

Notes to Schedule 4 (Page 149)

	Rupees crores	Previous Year Rupees crores
Item 2 (b) (ii) Cost of raw materials produced excludes amounts charged to wages & salaries and other revenue accounts	412.35	298.00
Item 4 (a) Stores and spares consumed (including write-off of obsolete spares, if any) exclude cost of stores manufactured departmentally and charged to wages and salaries and other revenue accounts	54.62	64.55
Item 4 (c) Repairs to buildings exclude amounts charged to wages & salaries and other revenue accounts	3.92	11.16
Item 4 (d) Repairs to machinery exclude amounts charged to wages & salaries and other revenue accounts.....	209.29	234.99
Item 4 (l) Commission, discounts and rebates include —		
(1) Commission paid to selling agents.....	16.37	17.66
(2) Consignment agency handling charges	34.92	40.75
(3) Discounts	3.18	8.31
Item 4 (n) Adjustments relating to previous years (net) include write back of provisions no longer required ...	—	53.99
Item 4 (o) Other expenses include —		
(1) Provision for diminution in value of investments	—	0.10
(2) Exchange (Gain)/Loss.....	20.42	2.43
(3) Fees and out-of-pocket expenses paid/payable to Auditors :	Rupees	Rupees
(i) For services as Auditors	1,95,00,000	1,95,00,000
(ii) For other services (excluding Rs. 80,00,000 being expenses related to the CARS issue adjusted against the Securities Premium Account)	85,99,063	84,83,117
(iii) Reimbursement of travelling and out-of-pocket expenses.....	18,90,428	4,55,174
(iv) For Branch Audit.....	2,90,800	65,039
(4) Cost Audit Fees [including expenses Rs. 25,191 (2006-07 : Rs. 15,960)].....	1,09,517	85,960
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).....	1.65	1.83
(b) Commission	9.55	5.75
(c) Perquisites	0.64	0.29
(d) Sitting Fees	0.24	0.10
	12.08	7.97
<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. 2.72 crores (2006-07 : Rs. 0.19 crore) paid to former directors and retirement benefits of Rs. 0.35 crore (2006-07 : 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	7,066.36	6,261.65
Add — (a) Managerial remuneration	12.08	7.97
(b) Provision for bad & doubtful debts and advances	12.16	11.99
(c) Provision for diminution in value of investments	—	0.10
(d) Provision for wealth tax.....	0.95	0.97
	7,091.55	6,282.68
Deduct — (a) Bad debts written off (net of recoveries)	6.20	5.97
(b) Profit on sale/redemption of Investments	9.98	15.63
(c) Capital profit on sale of fixed assets	0.51	0.52
	16.69	22.12
Net profit as per Section 309(5)	7,074.86	6,260.56
Commission :	Rupees	Rupees
(a) Whole-time Directors	4,55,00,000	3,75,00,000
(b) Non Whole-time Directors — 1% of the net profits : Rs. 70.75 crores (2006-07 : Rs. 62.61 crores) restricted to	5,00,00,000	2,00,00,000
	9,55,00,000	5,75,00,000