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ANNUAL REPORT 2007-08

REPORT



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स्टील अथॉरिटी ऑफ इण्डिया लिमिटेड
STEEL AUTHORITY OF INDIA LIMITED
Ispat Bhawan, Lodi Road, New Delhi - 110 003
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Balance Sheet

As at 31st March, 2008

	Schedule No.	As at 31st March, 2008		As at 31st March, 2007	
(Rupees in crore)					
SOURCES OF FUNDS					
Shareholders' Fund					
Share Capital	1.1	4130.40	4130.40		
Reserves and Surplus	1.2	18933.17	23063.57	13182.75	17313.15
Loan Funds					
Secured Loans	1.3	925.31	1556.39		
Unsecured Loans	1.4	2119.93	3045.24	2624.13	4180.52
Deferred Tax Liability (Net)			1568.60		1412.66
			27677.41		22906.33
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	1.5	30922.73	29912.71		
Less: Depreciation		19351.42	18315.00		
Net Block		11571.31	11597.71		
Capital Work-in-Progress	1.6	2389.55	13960.86	1198.52	12796.23
Investments					
	1.7	538.20	513.79		
Current Assets, Loans & Advances					
Inventories	1.8	6857.23	6651.47		
Sundry Debtors	1.9	3048.12	2314.75		
Cash & Bank Balances	1.10	13759.44	9609.83		
Other Current Assets	1.11	273.08	152.56		
Loans & Advances	1.12	2379.75	1650.01		
		26317.62	20378.62		
Less: Current Liabilities & Provisions					
Current Liabilities	1.13	6400.92	5397.77		
Provisions	1.14	6797.83	5513.69		
		13198.75	10911.46		
Net Current Assets		13118.87		9467.16	
Miscellaneous Expenditure	1.15	59.48		129.15	
(to the extent not written off or adjusted)					
		27677.41		22906.33	

Significant Accounting Policies and Notes on Accounts Schedules 1 and 3 annexed hereto, form part of the Balance Sheet.

For and on behalf of Board of Directors

Sd/-
(Devinder Kumar)
Secretary

Sd/-
(Soiles Bhattacharya)
Director (Finance)

Sd/-
(S.K.Roongta)
Chairman

In terms of our report of even date

For Ray & Ray
Chartered Accountants

For Dass Maulik Mahendra K Agrawala & co.
Chartered Accountants

For T.R.Chadha & Co.
Chartered Accountants

Sd/-
(B.K. Ghosh)
Partner

Sd/-
(Mahendra K Agrawala)
Partner

Sd/-
(Ajesh Tuli)
Partner

Place : New Delhi
Dated : May 16, 2008

Profit & Loss Account

For the year ended 31st March, 2008

	Schedule No.	Year ended 31st March, 2008		Year ended 31st March, 2007	
(Rupees in crore)					
INCOME					
Sales	2.1	45555.34	39188.66		
Less : Excise duty		6046.89	5265.54		
Finished products internally consumed			490.81		33923.12
Interest earned	2.2	1184.76	752.60		
Other revenues	2.3	646.27	779.66		
Provisions no longer required written back	2.4	60.62	58.65		
		41890.91	35924.03		
EXPENDITURE					
Accretion (-) to stocks	2.5	-339.30	-242.58		
Raw Materials Consumed	2.6	13960.14	13271.08		
Purchase of Finished / Semi-finished Goods		3.63	1.29		
Employees' Remuneration & Benefits	2.7	7919.02	5084.18		
Stores & Spares Consumed		3293.90	3002.23		
Power & Fuel	2.8	2825.56	2574.40		
Repairs & Maintenance	2.9	552.15	383.43		
Freight Outward		717.85	692.04		
Other Expenses	2.10	1836.32	1619.15		
Interest & Finance Charges	2.11	250.94	332.13		
Depreciation		1235.48	1211.48		
Total		32255.69	27928.83		
Less : Inter Account Adjustments	2.12	1832.22	1444.90		
		30423.47	1444.90		
Adjustments pertaining to earlier years	2.13	11467.44	9440.10		
		1.29	-17.05		
		11468.73	9423.05		
Profit before tax					
Less : Provision for taxation					
Current tax (including provision for wealth tax Rs. 0.67 crore)		3745.81	3299.55		
-Previous year Rs. 0.43 crore)					
Deferred tax		155.94	-71.80		
Fringe benefit tax		32.90	26.48		
Earlier years		-2.70	-33.47		
		7536.78	6202.29		
Profit after tax					
Transferred from Bonds Redemption Reserve (net)		86.39	38.42		
Balance brought forward from last year		10811.65	6698.84		
Provision towards long term service awards to employees upto 31st March 2006 (net of tax)		0.00	-14.50		
Amount available for appropriation		18434.82	12925.05		
APPROPRIATIONS					
Amount Transferred to General Reserve		770.00	635.00		
Interim dividend		784.78	660.86		
Proposed dividend (Final)		743.47	619.56		
Tax on Interim dividend		133.37	92.69		
Tax on Proposed dividend (Final)		125.54	105.29		
Balance carried to Balance Sheet		15877.66	10811.65		
		18434.82	12925.05		
Earnings per Share (Face value Rupees 10/- each)					
Profit after tax		7536.78	6202.29		
Average Number of equity shares		4130400545	4130400545		
Basic and Diluted Earnings per share (Rupees)		18.25	15.02		
Significant Accounting Policies and Notes on Accounts Schedules 2 and 3 annexed hereto, form part of the Profit & Loss Account.					

