SOURCES OF FUNDS : [1] Shareholders' Funds : Capital 1 Reserves and Surplus 2 [2] Loan Funds : Secured Loans 3 Unsecured Loans 4 [3] Deferred Tax Liability [Net] Total APPLICATION OF FUNDS : [1] Fixed Assets : 5 Gross Block Less : Depreciation and Impairment Net Block Capital work-in-progress Preoperative & Project Expenses pending allocation 20[B [2] Investments 6 [3] Current Assets, Loans and Advances : Inventories 7 Sundry Debtors 6 Cash and Bank Balances 7 Loans and Advances 1 Less : Current Liabilities & Provisions : Liabilities 1 Provisions 1 Net Current Assets	2 3 4 3-23] 5 5 3-15] 5 5 7 3 9	As at 31-03-24 314 5830 2874 841 		As at 31-03-2004 314 5081 5395 3437 620 4057 974 10426 8460 1984 6476 408 88 6892 1381 1603 1659
[1] Shareholders' Funds : 1 Capital 1 Reserves and Surplus 2 [2] Loan Funds : 2 Secured Loans 3 Unsecured Loans 3 [3] Deferred Tax Liability [Net] 20[B Total 2 APPLICATION OF FUNDS : 5 [1] Fixed Assets : 5 Gross Block 5 Less : Depreciation and Impairment Net Block Less : Depreciation and Advances : 7 Inventories 7 Sundry Debtors 7 Cash and Bank Balances 9 Loans and Advances 11 Provisions 12 Net Current Assets 11 Provisions 12 Net Current Assets 11 Provisions 12 Net Current Assets 11	2 3 4 3-23] 5 5 3-15] 5 5 7 3 9	314 5830 2874 841 9505 2721 6784 396 4 1939 1088	6144 3715 1012 10871 7184	314 5081 5395 3437 620 4057 974 10426 8460 1984 6476 408 8 6892 1381 1603 1659
[1] Shareholders' Funds : 1 Capital 1 Reserves and Surplus 2 [2] Loan Funds : 2 Secured Loans 3 Unsecured Loans 3 [3] Deferred Tax Liability [Net] 20[B Total 2 APPLICATION OF FUNDS : 5 [1] Fixed Assets : 5 Gross Block 5 Less : Depreciation and Impairment 20[B [2] Investments 6 [3] Current Assets, Loans and Advances : 7 Inventories 7 Sundry Debtors 7 Cash and Bank Balances 9 Loans and Advances 9 Loans and Advances 11 Provisions 12 Net Current Liabilities & Provisions : 13 Liabilities 11 Provisions 12 Net Current Assets 14	2 3 4 3-23] 5 5 3-15] 5 5 7 3 9	5830 2874 841 9505 2721 6784 396 4 1939 1088	3715 1012 10871 7184	5081 5395 3437 620 4057 974 10426 8460 1984 6476 408 8 6892 1381 1603 1659
Capital 1 Reserves and Surplus 2 [2] Loan Funds : 3 Secured Loans 3 Unsecured Loans 3 Unsecured Loans 4 [3] Deferred Tax Liability [Net] 20[B Total 20[B APPLICATION OF FUNDS : 5 [1] Fixed Assets : 5 Gross Block 25 Less : Depreciation and Impairment Net Block Capital work-in-progress 7 Preoperative & Project Expenses pending allocation 20[B [2] Investments 6 [3] Current Assets, Loans and Advances : 7 Inventories 7 Sundry Debtors 8 Cash and Bank Balances 9 Loans and Advances 11 Provisions 11 Net Current Liabilities & Provisions : 12 Net Current Assets 11 Net Current Assets 12	2 3 4 3-23] 5 5 3-15] 5 5 7 3 9	5830 2874 841 9505 2721 6784 396 4 1939 1088	3715 1012 10871 7184	5081 5395 3437 620 4057 974 10426 8460 1984 6476 408 8 6892 1381 1603 1659
Reserves and Surplus 2 [2] Loan Funds : Secured Loans 3 Unsecured Loans 4 [3] Deferred Tax Liability [Net] 20[B Total 20[B APPLICATION OF FUNDS : 20[B [1] Fixed Assets : 5 Gross Block 25 Less : Depreciation and Impairment Net Block Capital work-in-progress Preoperative & Project Expenses pending allocation [2] Investments 6 [3] Current Assets, Loans and Advances : 7 Inventories 7 Sundry Debtors 8 Cash and Bank Balances 9 Less : Current Liabilities & Provisions : 1 Liabilities 1 Provisions 1 Net Current Assets 1	2 3 4 3-23] 5 5 3-15] 5 5 7 3 9	5830 2874 841 9505 2721 6784 396 4 1939 1088	3715 1012 10871 7184	5081 5395 3437 620 4057 974 10426 8460 1984 6476 408 8 6892 1381 1603 1659
[2] Loan Funds : 3 Secured Loans 3 Unsecured Loans 4 [3] Deferred Tax Liability [Net] 20[B Total 20[B APPLICATION OF FUNDS : 5 [1] Fixed Assets : 5 Gross Block 5 Less : Depreciation and Impairment Net Block Capital work-in-progress Preoperative & Project Expenses pending allocation 20[B [2] Investments 6 [3] Current Assets, Loans and Advances : 7 Inventories 7 Sundry Debtors 8 Cash and Bank Balances 9 Loans and Advances 11 Provisions 11 Net Current Assets 11 Net Current Assets 11	3 4 3-23] 5 3-15] 6 7 3 9	2874 841 9505 2721 6784 396 4 1939 1088	3715 1012 10871 7184	5395 3437 620 4057 974 10426 8460 1984 6476 408 8 6892 1381 1603 1659
Secured Loans 3 Unsecured Loans 4 [3] Deferred Tax Liability [Net] 20[B Total 20[I] Fixed Assets : 5 Gross Block 5 Less : Depreciation and Impairment Net Block Capital work-in-progress Preoperative & Project Expenses pending allocation 20[B [2] Investments 6 [3] Current Assets, Loans and Advances : 7 Inventories 7 Sundry Debtors 8 Cash and Bank Balances 9 Loans and Advances 10 Less : Current Liabilities & Provisions : 11 Liabilities 11 Provisions 11 Net Current Assets 11	4 3-23] 5 3-15] 5 5 7 3	841 9505 2721 6784 396 4 1939 1088	3715 1012 10871 7184	3437 620 4057 974 10426 8460 1984 6476 408 8 6892 1381 1603 1659
Secured Loans 3 Unsecured Loans 4 [3] Deferred Tax Liability [Net] 20[B Total 20[B APPLICATION OF FUNDS : 5 [1] Fixed Assets : 5 Gross Block 25 Less : Depreciation and Impairment 8 Net Block Capital work-in-progress Preoperative & Project Expenses pending allocation 20[B [2] Investments 6 [3] Current Assets, Loans and Advances : 7 Inventories 7 Sundry Debtors 8 Cash and Bank Balances 9 Loans and Advances 11 Less : Current Liabilities & Provisions : 11 Liabilities 11 Provisions 11 Net Current Assets 11	4 3-23] 5 3-15] 5 5 7 3	841 9505 2721 6784 396 4 1939 1088	1012 10871 7184	620 4057 974 10426 8460 1984 6476 408 8 6892 1381 1603 1659
Unsecured Loans4[3] Deferred Tax Liability [Net] Total20[BAPPLICATION OF FUNDS : [1] Fixed Assets : Gross Block Less : Depreciation and Impairment Net Block Capital work-in-progress Preoperative & Project Expenses pending allocation20[B[2] Investments6[3] Current Assets, Loans and Advances : Inventories Cash and Bank Balances Loans and Advances7Sundry Debtors Loans and Advances9Less : Current Liabilities & Provisions : Liabilities Net Current Assets1Net Current Assets1Net Current Assets1	4 3-23] 5 3-15] 5 5 7 3	841 9505 2721 6784 396 4 1939 1088	1012 10871 7184	620 4057 974 10426 8460 1984 6476 408 8 6892 1381 1603 1655
[3] Deferred Tax Liability [Net] 20[B Total 20[B APPLICATION OF FUNDS : 5 [1] Fixed Assets : 5 Gross Block 25 Less : Depreciation and Impairment Net Block Net Block Capital work-in-progress Preoperative & Project Expenses pending allocation 20[B [2] Investments 6 [3] Current Assets, Loans and Advances : 7 Inventories 7 Sundry Debtors 8 Cash and Bank Balances 9 Loans and Advances 11 Provisions 11 Net Current Assets 11 Net Current Assets 11	3-23] 5 3-15] 5 7 3 9	9505 2721 6784 396 4 1939 1088	1012 10871 7184	4057 974 10426 88460 1984 6476 408 8 6892 1381 1603 1655
TotalAPPLICATION OF FUNDS :[1] Fixed Assets :Gross BlockLess : Depreciation and ImpairmentNet BlockCapital work-in-progressPreoperative & Project Expenses pending allocation[2] Investments[3] Current Assets, Loans and Advances :InventoriesSundry DebtorsCash and Bank BalancesLoans and AdvancesLiabilitiesProvisionsNet Current Assets	5 3-15] 5 7 3 9	2721 6784 396 4 1939 1088	1012 10871 7184	974 10426 8460 1984 6476 408 8 6892 1381 1603 1659
TotalAPPLICATION OF FUNDS :[1] Fixed Assets :Gross BlockLess : Depreciation and ImpairmentNet BlockCapital work-in-progressPreoperative & Project Expenses pending allocation[2] Investments[3] Current Assets, Loans and Advances :InventoriesCash and Bank BalancesCash and AdvancesLoans and AdvancesLiabilitiesProvisionsNet Current Assets	5 3-15] 5 7 3 9	2721 6784 396 4 1939 1088	<u>10871</u> 7184	10426 8460 1984 6476 408 8 6892 1381 1603 1659
APPLICATION OF FUNDS : [1] Fixed Assets : Gross Block Less : Depreciation and Impairment Net Block Capital work-in-progress Preoperative & Project Expenses pending allocation [2] Investments [3] Current Assets, Loans and Advances : Inventories Sundry Debtors Cash and Bank Balances Loans and Advances Less : Current Liabilities & Provisions : Liabilities Net Current Assets	 5- 7 3- 9-	2721 6784 396 4 1939 1088	7184	8460 1984 6476 408 6892 1381 1603 1655
[1] Fixed Assets :5Gross BlockLess : Depreciation and ImpairmentNet BlockCapital work-in-progressPreoperative & Project Expenses pending allocation20[B[2] Investments6[3] Current Assets, Loans and Advances :7Inventories77Sundry Debtors8Cash and Bank Balances9Loans and Advances10Less : Current Liabilities & Provisions :11Provisions11Provisions11Net Current Assets11	 5- 7 3- 9-	2721 6784 396 4 1939 1088		1984 6476 408 8 6892 1381 1603 1659
Gross Block Less : Depreciation and Impairment Net Block Capital work-in-progress Preoperative & Project Expenses pending allocation 20[B [2] Investments 6 [3] Current Assets, Loans and Advances : 7 Inventories 7 Sundry Debtors 8 Cash and Bank Balances 9 Loans and Advances 11 Provisions 11 Provisions 11 Net Current Assets 11	 5- 7 3- 9-	2721 6784 396 4 1939 1088		1984 6476 408 8 6892 1381 1603 1659
Less : Depreciation and Impairment Net Block 20[B Capital work-in-progress Preoperative & Project Expenses pending allocation 20[B [2] Investments 66 [3] Current Assets, Loans and Advances : 7 Inventories 7 Sundry Debtors 88 Cash and Bank Balances 99 Loans and Advances 110 Less : Current Liabilities & Provisions : 11 Liabilities 11 Provisions 11 Net Current Assets 11	5-15] 5 7 3 9	2721 6784 396 4 1939 1088		1984 6476 408 8 6892 1381 1603 1659
Net Block Capital work-in-progress 20[B Preoperative & Project Expenses pending allocation 20[B [2] Investments 6 [3] Current Assets, Loans and Advances : 7 Inventories 7 Sundry Debtors 8 Cash and Bank Balances 9 Loans and Advances 10 Less : Current Liabilities & Provisions : 11 Liabilities 11 Provisions 11 Net Current Assets 11	3-15] 5 7 3 9	6784 396 4 1939 1088		6476 408 6892 1381 1603 1659
Capital work-in-progress Preoperative & Project Expenses pending allocation20[B[2] Investments6[3] Current Assets, Loans and Advances : Inventories7Sundry Debtors8Cash and Bank Balances9Loans and Advances10Less : Current Liabilities & Provisions : Liabilities11Provisions11Net Current Assets11	3-15] 6 7 3 9	396 <u>4</u> 1939 1088		408 8 6892 1381 1603 1659
Preoperative & Project Expenses pending allocation 20[B [2] Investments 6 [3] Current Assets, Loans and Advances : 7 Inventories 7 Sundry Debtors 8 Cash and Bank Balances 9 Loans and Advances 11 Less : Current Liabilities & Provisions : 11 Liabilities 11 Provisions 11 Net Current Assets 11	5 7 3 9	4 1939 1088		8 6892 1381 1603 1659
[2] Investments 6 [3] Current Assets, Loans and Advances : 7 Inventories 7 Sundry Debtors 8 Cash and Bank Balances 9 Loans and Advances 11 Less : Current Liabilities & Provisions : 11 Liabilities 11 Provisions 11 Net Current Assets 11	5 7 3 9	1939 1088		6892 1381 1603 1659
[3] Current Assets, Loans and Advances : 7 Inventories 7 Sundry Debtors 8 Cash and Bank Balances 9 Loans and Advances 11 Less : Current Liabilities & Provisions : 11 Liabilities 11 Provisions 11 Net Current Assets 11	7 3	1088		1381 1603 1659
[3] Current Assets, Loans and Advances : 7 Inventories 7 Sundry Debtors 8 Cash and Bank Balances 9 Loans and Advances 11 Less : Current Liabilities & Provisions : 11 Liabilities 11 Provisions 11 Net Current Assets 11	7 3	1088	1000	1603 1659
Inventories7Sundry Debtors8Cash and Bank Balances9Loans and Advances10Less : Current Liabilities & Provisions :1Liabilities1Provisions1Net Current Assets1	3	1088		1659
Sundry Debtors8Cash and Bank Balances9Loans and Advances10Less : Current Liabilities & Provisions :11Liabilities11Provisions11Net Current Assets11	3	1088		1659
Cash and Bank Balances 9 Loans and Advances 11 Less : Current Liabilities & Provisions : Liabilities 11 Provisions 12 Net Current Assets	9			
Loans and Advances 10 Less : Current Liabilities & Provisions : 1 Liabilities 1 Provisions 1 Net Current Assets 1	<u> </u>			372
Liabilities 1 Provisions 1 Net Current Assets	U	1372		701
Liabilities 1 Provisions 1 Net Current Assets	-	4663		4335
Provisions 1: Net Current Assets				
Net Current Assets	1	1844		1819
	2	575		511
		2419		2330
			2244	2005
[4] Miscellaneous Expenditure :				
[to the extent not written off or adjusted] 13	3		75	148
Total		_	10871	10426
Significant Accounting Policies and Notes on Accounts 20	0			
As per our report of even date				
For R.R.Patel & Co., For Mukesh M. Shah & Co.,				
Chartered Accountants Chartered Accountants		Chairr	man & Man	aging Directo
				-99 2 oo
Proprietor Partner Chief Accounts Officer Company secr	retary			Directors

