION 73(3) OF THE COMPANIES ACT, AND THAT SUCH MONEYS WILL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS/ALLOTMENT OF EQUITY SHARES PURSUANT TO THE ISSUE. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION – <u>NOTED FOR COMPLIANCE</u>;**

10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE RED HERRING PROSPECTUS THAT THE BIDDERS WILL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE – <u>NOT APPLICABLE AS THE ISSUE SIZE IS MORE THAN RS. 100 MILLION, THEREFORE, UNDER SECTION 68B OF THE COMPANIES ACT, 1956, THE EQUITY SHARES ARE TO BE OFFERED IN DEMAT ONLY;</u>**

11. **WE CERTIFY THAT ALL APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE BIDDER TO MAKE A WELL INFORMED DECISION;**

12. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE RED HERRING PROSPECTUS:**

    a. **AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME THERE WILL BE ONLY ONE DENOMINATION FOR THE SHARES OF THE COMPANY; AND**

    b. **AN UNDERTAKING FROM THE COMPANY THAT IT WILL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME;**

13. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE; <u>COMPLIED WITH AND NOTED FOR COMPLIANCE.</u>**

14. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTER, ETC;**

15. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY;**

16. **WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE RED HERRING PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY;**

17. **WE CONFIRM THAT THE COMPANY IS ELIGIBLE TO MAKE FAST TRACK ISSUE IN TERMS OF REGULATION 10 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009. THE FULFILMENT OF THE ELIGIBILITY CRITERIA AS SPECIFIED IN THAT REGULATION, BY**

THE COMPANY, HAS ALSO BEEN DISCLOSED IN THE RED HERRING PROSPECTUS;

18. **WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE COMPANY HAVE BEEN MADE IN THE RED HERRING PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE COMPANY OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE WILL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN; COMPLIED WITH AND NOTED FOR COMPLIANCE**

19. **WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009; NOTED FOR COMPLIANCE;**

20. **WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE COMPANY; AND**

21. **WE CERTIFY THAT AS PER THE REQUIREMENTS OF THE FIRST PROVISO TO SUB-REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE RED HERRING PROSPECTUS AND THE PROSPECTUS. COMPLIED WITH AND NOTED FOR COMPLIANCE**

The filing of the Red Herring Prospectus does not, however, absolve the Company from any liabilities under Section 63 or Section 68 of the Companies Act or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the BRLMs, any irregularities or lapses in the Red Herring Prospectus.

**Disclaimer from the Company and the BRLMs**

The Company, the Directors and the BRLMs accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at the Company's instance and anyone placing reliance on any other source of information, including the website www.tatasteel.com, would be doing so at his or her own risk.

All information shall be made available by the Company and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

Investors who Bid in the Issue will be required to confirm and will be deemed to have represented to the Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of the Company and will not issue, sell, pledge, or transfer the Equity Shares of the Company to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of the Company. The Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares of the Company.

The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, the Company and the affiliates or associates in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with the Company and the affiliates or associates, for which they have received, and may in the future receive, compensation.

**Disclaimer in respect of Jurisdiction**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds) and to FIIs, Eligible NRIs and other eligible foreign investors (viz. FVCIs, multilateral and bilateral development financial institutions). This Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Red Herring Prospectus has been filed with the Registrar of Companies, Mumbai. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

**The Equity Shares have not been and will not be registered under the Securities Act, or any state securities laws of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are being offered and sold (1) in the United States only to "qualified institutional buyers" (as defined in Rule 144A under the Securities Act) in reliance on Rule 144 A under the Securities Act and (2) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

**Disclaimer Clause of BSE**

As required, a copy of the Red Herring Prospectus has been submitted to the BSE. BSE has given, by its letter No. DCS/IPO/NP/IPO-IP/1371/2010-2011 dated January 10, 2011, permitted the Company to use BSE's name in this offer document as one of the stock exchanges on which the Company's securities are listed. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Company. It is to be distinctly understood that this offer document has not been cleared or approved by the BSE. BSE does not in any manner:

(i) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or

(ii) warrant that the Company's securities will be listed or will continue to be listed on BSE; or

(iii) take any responsibility for the financial or other soundness of the Company, its Promoter, its management or any scheme or project of the Company.

and it should not for any reason be deemed or construed to mean that this offer document has been cleared or approved by the BSE. Every person who desires to apply for or otherwise acquires any securities of the Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

**Disclaimer Clause of the NSE**

As required, a copy of the Red Herring Prospectus has been submitted to NSE. NSE has given vide its letter reference: NSE/LIST/155694-J dated January 11, 2011 permission to the Company to use NSE's name in this offer document as one of the stock exchanges on which the securities are listed. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed to mean that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that the Company's securities will be listed or will continue to be listed on the NSE; nor does it take any responsibility for the financial or other soundness of the Company, its promoters, its management or any scheme or project of the Company.

Every person who desires to apply for or otherwise acquires any securities of the Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against NSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

**Filing**

A copy of the Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, Plot No.C4-A,'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, would be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 60 of the Companies Act would be delivered for registration with RoC at the Office of the Registrar of Companies, Mumbai, Maharashtra, Everest 5th Floor, 100, Marine Drive, Mumbai 400 002.

**Listing**

The Equity Shares of the Company are listed on NSE and BSE. Applications have been made to the Stock Exchanges to use their respective names in this Red Herring Prospectus and for their in-principle approval for listing the Equity Shares. NSE, through its letter dated January 11, 2011 and BSE, through its letter dated January 10, 2011 have each granted an in-principle approval for listing of the Equity Shares and for the use of their respective names in this Red Herring Prospectus. BSE will be the Designated Stock Exchange, with which the basis of allotment will be finalized for the Issue.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchanges mentioned above, the Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within eight days after the Company become liable to repay it, then the Company and every Director of the Company who is an officer in default shall, on and from such expiry of eight days, be liable to repay the money, with at the rate of interest of 15% p.a. on application money, as prescribed under Section 73 of the Companies Act.

The Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within 12 Working Days of Bid Closing Date.

**Consents**

Consents in writing of: (a) the Directors, the Company Secretary and Compliance Officer, the Auditors, the legal advisors, the Bankers to the Issue, the Bankers to the Company; and (b) the BRLMs, the Syndicate Members and the Registrar to the Issue to act in their respective capacities, will be obtained and will be filed along with a copy of the Red Herring Prospectus with the RoC as required under Sections 60 and 60B of the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

Messrs. Deloitte Haskins & Sells, Chartered Accountants, have given their written consent for the inclusion of their report on the financial statements and the statement of tax benefits, in the form and context in which they appear in this Red Herring Prospectus, and such consent and report will not be withdrawn up to the time of delivery of the Prospectus to the RoC.

**Expert Opinion**

Except in the sections "***Auditors Report***" and "***Statement of Tax Benefits***" on page 152 and 51 of this Red Herring Prospectus, respectively, no expert opinion has been obtained by the Company in relation to the Issue.

**Expenses of the Issue**

The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. For details of total expenses of the Issue, see the section "***Objects of the Issue***" beginning on page 39 of this Red Herring Prospectus.

**Fees Payable to the Syndicate**

The total fees payable to the Syndicate (including underwriting commission and selling commission and reimbursement of their out-of-pocket expense) will be as per the engagement letter, Issue Agreement and the Syndicate Agreement, a copy of which is available for inspection at the Registered Office.

**Fees Payable to the Registrar to the Issue**

The fees payable by the Company to the Registrar to the Issue for processing of application, data entry, printing of CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the agreement signed among the Company and the Registrar to the Issue, a copy of which is available for inspection at the Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund in any of the modes described in the Red Herring Prospectus or Allotment advice by registered post/speed post/under certificate of posting.

**Particulars regarding Public or Rights Issues by the Company during the last five Years**

The Company offered for subscription on a rights basis a simultaneous but unlinked issue of 121,794,571 Equity Shares of Rs. 10 each at a premium of Rs. 290 per Equity Share in the ratio of 1 Equity Share for every 5 Equity Shares held as on November 5, 2007 (Record Date) and 548,075,571 cumulative convertible preference shares (the "**CCPS**") of Rs. 100 each at an issue price of Rs. 100 per CCPS in the ratio of 9 CCPS for every 10 Equity Shares held as on the Record Date. The total proceeds from the issue of Equity Shares and CCPS on a rights basis aggregated approximately Rs. 91,346 million. The issue opened on November 22, 2007 and closed on December 22, 2007. The proceeds of the issue were applied towards the objects of the issue as stated in the letter of offer dated November 7, 2007 i.e. payment of a short term bridge loan availed by the Company from the State Bank of India which was used to fund part of its investment by way of equity contribution in its wholly owned subsidiary Tata Steel Asia Holdings Pte Limited which in turn utilised the funds to repay the loans taken by it to invest in Tata Steel UK Limited which acquired Corus Group Limited (name now changed to Tata Steel Europe Limited) on April 2, 2007. There were no deviations from the objects on which the issue proceeds were utilised.

**Underwriting commission, brokerage and selling commission on Previous Issues**

The Company has not paid any underwriting, brokerage and selling commissions in relation to the rights issue undertaken by the Company in 2007.

**Particulars regarding Public or Rights Issues by the listed Group Companies, subsidiaries and associate companies of the Company during the last three Years**

Tayo Rolls Limited, a listed subsidiary of the Company offered for subscription on a rights basis of 4,788,700 equity shares of Rs. 10 each at a premium of Rs. 116 per equity share aggregating to Rs. 603.38 million in the ratio of 7 equity shares for every 8 equity shares held on October 10, 2008. The issue opened on October 29, 2008 and closed on November 19, 2008. The proceeds of the issue were to meet the capital expenditure requirements for setting up of integrated facilities for the manufacture of forged rolls, forging quality Ingots and engineering forgings. There were no deviations from the objects on which the issue proceeds were utilised.

Other than as disclosed in the section "***The Promoter and Group Companies***" on page 125 of this Red Herring Prospectus, none of the listed Group Companies, associates and subsidiaries of the Company has issued capital in the previous three years.

**Previous issues of Equity Shares otherwise than for cash**

Except as disclosed in the section "***Capital Structure***" beginning on page 30 of this Red Herring Prospectus, the Company has not issued any Equity Shares for consideration otherwise than for cash.

**Promise vis-à-vis objects – Public/ Rights Issue of the Company and/ or listed subsidiaries and associates of the Company**

For details see "***Other Regulatory and Statutory Disclosures-Particulars regarding Public or Rights Issues by the Company during the last five Years***" and "***Other Regulatory and Statutory Disclosures-Particulars regarding Public or Rights Issues by the listed Group Companies, subsidiaries and associate companies of the Company during the last three Years***" on pages 238 and 239 of this Red Herring Prospectus, respectively.

**Outstanding Debentures or Bonds**

Except as disclosed in the section "***Financial Indebtedness***", the Company does not have any outstanding debentures or bonds as of the date of filing this Red Herring Prospectus.

**Outstanding Preference Shares**

The Company does not have any outstanding Preference Shares as of the date of this Red Herring Prospectus.

**Stock Market Data of Equity Shares**

For details, see "***Stock Market Data for Equity Shares of the Company***" beginning on page 197 of this Red Herring Prospectus.

**Mechanism for Redressal of Investor Grievances**

The agreement dated January 8, 2011, between the Registrar to the Issue and the Company provides for retention of records with the Registrar to the Issue for a period of at least three year from the last date of dispatch of allocation advice or refund orders or demat credit or, where refunds are being made electronically, issuance of refund instructions to the clearing system, to enable Bidders to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to this Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the Bidder, Bid cum Application Form number, number of Equity Shares Bid for, amount paid on submission of the Bid, name of the Depository Participant, and the Designated Branch or collection centre where the Bid cum Application Form was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB, giving full details such as name, address of the Bidder, number of Equity Shares Bid for, amount paid on submission of the Bid cum Application Form and, in case of physical ASBA Bid cum Application Forms, the relevant Designated Branch or collection centre of SCSB where such physical ASBA Bid cum Application Form was submitted.

**Disposal of Investor Grievances by the Company**

The Company estimates that the average time required by the Company or the Registrar to the Issue for the redressal of routine investor grievances shall be 10 working days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, the Company will seek to redress these complaints as expeditiously as possible. The Company has a Shareholders Committee. The members of the Shareholders Committee are:

Mr. Ishaat Hussain, Chairman (Non-Independent, Non-Executive Director) and

Mr. Suresh Krishna (Independent, Non-Executive Director)

The Company has appointed Mr. A. Anjeneyan, Company Secretary of the Company as the Compliance Officer for this Issue and he may be contacted in case of any pre-Issue or post-Issue related problems at the following address:

**Tata Steel Limited**

Bombay House
24 Homi Mody Street
Fort, Mumbai 400 001
Tel: (91 22) 66657279
Fax: (91 22) 66657724
Email: cosec@tatasteel.com

**Changes in Auditors**

There has been no change in the Auditors of the Company during the last three years.

**Capitalisation of Reserves or Profits**

Except as disclosed in the section "***Capital Structure***" beginning on page 30 of this Red Herring Prospectus, the Company has not capitalised its reserves or profits at any time during the last five years.

**Revaluation of Assets**

Except as disclosed in the section "***Capital Structure***" beginning on page 30 of this Red Herring Prospectus, the Company has not re-valued its assets in the last five years.

## SECTION VII – ISSUE RELATED INFORMATION

### ISSUE STRUCTURE

The Issue of 57,000,000 Equity Shares of face value Rs. 10 each, at an Issue Price of Rs. [●] for cash, including a premium of Rs. [●] per Equity Share, aggregating Rs. [●] million is being made through the Book Building Process. The Issue comprises a Net Issue of 55,500,000 Equity Shares to the public and a reservation of 1,500,000 Equity Shares for Eligible Employees.

