

TTK HEALTHCARE LTD
CONSOLIDATED FINANCIAL
STATEMENTS
2003-2004

AUDITORS' REPORT

The Board of Directors of TTK Healthcare Limited

1. We have audited the attached Consolidated Balance Sheet of TTK Healthcare Limited ("the Company") and its subsidiary TTK Healthcare Services Private Ltd (the Company and its subsidiary constitute "the Group") as at 31st March 2004 and the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto.
2. These financial statements are the responsibility of the management of TTK Healthcare Ltd. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

3. M/s.S.Viswanathan, Chartered Accountants, conducted the audit of TTK Healthcare Services Private Limited. Based on their audit report the financial statements of this Subsidiary Company have been combined with TTK Healthcare Ltd Financial Statements while preparing the Consolidated Financial Statements.

4. We report that the Consolidated Financial Statements have been prepared by the Management of TTK Healthcare Ltd in accordance with the requirements of Accounting Standards (AS) - 21 "Consolidated Financial Statements", issued by the Institute of Chartered Accountants of India.

5. On the basis of the information and explanation given to us, and on consideration of the separate audit reports on individual audited financial statements of the Company and its subsidiary, in our opinion, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.
 - i) in the case of the Consolidated Balance Sheet, of the Consolidated state of affairs of the Group as at 31st March, 2004:
 - ii) in the case of the Consolidated Profit & Loss Account, of the Consolidated results of operations of the group for the year ended on that date:
 - iii) in the case of the Consolidated Cash Flow statement, of the consolidated cash flows of the group for the year ended on that date.

For AIYAR & CO.,
Chartered Accountants

(V. NATARAJAN)
PARTNER
Membership No: 454

Bangalore,
25th June, 2004.

For M/s.S.VISWANATHAN
Chartered Accountants

(C.N. SRINIVASAN)
PARTNER
Membership No: 18205

T T K HEALTHCARE LIMITED			
CONSOLIDATED BALANCE SHEET AS AT 31.03.2004			
	Sch	As at 31.03.2004 Rs.	As at 31.03.2003 Rs.
I SOURCES OF FUNDS			
1. Shareholders' Funds			
a) Share Capital	1	66104140	66104140
b) Reserves & Surplus	2	325400685	334334953
2. Minority Interest		11718165	4984953
3. Loans			
a) Secured	3A & 3B	228694443	231379807
b) Unsecured	3C	25766078	59920078
		657683511	696723931
II APPLICATIONS OF FUNDS			
1. Fixed Assets			
Gross Block	4	616024504	598374740
Less : Depreciation		276830854	252781441
Net Block		339193650	345593299
2. Investments	5	6115875	6115875
3. Deferred Tax			
Deferred Tax Asset		168694406	177285975
Deferred Tax Liability		-65207760	-67161704
		103486646	110124271
4. Current Assets, Loans & Advances			
a) Inventories	6	99489178	148178613
b) Sundry Debtors	7	312231105	311959341
c) Cash & Bank Balances	8	97961857	81638978
d) Loans & Advances	9	53273329	75249432
		562955469	617026364
Less: Current Liabilities & Provisions			
a) Liabilities	10	350006208	344355247
b) Provisions			
Provision for Tax		15548028	37937700
Provision for Preference Dividend		311321	60211
		365865557	382353158
Net Current Assets		197089912	234673206
5. Miscellaneous Expenditure			
(to the extent not written off or adjusted)	10A		
		11797428	217280
		657683511	696723931
Note: Schedules referred to above and the Notes attached form an integral part of the Balance Sheet.			
Annexure to our Report of date			
For M/s AIYAR & CO	For M/s VISWANATHAN	T.T. Jagannathan, Chairman	
		R.K. Tulshan, Director	
		Dr.K.R.Srimurthy, Director	
		B.N.Bhagwat, Director	
V.NATARAJAN	C.N. SRINIVASAN.	K. Vaidyanathan, Director	
Partner	Partner	D. Srinivasan, Executive Director	
Membership No:454	Membership No:18205	K. Shankaran, Director	
		I. Ravindran, Wholetime Director	
Bangalore		S. Kalyanaraman, Company Secretary	
25 th June 2004		K. Hariharasubramanian, Vice President (Accounts)	

