

Financial  
Section,  
2003-04

**BALANCE SHEET**

As at March 31, 2004

Rupees in Millions

	Schedule No.	As at 31-03-2004	As at 31-03-2003
<b>SOURCES OF FUNDS :</b>			
<b>[1] Shareholders' Funds :</b>			
Capital	1	314	314
Reserves and Surplus	2	5081	4298
		5395	4612
<b>[2] Loan Funds :</b>			
Secured Loans	3	3437	3293
Unsecured Loans	4	620	1136
		4057	4429
<b>[3] Deferred Tax Liability [ Net ]</b>	<b>20[B-21]</b>	974	857
<b>Total</b>		<b>10426</b>	<b>9898</b>
<b>APPLICATION OF FUNDS :</b>			
<b>[1] Fixed Assets :</b>			
Gross Block	5	8460	7921
Less : Depreciation		1984	1382
Net Block		6476	6539
Capital work-in-progress		408	284
Preoperative & Project Expenses pending allocation		8	6
		6892	6829
<b>[2] Investments</b>	<b>6</b>	1381	840
<b>[3] Current Assets, Loans and Advances :</b>			
Inventories	7	1603	1756
Sundry Debtors	8	1659	1368
Cash and Bank Balances	9	372	90
Loans and Advances	10	701	826
Total		4335	4040
<b>Less : Current Liabilities &amp; Provisions :</b>			
Liabilities	11	1819	1723
Provisions	12	511	310
Total		2330	2033
<b>Net Current Assets</b>		2005	2007
<b>[4] Miscellaneous Expenditure :</b>			
[to the extent not written off or adjusted]	13	148	222
<b>Total</b>		<b>10426</b>	<b>9898</b>
<b>Significant Accounting Policies and Notes on Accounts</b>	<b>20</b>		

**As per our report of even date**For R. R. Patel & Co.,  
Chartered AccountantsFor Mukesh M. Shah & Co.,  
Chartered AccountantsPankaj R. Patel  
Chairman & Managing DirectorMukesh M. Patel  
Pranlal Bhogilal  
H. K. BilpodiwalaR. R. Patel  
ProprietorMukesh M. Shah  
PartnerJyotindra B. Gor  
Chief Accounts OfficerUpen H. Shah  
Company SecretaryH. Dhanrajgir  
Directors

Ahmedabad, Dated : 26th April 2004.

**PROFIT AND LOSS ACCOUNT**

for the year ended March 31, 2004

Rupees in Millions

	Schedule No.	Year ended 31-03-2004	Year ended 31-03-2003
<b>INCOME :</b>			
Sales		11723	10282
Less : Excise Duty		811	931
Net Sales		10912	9351
Other Income	14	719	276
<b>Total</b>		<b>11631</b>	<b>9627</b>
<b>EXPENDITURE :</b>			
Consumption of Materials and Finished Goods	15	4792	4340
General Expenses	16	3719	3186
Research Expenses	17	632	179
Interest and Financial Charges	18	232	388
Depreciation		531	382
<b>Total</b>		<b>9906</b>	<b>8475</b>
<b>Profit before Extra ordinary items and Tax</b>		<b>1725</b>	<b>1152</b>
Extra-ordinary Income / [ Expenses ] :			
Amortisation of compensation under Voluntary Retirement Scheme		(125)	(89)
Profit / [ Loss ] on assets sold / discarded [ Net ]		34	(10)
		(91)	(99)
<b>Profit before Tax</b>		<b>1634</b>	<b>1053</b>
Less : Provision for Taxation	19	205	287
<b>Profit after Tax</b>		<b>1429</b>	<b>766</b>
Add : Balance brought forward		567	327
Less: Goodwill on Amalgamation & Amalgamation Adjustment Account written off [ Refer note no. B - 1 of Sch. no. 20 ]		(92)	0
		475	327
<b>PROFIT AVAILABLE FOR APPROPRIATIONS</b>		<b>1904</b>	<b>1093</b>
<b>Appropriations :</b>			
Transfer to Debenture Redemption Reserve		150	199
<b>Dividends :</b>			
Proposed Dividend on Equity Shares		377	220
Corporate Dividend Tax on Distributed Profit		48	28
<b>Total</b>		<b>425</b>	<b>248</b>
Transfer to General Reserve		265	79
		840	526
<b>Balance carried to Balance Sheet</b>		<b>1064</b>	<b>567</b>
<b>Basic and Diluted E P S [ in Rupees ]</b>	<b>20[B-20]</b>	<b>22.75</b>	<b>12.20</b>
<b>Significant Accounting Policies and Notes on Accounts</b>	<b>20</b>		

**As per our report of even date**For R. R. Patel & Co.,  
Chartered AccountantsFor Mukesh M. Shah & Co.,  
Chartered AccountantsPankaj R. Patel  
Chairman & Managing DirectorMukesh M. Patel  
Pranlal Bhogilal  
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Directors

Ahmedabad, Dated : 26th April 2004.

## Schedules forming part of the Balance Sheet

Rupees in Millions

	As at 31-03-2004	As at 31-03-2003
<b>Schedule : 1 - Capital :</b>		
<b>Authorised :</b>		
90,000,000 Equity Shares of Rs.5/- each	450	450
500,000 Preference Shares of Rs. 100/- each	50	50
	<b>500</b>	<b>500</b>
<b>Issued, Subscribed and Paid-up :</b>		
62,806,854 [ 59,541,368 ] Equity Shares of Rs.5/- each fully paid-up	314	298
Notes : Of the above shares :		
[A] 33,034,332 [ 29,768,846 ] shares were allotted as fully paid-up pursuant to the Scheme of Arrangement & Amalgamation without payments being received in cash.		
[B] 14,885,122 shares were allotted as fully paid-up by way of Bonus shares by capitalisation of General Reserve.		
<b>Share Capital Suspense :</b>		
Nil [ 3,265,486 ] Equity Shares of Rs. 5/- each fully paid up to be issued pursuant to the Scheme of Amalgamation	0	16
<b>Total</b>	<b>314</b>	<b>314</b>
<b>Schedule : 2 - Reserves &amp; Surplus :</b>		
<b>Capital Reserve: [ Including Subsidy received ] :</b>		
Balance as per last Balance Sheet	0	292
Less : Adjusted against Goodwill arising due to Amalgamation	0	292
	0	0
<b>Capital Redemption Reserve Account :</b>		
Balance as per last Balance Sheet	20	20
Add : Amount Transferred on Amalgamation [ Refer note no. B - 1 of Sch. no. 20 ]	12	0
	32	20
<b>Share Premium Account :</b>		
Balance as per last Balance Sheet	2561	3545
Less : Adjusted against Goodwill arising due to Amalgamation	0	984
	2561	2561
<b>Debenture Redemption Reserve :</b>		
Balance as per last Balance Sheet	237	38
Add : Transfer from Profit and Loss Account	150	199
	387	237
Less: Transfer to General Reserve	63	0
	324	237
<b>General Reserve :</b>		
Balance as per last Balance Sheet	913	1000
Add : Transfer from Debenture Redemption Reserve	63	0
Add : Transfer from Profit and Loss Account	265	79
	1241	1079
Less : Adjustment of amortisation of Intangible assets [ Refer note no. B - 2 of Sch. no. 20 ]	141	0
Less : Deferred tax adjustment for prior years	0	166
	1100	913
<b>Balance in Profit and Loss Account</b>	<b>1064</b>	<b>567</b>
<b>Total</b>	<b>5081</b>	<b>4298</b>

## Schedules forming part of the Balance Sheet

Rupees in Millions

	As at 31-03-2004	As at 31-03-2003
<b>Schedule : 3 - Secured Loans</b>		
<b>1 Privately Placed Debentures :</b>		
A 70, 8.4 % Secured, Redeemable Non Convertible Debentures [ NCDs] of Rs. 10,000,000/- each consisting of two separately tradable principle parts [ STRPP] as under : - STRPP 1 representing 30 % of the face value of NCDs redeemable at par on 20th August, 2004. - STRPP 2 representing 70 % of the face value of NCDs, redeemable at par on 20th August, 2005.	700	700
B 0 [ 20 ] 7 % Redeemable Non Convertible Debentures of Rs. 1,00,00,000/- each [ Redeemed at par on 23rd September, 2003 ]	0	200
C 60 [ 0 ] 7 % Redeemable Non Convertible Debentures of Rs. 1,00,00,000/- each [ Redeemable in six equal half yearly installments commencing from Nov., 2004]	600	0
	1300	900
<b>2 Loans and Advances from Banks</b>		
A Term Loans [ Including FCL Rs. 192.8 Millions { Previous Year - Rs. Nil }]	293	350
B Working Capital Loans [ Including FCL Rs. 477 Millions { Previous Year - Rs. 413 Millions }]	569	609
C External Commercial Borrowings [ ECB ] in Foreign Currency	1049	0
D Interest accrued and due on above Rs. Nil [ As at 31-03-03 Rs. 0.06 Millions ]	0	0
	1911	959
<b>3 Other Loans and Advances :</b>		
A Term Loan from a Financial Institution [ Including FCL Rs. 226 Millions { Previous Year Rs. Nil }]	226	848
B Term Loan from Others	0	586
	226	1434
<b>Total</b>	<b>3437</b>	<b>3293</b>
<b>Securities for Loans :</b>		
1 [A] First charge by way of mortgage of immovable properties and hypothecation of movable properties of the Bulk Drug unit of the Company at Ankleshwar, Corporate Office Complex of the Company at Ahmedabad and legal mortgage of selected Trade Marks of the Company.		
[B] First pari-passue charge by way of hypothecation of movable fixed assets and mortgage of immovable properties pertaining to the Formulation Unit of the Company situated at Moraiya. [ Since satisfied]		
[C] First charge by way of mortgage of corporate office complex of the Company at Mumbai, a residential flat of the Company at Ahmedabad and legal mortgage of selected Trade Marks of the Company.		
2 [A] [ a ] Rs. 100 Millions [ As at 31-03-03 - Rs.200 Millions ] is secured by first pari passue charge by way of equitable mortgage of immovable properties and hypothecation of movable properties, both present and future, of the Formulation Unit of the Company at Moraiya, save and except current assets charged to Banks for working capital finance. Rs. Nil [ As at 31-03-03 - Rs. 150 Millions ] secured by Pledge of shares of erstwhile German Remedies Ltd. [ GRL ] held by the Company [ Since released ].		
[ b ] Rs. 192.8 Millions [ Previous year Rs. Nil ] is secured by hypothecation of three trade marks of the Company.		
[ c ] Rs. Nil [ As at 31-03-03 - Rs. 0.15 Millions ] is secured by hypothecation of the Vehicles financed under the loan.		
[B] [ a ] Secured by way of hypothecation of inventories and book-debts, both present and future of the specific division for which facilities are availed by the Company.		
[ b ] Out of total, Rs. 443.2 Millions [ As at 31-03-03 Rs. 420 Millions ] are further secured by pledge of titles to the goods despatched, besides second charge on all the fixed assets of the Formulation Unit of the Company at Moraiya and Plant and Machineries of the Bulk Drug Unit of the Company at Ankleshwar.		
[ c ] The charges rank pari passue amongst banks in the respective consortium.		

## Schedules forming part of the Balance Sheet

- 2 [ C ] [ a ] Rs. 874 Millions [ Previous year Rs. Nil ] are secured by first equitable mortgage of immovable properties and hypothecation of movable properties, both present and future, of the Formulation unit of the Company at Moraiya, save and except current assets charged to banks for working capital finance loans to rank pari passue between lenders.
- [ b ] Rs. 175 Millions [ Previous Year Rs. Nil ] is secured by first mortgage of immovable properties and hypothecation of movable properties, both present and future of the Formulation unit situated at Ponda, Goa save and except current assets charged to Banks for working capital finance loans .
- 3 [ A ] [ a ] First pari-passue charge by way of equitable mortgage of immovable properties and hypothecation of movable properties, both present and future, of the Formulation Unit of the Company at Moraiya, save and except current assets , charged to banks for working capital finance loan, to rank pari passue with other lenders .
- [ b ] Rs. Nil [ As at 31-03-03 Rs. 73 Millions ] out of above are further secured by way of hypothecation of eight trade marks of the Company [ Since satisfied ] .
- [ c ] Rs. Nil [ As at 31-03-03 Rs. 400 Millions ] out of 3 [ A ] [ a ] are further secured by way of hypothecation of one trademark of the Company [ Since satisfied ] .
- [A&B] Rs. Nil [ As at 31-03-03 Rs. 375 Millions ] out of 3 [A] [ a ] and Rs.Nil [As at 31-03-03 - Rs. 586 Millions ] of 3[B] are secured by way of first pari-passue charge by way of
- [ I ] Mortgage of immovable properties and hypothecation of movable properties, including trademarks and other intangible properties of the erstwhile Recon Healthcare Limited [ since amalgamated with the Company ], both present and future, save and except current assets, charged to a bank for working capital finance [ since satisfied ] .
- [ II ] Pledge of 3934837 shares of the erstwhile German Remedies Ltd. held by the erstwhile Recon Healthcare Ltd. [ since released ] .
- [ III ] Pledge of 29999800 shares of the erstwhile Recon Healthcare Ltd. held by Cadila [ since released ]

## Rupees in Millions

	As at 31-03-2004	As at 31-03-2003
<b>Schedule : 4 - Unsecured Loans</b>		
1 Fixed Deposits [ Rs. 0.24 Millions ]	0	233
2 Short - term Loans from Banks	200	200
3 Other Loans and Advances :		
<b>A Commercial Paper issued to a Bank</b> [ Maximum amount due during the year Rs.100 Millions { Previous year Rs. 350 Millions } ]	0	100
<b>B Interest free deemed loan against deferment of sales tax</b>		
a From a Financial Institution	194	192
b Deferred amount	189	110
	383	302
<b>C From a Financial Institution</b>	4	0
<b>D From Others</b>	33	51
<b>Total</b>	420	453
4 Privately Placed Debentures :		
0 [ 5,00,000 ], Zero interest, non-convertible Debentures of Rs. 100/- each, redeemed on 16th May, 2003 held by some Directors.	0	50
0 [ 20 ], 6.45 % Interest bearing , non-convertible Debentures of Rs. 1,00,00,000 each . Redeemed on 23rd May , 2003 held by a Bank.	0	200
	0	250
<b>Total</b>	<b>620</b>	<b>1136</b>

Note : Loan at [ 3 - B ] is subject to first and / or second charge to be created on the fixed assets of the formulation unit of the Company at Moraiya, to rank pari passue with other lenders. Pending creation of this security amount upto Rs. 85 Millions [ As at 31-03-03 - Rs. 85 Millions ] is secured by personal guarantee of a Managing Director of the Company.