INCOME : Sales Less : Excise Duty Net Sales Other Income EXPENDITURE : Consumption of Materials and Finished Good: General Expenses Research Expenses Interest and Financial Charges Depreciation	Sch. No. 14 15 16 17 18 -	Rupe Year end 31-03-2 11253 619 4311 4003 710 202 565		Year ended 31-03-2004 11160 811 10349 894 11243 4436 3719
Sales Less : Excise Duty Net Sales Other Income EXPENDITURE : Consumption of Materials and Finished Good: General Expenses Research Expenses Interest and Financial Charges	14 15 16 17	31-03-2 11253 619 4311 4003 710 202	005 10634 785	31-03-2004 11160 811 10349 894 11243 4436 3719
Sales Less : Excise Duty Net Sales Other Income EXPENDITURE : Consumption of Materials and Finished Good: General Expenses Research Expenses Interest and Financial Charges	15 16 17	11253 619 4311 4003 710 202	10634 785	11160 811 10349 894 11243 4436 3719
Sales Less : Excise Duty Net Sales Other Income EXPENDITURE : Consumption of Materials and Finished Good: General Expenses Research Expenses Interest and Financial Charges	15 16 17	619 4311 4003 710 202	785	811 10349 894 11243 4436 3719
Less : Excise Duty Net Sales Other Income EXPENDITURE : Consumption of Materials and Finished Good: General Expenses Research Expenses Interest and Financial Charges	15 16 17	619 4311 4003 710 202	785	811 10349 894 11243 4436 3719
Net Sales Other Income EXPENDITURE : Consumption of Materials and Finished Good: General Expenses Research Expenses Interest and Financial Charges	15 16 17	4311 4003 710 202	785	10349 894 11243 4436 3719
Other Income EXPENDITURE : Consumption of Materials and Finished Good: General Expenses Research Expenses Interest and Financial Charges	15 16 17	4003 710 202		11243 4436 3719
Consumption of Materials and Finished Good: General Expenses Research Expenses Interest and Financial Charges	16 17	4003 710 202		4436 3719
Consumption of Materials and Finished Good: General Expenses Research Expenses Interest and Financial Charges	16 17	4003 710 202		3719
General Expenses Research Expenses Interest and Financial Charges	16 17	4003 710 202		3719
Research Expenses Interest and Financial Charges	17	710 202		
Interest and Financial Charges		202		
	18			632
Depreciation	-	<u>565</u>		166
				531
			9791	9484
Profit before extra ordinary items and Tax			1628	1759
Less : Extra-ordinary Expenses :				
Amortisation of compensation under Voluntary Retirement Scheme			124	125
Profit before Tax			1504	1634
Less : Provision for Taxation	19		190	205
Profit after Tax			1314	1429
Add : Balance brought forward		1064		567
Less: Goodwill on Amalgamation & Amalgamation Adjustment Account written off	f	0		(92
			1064	475
PROFIT AVAILABLE FOR APPROPRIATIONS			2378	1904
Appropriations :				
Transfer to Debenture Redemption Reserve		0		150
Dividends :				
Proposed Dividend on Equity Shares		377		377
Corporate Dividend Tax on Proposed Dividend		53		48
		430		425
Transfer to General Reserve		458		265
			888	840
Balance carried to Balance Sheet			1490	1064
Basic and Diluted EPS [in Rupees]	20[B-22]		20.93	22.75
Significant Accounting Policies and Notes on Accounts As per our report of even date	20			
or R.R.Patel & Co., For Mukesh M. Shah & Co.,		Ob a line		Discorto
hartered Accountants Chartered Accountants		Chairr	man & Man	aging Directo
oprietor Partner Chief Accounts Officer Comp	pany secretary			Directors
nmedabad, Dated :				

	Rupee	es in Milli	ons
	As at		As at
	31-03-20	005	31-03-2004
chedule : 1 - Capital :			
Authorised :			
90,000,000 Equity Shares of Rs.5/- each	450		450
500,000 Preference Shares of Rs. 100/- each	50		50
		500	500
Issued, Subscribed and Paid-up:			
62,806,854 Equity Shares of Rs.5/- each fully paid-up		314	314
Note : Of the above shares,			
[A] 33,034,332 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.			
Total		314	314
chedule : 2 - Reserves & Surplus :			
Capital Redemption Reserve Account :			
Balance as per last Balance Sheet	32		20
Add : Amount Transferred on Amalgamation	0		12
		32	32
Share Premium Account :			
Balance as per last Balance Sheet		2561	2561
Debenture Redemption Reserve :			
Balance as per last Balance Sheet	324		237
Add : Transfer from Profit and Loss Account	0		150
	324		387
Less: Transfer to General Reserve	77		63
		247	324
General Reserve :			
Balance as per last Balance Sheet	1100		913
Add : Transfer from Debenture Redemption Reserve	77		63
Add : Transfer from Profit and Loss Account	458		265
	1635		1241
Less : Adjustments of amortisation of Intangible Assets	0		141
Less : Adjustments of Impairment of Fixed Assets [Refer note no. B - 1 of Sch. no. 20]			
[Net of deferred tax adjustments of Rs. 68 Millions { Previous Year Rs. Nil }]	135		0
		1500	1100
Balance in Profit and Loss Account		1490	1064
Total		5830	5081

	Rupees	in Milli	ons
	As at		As a
	31-03-200	5	31-03-200
Schedule : 3 - Secured Loans			
Privately Placed Debentures :			
A 70, 8.4 % Secured , Redeemable Non Convertible Debentures [NCL	Ds] of		
Rs. 7000000/- [As at 31-03-04 - Rs 10000000] each consistin	ng of two		
separately tradable principle parts [STRPP] as under :	490		70
- Nil [STRPP 1 representing 30 % of the face value of NCDs re	edeemed at par		
on 20th August, 2004]			
- STRPP 2 representing 70 % of the face value of NCDs , redee	emable at par or		
20th August, 2005.			
B 60, 7 % Redeemable Non Convertible Debentures of Rs. 83333333.	33		
[As at 31-03-04 Rs. 10000000] each			
[Redeemable in six equal half yearly installments commencing	ng from Nov., 2004] 500		60
		990	130
2 Loans and Advances from Banks			
A Term Loans [Including FCL Rs.Nil { As at 31-03-04 - Rs. 193 } Million	on: O		29
B Working Capital Loans [Including FCL Rs. 443 { As at31-03-04 - Rs	. 477 } Millions] 490		56
C External Commercial Borrowings [ECB] in Foreign Currency	1394		104
		1884	191
Other Loans and Advances :			
Term Loan from a Financial Institution [Including FCL Rs.Nil { As at 31-0	03-04 -Rs. 226 Millions }]	0	22
Total		2874	343

Securities for Loans :

- 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 Trad-Marks of the Company.
 - [B] First charge by way of mortgage of 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. Nil [As at 31-03-04 Rs.100 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.
 - $[\ b\]$ Rs. Nil [As at 31-03-04 Rs.193 Millions] is secured by hypothecation of three trade marks of the Company.
 - [B] [a] Secured by way of hypothecation of inventories and book-debts, both present and future of the specific divisions for which facilities are availed by the Company.
 - [b] Out of total , Rs. 490 Millions [As at 31-03-04 Rs. 443 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 above charges rank pari passue amongst banks in the respective consortium.
 - [C] [a] Rs. 876 Millions [As at 31-03-04 Rs. 874 Millions] 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 at 2[A][a] & 2[C][c].
 - [b] Rs. 120 Millions [As at 31-03-04 Rs. 175 Millions] are 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 & to rank pari passue with 2[C][c]..
 - [c] Rs. 398 Millions [As at 31-03-04 Rs. Nil] are secured by securities mentioned at 2[C][a] & 2[C][b] above on pari passue basis.
- 3 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.

Schedules forming part of the Balance Sheet			
	Rupee	s in Milli	ons
	As at		As at
	31-03-20	05	31-03-2004
Schedule : 4 - Unsecured Loans			
1 Fixed Deposits [Rs. 0.05 { As at 31-03-04 Rs. 0.24 } Millions]		0	0
2 Short - term Loans :			
A From Banks	0		200
B From a Financial Institution in foreign currency	402		0
		402	200
3 Other Loans and Advances :			
A Interest free deemed loan against deferment of sales tax			
a From a Financial Institution	193		194
b Deferred amount	210		189
	403		383
B From a Financial Institution	3		4
C From Others	33		33
		439	420
Total		841	620
Note : Loan at [3 - A] 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. Pend	ding creation of thi	s security	

amount upto Rs. 85 [As at 31-03-04 - Rs. 85] Millions is secured by personal guarantee of the Managing Director of the Company .