The Issue is being made through the Book Building Process.

| | **QIBs#** | **Non-Institutional Bidders** | **Retail Individual Bidders** | **Eligible Employees** |
|---|---|---|---|---|
| Number of Equity Shares* | Not more than 27,750,000 Equity Shares | Not less than 8,325,000 Equity Shares available for allocation or Net Issue less allocation to QIB Bidders and Retail Individual Bidders. | Not less than 19,425,000 Equity Shares available for allocation or Net Issue less allocation to QIB Bidders and Non-Institutional Bidders. | 1,500,000 Equity Shares. |
| Percentage of Issue Size available for Allotment/allocation | Not more than 50% of the Net Issue Size being available for allocation to QIBs. However, up to 5% of the QIB Portion (excluding the Anchor Investor Portion) will be available for allocation proportionately to Mutual Funds only. | Not less than 15% of the Net Issue or the Net Issue less allocation to QIB Bidders and Retail Individual Bidders. | Not less than 35% of the Net Issue or Net Issue less allocation to QIB Bidders and Non-Institutional Bidders. | Up to 2.63% of the Issue. |
| Basis of Allotment/Allocation if respective category is oversubscribed | Proportionate as follows: (a) 971,250 Equity shall be allocated on a proportionate basis to Mutual Funds only; and (b) 18,453,750 Equity Shares shall be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above. | Proportionate | Proportionate | Proportionate |
| Minimum Bid | Such number of Equity Shares | Such number of Equity Shares that the Bid | [●] Equity Shares. | [●] Equity Shares. |

| | QIBs# | Non-Institutional Bidders | Retail Individual Bidders | Eligible Employees |
|---|---|---|---|---|
| | that the Bid Amount exceeds Rs. 200,000 and in multiples of [•] Equity Shares thereafter. | Amount exceeds Rs. 200,000 and in multiples of [•] Equity Shares thereafter. | | |
| Maximum Bid | Such number of Equity Shares not exceeding the Net Issue, subject to applicable limits. | Such number of Equity Shares not exceeding the Issue, subject to applicable limits. | Such number of Equity Shares, whereby the Bid Amount does not exceed Rs. 200,000. | Such number of Equity Shares, whereby the Bid Amount does not exceed Rs. 200,000. |
| Mode of Allotment | Compulsorily in dematerialised form. | Compulsorily in dematerialised form. | Compulsorily in dematerialised form. | Compulsorily in dematerialised form. |
| Bid Lot | [●] Equity Shares and in multiples of [●] Equity Shares thereafter. | [●] Equity Shares and in multiples of [●] Equity Shares thereafter. | [●] Equity Shares and in multiples of [●] Equity thereafter. | [●] Equity Shares and in multiples of [●] Equity Shares thereafter. |
| Allotment Lot | [●] Equity Shares and in multiples of one Equity Share thereafter. | [●] Equity Shares and in multiples of one Equity Share thereafter. | [●]Equity Shares and in multiples of one Equity Share thereafter. | [●] Equity Shares and in multiples of one Equity Share thereafter. |
| Trading Lot | One Equity Share. | One Equity Share. | One Equity Share. | One Equity Share |
| Who can Apply ** | Public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual fund registered with SEBI, FIIs and sub-account registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, VCFs, state industrial development corporation, insurance company registered with | Resident Indian individuals, Eligible NRIs, HUFs (in the name of *Karta*), companies, corporate bodies, scientific institutions societies and trusts, sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals. | Resident Indian individuals, Eligible NRIs and HUFs (in the name of *Karta*) | Eligible Employees |

| | QIBs# | Non-Institutional Bidders | Retail Individual Bidders | Eligible Employees |
|---|---|---|---|---|
| | IRDA, provident fund (subject to applicable law) with minimum corpus of Rs. 250 Million, pension fund with minimum corpus of Rs. 250 Million, in accordance with applicable law and National Investment Fund set up by Government of India, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up by the Department of Posts. | | | |
| Terms of Payment | Full Bid Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Members.## | | | |

\# *The Company may allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. For details, see the section "**Issue Procedure**" beginning on page 249 of this Red Herring Prospectus.*

\## *In case of ASBA Bidders, the SCSB shall be authorised to block such funds in the bank account of the Bidder that are specified in the ASBA Bid cum Application Form.*

* *Subject to valid Bids being received at or above the Issue Price. This Issue is being made in accordance with Rule 19(2)(b)(i) of the SCRR, as amended and under the SEBI Regulations, where the Issue will be made through the Book Building Process wherein not more than 50% of the Issue will be available for allocation on a proportionate basis to QIBs. Out of the QIB Portion (excluding the Anchor Investor Portion), 5% will be available for allocation on a proportionate basis to Mutual Funds only. The remainder will be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 971,250 Equity Shares, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders in proportion to their Bids. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.*

*Any undersubscribed portion in the Employee Reservation Portion will be added to the Net Issue. In case of under-subscription in the Net Issue, spillover to the extent of under subscription will be permitted from the Employee Reservation Portion to the Net Issue.*

**Withdrawal of the Issue**

The Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue at anytime after the Bid Opening Date but before the Allotment of Equity Shares. In such an event the Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid Closing Date, providing reasons for not proceeding with the Issue. The BRLMs, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one day of receipt of such notification. The Company shall also inform the same to the Stock Exchanges on which the Equity Shares are proposed to be listed.

If the Company withdraws the Issue after the Bid Closing Date and thereafter determines that they will proceed with an issue of the Company's Equity Shares, the Company shall file a fresh red herring prospectus with RoC. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which the Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

**In terms of the SEBI Regulations, QIBs are not allowed to withdraw their Bids after the Bid Closing date.**

**Bid/ Issue Programme**

| BIDDING PROGRAMME* | |
|---|---|
| **BID OPENS ON: JANUARY 19, 2011** | **BID CLOSES ON: JANUARY 21, 2011** |

* *The Company may consider participation by Anchor Investors. The Anchor Bidding Date shall be one working day prior to the Bid Opening Date.*

Except in relation to Anchor Investors, Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m**. Indian Standard Time ("**IST**") during the Bidding Period as mentioned above at the bidding centres and designated branches of SCSBs as mentioned on the Bid cum Application Form. On the Bid Closing Date, the Bids and any revision in the Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and shall be uploaded until (i) 4.00 p.m. (IST) in case of Bids by QIB Bidders and Non-Institutional Bidders, and (ii) until 5.00 p.m. (IST) or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders and Eligible Employees. It is clarified that the Bids not uploaded in the book would be rejected.

Due to limitation of time available for uploading the Bids on the Bid Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Bid Closing Date. All times mentioned in this Red Herring Prospectus are Indian Standard Times. Bidders are cautioned that in the event a large number of Bids are received on the Bid Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only on Business Days, i.e., Monday to Friday (excluding any public holiday). Neither the Company nor any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

On the Bid Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Bidders and Eligible Employees after taking into account the total number of Bids received up to the closure of timings for acceptance of Bid cum Application Forms and ASBA Bid cum Application Forms as stated herein.

The Company, in consultation with the BRLMs, reserves the right to revise the Price Band during the Bidding Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the Face Value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

In case of revision of the Price Band, the Bidding Period will be extended for at least three additional working days after revision of Price Band subject to the Bidding Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the changes on the websites of the BRLMs and at the terminals of the Syndicate Members.

# TERMS OF THE ISSUE

The Equity Shares being issued and transferred pursuant to the Issue shall be subject to the provisions of the Companies Act, the Memorandum and Articles of Association, the terms of this Red Herring Prospectus and the Prospectus, Bid cum Application Form, ASBA Bid cum Application Form, the Revision Form, the CAN and other terms and conditions as may be incorporated in the Allotment advices and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government, Stock Exchanges, RoC, RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable.

**Ranking of Equity Shares**

The Equity Shares being issued and transferred in the Issue shall be subject to the provisions of the Companies Act and the Memorandum and Articles of Association and shall rank *pari-passu* with the existing Equity Shares of the Company including rights in respect of dividend. The Allotees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by the Company after the date of Allotment. For further details, see the section "***Main Provisions of the Articles of Association***" beginning on page 278 of this Red Herring Prospectus.

**Mode of Payment of Dividend**

The Company shall pay dividends, if declared, to its shareholders in accordance with the provisions of the Companies Act and the Memorandum and Articles of Association.

**Face Value and Issue Price**

The face value of the Equity Shares is Rs. 10 each and the Issue Price is Rs. [●] per Equity Share. The Anchor Investor Issue Price is Rs. [●] per Equity Share.

At any given point of time there shall be only one denomination for the Equity Shares.

**Compliance with SEBI Regulations**

The Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

**Rights of the Equity Shareholder**

Subject to applicable laws, the equity shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the listing agreement executed with the Stock Exchanges and the Company's

Memorandum and Articles of Association.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, see the section "***Main Provisions of the Articles of Association***" beginning on page 278 of this Red Herring Prospectus.

**Market Lot and Trading Lot**

In terms of Section 68B of the Companies Act, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialised form. Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Issue will be only in electronic form in multiples of one (1) Equity Share subject to a minimum Allotment of [•] Equity Shares.

The Price Band and the minimum Bid Lot size for the Issue will be decided by the Company in consultation with the BRLMs and advertised in all edition of Financial Express, all editions of Janasatta and all editions of Navshakti, at least one working day prior to the Bid Opening Date.

**Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Mumbai.

**Nomination Facility to Investor**

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office/Corporate Office of the Company or to the Registrar and Transfer Agent of the Company.

In accordance with Section 109A of the Companies Act, any person who becomes a nominee by virtue of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

- To register himself or herself as the holder of the Equity Shares; or
- To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialised form, there is no need to make a separate nomination with the Company. Nominations registered with respective depository participant of the applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective depository participant.

**Minimum Subscription**

If the Company does not receive 90% subscription of the Issue, including devolvement of underwriters, the Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Company becomes liable to pay the amount, the Company shall pay interest as prescribed under Section 73 of the Companies Act.

Further, the Company shall ensure that the number of prospective Allotees to whom Equity Shares will be Allotted shall not be less than 1,000.

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

**Arrangement for disposal of Odd Lots**

There are no arrangements for disposal of odd lots.

**Restriction on transfer of Equity Shares**

Except for Anchor Investor lock-in in the Issue and as detailed in the section "***Capital Structure***" beginning on page 30 of this Red Herring Prospectus, and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation/ splitting except as provided in the Articles of Association. For details, see the section "***Main Provisions of the Articles of Association***" beginning on page 278 of this Red Herring Prospectus.

# ISSUE PROCEDURE

This section applies to all Bidders. Please note that all Bidders other than Anchor Investors can participate in the Issue through the ASBA process. ASBA Bidders should note that the ASBA process involves application procedures that may be different from the procedure applicable to Bidders other than the ASBA Bidders. Bidders applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all the Bidders are required to make payment of the full Bid Amount along with the Bid cum Application Form. In case of ASBA Bidders, an amount equivalent to the full Bid Amount will be blocked by the SCSB.

***Book Building Procedure***

The Issue is being made through the Book Building Process wherein not more than 50% of the Net Issue shall be available for allocation to QIBs on a proportionate basis. Out of the QIB Portion (excluding the Anchor Investor Portion), 5% will be available for allocation on a proportionate basis to Mutual Funds only. The remainder will be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Allocation to Anchor Investors shall be on a discretionary basis and not on a proportionate basis.

Any under-subscription in the Employee Reservation category will be added to the Net Issue. Any under-subscription in the Net Issue will be allowed to be met with spill-over from any other category or combination of categories, including the Employees Reservation Portion, at the discretion of the Company, in consultation with the BRLMs and the Designated Stock Exchange.

All Bidders other than the ASBA Bidders are required to submit their Bids through the Syndicate. ASBA Bidders are required to submit their Bids through the SCSBs.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, PAN and Beneficiary Account Number, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

**Bid cum Application Form**

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

| Category | Colour of Bid cum Application Form |
|---|---|
| Resident Indians and Eligible NRIs applying on a non-repatriation basis, excluding Eligible Employees bidding under the Employee Reservation Portion (ASBA as well as non ASBA Bidders*) | White |
| Eligible NRIs, FIIs or Foreign Venture Capital Investors, registered Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis (ASBA as well as non ASBA Bidders) | Blue |
| Eligible Employees bidding under the Employee Reservation Portion | Pink |
| Anchor Investors** | White |

**Bid cum Application forms for ASBA Bidders will also be available on the website of the NSE (www.nseindia.com) and BSE (www.bseindia.com)*

***Bid cum Application forms for Anchor Investors have been made available at the offices of the BRLMs.*

Bidders (other than ASBA Bidders) are required to submit their Bids through the Syndicate. Such Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of the Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids.

ASBA Bidders shall submit an ASBA Bid cum Application Form through the SCSBs authorising blocking of funds that are available in the bank account specified in the ASBA Bid cum Application Form only. QIBs participating in the Anchor Investor Portion cannot submit their Bids in the Anchor Investor Portion through the ASBA process.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection centre of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

Upon the filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the Application Form. Upon completion and submission of the Bid cum Application Form to a Syndicate or the SCSB, the Bidder or the ASBA Bidder is deemed to have authorised the Company to make the necessary changes in the Red Herring Prospectus as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Bidder or the ASBA Bidder.

**Who can Bid?**

- Indian nationals resident in India who are not minors in single or joint names (not more than three);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of Sole or First bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids by HUFs would be considered at par with those from individuals;
- Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in the Equity Shares;
- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non repatriation basis subject to applicable laws. NRIs other than eligible NRIs are not eligible to participate in this issue;
- Indian financial institutions, scheduled commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Regulations and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual under the QIB category;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional Bidders category.
- Venture Capital Funds registered with SEBI;
- Foreign Venture Capital Investors registered with SEBI;
- Multilateral and bilateral development financial institutions;
- State Industrial Development Corporations;
- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in Equity Shares;

- Scientific and/or industrial research organisations authorised in India to invest in Equity Shares;
- Insurance companies registered with Insurance Regulatory and Development Authority;
- Provident Funds with a minimum corpus of Rs. 250 Million and who are authorised under their constitution to hold and invest in Equity Shares;
- Pension Funds with a minimum corpus of Rs. 250 Million and who are authorised under their constitution to hold and invest in the Equity Shares;
- National Investment Fund;
- Insurance funds set up and managed by the army, navy or air force of the Union of India;
- Insurance fund set up and managed by the Department of Posts, India; and
- Eligible Employees;

As per the existing regulations, OCBs cannot participate in this Issue.

**Participation by associates and affiliates of the BRLMs and the Syndicate Members**

The BRLMs and the Syndicate Members shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and Syndicate Members may subscribe to or purchase Equity Shares in the Issue, either in the QIB Portion or in Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis.

The BRLMs and any persons related to the BRLMs or the Promoter and the Promoter Group cannot apply in the Issue under the Anchor Investor Portion.

**Bids by Mutual Funds**

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand in the Mutual Funds portion is greater than 971,250 Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Fund Portion.

Bids made by asset management companies or Custodians of Mutual Funds shall specifically state names of the concerned schemes for which such bids are made.

One-third of the Anchor Investor Portion shall be reserved for allocation to domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors.

**In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.**

**No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company’s paid-up share capital carrying voting rights.**

**Bids by Eligible NRIs**

Eligible NRIs should note that applications that are accompanied by payment in free foreign exchange should use the Bid cum Application Form which is blue in colour. Eligible NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts should use the form meant for Resident Indians.

**Bids by FIIs**

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of total post-Issue paid-up share capital. In respect of an FII investing in the Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total paid-up share capital or 5% of the total paid-up share capital in case such sub-account is a foreign corporate or a foreign individual. As of now, the aggregate FII holding in the Company cannot exceed 24% of the total paid-up share capital.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of Regulation 15A(1) of the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended (the "**SEBI FII Regulations**"), an FII, as defined in the SEBI FII Regulations, may issue or otherwise deal in or hold, offshore derivative instruments (as defined under the SEBI FII Regulations as any instrument, by whatever name called, which is issued overseas by a FII against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FII is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI FII Regulations. Associates and affiliates of the underwriters including the BRLMs and the Syndicate Members that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them in the Issue. Any such Offshore Derivative Instrument does not constitute any obligation or claim or claim on or an interest in, the Company.