For and on behalf of Board of Directors

Sd/-
(Devinder Kumar)
Secretary

Sd/-
(Soiles Bhattacharya)
Director (Finance)

Sd/-
(S.K.Roongta)
Chairman

In terms of our report of even date

For Ray & Ray
Chartered Accountants

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For T.R.Chadha & Co.
Chartered Accountants

Sd/-
(B.K. Ghosh)
Partner

Sd/-
(Mahendra K Agrawala)
Partner

Sd/-
(Ajesh Tuli)
Partner

Place : New Delhi
Dated : May 16, 2008

Cash Flow Statement

Cash Flow Statement for the Year	2007-08	2006-07
	(Rupees in crore)	
A. Cash Flow from Operating Activities		
Net Profit / Loss (-) before taxation	11468.73	9423.05
Add / (Less) Adjustments for :		
Depreciation	1234.33	1236.75
Interest Expenses	250.94	215.25
Bad debts written-off	2.15	4.59
Unrealised Foreign Exchange Fluctuation	(22.89)	(5.61)
Provision for Long Term Service Awards	0.00	-1.38
Provision for diminution in value of investments	0.00	3.21
Provision for Others	1146.55	(182.35)
Deferred revenue expenditure (Charged during the year)	73.34	127.34
Profit on Sale of Fixed Assets	(49.78)	(13.93)
Interest Income	(1184.76)	(752.60)
Dividend Income	(14.45)	(17.34)
Operating Cash Flow before working capital change	12904.16	10036.98
Adjustments for :-		
Increase / Decrease in Inventories	(205.76)	(441.41)
Increase / Decrease in Sundry Debtors	(735.52)	(437.61)
Increase / Decrease in Loans and Advances	(734.35)	(394.54)
Increase / Decrease in Current liabilities	935.90	337.90
Deferred revenue expenditure (Additions)	(3.67)	(40.67)
Cash generated from Operations	12160.76	9060.65
Direct Taxes Paid	(3782.58)	(3427.74)
Net Cash from Operating Activities	8378.18	5632.91
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(2293.18)	(1137.66)
Proceeds from sale of Fixed Assets	94.40	46.82
Loans to Subsidiary & Other Companies	4.61	25.45
Purchase/Sale of investments (net)	(24.41)	(225.00)
Interest received	1064.24	685.52
Dividend received	14.45	17.34
Net Cash from / (used in) Investing Activities	(1139.89)	(587.53)

Cash Flow Statement for the Year	2007-08	2006-07
	(Rupees in crore)	
C. Cash Flow from Financing Activities		
Increase in Reserve & Surplus	0.80	2.35
(Decrease) in Borrowings (net)	(1112.39)	(111.49)
Reversal of Interest on SDF Loans	0.00	116.88
Interest and Finance Charges Paid	(334.09)	(509.16)
Dividend Paid	(1404.34)	(970.64)
Tax on Dividend	(238.66)	(136.13)
Net Cash from / (used in) Financing Activities	(3088.68)	(1608.19)
Net Increase in Cash & Cash Equivalents (A+B+C)	4149.61	3437.19
Cash & Cash Equivalents (Opening)	9609.83	6172.64
Cash & Cash Equivalents (Closing)	13759.44	9609.83

(Represented by Cash & Bank balances)

Notes :

- The above Cash Flow Statement has been prepared pursuant to Clause 32 of Listing Agreement with Stock Exchanges and under the indirect method set out in Accounting Standard-3 issued by The Institute of Chartered Accountants of India.
- Figures in bracket indicate cash outflow.
- Significant Accounting Policies and Notes to Accounts (Schedule 3) form an integral part of the Cash Flow Statement.
- Previous year figures have been rearranged / regrouped wherever necessary to conform to current year's classification.