Schedules forming part of the				
	Nos.	Face	Rupees in Mil	
	[*]	Value [**]	As at 31-03-2005	As at 31-03-2004
Schedule : 6 - Investments [At cost]		LJ	31-03-2003	31-03-2004
Long Term Investments :				
In Government Securities [Unquoted] :				
National Savings Certificates [Lodged with Govt. Auth. as security] [Rs. 16,350/-]^			0	0
Kisan Vikas Patra [Lodged with Sales Tax Auth as security] [Rs.9,000]^			0	0
			C	0
In Shares, Debentures and Bonds :				
Subsidiary companies [Unquoted] :				
In fully paid-up equity shares of :				
Dialforhealth India Ltd.	5000000	10	50	50
German Remedies Ltd.	24000	100	2	2
Zydus International Pvt. Ltd., Ireland	6079000	£1	470	470
Zydus Pharmaceuticals Ltd.	950000	10	10	10
Sub-total			532	532
Trade Investments [Unquoted] :				
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	10	270	270
			370	370
In fully paid-up Series B & C Convertible Preferred Stock of :				
Onconova Therapeutic Inc. USA	802638	\$0.01	187	187
onconova merapeutic me. Ook	002000	\$0.01	557	557
Other Investments :			557	337
Quoted :				
In fully paid-up Equity Shares of :				
The Zandu Pharmaceuticals Works Ltd.	0 [13523]	10	0	78
HDFC Bank Ltd. [Rs. 10,850/-]^	800	10	0	0
Housing Development Finance Corporation Ltd.	43900	10	1	1
	43900 5000	10		0
Saket Projects Ltd. [Rs. 50,000/-]^	5000	10	0	79
In fully paid-up Bonds of Unit Trust of India			I.	19
- 6.6% Tax free ARS Bonds	201712 [0]	100	30	
	391712 [0]	100	39	0
- 6.75% Tax free US-64 Bonds	34515	100	4	4
			43	4
			44	83
Unquoted :				
In Units of Mutual Funds :	0[050000]	10		
	0[3580000]	10	0	38
In fully paid-up equity shares of :		4.0		10
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 - Aqua Infrastructure Ltd	568920[256505]	10	6	3
Enviro Infrastructure Co. Ltd.	50000	10	1	1
Green Environment Co-OP Service [Rs. 5,000/-]^	50	100	0	0
Avra Laboratories P Ltd	250000[0]	10	2	0
			19	14
In fully paid-up Bonds of :				
Rural Electrification corporation Ltd.				
- 5.15 % ,5 Year Capital Gains Bonds, Series - III	10500	10000	105	105
National Housing Bank Ltd.				
- 5.10 % ,5 Year Capital Gains Bonds, 2002	10000	10000	100	100
National Bank for Agricultural & Rural Development				
- 5 % ,5 Year Capital Gains Bonds.	1000	10000	10	10
			215	215
			234	267
	1			
Total Other Investments			278	

	he Balance S		_	
	Nos.	Face	Rupees in N	Villions
	[*]	Value	As at	As a
		[**]	31-03-2005	31-03-200
Schedule : 6 - Investments [At cost]				
Contribution to the Corpus of Gujarat Venture Capital Fund:			_	
1990 [Rs. 85,000/- { As at 31-03-04 Rs. 1,10,000/- }]^	-	-	0	
1995	-	-	1	
				1
Total			13	144
Less : Provision for diminution in value of Investments				0 60
Aggregate Book Value of Investments :			13	138 ⁻
Unquoted			13	135
Quoted [Market Value Rs 75 Millions { As at 31-03-04 Rs. 63 Millions	3]			44 23
Total			13	138
Note : In "Nos. [*]" figures of Previous year are same unless stated in	[]			
In " Face Value [**] " , figures in Indian Rupees unless stated o	therwise.			
[^] Figures in bracket denotes absolute Rupees.				
Schedule : 7 - Inventories :				
As taken, valued and certified by the management] [Valued at lower of cost a	nd net realisa	ble value]		
As taken, valued and certified by the management] [Valued at lower of cost a Stores and Spare Parts	nd net realisa	ble value]		44 5
	nd net realisa	ble value]		44 5
Stores and Spare Parts	nd net realisa	ble value]	496	44 5 ⁻ 44
Stores and Spare Parts Stock-in-Trade :	nd net realisa	ble value]		
Stores and Spare Parts Stock-in-Trade : Raw Materials	nd net realisa	ble value]	496	44
Stores and Spare Parts Stock-in-Trade : Raw Materials Packing Materials	nd net realisa	ble value]	496 64 968	44 6 70
Stores and Spare Parts Stock-in-Trade : Raw Materials Packing Materials Finished Goods	nd net realisa	ble value]	496 64 968_ 15	44 6 70 28 120
Stores and Spare Parts Stock-in-Trade : Raw Materials Packing Materials Finished Goods Works-in-progress	nd net realisa	ble value]	496 64 <u>968</u> 15 <u>3</u>	44 6 70 228 120 667 33
Stores and Spare Parts Stock-in-Trade : Raw Materials Packing Materials Finished Goods	nd net realisa	ble value]	496 64 <u>968</u> 15 <u>3</u>	44 6 70 28 120
Stores and Spare Parts Stock-in-Trade : Raw Materials Packing Materials Finished Goods Works-in-progress Total	nd net realisa	ble value] 	496 64 <u>968</u> 15 <u>3</u>	44 6 70 228 120 667 33
Stores and Spare Parts Stock-in-Trade : Raw Materials Packing Materials Finished Goods Works-in-progress	nd net realisa	ble value]	496 64 <u>968</u> 15 <u>3</u>	44 6 70 228 120 667 33
Stores and Spare Parts Stock-in-Trade : Raw Materials Packing Materials Finished Goods Works-in-progress Total Schedule : 8 - Sundry Debtors : [Unsecured]:	nd net realisa	ble value]	496 64 <u>968</u> 15 <u>3</u>	44 6 70 228 120 667 33
Stores and Spare Parts Stock-in-Trade : Raw Materials Packing Materials Finished Goods Works-in-progress Total	nd net realisa	ble value]	496 64 <u>968</u> 15 <u>3</u>	44 6 70 228 120 667 33
Stores and Spare Parts Stock-in-Trade : Raw Materials Packing Materials Finished Goods Works-in-progress Total Schedule : 8 - Sundry Debtors : [Unsecured]: Debts outstanding for a period exceeding six months : Considered good	nd net realisa	ble value]	496 64 968 15 3 <u>19</u>	44 63 703 288 120 367 333 399 1603
Stores and Spare Parts Stock-in-Trade : Raw Materials Packing Materials Finished Goods Works-in-progress Total Schedule : 8 - Sundry Debtors : [Unsecured] : Debts outstanding for a period exceeding six months : Considered good Considered doubtful	nd net realisa	ble value]	496 64 968 15 3 <u>19</u> 109 9	44 6 70 67 33 67 33 120 67 33 74 74 74 74 74 74 74 74 74 74
Stores and Spare Parts Stock-in-Trade : Raw Materials Packing Materials Finished Goods Works-in-progress Total Schedule : 8 - Sundry Debtors : [Unsecured] : Debts outstanding for a period exceeding six months : Considered good Considered doubtful Total	nd net realisa	ble value]	496 64 968 15 33 19 19 109 9 118	44 6 70 628 120 667 33 39 160 7 7 7 6 8
Stores and Spare Parts Stock-in-Trade : Raw Materials Packing Materials Finished Goods Works-in-progress Total Schedule : 8 - Sundry Debtors : [Unsecured] : Debts outstanding for a period exceeding six months : Considered good Considered doubtful	nd net realisa	ble value]	496 64 968 15 3 19 19 109 9 118 9	44 6 70 628 120 667 33 39 160 7 7 8 8 8
Stores and Spare Parts Stock-in-Trade : Raw Materials Packing Materials Finished Goods Works-in-progress Total Schedule : 8 - Sundry Debtors : [Unsecured] : Debts outstanding for a period exceeding six months : Considered good Considered doubtful Total Less: Provision for doubtful debts	nd net realisa	ble value]	496 64 968 15 3 19 19 109 9 118 9	44 6 70 628 120 667 33 39 160 7 7 7 6 8
Stores and Spare Parts Stock-in-Trade : Raw Materials Packing Materials Finished Goods Works-in-progress Total Schedule : 8 - Sundry Debtors : [Unsecured] : Debts outstanding for a period exceeding six months : Considered good Considered doubtful Total Less: Provision for doubtful debts Other debts - Considered good	nd net realisa	ble value]	496 64 968 15 3 19 19 19 109 9 118 9 118 9	44 6 70 28 120 67 39 160 7 7 6 8 6 7 6 7 6 7 6 7 6 7 7 6 7 7 6 7 7 7 7 7 7 7 7 7 7 7 7 7
Stores and Spare Parts Stock-in-Trade : Raw Materials Packing Materials Finished Goods Works-in-progress Total Schedule : 8 - Sundry Debtors : [Unsecured] : Debts outstanding for a period exceeding six months : Considered good Considered doubtful Total Less: Provision for doubtful debts Other debts - Considered good Due from subsidiary companies [Refer note no. B-10 of Sch.no.20]	nd net realisa	ble value]	496 64 968 15 3 3 19 19 19 19 19 19 19 19 19 19 19 118 9 118 9 118 3	44 6 70 28 120 67 33 39 160 7 6 8 6 7 6 7 6 8 6 7 6 7 6 7 6 7 6 7 6 7 6 7 6 7 7 6 7 7 7 6 7 7 7 7 7 7 7 7 7 7 7 7 7
Stores and Spare Parts Stock-in-Trade : Raw Materials Packing Materials Finished Goods Works-in-progress Total Schedule : 8 - Sundry Debtors : [Unsecured] : Debts outstanding for a period exceeding six months : Considered good Considered doubtful Total Less: Provision for doubtful debts Other debts - Considered good	nd net realisa	ble value]	496 64 968 15 3 3 19 19 19 19 19 19 19 19 19 118 9 118 9 118 9 118 9 118	44 6 70 28 120 67 33 139 160 7 6 7 7 6 7 6 7 7 7 7 7 7 7 7 7 7 7 7 7
Stores and Spare Parts Stock-in-Trade : Raw Materials Packing Materials Finished Goods Works-in-progress Total Schedule : 8 - Sundry Debtors : [Unsecured] : Debts outstanding for a period exceeding six months : Considered good Considered doubtful Total Less: Provision for doubtful debts Other debts - Considered good Due from subsidiary companies [Refer note no. B-10 of Sch.no.20]	nd net realisa	ble value]	496 64 968 15 3 <u>19</u> 19 19 19 19 19 19 19 19 19 19 19 19 19	44 6 70 28 120 67 33 39 160 7 6 8 6 7 6 7 6 8 6 7 6 7 6 7 6 7 6 7 6 7 6 7 6 7 7 6 7 7 7 6 7 7 7 7 7 7 7 7 7 7 7 7 7

Schedules forming part of the Balance Sheet			
	· · ·	es in Milli	ons
	As at		As at
	31-03-2	005	31-03-2004
Schedule : 9 - Cash and Bank Balances			1
Cash balance on hand		5	4
Bank Balances :			
With Scheduled Banks :			
In Current Accounts	8		246
In Fixed Deposit Accounts	244		106
[Out of this, fixed deposits of Rs. 58 { As at 31-03-04 Rs.57 } Millions			
have been pledged with Banks as Margin Money for Guarantees			
issued and fixed deposits of Rs. 0.3 { As at 31-03-04 Rs. 0.3 } Millions			
have been pledged with Sales-tax Authorities]			
In Foreign Currency Current Accounts	5		15
		257	367
With Other Banks :			
In Current Account in foreign currency with			
International Moscow Bank [formerly known as Bank Austria Creditanstalt], Moscow,	1		1
[Maximum amount outstanding during the year Rs. 3 { Previous year -			
Rs. 2 } Millions]			
JSP Pension Bank Aval Kiev, Ukraine	1		0
[Maximum amount outstanding during the year Rs. 1 { Previous year -			
Rs. Nil } Million]			
		2	1
Total	=	264	372
Schedule : 10 - Loans and Advances			
[Considered Good , unsecured unless otherwise stated]			
Advances to subsidiary companies [Refer note no. B-11 of Sch.no. 20]		504	99
Advances recoverable in cash or in kind or for value to be received :		004	,,,
Secured :			
Advances to a Joint Venture Company [Refer note no. B-12 of Sch.no. 20]	159		81
Others [Include loan to an Officer Rs. 0.2 { as at 31-03-04 Rs. 0.1 } Millions]	107		
[Maximum balance due during the year Rs. 0.2 { Previous Year Rs. 0.1 } Millions]	1		2
	I	160	83
		100	03
Unsecured : Others		540	381
Others		1204	563
Advance normant of Income, toy [not of provision]			
Advance payment of Income - tax [net of provision]		47	22
Balances with Custom / Central Excise Authorities		110	114
Interest receivable from others		11	2
Total		1372	701

	Rupees in	n Millio	ons
	As at		As a
	31-03-2005		31-03-200
edule : 11 - Current Liabilities			
Acceptances		231	16
Sundry Creditors :			
Small scale Industrial Undertakings	13		5
For Capital Goods	50		3
Others	1377		137
Subsidiary Companies	61		Ę
	1	1501	15
Advances from Debtors		26	
Trade Deposits		12	
Investor Education and Protection Fund [*] :			
Unclaimed dividends	9		
Matured but unclaimed Fixed Deposits [Rs. 0.01 {As at 31-03-04 Rs. 0.01 } Millions]			
[Interest payable on matured but unclaimed fixed deposits [Rs. 0.1			
{ As at 31-03-04 Rs. 0.01 } Millions]	0		
Total [*] [There are no amounts due and outstanding to be credited to Investor			
Education and Protection Fund]		9	
Interest accrued but not due on loans		65	
Total	1	844	18
edule : 12 - Provisions			
Proposed dividend		377	3
Corporate Dividend Tax on Proposed Dividend		53	
Provision for probable product warranty claims and return of goods		11	
Provision for retirement benefits		134	
Total		575	5
edule : 13 - Miscellaneous Expenditure [To the extent not written off or adjusted]			
Preliminary Expenses [Rs. 0.08 { as at 31-03-04 Rs. 0.1 } Millions]		0	
Compensation under Voluntary Retirement Scheme		75	1
Total		75	1