## Schedules forming part of the Balance Sheet

Schedule : 5 - Fixed assets																
Rupees in Millions																
Nature of Fixed Assets	Gross Block						Depreciation						Net Block			
	As At 31-03-03			Additions			Sales and / or adj. during the year			As At 31-03-04			Upto 31-03-04		As At 31-03-03	
	Opening Balance	Acquired under the Scheme	Total	During the year			On Sales and / or adj. during the year	For the year	Upto 31-03-04	Upto 31-03-04	As At 31-03-04	As At 31-03-03				
Freehold Land	469	11	480	32	321	191	0	0	0	0	191	469	0	191	469	
Leasehold Land	46	0	46	36	0	82	5	0	5	1	82	41	6	76	41	
Buildings	1705	22	1727	76	11	1792	184	4	188	49	1570	1521	222	1570	1521	
Plant & Machinery	2963	61	3024	435	73	3386	809	15	824	213	2401	2154	52	985	2154	
Furniture, Fixtures & Office Equipments	341	3	344	31	16	359	94	1	95	20	257	247	13	102	247	
Vehicles	130	2	132	23	14	141	42	0	42	13	95	88	9	46	88	
Trademarks, Technical Know-how Patents & Designs	2217	0	2217	237	0	2454	202	0	202	231	1881	2015	(140)	573	2015	
Commercial Rights	50	0	50	5	0	55	46	0	46	4	5	4	0	50	4	
<b>Total</b>	<b>7921</b>	<b>99</b>	<b>8020</b>	<b>875</b>	<b>435</b>	<b>8460</b>	<b>1382</b>	<b>20</b>	<b>1402</b>	<b>531</b>	<b>6476</b>	<b>6539</b>	<b>(51)</b>	<b>1984</b>	<b>6476</b>	
2002-2003	3901	2382	6283	1676	38	7921	527	538	1065	382	6539		65	1382	6539	

Notes :

- Buildings include Rs. 0.02 [ As At 31-03-03 Rs. 0.02 ] Millions being the value of Shares held in Co-operative housing Societies.
- Additions of Rs. 269 [ Previous Year - Rs. 17 ] Millions in Research Assets during the year are included in additions column, under the respective heads, of gross block as above.
- Legal title of some of the immovable properties Acquired pursuant to the scheme of Amalgamation are in the process of being transferred in the name of the Company.
- Additions includes Rs. Nil [ Previous Year - Rs. Nil ] Millions being increase in liability as a consequence of change in exchange rate for loans obtained in foreign currency for acquiring Assets.

## Schedules forming part of the Balance Sheet

Rupees in Millions

	Nos.[*]	Face Value[**]	As at 31-03-2004	As at 31-03-2003
<b>Schedule : 6 - Investments [ At cost ]</b>				
<b>Long Term Investments :</b>				
<b>In Government Securities [Unquoted] :</b>				
National Savings Certificates [ Lodged with Govt. Auth. as security ] [ Rs. 15,350/-]			0	0
Kisan Vikas Patra [ Lodged with Sales Tax Auth. as security ] [ Rs. 9,000 ]^			0	0
			0	0
<b>In Shares, Debentures and Bonds :</b>				
<b>Subsidiary companies [ Unquoted ] :</b>				
In fully paid-up equity shares of :				
[ # ] Banyan Chemicals Ltd.	0 [ 3511815 ]	10	0	206
Dialforhealth India Ltd.	5000000	10	50	50
German Remedies Ltd.	24000	100	2	2
Zydus International Pvt. Ltd. , Ireland	6079000 [ 100000 ]	£1	470	7
Zydus Pharmaceuticals Ltd.	950000	10	10	10
Sub-total			532	275
<b>Trade Investments [ Unquoted ] :</b>				
In fully paid-up equity shares of :				
Companies under the same Management :				
Zydus Altana Healthcare Pvt. Ltd.	10000000	10	100	100
Sarabhai Zydus Animal Health Ltd.	27000000 [25000000]	10	270	250
			370	350
In fully paid-up Series B & C Convertible Preferred Stock of :				
Onconova Therapeutic Inc. USA	802638 [521739]	\$0.01	187	140
Total Trade Investments			557	490
<b>Other Investments :</b>				
<b>Quoted :</b>				
In fully paid-up Equity Shares of :				
The Zandu Pharmaceuticals Works Ltd.	13523	10	78	78
HDFC Bank Ltd. [ Rs. 10,850/- ]^	800	10	0	0
Housing Development Finance Corporation Ltd.	43900	10	1	1
Saket Projects Ltd. [ Rs. 50,000/- ]^	5000	10	0	0
Total			79	79
<b>Unquoted :</b>				
In Units of Mutual Funds :				
Unit Trust of India - M I P - 1999	3580000	10	38	38
Total			38	38
In fully paid-up equity shares of :				
Pharmaceutical Business Group [I] Ltd.	999800	10	10	10
Co. Op. Bank of Ahmedabad Ltd. [ Rs. 50/- ]^	2	25	0	0
Bharuch Enviro Infrastructure Ltd. [ Rs. 12,140/- ]^	1214	10	0	0
Bharuch Eco - Acqua Infrastructure Ltd	256505	10	3	1
[As at 31-03-03 partly paid up Rs. 4/- per share]				
Enviro Infrastructure Co. Ltd.	50000 [0]	[ 10 ][0]	1	0
Total			14	11



## Schedules forming part of the Balance Sheet

Rupees in Millions

	Nos. [*]	Face Value [**]	As at 31-03-2004	As at 31-03-2003
<b>Schedule : 6 - Investments (At cost)</b>				
In fully paid-up Bonds of :				
<b>Rural Electrification Corporation Ltd.</b>				
- 5.15 %, 5 Year Capital Gains Bonds, Series - III	10500 [0]	10000 [0]	105	0
<b>National Housing Bank Ltd.</b>				
- 5.10 %, 5 Year Capital Gains Bonds, 2002	10000 [0]	10000 [0]	100	0
<b>National Bank for Agricultural &amp; Rural Development</b>				
- 5 %, 5 Year Capital Gains Bonds.	1000 [0]	10000 [0]	10	0
<b>Unit Trust of India</b>				
- 6.75% Tax free US-64 Bonds	34515	100	4	4
Total			219	4
Total			271	15
<b>Total Other Investments</b>			350	53
<b>Total Investments in Shares, Debentures &amp; Bonds</b>			1439	897
<b>Contribution to the Corpus of Gujarat Venture Capital Fund:</b>				
1990 [ Rs. 0.11 { As at 31-03-03 Rs. 0.16 } Millions ]	-	-	0	0
1995	-	-	2	2
<b>Share Application Money for equity shares [ Rs. 0.5 Millions ]</b>			2	2
Total			0	1
Less : Provision for diminution in value of Investments			1441	900
Aggregate Book Value of Investments :			60	60
Unquoted			1381	840
Quoted [ Market Value Rs 63 Millions { As at 31-03-2003 Rs. 72 Millions} ]			1362	821
Total			19	19
Note :			1381	840
In `Nos. [*]' figures of Previous year are same unless stated in [ ]				
In Face Value [**], figures in Indian Rupees unless stated otherwise.				
[#] Amalgamated with the Company w.e.f. 1st April, 2003				
[ Refer note no. B-1 of Sch. no. 20 ]				
[^] Figures in bracket denotes absolute Rupees.				
<b>Schedule : 7 - Inventories</b>				
[As taken, valued and certified by the management]				
Stores and Spare Parts			57	82
Stock-in-Trade :				
Raw Materials			441	503
Packing Materials			63	68
Finished Goods			703	719
Total			1207	1290
Works-in-progress			339	384
Total			1603	1756
<b>Schedule : 8 - Sundry Debtors : [ Unsecured ] :</b>				
Debits outstanding for a period exceeding six months :				
Considered good			79	92
Considered doubtful			9	23
Total			88	115
Less: Provision for doubtful debts			9	23
			79	92
Other debts - Considered good				
Due from subsidiary companies [ Refer note no. B-9 of sch.no.20 ]			0	124
Others			1580	1152
Total			1580	1276
<b>Total</b>			<b>1659</b>	<b>1368</b>

## Schedules forming part of the Balance Sheet

Rupees in Millions

	As at 31-03-2004	As at 31-03-2003
<b>Schedule : 9 - Cash and Bank Balances</b>		
Cash balance on hand	4	4
Bank Balances :		
With Scheduled Banks :		
In Current Accounts	246	66
In Fixed Deposit Accounts	106	8
[Out of this, fixed deposits of Rs. 57 Millions { As at 31-03-2003 Rs.4 Millions } have been pledged with Banks as Margin Money for Guarantees issued and fixed deposits of Rs. 0.3 Millions { As at 31-03-2003 Rs. 0.3 Million } have been pledged with Sales-Tax Authorities ]		
In Foreign Currency Current Accounts	15	12
	367	86
With Other Banks :		
In Current Account with Bank Austria Creditanstalt, Moscow, in foreign currency a/c [ Maximum amount outstanding during the year Rs 1.8 Million [ Previous year Rs.1 Million ]]	1	0
<b>Total</b>	<b>372</b>	<b>90</b>
<b>Schedule : 10 - Loans and Advances</b>		
[Considered Good , unsecured unless otherwise stated ]		
Advances to subsidiary companies [ Refer note no. B-10 of Sch.no. 20 ]	99	40
Advances recoverable in cash or in kind or for value to be received :		
Secured		
Inter corporate loan	0	179
Advances to a Joint Venture Company [ Refer note no. B-11 of Sch.no. 20 ]	81	89
Others [ Include loan to an Officer Rs. 0.1 { as at 31-03-03 Rs. 0.1 } Millions ] [ Maximum balance due during the year Rs. 0.1 { Previous Year Rs. 0.1 } Millions ]	2	3
Total	83	271
Unsecured :		
Inter corporate loan	0	17
Others	381	398
	381	415
	563	726
Advance payment of Income Tax [ net of provision ]	22	22
Balances with Custom / Central Excise Authorities	114	76
Interest receivable from others	2	2
<b>Total</b>	<b>701</b>	<b>826</b>

## Schedules forming part of the Balance Sheet

Rupees in Millions

	As at 31-03-2004	As at 31-03-2003
<b>Schedule : 11 - Current Liabilities</b>		
Acceptances	166	329
Sundry Creditors :		
Small scale Industrial Undertakings	57	48
For Capital Goods	35	59
Others	1371	1134
Subsidiary Companies	52	47
Total	1515	1288
Advances from Debtors	30	17
Trade Deposits	25	41
Investor Education and Protection Fund [ * ] :		
Unclaimed dividends	8	6
Matured but unclaimed Fixed Deposits [ Rs. 0.01 {As at 31-03-03 Rs. 0.33 } Millions ]	0	0
Interest payable on matured but unclaimed fixed deposits [ Rs. 0.01 { As at 31-03-03 Rs. 0.14 } Millions ]	0	0
Total [*][ There are no amounts due and outstanding to be credited to Investor Education and Protection Fund ]	8	6
Interest accrued but not due on loans	75	42
<b>Total</b>	<b>1819</b>	<b>1723</b>
<b>Schedule : 12 - Provisions</b>		
Proposed dividend	377	220
CDT on Proposed Dividend	48	28
Provision for retirement benefits	86	62
<b>Total</b>	<b>511</b>	<b>310</b>
<b>Schedule : 13 - Miscellaneous Expenditure [ To the extent not written off or adjusted ]</b>		
Preliminary Expenses	0	1
Debenture Issue Exp. / Discount on Debentures	0	1
Compensation under Voluntary Retirement Scheme	148	220
<b>Total</b>	<b>148</b>	<b>222</b>