For and on behalf of Board of Directors

Sd/-
(Devinder Kumar)
Secretary

Sd/-
(Soiles Bhattacharya)
Director (Finance)

Sd/-
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Chairman

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Sd/-
(B.K. Ghosh)
Partner

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Partner

Sd/-
(Ajesh Tuli)
Partner

Place : New Delhi
Dated : May 16, 2008

Schedules

(Forming part of the Balance Sheet)

1.1: SHARE CAPITAL

	As at 31st March, 2008	As at 31st March, 2007 (Rupees in crore)
Authorised		
5,00,00,00,000 equity shares of Rs. 10 each	5000.00	5000.00
Issued, Subscribed & Paid-up		
4,13,04,00,545 equity shares of Rs.10/- each fully paid.	4130.40	4130.40

Note : 1,24,43,82,900 equity shares of Rs.10 each (net of adjustments on reduction of capital) were allotted as fully paid up for consideration other than cash.

1.2 : RESERVES AND SURPLUS

	As at 31st March, 2008	As at 31st March, 2007 (Rupees in crore)
Capital Reserve	3.14	3.14
Prime Minister's Trophy Award Fund		
As per last Balance Sheet	11.33	8.98
Additions	1.28	2.77
	12.61	11.75
Less: Utilisation	0.48	0.42
	12.13	11.33
Securities Premium	235.29	235.29
Bond Redemption Reserve		
As per last Balance Sheet	348.83	387.25
Transferred from Profit & Loss Account	31.82	59.40
Transferred to Profit & Loss Account	118.21	97.82
	262.44	348.83
General Reserve		
As per last Balance Sheet	1772.51	1137.51
Transferred from Profit & Loss Account	770.00	635.00
	2542.51	1772.51
Surplus in Profit & Loss Account	15877.66	10811.65
	18933.17	13182.75

Schedules

(Forming part of the Balance Sheet)

1.3 : SECURED LOANS

		As at 31st March, 2008	As at 31st March, 2007 (Rupees in crore)
Working Capital Borrowings from Banks	(a)	260.81	266.24
Loans from Banks against term deposits		0.00	525.00
Non Convertible Bonds	(b)		
Interest Rate	Date of Redemption		
12.95 %	1st December 2007	0.00	100.05
11.60 %	1st June 2008	33.95	33.95
7.80 %	1st September 2008	0.15	0.15
11.50%	1st December 2008	0.30	0.30
11.10%	20th July 2009	0.00	0.50
11.50%	20th July 2009	48.65	48.65
9.75%	1st February 2010	0.00	0.10
10.25%	1st February 2010	88.35	88.35
11.50%	15th April 2010	21.00	21.00
8%	1st September 2010	0.70	0.70
13.05 %	1st December 2010	59.80	59.80
12.10 %	1st June 2011	91.30	91.30
12%	1st December 2011	76.90	76.90
12%	20th July 2012	109.90	109.90
10.75%	1st February 2013	75.30	75.30
8.20%	1st September 2013	58.20	58.20
		664.50	765.15
		925.31	1556.39

- (a) Secured by hypothecation of all current assets
 (b) Secured by charges ranking pari-passu inter-se, on all the present and future immovable property at Mouje-Wadej of City taluka, District Ahmedabad, Gujarat and Company's Plant & Machinery, including the land on which it stands, pertaining to Durgapur Steel Plant.(DSP)
 (c) Redeemed at par by exercising call option

Note : Amount repayable within one year as at 31.03.2008, Rs.34.40 crore (Previous Year : Rs. 625.05 crore)

1.4 : UNSECURED LOANS

		As at 31st March, 2008	As at 31st March, 2007 (Rupees in crore)
Government of India		0.27	0.27
Interest accrued and due thereon		0.58	0.58
Steel Development Fund		204.16	204.16
Interest accrued and due thereon		907.37	888.42
Foreign Currency Loans			
Long Term	@	515.65	512.59
Short Term		0.00	23.06
		515.65	535.65
Non convertible Bonds	@		
Interest Rate	Date of Redemption		
(%)			
10.25%	3rd June, 2007	0.00	450.00
11.60%	12th March, 2008	0.00	15.00
10.50%	1st August,2008	35.00	35.00
11.50%	30th March, 2010	43.50	43.50
12.45%	1st September, 2010	0.00	38.15
12.55%	1st September, 2010	39.40	39.40
12.10%	12th March, 2011	195.00	195.00
11%	1st August, 2011	115.00	115.00
6.4%	15th October, 2010	64.00	64.00
		491.90	995.05
		2119.93	2624.13

- @ Guaranteed by Government of India /State Bank of India
 # 11.50% Non-convertible Bonds earlier guaranteed by Government of India, have been converted into 11.85% Non-convertible secured bonds w.e.f. 01.04.2008
 * Redeemed at par by exercising call option

Note : Amount repayable within one year as at 31.03.2008, Rs. 994.24 crore (Previous Year : Rs. 1422.07 crore)

Schedules

(Forming part of the Balance Sheet)