T T K HEALTHCARE LIMITED					
CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31-03-2004					
Particulars	Sch.	2003 - 2004		2002 - 2003	
		Rs.		Rs.	
INCOME					
Sales	11	1522757535	1464365033		
Less : Excise Duty relating to Sales		35866805	34983344		
Net Sales		1486890730	1429381689		
TPA Commission		65587809	7374102		
Other Income	12	18601873	17434982		
		1571080412	1454190773		
EXPENDITURE					
Goods Consumption & Excise Duty	13	929698261	878020501		
Expenses	14	601444208	541237305		
Preliminary Expenses Written Off		64320	54320		
Depreciation		2,67,63,877	0		
Less : Transfer from		0	0		
Revaluation Reserve		6.17.229	26146648	25903979	
		1557353437	1445216105		
Profit before Tax, Extraordinary and Provision for the Diminution in the value of Investments		13726975	8974668		
Less : Provision for Diminution in the value of Investments		0	10250200		
Less : VRS Amortized		1054043	0		
Profit / (Loss) before Tax		12672932	(1275532)		
Less : Provision for Taxation		972891	1931744		
Profit / (Loss) after Tax		11700041	(3207276)		
Less : Provision for Preference Dividend		334322	80164		
Less : Deferred Tax		6637625	(28868483)		
Balance transferred to Balance Sheet		4728094	25581043		
Note: Schedules referred to above and the Notes attached form an integral part of the Profit & Loss Account					
Annexure to our Report of date					
For M/s AIYAR & CO	For M/s VISWANATHAN	T.T. Jagannathan, Chairman			
Chartered Accountants	Chartered Accountants	R.K. Tulshan, Director			
		Dr.K.R.Srimurthy, Director			
		B.N.Bhagwat, Director			
V.NATARAJAN	C.N. SRINIVASAN.	K. Vaidyanathan, Director			
Partner	Partner	D. Srinivasan, Executive Director			
Membership No:454	Membership No:18205	K. Shankaran, Director			
		I. Ravindran, Wholetime Director			
Bangalore		S. Kalyanaraman, Company Secretary			
25 th June 2004		K. Hariharasubramanian, Vice President (Accounts)			

T T K HEALTHCARE LIMITED

SCHEDULES TO BALANCE SHEET AS AT 31.03.2004 (Consolidated)

	TOTAL	TOTAL
	31.03.2004	31.03.2003
	Rs.	Rs.
<u>1. CAPITAL</u>		
Authorised :		
10000000 Equity Shares of Rs.10/- each,	100000000	100000000
Issued, Subscribed and Paid-up :		
a) 66,10,414 EQUITY SHARES OF RS.10/- EACH	66104140	66104140
fully paid up (of which 9,42,600 Equity Shares		
of Rs.10/- each were issued as fully paid		
up by way of Bonus Shares through Capitalisation		
of Reserves, 70,295 Equity Shares of Rs.10/- each		
allotted as fully paid up, pursuant to the scheme of		
merger of TTK Chemicals Ltd with this Company,		
4,85,450 Equity shares of Rs.10/- each allotted as		
fully paid up, pursuant to the scheme of merger of		
TT Maps & Publications Limited with this Company		
13,45,294 Equity Shares of Rs.10/- each		
allotted as fully paid up, pursuant to the scheme of		
merger of TTK Biomed Limited with this Company and		
2,35,207 Equity Shares of Rs.10/- each allotted as fully		
paid up, pursuant to the scheme of merger of TTK		
Medical Devices Ltd with this Company)		
	66104140	66104140

T T K HEALTHCARE LIMITED

SCHEDULES TO BALANCE SHEET AS AT 31.03.2004 (Consolidated)

	TOTAL	TOTAL
	31.03.2004	31.03.2003
	Rs.	Rs.
<u>2. RESERVES & SURPLUS</u>		
a. Capital Reserve :		
i) Subsidy received from :		
Karnataka State Government	999500	999500
Andhra Pradesh State Financial Corporation	253910	253910
Central subsidy	1500000	1500000
Maharashtra Energy Development Agency	452760	452760
	3206170	3206170
ii) Capital Reserve		
Balance as per Last Balance Sheet	64926337	71734400
Less : Adjustment In Loans & Advances	0	6808063
	64926337	64926337
	68132507	68132507
b. Revaluation Reserve :		
Balance as per last Balance Sheet	51002603	51619832
Less : Transfer to P&L Acoount	617229	617229
	50385374	51002603
c. Share Premium Account		
Balance As Per Last Balance Sheet	36596486	117959282
Less Adjustments : Inventories	0	32431969
Sundry Debtors	0	6579606
V R S	0	14321242
Advt. Expenditure	0	28029979
	36596486	36596486
d. General Reserve		
Balance as per last Balance Sheet	178603357	153022314
Less: Cartography Development charges classified under Work-in-Progress now adjusted	13045133	0
Add: Transfer from P & L Account	4728094	25581043
	170286318	178603357
	325400685	334334953

T T K HEALTHCARE LIMITED

SCHEDULES TO BALANCE SHEET AS AT 31.03.2004 (Consolidated)