## Schedules forming part of the Profit and Loss Account

Rupees in Millions

	Year ended 31-03-2004	Year ended 31-03-2003
<b>Schedule : 14 - Other Income</b>		
<b>A Dividends [ Gross ] :</b>		
From Long Term - Trade Investments in :		
Subsidiaries	2	42
Joint Ventures	600	200
Total	602	242
From Long Term Non - Trade Investments - Others	5	9
Total Dividend received [ T. D. S. Rs. Nil { Previous Year - Rs. 9 } Millions ]	607	251
<b>B Others :</b>		
Cash Discount	5	4
Rent Received [ T.D.S. Rs 0.03 { Previous year Rs. 2 } Millions ]	2	2
Surplus on account of fluctuations in foreign exchange rates [ net ]	70	0
Prior period Income [ Net ]	3	0
Miscellaneous Income [ T.D.S. Rs 2.9 { Previous year - Rs. 0.4 } Millions ]	32	19
	112	25
<b>Total</b>	<b>719</b>	<b>276</b>
<b>Schedule : 15 - Consumption of Materials and Finished Goods</b>		
<b>Raw Materials :</b>		
Stock at commencement	503	223
Stock at commencement acquired under the Scheme	6	49
Add : Purchases	2477	2790
	2986	3062
Less : Stock at close	441	503
	2545	2559
<b>Packing Materials</b>	337	419
<b>Purchases of Finished Goods</b>	1838	1453
<b>Decrease [ Increase ] in Stock of Finished Goods &amp; Work-in-process :</b>		
Stock at close :		
Finished Goods	703	719
Works-in-progress	339	384
	1042	1103
Less : Stock at commencement		
Finished Goods	719	473
Works-in-progress	384	274
	1103	747
Less:-Stock at commencement acquired under the Scheme:		
Finished Goods	9	213
Works-in-progress	2	52
Total	11	265
	72	(91)
<b>Total</b>	<b>4792</b>	<b>4340</b>

## Schedules forming part of the Profit and Loss Account

Rupees in Millions

	Year ended 31-03-2004	Year ended 31-03-2003
<b>Schedule : 16 - General Expenses</b>		
Personnel expenses :		
Salaries, wages and bonus	989	786
Company's contribution to provident & other funds	113	95
Staff welfare expenses	65	67
	1167	948
Stores and spare parts consumed	118	75
Power & fuel	181	196
Processing Charges	110	102
Insurance	39	37
Repairs :		
Buildings	13	16
Plant and Machinery	24	23
Others	20	19
	57	58
Rent	17	14
Rates and Taxes	3	15
Managing Director's Remuneration	81	56
Commission to Directors	1	0
Travelling Expenses	204	173
Deficit on account of fluctuations in foreign exchange rates [ net ]	0	36
Legal and Professional fees	282	106
Miscellaneous Expenses	280	270
Selling & Distribution Expenses :		
Commission on sales	137	119
Freight and forwarding on sales	133	120
Sales promotion expenses	264	177
Advertisements	141	115
Seminar, Conference and Exhibition	113	107
Representative Allowance and Incentives	192	136
Other marketing expenses	157	204
	1137	978
Bad debts written off	18	26
Preliminary Expenses written off [ Rs 0..32 { Previous year - Rs. 0.32 } Millions ]	0	0
Directors' fees [ Rs 0.18 { Previous year - Rs. 0.02 } Millions ]	0	0
Loss on sale of investments [ net ]	0	11
Provision for diminution in value of Investments	0	60
Donations	24	25
<b>Total</b>	<b>3719</b>	<b>3186</b>

## Schedules forming part of the Profit and Loss Account

Rupees in Millions

	Year ended 31-03-2004	Year ended 31-03-2003
<b>Schedule : 17 - Research Expenses</b>		
Personnel expenses :		
Salaries, wages and bonus	80	55
Company's contribution to provident & other funds	7	6
Staff welfare expenses	6	4
	93	65
Research Materials	196	44
Analytical Expenses	240	0
Administrative Expenses	79	43
Others	24	27
<b>Total [ Excluding depreciation of Rs. 43.7 { Previous Year - Rs. 33.6 } Millions ]</b>	<b>632</b>	<b>179</b>
<b>Schedule : 18 - Interest and Financial Charges</b>		
Interest :		
On term loans	92	263
On debentures	102	44
On working capital loans from banks	31	40
Others	17	52
	242	399
Discount on debentures written off	1	5
Bank commission & charges	43	38
	286	442
Less : Interest earned [ Gross ] :		
From Long Term Investments	3	0
Others [T.D.S. on Interest - Rs 3.3 Millions { Previous year Rs. 10 Millions }]	51	54
Total	54	54
<b>Total</b>	<b>232</b>	<b>388</b>
<b>Schedule : 19 - Provision for Taxation</b>		
Current Tax	105	85
Deferred Tax	117	193
Total	222	278
Add [ Less ] : Prior year's tax adjustments	(17)	9
<b>Total</b>	<b>205</b>	<b>287</b>

## Schedules forming part of the Balance Sheet and Profit and Loss Account

### Schedule : 20 - Significant Accounting Policies & Notes on Accounts

#### A Significant Accounting Policies :

##### 1 Basis of Accounting :

The financial statements are prepared under the historical cost convention on the "Accrual Concept" of accountancy in accordance with the accounting principles generally accepted in India and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable & with the relevant provisions of the Companies Act, 1956.

##### 2 Fixed Assets and Depreciation :

A Fixed Assets are stated at historical cost of acquisition / construction less accumulated depreciation. Cost [ Net of Cenvat credit received / receivable ] includes related expenditure and pre-operative & project expenses for the period upto completion of construction / assets are put to use.

B Depreciation is provided on "straight line method" as per Section 205 (2) (b) of the Companies Act, 1956 at the rates prescribed in Schedule XIV thereto

C Leasehold land is amortized over the period of the lease.

D The cost of acquisition of Trade Marks and Technical Know-how Fees is amortised over its estimated economic life of ten years.

E Depreciation on additions / disposals of the fixed assets during the year is provided on pro-rata basis according to the period during which assets are put to use.

##### 3 Borrowing Costs :

Net costs of borrowed funds for project are capitalised and included in the cost of concerned fixed assets till its completion and other borrowing costs are recognised as an expense in the period in which they are incurred.

##### 4 Expenditure during the Construction Period :

The expenditure incidental to the expansion / new projects are allocated to Fixed Assets in the year of commencement of the commercial production.

##### 5 Investments :

A Long term and strategic investments are stated at cost, less any diminution in the value other than temporary.

B Current investments are stated at lower of cost and fair value determined on individual investment basis.

##### 6 Inventories :

A Raw Materials, Stores & Spare Parts, Packing Materials, Finished Goods and Works-in-Progress are valued at lower of cost and net realisable value.

B Cost [ Net of Cenvat credit availed ] of Raw Materials, Stores & Spare Parts, Packing Materials & Finished Goods is determined on FIFO basis.

C Cost of Finished Goods and Works-in-Progress is determined by taking material cost ( net of cenvat credit availed ), labour and relevant appropriate overheads.

##### 7 Revenue Recognition :

A Sales of products in domestic market are recognised when they are invoiced to customers and includes Processing Charges, excise duty & inter unit transfer of Bulk Drugs for captive consumption, but excludes sales tax and trade discounts.

B Revenue in respect of export sales is recognised on shipment / air lift of products. Export benefits / incentives are accounted on accrual basis and grouped with sales.

C Dividend income is recognised when the unconditional right to receive the income is established.

D Interest income is recognised on time proportionate method.

E Revenue in respect of other income is recognized when no significant uncertainty as to its determination or realisation exists.

##### 8 Foreign Currency Transactions :

A The transactions in foreign currencies on revenue accounts are stated at the rates of exchange prevailing on the date of transaction.

B The net gain or loss on account of exchange differences either on settlement or on translation are recognised in the Profit & Loss Account, except in cases where they relate to acquisition of Fixed Assets, the same are adjusted to the carrying cost of respective Fixed Assets.

C The foreign currency assets and liabilities covered by forward contracts are stated at forward contract rates, while those not covered by forward contracts are restated at the prevailing exchange rates at the year end. The premium in respect of forward contracts is accounted over the period of the contract.

D Investments in shares of foreign subsidiary and other Companies are expressed in Indian Currency at the rates of exchange prevailing at the time when the original investments were made.

##### 9 Research and Development Cost :

A Revenue expenditure on research and development is charged to the profit and loss account of the year in which it is incurred.

B Capital expenditure on research and development is given the same treatment as Fixed Assets.

##### 10 Excise Duty :

Excise Duty is accounted gross of Cenvat benefit availed on inputs and Fixed Assets.

## Schedules forming part of the Balance Sheet and Profit and Loss Account

### Schedule : 20 - Significant Accounting Policies & Notes on Accounts

#### 11 Retirement Benefits :

- A Contribution to Provident Fund and Superannuation Scheme accruing during each year as per the schemes are charged to Profit and Loss Account.
- B Gratuity and Leave encashment liabilities are charged to Profit and Loss Account on the basis of actuarial valuation.

#### 12 Miscellaneous Expenditure Not Written Off :

- A Discount on issue of debentures and debenture Issue expenses are amortised proportionately over the tenure of debentures.
- B Preliminary expenses are written off over a period of five years .
- C The compensation paid to the employees under Voluntary Retirement Scheme is amortised over a period of 42 months.

#### 13 Provision for Bad and Doubtful Debts / Advances :

Provision is made in accounts for Bad & Doubtful Debts / Advances which in the opinion of the Management are considered irrecoverable.

#### 14 Taxes on Income :

- A Current tax is determined on the basis of the amount of tax payable on taxable income for the year.
- B In accordance with Accounting Standard 22 - "Accounting for Taxes on Income", issued by the Institute of Chartered Accountants of India, amount of the deferred tax for timing differences between the book and tax profits for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the balance sheet date. Deferred tax assets arising from temporary timing differences are recognised to the extent there is reasonable certainty that the assets can be realised in future.

#### B Notes on Accounts :

- 1
  - A In terms of the Scheme of Amalgamation (the Scheme) of Banyan Chemicals Limited [ Banyan ] a wholly owned subsidiary of the Company [ referred to as Transferor Company ], whose business include manufacturing and marketing of active pharmaceutical products, was sanctioned by the Order of the Hon. Gujarat High Court [dated 25th March 2004], effective Date under the Scheme being 13th April 2004, the accounts of Banyan have been amalgamated with the Company w.e.f. the appointed date under the Scheme , being 1st April 2003.
  - B In accordance with the Scheme,
    - a All the assets and liabilities of the Transferor Company stand transferred to and vested in the Company with effect from the Appointed Date at their carrying amount appearing in the books except :
      - i land and buildings, which are recorded at their estimated market value, net of taxes, duties, etc., as at the Appointed Date.
      - ii adjustments are made wherever necessary to conform to the accounting policies and methods adopted by the Company.
    - b The amalgamation has been accounted under the "Purchase Method" in terms of Accounting Standard [ AS ] - 14 on "Accounting for Amalgamations".
    - c All the shares of Banyan have been extinguished.
    - d The surplus in the aggregate value of the assets over the aggregate value of the liabilities of the Transferor Company taken over by the Company, after adjusting for Carrying amount of investments in the Transferor Company held by the Company as on the Effective Date has been debited to the extent of Rs. 80 Millions to the Goodwill Account as per the Scheme approved by the Hon. Gujarat High Court and Capital Redemption Reserve of Rs. 12 Millions is transferred by debiting to Amalgamation Adjustment Account as per the Accounting Standard - 14 issued by the Institute of Chartered Accountants of India.
    - e Pending completion of the formalities of transfer of titles of some of the assets taken over under the Scheme, such assets remain included in the books of the Company under the name of the transferor Company.
    - f Following prudent policy , the company has written off the Goodwill amounting to Rs. 80 Millions and Amalgamation adjustment account amounting to Rs. 12 Millions to Profit & Loss Account
    - g In view of the aforesaid Scheme of Amalgamation w.e.f. 1st April 2003, the figures of the current year are not comparable with those of Previous year.
- 2 To comply with the Accounting Standard - 26 issued by the Institute of Chartered Accountants of India , the Company has amortised the Trade Marks and Technical Know-how fees over a period of ten years instead of prevailing practice of amortising over a period of seventeen years. The difference of Rs. 141 Millions upto 31st March 2003 has been adjusted against the General Reserve. Had the past policy been continued, the profit for the year would have been higher by Rs. 83.1 Millions.



