

Notes to Schedule 4 (Page 125)

	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	298.00	270.87
Item 4 (a) Stores and Spares consumed (including write-off of obsolete spares) exclude cost of stores manufactured departmentally and charged to wages and salaries and other revenue accounts	64.55	51.05
Item 4 (c) Repairs to buildings exclude amounts charged to wages and salaries and other revenue accounts	11.16	7.98
Item 4 (d) Repairs to machinery exclude amounts charged to wages and salaries and other revenue accounts	234.99	201.65
Item 4 (l) Commission, discounts and rebates include —		
(1) Commission paid to selling agents	17.66	44.32
(2) Consignment agency handling charges	40.75	26.96
(3) Discounts	8.31	9.47
Item 4 (n) Adjustments relating to previous years (net) include write back of provisions no longer required	53.99	9.69
Item 4 (o) Other expenses include —		
(1) Provision for diminution in value of investments	0.10	—
(2) Exchange (Gain)/Loss	2.43	6.71
(3) Fees and out-of-pocket expenses paid/payable to Auditors :	Rupees	Rupees
(i) For services as Auditors	1,95,00,000	1,75,00,000
(ii) For other services	84,83,117	62,32,856
(iii) Reimbursement of travelling and out-of-pocket expenses	4,55,174	8,39,510
(iv) For service tax and education cess	—	—
(v) For Branch Audit	65,039	2,12,000
(4) Cost Audit Fees [including expenses Rs. 15,960 (2005-06 : Rs. 50,151)]	85,960	1,19,597
Managerial Remuneration		
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)	1.83	1.55
(b) Commission	5.75	4.25
(c) Perquisites	0.29	0.99
(d) Sitting Fees	0.10	0.10
	<u>7.97</u>	<u>6.89</u>
<i>Note :—</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 certain retirement benefits for the Managing Director and other Whole-time Directors as separate figures are not available and retirement benefits of Rs. 0.19 crore (2005-06 : Rs. 0.15 crore) paid to three former directors and retirement benefits of Rs. 0.31 crore (2005-06 : Rs. 0.31 crore) paid to a former Managing Director.		
COMPUTATION OF NET PROFIT IN ACCORDANCE WITH SECTION 309(5) OF THE COMPANIES ACT, 1956.		
Profit before taxes	Rupees crores	Rupees crores
Profit before taxes	6261.65	5239.96
Add —		
(a) Managerial remuneration	7.97	6.89
(b) Provision for bad & doubtful debts and advances	11.99	6.49
(c) Provision for diminution in value of investments	0.10	—
(d) Provision for wealth tax	0.97	0.80
	<u>6282.68</u>	<u>5254.14</u>
Deduct —		
(a) Bad debts written off (net of recoveries)	5.97	16.41
(b) Profit on sale/redemption of Investments	15.63	9.95
(c) Capital profit on sale of fixed assets	0.52	2.02
	<u>22.12</u>	<u>28.38</u>
Net profit as per Section 309(5)	<u>6260.56</u>	<u>5225.76</u>
Commission :	Rupees	Rupees
(a) Whole-time Directors	3,75,00,000	2,75,00,000
(b) Non Whole-time Directors — 1% of the net profits : Rs. 62.61 crores (2005-06 : Rs. 52.26 crores) restricted to	2,00,00,000	1,50,00,000
	<u>5,75,00,000</u>	<u>4,25,00,000</u>