	TOTAL	TOTAL
	31.03.2004	31.03.2003
	Rs.	Rs.
3. LOANS		
A. SECURED TERM LOANS		
i. Indian Overseas Bank @	0	6666664
ii. IDBI *	0	10000000
iii. ICICI Bank. *	0	80000000
iv. The Federal Bank Ltd #	47533000	0
v. Corporation Bank *	80000000	0
vi. Term Loan from UTI Bank Limited. **	4777411	0
vii. Term Loan from ICICI Bank Limited. ***	318950	
Total - A	132629361	96666664
B. OTHER SECURED BORROWINGS :		
i. Against Hypothecation of Stocks & Book Debts - \$	1425082	24670876
ii. Demand Loan Account \$	3000000	13042267
iii. Corporation Bank FCNR Loan Account \$	91640000	97000000
Total - B	96065082	134713143
Total - A+B	228694443	231379807
C. UNSECURED LOANS :		
Fixed Deposits	15430000	29584000
ECB from M/s Maersk Medical A/S Denmark	10000000	10000000
ICICI Bank. - 200000 Unsecured Redeemable Non-Convertible Debentures of Rs.100/- each	0	20000000
Maharashtra Industrial Development Corporation - Interest Free Loan.	336078	336078
Total - C	25766078	59920078
TOTAL A + B + C	254460521	291299885
@ Secured by a first charge on all the fixed assets of Medical Devices Unit situated at Waluj, Aurangabad.		
* Secured by hypothecation of movable assets and mortgage of immovable properties of the Company on pari-passu first charge basis.		
** Secured by hypothecation of Furniture and Office Equipment of the subsidiary company.		
*** Secured by hypothecation of Motor Vehicle of the subsidiary company.		
# Secured by hypothecation of movable assets and mortgage of immovable properties of the Company except the properties of Biomed & Medical Devices Divisions, on Pari-passu first charge basis.		
\$ Further secured by a pari-passu second charge on the Fixed Assets of the Company		

TTK HEALTHCARE LIMITED										
4. FIXED ASSETS										
	GROSS BLOCK				DEPRECIATION				NET BLOCK	
DESCRIPTION OF ASSETS	AS ON 01.04.2003	ADDITIONS	DELETIONS	AS ON 31.03.2004	UPTO 31.03.2003	DELETIONS	FOR THE YEAR	UPTO 31.03.2004	WDV AS ON 31.3.2004	WDV AS ON 31.03.2003
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
LAND	43119648	0	0	43119648	0	0	0	0	43119648	43119648
LEASE HOLD LAND	13959676	633728	0	14593404	0	0	0	0	14593404	13959676
BUILDINGS	133724875	2794424	0	136519299	40234816	0	4142782	44377598	92141701	93490059
LEASE HOLD BUILDING	5869690	0	0	5869690	2858230	0	752865	3611095	2258595	3011460
PLANT & MACHINERY	363535383	4967593	3252353	365250623	188858945	1657658	16885056	204086343	161164280	174676438
FURNITURE & FITTINGS	11590275	37310	0	11627585	5938432	0	682264	6620696	5006889	5651843
PATTERNS,DIES & TEMPLATES	7243562	1036500	0	8280062	4069199	0	854925	4924124	3355938	3174363
TRADE MARK	11249800	0	0	11249800	6969960	0	1069960	8039920	3209880	4279840
VEHICLES	6019216	550000	1218438	5350778	3532345	1056807	505394	2980932	2369846	2486871
TOTAL	596312125	10019555	4470791	601860889	252461927	2714465	24893246	274640708	327220181	343850198
LEASED ASSETS										
VEHICLES	0	3903140	0	3903140	0	0	465082	465082	3438058	0
GRAND TOTAL	596312125	13922695	4470791	605764029	252461927	2714465	25358328	275105790	330658239	343850198
Previous Year	565610339	32241495	1539709	596312125	227004109	743876	26201694	252461927	343850198	338606230

Note : Depreciation for the Year amounting to Rs.617229/- (Previous Year-617229/-) in respect of increased value of Fixed Assets on account of Revaluation has been directly debited to Revaluation Reserve and deducted from the total Depreciation of Rs.25358328/- for the Year (Previous Year Rs. 26201694/-)

T T K HEALTHCARE LIMITED

SCHEDULES TO BALANCE SHEET AS AT 31.03.2004 (Consolidated)