1.5 : FIXED ASSETS

Description	GROSS BLOCK (AT COST)			As at 31st March, 2008
	As at 31st March, 2007	Additional/ Adjustments	Deduction	
<i>(Rupees in crore)</i>				
A. PLANTS, MINES, OTHERS				
Land (including cost of development)				
-Freehold Land	117.61	40.56	0.06	158.11
-Leasehold Land	27.07	15.16	0.00	42.23
Railway Lines & Sidings	225.86	0.14	0.33	225.67
Roads, Bridges & Culverts	153.94	1.56	-0.19	155.69
Buildings	1683.25	23.73	-0.13	1707.11
Plant & Machinery				
-Steel Plant	23574.92	798.70	170.71	24202.91
-Others	1617.20	93.59	30.06	1680.73
Furniture & Fittings	77.02	4.75	0.14	81.63
Vehicles	489.63	98.67	10.34	577.96
Water Supply & Sewerage	298.35	-0.99	-0.02	297.38
EDP Equipment's	199.80	16.11	1.96	213.95
Software (Intangible)	18.51	2.98	0.16	21.33
Mining Rights (Intangible)	202.57	105.52	15.80	292.29
Miscellaneous Articles	234.40	12.24	2.76	243.88
Sub-total 'A'	28920.13	1212.72	231.98	29900.87
Figures for the previous year	28388.97	674.37	143.21	28920.13
B. SOCIAL FACILITIES				
Land (including cost of development)				
-Freehold Land	9.96	0.03	0.00	9.99
-Leasehold Land	7.09	0.00	0.00	7.09
Roads, Bridges & Culverts	50.40	0.00	0.00	50.40
Buildings	558.91	7.90	0.38	566.43
Plant & Machinery-Others	88.31	4.25	0.32	92.24
Furniture & Fittings	15.08	1.46	0.33	16.21
Vehicles	9.11	1.17	0.50	9.78
Water Supply & Sewerage	115.24	0.81	0.02	116.03
EDP Equipment's	9.55	3.31	0.36	12.50
Software (Intangible)	0.45	0.18	0.00	0.63
Miscellaneous Articles	104.52	14.18	3.66	115.04
Sub-total 'B'	968.62	33.29	5.57	996.34
Figures for the previous year	947.07	26.51	4.96	968.62
C. ASSETS RETIRED FROM ACTIVE USE				
Unservicable / Obsolete Assets	23.96	6.94	5.38	25.52
Figures for the previous year	24.41	4.42	4.87	23.96
Total ('A'+ 'B'+ 'C')	29912.71	1252.95	242.93	30922.73
Figures for the previous year	29360.45	705.30	153.04	29912.71

Schedules

(Forming part of the Balance Sheet)

1.5 : FIXED ASSETS

Description	DEPRECIATION			NET BLOCK		
	Up to 31st March, 2007	For the year	Less : On sales / Adjustments	Up to 31st March, 2008	As at 31st March, 2008	As at 31st March, 2007
<i>(Rupees in crore)</i>						
A. PLANTS, MINES, OTHERS						
Land (including cost of development)						
-Freehold Land	0.00	0.71	0.00	0.71	157.40	117.61
-Leasehold Land	9.78	8.25	0.00	18.03	24.20	17.29
Railway Lines & Sidings	162.43	6.04	0.27	168.20	57.47	63.43
Roads, Bridges & Culverts	45.07	2.60	-0.01	47.68	108.01	108.87
Buildings	904.30	46.40	0.11	950.59	756.52	778.95
Plant & Machinery						
-Steel Plant	14519.27	1012.52	144.19	15387.60	8815.31	9055.65
-Others	1168.28	71.35	28.14	1211.49	469.24	448.92
Furniture & Fittings	63.27	4.06	0.13	67.20	14.43	13.75
Vehicles	365.81	15.35	9.79	371.37	206.59	123.82
Water Supply & Sewerage	222.42	7.97	0.01	230.38	67.00	75.93
EDP Equipment's	161.00	9.82	1.83	168.99	44.96	38.80
Software (Intangible)	15.87	1.55	0.16	17.26	4.07	2.64
Mining Rights (Intangible)	65.80	13.56	7.61	71.75	220.54	136.77
Miscellaneous Articles	155.17	9.85	2.06	162.96	80.92	79.23
Sub-total 'A'	17858.47	1210.03	194.29	18874.21	11026.66	11061.66
Figures for the previous year	16764.19	1210.96	116.68	17858.47	11061.66	
B. SOCIAL FACILITIES						
Land (including cost of development)						
-Freehold Land	-	-	-	-	9.99	9.96
-Leasehold Land	4.73	0.13	0.00	4.86	2.23	2.36
Roads, Bridges & Culverts	17.11	1.74	0.00	18.85	31.55	33.29
Buildings	190.83	9.19	0.14	199.88	366.55	368.08
Plant & Machinery-Others	61.28	3.05	0.19	64.14	28.10	27.03
Furniture & Fittings	12.03	0.74	0.11	12.66	3.55	3.05
Vehicles	6.44	0.36	0.46	6.34	3.44	2.67
Water Supply & Sewerage	89.81	3.33	0.02	93.12	22.91	25.43
EDP Equipment's	3.81	1.58	0.12	5.27	7.23	5.74
Software (Intangible)	0.42	0.01	0.00	0.43	0.20	0.03
Miscellaneous Articles	70.07	4.57	2.98	71.66	43.38	34.45
Sub-total 'B'	456.53	24.70	4.02	477.21	519.13	512.09
Figures for the previous year	434.14	25.90	3.51	456.53	512.09	
C. ASSETS RETIRED FROM ACTIVE USE						
Unservicable / Obsolete Assets	-	-	-	-	25.52	23.96
Figures for the previous year	-	-	-	-	23.96	
Total ('A'+ 'B'+ 'C')	18315.00	1234.73	198.31	19351.42	11571.31	11597.71
Figures for the previous year	17198.33	1236.86	120.19	18315.00	11597.71	