## Schedules forming part of the Balance Sheet and Profit and Loss Account

### Schedule : 20 - Significant Accounting Policies & Notes on Accounts

- 3 A The names of Small Scale Industrial Undertakings to whom amounts outstanding as on 31st March, 2004 are as under :
- M/s A D Yevale & Co., M/s A H Enterprises, M/s A To Z Housekeeping Services, M/s A. K. Laboratories Ltd, M/s Aaba Electricals, M/s Aaditya Polycontainers P. Ltd., M/s Aakar (India) M/s Aashai Chemical, M/s Abcenterprises, M/s Ab-Enterprise, M/s Abhi Plast, M/s Abin Export India, M/s Adelab Enterprises, M/s Adelab Products, M/s Adit Containers Pvt. Ltd., M/s Adit Pharma Pvt. Ltd., M/s Agilent Technologies, M/s Airtech, M/s Akshay Marketing, M/s Alpha Industries, M/s Alpha Paper Containers, M/s Alpha-Tech, M/s Amar Engineering, M/s Amaroc Industrial Launderers, M/s Ambe Packaging, M/s Ameya Construction, M/s Ameya Enterprises, M/s Amijal Chemicals, M/s Amishi Drugs & Chemicals, M/s Amkette Analytics Ltd., M/s Anatek Services Pvt. Ltd., M/s Anatek Services, M/s Anchrom Analytical Pvt.Ltd., M/s Anil Electrical Co., M/s Anil R Gaude, M/s Antipest Treatments, M/s Apollo Enterprises, M/s Apollo Overseas Inc., M/s Aquatech, M/s Archana Glass Works Pvt. Ltd., M/s Archana Glass Works., M/s Arihant Corporation, M/s Arpan International, M/s Art-O-Print, M/s Aruna Engineering Works, M/s Ashco Analytical Services, M/s Ashco Industries Ltd., M/s Ashoka Bearing Enterprises, M/s Astral Pharmaceuticals Ind, M/s Aushyan Marketing Pvt Ltd, M/s Auto Control Industries, M/s Autofits, M/s Auto-Tex, M/s Av Graphics, M/s Avon Engg. Co., M/s Award Offset Pri & Pkg Pvt Ltd, M/s Award Packaging, M/s Azide & Allied Chemicals, M/s B Patel & Company, M/s B. N. Pawar., M/s B.S. Fabricators, M/s Balaji Automobiles, M/s Balakrishna Enterprises., M/s Bangalore Pharma.& Research Lab.P.L. M/s Beacon Diagnostics Pvt Ltd M/s Beam Offset Pvt. Ltd., M/s Bee Pharmo Labs Pvt. Ltd., M/s Benzo Chem Industries Pvt. Ltd., M/s Bhandarkar Equipments., M/s Bhansali Packwel, M/s Bharat Rubber Works M/s Bhavani Industries, M/s Bhavin Containers Pvt. Ltd., M/s Bhavna Roadways, M/s Blue Dart Express Ltd. Goa, M/s Bobphill, M/s Bombay Ampoules Pvt. Ltd., M/s Brajesh Packaging Pvt. Ltd., M/s Brite Proofings, M/s Business Combine Corporation, M/s Canton Laboratories, M/s Caps India, M/s Carewell Pharmaceutical, M/s Chemical Centre, M/s Chemofarbe Industries, M/s Chemofine Industries, M/s Chromatopak Anal. Inst. Pvt.Ltd., M/s Chromline Equipment (I) P. Ltd., M/s Classic Rubber Industry, M/s Colourflex Laminators Ltd, M/s Compu - Tech, M/s Computer Needs, M/s Computerskill Limited., M/s Control Print(India) Limited., M/s Cooline Manufacturers Pvt. Ltd., M/s Creative Cartons, M/s Creative Printers Pvt. Ltd., M/s Crystal Forms Ltd., M/s Crystal Solvents Pvt. Ltd., M/s Csi Telecoms Pvt. Ltd., M/s D M Printers, M/s D. I. Gadvi, M/s Danfoss Industries Pvt. Ltd., M/s Darshan Enterprises, M/s Data Processing Forms Pvt.Ltd M/s Deepak Industries, M/s Delstar Pvt. Ltd., M/s Delta Marketing, M/s Devaki-Krishna Art Printers, M/s Devdatta Mhapsekar, M/s Dichelle Mallyn, M/s Dikshit Consultants & Engg Pvt Ltd, M/s Dinishi Ampoule Makers P Ltd., M/s Doshi Ion Exc. & Chem. Ind. Ltd., M/s Dot Graphics Pvt Ltd, M/s Dtdc Courier & Cargo Ltd -Bangalore, M/s Dtdc Courier & Cargo Ltd., M/s Dubas Engg Pvt. Ltd., M/s Durak Enterprises, M/s Elder Instrumts Pvt. Ltd., M/s Electro Engineering Enterprise., M/s Electro Pharma., M/s Electrol Controls, M/s Environmental Products (I) P. L., M/s Eroze Cosmetics, M/s Essae-Teraoka Limited, M/s Eternal Communication, M/s Eureka Forbes Ltd., M/s Evernight Corporation M/s Evershine Enterprises, M/s F M Clear Point, M/s F. M. Instrumentation, M/s Fairdeal Diagnostics M/s Fibre Foils Limited, M/s Fibre Plast Equipments, M/s Filtra Technopak CI Sys Ltd, M/s Five Star Pharmaceuticals, M/s Flame Pharmaceuticals Pvt. Ltd., M/s Flexipack, M/s Ganga Chemicals, M/s Good Luck Traders, M/s Goodwill Furnitures, M/s Govind Poy Oxygen Ltd., M/s Graphic Art, M/s Graphica, M/s Gujarat Microwax Limited, M/s Gujarat Polythene Industries, M/s Hall Mark Plastics Pvt Ltd., M/s Hamish Engineering Ind. Pvt. Ltd., M/s Harison Ac Refrigeration, M/s Hbr Packaging, M/s Heikoo Chemicals, M/s Hemant Trading Company., M/s Hi Tec Power Controls, M/s Hi-Chem Distributors, M/s Hiena Pharma, M/s Hi-Tech Corrosion Control & Mech Ser., M/s Hydroflex Hose Industries, M/s Imaging Techniques, M/s Imprint Industries, M/s Indequip Ltd., M/s Indequip Scientific Enterprise, M/s Indian Scientific Glass Industries, M/s Indo Overseas Trading Agency, M/s Indopharma, M/s Innovating Industries, M/s International Chemical Supplier, M/s Ion Exchange Services (South) Ltd., M/s J N B Pharma Pvt Ltd, M/s Jai Rubber Enterprises, M/s Jal Ampoule Cares Pvt Ltd, M/s Jalvi Enterprise., M/s Jay Chem Marketing, M/s Jayflow Industries, M/s Jewel Packaging Pvt.Ltd., M/s Jewel Paper (P) Ltd., M/s Jignesh Agency, M/s Jms Services, M/s K Flexipack, M/s K. P. Packaging, M/s Kailash Associates, M/s Kaisha Manufacturers Pvt. Ltd., M/s Kaizan Marketing, M/s Kapoor Glass (Indai) Pvt Ltd., M/s Kaps Printers, M/s Karnavati Plastomech, M/s Karnavati Offset Pvt Ltd, M/s Karuy Therapeutics Pvt Ltd, M/s Kheraj Electrical Ind.(P) Ltd., M/s Kingdom Industries, M/s Kishore Industries M/s Klassic Gold, M/s Klasspack Pvt.Ltd., M/s Klean Laboratories, M/s Komal Pharmaceuticals, M/s Kompess (I) Pvt Ltd, M/s Kqs Enterprises, M/s Kunal Enterprises, M/s Kunal Marketing M/s Kunde Enterprises, M/s Kurvi Marketing Designing, M/s Lab India Services, M/s Lansh Technical Services, M/s Laxmi Engineering Works., M/s Laxmi Tours & Travels, M/s Letra Graphix Pvt. Ltd., M/s Liberty Art Printers, M/s Link Hospitality Services, M/s Machinery & Allied Traders, M/s Mahalaxmi Enterprises, M/s Mahalsa Services, M/s Maharshi Labels Pvt Ltd., M/s Makcur Laboratories Ltd., M/s Maniram Enterprises, M/s Manish Industries, M/s Manohar Roadlines, M/s Mansur Enterprises, M/s Marine Electricals Agencies., M/s Mark All Corporation, M/s Mark Bond Coatings Industries, M/s Maruti Containers, M/s Mauli Communications & Stationers, M/s Maulik Plastic Industries, M/s Maximaa Systems Ltd, M/s Mayur Elec. & Hardware Stores., M/s Mds Automation, M/s Mediwin Pharmaceuticals, M/s Megatrend Corporation M/s Mehk Chemicals Private Ltd, M/s Merchant & Sons, M/s Mettler Toledo India Pvt Ltd, M/s Mevish Pharma Equipments Works., M/s Microlit Instruments M/s Microwave Systems, M/s Microworld Software Serv Pvt Ltd, M/s Mihir Engineers Ltd., M/s Millipore (I) Pvt. Ltd., M/s Millstores Corporation., M/s Modern Rubber Industries, M/s Modern Science Apparatus P Ltd, M/s Moreswar Screens, M/s Mrk Healthcare, M/s N. Sunderlal & Co., M/s Narenda Industries, M/s Natekar Engineering Works., M/s Nest Filters, M/s New Mayur Plastics M/s Newkem Engineers Pvt Ltd, M/s Newtec Enterprises, M/s Newtronic Equipment Co., M/s Nexus Computers Pvt. Ltd., M/s Niketa Gas Company, M/s Nilkanth Offset, M/s Nima Packaging, M/s Nimish Enterprises, M/s Ninish Enterprises., M/s Nirav Enterprises, M/s Nishotech Systems Pvt Ltd, M/s Nova Weigh India Ltd, M/s Novex Polyfilms Pvt Ltd., M/s Om Logistics Ltd., M/s Omega Seals., M/s P Jaswantrai & Co, M/s P Parthasarathy & Co., M/s P. K.Naik & Co., M/s Pack Arts M/s Paint Repair.