	TOTAL	TOTAL
	31.03.2004	31.03.2003
	Rs.	Rs.
5. INVESTMENTS		
I. AT COST - TRADE		
a. Unquoted (Fully paid)		
200 Equity Shares of Rs.1000/- each of Orient Laboratories Ltd.	200000	200000
284375 Equity Shares of Rs.10/- each of Adyar Gate Hotel Ltd.	4571875	4571875
1024245 Equity Shares of Rs.10/- each of M/s TTK Tantex Ltd.	10250200	10250200
b. Quoted (Fully paid)		
14800 Equity Shares of Rs.10/- each of TTK Prestige Ltd. - Market Value Rs. 12.75 each	1332000	1332000
500 Equity Shares Rs.10/- each of Apollo Hospital Enterprise Ltd. - Market Value Rs. 154.10 each	5000	5000
II. AT COST - NON TRADE		
a. Unquoted (Fully paid)		
4 Shares of Rs.500/- each of Tamil Nadu Pharmaceuticals Mfg Indl.Co-op Service Society Ltd	2000	2000
500 Shares of Rs.10/- each of Delhi Super Bazaar	5000	5000
	16366075	16366075
Less : Provision for Diminution in the value of investments	10250200	10250200
	6115875	6115875
AGGREGATE BOOK VALUE		
- QUOTED	1337000	1337000
- UNQUOTED	4778875	4778875
AGGREGATE MARKET VALUE - QUOTED	265750	147660

T T K HEALTHCARE LIMITED

SCHEDULES TO BALANCE SHEET AS AT 31.03.2004 (Consolidated)

	TOTAL	TOTAL
	31.03.2004	31.03.2003
	Rs.	Rs.
<u>6. INVENTORIES</u>		
(Value as certified by the Management)		
Raw & Packing Materials	23014842	21930997
Work-In-Progress	17944967	35756991
Finished Goods	53886588	84391336
Stores & Spares	4642781	6099289
	99489178	148178613
<u>7. SUNDRY DEBTORS</u>		
Considered good for which the Company holds no security other than Debtor's personal security		
Debts Outstanding for a period Exceeding Six Months	54647124	76022112
Other Debts	257583981	242516835
	312231105	318538947
Less : Written off against Securities Premium	0	6579606
	312231105	311959341
<u>8. CASH AND BANK BALANCES</u>		
Cash on Hand	841558	852848
In Current Account with Scheduled Banks	70655288	57903119
In Deposit Account with Scheduled Banks	24817678	20999059
In Interest Warrant Account	26981	23140
In Dividend Warrant Account	1620352	1860812
	97961857	81638978

T T K HEALTHCARE LIMITED

SCHEDULES TO BALANCE SHEET AS AT 31.03.2004 (Consolidated)

	TOTAL	TOTAL
	31.03.2004	31.03.2003
	Rs.	Rs.
9. LOANS & ADVANCES (Considered good)		
Lease & Rent Advances	4002786	2365386
Electricity & Other Deposits	16796290	16532703
Advance Income Tax	10156513	33798832
Advances for Others	22317740	29360574
	53273329	82057495
Less : Transfer to Capital Reserve	0	6808063
	53273329	75249432
10. LIABILITIES		
Sundry Creditors for		
a. Acceptance for Goods	19128560	14323534
b. Goods	154073888	156377865
c. Expenses	95019213	101686683
d. Others	80164195	70106353
e. Unclaimed Dividend *	1620352	1860812
	350006208	344355247
* Note : No amount is due to be credited to the Investor Education and Protection Fund.		
10 A . MISCELLANEOUS EXPENDITURE		
(To the extent not Written off or adjusted)		
Voluntary Retirement Scheme	11594468	0
Preliminary Expenses	202960	217280
	11797428	217280

TTK HEALTHCARE LIMITED					
SCHEDULES					
PARTICULARS	UNITS	2003 - 2004		2002 - 2003	
		Quantity	Value	Quantity	Value
			Rs.		Rs.
11. SALES :					
ORALS	Lakhs	133.553	292801349	133.170	282037840
TABLETS	Lakhs	720.799	144744156	723.920	129173261
INJECTABLES	Lakhs	107.348	99743727	99.453	103163359
CAPSULES	Lakhs	261.358	42992420	213.919	32835513
FOOD PRODUCTS	M.T	2160.504	62815120	2065.047	61396308
GRANULES	M.T	119.846	21625065	138.287	22171849
HOSPITAL CARE PRODUCTS	-		101813261	-	134997684
OINTMENT	M.T	0.125	95000	0.000	0
SHOE CARE PRODUCTS	M.T	285.930	103379935	269.040	103331527
	K.Ltrs	171.320	69144310	194.980	76011864
HAIR CREAMS & COSMETICS	M.T	473.180	205783468	360.560	152052865
	K.Ltrs	60.740	30852523	18.500	15787109
CONDOMS	MILLIONS	94.995	264436987	95.790	262988528
MAPS & ATLASES	Nos	507357	11500896	689242	20552166
OTHERS	-	.	71029318	.	67865160
TOTAL			1522757535		1464365033
Less : Excise Duty related to Sales			35866805		34983344
Net Sales			1486890730		1429381689
TPA COMMISSION FROM INSURANCE COMPANIES			65587809		7374102