**Bids by SEBI registered Venture Capital Funds and Foreign Venture Capital Investors**

The SEBI (Venture Capital Funds) Regulations, 1996 and SEBI (Foreign Venture Capital Investor) Regulations, 2000, as amended *inter alia* prescribe the investment restrictions on VCFs and FVCIs registered with SEBI.

Accordingly, the holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the venture capital fund. Further, venture capital funds and FVCIs can invest only up to 33.33% of their respective investible funds in various prescribed instruments, including in public offerings

**The above information is given for the benefit of the Bidders. The Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Red Herring Prospectus.**

**Bids by Eligible Employees**

For the purpose of the Employee Reservation Portion, Eligible Employee means a permanent and full-time employee of the Company or a Director of the Company (excluding such other persons not eligible under applicable laws, rules, regulations and guidelines), as on the date of filing of this Red Herring Prospectus with the RoC, who are Indian nationals and are based, working and present in India as on the date of submission of the Bid cum Application Form and who continue to be in the employment of the Company or Directors of the Company, as the case may be, until submission of the Bid cum Application Form. An employee of the Company who is recruited against a regular vacancy but is on probation as on the date of submission of the Bid cum Application Form will also be deemed a 'permanent employee'.

Bids under Employee Reservation Portion by Eligible Employees will be subject to the following:

Bid may be submitted only in the prescribed Bid cum Application Form or Revision Form (i.e., pink colour form).

Only Eligible Employees (as defined in this Red Herring Prospectus) are eligible to Bid for Equity Shares in the Issue in the Employee Reservation Portion.

Eligible Employees should provide the PAN and Employee Number in the relevant space in the Bid cum Application Form.

The sole/first Bidder will be the Eligible Employee as defined above.

Only those Bids, which are received at or above the Issue Price, will be considered for allocation in the Employee Reservation Portion.

The Bids must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Bid Amount does not exceed Rs. 200,000.

Eligible Employees who Bid for Equity Shares in the Employee Reservation Portion can apply at Cut-off Price. The Allotment in the Employee Reservation Portion will be on a proportionate basis. However, the maximum Bid by an Eligible Employee cannot exceed Rs. 200,000.

Eligible Employees may also Bid in the Net Issue portion, i.e., not in the Employee Reservation Portion, and such Bids will not be treated as multiple Bids.

If the aggregate demand in this category is less than or equal to 1,500,000 Equity Shares at or above the Issue Price, full allocation will be made to the Eligible Employees to the extent of their demand. Any unsubscribed portion in the Employee Reservation Portion will be added to the Net Issue to the public. In case of under-subscription in the Net Issue to the public category, spill-over to the extent of under-subscription will be permitted from the Employee Reservation Portion to the Net Issue to the public. Any under-subscription in any category will be allowed to be met with spill-over from other categories or combination of categories at the discretion of the Company, in consultation with the BRLMs and the Designated Stock Exchange.

If the aggregate demand in this category is greater than 1,500,000 Equity Shares at or above the Issue Price, the allocation will be made on a proportionate basis. For the method of proportionate basis of allocation, see the paragraph on "***Basis of Allotment***" on page 272 of this Red Herring Prospectus.

**Maximum and Minimum Bid Size**

(a) **For Retail Individual Bidders:** The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed Rs. 200,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 200,000. In case the Bid Amount is over Rs. 200,000 due to revision of the Bid or revision of the Price Band or on exercise of Cut-off Price option, the Bid would be considered for allocation under the Non-Institutional Portion. The Cut-off Price option is an option given only to the Retail Individual Bidders and Eligible Employees bidding under the Employee Reservation Portion indicating their agreement to Bid for and purchase the Equity Shares at the final Issue Price as determined at the end of the Book Building Process.

(b) **For Other Bidders (Non-Institutional Bidders and QIBs):** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 200,000 and in multiples of [●] Equity Shares thereafter. A Bid cannot be submitted for more than the Issue size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **A QIB Bidder cannot withdraw its Bid after the Bid Closing Date and is required to pay the Bid Amount**

**upon submission of the Bid.**

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs. 200,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs. 200,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off Price'.

(c) **For Bidders in the Employee Reservation Portion**: The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed Rs. 200,000. The Allotment in the Employee Reservation Portion will be on a proportionate basis. The option to Bid at the Cut-Off Price is given only to the Retail Bidders and Eligible Employees Bidding in the Employee Reservation Portion indicating their agreement to Bid and purchase at the Issue Price as determined at the end of the Book Building Process.

(d) **For Bidders in the Anchor Investor Portion:** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount is at least Rs. 100 million and in multiples of [●] Equity Shares thereafter. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids. A Bid cannot be submitted for more than 30% of the QIB Portion under the Anchor Investor Portion. **Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Price is lower than the Issue Price, the balance amount shall be payable as per the Pay-in Date mentioned in the revised Anchor Investor Allocation Notice.**

**Information for the Bidders:**

(a) The Company and the BRLMs shall declare the Bid Opening Date and Bid Closing Date in the Red Herring Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in one Marathi newspaper with wide circulation. This advertisement shall be in the prescribed format.

(b) The Company will file the Red Herring Prospectus with the RoC at least three days before the Bid Opening Date.

(c) Copies of the Bid cum Application Form and copies of the Red Herring Prospectus will be available with the Syndicate. For ASBA Bidders, Bid cum Application Forms in physical form will be available with the Designated Branches and electronic ASBA Bid cum Application Forms will be available on the websites of the SCSBs and on the websites of NSE and BSE.

(d) Any eligible Bidder who would like to obtain the Red Herring Prospectus and/ or the Bid cum Application Form can obtain the same from the Registered Office of the Company.

(e) Eligible Bidders who are interested in subscribing for the Equity Shares should approach any of the BRLMs or Syndicate Members or their authorised agent(s) to register their Bids. Bidders (other than Anchor Investors) who wish to use the ASBA process should approach the Designated Branches of the SCSBs to register their Bids.

(f) The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms (other than the ASBA Bid cum Application Forms) should bear the stamp of the Syndicate, otherwise they will be rejected. Bids by ASBA Bidders shall be accepted by the Designated Branches of the SCSBs in accordance with the SEBI Regulations and any circulars issued by SEBI in this regard. Bidders (other than Anchor Investors) applying through the ASBA process also have an option to submit the ASBA Bid cum Application Form in electronic form.

(g) The demat accounts of Bidders for whom PAN details have not been verified, excluding persons resident in the state of Sikkim, who, may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Bidders.

**The applicants may note that in case the DP ID and Client ID and PAN mentioned in the Bid cum Application Form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate do not match with the DP ID and Client ID and PAN available in the database of Depositories, the application is liable to be rejected.**

**Method and Process of Bidding**

(a) The Company in consultation with the BRLMs will decide the Price Band and the minimum Bid lot size for the Issue and the same shall be advertised in two national newspapers (one each in English and Hindi) and in one Marathi newspaper with wide circulation at least one working days prior to the Bid Opening Date. The Syndicate and the SCSBs shall accept Bids from the Bidders during the Bidding Period.

(b) The Bidding Period shall be for a minimum of three working days and shall not exceed 10 working days. The Bidding Period maybe extended, if required, by an additional three working days, subject to the total Bidding Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding Period, if applicable, will be published in two national newspapers (one each in English and Hindi) and one Marathi newspaper with wide circulation and also by indicating the change on the websites of the BRLMs and at the terminals of the Syndicate.

(c) During the Bidding Period, Bidders, other than QIBs, who are interested in subscribing for the Equity Shares should approach the Syndicate or their authorised agents to register their Bids. The Syndicate shall accept Bids from all Bidders and have the right to vet the Bids during the Bidding Period in accordance with the terms of the Red Herring Prospectus. Bidders (other than Anchor Investors) who wish to use the ASBA process should approach the Designated Branches of the SCSBs to register their Bids.

(d) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled "Bids at Different Price Levels" below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.

(e) The Bidder cannot Bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to any member of the Syndicate or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate or SCBS will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph "***Build up of the Book and Revision of Bids***" beginning on page 258 of this Red Herring prospectus.

(f) Except in relation to the Bids received from the Anchor Investors, the Syndicate/the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, ("**TRS**"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.

(g) The BRLMs shall accept the Bids from the Anchor Investors during the Anchor Investor Bidding Period i.e. one working day prior to the Bid Opening Date. Bids by QIBs under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.

(h) Along with the Bid cum Application Form, all Bidders (other than ASBA Bidders) will make payment in the manner described in paragraph "***Escrow Mechanism - Terms of payment and payment into the Escrow Accounts***" in the section "***Issue Procedure***" beginning on page 249 of this Red Herring Prospectus.

(i) Upon receipt of the ASBA Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Bid cum Application Form, prior to uploading such Bids with the Stock Exchanges.

(j) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchanges.

(k) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.

(l) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

**Bids at Different Price Levels and Revision of Bids**

(a) The Company, in consultation with the BRLMs and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bidding Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the Face Value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed at least two days prior to the Bid Opening Date and the Cap Price will be revised accordingly.

(b) The Company, in consultation with the BRLMs will finalise the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.

(c) The Company, in consultation with the BRLMs, can finalise the Anchor Investor Issue Price within the Price Band, without the prior approval of, or intimation, to the Anchor Investors.

(d) The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion may Bid at the Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.

(e) Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

**Escrow mechanism, terms of payment and payment into the Escrow Accounts**

For details of the escrow mechanism and payment instructions, see "***Payment Instructions***" in this section.

**Electronic Registration of Bids**

(a) The Syndicate and the SCSBs will register the Bids using the on-line facilities of the Stock Exchanges.

(b) The Syndicate and the SCSBs will undertake modification of selected fields in the Bid details already uploaded within one Working Day from the Bid Closing Date.

(c) There will be at least one on-line connectivity facility in each city, where the Stock Exchange are located in India and where Bids are being accepted. The Syndicate Members and/or SCSBs shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by the Syndicate Members and the SCSBs, (ii) the Bids uploaded by the Syndicate Members and the SCSBs, (iii) the Bids accepted but not uploaded by the Syndicate Members and the SCSBs or (iv) with respect to Bids by ASBA Bidders, Bids accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant ASBA Account.

(d) The Stock Exchanges will offer an electronic facility for registering Bids for the Issue. This facility will be available with the Syndicate and their authorised agents and the SCSBs during the Bidding Period. The Syndicate Members and the Designated Branches of the SCSBs can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis. On the Bid Closing Date, the Syndicate and the Designated Branches of the SCSBs shall upload the Bids till such time as may be permitted by the Stock Exchanges.

(e) Based on the aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges would be made available at the Bidding centres during the Bidding Period.

(f) At the time of registering each Bid other than ASBA Bids, the Syndicate shall enter the following details of the Bidders in the on-line system:

- Investor Category – Individual, Corporate, FII, NRI, Mutual Fund, Eligible Employee etc.
- Numbers of Equity Shares Bid for.
- Bid Amount.
- Cheque Details.
- Bid cum Application Form number.
- DP ID and client identification number of the beneficiary account of the Bidder.
- PAN.

With respect to Bids by ASBA Bidders, at the time of registering such Bids, the SCSBs shall enter the following information pertaining to the ASBA Bidders into the online system:

- Application Number;
- PAN (of First ASBA Bidder, in case of more than one ASBA Bidder);
- Investor Category and Sub-Category- Individual, Corporate, FII, NRI, Mutual Funds, etc.;
- DP ID and client identification number of the beneficiary account of the Bidders;
- Numbers of Equity Shares Bid for;
- Quantity;
- Bid Amount; and
- Bank account number;

(g) TRS will be generated for each of the bidding options when the Bid is registered. It is the Bidder's responsibility to obtain the TRS from the Syndicate or the Designated Branches of the SCSBs. The registration of the Bid by the member of the Syndicate or the Designated Branches of the SCSBs does not guarantee that the Equity Shares shall be allocated/Allotted either by the Syndicate and the Company.

(h) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(i) In case of QIB Bidders, only the BRLMs and their affiliate Syndicate Members have the right to accept the Bid or reject it. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids will be rejected on technical grounds listed herein. The members of the Syndicate may also reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect. The SCSBs shall have no right to reject Bids, except on technical grounds.

(j) The permission given by the Stock Exchanges to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by the Company and/or the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of the Company, the Promoter, the management or any scheme or project of the Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

(k) Only Bids that are uploaded on the online system of the Stock Exchanges shall be considered for allocation/ Allotment. Members of the Syndicate and the SCSBs will be given up to one day after the Bid Closing Date to verify DP ID and Client ID uploaded in the online system during the Bidding Period after which the Registrar to the Issue will receive this data from the Stock Exchanges and will validate the electronic bid details with depository's records.

(l) Details of Bids in the Anchor Investor Portion will not be registered on the on-line facilities of the electronic facilities of the Stock Exchanges.

**Build up of the book and revision of Bids**

(a) Bids received from various Bidders through the Syndicate and the SCSBs shall be electronically uploaded to the Stock Exchanges' mainframe on a regular basis.

(b) The book gets built up at various price levels. This information will be available with the BRLMs at the end of the Bidding Period.

(c) During the Bidding Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, which is a part of the Bid cum Application Form.

(d) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and such Bidder is changing only one of the options in the Revision Form, the Bidder must still fill the details of the other two options that are not being revised, in the Revision Form. The Syndicate and the Designated Branches of the SCSBs will not accept incomplete or inaccurate Revision Forms.

(e) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate or the SCSB through whom such Bidder had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.

(f) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion who had Bid at Cut-off Price could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed Rs. 200,000 if the Bidder wants to continue to Bid at Cut-off Price), with the Syndicate to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 200,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of this Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.

(g) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion who have Bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account.

(h) The Company in consultation with the BRLMs, shall decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of Rs. 5,000 to Rs. 7,000.

(i) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. With respect to the Bids by ASBA Bidders, if revision of the Bids results in an incremental amount, the relevant SCSB shall block the additional Bid Amount. In case of Bids, other than ASBA Bids, the Syndicate shall collect the payment in the form of cheque or demand draft if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions by the QIB Bidders. In such cases, the Syndicate will revise the earlier Bids details with the revised Bid and provide the cheque or demand draft number of the new payment instrument in the electronic book. The Registrar will reconcile the Bid data and consider the revised Bid data for preparing the Basis of Allotment.

(j) When a Bidder revises his or her Bid, he or she should surrender the earlier TRS request for a revised TRS from the Syndicate or the SCSB, as proof of his or her having revised the previous Bid.

**Price Discovery and Allocation**

(a) Based on the demand generated at various price levels, the Company in consultation with the BRLMs, shall finalise the Issue Price and the Anchor Investor Issue Price.

(b) Under-subscription, if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of the Company in consultation with the BRLMs and the Designated Stock Exchange.

(c) Allocation to Non-Residents, including Eligible NRIs and FIIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.