## Schedules forming part of the Balance Sheet and Profit and Loss Account

### Schedule : 20 - Significant Accounting Policies & Notes on Accounts

M/s Palav & Brothers, M/s Pall Pharm. Lab Fil. Pvt Ltd, M/s Pan Asia Corporation, M/s Panorama Packaging Pvt. Ltd., M/s ParFilters, M/s Paradise Tradelink Pvt. Ltd., M/s Paras Electrical Co. M/s Parikh Packaging Pvt. Ltd., M/s Patel Printing Press Pvt. Ltd., M/s Pci Services, M/s Penguin Pharmaceutical Lab., M/s Perfect Acid And Chemicals, M/s Perfect Pack Corporation (Daman), M/s Perfect Plastics, M/s Perito Associates, M/s Pest Control ( I ) Ltd., M/s Petals Engineers Pvt. Ltd., M/s Petroleum Emp Co Op, M/s Pharmaco, M/s Pharamids & Equipments, M/s Pharamalab Eng ( I ) Pvt Ltd, M/s Pharmaspares, M/s Pioneer Packaging, M/s Plastotech Engineers Pvt Ltd M/s Polynova Packers, M/s Pooja Enterprises, M/s Pradeep Garden Developers, M/s Pradeep Insulation Services, M/s Pradipkumar Pharma Private Limited, M/s Prakash Airfreight Pvt Ltd Lucknow, M/s Prakash Printers M/s Prasad Enterprises, M/s Prashant Priolkar, M/s Precision Industries, M/s Precision Machine Tools, M/s Prestige Enterprises, M/s Priti Packaging P. Ltd., M/s Progress Workshop, M/s Promochem India Pvt. Ltd., M/s Punch Fabricators., M/s Pure Chem Pvt. Ltd., M/s Purohit General Stores., M/s Purvatron Industries, M/s Purvi Creations, M/s R K Trading Co., M/s R P Products, M/s Racline Systems, M/s Radhakamal Engineers Pvt Ltd, M/s Radhakishan Lalchand, M/s Radiant Safeddoors Pvt Ltd, M/s Raika Air Frost, M/s Raison International, M/s Raj Associates, M/s Rajaram Rubber Industries, M/s Raka Tin Works, M/s Ramnath Sinai Caro & Co, M/s Ran Pack Enterprises Pvt. Ltd., M/s Rangshala, M/s Rao Engineering, M/s Ratobali Enterprises, M/s Redson Lab (P) Ltd., M/s Reema Transport Pvt Ltd, M/s Regal Trading Corporation, M/s Reshma Nursery, M/s Restech Pharmaceuticals, M/s Riddhi Enterprises, M/s Right Sales, M/s Rolls Pack Daman, M/s Roots Multiclean Ltd., M/s Rotex Automation Ltd., M/s Rotex Mfg & Engg., M/s Roto Polymers India., M/s Rukmini Pack Print Pvt. Ltd., M/s Rushail Pharmedin Pvt. Ltd., M/s S E J Enterprises, M/s S K Trading Co, M/s S L Pharma Distributors, M/s S S Enterprises, M/s S. B. Refrigeration, M/s S. Patel Transport Service, M/s S.J.Corporaton, M/s Sadhale Enterprises, M/s Sagar Engg. Works, M/s Sai Guard, M/s Sai Marketing & Exports, M/s Sai Power Laundry, M/s Sainath Boilers & Pneum, M/s Sainath Service Centre, M/s Salora International Ltd., M/s Sam Services, M/s Samrat Pharmachem Ltd, M/s Sanghavi Pallet Corporation, M/s Sanjayraj Electrical Works, M/s Sankalp Enterprises, M/s Sankalp, M/s Sarvesh Sales Services, M/s Scientific & Ind Traders, M/s Scientific Book Distributors, M/s Senior Roadlines, M/s Shah Brothers., M/s Shailaja Packaging Private Ltd, M/s Shako Plastick, M/s Shantadurga Art Printers, M/s Shantadurga Traders, M/s Sharepro Services, M/s Sharp Engineering., M/s Sheetal Enterprises, M/s Sheilchem Industries, M/s Shell Fire & Safety Enggineers, M/s Shivani Scientific Indus. (P) Ltd., M/s Shivprasad Enterprises, M/s Shree Swamisamarth Engineering, M/s Shreeji Paper Containers, M/s Shreyas Chemicals, M/s Shri Krishna Chemical, M/s Shrinath Corporation, M/s Shrinath Products, M/s Shubham Trading Corporation., M/s Shwambhavi Offset, M/s Shyam Printers, M/s Siddhi Fastners, M/s Sigma Aldrich, M/s Signet Chemical Corporation., M/s Skylark Courier Service Pvt Ltd, M/s Smarts Systems, M/s Soft People, M/s Solid Packaging, M/s Somchand Jethalal & Co, M/s Sonish Equi-Chem Industries, M/s Span Diagnostics Ltd, M/s Span-Chem Technologies, M/s Spirax Marshal Ltd. M/s Sri Sainath Traders, M/s Steel Sales Co., M/s Sterling Innovative Products, M/s Sterling Intercom Services, M/s Subha Jyot Traders & Engineers., M/s Subhash Enterprises., M/s Subscribers Subscr'N Serv. India, M/s Suman Art Prints, M/s Sun & Services, M/s Sundesh Sweets, M/s Sunij Pharma Pvt. Ltd., M/s Sunita Enterprises, M/s Sunny Enterprises, M/s Super Industrial Gases., M/s Super Label Manufacturing Co., M/s Super Seals, M/s Supriya Apparels, M/s Supriya, M/s Surface Innovators Pvt. Ltd., M/s Surya Packaging, M/s Suvik Industries, M/s Svb Laboratories, M/s Swambhavi Offset, M/s Swamiraj Diesel Sales & Service, M/s Swapnil Mapsekar, M/s Swastik Flexipack Pvt. Ltd., M/s Swastik Packaging Private Ltd., M/s Switzer Refrigeration Services., M/s Technocrafts Solutions Inc., M/s Tej Engineering M/s The Ideal Printers Pvt Ltd. M/s The National Battery Chirag & Co.. M/s The Novelty House. M/s Thermolab Sci. Equipment Pvt. Ltd., M/s Toshbro Pvt Ltd, M/s Toshniwal Brothers (Sr) P Ltd, M/s Trends Pharma Pvt. Ltd., M/s Trident Packaging, M/s Tube Glass Containers Ltd., M/s Tufflite Industries, M/s Unic Fix A Form And Printer Ltd, M/s Unique Printers, M/s Unitherm Engineering Services., M/s Universal Medicap Ltd, M/s Urmi Chemicals, M/s V K W Enterprises, M/s Vaibhav Decorators, M/s Vaibhavi Enterprises, M/s Vaikron Technical Services, M/s Vajrachem, M/s Vasu Container., M/s Velpack, M/s Vel-Vin Industries, M/s Vel-Vinpackaging(P)Ltd. M/s Vial Seal Industries, M/s Vijay Chemicals, M/s Vijay Deep (India), M/s Vijay Nursery, M/s Virat Packaging, M/s Vrunda Packaging, M/s W. R. Talwalkar Bros. Pvt. Ltd., M/s Waaree Instruments Ltd, M/s Wads Products India, M/s Waingankar'S Ind.Maintenance Serv., M/s Waters (India) Pvt Ltd, M/s Wee Pack Industries, M/s Well Known Industrial Hk & Allied., M/s Wilson Engineering Co., M/s Wintac Ltd., M/s Worth Pack Pvt Ltd, M/s Xerox Modicorp Ltd., M/s XI Coders Pvt. Ltd., M/s Yash Fibre Glass., M/s Yogesh Enterprises., M/s Yogesh Industries., M/s Zeal Packaging., M/s Zeal Polypack.

**B** The above information has been compiled in respect of parties to the extent to which they could be identified as Small Scale and ancillary undertakings on the basis of information available with the Company.

- 4 The Company has imported certain capital Equipments at concessional rate of custom duty under 'Export promotion of Capital Goods Scheme' of the Central Government. The Company has undertaken an incremental export obligation to the extent of US \$ 18 Millions { equivalent to Rs. 779 Millions Approx. } [ Previous Year US \$ 17 Millions { equivalent to Rs. 802 Millions approx.} ] to be fulfilled during a specified period as applicable from the date of imports. The liability towards custom duty payable thereon in respect of unfulfilled export obligations as on 31st March 2004 of Rs. 87 Millions [ as at 31-03-03 Rs. 116 Millions ] is not provided for.
- 5 The Company has given the guarantee in favour of a bank for securing term loans granted by it to Sarabhai Zydus Animal Health Ltd. [ SZAHL ], a joint venture company .The Company has also pledged with the bank its investments of 11960100 equity shares of SZAHL held by the Company . During the year under review , the Company has paid Rs. 177 Millions to the bank on behalf of SZAHL honouring its obligation under the aforesaid guarantee. In terms of guarantee document entered into between the bank , SZAHL and the Company, all rights and security of the lender shall automatically get transferred in favour of the Company on repayment of the said loan. In view of this , the amount recoverable from SZAHL is disclosed as secured advance under Loans and Advances under schedule - 10.

## Schedules forming part of the Balance Sheet and Profit and Loss Account

## Schedule : 20 - Significant Accounting Policies &amp; Notes on Accounts

- 6 The amount of exchange difference in respect of forward contracts to be recognised in the Profit and Loss Account in subsequent accounting period is Rs. 4.5 Millions [ Previous Year Rs. 8 Millions ].
- 7 The Company has an investment of Rs. 50 Millions in Dialforhealth India Ltd., a wholly owned subsidiary of the Company. The accumulated losses as at 31st March, 2004 amounting to Rs. 57 Millions has exceeded the entire share capital of the said Company. However having regard to the long term strategy of the Company, no provision is considered necessary on this account.
- 8 The Company's interest in the jointly controlled entities is shown as under in compliance with the requirements of the Accounting Standard - 27 "Financial Reporting of Interest in Joint Ventures", [ AS - 27 ] issued by the Institute of Chartered Accountants of India :

Name of the Company	% of holdings	Accounting year ending on	Status	Rupees in Millions			
				Amount of interest based on last audited accounts			
				Assets	Liabilities	Income	Expenditure
Zydus Altana Healthcare Pvt. Ltd .	50	31-12-03	Audited	569	354	775	161
Sarabhai Zydus Animal Health Ltd.	50	31-03-04	Audited	448	320	416	434

The Company's share in contingent liabilities of jointly controlled entities in compliance with the requirement of AS - 27 referred above is as under :

	Rs. in Millions
A In respect of guarantees given by a Bank and counter guarantees given by the jointly controlled entities	3.7
B In respect of demand raised by the Government of Gujarat on account of stamp duty payable on the trademark acquired by one of the jointly controlled entity against which appeal has been preferred before the Hon'able Delhi High Court	16
C Estimated amount of contracts remaining to be executed on capital account and not provided for [ Net of Advances ]	1.1
D In respect of income tax matters of the jointly controlled entities.	13.8

	Rupees in Millions	
	Year ended	
	31-03-2004	31-03-2003
9 Sundry Debtors include amount due from Zydus Pharmaceuticals Ltd. a wholly owned subsidiary Company	0	124
10 Loans & Advances include amount due from wholly owned subsidiary Companies :		
A Zydus Pharmaceuticals Ltd. [ Maximum amount due during the year Rs. 50 { Previous Year Rs. Nil } Millions ]	50	0
B Zydus International Pvt. Ltd. [ Rs. 805 { As at 31-03-03 Rs. Nil } ] [ Maximum amount due during the year Rs. 805 { Previous Year Rs. 575 Millions } ]	0	0
C Dialforhealth India Ltd.[ Maximum amount due during the year Rs. 49 { Previous Year Rs. 85 } Millions ]	49	35
D Zydus Cadila Healthcare [ USA ] Inc.[ Maximum amount due during the year Rs. 5 { Previous Year Rs. 5 } Millions ]	0	5
Note : All without interest. The terms of repayment not specified in B & C. In case of A & D repayable within one / two years respectively.		
11 Loans & Advances include amount due from a Joint Venture Company :		
Sarabhai Zydus Animal Health Ltd.[ Maximum amount due during the year Rs. 89 { Previous Year Rs. 90 } Millions ]	81	89
Note : Interest bearing. The terms of repayment not specified .		
12 Miscellaneous Expenses include :		
A Auditors' Remuneration :		
a Audit Fees	1.3	1.3
b Tax Audit Fees	0.5	0.5
c Certification & Other Charges	0.5	0.2
d Total	2.3	2.0
B Cost Auditor's Remuneration including fees for other services	0.6	0.5
C Sitting fees paid to the Directors of erstwhile German Remedies Limited.	0.1	0.02
13 Capital expenditure on Research & Development [Including Capital Work-in-Progress Rs.45 {Previous Year-Rs. 63} Millions]	250	170

## Schedules forming part of the Balance Sheet and Profit and Loss Account

### Schedule : 20 - Significant Accounting Policies & Notes on Accounts

	Rupees in Millions Year ended	
	31-03-2004	31-03-2003
14 Break up of Pre - operative & Project expenses :		
A General Expenses :		
a Travelling , Conveyance & Vehicle Expenses	1.1	0.6
b Professional Fees & Consultation Charges	3.2	0.1
c Others	5.1	1.7
d Total	9.4	2.4
B Personnel Expenses :	1.7	1.7
C Depreciation [ Rs. Nil { Previous Year Rs. 22,000/- } ]	0.0	0.0
D Net Pre - operative & Project Expenses	11.1	4.1
E Add : Expenses incurred till Previous year	5.5	1.4
F Total	16.6	5.5
G Less : Capitalised during the year on commencement of respective projects / units	8.6	0.0
H Pre-operative & Project Expenses carried to Balance Sheet	8.0	5.5

15 During the year, the Company has capitalised the borrowing cost amounting to Rs. 4.08 Millions [ Previous Year Rs. Nil ]

16 Contingent liabilities not provided for :

	Rupees in Millions			
	In respect of [ * ] Amalgamated Companies		In respect of Cadila Healthcare Ltd.	
	As at 31-03-04	As at 31-03-03	As at 31-03-04	As at 31-03-03
A In respect of guarantees given by a Bank and counter guarantees given by the Company.	0	0	117	14
B In respect of outstanding dues against guarantees given by the Company to Banks & a financial institution for the loans availed by a Joint Venture Company	0	0	267	400
C In respect of outstanding dues against guarantees given by the Company to Banks for the loans availed by Zydus Pharmaceuticals Limited , wholly owned subsidiary company	0	0	121	201
D Estimated amount of contracts remaining to be executed on capital account and not provided for [ Net of Advances ]	0	0	136	53
E Claims against the Company not acknowledged as debts	0.6	1.8	15	12
F In respect of the demand raised by the Central and State Excise dept. against which the Company has preferred an appeal.The Company has been legally advised that the demand is not tenable.	10	10	209	167
G In respect of the demand raised by the Ministry of Chemicals & Fertilizers, Govt. of India under Drug Price Control Order , 1979 for difference in actual price and price of respective bulk drug allowed while fixing the price of certain life saving formulations and disputed by the Company. Based on the legal advice the Company does not foresee the crystallization of the liability.	27	27	0	0
H In respect of Income Tax matters pending before appellate authorities which the Company expects to succeed, based on decisions of Tribunals / Courts.	0	0	241	7
I In respect of Sales Tax matters pending before appellate authorities which the Company expects to succeed, based on decisions of Tribunals / Courts.	0	0	77	6
J Uncalled liability on partly paid shares	0	0	0	2

Note : [ \* ] represents contingent liabilities taken over by the Company under the Scheme of Arrangement and Amalgamation of erstwhile Cadila Laboratories Ltd., Cadila Chemicals Ltd. , Cadila Antibiotics Ltd. , Cadila Exports Ltd. and Cadila Veterinary Pvt. Ltd. with the Company w.e.f. 1st June 1995.