T T K HEALTHCARE LIMITED		
SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2004		
(Consolidated)		
	2003 - 2004	2002 - 2003
	Rs.	Rs.
12. OTHER INCOME		
Manufacturing Charges	350079	334832
Dividend Income	1500	1250
Profit On Sale of Assets	61474	640480
Interest Receipts	2867466	5815203
Others	15321354	10643217
	18601873	17434982
13. GOODS CONSUMPTION & EXCISE DUTY		
Opening Stock of		
Raw & Packing Materials	21930997	26429693
Work-in-Progress	35756991	34182366
Less : Cartography Development charges	13045133	0
	22711858	34182366
Finished Goods	84391336	104922299
Less : Stock Write off against Securities Premium	0	32431969
	84391336	72490330
	129034191	133102389
Add: Purchase of		
Raw & Packing Materials	147756690	169681849
Finished Goods	746636905	711670819
Excise duty relating to Samples & Others	1116872	5644768
	895510467	886997436
	1024544658	1020099825
Less : Closing Stock of		
Raw & Packing Materials	23014842	21930997
Work-in-Progress	17944967	35756991
Finished Goods	53886588	84391336
	94846397	142079324
CONSUMPTION OF GOODS	929698261	878020501

T T K HEALTHCARE LIMITED		
SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2004		
(Consolidated)		
	2003 - 2004	2002 - 2003
	Rs.	Rs.
14. EXPENSES		
Salaries, Wages & Bonus	139479344	122483982
Contn. to PF & Other Funds	10981694	9759383
Gratuity & Superannuation	9536809	8741824
Contribution to E.S.I.	1000647	1074424
Welfare Expenses	11489186	12672012
Power & Fuel	21112654	23921983
Repairs & Maintenance		
Repairs to Building	1714410	776631
Repairs to Plant & Machinery	9094209	8528193
Factory Upkeep	4043819	3623993
Office Upkeep	1623781	421493
Consumable Stores	5297104	4739817
General Insurance	3003566	2840407
Rates & taxes & License Fee	2395324	2453946
Rent	12734303	9323810
Electricity	2887366	2144499
Printing & Stationery	14864355	9366086
Postage, Telegrams & Trunk Calls	26155430	15403290
Interest	32920894	43260136
Carriage Outwards	35977368	38721017
Transit Insurance	1011145	989449
Advertisement & Sales Promotion	97460765	83209895
Travelling Expenses & Others	77550449	75281806
Audit & Other Fees		
Audit Fees	264600	265687
Tax Audit Fees	43200	50563
Cost Audit Fees	21600	21000
Other Matters	104410	5250
Supporting Service	7383505	2360482
Technology Expenses	2465094	1508364
Lease Management Fee	730663	0
Donation	7001	14802
Depot Service Charges	32124831	27054632
Directors' Sitting Fees	257250	265500
Loss on Sale of Assets	1063685	378568
Conversion Charges	3979661	3441486
Bad debts written off	7812421	54542
Miscellaneous Expenses	22851665	26078353
	601444208	541237305

STATEMENT SHOWING SIGNIFICANT ACCOUNTING POLICIES:

Basis of Consolidation:

The Consolidated Financial Statements of TTK Healthcare Ltd together with its subsidiary TTK Healthcare Services Pvt Ltd (collectively) termed as "Company" are prepared under historical cost on accrual basis and are in accordance with the Companies Act, 1956.

The Consolidated financial statements have been prepared on the following basis:-

The Financial Statements of the Company and its subsidiary Company TTK Healthcare Services Pvt. Ltd have been combined on line by line basis by adding together like items of Assets, Liabilities, Income and Expenses. The intra group balances and intra group transactions and resulting unrealised profits have been fully eliminated.

Investment in subsidiary are accounted in accordance with accounting principles as defined in Accounting Standard 21 – Consolidated Financial Statements issued by Institute of Chartered Accountants of India.

TTK Healthcare Services Pvt. Ltd, a subsidiary company, has been considered in the Consolidated Financial Statement.

Basis of Accounting:

The Company generally adopts the accrual basis of accounting except that certain benefits to employees which are determinable only at the time of payment are accounted on cash basis.

Fixed Assets:

Fixed Assets are normally stated at cost. In the case of Revaluation of any Fixed Assets, the same are stated at revalued amounts.

Depreciation:

Depreciation on Fixed Assets is being charged at the rates prescribed in Schedule XIV to the Companies Act, 1956 under Written Down Value method in respect of Assets purchased on or before 31st May, 1984 and under Straight Line Method in respect of other Assets except as stated hereunder:-

- a) Fixed Assets of the Subsidiary Company, TTK Healthcare Services Pvt Ltd are depreciated on Written Down Value method as at the rates prescribed in Schedule XIV of the Companies Act, 1956.
- b) In respect of Capital Expenditure incurred on Leasehold Assets the same is amortized over the duration of the lease.
- c) Cost of acquisition of trade mark is being amortized over a period of 5 years in line with the opinion of the Expert Advisory Committee of the Institute of Chartered Accountants of India.

