

Notes to Schedule 4 (Page 55)

	Rupees crores	Previous Year Rupees crores
Item 2 (b) (iii) Cost of raw materials produced excludes amounts charged to wages and salaries and other revenue accounts	243.86	355.65
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	66.32	50.72
Item 4 (c) Repairs to buildings exclude amounts charged to wages and salaries and other revenue accounts	5.68	5.08
Item 4 (d) Repairs to machinery exclude amounts charged to wages and salaries and other revenue accounts	164.71	180.30
Item 4 (l) Commission, discounts and rebates include —		
(1) Commission paid to selling agents	37.34	34.60
(2) Consignment agency handling charges	25.77	28.09
(3) Discounts	18.79	24.50
Item 4 (o) Other expenses include —		
(1) Provision for diminution in value of investments	18.37	0.43
(2) Loss on cancellation of own debentures	13.69	—
(3) Expenditure on Gopalpur project written off	—	43.00
(4) Amortisation of Deferred Revenue Expenditure taken over from Tata SSL Ltd.	—	1.38
(5) Exchange (gain) / Loss (net)	(0.14)	(0.03)
(6) Fees and out-of-pocket expenses paid/payable to Auditors :	Rupees	Rupees
(i) For services as Auditors	85,00,000	65,00,000
(ii) For Company Law matters	—	—
(iii) For other services (including Rs. 35,50,000 relating to earlier year)	1,24,58,600	63,98,750
(iv) Reimbursement of travelling and out-of-pocket expenses	8,48,297	4,72,679
(v) For service tax	21,94,580	6,39,225
(vi) For Branch Audit	1,84,590	7,91,867
(7) Cost Audit Fees [including expenses Rs. 47,939 (2002-2003 : Rs. 6,785)]	1,06,179	64,185
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)	0.99	0.81
(b) Commission	3.30	1.25
(c) Perquisites	0.34	0.20
(d) Sitting Fees	0.08	0.07
	<u>4.71</u>	<u>2.33</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 contribution to Gratuity Fund, as separate figures are not available for the Managing Director and other Whole-time Directors, retirement benefits of Rs. 0.21 crore (2002-2003 : Rs. 0.02 crore) relating to a former director, retirement benefits of Rs. 0.27 crore (2002-2003 : Rs. 0.28 crore) to a former Managing Director.		
COMPUTATION OF NET PROFIT IN ACCORDANCE WITH SECTION 309(5) OF THE COMPANIES ACT, 1956.		
Profit before taxes	2665.96	1262.50
Add — (a) Managerial remuneration	4.71	2.33
(b) Provision for bad & doubtful debts and advances	88.03	92.10
(c) Provision for diminution in value of investments (including loss on cancellation of own debentures Rs. 13.69 crores)	32.06	0.43
(d) Provision for wealth tax	0.70	0.60
	<u>2791.46</u>	<u>1357.96</u>
Deduct — (a) Bad debts written off (net of recoveries)	109.87	119.48
(b) Profit on sale/redemption of Investments	14.92	4.62
(c) Capital profit on sale of fixed assets	3.27	—
	<u>128.06</u>	<u>124.10</u>
Net profit as per Section 309(5)	<u>2663.40</u>	<u>1233.86</u>
Commission :	Rupees	Rupees
(a) Whole-time Directors	2,10,00,000	90,00,000
(b) Non Whole-time Directors — 1% of the net profits : Rs. 26.63 crores (2002-2003 : Rs. 12.34 crores) restricted to	1,20,00,000	35,00,000
	<u>3,30,00,000</u>	<u>1,25,00,000</u>