Note : Allocation of Depreciation

	Current Year	Previous Year
(a) Charged to Profit & Loss Account	1235.48	1211.48
(b) Charged to expenditure during construction	0.40	0.11
(c) Adjustments pertaining to earlier years	-1.15	25.27
Total	1234.73	1236.86

Schedules

(Forming part of the Balance Sheet)

1.6 : CAPITAL WORK-IN-PROGRESS

	As at 31st March, 2008		As at 31st March, 2007 (Rupees in crore)	
Expenditure during construction pending allocation (Schedule 1.6.1)		16.66		5.51
Capital Work-in-progress				
Steel Plants & Units	1382.69		820.12	
Township	23.42		10.52	
Ore Mines and Quarries	3.72		0.00	
	1409.83		830.64	
Less: Provisions	56.74	1353.09	58.89	771.75
Capital equipments pending erection, installation and commissioning		267.20		194.88
Construction Stores and Spares	33.17		23.15	
Less: Provision for non-moving items	2.18	30.99	2.96	20.19
Advances	722.63		207.64	
Less: Provision for doubtful advance	1.02	721.61	1.45	206.19
		2389.55		1198.52
Particulars of advances				
Unsecured, Considered Good (including advances backed by Bank Guarantees Rs. 59.11 crore) (Previous year Rs. 0.26 crore)		721.61		206.19
Unsecured, Considered Doubtful	1.02		1.45	
	722.63		207.64	

1.6.1: EXPENDITURE DURING CONSTRUCTION (pending allocation)

	As at 31st March, 2008		As at 31st March, 2007 (Rupees in crore)	
Opening Balance (a)		5.51		4.46
Expenditure incurred during the year				
Employees' Remuneration & Benefits				
Salaries & Wages	47.01		27.86	
Company's contribution to Provident fund	3.68		2.64	
Travel Concession	2.86		0.47	
Welfare Expenses	0.35		0.14	
Gratuity	4.76	58.66	2.02	33.13
Technical Consultants' fees & know-how		25.36		6.69
Repairs & Maintenance		1.48		0.11
Stores and Spares		1.43		1.69
Power & Fuel		10.19		5.76
Other expenses		8.09		6.38
Interest & Finance charges		1.68		0.88
Depreciation		0.40		0.11
		107.29		54.75
Less: Recoveries				
Interest Earned	1.11		0.00	
Liquidated Damages	1.53		6.35	
Hire Charges	1.25		0.37	
Sundries	0.80	4.69	1.08	7.80
Net expenditure during the year (b)		102.60		46.95
Total (a)+(b)		108.11		51.41
Less : Amount allocated to Fixed Assets/ Capital Work-in-progress		91.45		45.90
Balance carried forward		16.66		5.51
Total				

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Schedules

(Forming part of the Balance Sheet)