	Rupees in Mi	llions
	Year ended	Year ended
	31-03-2005	31-03-2004
edule : 14 - Other Income		
A Operating Income :		
Export Incentive Received	130	69
Processing Charges Income [T.D.S. Rs. 2.7 { Previous year - Rs.2.9 } Millions]	136	138
Surplus on account of fluctuations in foreign exchange rates [net]	16	4
Miscellaneous Income	31	40
	31:	3 251
B Non Operating Income :		
a Dividends [Gross]:		
From Long Term - Trade Investments in :	2	
Subsidiaries	2	2
Joint Ventures	450	600
	452	602
From Long Term Non - Trade Investments - Others	4	5
Total Dividend received	456	607
b Others :	1	
Rent Received [T.D.S. Rs.0.23 { Previous year - Rs.0.03 } Millions]	1	2
C. Drafit an colo of Investments [not]	45	
C Profit on sale of Investments [net]	1	
D Profit on assets sold / discarded [Net]		34
Total	78	5 894
edule : 15 - Consumption of Materials and Finished Goods		
Raw Materials :		
Stock at commencement	441	503
Stock at commencement acquired under the Scheme	0	6
Add : Purchases	2218	2121
	2659	2630
Less : Stock at close	496	441
	216	
Packing Materials	340	337
Purchases of Finished Goods	210	
[Increase] / Decrease in Stock of Finished Goods & Work-in-process :		
Stock at close :		
Finished Goods	968	703
Works-in-progress	367	339
	1335	1042
Less : Stock at commencement		
Finished Goods	703	719
Works-in-progress	339	384
	1042	1103
Less:-Stock at commencement acquired under the Scheme:		
Finished Goods	0	
Works-in-progress	0	
····· ··· ··· ··· ··· ··· ··· ··· ···	0	1
	(29	
	431	
Total	4 3 1	44 5

	Rupees in Mi	lions
	Year	Yea
	ended	endeo
	31-03-2005	31-03-2004
nedule : 16 - General Expenses		
Personnel expenses :		
Salaries, wages and bonus	1057	989
Company's contribution to provident & other funds	143	11
Staff welfare expenses	64	6
	1264	116
Stores and spare parts consumed	122	2 11
Power & fuel	220	18
Processing Charges	83	3 11
Insurance	39	3
Repairs :		
Buildings	10	1
Plant and Machinery	32	2
Others	15	2
	57	
Rent	18	
Rates and Taxes	4	
Managing Director's Remuneration	75	
Commission to Director		
Traveling Expenses	223	
Legal and Professional fees	184	
Miscellaneous Expenses	346	
Selling & Distribution Expenses :	340	20
Commission on sales	155	13
Freight and forwarding on sales	159	13
Sales promotion expenses	232	20
Advertisements	172	14
Seminar, Conference and Exhibition	145	1
Representative Allowance and Incentives	179	10
Other marketing expenses	240	15
	1282	
Bad debts written off	19	
Preliminary Expenses written off [Rs 0.32 { Previous year - Rs. 0.32 } Millions]		
Directors' fees [Rs 0.22 { Previous year - Rs. 0.18 } Millions]		
Loss on assets sold / discarded [Net]	2	
Loss on assets impaired [Net]		
Donations	13	
Total	4003	3 371

Schedules forming part of the Profit and Loss Account	Rupees in Mi	llions
	· · · · ·	Yea
	Year ended	ender
	31-03-2005	31-03-2004
Schedule : 17 - Research Expenses	01 00 2000	31-03-200
Materials	19	8 19
Personnel expenses :		
Salaries, wages and bonus	125	8
Company's contribution to provident & other funds	11	
Staff welfare expenses	5	
	14	1 9
Stores and spare parts consumed	3	5 3
Power & fuel	1	9 1
Analytical expenses	24	6 24
Insurance		4
Building Repairs		2
Plant & machineries repairs		3
Rent		4
Traveling Expenses		7
Legal and Professional fees		2
Others [Excluding Depreciation of Rs. 58.5 { Previous Year - Rs. 43.7 } Millions]	4	9 3
Total	71	0 63
Schedule : 18 - Interest and Financial Charges		
listorest .		
Interest : On term loans	79	9
On debentures	87	10
On working capital loans from banks	16	3
Others	4	1
Discount on debentures written off		0
Deficit [Surplus] on account of fluctuations in foreign exchange rates on loans	3	
Bank commission & charges	3	
	3	
Less : Interest earned [Gross] :	27	
From Long Term Investments	13	
Others [T.D.S Rs 4.1 { Previous year Rs. 3.3 } Millions]	34	5
Total	4	
Total		
chedule : 19 - Provision for Taxation		
Current Tax	84	10
Deferred Tax	106	11
Total	19	0 22
[Less]: Prior year's tax adjustments [Rs. 0.3 Millions]		0 (1
Total	19	0 20

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 applicable provisions of the Companies Act, 1956.

2 Use of Estimates :

The preparation of Financial statements in conformity with the accounting standards generally accepted in India requires, the management to make estimates and assumptions in respect of certain items like provisions for doubtful debts, impairment of Fixed assets, provision for product warranty claims etc. that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and reported amounts of revenues and expenses for the year. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

- 3 Fixed Assets and Depreciation :
 - A Fixed Assets are stated at historical cost of acquisition / construction less accumulated depreciation & impairment loss. 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 Depreciation on impaired assets is calculated on its residual value, if any on a systematic basis over its remaining useful life.
 - D Leasehold land is amortized over the period of the lease.
 - E The Trade Marks and Technical Know-how Fees are amortised over its estimated economic life of ten years.
 - F 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.
- 4 Impairment of Assets :

The Company assesses at each balance sheet date whether there is any indication of impairment of any asset. If such indication exists, assets are impaired by comparing carrying amount of each asset and / or cash generating unit to the recoverable amount being higher of the net selling price or value in use. Value in use is determined from the present value of the estimated future cash flows from the continuing use of the assets

5 Borrowing Costs :

Borrowing costs attributable to the acquisition / constructions of a qualifying asset are capitalised as part of the cost of such assets up to the date of the assets are ready for its intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

6 Expenditure during the Construction Period :

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

- 7 Investments :
 - A Long term and strategic investments are stated at cost, less any diminution in the value other than temporary.
 - B Current investments, if any, are stated at lower of cost and fair value determined on individual investment basis.
 - C 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.
- 8 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.
- 9 Revenue Recognition :
 - A Sales of products in domestic market are recognised when they are despatched to customers at invoice value and are reported net of trade discounts & sales tax collected.
 - B Revenue in respect of export sales is recognised on shipment / air lift of products .
 - 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.

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

Schedule : 20 - Significant Accounting Policies and Notes on Accounts

10 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.
- 11 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.

12 Excise Duty :

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

- 13 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.

- 14 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.
- 15 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.
- 16 Provision for Product warranties :

Estimated warranty claims in respect of products sold during the year are provided based on the management's estimates of probable customers claims.

- 17 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 In accordance with the Accounting Standard 28 on " Impairment of Assets " issued by the Institute of Chartered Accountants of India, the management has carried out impairment test on individual assets and / or cash generating unit in respect of the economic life of fixed assets and have reviewed the potential generation of economic benefits from the fixed assets and have concluded that some of the fixed assets employed in the continuing business are unlikely to generate adequate economic returns over their useful lives. Consequently, some of the items of Plant & Machineries and Furnitures & Fixtures of formulation & API businesses are written down to their recoverable amount, being the residual realizable value and some of the intangible assets of formulation business on account of discontinuing the business of related products.
 - In accordance with the said standard, impairment loss as at 1st April, 2004 amounting to Rs.203 Millions is charged to the General Reserve, whereas the impairment loss amounting to Rs. 1 Million arising during the year is charged to the Profit &Loss Account.
 - 2 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. 797 Millions Approx. } [Previous Year US \$ 18 Millions { equivalent to Rs. 779 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, 2005 of Rs. 117 Millions [as at 31-03-04 Rs. 87 Millions] is not provided for.

	Schedules forming part of the Balance Sheet and Profit and Loss Account
Schedul	e : 20 - Significant Accounting Policies & Notes on Accounts - Continue :
3	In view of the announcement by the Institute of Chartered Accountants of India, with reference to Accounting Standard - 9,
	the inter unit transfer of bulk drugs of Rs. 304 [Previous year Rs. 356] Millions have been excluded from the
	sales and from the material consumption and the export incentives of Rs. 130 [Previous year Rs. 69] Millions
	& Processing Charges income of Rs. 136 [Previous Year Rs. 138] Millions have been regrouped from sales to
	Other Income. However, this has no impact on profitability.
4	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, 2005 amounting to Rs. 70 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.
5	The Company has an investment of Rs. 270 Millions in fully paid up equity shares of Sarabhai Zydus Animal Health Ltd., a
	Joint venture company. The accumulated losses of the Company as at 31st March, 2005 are nearly 75 % of its net
	worth. However having regard to the long term strategy of the Company, no provision is considerednecessary on this
	account.
6	A The names of Small Scale Industrial Undertakings to whom amounts outstanding as on 31st March, 2005 are as under :
	M/s. A Choksey Chemical Industries ,M/s. Ajni Interiors ,M/s. Amishi Drugs & Chemicals ,M/s.Annapurna Enterprise ,
	M/s. Art-O-Print ,M/s. Ashok Engineering ,M/s. Auto Control Industries ,M/s.Autofits ,M/s. Autopack Industries ,
	M/s. Beardsell Limited., M/s. Brajesh Packaging Pvt. Ltd., M/s.Canton Laboratories, M/s. Citadel Architectural Solutions P L,
	M/s. Core Emballage Limited , M/s. Creative Printers Pvt. Ltd., , M/s. D.K. Scientific Industries , M/s. Daman Foils Pvt Ltd
	M/s. DharaEngineers ,M/s. Ganesh Engineering Co. ,M/s. Glass Ampoules (India) Pvt Ltd ,M/s. Gopinath Industries,
	M/s. Gujarat Febrotech ,M/s. Gurudatt Steel Industries ,M/s. Hi Tec Power Controls ,M/s.Hi Tech Engineers ,
	M/s. Hi-Tec Power Controls ,M/s. Hydroflex Hose Industries ,M/s. Isha Plastic Industries ,M/s. J.H.Mehta & Brothers ,
	M/s. Jai Rubber Enterprises ,M/s. Jalvi Enterprise, ,M/s. JayEngineering ,M/s. Jewel Packaging Pvt.Ltd. ,M/s. Jewel Paper
	(P) Ltd., M/s. Kaisha ManufacturersPvt. Ltd., M/s. Kaizen Engineers, M/s. Kaveri Engineering Works, M/s. Klassic Gold,
	M/s. Klasspack Pvt.Ltd. ,M/s. Kunal Enterprises ,M/s. Laxmi Engineering Equipments ,M/s. Maharshi Industries ,M/s.Makers
	Polyfilms Pvt Ltd ,M/s. Mark Bond Coatings Industries ,M/s. Maximaa Systems Ltd ,M/s.Mevish Pharmaceutical Equip.
	Works ,M/s. Micro Tech Systems ,M/s. Monalee Enterprises. ,M/s. Nits Engineers ,M/s. Optra Power System ,M/s. Parle
	Pharma Machineries ,M/s. Perfect Acid And Chemicals ,M/s. Perfect Engineering Works ,M/s. Premier Aircon ,M/s. Pure
	Chem Pvt. Ltd. ,M/s.Rolex Plastic Industries ,M/s. Roto Polymers India. ,M/s. Rushabh Sales ,M/s. S.D. Enterprise,
	M/s.Safeworld Systems Pvt Ltd ,M/s. Samrat Pharmachem Ltd ,M/s. Satellite Engineers ,M/s. Shivani Scientific Indus.
	(P) Ltd. ,M/s. Shree Ganesh Industries ,M/s. Shreeji Paper Containers ,M/s.Shrinath Products ,M/s. Silicagel Products
	Mfg Co ,M/s. Sujako Interiors Pvt. Ltd ,M/s. Swam i Engineering Works ,M/s. Temple Packaging P Ltd. ,M/s. Tube Glass
	Containers Ltd. ,M/s. Unique Offset ,M/s. Unique Printers ,M/s. Universal Medicap Ltd. ,M/s. Varun Engineers ,
	M/s. Water Link Technologies ,M/s. Wee Pack Industries ,M/s. Zeal Packaging ,
	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.
/	Hitherto the company has been providing for sales return & warranty claims in the year in which actual credit notes are issued
	and goods are returned by the customers. However, in view of the accounting standard - 29, " Provisions, contingent
	liabilities and contingent assets, issued by the Institute of Chartered Accountants of India, being mandatory w.e.f. 1st
	April, 2004, the company has provided for the customers' probable claims of product warranties based on management
0	estimates. Due to such change, the profit for the year is lower by Rs. 11 millions. The Company has given the guarantee in favour of a bank for securing term loans granted by it to Sarabhai Zydus Animal
8	
	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.
9	The Company's interest in the jointly controlled entities is shown as under in compliance with the requirements of the
9	Accounting Standard - 27 " Financial Reporting of Interest in Joint Ventures ", [AS - 27] issued by the Institute of
	Accounting standard - 27 - Financial Reporting of Interest in solid Ventures - [HS - 27] issued by the institute of

