

## Notes to Schedule 4 (Page 41)

	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 .....	355.65	209.37
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 .....	95.11	64.44
Item 4 (c) Repairs to buildings exclude amounts charged to wages and salaries and other revenue accounts .....	5.08	4.69
Item 4 (d) Repairs to machinery exclude amounts charged to wages and salaries and other revenue accounts .....	180.30	181.58
Item 4 (e) Relining expenses exclude amounts charged to wages and salaries and other revenue accounts .....	—	2.51
Item 4 (f) Commission, discounts and rebates include —		
(1) Commission paid to selling agents .....	34.60	24.83
(2) Consignment agency handling charges .....	28.09	33.94
(3) Discounts .....	24.50	12.16
Item 4 (o) Other expenses include —		
(1) Provision for diminution in value of investments .....	0.43	17.82
(2) Expenditure on Gopalpur project written off (See Note 10, Page 48) .....	43.00	—
(3) Amortisation of Deferred Revenue Expenditure taken over from Tata SSL Ltd. ....	1.38	—
(4) Fees and out-of-pocket expenses paid/payable to Auditors :	Rupees	Rupees
(i) For services as Auditors .....	65,00,000	65,00,000
(ii) For Company Law matters .....	—	25,000
(iii) For other services .....	63,98,750	47,60,525
(iv) Reimbursement of travelling and out-of-pocket expenses .....	4,72,679	10,65,734
(v) For service tax .....	6,39,225	5,09,100
(vi) For Branch Audit .....	7,91,867	2,18,853
(5) Cost Audit Fees (including expenses <b>Rs. 6,785</b> – 2001-2002 : <i>Rs. 29,813</i> ) .....	64,185	87,213
<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) .....	0.81	0.96
(b) Commission .....	1.25	0.92
(c) Perquisites .....	0.20	0.60
(d) Sitting Fees .....	0.07	0.07
	<b>2.33</b>	<b>2.55</b>
<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 <b>Rs. 0.02</b> crore (2001-2002 : <i>Rs. 0.02 crore</i> ) relating to a former director, retirement benefits of <b>Rs. 0.28</b> crore (2001-2002 : <i>Rs. 0.34 crore</i> ) to a former Managing Director and <b>Rs. Nil</b> (2001-2002 : <i>Rs. 0.16 crore</i> ) for the period prior to appointment as Directors.		
COMPUTATION OF NET PROFIT IN ACCORDANCE WITH SECTION 309(5) OF THE COMPANIES ACT, 1956.		
Profit before taxes .....	1262.50	251.00
Add — (a) Managerial remuneration .....	2.33	2.55
(b) Provision for bad & doubtful debts and advances .....	92.10	40.91
(c) Provision for diminution in value of investments .....	0.43	17.82
(d) Provision for wealth tax .....	0.60	0.60
	<b>1357.96</b>	<b>312.88</b>
Deduct — (a) Bad debts written off (net of recoveries) .....	119.48	(0.77)
(b) Profit on Sale/redemption of Investments .....	4.62	22.83
	<b>124.10</b>	<b>22.06</b>
Net profit as per Section 309(5) .....	<b>1233.86</b>	<b>290.82</b>
<b>Commission :</b>		
(a) Whole-time Directors .....	90,00,000	74,00,000
(b) Non Whole-time Directors — 1% of the net profits : <b>Rs. 1,233.86</b> lakhs (Previous year : <i>Rs. 290.82 lakhs</i> ) restricted to .....	<b>35,00,000</b>	<b>17,50,000</b>
	<b>1,25,00,000</b>	<b>91,50,000</b>