## Schedules forming part of the Balance Sheet and Profit and Loss Account

## Schedule : 20 - Significant Accounting Policies &amp; Notes on Accounts

		Rupees in Millions	
		Year ended	
		31-03-2004	31-03-2003
17 A	Details of remuneration paid / payable to a Managing Director :		
a	Remuneration	78	53
b	Contribution to Provident and other Funds	3	3
c	Total	81	56
B	Computation of net profit as per section 198 read with section 309 , 349 & 350 of the Companies Act,1956 :		
a	Profit as per Profit & Loss Account	1429	766
b	Add :		
	Depreciation provided in Accounts	531	382
	Provision for Taxation - Current , Deferred & Prior year tax adjustments	205	288
	Managing Director's Remuneration	81	56
	Directors' Fees	0	0.0
	Commission to Other Directors	1	0.0
	Loss on sale of Investments [ Net ]	0	11
	Loss on sale / disposal of Assets [ Net ]	0	10
		818	746
c	Total ( a + b )	2247	1512
d	Less: Depreciation as per section 350	531	382
	Less: Profit on sale / disposal of Assets [ Net ]	34	0
	Total	565	382
e	Net Profit as per section 198 ( c - d )	1682	1130
C	Maximum remuneration payable at the rate of 5% of the net profit as per section 309 of the Companies Act, 1956 .		
	MD remuneration @ 5 %	84	57
	Total MD remuneration	84	57
D	Commission to Non-Executive Directors :		
	Maximum allowable as per Companies Act, 1956 [ 1 % of net profit ]	17	0
	Maximum approved by the Shareholders	5	0
	Commission approved by the Board	1.1	0

## 18 Segment Information :

Segment Information has been given in the Consolidated Financial Statements of the Company. Hence , as per Accounting Standard - 17 issued by the Institute of Chartered Accountants of India no separate disclosure on segment information is given in these financial statements.

## 19 Related Party Transactions :

A Name of the Related Party and Nature of the Related Party Relationship :-

## a Subsidiary Companies

Dialforhealth India Limited	ZyduS Healthcare S.A. ( Pty ) Ltd. [ South Africa ]
German Remedies Limited	ZyduS Healthcare [ USA ] LLC.
ZyduS Pharmaceuticals Limited	ZyduS Healthcare Brazil LTDA.
ZyduS International Pvt. Ltd. [ Ireland ]	ZyduS Pharmaceuticals ( USA ) Inc.
ZyduS France SAS	SCI Immopharm

## b Joint Venture Companies

Sarabhai ZyduS Animal Health Limited	ZyduS Altana Healthcare Pvt. Ltd.
--------------------------------------	-----------------------------------

## c Directors and their relatives

Shri P.R.Patel	Chairman & Managing Director [ C.M.D. ]
Shri Sharvil P.Patel	Director
Aarti Trust	Sister of C.M.D. is beneficiary of the Trust
Gira Trust	Sister of C.M.D. is beneficiary of the Trust
Rita Trust	Sister of C.M.D. is beneficiary of the Trust
ZyduS Family Trust	C.M.D. is one of the beneficiaries

## Schedules forming part of the Balance Sheet and Profit and Loss Account

## Schedule : 20 - Significant Accounting Policies &amp; Notes on Accounts

## d Enterprises significantly influenced by Directors and / or their relatives

Cadmach Machinery Company Private Limited

M/s. CMC Machinery

## B Transactions with Related Parties :

The following transactions were carried out with the related parties in the ordinary course of business :

## a. Details relating to parties referred to in items 19 - A [ a, b and d ]

Nature of Transactions	Volume of the transactions [ Rupees in Millions ]					
	Subsidiary Companies Year Ended		Joint Venture Companies Year Ended		Associate Enterprises Year Ended	
	31-03-04	31-03-03	31-03-04	31-03-03	31-03-04	31-03-03
<b>1 Purchases :</b>						
Goods	17	2			1	
Fixed Assets		547			5	
Services	12	2				
Deputation of personnel	368	44				
<b>2 Sales :</b>						
Goods	1977	2452	4	3		
Fixed Assets						
Services	2	4	0.01	0.2		
<b>3 Investments :</b>						
Purchases	463	253	20	20		
Dividend Received	2	42	600	200		
<b>4 Finance :</b>						
Inter Corporate Deposits given	64	7	182	89		
Deposits Recovered			190			5
Guarantees given	121	201	267	400		
Interest Received			11	2		
Int. Receivable W/off		31				
<b>5 Outstanding :</b>						
Payable	52	47				20
Receivable	99	164	81	89		19

## b. Details relating to persons referred to in item 19-A [ c ] above :

	Rupees in Millions Year Ended	
	31-03-04	31-03-03
	1 Remuneration	82
2 Interest expense on deposits taken	10	18
3 Rent paid on Residential flats	0.2	0.2
4 Deposits repaid	232	0
5 Outstanding fixed deposits payable	0	232
6 Outstanding remuneration payable	79	52

## Schedules forming part of the Balance Sheet and Profit and Loss Account

## Schedule : 20 - Significant Accounting Policies &amp; Notes on Accounts

## 20 Calculation of Earnings per Share [ EPS ] :

The numerators and denominators used to calculate the basic and diluted EPS are as follows :

		Year ended	
		31-03-2004	31-03-2003
A Profit after tax attributable to Shareholders	Rs. in Millions	1429	766
B Basic and weighted average number of Equity shares outstanding during the year	Nos.	62806854	62806854
C Nominal value of equity share	Rupees	5	5
D Basic and Diluted EPS	Rupees	22.75	12.20

## 21 Deferred Tax :

- A The Deferred tax liability of Rs. 117 Millions for the year has been recognised in the Profit And Loss Account.  
B Break up of Deferred Tax Assets and Liabilities into major components of the respective balances are as under :

	Rupees in Millions		
	As on 31-03-2003	Charge for the year to Profit & Loss A/c.	As on 31-03-2004
Deferred Tax Liabilities :			
Depreciation	899	158	1057
Others	6	9	15
Total	905	167	1072
Deferred Tax Assets :			
Retirement benefits	10	11	21
Receivables	10	(4)	6
Others	28	43	71
Total	48	50	98
Net Deferred Tax Liability	857	117	974

## 22 Quantitative and Value analysis of Sales Turnover :

Class of Goods	Units of Measure	Year ended 31-03-04		Year ended 31-03-03	
		Qty.	Rs. in Millions	Qty.	Rs. in Millions
Tablets	ML.Nos.	5938	5257	5527	4644
Capsules	ML.Nos.	630	1059	528	864
Injections	K.Ltrs.	1291	1219	1118	1242
Dry Powder Injections	Kgs.	8386	451	6749	348
Liquids	K.Ltrs.	2214	312	1486	303
Dry Syrups, Powders & Granules	Tonnes	792	514	592	394
Ointment	Tonnes	136	130	175	145
Cosmeceuticals	Tonnes	323	150	269	124
Suppositories	Tonnes	17	0	18	44
Bulk Drugs [ # ]	Tonnes	372	2228	556	1831
Contract Manufacturings			138		144
Others			196		113
Export Incentives & Benefits			69		86
Total			11723		10282

[#] Includes Inter unit Transfer 92 Tonnes [ 2002-03 - 86 Tonnes ] Rs. 356 Millions [ 2002-03 - Rs. 424 Millions ].

## Schedules forming part of the Balance Sheet and Profit and Loss Account

## Schedule : 20 - Significant Accounting Policies &amp; Notes on Accounts

## 23 Quantitative and Value analysis of Opening / Closing Stock :

Class of Goods	Units of Measure	As at 31-03-04		As at 31-03-03 [*]		As at 31-03-02	
		Qty.	Rs. in Millions	Qty.	Rs. in Millions	Qty.	Rs. in Millions
		Tablets	ML.Nos.	335	170	283	141
Capsules	ML.Nos.	34	30	35	38	44	44
Injections	K.Ltrs.	33	56	113	81	63	53
Dry Powder Injections	Kgs.	87	7	181	36	396	14
Liquids	K.Ltrs.	44	12	67	19	55	12
Dry Syrups, Powders & Granules	Tonnes	21	6	37	15	29	7
Ointments	Tonnes	2	1	9	4	12	5
Suppositories	Tonnes	2	2	2	2	2	2
Bulk Drugs	Tonnes	15	88	28	79	27	130
Others			12		16		8
Total			384		431		453

Note : - [\*] includes acquired under the scheme of Amalgamation.

## 24 Quantitative and Value Analysis of goods traded in :

(A) Stock at Commencement :	Units of Measure	Rs. in Millions		Rs. in Millions	
		Qty.	As at 01-04-03 [*]	Qty.	As at 01-04-02
		Tablets	ML.Nos.	239	105
Capsules	ML.Nos.	25	21	11	17
Injections	K.Ltrs.	26	88	15	127
Dry Powder Injections	Kgs.	270	10	27	9
Liquids	K.Ltrs.	38	16	41	8
Dry Syrups, Powders & Granules	Tonnes	18	7	16	3
Ointments	Tonnes	2	0	1	0
Bulk Drugs	Tonnes	0	1	0	2
Cosmeceuticals	Tonnes	49	8	18	4
Others			32		23
Total			288		230

Note : - [\*] includes acquired under the scheme of Amalgamation.

## (B) Purchases :

		Year ended 31-03-04		Year ended 31-03-03	
		Qty.	Rs. in Millions	Qty.	Rs. in Millions
Tablets	ML.Nos.	2572	587	2013	472
Capsules	ML.Nos.	284	179	176	150
Injections	K.Ltrs.	675	341	195	279
Dry Powder Injections	Kgs.	4316		3947	110
Liquids	K.Ltrs.	1888	221	739	115
Dry Syrups, Powders & Granules	Tonnes	447	196	224	135
Ointments	Tonnes	95	28	63	15
Bulk Drugs	Tonnes	14	19	234	50
Cosmeceuticals	Tonnes	357	64	300	58
Others			203		69
Total			1838		1453



## Schedules forming part of the Balance Sheet and Profit and Loss Account

## Schedule : 20 - Significant Accounting Policies &amp; Notes on Accounts

(C) Stock at close :	Units of Measure	Rs. in		Rs. in	
		Qty.	Millions	Qty.	Millions
		As at 31-03-04		As at 31-03-03	
Tablets	ML.Nos.	420	130	239	105
Capsules	ML.Nos.	38	26	25	21
Injections	K. Ltrs.	126	58	26	88
Dry Powder Injections	Kgs.	272	27	270	10
Liquids	K.Ltrs.	224	24	38	16
Dry Syrups, Powders & Granules	Tonnes	32	8	18	7
Ointments	Tonnes	19	4	2	0
Bulk Drugs	Tonnes	0	0	0	1
Cosmeceuticals	Tonnes	82	14	49	8
Others			28		32
Total			319		288

## 25 Consumption of Raw materials with Value and Quantity break-up :

	Year Ended 31-03-04		Year Ended 31-03-03	
	Qty.	Rs. in Millions	Qty.	Rs. in Millions
	Others ( none of which individually accounts for more than 10 % of the total consumption)		2545	
Total		2545		2559

## 26 Quantitative information in respect of each class of goods manufactured (including manufactured by others, but excluding manufactured for others, on loan license basis) by the Company [As Certified by the management] :

Class of Goods	Units of Measure	Installed Capacity	Actual Production	
			Year Ended 31-03-04	Year Ended 31-03-03
Tablets	ML.Nos.	4440	3644	3673
Capsules	ML.Nos.	630	370	364
Injections	K.Ltrs.	513	650	1047
Dry Powder Injections	Kgs.	200	4040	2957
Liquids	K.Ltrs.	3000	430	796
Dry Syrups, Powders & Granules	Tonnes	6632	364	402
Ointments	Tonnes	0	52	115
Suppositories	Tonnes	7	18	19
Bulk Drugs [ # ]	Tonnes	413	371	323

[#] Includes Inter unit Transfer 92 Tones [ 2002-03 - 86 Tonnes ]

Note : Licensed capacities not stated in view of abolition of Industrial licensing for all of the above class of goods vide Notification No. F.NO. 10[11] / 92 - LP dated 25th October, 1994, issued by Government of India.

## Schedules forming part of the Balance Sheet and Profit and Loss Account

## Schedule : 20 - Significant Accounting Policies &amp; Notes on Accounts

	Year ended 31-03-04		Year ended 31-03-03	
	Rs. in Millions	% to Total	Rs. in Millions	% to Total
<b>27 A Value of Raw Materials Consumed :</b>				
Imported	734	29	1061	41
Indigenous	1811	71	1498	59
<b>Total</b>	<b>2545</b>	<b>100</b>	<b>2559</b>	<b>100</b>
<b>B Value of Stores &amp; Spares Consumed :</b>				
Imported	11	9	12	16
Indigenous	107	91	63	84
<b>Total</b>	<b>118</b>	<b>100</b>	<b>75</b>	<b>100</b>

	Rupees in Millions Year ended	
	31-03-2004	31-03-2003
<b>28 Value of Imports calculated on CIF basis :</b>		
Raw materials	693	917
Packing Materials	23	25
Finished goods	227	286
Spare Parts	4	13
Capital goods	125	113
<b>29 Expenditure in Foreign currency :</b>		
Travelling	22	20
Commission	45	25
Purchases of Trade-marks	194	633
Others (Salaries, Product Registration fees, etc.,)	440	108
<b>30 Earnings in Foreign exchange :</b>		
FOB value of Exports	1773	1032
Others	0	5
<b>31 Remittances made on account of dividend in Foreign currency :</b>	Nil	Nil

## Schedules forming part of the Balance Sheet and Profit and Loss Account

### Schedule : 20 - Significant Accounting Policies & Notes on Accounts

#### C Balance Sheet abstract and Company's General Business Profile :-

1 Registration details	
Registration number	25878 of 1995 - 96
Balance sheet date	31 - 03 - 2004
State code	4
2 Capital raised during the year :	Rs. in Thousands
	NIL
3 Position of Mobilisation & Deployment of Funds :	
Total Liabilities	10425900
Total Assets	10425900
Sources of Funds :	
Paid up Capital	314000
Reserves & Surplus	5080900
Deferred Tax Liabilities	974080
Secured Loans	3437010
Unsecured Loans	619910
Application of Funds :	
Net Fixed Assets	6891610
Investments	1381080
Net Current assets	2005070
Miscellaneous Expenditure	148140
4 Performance of Company :	
Turnover [ including other income ]	11630855
Total Expenditure	9996830
Profit before Tax	1633725
Profit after Tax	1428785
Basic and Diluted Earning per Share[Rs.]	22.75
Dividend rate [%]	120%
5 Generic names of three principal products/services of Company (As per monetary terms) :	
Item Code Number (ITC Code)	300420.11
Product Description	Ciprofloxacin in capsules etc.
Item Code Number (ITC Code)	300490.38
Product Description	Other antacids
Item Code Number (ITC Code)	300439.03
Product Description	Dexamethasone tablets, injections, eye/ear drops etc.