(d) Allocation to Anchor Investors shall be at the discretion of the Company in consultation with the BRLMs, subject to compliance with the SEBI Regulations.

(e) QIB Bidders shall not be allowed to withdraw their Bid after the Bid Closing Date. Further, the Anchor Investors shall not be allowed to withdraw their Bids after the Anchor Investor Bidding Period.

**Signing of the Underwriting Agreement and the RoC Filing**

(a) The Company and the Underwriters have enter into an Underwriting Agreement dated January 11, 2011.

(b) The Company will update and file the updated Red Herring Prospectus with the RoC in accordance with the applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Issue Price, the Anchor Investor Issue Price, Issue size and underwriting arrangements and will be complete in all material respects.

**Pre-Issue Advertisement**

Subject to Section 66 of the Companies Act, the Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one English language national daily newspaper, one Hindi language national daily newspaper and one Marathi language daily newspaper, each with wide circulation.

**Advertisement regarding Issue Price and Prospectus**

The Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price and the Anchor Investor Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

**Issuance of Confirmation of Allotment Note ("CAN")**

(a) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Syndicate a list of the Bidders who have been Allotted Equity Shares in the Issue.

(b) The Registrar will dispatch CANs to the Bidders who have been Allotted Equity Shares in the Issue.

(c) The dispatch of CAN shall be deemed a valid, binding and irrevocable contract for the Bidder.

(d) The Issuance of CAN is subject to "Notice to Anchor Investors - Allotment Reconciliation and CANs" as set forth below.

**Notice to Anchor Investors: Allotment Reconciliation and CANs**

A physical book will be prepared by the Registrar on the basis of the Bid cum Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Company in consultation with the BRLMs, selected Anchor Investors will be sent an Anchor Investor Allocation Notice and if required, a revised Anchor Investor Allocation Notice. All Anchor Investors will be sent Anchor Investor Allocation Notice post Anchor Investor Bidding Period and in the event that the Issue Price is higher than the Anchor Investor Issue Price, the Anchor Investors will be sent a revised Anchor Investor Allocation Notice within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the Pay-in Date for payment of the balance amount. Anchor Investors should note that they shall be required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised Anchor Investor Allocation Notice within the Pay-in Date referred to in the revised Anchor Investor Allocation Notice. The revised Anchor Investor Allocation Notice will constitute a valid, binding and irrevocable contract (subject to the issue of CAN) for the Anchor Investor to pay the difference between the Issue Price and the Anchor Investor Issue Price and accordingly the CAN will be issued to such Anchor Investors. In the event the Issue Price is lower than the Anchor Investor Issue Price, the Anchor Investors who have been Allotted Equity Shares will directly receive CAN. The CAN shall be deemed a valid, binding and irrevocable contract for the Allotment of Equity Shares to such Anchor Investors.

The final allocation is subject to the physical application being valid in all respect along with receipt of stipulated documents, the Issue Price being finalised at a price not higher than the Anchor Investor Issue Price and Allotment by the Board of Directors.

**Designated Date and Allotment of Equity Shares:**

(a) The Company will ensure that: (i) the Allotment of Equity Shares; and (ii) credit to the successful Bidder's depositary account will be completed within 12 Working Days of the Bid Closing Date. After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, the Company will ensure the credit to the successful Bidder's depository account is completed within 12 working days from the date of Bid Closing Date.

(b) In accordance with the SEBI Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.

(c) Allottees will have the option to re-materialise the Equity Shares so Allotted as per the provisions of the Companies Act and the Depositories Act.

**Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/ Allotted to them pursuant to this Issue.**

**GENERAL INSTRUCTIONS**

**Do's:**

(a) Check if you are eligible to apply;

(b) Ensure that you have Bid within the Price Band;

(c) Read all the instructions carefully and complete the Bid cum Application Form;

(d) Ensure that the details about the Depository Participant and the beneficiary account are correct as Allotment of Equity Shares will be in the dematerialised form only;

(e) Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of a member of the Syndicate or with respect to ASBA Bidders, ensure that your Bid is submitted at a Designated Branch of the SCSB where the ASBA Bidder or the person whose bank account will be utilised by the Bidder for bidding has a bank account;

(f) With respect to Bids by ASBA Bidders ensure that the ASBA Bid cum Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the ASBA Bid cum Application Form;

(g) Ensure that you request for and receive a TRS for all your Bid options;

(h) Ensure that you have funds equal to the Bid Amount in your bank account maintained with the SCSB before submitting the ASBA Bid cum Application Form to the respective Designated Branch of the SCSB;

(i) Ensure that the full Bid Amount is paid for the Bids submitted to the Syndicate and funds equivalent to the Bid Amount are blocked in case of any Bids submitted though the SCSBs.

(j) Instruct your respective banks to not release the funds blocked in the bank account under the ASBA process;

(k) Submit revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;

(l) Except for Bids submitted on behalf of the Central Government or the state government and officials appointed by a court, all Bidders should mention their PAN allotted under the IT Act;

(m) Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;

**Don'ts:**

(a) Do not Bid for lower than the minimum Bid size;

(b) Do not Bid/ revise Bid Amount to less than the Floor Price or higher than the Cap Price;

(c) Do not Bid on another Bid cum Application Form after you have submitted a Bid to the Syndicate or the SCSBs, as applicable;

(d) Do not pay the Bid Amount in cash, by money order or by postal order or by stockinvest;

(e) Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate or the SCSBs only;

(f) Do not Bid at Cut-off Price (for QIB Bidders and Non-Institutional Bidders, for Bid Amount in excess of Rs. 200,000);

(g) Do not Bid for a Bid Amount exceeding Rs. 200,000 (for Bids by Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion);

(h) Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;

(i) Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground; and

(j) Do not submit the Bids without the full Bid Amount.

**INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM**

Bids must be:

(a) Made only in the prescribed Bid cum Application Form or Revision Form, as applicable.

(b) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected. Bidders should note that the Syndicate and / or the SCSBs, as appropriate, will not be liable for errors in data entry due to incomplete or illegible Bid cum Application Forms or Revision Forms.

(c) Information provided by the Bidders will be uploaded in the online system by the Syndicate and the SCSBs, as the case may be, and the electronic data will be used to make allocation/ Allotment. The Bidders should ensure that the details are correct and legible.

(d) For Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion, the Bid must be for a minimum of [•] Equity Shares and in multiples of [•] thereafter subject to a maximum Bid Amount of Rs. 200,000.

(e) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds Rs. 200,000 and in multiples of [•] Equity Shares thereafter. Bids cannot be made for more than the Issue size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of Equity Shares that can be held by them under the applicable laws or regulations.

(f) For Anchor Investors, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds or equal to Rs. 100 million and in multiples of [•] Equity Shares thereafter.

(g) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).

(h) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

**Bidder's PAN, Depository Account and Bank Account Details**

**Bidders should note that on the basis of PAN of the Bidders, DP ID and Client ID provided by them in the Bid cum Application Form, the Registrar will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as "Demographic Details"). These bank account details would be used for giving refunds (including through physical refund warrants, direct credit, NECS, NEFT and RTGS) or unblocking of ASBA Account. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch/ credit of refunds to Bidders or unblocking of ASBA Account at the Bidders sole risk and neither the BRLMs or the Registrar or the Escrow Collection Banks or the SCSBs nor the Company shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.**

These Demographic Details would be used for all correspondence with the Bidders including mailing of the refund orders/CANs/allocation advice and printing of bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid cum Application Form would not be used for any other purpose by the Registrar.

By signing the Bid cum Application Form, the Bidder would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

**Refund orders/ CANs would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/ CANs may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Bidder (other than ASBA Bidders) in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at such Bidder's sole risk and neither the Company, the Escrow Collection Banks, Registrar, the BRLMs shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.**

In case no corresponding record is available with the Depositories, which matches the two parameters, namely, PAN of the Bidder and the DP ID/Client ID, then such Bids are liable to be rejected.

**Bids by Non-Residents including Eligible NRIs, FIIs and Foreign Venture Capital Investors on a repatriation basis**

Bids and revision to Bids must be made in the following manner:

1. On the Bid cum Application Form or the Revision Form, as applicable (blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.

2. In a single name or joint names (not more than three and in the same order as their Depositary Participant Details).

3. Bids on a repatriation basis shall be in the names of individuals, or in the name of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

**Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. The Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.**

**There is no reservation for Eligible NRIs and FIIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.**

**Bids under Power of Attorney**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of Rs. 250 Million (subject to applicable law) and pension funds with a minimum corpus of Rs. 250 Million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

In addition to the above, certain additional documents are required to be submitted by the following entities:

(a) With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.

(b) With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form.

(c) With respect to Bids made by provident funds with a minimum corpus of Rs. 250 Million (subject to applicable law) and pension funds with a minimum corpus of Rs. 250 Million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form.

The Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that the Company, the BRLMs may deem fit.

**PAYMENT INSTRUCTIONS**

**Escrow Mechanism for Bidders other than ASBA Bidders**

The Company and the Syndicate shall open Escrow Account(s) with one or more Escrow Collection Bank(s) in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders would be deposited in the Escrow Account.

The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the Escrow Agreement. The

Escrow Collection Banks for and on behalf of the Bidders shall maintain the monies in the Escrow Account until the Designated Date. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares (other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between the Company, the Syndicate, the Escrow Collection Banks and the Registrar to facilitate collections from the Bidders.

**Payment mechanism for ASBA Bidders**

The ASBA Bidders shall specify the bank account number in the ASBA Bid cum Application Form and the SCSB shall block an amount equivalent to the Bid Amount in the bank account specified in the ASBA Bid cum Application Form. The SCSB shall keep the Bid Amount in the relevant bank account blocked until withdrawal/ rejection of the ASBA Bid or receipt of instructions from the Registrar to unblock the Bid Amount. In the event of withdrawal or rejection of the ASBA Bid cum Application Form or for unsuccessful ASBA Bid cum Application Forms, the Registrar shall give instructions to the SCSB to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Bids by ASBA Bidder, as the case may be.

**Payment into Escrow Account for Bidders other than ASBA Bidders**

Each Bidder shall draw a cheque or demand draft or remit the funds electronically through the RTGS mechanism for the Bid Amount payable on the Bid as per the following terms:

1. All Bidders would be required to pay the full Bid Amount at the time of the submission of the Bid cum Application Form.

2. The Bidders shall, with the submission of the Bid cum Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the Syndicate. If the payment is not made favouring the Escrow Account along with the Bid cum Application Form, the Bid of the Bidder shall be rejected.

3. The payment instruments for payment into the Escrow Account should be drawn in favour of:

   (a) In case of Resident QIB Bidders: "Tata Steel - FPO - Escrow Account - QIB - R"

   (b) In case of Non-Resident QIB Bidders: "Tata Steel - FPO - Escrow Account - QIB - NR"

   (c) In case of Resident Retail and Non-Institutional Bidders: "Tata Steel - FPO - Escrow Account - R"

   (d) In case of Non-Resident Retail and Non-Institutional Bidders: "Tata Steel - FPO - Escrow Account - NR"

   (e) In case of Eligible Employees: "Tata Steel - FPO - Escrow Account - Eligible Employees"

4. Anchor Investors would be required to pay the Bid Amount at the time of submission of the Bid cum Application Form. In the event of the Issue Price being higher than the price at which allocation is made to Anchor Investors, the Anchor Investors shall be required to pay such additional amount to the extent of shortfall between the price at which allocation is made to them and the Issue Price as per the Pay-in Date

mentioned in the revised Anchor Investor Allocation Notice. If the Issue Price is lower than the price at which allocation is made to Anchor Investors, the amount in excess of the Issue Price paid by Anchor Investors shall not be refunded to them.

5. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

   (a) In case of resident Anchor Investors: "Tata Steel - FPO - Escrow Account - Anchor - R"

   (b) In case of non-resident Anchor Investors: "Tata Steel - FPO - Escrow Account - Anchor - NR"

6. In case of Bids by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.

7. In case of Bids by NRIs applying on non-repatriation basis, the payments must be made through Indian Rupee Drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of a Non-Resident Ordinary (NRO) Account of a Non-Resident Bidder bidding on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR or NRO Account.

8. In case of Bids by FIIs, the payment should be made out of funds held in a Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting the Special Rupee Account.

9. The monies deposited in the Escrow Account will be held for the benefit of the Bidders till the Designated Date.

10. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue.

11. Payments should be made by cheque, or a demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ stockinvest/money orders/postal orders will not be accepted.

**OTHER INSTRUCTIONS**

**Joint Bids in the case of Individuals**

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

**Multiple Bids**

A Bidder should submit only one (and not more than one) Bid

In case of a Mutual Fund, a separate Bid may be made in respect of each scheme of the Mutual Fund and such Bids in respect of over one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made. Bids by QIBs under the Anchor Investor Portion and the QIB Portion (excluding the Anchor Investor Portion) will not be treated as multiple Bids.

After submitting a bid using an ASBA Bid cum Application Form either in physical or electronic mode, where such ASBA Bid has been submitted to the SCSBs and uploaded with the Stock Exchanges, an ASBA Bidder cannot Bid, either in physical or electronic mode, whether on another ASBA Bid cum Application Form, to either the same or another Designated Branch of the SCSB, or on a non-ASBA Bid cum Application Form. Submission of a second Bid in such manner will be deemed a multiple Bid and would be rejected either before entering the Bid into the electronic Bidding system or at any point of time prior to the allocation or Allotment of Equity Shares in the Issue. However, ASBA Bidders may revise their Bids through the Revision Form, the procedure for which is described in "Build Up of the Book and Revision of Bids" below.

More than one ASBA Bidder may Bid for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five ASBA Bid cum Application Forms with respect to any single ASBA Account.

Duplicate copies of ASBA Bid cum Application Forms downloaded and printed from the website of the Stock Exchanges bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

The Company, in consultation with the BRLMs, reserves the right to reject, in its absolute discretion, all or all except one of such multiple Bid(s) in any or all categories. In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple Bids are provided below:

1. All Bids will be checked for common PAN as per the records of Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN will be treated as multiple Bids and will be rejected.

2. For Bids from Mutual Funds and FII sub-accounts, which are submitted under the same PAN, as well as Bids on behalf of the Central or state government, an official liquidator or receiver appointed by a court and residents of Sikkim, for whom the submission of PAN is not mandatory, the Bids are scrutinised for DP ID and Beneficiary Account Numbers. In case such Bids bore the same DP ID and Beneficiary Account Numbers, these are treated as multiple Bids and will be rejected.

**Permanent Account Number or PAN**

Except for Bids on behalf of the Central or state government and the officials appointed by the courts, the Bidders, or in the case of a Bid in joint names, each of the Bidders, should mention his/ her PAN allotted under the I.T. Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. **Any Bid cum Application Form without the PAN is liable to be rejected, except for residents in the state of Sikkim, may be exempted from specifying their PAN for transactions in the securities market. It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground**.

