

## Notes to Schedule 4 (Page 69)

	Rupees crores	Previous Year Rupees crores
Item 2 (b) (ii) Cost of raw materials produced excludes amounts charged to wages and salaries and other revenue accounts.....	270.87	210.39
Item 4 (a) Stores consumed (including write-off of obsolete spares) exclude cost of stores manufactured departmentally and charged to wages and salaries and other revenue accounts.....	51.05	77.55
Item 4 (c) Repairs to buildings exclude amounts charged to wages and salaries and other revenue accounts.....	7.98	7.41
Item 4 (d) Repairs to machinery exclude amounts charged to wages and salaries and other revenue accounts.....	201.65	178.64
Item 4 (l) Commission, discounts and rebates include —		
(1) Commission paid to selling agents.....	44.32	49.65
(2) Consignment agency handling charges.....	26.96	22.02
(3) Discounts.....	9.47	14.51
Item 4 (n) Adjustments relating to previous years (net) include write back of provisions no longer required.....	9.69	72.57
Item 4 (o) Other expenses include —		
(1) Provision for diminution in value of investments.....	—	0.34
(2) Contribution to Electoral Trust. The objects of the Trust <i>inter alia</i> includes holding by the Trustees of "distribution funds" for distribution to political parties.....	—	3.50
(3) Exchange (gain)/Loss (net).....	6.71	—
(4) Fees and out-of-pocket expenses paid/payable to Auditors :		
(i) For services as Auditors.....	1,75,00,000	1,31,80,000
(ii) For other services including <b>Rs. Nil</b> (2004-2005 : Rs. 35,50,000) relating to earlier years.....	62,32,856	73,14,400
(iii) Reimbursement of travelling and out-of-pocket expenses.....	8,39,510	11,38,262
(iv) For service tax and education cess.....	—	24,74,182
(v) For Branch Audit.....	2,12,000	1,90,514
(5) Cost Audit Fees [including expenses <b>Rs. 50,151</b> (2004-2005 : Rs. 42,684)].....	1,19,597	1,08,540
<b>Managerial Remuneration</b>		
Managerial Remuneration for Managing Director, other Whole-time Directors and Non Whole-time Directors	Rupees crores	Rupees crores
(a) Salaries (including Company's contribution to Provident and Superannuation fund).....	1.55	1.40
(b) Commission.....	4.25	4.25
(c) Perquisites.....	0.99	0.48
(d) Sitting Fees.....	0.10	0.14
	<b>6.89</b>	<b>6.27</b>
<i>Notes :—</i>		
I) In addition, the Managing Director and other Whole-time Directors are entitled to free supply of water and use of medical facilities at the Company's hospital at Jamshedpur. The above figures do not include contribution to Gratuity Fund, as separate figures are not available for the Managing Director and other Whole-time Directors and retirement benefits of <b>Rs. 0.15</b> crore (2004-2005 : Rs. 0.15 crore) relating to two former directors and retirement benefits of <b>Rs. 0.31</b> crore (2004-2005 : Rs. 0.29 crore) to a former Managing Director.		
II) Limits on certain perquisites granted to the Managing Director and other Whole-time Directors have been changed with effect from 1st April, 2005 and is subject to the approval of the Shareholders at the forthcoming Annual General Meeting.		
COMPUTATION OF NET PROFIT IN ACCORDANCE WITH SECTION 309(5) OF THE COMPANIES ACT, 1956.		
Profit before taxes.....	5239.96	5297.28
Add —		
(a) Managerial remuneration.....	6.89	6.27
(b) Provision for bad & doubtful debts and advances.....	6.49	12.69
(c) Provision for diminution in value of investments.....	—	0.34
(d) Provision for wealth tax.....	0.80	0.70
	<b>5254.14</b>	<b>5317.28</b>
Deduct —		
(a) Bad debts written off (net of recoveries).....	16.41	26.30
(b) Profit on sale/redemption of Investments.....	9.95	32.77
(c) Capital profit on sale of fixed assets.....	2.02	5.45
	<b>28.38</b>	<b>64.52</b>
Net profit as per Section 309(5).....	<b>5225.76</b>	<b>5252.76</b>
Commission :	Rupees	Rupees
(a) Whole-time Directors.....	2,75,00,000	2,75,00,000
(b) Non Whole-time Directors — 1% of the net profits : <b>Rs. 52.26</b> crores (2004-2005 : Rs. 52.53 crores) restricted to.....	1,50,00,000	1,50,00,000
	<b>4,25,00,000</b>	<b>4,25,00,000</b>