Chartered Accountants of India :

		Accounting			Rupees in M	<u>/lillions</u>	
	% of	year ending		Amount of in	nterest based o	n last audited a	accounts
Name of the Company	<u>holdings</u>	<u>on</u>	<u>Status</u>	<u>Assets</u>	<u>Liabilities</u>	Income Exp	<u>penditure</u>
Zydus Altana Healthcare Pvt. Ltd .	50	31-12-04	Audited	431	164	695	134
Sarabhai Zydus Animal Health Ltd.	50	31-03-05	Audited	314	252	354	362

	Schedules forming part of the Balance Sheet and Profit and Loss Account		
Schedu	ule : 20 - Significant Accounting Policies & Notes on Accounts - Continue :		
	The Company's share in contingent liabilities of jointly controlled entities in compliance with the requirement c	of AS - 27	
	referred to above is as under :		
		<u>Rs</u>	<u>. in Millions</u>
	A In respect of guarantees given by a Bank and counter guarantees given by the jointly controlled entities [Rs. 0.2 Millions]		0
	B In respect of demand raised by the Government of Gujarat on account of stamp duty payable on the		
	trade-marks acquired by one of the jointly controlled entity against which appeal has been preferred		
	before the Hon'able Delhi High Court		16
	Estimated amount of contracts remaining to be executed on capital account and not provided for [Net of Adv	ances]	15
		<u>Rupees ir</u>	<u>n Millions</u>
		<u>Year e</u>	ended
		<u>31-03-05</u>	<u>31-03-04</u>
1	0 Sundry Debtors include amount due from wholly owned subsidiary Companies :		
1	A Zydus Pharmaceuticals Ltd. [Maximum amount due during the year Rs.49 { Previous Year Rs. Nil } Millic 1 Loans & Advances include amount due from wholly owned subsidiary Companies :	3	0
	A Zydus Pharmaceuticals Ltd. [Maximum amount due during the year Rs.50 { Previous Year Rs. 50 } Millio	50	50
	B Zydus International Pvt. Ltd. [Rs. 805 { As at 31-03-04 Rs. 805 }] [Maximum amount due during		
	the year Rs. 805/- { Previous Year Rs. 805/- }]	0	0
	C Dialforhealth India Ltd.[Maximum amount due during the year Rs. 57 { Previous Year Rs. 49 } Millions]	57	49
	D Zydus Cadila Healthcare [USA] Inc. [Maximum amount due during the year Rs.Nil { Previous Year Rs. 5 Millions }]	0	0
	E Zydus France SAS [Maximum amount due during the year Rs. 397 { Previous Year Rs. Nil } Millions]	397	0
	Note : All without interest except E. The terms of repayment not specified in B, C & E. In case of A		
	repayable within one / two years.		
1	2 Loans & Advances include amount due from a Joint Venture Company :		
	A Sarabhai Zydus Animal Health Ltd. [Maximum amount due during the year Rs. 159 { Previous	159	81
	Year Rs. 89 } Millions] [Note : Interest bearing. The terms of repayment not specified.]		
1	3 Miscellaneous Expenses include :		
	A Auditors' Remuneration :		
	a Audit Fees	2	1
	b Tax Audit Fees	1	1
	c Certification & Other Charges [Rs. 0.3 { Previous Year Rs. 0.1 } Millions]	0	0
	d Total	3	2
1	 B Cost Auditor's Remuneration including fees for other services 4 Capital expenditure on Research & Development [Including Capital Work-in-Progress Rs. 154 	1	1
1	{Previous Year-Rs.45} Millions]	322	250
1	5 Break up of Pre - operative & Project expenses :	322	250
1	A General Expenses :		
	a Traveling , Conveyance & Vehicle Expenses	1	1
	b Professional Fees & Consultation Charges	3	3
	c Others	13	5
	d Total	17	9
	B Personnel Expenses :	1	2
	C Depreciation [Rs. Nil { Previous Year Rs. Nil }]	0	0
	D Net Pre - operative & Project Expenses	18	11
	E Add : Expenses incurred till Previous year	8	6
	F Total	26	17
	G Less : Capitalised during the year on commencement of respective projects / units	22	9
	H Pre-operative & Project Expenses carried to Balance Sheet	4	8
1	6 Estimated amount of contracts remaining to be executed on capital account and not provided for		
	[Net of Advances]	217	136
1		Millions }] .	
1	8 Segment Information :		
	Segment Information has been given in the Consolidated Financial Statements of the Company. Hence, as pe	-	
	Standard - 17 issued by the Institute of Chartered Accountants of India, no separate disclosure on segme	ent information	r

y is given in these financial statements.

Schedule	: 20	- Significant	Accounting	Policies	& Notes on Accounts - Continue :
10.0					

19 Cor	ntingent liabilities not provided for :		Rupees in	n Millions	
		In respec	t of [*]	In resp	ect of
		Amalgamated	<u>d Companie</u> s	Cadila Healt	thcare Ltd.
		As at	As at	As at	As at
		<u>31-03-05</u>	<u>31-03-04</u>	<u>31-03-05</u>	<u>31-03-04</u>
А	In respect of guarantees given by a Bank and counter guarantees given by				
	the Company.	0	0	129	117
В	In respect of outstanding dues against guarantees given by the Company to				
	Banks for the loans availed by a Joint Venture Company	0	0	133	267
С	In respect of guarantees given by the Company to Banks for the outstanding				
	dues of loans availed by Zydus Pharmaceuticals Limited , wholly owned				
	subsidiary company	0	0	81	121
D	Claims against the Company not acknowledged as debts	0.1	1	284	15
E	In respect of the demand raised by the Central Excise, State Excise & Service				
	Tax dept. against which the Company has preferred an appeal. The Company				
	has been legally advised that the demand is not tenable.	9	10	278	209
F	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
G	In respect of Income Tax matters pending before appellate authorities which				
	the Company expects to succeed, based on decisions of Tribunals / Courts.	0	0	59	241
Н	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	77
Not	e · [*] represents contingent liabilities taken over by the Company under the S	cheme of Arra	andement and		

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

			Rupees in	Millions
			<u>Year ei</u>	nded
			<u>31-03-05</u>	<u>31-03-04</u>
20	А	Details of remuneration paid / payable to a Managing Director :		
		a Remuneration	72	78
		b Contribution to Provident and other Funds	3	3
		c Total	75	81
	В	Computation of net profit as per section 198 read with section 309 , 349 & 350 of the Companies Act, 198	56 :	
		a Profit as per Profit & Loss Account	1314	1429
		b Add :		
		Depreciation provided in Accounts	565	531
		Provision for Taxation - Current, Deferred & Prior year tax adjustments	190	205
		Managing Director's Remuneration	75	81
		Directors' Fees	0	0
		Commission to Other Directors	2	1
		Loss on sale / disposal of Assets [Net]	2	0
			834	818
		c Total (a + b)	2148	2247
		d Less: Depreciation as per section 350	565	531
		Less : Profit on sale of Investments [Net]	15	0
		Less: Profit on sale / disposal of Assets [Net]	0	34
		Total	580	565
		e Net Profit as per section 198 (c - d)	1569	1682
	С	Maximum remuneration payable at the rate of 5% of the net profit as per section 309 of the Companies	Act, 1956 .	
		MD remuneration @ 5 %	78	84
	D	Commission to Non-Executive Directors :		
		Maximum allowable as per Companies Act, 1956 [1% of net profit]	16	17
		Maximum approved by the Shareholders	5	5
		Commission approved by the Board	2	1