**REJECTION OF BIDS**

In case of QIB Bidders, the Company, in consultation with the BRLMs, may reject Bids provided that the reasons for rejecting the same shall be provided to such Bidders in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, the Company has a right to reject Bids based on technical grounds. Consequent refunds shall be made by RTGS/NEFT/NES/Direct Credit/cheque or pay order or draft and will be sent to the Bidder's address at the Bidder's risk. With respect to Bids by ASBA Bidders, the Designated Branches of the SCSBs shall have the right to reject Bids by ASBA Bidders if at the time of blocking the Bid Amount in the Bidder's bank account, the respective Designated Branch of the SCSB ascertains that sufficient funds are not available in the Bidder's bank account maintained with the SCSB. Subsequent to the acceptance of the Bid by ASBA Bidder by the SCSB, the Company would have a right to reject the ASBA Bids only on technical grounds.

***Grounds for Technical Rejections***

Bidders are advised to note that Bids are liable to be rejected *inter alia* on the following technical grounds:

- Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for. With respect to Bids by ASBA Bidders, the amounts mentioned in the ASBA Bid cum Application Form does not tally with the amount payable for the value of the Equity Shares Bid for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872, as amended including minors, insane persons;
- PAN not mentioned in the Bid cum Application Form;
- GIR number furnished instead of PAN;
- Bids for lower number of Equity Shares than specified for that category of investors;
- Bids at a price less than the Floor Price;
- Bids at a price more than the Cap Price;
- Signature of sole and/or joint Bidders missing;
- Submission of more than five ASBA Bid cum Application Forms per bank account;
- Submission of Bids by Anchor Investors through ASBA process
- Bids at Cut-off Price by Non-Institutional and QIB Bidders;
- Bids for number of Equity Shares which are not in multiples of [●];
- Category not indicated;
- Multiple Bids as defined in the Red Herring Prospectus;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- Bids accompanied by Stockinvest/money order/postal order/cash;
- Bid cum Application Forms does not have the stamp of the BRLMs or Syndicate Members or the SCSB;
- Bid cum Application Forms does not have Bidder's depository account details;
- Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms, Bid Opening Date advertisement and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid cum Application Forms;

- In case no corresponding record is available with the Depositories that matches the Depository Participant's identity (DP ID) and the beneficiary's account number;

- With respect to ASBA Bids, inadequate funds in the bank account to block the Bid Amount specified in the ASBA Bid cum Application Form at the time of blocking such Bid Amount in the bank account;

- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;

- Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;

- Bids by QIBs not submitted through the BRLMs or in case of ASBA Bids for QIBs not intimated to the BRLMs;

- Bids by persons in the United States excluding "qualified institutional buyers" as defined in Rule 144A of the Securities Act or other than in reliance of Regulation S under the Securities Act;

- Bids by any person outside India if not in compliance with applicable foreign and Indian Laws;

- Bids not uploaded on the terminals of the Stock Exchanges; and

- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority.

**IN CASE THE DP ID, CLIENT ID AND PAN MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC BIDDING SYSTEM OF THE STOCK EXCHANGES BY THE SYNDICATE/THE SCSBs DO NOT MATCH WITH THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE RECORDS WITH THE DEPOSITARIES, THE APPLICATION IS LIABLE TO BE REJECTED.**

**EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL**

As per the provisions of Section 68B of the Companies Act, the Allotment of Equity Shares in this Issue shall be only in a de-materialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among the Company, the respective Depositories and the Registrar:

- Agreement dated November 6, 1996, among NSDL, the Company and TSR Darashaw Limited;

- Agreement dated September 22, 1999, among CDSL, the Company and TSR Darashaw Limited.

All Bidders can seek Allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

(a) A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.

(b) The Bidder must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Bid cum Application Form or Revision Form.

(c) Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.

(d) Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.

(e) If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or Revision Form, it is liable to be rejected.

(f) The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.

(g) Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where the Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

(h) The trading of the Equity Shares of the Company would be in dematerialised form only for all Bidders in the demat segment of the respective Stock Exchanges.

(i) Non transferable advice or refund orders will be directly sent to the Bidders by the Registrar to the Issue.

**Communications**

All future communications in connection with Bids made in this Issue should be addressed to the Registrar quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the member of the Syndicate or the Designated Branch of the SCSBs where the Bid was submitted and cheque or draft number and issuing bank thereof or with respect to ASBA Bids, bank account number in which the amount equivalent to the Bid Amount was blocked.

**Bidders can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, credit of Allotted shares in the respective beneficiary accounts, refund orders etc. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders can contact the Designated Branches of the SCSBs.**

**PAYMENT OF REFUND**

Bidders other than ASBA Bidders must note that on the basis of Bidder's DP ID and beneficiary account number provided by them in the Bid cum Application Form, the Registrar will obtain, from the Depositories, the Bidders' bank account details, including the nine digit Magnetic Ink Character Recognition ("**MICR**") code as appearing on a cheque leaf to make refunds.

On the Designated Date and no later than 12 Working Days from the Bid Closing Date, the Escrow Collection Bank shall despatch refund orders for all amounts payable to unsuccessful Bidders (other than ASBA Bidders) and also the excess amount paid on bidding, if any, after adjusting for allocation/Allotment to such Bidders.

*Mode of making refunds for Bidders other than ASBA Bidders*

The payment of refund, if any, for Bidders other than ASBA Bidders would be done through various modes in the following order of preference:

1. NECS – Payment of refund would be done through NECS for applicants having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of the centres where clearing houses are managed by the RBI, except where the applicant is eligible and opts to receive refund through direct credit or RTGS.

2. Direct Credit – Applicants having bank accounts with the Refund Bank(s), as mentioned in the Bid cum Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company.

3. RTGS – Applicants having a bank account at any of the centres where clearing houses are managed by the RBI and whose refund amount exceeds Rs. 200,000 will be considered to receive refund through RTGS. For such eligible applicants, IFSC code will be derived based on the MICR code of the Bidder as per depository records/RBI master. In the event the same is not available as per depository records/RBI master, refund shall be made through NECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

4. NEFT – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a MICR, if any, available to that particular bank branch. IFSC will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC of that particular bank branch and the payment of refund will be made to the applicants through this method.

5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be despatched under certificate of posting for value upto Rs. 1,500 and through Speed Post/ Registered Post for refund orders of Rs. 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

*Mode of making refunds for ASBA Bidders*

In case of ASBA Bidders, the Registrar shall instruct the SCSBs to unblock the funds in the relevant ASBA Accounts to the extent of the Bid Amount specified in the ASBA Bid cum Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid Closing Date.

**DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY**

With respect to Bidders other than ASBA Bidders, the Company shall ensure dispatch of Allotment advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants of the Bidders and submit the documents pertaining to the Allotment to the Stock Exchanges within two working days of the date of Allotment of Equity Shares.

In case of applicants who receive refunds through NECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 12 Working Days from the Bid Closing Date. A suitable communication shall be sent to the Bidders receiving refunds through this mode within 12 Working Days of Bid Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

The Company shall ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within 12 Working Days of the Bid Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations, the Company further undertakes that:

- Allotment of Equity Shares shall be made only in dematerialised form within 12 Working Days of the Bid Closing Date; and

- With respect to Bidders other than ASBA Bidders, dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 12 Working Days of the Bid Closing Date would be ensured. With respect to the ASBA Bidders, instructions for unblocking of the ASBA Bidder's Bank Account shall be made within 12 Working Days from the Bid Closing Date.

- The Company shall pay interest at 15% p.a. for any delay beyond 15 days from the Bid Closing Date, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to investors within the 12 Working Days prescribed above. If such money is not repaid within eight days from the day the Company becomes liable to repay, the Company and every Director of the Company who is an officer in default shall, on and from expiry of eight days, be jointly and severally liable to repay the money with interest as prescribed under the applicable law.

**IMPERSONATION**

**Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:**

**"*Any person who:***

***(a)*** ***makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or***

***(b)*** ***otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name,***

***shall be punishable with imprisonment for a term which may extend to five years.*"**

**BASIS OF ALLOTMENT**

**A. For Retail Individual Bidders**

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.
- The Net Issue size less Allotment to Non-Institutional and QIB Bidders will be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to 19,425,000 Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.
- If the aggregate demand in this category is greater than 19,425,000 Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares. For the method of proportionate Basis of Allotment, refer below.

**B. For Non-Institutional Bidders**

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.

- The Net Issue size less Allotment to QIBs and Retail will be available for Allotment to Non-Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

- If the aggregate demand in this category is less than or equal to 8,325,000 Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

- In case the aggregate demand in this category is greater than 8,325,000 Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares, and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

**C. For Employee Reservation Portion**

- Bids received from the Eligible Employees at or above the Issue Price will be grouped together to determine the total demand under this category. The allocation to all the successful Eligible Employees will be made at the Issue Price.

- If the aggregate demand in this category is less than or equal to 1,500,000 Equity Shares at or above the Issue Price, full allocation will be made to the Eligible Employees to the extent of their demand.

- If the aggregate demand in this category is greater than 1,500,000 Equity Shares at or above the Issue Price, the allocation will be made on a proportionate basis subject to a minimum of [●] Equity Shares either on a firm basis or as per draw of lots, as approved by the Designated Stock Exchange.

- Only Eligible Employees are eligible to apply under Employee Reservation Portion

**D. For QIBs (other than Anchor Investors)**

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all the successful QIB Bidders will be made at the Issue Price.

- The QIB Portion will be available for Allotment to QIB Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

- Allotment shall be undertaken in the following manner:

  (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion (excluding Anchor Investor Portion) shall be determined as follows:

    (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Portion (excluding Anchor Investor Portion), allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion (excluding Anchor Investor Portion).

    (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion (excluding Anchor Investor Portion) then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.

    (iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds will be available for Allotment to all QIB Bidders as set out in (b) below;

(b) In the second instance Allotment to all QIBs shall be determined as follows:

- In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.

- Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.

- Under-subscription below 5% of the QIB Portion (excluding Anchor Investor Portion), if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

- The aggregate Allotment (other than spill over in case of under-subscription in other categories) to QIB Bidders shall be up to [●] Equity Shares.

**E. For Anchor Investor Portion**

- Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the Company, in consultation with the BRLMs, subject to compliance with the following requirements:

  (a) not more than 30% of the QIB Portion will be allocated to Anchor Investors;

  (b) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and

  (c) allocation to Anchor Investors shall be on a discretionary basis and subject to a minimum number of two Anchor Investors for allocation upto Rs. 2,500 Million and minimum number of five Anchor Investors for allocation more than Rs. 2,500 Million.

- The number of Equity Shares allocated to Anchor Investors and the Anchor Investor Issue Price, shall be made available in the public domain by the BRLMs before the Bid Opening Date by intimating the same to the Stock Exchanges.

**Method of Proportionate Basis of Allotment in the Issue**

In the event of the Issue being over-subscribed, Company shall finalise the Basis of Allotment in consultation with the Designated Stock Exchange. The executive director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLMs and the Registrar shall be responsible for ensuring that the Basis of Allotment is finalised in a fair and proper manner.

The Allotment shall be made in marketable lots, on a proportionate basis as explained below:

a) Bidders will be categorised according to the number of Equity Shares applied for.

b) The total number of Equity Shares to be Allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.

c) Number of Equity Shares to be Allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.

d) In all Bids where the proportionate Allotment is less than [●] Equity Shares per Bidder, the Allotment shall be made as follows:

- The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and

- Each successful Bidder shall be Allotted a minimum of [●] Equity Shares.

e) If the proportionate Allotment to a Bidder is a number that is more than [●] but is not a multiple of one (which is the marketable lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it would be rounded off to the lower whole number. Allotment to all in such categories would be arrived at after such rounding off.

f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

g) Subject to valid Bids being received, allocation of Equity Shares to Anchor Investors shall be at the sole discretion of the Company, in consultation with the BRLMs.

**Letters of Allotment or Refund Orders or instructions to the SCSBs**

The Company shall credit the Allotted Equity Shares to the beneficiary account with depository participants within 12 Working Days from the Bid Closing Date. Applicants residing at the centres where clearing houses are managed by the RBI, will get refunds through NECS only except where applicant is otherwise eligible to get refunds through direct credit and RTGS. The Company shall ensure dispatch of refund orders, if any, of value up to Rs. 1,500, by "Under Certificate of Posting", and shall dispatch refund orders equal to or above Rs. 1,500, if any, by registered post or speed post at the sole or First Bidder's sole risk within 12 Working Days of the Bid Closing Date. Bidders to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within 12 Working Days of the Bid Closing Date. In case of ASBA Bidders, the Registrar shall instruct the relevant SCSBs to, on the receipt of such instructions from the Registrar, unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Bid cum Application Form or the relevant part thereof, for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid Closing Date.

**Interest in case of delay in despatch of Allotment Letters or Refund Orders/ instruction to the SCSBs by the Registrar.**

The Company agree that (i) Allotment of Equity Shares; and (ii) credit to the successful Bidders' depositary accounts will be completed within 12 Working Days of the Bid Closing Date. The Company further agree that it shall pay interest at the rate of 15% p.a. if the Allotment letters or refund orders have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given in the disclosed manner within 15 days from the Bid Closing Date.

The Company will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by the Company as a Refund Bank and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

## UNDERTAKINGS BY THE COMPANY

The Company undertakes the following:

- That the complaints received in respect of this Issue shall be attended to by the Company expeditiously and satisfactorily;
- That all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within 12 Working Days of the Bid Closing Date;
- That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar by the Company;
- That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 12 Working Days of the Bid Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- That the certificates of the securities/ refund orders to Eligible NRIs shall be despatched within specified time;
- That no further issue of Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.; and
- That adequate arrangement shall be made to collect all ASBA Bid cum Application Forms and to consider them similar to non-ASBA applications while finalising the Basis of Allotment.

**Utilisation of Issue proceeds**

The Board of Directors certify that:

- all monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;
- details of all monies utilised out of Issue shall be disclosed, and continue to be disclosed till the time any part of the issue proceeds remains unutilised, under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilised;
- details of all unutilised monies out of the Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested.

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Foreign investment is allowed up to 100% under automatic route in the Company.

India's current Foreign Direct Investment ("**FDI**") Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI ("**DIPP**") by circular 2 of 2010, with effect from October 1, 2010, consolidates and supercedes all previous press notes, press releases and clarifications on FDI issued by the DIPP. The DIPP currently intends to update the circular every six months and the next update is expected on April 1, 2010.

FIIs are permitted to subscribe to shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment ("**FDI**") Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

**The above information is given for the benefit of the Bidders. The Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the Bids are not in violation of laws or regulations applicable to them.**

## SECTION VIII – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

*Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association. Pursuant to Schedule II of the Companies Act, 1956 and SEBI Regulations, the main provisions of the Articles of Association of the Company are set forth below. Please note that each provision below is numbered as per the corresponding article number in the Articles of Association.*

### TABLE "A" EXCLUDED

Article 1 provides that, "The regulations contained in Table A, in the First schedule to the Act, 1956 shall not apply to this Company, but the regulations for the management of the Company and for the observance of the members thereof and their representatives shall, subject to any exercise of the statutory powers of the Company in reference to the repeal or alteration of, or addition to, its regulations by Special Resolution, as prescribed by the said Act be such as are contained in these Articles."