Investments:

Investments are stated at cost of acquisition.

Valuation of Inventories:

- a. Raw and Packing Materials and Consumables are valued at cost on FIFO Basis.
- b. Finished Goods are valued at lower of cost or realisable value
- c. Work-in-Progress is valued at Works Cost.

Revenue Recognition:

- i) Sales are stated net of returns, discounts, sales tax and exclusive of Excise Duty.
- ii) In the case of subsidiary company, the main revenue consists of commission earned on Third Party Administrator (TPA) contracts entered into with Insurance Companies. The full commission accrues to the Company on the basis of certain percentage of premium earned by the Insurance Company, in respect of policies entrusted to the Company for TPA purpose. As the services on insurance policies are for a period of 12 months, the Company recognises income on the principle of proportion of completion of work in line With the Accounting Standard 9 (AS-9) issued by The Institute of Chartered Accountants of India on revenue recognition and the proportion recognized is based on associated costs and number of acts as prevailing from year to year. Though there may be changes in proportion of recognition of revenue from year to year based on associated cost and activities, the impact on the profits is not likely to be significant as revenue is recognized only in relation to associated cost and activities for the relevant period. The amount so apportioned as relevant to the accounting period is shown as TPA Commission earned for the period. The amount not so apportioned is shown as TPA Commission earned in advance under the head Current Liabilities.

Treatment of Retirement Benefits:

The Contributions to Gratuity and Superannuation Funds, as well as residual payments to employees, accruals of which are indeterminate are accounted at the time of respective payments.

In the case of Subsidiary Company it is in the process of setting up and implementing retirement policies for its employees. During the year, provision for gratuity and leave encashment was made as required by Accounting Standards (AS-15) issued by the Institute of Chartered Accountants of India.

Annexure to our Report of date

For M/s. AIYAR & CO. Chartered Accountants

V. NATARAJAN
Partner

Bangalore,
25th June, 2004

For M/s.S. VISWANATHAN
Chartered Accountants

C.N. SRINIVASAN
Partner

T.T.Jagannathan, Chairman
R.K. Tulshan, Director
Dr.K.R. Srimurthy, Director
B.N. Bhagwat, Director
K. Vaidyanathan, Director
D. Srinivasan, Executive Director
K. Shankaran, Director
I. Ravindran, Wholetime Director
S. Kalyanaraman, Company Secretary
K. Hariharasubramanian, Vice President
(Accounts)

TTK HEALTHCARE LIMITED

Notes on Accounts

PARTICULARS	UNITS	2003 - 2004		2002 - 2003	
		Quantity	Value	Quantity	Value
I. MATERIALS CONSUMED DURING THE YEAR :			Rs.		Rs.
a. Industrial Alcohol	K.L.	9.863	465574	10.953	539502
b. Sweetening Agents & Base	M.T.	218.974	3959961	235.834	4447404
c. Fats & Oils	M.T.	2.255	286891	1.974	243318
d. Vitamins & Nutrients	M.T.	1.259	2792560	1.277	3309037
e. Drugs	M.T.	7.801	3938968	7.644	3184880
f. Anti Bacterial Preservatives	M.T.	4.153	738087	4.077	730809
g. Flavouring & Colouring Agents	M.T.	4.945	1530146	4.991	1605004
h. Enzymes & Biological Products	M.T.	53.129	9479556	52.962	9024168
i. Vegetable & Crude Drugs	M.T.	105.233	7542891	99.901	7745647
j. Cereals, Spices & Salts	M.T.	2361.692	27574366	2229.923	25521387
k. Antibiotics	M.T.	1.480	805928	2.327	2217130
l. Other Chemicals	-	-	4114320	-	4414381
m. Containers & Closures	1000s	15768.367	12282753	16835.698	10980870
n. Paper & Boards	M.T.	597.079	25122347	803.296	23051542
o. Ink	M.T.	6.020	1800151	6.126	2208911
p. Films	-	-	114864	-	164593
q. Latex	M.T.	68.817	2796312	407.330	15339685
r. Packing & Other Materials	-	-	41327170	-	52578671
TOTAL			146672845		167306939