Schedule : 20 - Significant Accounting Policies & Notes on Accounts - Continue : 21 21 Related Party transactions : a Nume of the Related Party and Nature of the Related Party Relationship :- a Subsidiary Companies. Diatorheath India Limited Zyde Heathcare ICSA (LPC, VLd. [South Africa] Cernan Remains Limited Zyde Heathcare ICSA (LPC, VLd. [South Africa] Zyde Frances ASS Sch Immogham b Jubicliary Companies. Diatorheath India Limited Zyde Heathcare ICSA (LPC, VLd. [South Africa] Zyde Frances ASS Sch Immogham b Jubicliary Companies. Seriabilized Companies. Seriabilized Party Instituted State of CM D. Seriabilized Party Instituted CM D. Is beendicary of the Trast Gran Trast. c Directors and Indir: relatives. Comman Relatives are beendicated for Trast. d Enterprises Significantly influenced by Directors and /or their relatives. Comman Networks are beendicated for Trast. d Enterprises Significantly influenced by Directors and /or their relatives. Comman Networks are beendicated for Trast. d Enterprises Significantly influenced by Directors and /or their relatives. Comman Networks are beendicated for Trast. d Detain relative Site of O.M.D. is beendicary of the Trast. A Notate Enterprises Significantly influenced by Directors and /or their relatives. d Enterprises Significantly influenced by Directors and /or their relatives. Comman Network Site Site of O.M.D. Site Site Site of O.M.D. Site Site Site Site Site Site Site Site			Schedules formin	ng part of the E	Balance She	et and Profi	t and Loss ,	Account		
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German Remedies Limited Zydus Heathcare (USA) [LC. Zydus Pramacoultals Limited Zydus Heathcare Brazil Liade Zydus International Pr. Ltd. [Ireland] Zydus Pharmacoultals (USA) Inc. Zydus France SAS SOL Humopherm b Joint Venture Companies Sarabhai Zydus Animal Health Limited C Directors and Lefter Telatives Shift P.R.Patel Chairman & Managing Director (C.M.D.] Shift Savall Petete Director is on C.M.D. A ani Trust Sister of C.M.D. is beneficiary of the Trust G are Trust Sister of C.M.D. is beneficiary of the Trust Zydus family Trust C.M.D. is beneficiary of the Trust Cadmach Machinery Company Protec Limited Mrs.C. M.C. Machinee Oby Directors and Zer Their relatives. Cadmach Machinery Company Protec Limited Mrs.C. M.C. Machines Transactions worth Related Parties : The following transactions were carried to with the related parties in the ordinary course of business. a Details relating to parties referred to in items 21 - A [a , b and d] Mature of Your Ended Your		а	Subsidiary Companies							
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Zydus International PM. Life Lifeland] Zydus Pharmaceuticals (USA) Inc. Zydus Franzbari Zydus Atinnal Health Limited Zydus Atinna Healthcare Pv. Ltd. Directors and Interintelatives Zydus Atinnal Healthcare Pv. Ltd. Shri Shavinal Health Charman & Managing Director (C.M.D.] Shri Shavinal Patel Charman & Managing Director (S.M.D.] Shri Shavin Patel Charman & Managing Director (S.M.D.] Gris Trust Sister of C.M.D. is beneficiany of the Trust Gris Trust Sister of C.M.D. is beneficiany of the Trust Zydus Family Trust C.M.D. & his trust leaster as and trust relatives: Cadmach Machinery Company Private Limited MA. C. M. C. Machiner MA. C. M. C. Machiner 21.0.3.05 Mature of Valume of the Trust Valume of the Trust Sesculate Turnet Companies Mature of Subsidiary Companies Joil U Arture Companies Services 22.3 31.0.3.04 31.0.3.05 31.0.3.04			German Remedies Limite	ed		Zydus Health	ncare [USA]	LLC.		
Type Sci Immopharm 1 bioint Venture Companies Satishial Zybis Animal Health Limited Zybis Aliana Healthcare Pvt. Ltd. 2 Directors and their relatives Shri Sharvil P.Palel Chairman & Managing Director [C.M.D.]. 3 Shri Sharvil P.Palel Chairman & Managing Director [C.M.D.]. Shri Sharvil P.Palel Director & son of C.M.D.]. 4 Artil Trast Sister of C.M.D. Is beneficiary of the Trust Trust Zybis Zister of C.M.D. Is beneficiary of the Trust 2 Zybis Starvit O.M.D. Is beneficiary of the Trust Zybis Zister of C.M.D. Is beneficiary of the Trust Zybis Zister of C.M.D. Is beneficiary of the Trust 3 Cadmach Machinery Company Private Limited Distribution Machinery Company Private Limited Distribution Machinery Company Private Limited Distribution Transactions were carried out with the related parties in the ordinary course of business. a beals relating to parties referred to in items 21 - 1 (a , b and 1 - 1 Min. Rs.) 1 Nature of Year Ended Year Ended Year Ended 1 Purchases : 2 2 2 2 2 2 Transactions 13 17 2 4 5 3 Lowestowestowestowestowestowestowestowest			Zydus Pharmaceuticals Li	mited		Zydus Health	ncare Brazil L	tada		
b Joint Venture Companies Sarabhai Zydus Animal Healt Limited Zydus Altana Healthcare Pvi. Ltd. C Directors and their relatives: SM P.R.Patel MS Consol P.Patel Director & Softer of C.M.D. is beneficiary of the Trust Ga Trust Sister of C.M.D is beneficiary of the Trust Trust Sister of C.M.D is beneficiary of the Trust Zydus family Trust C Entreprises significantly influenced by Directors and 2 mile Zydus family Trust C Entreprises significantly influenced by Directors and 2 mile C Entreprises significantly influenced by Directors and 2 mile C Entreprises significantly influenced by Directors and 2 mile C Entreprises significantly influenced by Directors and 2 mile Ms C. M. C. Machine Ms C. M. C. Machine Ms C. M. C. Machine Suburdiar Companies Limited Ms C. M. C. Machine Suburdiar Companies Limited Ms C. M. C. Machine Transactions with Related Parties : The following transactions under the transactions [In Mn, Rs,] Subdiar Companies Limited Nature of Vear Ended 1 Purchases : Goods 2 Sales : Goods 2 Sales : Goods 2 Sales : C Directors (1 mile Purchases Services 2 Sales : Directors (1 mile Services 3 I 03 05 3 I 03 04 1 Purchases 2 Sales : C Dotistending Director Received 3 I 03 05 3 I 03 04 1 Purchases Directors (1 mile Services 3 I 03 05 3 I 03 04 1 Purchases Directors (1 mile Services 3 I 00 05 3 I 03 04 1 Purchases 2 Sales : C Dotistending 3 Directors (1 mile 2 Sales : Directors (1 mile 2 Sales : C Dotistending 3 I 03 05 3 I 03 04 3 I			Zydus International Pvt. L	td. [Ireland]		Zydus Pharm	aceuticals (USA) Inc.		
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c Directors and their relatives Shirl P.R-Patel Chairma & Managing Director (C.M.D.) Art i Trust Sister of C.M.D. is beneficiary of the Trust Gra Trust Sister of C.M.D. is beneficiary of the Trust Rita Trust Sister of C.M.D. is beneficiary of the Trust Rita Trust Sister of C.M.D. is beneficiary of the Trust C.M.D. & he relatives provide the Trust Rita Trust Sister of C.M.D. is beneficiary of the Trust C.M.D. & he relatives provide the Trust C.M.D. & he relatives provide the Trust C.M.D. & he relatives provide the Trust C.M.D. & he relatives the ordinary course of business. a Details relating to parties referred to in Items 21 - A [a, b and d] Nature of Volume of the Trust Codes the relating to parties referred to in Items 21 - A [a, b and d] Nature of Volume of the Trust Codes relating to parties referred to in Items 21 - A [a, b and d] Nature of Volume of the Trust Codes relating to parties referred to in Items 21 - A [a, b and d] Nature of Volume of the Trust Codes relating to parties referred to in Items 21 - A [a, b and d] Nature of Volume of the Trust Codes relating to parties referred to in Items 21 - A [a, b and d] Nature of Volume of the Trust Codes relating to parties referred to in Items 21 - A [a, b and d] Nature of Vear Ended Vear Ended Vear Ended Vear Ended Not for the Trust Companies Antiparties in the ordinary course of business. a Details relating to parties referred to in Items 21 - A [a, b and d] Nature of Vear Ended Vear Ended Not for Assets 25 12 4 4 5 Doputation of personnel 405 368 4 4 5 Doputation of personnel 5 0 1 1 1 1 3 3 2067 Not defende Receiveed 8 1 1 1 1 3 3 2067 Not		b	Joint Venture Companies							
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Rita TrustSiter of C M.D. is beneficiary of the TrustZydus Family TrustC.M.D. A his relatives are beneficiaries of the TrustC.M.D. A his relatives are beneficiaries of the TrustC.M.D. A his relatives are beneficiaries of the TrustCadmach Machinery Company Private LimitedMs. C. M. C. MachineryMs. C. M. C. MachineryMs. C. M. C. MachineryThe following transactions were carried out with the related parties in the ordinary course of business.a betails relating to parties referred to in items 21 - A [a, b and d]Nature ofVolum= of the Trustactions [In Mn. Rs.]Nature ofVaer EndedYear Ended<			Aarti Trust	Sister of C.I	M.D. is benef	iciary of the T	rust			
Zydus Family Trust C.M.D. & his relatives are beneficiaries of the Trust d Enterprises significantly influenced by Directors and /or their relatives. Cadmach Machinery Company Private Limited Mrs. C. M. C. 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 21 - A (a, b and d) Nature of Yourne of the Transactions I In Mn. Ps. J Transactions Vear Ended Year Ended Year Ended Year Ended A 1.03.05 31.03.06 31.03.06 Sociate Enterprises 231.03.05 31.03.06 31.03.06 31.03.06 A Purchases : 231.03.05 31.03.06 31.03.06 31.03.06 Goods 13 17 4 5 Deputation of personnel 405 368 4 5 Services 25 12 4 5 Services 24 5 6 6 Services 24 25 100 6 Services 24 25 12 4 5 Divi			Gira Trust	Sister of C.I	M.D. is benef	iciary of the T	rust			
 d Enterprises significantly influenced by Directors and /or their relatives. Cadmach Machinery Company Private Limited Mrs. C. M. C. Machinery 7 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 21 - A [a, b and d] Nature of Nature of Transactions 2 Details relating to parties referred to in items 21 - A [a, b and d] Nature of Nature of Transactions 2 Details relating to parties referred to in item 21-A [a, b and d] Nature of Transactions 2 Details relating to parties referred to in item 21-A [a, b and d] 2 Mature of Transactions 2 Subsidiary Companies Subsidiary C			Rita Trust	Sister of C.I	M.D. is benef	iciary of the T	rust			
Cadmach Machinery Company Private Limited Mrs. C. M. C. 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 21 - A [a , b and 0] Nature of Subsidiary Companies Joint Venture Companies Vear Ended Vear E			Zydus Family Trust	C.M.D. & hi	s relatives ar	e beneficiarie:	s of the Trus	t		
M/s. C. M. C. 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 21 - A [a , b and d] Nature of Volume of the Transactions In Mn. Rs.] Transactions. Joint Venture Companies Joint Venture Companies Associate Enterprises Vear Ended Year Ended Year Ended Year Ended Year Ended Jato 31-03-05 31-03-04 31-03-05 31-03-04 1 Purchases : Goods 13 17 4 2 3 11 Services 25 12 4 4 5 Deputation of personnel 405 368 4 5 2 Sales : Goods 743 1777 5 4 4 2 Sales : Goods 743 1777 5 4 4 2 Sales : Goods 743 1777 5 4 4 4 Finance 4 6 1 Inter Corporate Deposits given 459 64 160 182 Purchase 8 1 12 133 267 Interest Received 8 11 13 207 B totatanding Payable 61 52 9 Receivable 61 52 9 B Details relating to persons referred to in item 21-A [c] above 5 1 Remuneration 1 1 Remuneration 2 1 Remuneration 2 1 Remuneration 2 1 Remuneration 2 1 Remuneration 2 2 Interest Received 3 1 Remuneration 2 1 Remuneration 2 2 Interest Received 3 1 Remuneration 2 1 Remuneration 2 1 Remuneration 2 2 Interest Received 3 1 Remuneration 2 1 Remuneration 2 2 Interest Received 3 1 Remuneration 2 1 Remuneration 2 2 Interest Received 3 1 Remuneration 2 1 Remuneration 2 2 Interest Received 3 2 Interest Received 3 3 Rent paid [Rs. 0.2 { previous Year Rs. 0.2 } Millions] 3 Rent paid [Rs. 0.2 { previous Year Rs. 0.2 } Millions] 3 Rent paid [Rs. 0.2 { previous Year Rs. 0.2 } Millions] 3 Rent paid [Rs. 0.2 { previous Year Rs. 0.2 } Millions] 3 Rent paid [Rs. 0.2 { previous Year Rs. 0.2 } Millions] 3 Rent paid [Rs. 0.2 { previous Year Rs. 0.2 } Millions] 3 Rent paid [Rs. 0.2 { previous Year Rs. 0.2 } Millions] 3 Rent paid [Rs. 0.2 { previous Year Rs. 0.2 } Millions] 3 Rent paid [Rs. 0.2 { previous Year Rs. 0.2 } Millions] 3 Rent paid [Rs. 0.2 { previous Year Rs. 0.2 } Millions] 3 Rent paid [Rs. 0.2 { previous Year Rs. 0.2 } Millions]		d	Enterprises significantly in	fluenced by Di	rectors and	/or their re	latives			
8 Transactions with Related Parties : The following transactions were carried out with the related parties in the ordinary course of busines: . a. Details relating to parties referred to in items 21 - A [a, b and d] Nature of Volume of the Transactions Subsidiary Companie Junt Partice Companie Associate Enterprises Transactions Subsidiary Companie Junt Partice Companie Associate Enterprises Year Finded			Cadmach Machinery Com	pany Private Lim	ited					
The following transactions were carried out with the related parties in the ordinary course of busines . a Details relating to parties referred to in items 21 - A [a, b and J] Nature of Volume of the Transactions [I n.MRs.] Transactions Subsidiary Companies birt Venture Companies Vear Ended Year Ended Year Ended Year Ended Year Ended Year Ended 31-03-05 31-03-04 31-03-05 31-03-04 1 Purchases : Goods 13 17 - 23 11 Services 25 12 - 24 4 55 Deputation of personnel 405 368 - 25 Deputation of personnel 405 368 - 20 Dividend Received 2 2 2 450 600 - 4 Fixed Assets - 25 Services - 25 12 - 4 Services - 24 Services - 25 Deputation of personnel 405 368 - 4 Services - 24 Services - 24 Dividend Received - 24 Vear Ended - 4 Services - 25 Dividend Received - 24 Services - 25 Dividend Received - 24 Services - 25 Dividend Received - 24 Services - 25 Deputation of personnel - 405 Services - 25 Dividend Received - 24 Services - 24 Services - 25 Dividend Received - 24 Services - 25 Dividend Received - 24 Services - 26 Dividend Received - 28 Dividend Received - 28 Services - 26 Dividend Received - 28 Services - 26 Dividend Received - 28 Services - 26 Dividend Received - 28 Services - 28 Dividend Received - 28 Dividend Received - 48 Services - 28 Dividend Received - 48 Services - 463 Dividend Received - 48 Dividend Received - 48 Services - 48 Divid			M/s. C. M. C. Machinery							
a Details' relating to parties referred to in items 21 - A [a , b and d] Nature of Volume of the Transactions L in Mn. Rs. Associate Enterprises Transactions. Subsidiary.Companies Joint Venture.Companies Venture.Companies Associate Enterprises Year Ended Year Ended Year Ended Year Ended Year Ended Year Ended 1 Purchases : Goods 13 17 L 23 1 Goods 13 17 L 23 1 5 23 1 Services 25 12 L 23 1 5 23 1 Goods 743 1977 5 4 5 23 1 5 Goods 743 1977 5 4 5 24 5 24 5 Goods 743 1977 5 4 5 600 4 5 Dividend Received 2 2 450 600 600 600 600 600 600 600 600 600 600 600 600		B Tra	insactions with Related Part	ies :						
Nature of Transactions. Volume of the Transactions. I in Mn. Rs. Junt Venuer Companie Vena Finde Associate Enterprises Subsidiary. Companie Vena Finde Joint Venuer Companie Vena Finde Associate Enterprises Var Finde Var Fin		The					nary course	of business .		
Tansactions Subsidiary Cmains Joint Venture Company Associate Enterprises Year Finder 31-03-05 <td></td> <td>а</td> <td>Details relating to parties refe</td> <td>rred to in items</td> <td>21 - A [a , b</td> <td>and d]</td> <td></td> <td></td> <td></td> <td></td>		а	Details relating to parties refe	rred to in items	21 - A [a , b	and d]				
$\begin{tabular}{ c c c c } \hline Year Ender & Year & Year Ender & Year & $			Nature of		Volur	me of the Tra	nsactions [li	<u>n Mn. Rs.]</u>		
31-03-05 31-03-05 <td< td=""><td></td><td></td><td>Transactions</td><td></td><td><u>Subsidiary</u></td><td><u>Companies</u></td><td>Joint Ventu</td><td><u>re Companies</u></td><td>Associate I</td><td><u>Enterprises</u></td></td<>			Transactions		<u>Subsidiary</u>	<u>Companies</u>	Joint Ventu	<u>re Companies</u>	Associate I	<u>Enterprises</u>
1 Purchases : Image: Second Seco					Year	Ended	Year	Ended	<u>Year</u>	Ended
Goods 13 17 Image: Second Secon					<u>31-03-05</u>	<u>31-03-04</u>	<u>31-03-05</u>	<u>31-03-04</u>	<u>31-03-05</u>	<u>31-03-04</u>
Goods 13 17 Image: Second Secon										
Fixed Assets 25 12 14 55 Deputation of personnel 405 368 14 55 2 Sales : 600% 743 1977 55 4 14 55 Goods 743 1977 55 4 14 15 Services 2 20 16 14 15 Purchase 463 20 14 14 16 Dividend Received 2 450 600 16					10	17				
Services 25 12 Image: services of the service of the services of t					13	17			22	1
□eputation of personnel 405 368					25	10				
2 Sales: Goods 743 1977 5 4 4 Goods 743 1977 5 4 4 4 5 4 4 5 4 4 5 600 4 5 600 4 5 600 4 6 7 7 5 4 6 7 5 4 6 7 6 6 7 6 6 7 6 7 6 7 6 7 6 7 6 7 7 5 4 7 7 5 4 7 7 5 4 7 7 5 4 7 7 5 7 7 7 5 7 7 7 5 7									4	5
Goods 743 1977 5 4 4 Services 2 2 4 4 4 Purchase 463 20 4 5 4 4 Purchase 2 2 450 600 4 5 4 5 4 5 4 5 4 5 4 5 6 5 7 7 5 7 7 5 7 7 7 7 7 7 7					405	308				
Services 2 2 4 4 4 4 4 4 4 4 5 4 5 4 5 6 6 4 4 5 6<			-		740	1077	E	4		
3 Investments : Image					743		5	4		
Purchase46320Dividend Received224506004FinanceInter Corporate Deposits given45964160182Deposits Repaid583190-Guarantees given81121133267Interest Received88-144115OutstandingPayable615079915981Cecivable5079915981-5Detating to persons referred to in item 21-A [c] above :-Year Endert1Remuneration1031-03-043Rent paid [Rs. 0.2 { previous Year Rs. 0.2 } Millions]004Deposits repaid0232						Z				
Dividend Received22450600Image to the second of the			-			162		20		
4Finance Inter Corporate Deposits given45964160182Deposits Repaid583190Guarantees given81121133267Interest Received8141115Outstanding11411Payable615215981Receivable50799159815Det=Isrelating to persons referred to in item :-A [c] are interest in the rest regenese on deposits taken1Remuneration31-03-0531-03-051Remuneration5113-03-0513-03-0513103-042Interest expense on deposits taken5110103Rent paid [Rs. 0.2 { previous Year Rs. 0.2 } Millions]502324Deposits repaid5510232					2		450			
Inter Corporate Deposits given45964160182Deposits Repaid583190Guarantees given81121133267Interest Received81411115Outstanding11411payable6152115981bDetails relating to persons referred to in item 21-A [c]1591598131-03-051Remuneration1131-03-0531-03-0531-03-052Interest expense on deposits taken11010103Rent paid [Rs. 0.2 { previous Year Rs. 0.2 } Millions]100232					2	Z	400	000		
Deposits Repaid583190Guarantees given81121133267Interest Received814115Outstanding14149ayable615216Receivable5079915981bDetails relating to persons referred to in item 21-A [c] above :1103-0531-03-041Remuneration1Remuneration110102Interest expense on deposits taken01003Rent paid [Rs. 0.2 { previous Year Rs. 0.2 } Millions]0232				aiven	150	64	160	182		
Guarantees given81121133267Interest Received814115OutstandingPayable6152-Receivable5079915981bDetails relating to persons referred to in item 21-A [c] aburt1Remuneration2Interest expense on deposits taken3Rent paid [Rs. 0.2 { previous Year Rs. 0.2 } Millions]004Deposits repaid				given		04				
Interest Received814115Outstanding Payable615261Payable615261Receivable5079915981bDetails relating to persons referred to in item 21-A [c] above :1Remuneration31-03-042Interest expense on deposits taken31-03-043Rent paid [Rs. 0.2 { previous Year Rs. 0.2 } Millions]004Deposits repaid0232						101				
5 Outstanding Payable 61 52 Receivable 507 99 159 81 b Details relating to persons referred to in item 21-A [c] above :			•			121				
Payable Receivable6152Receivable5079915981bDetails relating to persons referred to in item 21-A [c] above5079915981					0		14			
Receivable5079915981bDetails relating to persons referred to in item 21-A [c] above : </td <td></td> <td></td> <td>-</td> <td></td> <td>61</td> <td>52</td> <td></td> <td></td> <td></td> <td></td>			-		61	52				
b Details relating to persons referred to in item 21-A [c] above : Year Ended 31-03-05 31-03-04 1 Remuneration 75 81 2 Interest expense on deposits taken 00 10 3 Rent paid [Rs. 0.2 { previous Year Rs. 0.2 } Millions] 00 4 Deposits repaid 00 232			5				150	81		
Year Ended31-03-0411Remuneration7581211121121212121212121223232323334233433434343434445555566777878899999999999999999999999999999999999		h		erred to in itom			107	01		
31-03-0531-03-041Remuneration75812Interest expense on deposits taken00103Rent paid [Rs. 0.2 { previous Year Rs. 0.2 } Millions]00004Deposits repaid00232		U	Details relating to persons Ter		∠ı-∧[c]aD(JVC .			Year I	Ended
1Remuneration75812Interest expense on deposits taken0103Rent paid [Rs. 0.2 { previous Year Rs. 0.2 } Millions]004Deposits repaid0232										
2Interest expense on deposits taken0103Rent paid [Rs. 0.2 { previous Year Rs. 0.2 } Millions]004Deposits repaid0232			1 Remuneration							
3Rent paid [Rs. 0.2 { previous Year Rs. 0.2 } Millions]004Deposits repaid0232				sits taken						
4 Deposits repaid 0 232					2 } Millions 1					
					,					-
				n payable						
				• • • -						