### SOCIAL RESPONSIBILITIES OF THE COMPANY

Article 3A provides that, "The Company shall have among its objectives the promotion and growth of the national economy through increased productivity, effective utilisation of material and manpower resources and continued application of modern scientific and managerial techniques in keeping with the national aspirations; and the Company shall be mindful of its social and moral responsibilities to the consumers, employees, shareholders, society, and the local community."

### CAPITAL AND INCREASE AND REDUCTION OF CAPITAL

*Amount of Capital*

Article 4 provides that, "The present authorized share capital of the company shall be Rs.8,350,00,00,000 divided into 175,00,00,000 Equity Shares of Rs.10 each, 35,00,00,000 'A' Ordinary Shares of Rs.10 each, 2,50,00,000 Cumulative Redeemable Preference Shares of Rs.100 each and 60,00,00,000 Cumulative Convertible Preference Shares of Rs.100 each."

*Rights attached to Redeemable Cumulative Preference Shares*

Article 5 provides that, "The rights, privileges and conditions attached to the Cumulative Redeemable Preference Shares of Rs. 100 each shall be as follows:

(i) The Cumulative Redeemable Preference Shares shall confer on the holders thereof, the right to a fixed preferential dividend from the date of allotment, at a rate as may be determined by the Board at the time of the issue, on the capital for the time being paid up or credited as paid up thereon.

(ii) The Cumulative Redeemable Preference Shares shall rank for capital and dividend (including all dividends undeclared upto the commencement of winding up) and for repayment of capital in a winding up, *pari passu inter se* and in priority to the Equity Shares of the Company, but shall not confer any further or other right to participate either in profits or assets.

(iii) The holders of the Cumulative Redeemable Preference Shares shall have the right to receive all notices of general meetings of the Company but shall not confer on the holders thereof the right to vote at any meetings of the Company save to the extent and in the manner provided in the Act, 1956, or any re-enactment thereof.

(iv) The Cumulative Redeemable Preference Shares shall not confer any right on the holders thereof to participate in any offer or invitation by way of rights or otherwise to subscribe for additional shares in the Company; nor shall the Cumulative Redeemable Preference Shares confer on the holders thereof any right to participate in any issue of bonus shares or shares issued by way of capitalisation of reserves.

(v) The Cumulative Redeemable Preference Shares shall be redeemed at any time after six months, but not later than ten years, from the date of allotment as may be decided by the Directors in accordance with the terms of the issue and in accordance with the provisions of the Act, 1956, or any re-enactment thereof.

The rights and terms attached to the Cumulative Redeemable Preference Shares may be modified or dealt with by the Directors in accordance with the provisions of the Articles of Association of the Company.

*Shares under the Control of Directors*

Article 6 provides that, "Subject to the provisions of the Act and these Articles the shares in the capital of the Company for the time being (including any shares forming part of any increased capital of the Company) shall be under the control of the Directors who may allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to compliance with the provisions of Section 79 of the Act) at a discount and at such times as they may from time to time think fit and proper, and with full power with the sanction of the Company in General Meeting to give to any person the option to call for or be allotted shares of any class of the Company either at par or at a premium or subject as aforesaid at- a discount such option being exercisable at such times and for such consideration as the Directors think fit

*Increase of Capital*

Article 8 provides that, "(1) The Company any from time to time by Special Resolution increase its share capital by the creation of new shares of such amount as it thinks expedient. Subject to the provisions of the Act the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof shall direct, and if no direction be given, as the Directors shall determine; and in particular such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company, provided always that any preference shares may be issued on the terms that they are, or at the option of the Company are to be liable to be redeemed. Notwithstanding anything in this clause contained, the rights or privileges attached to the preference shares in the capital for the time being of the Company shall not be modified, except in manner hereinafter provided.

(2) Where it is proposed to increase the subscribed capital of the Company by allotment of further shares, then such further shares shall be offered to the persons who, at the date of the offer, are holders of the Equity Shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date, and such offer shall be made in accordance with the provisions of Section 81 of the Act. Provided that notwithstanding anything hereinbefore contained, the further shares aforesaid may be offered to any persons, whether or not those persons include the persons who, at the date of the offer, are holders of the Equity Shares of the Company in any manner whatsoever:

(a) If a Special Resolution to that effect is passed by the Company in General Meeting, or

(b) Where no such Special Resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be), in favour of the proposal contained in the Resolution moved in that General Meeting (including the casting vote, if any, of the Chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members so entitled and voting and the Central Government is satisfied on an application made by the Board of Directors in that behalf, that the proposal is most beneficial to the Company.

*Buy-back of Shares*

Article 11 A provides that, "Notwithstanding anything contained in these Articles, in the event it is permitted by law for a company to purchase its own shares or securities, the Board of Directors may, when and if thought fit, buy back such of the Company's own shares or securities as it may think necessary, subject to such limits, upon such terms and conditions, and subject to such approvals, as may be permitted by the law.

*Reduction of Capital*

Article 12 provides that, "The Company may from time to time by Special Resolution reduce its capital in any manner for the time being authorised by law, and in particular, capital may be paid off on the footing that it may be called up 'again or otherwise; Provided that no reduction of capital authorised by this Article shall permit the reduction of capital paid up on the Preference or Second Preference Shares."

*Division and sub-division*

Article 13 provides that, "The Company may in General Meeting alter the conditions of its Memorandum as follows:-

(a) Consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares;

(b) Sub-divide its shares or any of them into shares of smaller amounts than originally fixed by the Memorandum, subject nevertheless to the provisions of the Act and of these Articles;

(c) Cancel shares which at the date of such General Meeting have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

**SHARES**

*Shares to be numbered progressively and no shares to be sub-divided*

Article 17 provides that, "The shares in the capital of the Company shall be numbered progressively according to their several denominations, and, except in the manner hereinbefore mentioned, no share shall be sub-divided."

*Issue of 'A' Ordinary Shares*

Article 18A provides that,

"(i) The Board may issue Equity Shares with differential rights as to voting and/or dividend (hereinafter referred to as 'A' Ordinary Shares) up to an amount not exceeding 25% of the total issued Equity share capital of the Company. Such issue of 'A' Ordinary Shares shall be in accordance with the Act, other applicable laws, Article 18B and other terms and conditions that may be specified at the time of issue.

(ii) The 'A' Ordinary Shares so issued by the Company will stand to be in the same class as the Equity Shares. The 'A' Ordinary Shares issued by the Company will enjoy all rights and privileges that are attached to Equity Shares in law and by the provisions of these presents, except as to voting and/or dividend, as provided in these Articles and as may be permitted under applicable law from time to time.

(iii) The Board may issue 'A' Ordinary Shares of more than one series carrying differential rights as to voting and/or dividend, as the case may be.

(iv) The Board shall have the power and authority to remove any difficulties, and do such other acts and deeds, in relation to the applicability of this Article to the rights and obligations of the holders of the 'A' Ordinary Shares, including, but not limited to the issue and deciding the stock exchanges on which the 'A' Ordinary Shares will be listed.

(v) The Board shall follow the general principles set out under Article 18A (ii) at all times whilst making any decision in regard to 'A' Ordinary Shares.

*Provisions in case of 'A' Ordinary Shares*

Article 18B provides that,

"Notwithstanding anything contained in these presents, the rights, powers and preferences relating to 'A' Ordinary Shares and the qualifications, limitations and restrictions thereof are as follows:

*Voting*

(a) (i) The holders of 'A' Ordinary Shares shall be entitled to such rights of voting and/or dividend and such other rights as per the terms of the issue of such shares, provided always that:

- in the case where a resolution is put to vote on a poll, such differential voting entitlement (excluding fractions, if any) will be applicable to holders of 'A' Ordinary Shares.

- in the case where a resolution is put to vote in the meeting and is to be decided on a show of hands, the holders of 'A' Ordinary Shares shall be entitled to the same number of votes as available to holders of Equity Shares in accordance with Article 99(1).

(ii) The holders of Equity Shares and the holders of 'A' Ordinary Shares shall vote as a single class with respect to all matters submitted to a vote of shareholders of the Company and shall exercise such votes in proportion to the voting rights attached to such Shares including in relation to any scheme under Sections 391 to 394 of the Act.

*Dividend Entitlement*

(b) The holders of 'A' Ordinary Shares shall be entitled to dividend on each 'A' Ordinary Shares which may be equal to or higher than the amount per Equity Share declared by the Board for each Equity Share, and as may be specified at the time of the issue. Different series of 'A' Ordinary Shares may carry different entitlements to dividend to the extent permitted under applicable law and as prescribed under the terms applicable to such issue.

*Rights Issues and Bonus Issue of 'A' Ordinary Shares*

(c) (i) Where the Company proposes to make a rights issue of Equity Shares or any other securities convertible into Equity Shares, the Company shall simultaneously make an offer to the holders of 'A' Ordinary Shares in the same proportion of 'A' Ordinary Shares to Equity Shares prior to the issue. The holders of 'A' Ordinary Shares shall receive further 'A' Ordinary Shares whereas holders of Equity Shares shall receive further Equity Shares.

(ii) Where the Company proposes to make a bonus issue of Equity Shares, the holders of 'A' Ordinary Shares shall, subject to the terms of such issue, receive further 'A' Ordinary Shares whereas the holders of Equity Shares shall receive further Equity Shares to this end and intent that the proportion of Equity Shares after such offer, shall, as far as possible remain unaffected.

*Conversion*

(d) The 'A' Ordinary Shares issued in accordance with these presents will not be convertible into Equity Shares at any time.

*Mergers, Amalgamations, etc.*

(e) In the event of any scheme, arrangement or amalgamation in accordance with the Act, and subject to other approvals and other applicable laws and these presents for amalgamation of the Company with or into any other entity and which results in a share swap or exchange, the holders of the 'A' Ordinary Shares shall receive allotment as per the terms of the scheme and as far as possible, unless specified to the Company in such scheme, the said holders shall receive Equity Shares with differential rights to voting or dividend of such entity.

*Substantial acquisition of shares*

(f) (i) Where an offer is made to purchase the outstanding Equity Shares or voting rights or equity capital or share capital or voting capital of the Company in accordance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as may be amended, modified or re-enacted from time to time and other applicable laws, an offer will also be made to purchase 'A' Ordinary Shares in the same proportion as the offer to purchase Equity Shares.

Illustration: In accordance with extant regulations where an offer is made to purchase outstanding Equity Shares or voting rights or equity capital or share capital or voting capital of the Company, such offer shall be deemed to include an offer for such number of outstanding Equity Shares and also an offer for an equivalent outstanding 'A' Ordinary Shares.

(ii) The pricing guidelines and other provisions as specified in the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as may be amended, modified or re-enacted from time to time shall mutatis mutandis apply to an offer for 'A' Ordinary Shares and the percentage premium offered for the 'A' Ordinary Shares to its floor price shall be equal to the percentage premium offered for the Equity Shares to its floor price. All consideration to be received by holders of 'A' Ordinary Shares in accordance with any offer as stated in sub-clause (i) above shall be paid in the same form and at the same time as that received by the holders of Equity Shares.

Explanation: For the purposes of the said regulations, the terms "shares", "equity capital", "share capital" or "voting capital" shall mean and include Equity Shares and 'A' Ordinary Shares as the case may be.

*Delisting*

(g) Where the promoter(as provided in the last quarterly filing with the stock exchanges prior to making the offer) or any other acquirer proposes at any time to voluntarily delist the Equity Shares of the Company in accordance with the applicable rules and regulations from the stock exchanges on which such Equity Shares are listed, such promoter or acquirer shall also make a delisting offer for the 'A' Ordinary Shares and the percentage premium offered for the 'A' Ordinary Shares to its floor price shall be equal to the percentage premium offered for the Equity Shares to its floor price.

*Buyback of 'A' Ordinary Shares by the Company*

(h) Subject to Article 11, Article 11A and Article 12, the Company when exercising its power under these presents to buyback the Equity Shares of the Company, will offer to buyback 'A' Ordinary Shares in the same proportion and on equitable pricing terms as offered to the holders of Equity Shares, in accordance with applicable laws including the SEBI (Buy-Back of Securities) Regulations, 1998, as may be amended, modified or re-enacted from time to time.

*Modification of rights pertaining to 'A' Ordinary Shares*

(i) (i) Any alteration proposed by the Company to this Article 18B which affects the rights pertaining to the 'A' Ordinary Shares is required to be approved by not less than three-fourths of the holders of the outstanding 'A' Ordinary Shares present and voting.

(ii) For the purposes of (i) above, the Company will call a separate meeting of holders of 'A' Ordinary Shares

*Deposit and calls etc to be a debt payable immediately*

Article 20 provides that, "The money (if any) which the Directors shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the inscription of the name of the allottee in the Register of Members as the name of the holder of such shares, become a-debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly."

*Company not bound to recognise any interest in shares other than that of the registered holders*

Article 22 provides that, "Except as required by law no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by, or be compelled in any way, to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share, or (except only as by these Articles or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder."

**UNDERWRITING AND BROKERAGE**

*Commission for placing shares, debentures etc.*

Article 23 provides that, "The Company may subject to the provisions of Section 76 and other applicable provisions (if any) of the Act at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe or his procuring or agreeing to procure subscriptions, whether absolutely or conditionally, for any shares in or debentures of the Company but so that the amount or rate of commission does not exceed in the case of shares 5% of the price at which the shares are issued and in the case of debentures $2\,{}^{1}/2\%$ of the price at which the debentures are issued. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or debentures or partly in the one way and partly in the other. The Company may also on any issue of shares or debentures pay such brokerage as may be lawful."

**INTEREST OUT OF CAPITAL**

*Payment of interest out of capital*

Article 24 provides that, "Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings, or the provision of any plant, which cannot be made profitable for a lengthy period, the Company' may pay interest on so much of that share capital as is for the time being paid up, for the period, at the rate and subject to the conditions and restrictions provided by Section 208 of the Act, and may charge the same to capital as part of the cost of construction of the work or building, or the provision of plant."

**CERTIFICATES**

*Certificates of shares*

Article 25 provides that, "Every member shall be entitled without payment to one certificate of title to shares for all the shares of each class registered in his name. If the Directors so approve and upon payment of such fee, if any, not exceeding annas eight per certificate as the Directors may from time to time determine in respect of each class of shares, a member shall be entitled to more than one certificate for shares of each class. Every certificate of title to shares shall specify the number and distinctive numbers of the shares in respect of which it is issued and the amount paid thereon. The certificate of title to shares shall be issued under the Seal of the Company which shall be affixed in the a presence of and signed by (i) two Directors or persons acting on behalf of the Directors under a duly registered Power of Attorney; and (ii) the Secretary or some other person appointed by the Board for the purpose; provided that, if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing Director or the Whole-time Director (or, so long as the Company has Managing Agents, a person other than a Director appointed by the Managing Agents under Article 115 or a Director to whom Article 122 applies.) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means such as engraving in metal or lithography. provided always that notwithstanding anything contained in this Article, the certificates of title to shares may be executed and issued in accordance with such other the provisions of the Act or the Rules made thereunder, as may be in force for the time being and from time to time."