1.7 : INVESTMENTS AT COST – LONG TERM

	Number of Fully Paid-up Equity Shares	Face Value per Share (Rs.)	As at 31st March, 2008		As at 31st March, 2007 (Rupees in crore)	
(A) Unquoted						
Trade Investments						
Subsidiary Companies						
Maharashtra Elektrosmet Limited	2,37,87,935	10	23.79		23.79	
IISCO Ujjain Pipe & Foundry Company Limited (under liquidation)	30,00,000	10	3.00	26.79	3.00	26.79
Joint Venture Companies						
UEC SAIL Information Technology Limited	1,80,000	10	0.18		0.18	
North Bengal Dolomite Limited	97,900	100	0.98		0.98	
NTPC- SAIL Power Company Pvt Limited	39,02,50,050	10	390.25		390.25	
Bokaro Power Supply Company Pvt Limited	8,40,25,000	10	84.02		84.02	
Bhilai Jaypee Cement Limited	2,44,07,500	10	24.41		0.00	
SAIL- Bansal Service Centre Limited	32,00,000	10	3.20		3.20	
Mjunction Services Limited	40,00,000	10	4.00		4.00	
Romelt SAIL (India) Limited	63,000	10	0.06	507.10	0.06	482.69
Others						
Tata Refractories Limited	22,03,150	10	11.35		11.35	
Almora Magnesite Limited	40,000	100	0.40		0.40	
Indian Potash Limited	3,60,000	10	0.18		0.18	
Cement & Allied Products (Bihar) Limited	2	10	0.00 *		0.00 *	
Chemical & Fertilizer Corporation (Bihar) Limited	1	10	0.00 *		0.00 *	
Bhilai Power Supply Company Limited	5	10	0.00 *		0.00 *	
MSTC Limited	20,000	10	0.01		0.01	
Bihar State Finance Corporation	500	100	0.01		0.01	
Shares in Co-operative Societies (Schedule 1.7.1)			0.18	12.13	0.18	12.13
Total (A)				546.02		521.61
(B) Quoted						
HDFC Limited	12,000	10	0.01		0.01	
HDFC Bank Limited	500	10	0.00 *		0.00 *	
ICICI Bank Limited	28600	10	0.05		0.05	
			0.06 @		0.06 @	
Total (A+B)				546.08		521.67
Less : Provision for diminution in value of investments				7.88		7.88
				538.20		513.79
@ Market value of quoted investments				5.12		4.31
* Cost being less than Rs. 50,000/-, figures not given.						

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Schedules

(Forming part of the Balance Sheet)

1.7.1: SHARES IN CO-OPERATIVE SOCIETIES

	Number of Fully Paid-up Shares	Face Value per Share (Rs.)	As at 31st March, 2008	As at 31st March, 2007
<i>(In Rupees)</i>				
Bokaro Steel Employees' Co-operative Credit Society Limited	116500	10	1165000	1165000
Bokaro Steel City Central Consumers' Co-operative Stores Limited	250	10	2500	2500
NMDC Meghahatuburu Employees' Consumers Co-operative Society Limited	25	100	2500	2500
DSP Employees' Co-operative Society Limited	1377	100	137700	137700
Bolani Ores Employees' Consumer Co-operative Society Limited	200	25	5000	5000
IISCO Employees Primary Co-operative Stores Limited	23000	20	460000	460000
			<u>1772700</u>	<u>1772700</u>

Schedules

(Forming part of the Balance Sheet)

1.8: INVENTORIES*

	As at 31st March, 2008		As at 31st March, 2007	
Stores & spares	1521.04	1391.80		
Add: In-transit	137.05	130.93		
	<u>1658.09</u>	<u>1522.73</u>		
Less: Provision for Non Moving/Obsolete items	158.16	1499.93	160.78	1361.95
Raw Materials	758.79		1201.81	
Add: In-transit	656.25		580.87	
	<u>1415.04</u>		<u>1782.68</u>	
Less: Provision for unusable materials	2.71	1412.33	1.85	1780.83
Finished / Semi-finished products (including scrap)		3944.97		3508.69
		<u>6857.23</u>		<u>6651.47</u>

* As certified by the Management and valued as per Accounting Policy No. 1.7 of Schedule 3

1.9 : SUNDRY DEBTORS

	As at 31st March, 2008		As at 31st March, 2007	
Debts over six months	284.37		274.91	
Other Debts	2980.44		2242.12	
	<u>3264.81</u>		<u>2517.03</u>	
Less: Provision for Doubtful Debts	216.69		202.28	
	<u>3048.12</u>		<u>2314.75</u>	
Particulars				
Unsecured, considered good (Including debts backed by bank guarantees Rs. 864.83 crore, Previous year : Rs. 605.81 crore)	3048.12		2314.75	
Unsecured, considered doubtful	216.69		202.28	
	<u>3264.81</u>		<u>2517.03</u>	

1.10 : CASH & BANK BALANCES

	As at 31st March, 2008		As at 31st March, 2007	
Cash and Stamps on hand	1.57		1.67	
Cheques on hand	400.50		418.55	
With Scheduled Banks				
Current Account	62.22		12.84	
Unpaid Dividend Account	5.88		4.30	
Term Deposits	13289.27	13357.37	9172.47 *	9189.61
		<u>13759.44</u>		<u>9609.83</u>

* Deposits of Rs. 566.50 crore under bank lien against loans

Schedules

(Forming part of the Balance Sheet)