#### Signatures to Schedules 1 to 20.

<b>As per our report of even date</b>				
For R. R. Patel & Co., Chartered Accountants	For Mukesh M. Shah & Co., Chartered Accountants			Pankaj R. Patel Chairman & Managing Director
R. R. Patel Proprietor	Mukesh M. Shah Partner	Jyotindra B. Gor Chief Accounts Officer	Upen H. Shah Company Secretary	Mukesh M. Patel Pranlal Bhogilal H. K. Bilpodiwala H. Dhanrajgir Directors

Ahmedabad, Dated : 26th April 2004.

## Cash Flow Statement for the year ended March 31, 2004.

Particulars	Rupees in Millions	
	Year ended 31-03-2004	Year ended 31-03-2003
<b>A Cash Flows from Operating Activities :</b>		
Net profit before taxation and extraordinary items	1725	1143
Adjustments for :		
Depreciation	531	381
Profit on sale of assets [ net ]	0	10
Loss on sale of investments [ net ]	0	11
Provision for diminution in value of investments	0	60
Interest income	(54)	(54)
Dividend income	(607)	(251)
Interest expenses	242	399
Bad debts written off	18	26
Discount on debentures written off	1	5
Preliminary expenses written off	0	0
Provisions for retirement benefits	23	18
Total	154	606
Operating profit before working capital changes	1879	1749
Adjustments for :		
[ Increase ] / Decrease in trade receivables	(284)	(324)
[ Increase ] / Decrease in other receivables	130	763
[ Increase ] / Decrease in inventories	170	(342)
Increase / [ Decrease ] in trade payables & other liabilities	62	269
Total	78	365
Cash generated from operations	1958	2114
Interest received	54	52
Interest paid	(209)	(371)
Direct taxes paid ( Net of refunds )	(88)	(100)
Total	(243)	(419)
Cash flow before extraordinary items	1715	1695
Extraordinary items	(52)	(309)
Net cash from operating activities	1663	1386
<b>B Cash flows from investing activities :</b>		
Purchase of fixed assets	(1007)	(1471)
Pre-operative & Project expenses	(2)	(4)
Purchase of investments	(747)	(823)
Proceeds from sale of Investments	0	206
Proceeds from sale of fixed assets	382	6
Interest Received on long term investments	0	0
Dividend received	607	302
Net cash from investing activities	(767)	(1783)

## Cash Flow Statement for the year ended March 31, 2004.

Rupees in Millions		
Particulars	Year ended 31-03-2004	Year ended 31-03-2003
<b>C Cash flows from financing activities :</b>		
Redemption of Preference share capital		
Borrowings ( net )	(372)	188
Dividends paid	(222)	(204)
Tax on dividends paid	(28)	0
Net cash used in financing activities	(622)	(16)
<b>Net increase / (-) decrease in cash and cash equivalents</b>	<b>274</b>	<b>(413)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>89</b>	<b>56</b>
<b>Cash and cash equivalents acquired due to amalgamation</b>	<b>9</b>	<b>448</b>
<b>Cash and cash equivalents at the close of the year</b>	<b>372</b>	<b>91</b>

**Notes to the cash flow statement**

- All figures in brackets are outflow.
- Previous year's figures have been regrouped wherever necessary.

Jyotindra B. Gor  
Chief Accounts Officer

Upen H. Shah  
Company Secretary

Pankaj R. Patel  
Chairman & Managing Director

Mukesh M. Patel  
Pranlal Bhogilal  
H. K. Bilpodiwala  
H. Dhanrajgir  
Directors

Ahmedabad, Dated : 26th April 2004.

**Auditors' Report**

The Board of Directors,  
Cadila Healthcare Limited,  
Zydus Tower ,  
Sarkhej-Gandhinagar Highway,  
Ahmedabad - 380 015.

We have examined the attached Cash Flow Statement of Cadila Healthcare Limited for the year ended March 31, 2004. The statement has been prepared by the Company in accordance with the requirements of Clause No. 32 of the listing agreement with various Stock Exchanges and is based on and is derived from the audited Profit and Loss Account and Balance Sheet of the Company for the year ended March 31, 2004 covered by our Report dated 26th April 2004 to the members of the Company.

For R. R. Patel & Co.,  
Chartered Accountants

R. R. Patel  
Proprietor

Ahmedabad, Dated : 26th April 2004.

For Mukesh M. Shah & Co.,  
Chartered Accountants

Mukesh M. Shah  
Partner

Ahmedabad, Dated : 26th April, 2004.

## Statement pursuant to section 212 of the Companies Act, 1956 relating to subsidiary companies

Name of the subsidiary companies	Financial year ending of the Subsidiary	Number of equity shares held with its face value	Extent of holding	For the financial year of the subsidiary		For the previous financial years since it became a subsidiary	
				Profits / (losses) so far as it concerns the members of the holding company and not dealt with in the holding company's accounts	Profits / (losses) so far as it concerns the members of the holding company and dealt with in the holding company's accounts	Profits / (losses) so far as it concerns the members of the holding company and not dealt with in the holding company's accounts	Profits / (losses) so far as it concern the members of the holding company and dealt with in the holding company's accounts
Zydus Pharmaceuticals Limited	31 <sup>st</sup> March 2004	950000 equity Shares of Rs 10/- each	100%	Profit of Rs. 4.15 millions		Profit of Rs. 9.13 millions	Rs. 2.95 millions
German Remedies Ltd.	31 <sup>st</sup> March 2004	24000 equity Shares of Rs 100/- each	100%	Profit of Rs. 0.79 millions		Profit of Rs. 36.32 millions	Rs. 10.667 millions
Dialforhealth India Ltd	31 <sup>st</sup> March 2004	5000000 equity Shares of Rs 10/- each	100%	Loss of Rs. 16.95 millions		Loss of Rs. 40.20 millions	Nil
Zydus International Pvt. Ltd. (Ireland)	31 <sup>st</sup> March 2003	100000 equity Shares of UK Pound 1 each *	100%	Profit of UK £ 15873		Loss of UK Pound 43957	Nil
Zydus Healthcare S.A. (Pty) Ltd. (South Africa) @	29 <sup>th</sup> February 2004	50000 Ordinary Shares of R 1 each	100%	Loss of Rand 2127		Loss of Rand 90449	Nil
Zydus Healthcare (U.S.A.) LLC @	31 <sup>st</sup> December 2003	US\$ 2,00,000	100%	\$ 23519 profit		Loss of US Dollars 5960	Nil
Zydus Pharmaceuticals (U.S.A.) Inc. +	31 <sup>st</sup> December 2003	Nil ☺	82.35%	Loss of US\$ 7198	Nil		
Zydus Healthcare Brasil Ltda. @	31 <sup>st</sup> December 2003	321260 quotas of Brazilian Dollar 1 each	100%	\$ Loss 6697.32	Nil	Loss of US Dollar 4096.96	Nil
Zydus France S.A.S. #@	31 <sup>st</sup> December 2003	14,50,384 of F.V. 8/- Euro	100%	Loss Euro 1916223			
SCI Immopharm @ ♣	December 2003	100 shares of Euro 15.24 each	100%		Loss of Euro 33965		

# 100% equity share holding acquired by Zydus International Private Limited, Ireland pursuant to Share Purchase Agreement entered on 30th July 2003.

@ Wholly owned subsidiaries of Zydus International Pvt. Ltd., Ireland.

♣ Subsidiary Company of Zydus France SAS.

+ Incorporated during the year. Joint Venture between Zydus International Pvt. Ltd, Ireland and Mr. Joseph D. Renner wherein Zydus International Private Limited holds 82.35%.

A. Following are the changes in the Holding Company's interest in the Subsidiaries between end of the financial year of the Subsidiary Companies and the end of the financial year of the Holding Company.

\* Company has made an additional investment in Zydus International Private Limited of 59,79,000 equity shares of STG £1 each. Allotment was made on the 30th March 2004.

☺ Zydus International Private Limited, Ireland has made an investment of US \$ 21,00,000 equity shares each of US \$ 1/- on 12th March 2004.

B. No material changes have occurred between the end of the financial year of the subsidiary Companies and the Holding Company's financial year in respect of the subsidiary Companies [a] Fixed Assets [b] Investments [c] Moneys lent [d] Moneys borrowed for any purpose other than that of meeting current liabilities.

Pankaj R. Patel  
Chairman & Managing Director

Mukesh M. Patel  
Pranlal Bhogilal  
H. K. Bilpodiwala  
H. Dhanrajgir  
Directors

Jyotindra B. Gor  
Chief Accounts Officer

Upen H. Shah  
Company Secretary

Ahmedabad, Dated : 26th April 2004

Consolidated  
Financial  
Accounts,  
2003-04

## AUDITORS' REPORT

The Board of Directors  
Cadila Healthcare Limited  
Ahmedabad.

1. We have audited the attached consolidated Balance Sheet of Cadila Healthcare Limited Group as at 31st March 2004, and also the consolidated Profit and Loss Account and consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Cadila Healthcare Limited's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain the reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on the test check basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of following subsidiaries and joint ventures whose financial statements have been proportionately consolidated. These financial statements and other financial information have been audited by the other auditors, whose reports have been furnished to us, and our opinion is based solely on the report of other auditors. The details of total assets and total revenues in respect of these subsidiaries and joint ventures to the extent to which they are reflected in the financial statements are given below:

Rupees in Millions

Name of Companies	Total Assets	Total Revenues	Year ended on
<b>SUBSIDIARIES:</b>			
German Remedies Limited	88	331	31 <sup>st</sup> March 2004
Zydus International Limited	396	0	31 <sup>st</sup> December 2003
Zydus Healthcare SA Proprietary Limited	0.08	0	28 <sup>th</sup> February 2004
Zydus Healthcare (USA) LLC	14	18	31 <sup>st</sup> December 2003
Zydus Pharmaceuticals (USA) Inc.	0	0	31 <sup>st</sup> December 2003
Zydus Healthcare Brazil Limitada	4	0.06	31 <sup>st</sup> December 2003
Zydus France SAS	495	266	31 <sup>st</sup> December 2003
<b>JOINT VENTURE:</b>			
Zydus Altana Healthcare Pvt. Ltd.	1136	1548	31 <sup>st</sup> December 2003

The financial statements of M/s. SCI Immopharm, France are not audited but certified by the management, whose assets are Rs. 8 Million as on 31st December 2003 and revenue is Nil for the year ended 31st December 2003.



## AUDITORS' REPORT

4. The financial statements of a joint venture company namely Sarabhai Zydus Animal Health Ltd. have been audited by M/s. Mukesh M. Shah & Co. as joint statutory auditor while the financial statements of a subsidiary company namely Dialforhealth India Ltd. have been audited by M/s. Mukesh M. Shah & Co. The details of total assets and total revenues in respect of the said subsidiary and joint venture company to the extent to which they are reflected in the financial statements are given below:

Rupees in Millions			
Name of Companies	Total Assets	Total Revenues	Year ended on
<b>SUBSIDIARIES:</b> Dialforhealth India Limited	43	37	31 <sup>st</sup> March 2004
<b>JOINT VENTURE:</b> Sarabhai Zydus Animal Health Limited	896	831	31 <sup>st</sup> March 2004

5. We report that the consolidated financial statements have been prepared by the Cadila Healthcare Limited's management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statement and Accounting Standard (AS) 27, Financial Reporting of Interest in Joint Ventures issued by the Institute of Chartered Accountants of India.
6. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.
- (a) in case of the consolidated balance sheet, of the state of affairs of the Cadila Healthcare Limited Group as at 31st March 2004;
- (b) in case of the consolidated profit and loss account, of the profit for the year ended on that date; and
- (c) in case of the consolidated cash flow statement, of the cash flow for the year ended on that date.