*Discretion to refuse sub-division or consolidation of certificates*

Article 25A provides that, "Notwithstanding anything contained in Article 25, the Board may in its absolute discretion refuse applications for the sub-division or consolidation of share certificates, debenture or bond certificates into denominations of less than the marketable lot except when such sub-division or consolidation is required to be made to comply with a statutory provision or an order of a competent court of law."

*Limitation of time for issue Certificates*

Article 26 provides that, "The Company shall within three months after the allotment of any of its shares or debentures and within two months after the application for the registration of the transfer of any such shares or debentures complete and have ready for delivery the certificates of all shares and debentures allotted or transferred, unless the conditions of issue of the shares or debentures otherwise provide. The expression "transfer" for the purposes of this Article means a transfer duly stamped and otherwise valid and does not include any transfer which the Company is for any reason entitled to refuse to register and does not register."

*As to issue of new certificate in place of one defaced, lost or destroyed*

Article 27 provides that, "If any certificate be worn out defaced, torn or be otherwise mutilated or rendered useless from any cause whatsoever, or if there be no space on the back thereof for endorsement of transfers, then upon production thereof to the Directors they may order the same to be cancelled and may issue a new certificate in lieu thereof, and if any certificate be lost or destroyed, then upon proof thereof to the satisfaction of the Directors and on such indemnity as the Directors deem adequate being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate on payment, if any, of such sum not exceeding Rupee One as the Directors may in their discretion determine."

**CALLS**

*Board may make calls*

Article 28 provides that, "The Board may, from time to time, but subject to the conditions hereinafter mentioned, make such calls upon the members in respect of all moneys for the time being unpaid on their shares as the Board thinks fit, and may make arrangements on the issue of shares for a difference between the holders of such shares in the amount of calls to be paid and the time of payment of such calls; and every member shall be liable to pay the amount of every call to the persons and at the time and place appointed by the Board."

*Calls on shares of same class to be made on uniform basis*

Article 29 provides that, "Where after the commencement of the Act, any calls for further share capital are made on shares; such calls shall be made on a uniform basis on all shares falling under the same class. For the purposes of this Article, shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class."

*Notice of call*

Article 30 provides that, "Fifteen days' notice at the least shall be given by the Company of the time and place appointed by the Board for the payment of every call made payable otherwise than on allotment.

*Call to date from resolution*

Article 31 provides that, "A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as shall be fixed by the Directors."

*Directors may extend time*

Article 32, provides that, "The Directors may from time to time at their discretion extend the time fixed for the payment of any call, and may extend such time as to all or any of the members who from residence at a distance or other cause the Directors may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour."

*Calls to carry interest*

Article 33, provides that, "If any member fails to pay any call due from him on the day appointed for payment thereof or any such extension thereof as aforesaid, he shall be liable to pay interest for the same, at such rate, from the day appointed for the payment thereof to the time of actual payment, as shall from time to time be fixed by the Board."

*Payments in anticipation of calls may carry interest*

Article 36 provides that, "Board may, if it thinks fit, receive, from any of the members willing to advance the same, all or any part of the amounts of their respective shares beyond the sums actually called up; and upon the moneys so paid in advance, or upon so much thereof from time to time and at any time thereafter, as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made, the Company may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon; provided always that if at any time after the payment of any such money so paid in advance the rate of interest agreed to be paid to any such member appears to the Board to be excessive, it shall be lawful for the Company from time to time to repay to such member so much of such money as shall then exceed the amount of the calls made upon such shares, unless there be an express agreement to the contrary, and after such repayment such member shall be liable to pay, and such shares shall be charged with the payment of all future calls, as if no such advance had been made."

**FORFEITURE, SURRENDER AND LIEN**

*If call or instalment not paid notice must be given*

Article 37 provides that, "If any member fails to pay the whole or any part of any call or installment or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same the Directors may at any time thereafter during such time as the call or installment or any part thereof or other moneys remain unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part serve a notice on such member or on the person (if any) entitled to the share by transmission requiring him to pay such call or installment or such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all expenses (legal or otherwise) that may have been incurred by the Company by reason of such non-payment."

*Terms of notice*

Article 38 provides that, "The notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and at which the money is to be paid, and the notice shall also state that, in the event of the non-payment of such money at the time and place appointed, the shares in respect of which the same is owing will be liable to be forfeited."

*In default of payment shares to be forfeited*

Article 39 provides that, If the requirement of any such notice shall not be complied with, every or any share in respect of which the notice is given, may at any time thereafter before payment, of all calls or installments, interest and expenses due in respect thereof, be forfeited by a resolution of the Directors. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before forfeiture."

*Forfeited shares to be property of the Company and may be sold etc.*

Article 41 provides that, "Every share which shall be so declared forfeited shall thereupon be the property of the Company, and may be sold, re-allotted or otherwise disposed of either to the original holder thereof, or to any other person, upon such terms and in such manner as the Board shall think fit."

*Company's lien on shares*

Article 47 provides that, "(a) The Company shall have no lien on its fully paid shares. In the case of partly paid up shares the Company shall have a first and paramount lien only for all moneys called or payable at a fixed time in respect of such shares. Any such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. The Directors may at any time declare any shares to be wholly or in part exempt from the provisions of this Article.

(b) For the purpose of enforcing such lien the Company may sell in such manner as the Board thinks fit, the shares which are subject thereto, but no sale shall be made unless the sum in respect of which the lien exists is presently payable and until a notice in writing of the intention to sell, shall have been served on the registered holder for the time being of the shares or the person, if any, entitled by transmission to the shares and default shall have been made by him in payment of the sum payable as aforesaid for seven days after such notice. To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof and the purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as aforesaid, the certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new certificate or certificates in lieu thereof to the purchaser or purchasers concerned.

(c) The net proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable together with the Company's costs, charges and expenses, and the residue, if any, shall be paid to the person entitled to the shares at the date of the sale."

**TRANSFER AND TRANSMISSION OF SHARES**

*Transfer not to be registered, except on production of instrument of transfer*

Article 50 provides that, "Company shall not register a transfer of shares in the Company unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation, if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares, or if no such share certificate is in existence, along with the letter of allotment of the shares: Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit; Provided further that, nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law."

*Board may refuse to register transfers*

Article 51 provides that, "Subject to the provisions of Section 111 of the Act or any statutory modification thereof for the time being in force, the Board may, at their own absolute and uncontrolled discretion, decline to register or acknowledge any transfer of shares, and in particular may so decline in any case in which the Company has a lien upon the shares or any of them, or whilst any moneys in respect of the shares desired to be transferred or any of them remain unpaid or unless the transferee is approved by the Board. The registration of a transfer shall be conclusive evidence of the approval by the Directors of the transferee."

*Title to Share of deceased holder*

Article 57 provides that, "The executor or administrator of a deceased member (whether European, Hindu, Mohammedan, Parsi, or otherwise not being one of two or more joint holders) shall be the only person recognised by the Company as having any title to his shares, and the Company shall not be bound to recognise such executor administrator unless such executor or administrator shall have first obtained Probate or Letters of Administration, as the case may be, from a duly constituted Court in India: Provided that in any case where the Board in their absolute discretion think fit, the Board may dispense with production of Probate or Letters of Administration and under the next Article register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member as a member."

*Fee on transfer or transmission*

Article 60 provides that, "A fee not exceeding annas four per share may be charged in respect of the transfer or transmission to the same party of any number of shares of any class or denomination subject to such maximum on anyone transfer or transmission as may from time to time be fixed by the Directors. Such maximum may be a single fee payable on anyone transfer or on transmission of any number of shares of one class or denomination or may be on a graduated scale varying with the number of shares of anyone class comprised in one transfer or transmission or may be fixed in any other manner as the Directors in their discretion determine. *The Directors may, at their discretion, waive the payment of any transfer or transmission fee either generally or in any particular case or cases."

**JOINT HOLDERS**

*Joint holders*

Article 66 provides that, "Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint tenants with benefits of survivorship subject to the following and other provisions contained in these Articles:-

(a) The joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.

(b) On the death of any of such joint holders the survivor or survivors shall be the only person or persons recognised by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.

(c) Only the person whose name stands first in the Register may, give effectual receipts of any dividends or other moneys payable in respect of such share.

(d) Only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive documents (which expression shall be deemed to include all documents referred to in Article 204) from the Company and any documents served on or sent to such person shall be deemed service on all the joint holders.

(e) Anyone of two or more joint holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one or such joint holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the Register in respect of such share shall alone be entitled to vote in respect thereof but the other or others of the joint holders shall be entitled to be present at the meeting, provided always that a joint holder present at any meeting personally shall be entitled to vote in preference to a joint holder present by attorney or by proxy although the name of such joint holder present by an attorney or proxy stands first or higher (as the case may be) in the Register in respect of such shares. Several executors or administrators of a deceased member in whose (deceased member's) name any share stands shall for the purposes of this sub-clause be deemed joint holders.

(f) Subject as in this Article provided the person first named in the Register as one of the joint holders of a share shall be deemed the holder thereof for matters connected with the Company."

**DEMATERIALISATION OF SECURITIES**

Article 66A provides in part that,

*Dematerialisation of securities*

"(2) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996.

*Rights of Depositories and Beneficial Owners*

(5)(a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.

(b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

(c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository."

**CONVENING MEETINGS**

*Annual General Meeting*

Article 67 provides that, "(1) The Company shall in addition to any other meetings hold a General Meeting (herein called an "**Annual General Meeting**") at the intervals and in accordance with the provisions herein specified. The Annual General Meeting of the Company shall be held within six months after the expiry of each financial year; Provided however that if the Registrar of Companies shall have for any special reason extended the time within which any Annual General Meeting shall be held by a further period not exceeding three months, the Annual General Meeting may be held within the additional time fixed by the Registrar. Except in the cases where the Registrar has given an extension of time as aforesaid for holding any Annual General Meeting, not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next.

(2) Every Annual General Meeting shall be called for a time during business hours and on such day (not being a public holiday) as the Directors may from time to time determine and it shall be held either at the Registered Office of the Company or at some other place within the City of Bombay. The notice calling the meeting shall specify it as the Annual General Meeting.

**PROCEEDINGS AT GENERAL MEETINGS**

*Quorum at General Meeting*

Article 78 provides that, "Ten members entitled to vote and present in person or by proxy (at least five of whom shall be personally present) shall be a quorum for a General Meeting and no business shall be transacted at any General Meeting unless the quorum requisite be present at the commencement of the business."

*If quorum not present meeting to be dissolved or adjourned*

Article 79 provides that, "If within half an hour from the time appointed for holding a meeting of the company, a quorum is not present, the meeting, if called upon the requisition of members, shall stand dissolved. In any other case the meeting shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place in Bombay as the Board may determine."

*Adjourned meeting to transact business*

Article 80 provides that, "If at any adjourned meeting also a quorum is not present within half an hour of the time appointed for holding the meeting, the members present, whatever their number or the amount of the shares held by them, shall be a quorum and shall have power to decide upon all the matters which could properly have been disposed of at the meeting from which the adjournment took place."

*Chairman, Deputy Chairman, Vice-Chairman or a Director to be Chairman of General Meeting*

Article 81 provides that, "The Chairman (if any) of the Board of Directors shall, if willing, preside as Chairman at every General Meeting, whether Annual or Extraordinary, but if there be no such Chairman or in case of his absence or refusal, the Deputy Chairman or Vice-Chairman (if any) of the Board of Directors shall, if willing, preside, as Chairman at such meeting and if there be no such Deputy Chairman or Vice-Chairman, or in case of their absence or refusal, some one of the Directors (if any be present) shall be chosen to be Chairman of the meeting."

*Demand for poll*

Article 87 provides that, "Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person, or by 'proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the Resolution, or on which an aggregate sum of not less than fifty thousand rupees has been paid up. The demand for a poll may be withdrawn at any time by the person or persons who make the demand."

*Time and manner of taking poll*

Article 88 provides that, "A poll demanded on any question (other than the election of the Chairman or on a question of adjournment which shall be taken forthwith) shall be taken at such place in Bombay and at such time not being later than forty-eight hours from the time when the demand was made as the Chairman may direct."

**VOTES OF MEMBERS**

*Votes may be given by proxy or attorney*

Article 97 provides that, "Subject to the provisions of the Act and these Articles, votes may be given either personally or by an attorney or by proxy or in the case of a body corporate also by a representative duly authorised under Section 187 of the Act and Article 100.

*No member to vote unless calls are paid up*

Article 98 provides that, "Subject to the provisions of the Act, no member shall be entitled to be present or to vote at any General Meeting either personally or by proxy or attorney or be reckoned in a quorum unless all calls or other sum presently payable by him in respect of shares in the Company have been paid."

*Number of votes to which members entitled*

Article 99 provides that, "(1) Subject to the provisions of the Act and these Articles upon a show of hands every member entitled to vote and present in person (including a body corporate present by a representative duly authorised in accordance with the provisions of Section 187 of the Act and Article 100) shall have one vote.

(2) Subject to the provisions of the Act and these Articles upon a poll every member entitled to vote and present in person (including a body corporate present as aforesaid) or by attorney or by proxy shall be entitled to vote and shall have the following voting rights:-

(a) In respect of every Equity Share (whether fully paid or partly paid) his voting right shall be in the same proportion as the capital paid up on, such Equity Share bears to the total paid up ordinary capital of the Company.

(b) In respect of every category of Preference Shares, his voting right shall be as provided in the proviso to Article 5.

*No voting by proxy on show of hands*

Article 100 provides that, "No member not personally present shall be entitled to vote on a show of hands unless such member is a body corporate present by a representative duly authorised under Section 187 of the Act in which case such representative may vote on a show of hands as if he were a member of the Company."

*Proxies*

Article 104 provides that, "Any member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself; but a proxy so appointed shall not have any right to speak at the meeting."

*Instrument appointing proxy*

Article 105 provides that, "Every proxy shall be appointed by an instrument in writing signed by the appointer or his attorney duly authorised in writing or, if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorised by it."

**DIRECTORS**

*Number of Directors*

Article 113 provides that, "Until otherwise determined by a General Meeting, the number of Directors shall be not less than six nor more than fifteen excluding the Financial Institutions' Nominees on the Board."

*Appointment of Alternate Director*

Article 119 provides that, "The Board of Directors of the Company may appoint an Alternate Director to act for a Director (hereinafter called "**the original Director**") during his absence for a period of not less than three months from the State of Maharashtra and such appointment shall have effect and such appointee, whilst he holds office as an Alternate Director shall be entitled to notice of meetings of the Directors and to attend and vote thereat accordingly. An Alternate Director appointed under this Article shall not hold office as such for a period longer than that permissible to the original Director in whose place he has been appointed and shall vacate office if and when the original Director returns to the State of Maharashtra. If the term of office of the original Director is determined before he so returns to the State of Maharashtra, any provision in the Act or in these Articles for the automatic reappointment of retiring Directors in default of another appointment shall apply to the original Director and not the Alternate Director."