1.11 : OTHER CURRENT ASSETS

	As at 31st March, 2008	As at 31st March, 2007 (Rupees in crore)
Interest Receivable/Accrued		
Loans to subsidiary company	0.58	0.58
Loans to other companies	0.00	0.63
Term Deposits	232.78	107.43
Employees	31.25	39.36
Others	12.88	9.68
	<u>277.49</u>	<u>157.68</u>
Less: Provision for doubtful interest	4.41	5.12
	<u>273.08</u>	<u>152.56</u>
Particulars		
Unsecured, considered good	273.08	152.56
Unsecured, considered doubtful	4.41	5.12
	<u>277.49</u>	<u>157.68</u>

1.12 : LOANS & ADVANCES

	As at 31st March, 2008	As at 31st March, 2007 (Rupees in crore)
Loans		
Employees	339.46	269.02
Subsidiary Company	2.38	2.38
Others	30.83	35.43
	<u>372.67</u>	<u>306.83</u>
Advances recoverable in cash or in kind or for value to be received		
Claims	779.26	623.50
Contractors & Suppliers	158.99	116.56
Employees	26.99	19.47
Income tax paid in advance / recoverable	11.62	10.50
For purchase of shares *	18.93	0.00
Export Incentive	58.56	107.07
Subsidiary Company	14.04	14.04
Others	404.20	317.44
	<u>1472.59</u>	<u>1208.58</u>
Deposits		
Port Trust, Excise Authorities, Railways, etc.	220.67	108.30
Others	478.11	200.18
	<u>698.78</u>	<u>308.48</u>
	<u>2544.04</u>	<u>1823.89</u>
Less : Provision for Doubtful Loans & Advances	164.29	173.88
	<u>2379.75</u>	<u>1650.01</u>
Particulars of Loans & Advances		
Secured, considered good	252.21	225.52
Unsecured, considered good	2127.54	1424.49
Unsecured, considered doubtful	164.29	173.88
	<u>2544.04</u>	<u>1823.89</u>
Amount due from		
-Directors	0.01	0.01
Maximum amount due at any time during the year from		
-Directors	0.01	0.01

* Includes Rs. 16.43 crore for Joint Venture Companies

Schedules

(Forming part of the Balance Sheet)

1.13: CURRENT LIABILITIES

	As at 31st March, 2008	As at 31st March, 2007 (Rupees in crore)
Sundry creditors		
Micro and small enterprises	3.69	0.00
Sundry creditors other than micro and small enterprises		
Capital works	512.16	361.76
Small Scale Industrial Undertakings	0.00	10.73
Subsidiary company	9.24	12.24
Others	2460.15	2160.34
	<u>2981.55</u>	<u>2545.07</u>
Advances from		
Customers	548.02	615.71
Others	95.47	15.97
	<u>643.49</u>	<u>631.68</u>
Security Deposits	243.14	257.83
Less : Investments received as security deposit	0.05	0.07
	<u>243.09</u>	<u>257.76</u>
Interest accrued but not due on Loans	115.64	198.79
Stores received on loan (Including Rs. 11.60 crore from subsidiary companies, Previous year: Rs. NIL)	11.69	0.00
Liability towards Investor Education and Protection Fund, not due		
Unpaid Dividends	5.88	4.30
Unclaimed Matured Deposits	1.80	2.19
Unclaimed Matured Bonds	0.55	0.20
Interest Accrued on unclaimed Deposits / Bonds	0.66	0.74
	<u>8.89</u>	<u>7.43</u>
Other Liabilities *	2392.88	1757.04
	<u>6400.92</u>	<u>5397.77</u>

* Includes an amount of Rs. 0.01 crore credited to Investor's Education & Protection Fund, (Previous year Rs. 0.02 crore)

1.14 : PROVISIONS

	As at 31st March, 2008	As at 31st March, 2007 (Rupees in crore)
Gratuity	718.16	1718.20
Accrued Leave	1346.70	1371.43
Employee Defined Benefit Schemes	832.06	736.26
Taxation	38.18	44.75
Pollution Control & Peripheral Development	89.05	83.11
Proposed Dividend	743.47	619.56
Tax on Proposed Dividend	125.54	105.29
Voluntary Retirement Scheme	40.15	58.92
Wage Revision	2459.66	512.58
Mines Afforestation/ restoration / closure etc.	351.05	223.96
Others	53.81	39.63
	<u>6797.83</u>	<u>5513.69</u>

Schedules

(Forming part of the Balance Sheet)

1.15 : MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)

	Balance as at 31st March, 2007	Additions during the year	Total	Amount Charged Off during the year	Balance as at 31st March, 2008
Deferred Revenue Expenditure					
Voluntary Retirement Compensation	129.15	3.67	132.82	73.34	59.48
Total	129.15	3.67	132.82	73.34	59.48
Previous year	215.82	40.67	256.49	127.34	129.15

	Current year	Previous year
Charged to:		
Raw Materials consumed	0.00	3.34
Other Expenses	73.34	124.00
	73.34	127.34

