



NOTES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

	Rs.	2006-07 Rs.	2005-06 Rs.
Schedule 11 - Sales and Operating Income:			
a) Sales :			
Domestic Sales	14,166,825,791		7,848,316,845
Export Sales	1,298,906,647		2,902,862,238
		15,465,732,437	10,751,179,083
Less: Sales Return @		(51,020,836)	(40,066,131)
		15,414,711,601	10,711,112,952
Less: Trade, Other Discounts and Allowances #	(1,999,065,109)		(1,541,418,986)
Less: Inter Segment Revenue	(436,840,734)		(262,008,187)
		(2,435,905,843)	(1,803,427,173)
Sub Total [a]		12,978,805,758	8,907,685,779
b) Operating Income:			
Export Incentives & Assistance	68,129,909		33,670,224
@ Includes Export Sales Return of Rs. 5.56 Million (PY Nil)		68,129,909	33,670,224
# Includes Discount on Export of Rs. 3.20 Million (PY Rs. 8.14 Million)		<u>13,046,935,667</u>	<u>8,941,356,003</u>
Schedule 12 - Other Income :			
Dividend		4,540	1,762
Sundry Credit balances appropriated		7,591,644	2,279,107
Provisions no longer required		95,393,342	105,208,026
Difference in Exchange (Net)		111,411,774	-
Profit on sale of Fixed Assets (Net)		3,445,861	35,211,049
Income from Services		22,571,321	9,676,972
Miscellaneous Income		64,333,172	104,356,470
		<u>304,751,654</u>	<u>256,733,386</u>
Schedule 13 - Increase/ [Decrease] in Stock :			
Closing Stock			
- Finished Goods	2,295,888,882		1,501,537,173
- Stock in Process	11,587,551		2,424,924
		2,307,476,433	1,503,962,097
Less: Opening Stock			
- Finished Goods	(1,501,537,173)		(1,163,738,802)
- Stock in Process	(2,424,924)		(3,117,801)
Less: Re-grinding of Unserviceable / Slow Moving Finished Goods (per contra)	-		119,740,547
		(1,503,962,097)	(1,047,116,056)
Less: Opening Stock Reserve (Refer Note No. 10 of Sch. 21: Part B)		89,273,468	-
Add: Increase /(Decrease) in Excise Duty Finished Goods		(6,123,668)	(1,126,237)
		<u>886,664,136</u>	<u>455,719,804</u>
Schedule 14 - Cost of Materials Consumed, Purchases, etc. :			
Raw Materials			
Opening Stock		820,710,835	633,951,282
Add: Opening Stock of Amalgamated Company	115,100		1,801,639
Add: Purchases	9,237,608,489		6,041,014,911
Add: Re-grinding of Unserviceable / Slow Moving Finished Goods (per contra)	-		19,740,547
Less: Valuation Diff. for Carrying Value of Unserviceable / Slow Moving Items	-		(160,544,631)
Less: Inter Segment Purchases	(436,840,734)		(262,008,187)
		8,800,882,855	5,740,004,279
Less- Closing Stock		(1,405,535,184)	(820,710,835)
		<u>8,216,058,506</u>	<u>5,553,244,726</u>



Schedule 15 - Manufacturing Expenses :

	Rs.	2006-07 Rs.	2005-06 Rs.
Stores and Spares Parts Consumed		160,603,052	117,536,204
Repairs & Maintenance			
- Plant & Machinery #	12,782,873		6,288,978
- Buildings	27,311,267		14,292,824
- Others	54,363,494		42,132,176
		<u>94,457,634</u>	<u>62,713,978</u>
Power & Fuel	441,337,063		266,206,115
Lease Rent (Operating)	7,250,000		9,433,748
Other Manufacturing Expenses	261,903,377		154,481,514
		<u>710,490,439</u>	<u>430,121,377</u>
# excluding stores consumed for Repairs and Maintenance.		<u>965,551,126</u>	<u>610,371,559</u>

Schedule 16 - Payments to and provisions for employees :

Salaries, Wages, Bonus, etc. (including contractual employment)	604,417,050	309,518,444
Commission /Performance Bonus to Directors	41,997,242	7,676,600
Contribution to Provident and Other Funds	30,932,005	16,042,410
Welfare Expenses	36,036,160	17,103,465
Employee Compensation Expenses (ESOP Cost)	3,710,466	-
Provident and Other Funds Expenses	2,081,507	1,538,060
Gratuity	13,169,011	4,918,123
	<u>732,343,441</u>	<u>356,797,102</u>

Schedule 17 - Selling & Distribution Expenses :

Commission & Brokerage	116,805,639	50,963,354
Goods Outward Expenses	322,678,610	209,070,307
Export Selling Expenses	432,832,564	316,122,897
Cash Discount	55,256,664	43,365,543
Sales Tax	16,738,234	11,672,414
Excise Duty on Finished Goods Inventory	7,277,165	5,485,322
Other Selling and Distribution Expenses	173,145,360	105,908,527
	<u>1,124,734,236</u>	<u>742,588,364</u>

Schedule 18 - Administrative & Other Expenses :

Postage, Telephone & Telex	31,920,087	23,623,931
Travelling & Conveyance Expenses	116,238,306	80,868,064
Vehicle Expenses	22,317,873	20,226,614
Legal Charges and Professional Fees	71,387,772	31,441,136
Auditors' Remuneration	4,107,294	2,785,949
Rent, Rates & Taxes	64,623,336	32,350,918
Insurance Expenses	21,651,201	16,568,338
Directors' Sitting Fees	390,000	245,000
Difference in Exchange (Net)	-	73,075,889
Loss on sale of Fixed Assets (Net)	-	-
Amalgamation Expenses	4,987,836	-
Other Administrative Expenses	106,900,142	51,745,001
[includes Rs.0.03 million (Previous Year Rs.0.03 million) on amortisation of leasehold land]		
	<u>444,523,847</u>	<u>332,930,840</u>

Schedule 19 - Interest and Finance Charges :

	Rs.	2006-07 Rs.	2005-06 Rs.
Interest on Term Loans	190,746,788		134,297,274
Interest on Working Capital Loans	359,759,486		209,487,617
Interest on Others	65,727,081		33,129,341
		616,233,354	376,914,232
Less: Interest Recovered (Includes TDS Rs.0.24 million (P.Y. Rs. 0.08 million))		(72,844,241)	(19,207,710)
		543,389,113	357,706,522
Discounting Charges	102,054,741		71,100,168
Bank Commission and Charges	67,051,802		75,303,271
		169,106,543	146,403,439
		712,495,656	504,109,961

Schedule 20 - Amounts Written off and Provisions :

Amounts Written off and Provisions:			
Irrecoverable Claims	53,393,852		11,049,793
Bad Debts	12,373,495		298,077
Orchard Amortisation Expenses	2,577,952		2,480,612
Irrecoverable Bad Advances	-		133,217,666
Market Development Expenses Written off	-		7,753,335
Assets Discarded	3,510,705		298,500
Valuation Diff. for Carrying Value of Unserviceable Slow Moving Materials	-		160,544,631
Provisions for Doubtful Debts, Advances & Claims	300,000		172,083,098
		72,156,004	487,725,712
Less: Impairment on Fixed Assets no longer required		-	(299,895,000)
		72,156,004	187,830,712