TTK HEALTHCARE LIMITED								
VI. PARTICULARS OF GOODS MANUFACTURED								
PRODUCTS	CLASS OF GOODS	BASE UNIT	LICENSED CAPACITY *	INSTALLED CAPACITY **	PRODUCTION		STOCK OF GOODS	
					2003-2004	2002-2003	OPENING	CLOSING
1. LIQUID PRODUCTS	A	Lakhs	1.110	1.200	-	-	-	-
	B	Lakhs	-	375.000	23.767	25.759	5.536	3.705
2. DRY SYRUP	A	Lakhs	24.000	-	-	-	-	-
	B	Lakhs	-	-	-	-	-	-
3. TABLETS	A	Lakhs	337.750	600.000	63.211	66.731	15.803	8.254
	B	Lakhs	-	3400.000	577.570	662.901	111.605	66.367
4. INJECTABLES	A	Lakhs	19.860	50.000	34.038	53.031	-	-
	B	Lakhs	-	100.000	78.888	38.444	12.799	17.732
5. CAPSULES	A	Lakhs	605.900	25.000	-	-	-	-
	B	Lakhs	-	600.000	93.622	93.358	19.511	8.241
6. FOOD PRODUCTS	A	M.T.	10000.000	5800.000 +	2227.881	2048.003	8.885	23.002
7. GRANULES	A	M.T.	-	135.000	-	-	-	-
	B	M.T.	-	-	84.324	106.091	13.793	15.625
8. OINTMENT	B	M.T.	-	15.000	0.130	-	0.027	0.005
9. BASIC CHEMICALS / DRUGS	A	M.T.	330.788	3.800	0.032 ++	0.073 ++	0.027	-
	B	M.T.	-	47.244	-	-	-	-
10. MAPS & ATLASES	A	Millions Impressions	245.000	245.000	0.465@	0.370@	0.237@	0.195@
11. HEART VALVES		NOS.	3600	3600	2644	2297	700	808
12. LATEX GLOVES								
Examination Gloves		MILLIONS	30.000	30.000	-	-	-	-
Surgical Gloves		MILLIONS	30.000	30.000	4.970	21.920	5.030	0.990
13. BLOOD LANCETS		MILLIONS	-	9.000	15.876	28.651	9.531	0.685
14. SUTURES		LAKH DOZEN	-	1.650	0.032	0.232	-	0.029
15. FOLEY CATHETERS		MILLIONS	-	0.900	0.492	1.156	0.165	0.167
16. Hernia Repair Mesh		Lakh Sq.Inch.	5.000	5.000	2.874	1.506	0.681	0.933
* Licensed Capacity : (A) Capacity Fixed (B) Capacity not Fixed								
** Installed Capacity is based on 250 days' single shift working as certified by the Directors								
+ Three Shift Basis								
++ Includes Production for captive consumption								
@ Figures given denote numbers of Units in Millions								
					2003-2004	2002-2003		
					RS.	RS.		
VI. EXPENDITURE IN FOREIGN CURRENCY								
i. Travelling				184809	560624			
ii. Advertisement, Sales Promotion				599850	194915			
Subscription & Registration Charges								
				784659	755539			

VII. A. DIRECTORS' REMUNERATION

		2003 - 2004 Rs.	2002 - 2003 Rs.
1.	Salary & Allowances	6077400	5320653
2.	Contribution to P.F., Gratuity & Superannuation Funds etc.	1198938	789208
		<u>7276338</u>	<u>6109861</u>

B. Computation of Net Profit in accordance with Section 198 of The Companies Act, 1956.

	2003 - 2004 Rs.	2002 - 2003 Rs.
Profit as per Profit and Loss Account	11700041	7042924
Add: Taxation	972891	1931744
Depreciation	26146648	25903979
Directors' Remuneration (including Commission)	7276338	6109861
Sitting Fees	257250	265500
	46353168	41254008
Less: Depreciation allowable under Section 350 of the Companies Act, 1956	26146648	25903979
Profit as per Section 198 of the Companies Act, 1956.	20206520	15350029

Note : In view of inadequacy of profit, the managerial personnel have been paid remuneration as per the provisions of Schedule XIII to the Companies Act, 1956

VIII. INTEREST COMPRISES OF:

	2003 - 2004 Rs.	2002 - 2003 Rs.
Interest on Debentures and other Fixed Loans	18609058	29559376
Interest - Others	14311836	13700760
	32920894	43260136

Note: There is no interest accrued and due as on 31st March, 2004.

IX. CONTINGENT LIABILITIES NOT PROVIDED FOR:

	2003 -2004 Rs. In Lacs	2002 - 2003 Rs. In Lacs
Guarantees against letters of credit opened	9.84	3.65
Other Guarantees	355.74	210.51
Disputed Taxes / Claims, not acknowledged as debts	812.72	704.25

X. The Company has created a Trust which has taken a Group Gratuity Policy with the Life Insurance Corporation of India for future payment of gratuity to retiring

employees. The premia thereon have been so adjusted as to cover the liability in respect of all employees at the end of their future anticipated service with the Company. In the event of any employee leaving the service earlier, the Company would have to bear certain proportion of Gratuity for which no provision has been made as the amount thereof is not ascertainable. The amounts thus not provided for are being charged in the year of payment. In the case of subsidiary company they are in the process of setting up and implementing retirement policies for its employees hence provision for gratuity was made in the books.