*Casual Vacancy*

Article 120 provides that, "Subject to the provisions of Article 122 and Sections 261, 262, and 284(6) and other applicable provisions (if any) of the Act, any casual vacancy occurring in the office of a Director whose period of office is liable to determination by retirement by rotation may be filled up by the Directors at a meeting of the Board but the person so chosen shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director."

*Appointment of Additional Director*

Article 121 provides that, "Subject to the provisions of Article 122 and Sections 260, 261 and 284(6) and other applicable provisions (if any) of the Act, the Directors shall have power at any time, and from time· to time, to appoint a person as an additional Director. The additional Director shall retire from office at the next following Annual General Meeting, but shall be eligible for election by the Company at that meeting as a Director."

*Qualification of Directors*

Article 123 provides that, "A Director of the Company not be required to hold qualification shares."

*Remuneration of Directors*

Article 124 provides in part that, "(1)The maximum remuneration of a Director for his services shall be such sum as may be prescribed by the Act or the Central Government from time to time for each meeting of the Board of Directors attended by him and, subject to the limitation provided by the Act, the Directors shall be paid such further remuneration (if any) as the Company in General Meeting shall from time to time determine, and such further remuneration shall be divided among the Directors in such proportion and manner as the Directors may from time to time determine. Subject as aforesaid, the Directors may allow and pay to any Director, who is not a *bona fide* resident in Bombay, and who shall come to Bombay, for the purpose of attending a meeting, such sum as the Directors may consider fair compensation for his expenses and loss of time in connection therewith, in addition to his fee for attending, such meeting as above specified."

**RETIREMENT AND ROTATION OF DIRECTORS**

*Retirement by rotation*

Article 133 provides that, "(1) Not less than two-thirds of the total number of Directors of the Company shall be persons whose period of office is liable to determination by retirement of Directors by rotation and save as otherwise expressly provided in the Act and these Articles, be appointed by the Company in General Meeting.

(2) The remaining Directors shall be appointed in accordance with the provisions of these Articles, and the Act."

*Directors to retire annually how determined*

Article 134 provides that, "At the Annual General Meeting in each year one-third of the Directors for the time being as are liable to retire by rotation or, if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office."

**PROCEEDINGS OF MEETINGS OF THE BOARD OF DIRECTORS**

*Meetings of Directors*

Article 146 provides that, "The Directors may meet together as a Board for the despatch of business from time to time and shall so meet at least once in every three months and at least four such meetings shall be held in every year and they may adjourn and otherwise regulate their meetings and proceedings as they deem fit. The provision of this Article shall not be deemed to be contravened merely by reason of the fact that a meeting of the Board which had been called in compliance, with the terms herein mentioned could not be held for want of a quorum."

*Quorum*

Article 148 provides that, "Subject to the provisions of Section 287 and other applicable provisions (if any) of the Act, the quorum for a meeting of the Board of Directors shall be one-third of the total strength of the Board of Directors (excluding Directors, if any, whose places may be vacant at the time and any fraction contained in that one-third being rounded off as one) or two Directors, whichever is higher; Provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of Directors who are not interested and are present at the meeting, not being less than two shall be the quorum during such time. A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretion by or under the Act or the Articles of the Company, for the time being vested in or exercisable by the Board of Directors generally."

*When to preside at meetings of Board*

Article 152 provides that, "All meetings of the Directors shall be presided over by the Chairman, if present, but if at any meeting of Directors the Chairman be not present at the time appointed for holding the same, the Deputy Chairman or the Vice-Chairman, if present, shall preside and if they be not present at such time, then and in that case, the Directors shall choose one of the Directors then present to preside at the meeting."

**POWERS OF DIRECTORS**

*General powers of the Board*

Article 160 provides that, "(1) Subject to the provisions of the Act and these Articles the Board of Directors of the Company shall be entitled to exercise all such powers, and to do all such acts and things, as the Company is authorised to exercise and do; Provided that the Board shall not exercise any power or do any act or thing which is directed or required, whether by the Act or any other Act or by the Memorandum or these Articles or otherwise, to be exercised or done by the Company in General Meeting; Provided further that in exercising any such power or doing any such act or thing the Board shall be subject to the provisions contained in that behalf in the Act or in the Memorandum or in these Articles or in any regulations not inconsistent therewith duly made thereunder including regulations made by the Company in General Meeting.

(2) No regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made."

**MANAGING OR WHOLETIME DIRECTORS**

*Power to appoint Managing Director or Wholetime Director(s)*

Article 174 A provides that, "Subject to provisions of the Act, the Directors may from time to time appoint one or more of their body to be a Managing Director or Managing Directors (in which expression shall be included a Joint Managing Director) or Whole-time Director or Whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit, to manage the affairs and business of the Company and may from time to time (subject to provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places."

*Remuneration of Managing or Whole-time Director(s)*

Article 174C provides that, "The remuneration of a Managing Director or Whole-time Director (subject to Section 309 and other applicable provisions of the Act and of these Articles and of any contract between him and the Company) shall from time to time be fixed by the Directors subject to the approval of the Company in General Meeting and may be by way of fixed salary, or commission on profits of the Company, or by participation in any such profits, or by any or all of those modes. A Managing Director or Whole-time Director shall not receive or be paid any commission on sales or purchases made by or on behalf of the Company."

*Powers and duties of Managing or Whole-time Directors*

Article 174D provides that, "Subject to the superintendence, control and direction of the Board of Directors, the day to day management of the Company shall be in the hands of the Director or Directors appointed under Article 174A, with power to the Directors to distribute such day to day management functions among such Directors, if more than one, in any manner as directed by the Board, or to delegate such power of distribution to anyone of such Directors. The Directors may from time to time entrust to and confer upon a Managing Director or Whole-time Director for the time being save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such powers for such time, and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient, and they may subject to the provisions of the Act and these Articles confer such powers, either collaterally with or to the exclusion of or in substitution for all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any of such powers."

**DIVIDENDS**

*Dividends*

Article 175 provides that, "Subject to the provisions of these Articles and the terms of the Scheme of Arrangement sanctioned by the Court for conversion of the former Deferred Shares of the Company into Equity Shares, the profits of the Company which it shall, from time to time, be determined to divide in respect of any year or other period shall be applied first in paying the fixed cumulative preferential dividends at the rate of 6% per annum on the capital paid up as provided by Clause 7(a) of the Memorandum of Association of the Company and the Explanation thereto on the Preference Shares to the close of such year or other period, and secondly in paying the fixed cumulative preferential dividends at the rate of $7\,^{1}/2\%$ per annum of capital paid tip on the Second Preference Shares and the "A" Second Preference Shares respectively (as between the two classes of shares *pari passu* and without any difference or distinction) to the close of such year or other period as provided by Article 5 including Explanation I therein and the balance of such profits shall be divisible among the holders of Equity Shares in proportion to the amount of capital paid up on the shares held by them respectively to the close of such year or other period. Provided always that any capital paid up on a share during the period in respect of which a dividend is declared, shall, unless the terms of issue otherwise provide, only entitle the holder of such share to an apportioned amount of such dividend proportionate to the capital, from time to time paid up during such period on such share."

*Dividends in proportion to amount paid up*

Article 177 provides that, "The Company may pay dividends in proportion to the amount paid up on credited as paid up on each share, where a larger amount is paid up or credited as paid up on some shares than on others."

*The Company may in General Meeting declare a dividend*

Article 178 provides that, "(1) The Company in General Meeting may subject to Section 205 of the Act declare a dividend to be paid to the members according to their respective rights and interests in the profits and subject to the provisions of the Act may fix the time for payment. When a dividend has been so declared, the warrant in respect thereof shall be posted within forty-two days from the date of the declaration to the shareholder entitled to the payment of the same.

(2) No larger dividend shall be declared than is recommended by the Directors but the Company in General Meeting may declare a smaller dividend. No dividend shall be payable except out of the profits of the year or any other undistributed profits or otherwise than in accordance with the provisions of Sections 205, 206 and 207 of the Act and no dividend shall carry interest as against the Company. The declaration of the Directors as to the amount of the net profits of the Company shall be conclusive."

*Forfeiture of unclaimed dividend*

Article 182 provides that, "Unclaimed dividends may be invested or otherwise used by the Directors for the business of the Company and all dividends unclaimed for six years may be forfeited by the Directors for the benefit of the Company, and, if the Directors think fit, may be applied in augmentation of the Reserve Fund; provided however, that the Directors may at any time annul such forfeiture and pay any such dividend."

**AUDIT**

*Accounts to be audited*

Article 198 provides that, "Every Balance Sheet and Profit and Loss Account shall be audited by one or more Auditors to be appointed as hereinafter mentioned."

*Appointment of auditors*

Article 199 provides in part that, "(1) The Company at the Annual General Meeting in each year all appoint an Auditor or Auditors to hold office from the conclusion of that meeting until the conclusion of the next Annual General Meeting, and shall, within seven days of the appointment, give intimation thereof to every Auditor so appointed unless he is a retiring auditor."

*Remuneration of Auditors*

Article 201 provides that, "The remuneration of the Auditors shall be fixed by the Company in General Meeting, except that the remuneration of any Auditors appointed to fill any causal vacancy may be fixed by the Directors."

**INDEMNITY AND RESPONSIBILITY**

*Directors' and others' right to indemnity*

Article 212 provides that, "(a) Subject to the provisions of Section 201 of the Act (the Managing Agents and) every Director; Manager, Secretary and other officer or employee of the Company shall be indemnified by the Company against, and it shall be the duty of Directors out of the funds of the Company to pay, all costs, losses and expenses (including traveling expenses) which any such Director, officer or employee may incur or become liable to by reason of any contract entered into or act or deed done by him as such (Managing Agents,) Directors, officer or employee or in any way in the discharge of his duties.

(b) Subject as aforesaid (the Managing Agents and) every Director, Manager, Secretary or other officer or employee of the Company shall be indemnified against any liability incurred by them or him in defending any proceedings whether civil or criminal in which judgment is given in their or his favour or in which he is acquitted or discharged or in connection with any application under Section 633 of the Act in which relief is given to him by the Court."

# SECTION IX – OTHER INFORMATION

## MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than two years before the date of this Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by the Company. These contracts, copies of which will be attached to the copy of this Red Herring Prospectus delivered to the RoC for registration, and also the documents for inspection referred to hereunder may be inspected at our Registered Office at Bombay House, 24 Homi Mody Street, Fort, Mumbai 400 001, from 10.00 am to 4.00 pm during the Bidding Period.

**Material Contracts**

1. Engagement Letters dated January 10, 2011, for the appointment of Kotak Mahindra Capital Company Limited, Citigroup Global Markets India Private Limited, Deutsche Equities (India) Private Limited, HSBC Securities and Capital Markets (India) Private Limited, RBS Equities (India) Limited, SBI Capital Markets Limited and Standard Chartered Securities (India) Limited as BRLMs.

2. Issue Agreement dated January 11, 2011, among the Company and the BRLMs.

3. Agreement dated January 8, 2011, between the Company and the Registrar to the Issue.

4. Escrow Agreement dated [●], 2011, among the Company, the members of the Syndicate, the Escrow Collection Banks and the Registrar to the Issue.

5. Syndicate Agreement dated [●], 2011, between the Company and the members of the Syndicate.

6. Underwriting Agreement dated January 11, 2011, between the Company and the Underwriters.

**Material Documents**

1. Memorandum of Association and Articles of Association amended until date.

2. Certificate of incorporation of the Company dated August 26, 1907.

3. Resolution of the Board dated November 12, 2010 authorising the Issue.

4. Copies of annual reports of the Company for the past five Financial Years.

5. Shareholders' resolution dated December 22, 2010 pursuant to a special resolution under section 81(1A) of the Companies Act, passed by way of a postal ballot, in relation to this Issue and other related matters.

6. Report of the Auditors on the audited financial statements, prepared as per Indian GAAP and mentioned in this Red Herring Prospectus, and letter from the Auditors dated January 10, 2011 with respect to the Statement on General Tax Benefits.

7. Consents of Messrs. Deloitte Haskins & Sells, Chartered Accountants, dated January 11, 2011 for the inclusion of their report on the financial statements and the statement of tax benefits, in the form and context in which they appear in this Red Herring Prospectus

8. Consents in writing of the the Directors, the Company Secretary and Compliance Officer of the Company, members of the Syndicate, Auditors, Registrar to the Issue, Bankers to the Issue, Domestic Legal Counsel to the Company, Domestic Legal Counsel to the Underwriters, International Legal Counsel to the Company, International Legal Counsel to the Underwriters, Bankers to the Company and lenders to the Company (where such consent is required) and the Monitoring Agency, each as referred to in this Red Herring Prospectus, in their respective capacities.

9. Resolution of the Board dated January 11, 2011, approving this Red Herring Prospectus.

10. Due diligence certificate dated January 11, 2011, to SEBI from Kotak Mahindra Capital Company Limited, Citigroup Global Markets India Private Limited, Deutsche Equities (India) Private Limited, HSBC Securities and Capital Markets (India) Private Limited, RBS Equities (India) Limited, SBI Capital Markets Limited and Standard Chartered Securities (India) Limited.

11. In-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated January 10, 2011 and January 11, 2011, respectively.

12. Contract dated March 29, 2010 for the appointment and remuneration of the Managing Director.

13. Resolution of the Board dated [●], 2011, approving the Prospectus.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so required in the interest of the Company or if required by the other parties, without reference to the shareholders subject to compliance with applicable law.

# DECLARATION

We certify that all relevant provisions of the Companies Act, the regulations issued by the Securities and Exchange Board of India, and the guidelines issued by the Government of India, as applicable, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, or the rules or regulations issued thereunder. We further certify that all the statements in this Red Herring Prospectus are true and correct.

Signed by the Directors

| | |
|---|---|
| Mr. Ratan N. Tata* | ______________________ |
| Mr. B. Muthuraman | ______________________ |
| Mr. Nusli N. Wadia* | ______________________ |
| Mr. S.M. Palia* | ______________________ |
| Mr. Suresh Krishna* | ______________________ |
| Mr. Ishaat Hussain | ______________________ |
| Dr. Jamshed J. Irani* | ______________________ |
| Mr. Subodh Bhargava* | ______________________ |
| Mr. Jacobus Schraven* | ______________________ |
| Mr. Andrew Robb* | ______________________ |
| Dr. Karl-Ulrich Kohler* | ______________________ |
| Mr. H.M. Nerurkar* | ______________________ |

______________________

Koushik Chatterjee
(*Group Chief Financial Officer*)

Date: January 11, 2011

Place: Mumbai

**Signed through a duly constituted power of attorney*