edule : 20 - Significant Accounting Policies	part of the Balance Shee				
22 Calculation of Earnings per Share [E					
The numerators and denominators used to		ted EPS are as follows :			
				Year e	nded
				31-03-05	31-03-
A Profit after tax attributable to SI	hareholders		In Mn. Rs.	1314	<u>31-03</u>
B Basic and weighted average nu		ding during the year		62806854	628068
C Nominal value of equity share	mber of Equity shares outstar	iding during the year	Rupees	5	020000
D Basic and Diluted EPS			Rupees	20.93	22.
23 Deferred Tax :				20170	
A The Deferred tax liability of Rs. 106 I	Willions for the year has been	recognised in the Profit	And Loss Accou	unt.	
B The Deferred tax assets of Rs. 68 Mi	-	-			
been recognised in the General		· · · · · · · · · · · · · · · · · · ·			
C Break up of Deferred Tax Assets and		ents of the respective ba	lances are as u	inder :	
1	, ,		In Mi		
			Charge for	Adjusted	
			the year to	against	
		As on	Profit & Loss	General	As o
		<u>31-03-04</u>	<u>A/c.</u>	<u>Reserve</u>	<u>31-03-0</u>
Deferred Tax Liabilities :					
Depreciation		1057	166	-68	115
Others		15	(1)		
Total		1072	165	(68)	110
Deferred Tax Assets :					
Retirement benefits		21	30		!
Receivables		6	(2)		
Others		71	31		1(
Total		98	59	0	1!
Net Deferred Tax Liability		974	106	(68)	10
24 Quantitative and Value analysis of Sa	ales Turnover :				
	Units of	Year End	ed 31-03-05		ded 31-03
Class of Goods	Measure	<u>Oty.</u>	<u>In Mn. Rs.</u>	Qty.	<u>In Mn.</u>
Tablets	ML.Nos.	6121	5370	5938	52
Capsules	ML.Nos.	599	1028	630	10
Injections	K.Ltrs.	1281	1343	1291	12
Dry Powder Injections	Kgs.	6977	548	8386	4
Liquids	K.Ltrs.	2101	304	2214	3
Dry Syrups, Powders & Granules	Tones	724	506	792	5
Ointments	Tones	138	134	136	1
Cosmeceuticals	Tones	477	175	323	1
Suppositories	Tones	16	47	17 290	10
Bulk Drugs	Tones	228	1730	280	18
Others Total			<u>68</u> 11253	-	1 111
rotai			11200	=	111

		CADILA HE						
bodulo	Schedules forming 0 - Significant Accounting Policies	·			t and Loss A	ccount		
	antitative and Value analysis of Op			Jinnue .				
25 Qua	antitative and value analysis of Op	Units of	<u>As at 31</u>	-03-05	As at 31	-03-04	As at 31-0	3-03 [*]
	Class of Goods	Measure		<u>In Mn. Rs</u> .	<u>Qty.</u>	In Mn. Rs.	<u>As at 91 0</u> <u>Qty.</u>	<u>5 05 [</u>] In Mn. F
	Tablets	ML.Nos.	<u>490</u>	250	<u>335</u>	<u>170</u>	<u>283</u>	14
	Capsules	ML.Nos.	49	37	34	30	35	
	Injections	K.Ltrs.	31	60	33	56	113	8
	Dry Powder Injections	Kgs.	540	24	87	7	181	
	Liquids	K.Ltrs.	18	15	44	12	67	
	Dry Syrups, Powders & Granules	Tones	26	6	21	6	37	
	Ointments	Tones	22	7	2	1	9	
	Suppositories	Tones	3	3	2	2	2	
	Bulk Drugs	Tones	23	134	15	88	28	
	Others			19		12		
	Total		_	555	_	384	_	43
	Note : - [*] includes acquired under	the scheme of A	malgamatic	on.	_		_	
26 Qua	antitative and Value Analysis of go	ods traded in :						
		Units of			<u>Oty.</u>	<u>In Mn. Rs</u> .	<u>Oty.</u>	In Mn.
А	Stock at Commencement :	Measure			<u>As at 01</u>	-04-04	<u>As at 01-0</u>	4-03 [*]
	Tablets	ML.Nos.			420	130	239	1
	Capsules	ML.Nos.			38	26	25	
	Injections	K.Ltrs.			126	58	26	
	Dry Powder Injections	Kgs.			272	27	270	
	Liquids	K.Ltrs.			224	24	38	
	Dry Syrups, Powders & Granules	Tones			32	8	18	
	Ointments	Tones			19	4	2	
	Bulk Drugs	Tones			0	0	0	
	Cosmeceuticals	Tones			82	14	49	
	Others				_	28	_	
	Total					319	=	2
	Note : - [*] includes acquired under	the scheme of A	malgamatic	n.				
В	Purchases :				Year Endeo	d 31-03-05	Year End	ded 31-03
	Tablets	ML.Nos.			3525	753	2572	5
	Capsules	ML.Nos.			342	203	284	1
	Injections	K.Ltrs.			990	641	675	}3.
	Dry Powder Injections	Kgs.			3460	J	4316 -	J
	Liquids	K.Ltrs.			1728	218	1888	2
	Dry Syrups, Powders & Granules	Tones			357	146	447	1
	Ointments	Tones			69	15	95	
	Bulk Drugs	Tones			2	6	14	
	Cosmeceuticals	Tones			496	79	357	
	Others				_	40	-	20
	Total					2101		183