For R.R. PATEL & CO.,  
Chartered Accountants  
R. R. PATEL  
Proprietor  
Membership No. 7871

For MUKESH M. SHAH & CO.  
Chartered Accountants  
MUKESH M. SHAH  
Partner  
Membership No. 30190

Place : Ahmedabad  
Date : 26th April 2004

**CONSOLIDATED BALANCE SHEET**

As at March 31, 2004

Rupees in Millions

	Schedule No.	As at 31-03-2004	As at 31-03-2003
<b>SOURCES OF FUNDS :</b>			
<b>[1] Shareholders' Funds :</b>			
Capital	1	314	314
Reserves and Surplus	2	5050	4256
		5364	4570
<b>[2] Loan Funds :</b>			
Secured Loans	3	3725	3744
Unsecured Loans	4	651	1159
		4376	4903
<b>[3] Deferred Tax Liability [ Net ]</b>			
Total	21 [B-8]	972	857
		<b>10712</b>	<b>10330</b>
<b>APPLICATION OF FUNDS :</b>			
<b>[1] Fixed Assets :</b>			
Gross Block	5	10063	8868
Less : Depreciation		2735	1526
Net Block		7328	7342
Capital work-in-progress		407	299
Preoperative & Project Expenses pending allocation		8	6
		7743	7647
<b>[2] Investments</b>			
	6	479	217
<b>[3] Current Assets, Loans and Advances :</b>			
Inventories	7	1768	1943
Sundry Debtors	8	2012	1595
Cash and Bank Balances	9	442	103
Loans and Advances	10	647	783
Total		4869	4424
<b>Less : Current Liabilities &amp; Provisions :</b>			
Liabilities	11	1959	1839
Provisions	12	573	344
Total		2532	2183
<b>Net Current Assets</b>		2337	2241
<b>[4] Miscellaneous Expenditure :</b>			
[to the extent not written off or adjusted]	13	153	225
Total		<b>10712</b>	<b>10330</b>
<b>Significant Accounting Policies and Notes on Accounts</b>	21		

**As per our report of even date**For R. R. Patel & Co.,  
Chartered AccountantsFor Mukesh M. Shah & Co.,  
Chartered AccountantsPankaj R. Patel  
Chairman & Managing DirectorMukesh M. Patel  
Pranlal Bhogilal  
H. K. BilpodiwalaR. R. Patel  
ProprietorMukesh M. Shah  
PartnerJyotindra B. Gor  
Chief Accounts OfficerUpen H. Shah  
Company SecretaryH. Dhanrajgir  
Directors

Ahmedabad, Dated : 26th April 2004.

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**

For the Year ended March 31, 2004

Rupees in Millions

	Schedule No.	Year ended 31-03-2004	Year ended 31-03-2003
<b>INCOME :</b>			
Sales		13336	11286
Less : Excise Duty		811	933
Net Sales		12525	10353
Other Income	14	158	35
Total		12683	10388
<b>EXPENDITURE :</b>			
Consumption of Materials and Finished Goods	15	5363	4624
General Expenses	16	4111	3395
Research Expenses	17	615	179
Interest and Financial Charges	18	276	444
Depreciation	19	712	462
Total		11077	9104
<b>Profit before extra ordinary items and Tax</b>		1606	1284
<b>Extra-ordinary Income / [Expenses] :</b>			
Amortisation of compensation under Voluntary Retirement Scheme		(125)	(89)
Profit on Sale of Assets (Net)		34	0
		(91)	(89)
<b>Profit before Taxes</b>		1515	1195
Less : Provision for Taxation	20	213	307
<b>Profit after Tax</b>		1302	888
[ Less ] / add : Adjustments on consolidation		(5)	128
Add : Pre-acquisition loss transferred to Capital Reserve arising on consolidation		34	0
Add / [ Less ] : Share of brought forward balance in P & L Account of Joint Ventures		0	(51)
<b>Net Profit</b>		1331	965
Add : Balance brought forward		449	72
Less : Goodwill on Amalgamation & Amalgamation Adjustment account written off		(92)	0
		357	72
<b>PROFIT AVAILABLE FOR APPROPRIATIONS</b>		1688	1037
<b>Appropriations :</b>			
Transfer to Debenture Redemption Reserve		150	199
<b>Dividends :</b>			
Proposed Dividend on - Equity Shares		377	220
Corporate Dividend Tax on Distributed Profit		112	41
Total		489	261
Transfer to General Reserve		329	128
		968	588
<b>Balance carried to Balance Sheet</b>		720	449
<b>Basic and Diluted E P S [ in Rupees ]</b>	21[B-7]	21.20	15.37
<b>Significant Accounting Policies and Notes on Accounts</b>	21		

**As per our report of even date**For R. R. Patel & Co.,  
Chartered AccountantsFor Mukesh M. Shah & Co.,  
Chartered AccountantsPankaj R. Patel  
Chairman & Managing DirectorMukesh M. Patel  
Pranlal Bhogilal  
H. K. BilpodiwalaR. R. Patel  
ProprietorMukesh M. Shah  
PartnerJyotindra B. Gor  
Chief Accounts OfficerUpen H. Shah  
Company SecretaryH. Dhanrajgir  
Directors

Ahmedabad, Dated : 26th April 2004.

## Schedules forming part of the Consolidated Balance Sheet

Rupees in Millions

	As at 31-03-2004	As at 31-03-2003
<b>Schedule : 1 - Capital :</b>		
<b>Authorised :</b>		
90,000,000 Equity Shares of Rs.5/- each	450	450
500,000 Preference Shares of Rs.100/- each	50	50
	500	500
<b>Issued, Subscribed and Paid-up :</b>		
62,806,854 [ 5,95,41,368 ] Equity Shares of Rs.5/- each fully paid-up	314	298
Notes : Of the above shares :		
[A] 33,034,332 [ 29,768,846 ] shares were allotted as fully paid-up pursuant to the Scheme of Arrangement & Amalgamation without payments being received in cash.		
[B] 1,48,85,122 shares were allotted as fully paid-up by way of Bonus shares by capitalisation of General Reserve.		
<b>Share Capital Suspense :</b>		
Nil [ 3,265,486 ] Equity Shares of Rs. 5/- each fully paid up to be issued pursuant to the Scheme of Amalgamation	0	16
<b>Total</b>	<b>314</b>	<b>314</b>
<b>Schedule : 2 - Reserves &amp; Surplus :</b>		
<b>Capital Reserve : [ Including Subsidy received ] :</b>		
Balance as per last Balance Sheet	0	292
Add : Capital Reserve arising due to consolidation	183	0
Less : Adjusted against Goodwill arising due to Amalgamation	0	(292)
	183	0
<b>Capital Redemption Reserve Account :</b>		
Balance as per last Balance Sheet	20	20
Add : Amount Transferred on Amalgamation [ Refer note no. B - 1 of Sch. no. 21 ]	12	0
	32	20
<b>Share Premium Account :</b>		
Balance as per last Balance Sheet	2561	3545
Less : Adjusted against Goodwill arising due to Amalgamation	0	(984)
	2561	2561
<b>Debenture Redemption Reserve :</b>		
Balance as per last Balance Sheet	237	38
Add : Transfer from Profit and Loss Account	150	199
Less : Transfer to General Reserve	(63)	0
	324	237
<b>General Reserve :</b>		
Balance as per last Balance Sheet	949	1198
Less : Opening Balance adjusted against goodwill due to Amalgamation	(10)	(171)
Add : Transfer from Debenture Redemption Reserve	63	0
Add : Transfer from Profit and Loss Account	268	88
Less : Adjustment of amortisation of Intangible assets [ Refer note no. B - 9 of Sch. no. 21 ]	(141)	0
Less : Deferred tax adjustment for prior years	0	(166)
	1129	949
<b>Balance in Profit and Loss Account</b>	720	449
	4949	4216
<b>Group's proportionate share in reserves (other than balance in P &amp; L Account) of Joint Ventures</b>		
	101	40
<b>Total</b>	<b>5050</b>	<b>4256</b>

## Schedules forming part of the Consolidated Balance Sheet

Rupees in Millions

	As at 31-03-2004	As at 31-03-2003
<b>Schedule : 3 - Secured Loans :</b>		
<b>1 Privately Placed debentures :</b>		
<b>A</b> 70, 8.4% Secured, Redeemable Non Convertible Debentures [ NCDs ] of Rs. 100,00,000/- each consisting of two separately tradable principle parts [ STRPP ] as under :	700	700
- STRPP 1 representing 30% of the face value of NCDs redeemable at par on 20th August, 2004.		
- STRPP 2 representing 70% of the face value of NCD's redeemable at par on 20th August, 2005.		
<b>B</b> 0[20] 7% Redeemable Non Convertible Debentures of Rs. 100,00,000/- each [ Redeemed at par on 23rd September, 2003 ]	0	200
<b>C</b> 60[0] 7% Redeemable Non Convertible Debentures of Rs. 100,00,000/- each [ Redeemable in six equal half-yearly installments commencing from Nov., 2004 ]	600	0
	1300	900
<b>2 Loans and Advances from Banks</b>		
<b>A</b> Term Loans	293	350
<b>B</b> Working Capital Loans	679	810
<b>C</b> External Commercial Borrowings	1049	0
	2021	1160
<b>3 Other Loans and Advances :</b>		
<b>A</b> Term Loan from a Financial Institution	226	848
<b>B</b> Term Loan from Others	0	586
	226	1434
	3547	3494
<b>4 Group's proportionate share in secured loans of Joint Ventures</b>	178	250
<b>Total</b>	<b>3725</b>	<b>3744</b>
<b>Schedule : 4 - Unsecured Loans</b>		
<b>1 Fixed Deposits</b>	0	233
<b>2 Short - term Loans from Banks</b>	201	200
<b>3 Other Loans and Advances :</b>		
<b>A Commercial Paper issued to a Bank</b>	0	100
<b>B Interest free deemed loan against deferment of sales tax</b>		
<b>a</b> From a Financial Institution	194	192
<b>b</b> Deferred amount	189	110
	383	302
<b>C From a Financial Institution</b>	4	0
<b>D From Others</b>	33	74
<b>E Total</b>	420	376
	621	809
<b>4 Privately Placed Debentures :</b>		
0 [5,00,000], Zero interest, non-convertible Debentures of Rs. 100/- each, redeemed on 16th May, 2003 held by some Directors.	0	50
0 [20]. 6.45% Interest bearing, non-convertible Debentures of Rs. 1,00,00,000 each. Redeemed on 23rd May, 2003 held by a Bank.	0	200
	0	250
<b>5 Group's proportionate share in unsecured loans of Joint Ventures</b>	30	0
<b>Total</b>	<b>651</b>	<b>1159</b>

## Schedules forming part of the Consolidated Balance Sheet

### Schedule : 5 - Fixed Assets

Nature of Fixed Assets	Rupees in Millions					
	Gross Block		Depreciation		Net Block	
	As at 31-03-2004	As at 31-03-2003	Upto 31-03-2004	Upto 31-03-2003	As at 31-03-2004	As at 31-03-2003
Goodwill	0	104	0	0	0	104
Freehold Land	193	66	0	0	193	66
Leasehold Land	82	19	6	5	76	14
Buildings	1796	2162	222	188	1574	1974
Plant & Machinery	3406	3042	994	829	2412	2213
Furniture, Fixtures & Office Equipments	421	367	128	99	293	268
Vehicles	141	132	46	43	95	89
Trade Marks, Technical Know-how, Patents & Designs	3210	2170	1024	192	2186	1978
Commercial Rights	55	50	50	46	5	4
<b>Total</b>	<b>9304</b>	<b>8112</b>	<b>2470</b>	<b>1402</b>	<b>6834</b>	<b>6710</b>
Share in assets of Joint Ventures	759	756	265	124	494	632
<b>Grand Total</b>	<b>10063</b>	<b>8868</b>	<b>2735</b>	<b>1526</b>	<b>7328</b>	<b>7342</b>
2002-03	8868	8375	1526	1092	7342	7283

### Rupees in Millions

As at 31-03-2004	As at 31-03-2003
---------------------	---------------------

### Schedule : 6 - Investments [ At cost ]

<b>Long Term Investments :</b>		
<b>In Government Securities [Unquoted] :</b>		0
<b>In Shares, Debentures and Bonds :</b>		0
<b>Trade Investments [Unquoted] :</b>		
In fully paid-up Series B Convertible Preferred Stock		187
Total Trade Investments		187
<b>Other Investments :</b>		
<b>Quoted :</b>		
In fully paid-up Equity Shares	79	79
<b>Unquoted :</b>		
In Mutual funds	42	42
In Fully paid-up equity shares	14	11
In Partly paid-up equity shares	0	1
In Fully paid-up Bonds	215	0
Total	271	54
Total Other Investments		350
		537
<b>Contribution to the Corpus of Gujarat Venture Capital Fund</b>		2
<b>Share Application Money for equity shares</b>		0
<b>Total</b>		539
Less : Provision for diminution in value of Investments		60
<b>Aggregate Book Value of Investments</b>		<b>479</b>