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Schedules

(Forming part of the Profit & Loss Account)

2.1 : SALES

	Year ended 31st March, 2008	Year ended 31st March, 2007
Domestic	44260.14	37894.68
Exports	1234.41	1177.12
Export Incentives	60.79	116.86
	45555.34	39188.66

2.2 : INTEREST EARNED

	Year ended 31st March, 2008	Year ended 31st March, 2007
Customers	55.02	38.96
Employees	15.04	10.89
Term Deposits *	1105.33	657.60
Others	9.37	45.15
	1184.76	752.60

* (Tax deducted at source Rs.3.41 crore – Previous Year Rs. 0.00 crore)

2.3 : OTHER REVENUES

	Year ended 31st March, 2008	Year ended 31st March, 2007
Social amenities-recoveries	133.81	133.35
Sale of empties etc.	64.19	58.15
Liquidated damages	26.26	20.67
Service charges (Gross) *	11.36	10.14
Subsidy, relief and concession	53.89	55.30
Dividend	14.45	17.34
Profit on sale of fixed assets (net)	49.78	13.93
Foreign Exchange Fluctuation (net)	112.12	39.78
Reversal of Interest on SDF Loans	0.00	116.88
Sundries *	180.41	314.12
	646.27	779.66

* (Tax deducted at source Rs. 0.04 crore – Previous Year : Rs. 0.03 crore)

Schedules

(Forming part of the Profit & Loss Account)

2.4 : PROVISIONS NO LONGER REQUIRED WRITTEN BACK

	Year ended 31st March, 2008	Year ended 31st March, 2007
		(Rupees in crore)
Loans & Advances	15.45	11.10
Sundry Debtors	12.49	20.26
Stores & Spares	10.09	7.06
Others	22.59	20.23
	<u>60.62</u>	<u>58.65</u>

2.5 : ACCRETION(-) TO STOCK OF FINISHED / SEMI-FINISHED PRODUCTS

	Year ended 31st March, 2008	Year ended 31st March, 2007
		(Rupees in crore)
Opening stock	3508.69	3223.48
Less : Closing stock	3944.97	3508.69
Accretion(-) to stock (a)	-436.28	-285.21
Less : Excise Duty on accretion(-) to stock (b)	-96.98	-42.63
Net accretion (-) to stock (a - b)	<u>-339.30</u>	<u>-242.58</u>

2.6 : RAW MATERIALS CONSUMED

	Year ended 31st March, 2008		Year ended 31st March, 2007	
	Quantity Tonnes	Value Rs./crore	Quantity Tonnes	Value Rs./crore
Iron Ore	25443849	1725.38	24653024	1488.31
Coal	13953945	8242.98	13536403	8479.23
Coke	638572	819.28	600670	699.44
Limestone	4048296	627.08	3926137	567.22
Dolomite	2637143	206.94	2560930	170.71
Ferro Manganese	67562	349.30	48872	188.61
Ferro Silicon	21329	96.67	19277	78.97
Silico Manganese	122174	510.15	109594	315.19
Hot Rolled Stainless Steel Coils	20061	96.06	3508	24.89
Intermediary Products	22543	293.19	47166	478.94
Zinc	7005	112.62	8965	156.39
Aluminum	17185	206.03	15899	202.05
Others		674.46		421.13
		<u>13960.14</u>		<u>13271.08</u>

Schedules

(Forming part of the Profit & Loss Account)

2.7 : EMPLOYEES' REMUNERATION & BENEFITS

	Year ended 31st March, 2008	Year ended 31st March, 2007
		(Rupees in crore)
Salaries & Wages	6048.57	3700.38
Company's contribution to Provident Fund	335.59	325.61
Travel Concession	700.87	408.75
Welfare Expenses	336.93	258.32
Gratuity	497.32	391.46
	<u>7919.28</u>	<u>5084.52</u>
Less : Grants in Aid received from Government of Karnataka	0.26	0.34
	<u>7919.02</u>	<u>5084.18</u>

Note :

Expenditure on Employees' Remuneration and Benefits not included above and charged to:

a) Expenditure During Construction	58.66	33.13
b) Deferred Revenue Expenditure	73.34	123.90
c) Net Expenditure on Social Amenities charged to various primary revenue heads	355.28	263.37
	<u>487.28</u>	<u>420.40</u>

2.8 : POWER & FUEL

	Year ended 31st March, 2008	Year ended 31st March, 2007
		(Rupees in crore)
Purchased power	2097.00	1971.16
Duty on own generation	15.60	18.19
Boiler Coal/Middlings	176.42	156.46
Furnace Oil/Steam etc.	536.54	428.59
	<u>2825.56</u>	<u>2574.40</u>

Note :

Expenditure on Power & Fuel not included above & charged to:

- Expenditure During Construction	10.19	5.76
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