Schodulas formi	CADILA HEALTHCARE LIMITED		ccount		
schedules form hedule : 20 - Significant Accounting Polici	ng part of the Balance Sheet and Profi	IT AND LOSS P	CCOUIII		
fieddie . 20 - Significant Accounting Fond	es a notes on Accounts - continue .	<u>Qty.</u>	In Mn. Rs.	<u>Oty.</u>	In Mn. R
C Stock at close :		<u>As at 31</u>		<u>As at 31</u>	
Tablets	ML.Nos.	521	176	420	13
Capsules	ML.Nos.	36	39	38	2
Injections	K.Ltrs.	123	88	126	5
Dry Powder Injections	Kgs.	178	38	272	2
Liquids	K.Ltrs.	157	20	224	2
Dry Syrups, Powders & Granules	Tones	42	8	32	
Ointments	Tones	1	0	19	
Cosmeceuticals	Tones	96	19	82	1
Others			25		-
Total		_	413	_	3
27 Consumption of Raw materials wit	h Value and Quantity break-up :			-	
		Year Ende	<u>d 31-03-05</u>	Year end	ded 31-03-
		<u>Oty.</u>	<u>In Mn. Rs.</u>	<u>Oty.</u>	In Mn.
Others (none of which individually consumption)	accounts for more than 10 % of the total		2163		21
Total		-	2163	-	21
28 Quantitative information in respec	t of each class of goods manufactured	(including m	nanufactured	l by others, b	out
excluding manufactured for ot	hers, on loan license basis) by the Con	npany [As Ce	ertified by th	e manageme	ent]:
				Actual Pro	oduction
	Units of	Installed	Capacity	<u>Year E</u>	nded
Class of Goods	Measure	<u>31-03-05</u>	<u>31-03-04</u>	<u>31-03-05</u>	<u>31-03-</u>
Tablets	ML.Nos.	6690	4440	2912	36
Capsules	ML.Nos.	790	630	287	3
	K.Ltrs.	513	513	302	
Injections	N.LUS.	515			6
Injections Dry Powder Injections	Kgs.	200	200	3058	
			200 3000	3058 298	40
Dry Powder Injections	Kgs.	200			40 4
Dry Powder Injections Liquids	Kgs. K.Ltrs.	200 3000	3000	298	40 4 3
Dry Powder Injections Liquids Dry Syrups, Powders & Granules	Kgs. K.Ltrs. Tones	200 3000 6632	3000 6632	298 395	40- 4 3-
Dry Powder Injections Liquids Dry Syrups, Powders & Granules Ointments	Kgs. K.Ltrs. Tones Tones	200 3000 6632 0	3000 6632 0	298 395 72	40 4 3
Dry Powder Injections Liquids Dry Syrups, Powders & Granules Ointments Suppositories	Kgs. K.Ltrs. Tones Tones Tones	200 3000 6632 0 7	3000 6632 0 7	298 395 72 11	40 4 3
Dry Powder Injections Liquids Dry Syrups, Powders & Granules Ointments Suppositories Bulk Drugs [#]	Kgs. K.Ltrs. Tones Tones Tones Tones	200 3000 6632 0 7 373	3000 6632 0 7 413	298 395 72 11 276	69 404 43 30 9 3
Dry Powder Injections Liquids Dry Syrups, Powders & Granules Ointments Suppositories Bulk Drugs [#] Lyophised Injections	Kgs. K.Ltrs. Tones Tones Tones ML.Nos.	200 3000 6632 0 7 373 2 1 3 3	3000 6632 0 7 413 2	298 395 72 11 276 2	404 43 30
Dry Powder Injections Liquids Dry Syrups, Powders & Granules Ointments Suppositories Bulk Drugs [#] Lyophised Injections Vaccines	Kgs. K.Ltrs. Tones Tones Tones ML.Nos. ML.Dosages	200 3000 6632 0 7 373 2 1	3000 6632 0 7 413 2 1	298 395 72 11 276 2 1	40 4 3

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.

	CADILA HEALTHCARE LIMITED		Associat		
Schodu	Schedules forming part of the Balance Sheet and Prof e : 20 - Significant Accounting Policies & Notes on Accounts - Continue :	It and Loss /	Account		
Scheuu		Year Ende	d 31-03-05	Year ended	131-03-04
			<u>% to Total</u>	In Mn. Rs.	<u>% to Tota</u> l
29	A Value of Raw Materials Consumed :				
	Imported	873	40	734	34
	Indigenous	1290	60	1455	66
	Total	2163	100	2189	100
	B Value of Stores & Spares Consumed :				
	Imported	8	7	11	9
	Indigenous	114	93	107	91
	Total	122	100	118	100
				In Mn	i. <u>Rs.</u>
				<u>Year</u> E	Inded
				<u>31-03-05</u>	<u>31-03-04</u>
30	Value of Imports calculated on CIF basis :				
	Raw materials			811	693
	Packing Materials			34	23
	Finished goods			188	227
	Spare Parts			4	4
	Capital goods			248	125
31	Expenditure in Foreign currency				
	Traveling			23	22
	Commission			37	45
	Purchases of Trade-marks & Technical Know-how			11	194
	Interest			64	23
	Others [Salaries, Product Registration fees, Bio Study etc.,]			523	417
32	Earnings in Foreign exchange :				
	FOB value of Exports			1380	1773
	Others			8	0
33	Remittances made on account of dividend in Foreign currency :			Nil	Ν

	CADILA HEALTHCARE	LIMITED	
Schedules forminc	part of the Balance Sheet		unt
Schedule : 20 - Significant Accounting Policies			
C Balance Sheet abstract and Company's Ge			
1 Registration details :			
Registration number	25878 of 1995-9		
Balance sheet date			31 - 03 - 2005
State code			4
			In Th. Rs.
2 Capital raised during the year :			NI
3 Position of Mobilisation & Deployment of F	Funds :		
Total Liabilities			10871110
Total Assets			10871110
Sources of Funds :			
Paid up Capita			314000
Reserves & Surplus			5830110
Deferred Tax Liabilities			1012000
Secured Loans			2874000
Unsecured Loans			841000
Application of Funds :			
Net Fixed Assets			7184000
Investments			1368110
Net Current assets			2244000
Miscellaneous Expenditure			75000
4 Performance of Company : -			
Turnover [including other income]			11419000
Total Expenditure			9667000
Profit before Tax			1752000
Profit after Tax			1314000
Basic and Diluted Earning per Share	[Rs.]		20.93
Dividend rate [%]			
5 Generic names of three principal products	/services of Company (As per i	monetary terms) :-	
Item Code Number (ITC Code)			300420
Product Description	Ciprofloxacine in capsules et		
Item Code Number (ITC Code)	300490		
Product Description			Other antacid
Item Code Number (ITC Code)		300439	
Product Description			Dexamethasone tablets
			injections, eye/ear drops etc
	Signatures to Schedules	1 to 20.	
As per our report of even date			
For R.R.Patel & Co., For Mukesh M. Shah & C			
Chartered Accountants Chartered Accountant	nts		Chairman & Managing Directo
Proprietor Partner	Chief Accounts Office	Compony Country	Direct
Ahmedabad, Dated :	Chief Accounts Officer	Company Secretary	Directors

				CA	DILA HEALT	THCARE LIN	ITED . AHMED	ABAD.							
					Schedules for	orming part o	of the Balance	Sheet							
Schedule : 5 - Fixed assets															
Nature of Fixed Assets	Rupees in Millions														
			Gross E	lock			Depreciation			Impairment	Net B	lock			
	As	s At 31-03-04		Additions	Sales	As At	U	p to 31-03-04		For the	On Sales	Up to	Adjustments	As At	As At
	Opening	Acquired	Total	During	and / or	31-03-05	Opening	Acquired	Total	year	and / or	31-03-05		31-03-05	31-03-0
	Balance	under the		the year	adj. during		Balance	under the			adj. during				
		Scheme			the year			Scheme			the year				
Freehold Land	191	0	191	6	89	108	0	0	0	0	0	0	0	108	191
Leasehold Land	82	0	82	0	0	82	6	0	6	1	0	7	0	75	76
Buildings	1792	0	1792	206	33	1965	222	0	222	52	6	268	0	1697	1570
Plant & Machinery	3386	0	3386	835	17	4204	985	0	985	232	14	1203	115	2886	2401
Furnitures, Fixtures & Office Equipments	359	0	359	21	13	367	102	0	102	20	8	114	6	247	257
Vehicles	141	0	141	37	10	168	46	0	46	15	4	57	0	111	95
Trade Marks, Technical Know-how,															
Patents & Designs	2454	0	2454	102	0	2556	573	0	573	244	0	817	83	1656	1881
Commercial Rights	55	0	55	0	0	55	50	0	50	1	0	51	0	4	5
Total	8460	0	8460	1207	162	9505	1984	0	1984	565	32	2517	204	6784	6476
2003-04	7921	99	8020	875	435	8460	1382	20	1402	531	(51)	1984	0	6476	

Notes :

1. Buildings include Rs. 0.02 [As At 31-03-04 Rs.0.02] Millions being the value of Shares held in Co-operative housing Societies.

2. Additions of Rs. 213 [Previous Year - Rs. 269] Millions] in Research Assets during the year are included in additions column, under the respective heads, of gross block as above.

3. 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.

	Cadila Healthcare Lim Cash flow Statement for the year ende					
Pa	rticulars	Rupees in Millions				
1 0		Year end		Year ende	d	
		31-03-20		31-03-200		
А	Cash Flows from Operating Activities :-					
	Net profit before taxation and extraordinary items		1628		1759	
	Adjustments for :-					
	Depreciation	565		531		
	[Profit] / Loss on sale of assets [net]	2		(34)		
	[Profit] / Loss on impaired assets [net]	1		0		
	[Profit] / Loss on sale of investments [net]	(15)		0		
	Provision for diminution in value of investments	0		0		
	[Interest income]	(47)		(54)		
	[Dividend income]	(456)		(607)		
	Interest expenses	186		242		
	Bad debts written off	19		18		
	Discount on debentures written off	0		I		
	Preliminary expenses written off Provisions for retirement benefits	0		0 23		
	Provisions for probable product warranty claims and return of go	48 11		23		
	Total		314	0	120	
	Operating profit before working capital changes		1942		1879	
	Adjustments for :-		1772		1077	
	[Increase] / Decrease in trade receivables	548		(284)		
	[Increase] / Decrease in other receivables	(637)		130		
	[Increase] / Decrease in inventories	(336)		170		
	Increase / [Decrease] in trade payables & other liabilities	23		62		
	Total		(402)		78	
	Cash generated from operations		1540		1957	
	Interest received	38		54		
	[Interest paid]	(196)		(209)		
	[Direct taxes paid] [Net of refunds]	(109)	_	(88)		
	Total		(267)		(243)	
	Cash flow before extraordinary items		1273		1714	
	Extraordinary income / [expenditure]		(53)		(52)	
	Net cash from operating activities		1220		1662	
В	Cash flows from investing activities :-			(1000)		
	Purchase of fixed assets	(1155)		(1008)		
	Pre-operative & Project expenses Purchase of investments	(18)		(2) (747)		
	Proceeds from sale of Investments	0 28		(747)		
	Proceeds from sale of fixed assets	127		384		
	Interest Received on long term investments	0		0		
	Dividend received	456		607		
	Net cash from investing activities		(562)		(766)	
С	Cash flows from financing activities :-		(/		()	
	[Borrowings] [net]	(342)		(372)		
	[Dividends paid]	(376)		(222)		
	[Tax on dividends paid]	(48)		(28)		
	Net cash used in financing activities		(766)		(622)	
	Net increase / (-) decrease in cash and cash equivalents		(108)		274	
	Cash and cash equivalents at the beginning of the year		372		89	
	Cash and cash equivalents acquired due to amalgamation		0		9	
	Cash and cash equivalents at the close of the year		264		372	

Cadila Healthcare Limited								
Cash flow Statement for the year ended March 31, 2005. Notes to the cash flow statement								
1 All figures in brackets are outflow.								
2 Previous year's figures have been regro	uped wherever necessary.							
	z revious years rightes have been regiouped wherever necessary.							
		Chairman & Managing Director						
Chief Accounts Officer	Company Secretary	Directors						
Ahmedabad, Dated :								
Auditor's Report								
The Board of Directors,								
Cadila Healthcare Limited,								
Zydus Tower,								
Sarkhej-Gandhinagar Highway,								
Ahmedabad - 380 015.								
We have examined the attached Cash Flow Sta	tement of Cadila Healthcare Limited for the year e	and ad March 21, 2005. The statement						
	5							
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, 2005 covered by our Report dated 29th April, 2005 to the members of the Company.								
For D. D. Datal. & Co.		For Mukesh M. Sheh & Co						
For R.R.Patel & Co., Chartered Accountants		For Mukesh M. Shah & Co., Chartered Accountants						
Proprietor		Partner						
Ahmedabad, Dated :		Ahmedabad, Dated :						