- XI. The Company contributes to a Superannuation Fund covering specified employees. The contributions are by way of annual premia payable in respect of a superannuation policy issued by the Life Insurance Corporation of India, which confers benefits to retired / resigned employees based on the policy norms. Premia payable to LIC are accounted at the time of payment. No other liabilities are incurred by the Company in this regard.
- XII. Leave Encashment benefit has been charged to Profit & Loss Account on the basis of actuarial valuation as at the year end in line with the Accounting Standard 15 (AS-15) issued by the Institute of Chartered Accountants of India.
- XIII. During the year, the Company has accounted for Deferred Tax in accordance with the Accounting Standard 22 (AS-22) "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India. As a result of the adoption of this Standard, the Profit is lower by Rs 66.37 Lakhs for the year 2003-04 as detailed below :-

	Rs in lakhs	
	2003 - 04	2002 -03
Deferred Tax Asset :-		
Unabsorbed Losses / Tax Credit	1007.45	1014.95
Unabsorbed Depreciation	602.50	617.19
Current Year Losses	-	97.66
Others	70.90	44.76
	1680.85	1774.56
Deferred Tax Liability :-		
Depreciation Difference & Others	645.98	673.32
Net Deferred Tax Assets / (Liabilities)	1034.87	1101.24

Deferred Tax Asset on account of unabsorbed Depreciation / unabsorbed Losses has been recognised, as the Company is of the Opinion that there is virtual certainty of realisation of the same in view of the future Profits of the Company.

- XIV.** During the year, a sum of Rs. 130.45 lakhs being the cost of intangible assets (Cartography Development charges) classified under Work-in-progress as on 01.04.2003 pertaining to the Printing Division has been adjusted against the Opening Reserves in line with the Accounting Standard 26 (AS-26) on Intangible Assets, issued by the Institute of Chartered Accountants of India.
- XV.** The Company has acquired "EVA" Trade Mark at a consideration of Rs.53,49,800/- in the year 2001-02. In accordance with the opinion of the Expert Advisory Committee of the Institute of Chartered Accountants of India, this amount has been amortized over a period of 5 years and accordingly a sum of Rs.10,69,960/- has been charged as depreciation during the year under review.
- XVI.** A sum of Rs.126.48 Lakhs incurred towards Voluntary Retirement Scheme (VRS) in respect of the employees of Chikalthana Factory has been treated as Deferred Revenue Expenditure and the same will be amortized and written off equally over a period of 5 years. Accordingly, an amount of Rs.10.54 Lakhs has been debited to the Profit and Loss Account for the proportionate period during this year.
- XVII.** The Public Works Department increased the Water Charges with effect from 9th May, 1991 for the water drawn by the Paper Division from river Bhavani, from Rs.60/- per 1000 Cu. Mtr. To Rs.500/- per 1000 Cu. Mtr on the contracted quantity of water. The Company filed a writ petition in the Madras High Court and as per the interim order dated 9th July, 1991, passed by the Court, the Company was paying Rs. 200/- per 1000 Cu. Mtr of water on the actual quantity of water drawn and with effect from 01.04.1993 on contracted quantity. The writ was disposed off by the court by remanding the matter to the Public Works Department.

Subsequently, the Public Works Department reconfirmed the rate @ Rs. 500 per 1000 Cu. Mtr. Aggrieved by this, the Company has filed a writ petition in the Madras High Court and the High Court has passed an interim order directing payment of water charges @ Rs. 300 per 1000 Cu. Mtr. prospectively. Since the Paper Division has been disposed off, the liability, if any, up to the date of sale, i.e. (14.11.99) ,will have to be borne by the Company.

As a matter of prudence, the Company has made a provision of Rs 12 lakhs towards the liability by debiting the Profit and Loss account, without prejudice to the right of the Company to contest the case in the Court.

XVIII. Sundry Creditors, for goods shown under “ Current Liabilities “ (Schedule No.10) include Rs.197.15 Lakhs due to SSI Units. Listed below are the SSI Units to whom the company owes amounts outstanding for more than 30 days as at the Balance Sheet date.

Alfa Containers, Autofits, A to Z Pharmaceuticals P Ltd, Bacto Chem Laboratories, Baader Schulz Labs, Cheminova Remedies Pvt. Ltd., Cassel Research Laboratories Pvt. Ltd., D.J. Industries, Dharmi Paper Convertors, Essar Glassworks Pvt. Ltd., Exon Enterprises, Erawat Pharma Ltd., Fredna Enterprises, Fredun Pharmaceuticals Ltd., Hridaya, Immukimia Laboratory, Ishita Pharmaceuticals, Integrated Capsules Ltd., Klass Pack Pvt. Ltd., Kniss Laboratories Pvt Ltd, Kumbhat Holographics, Maarvel Graphics, Manjusree Extrusions Ltd., Promed Laboratories Pvt. Ltd., Polynova Packers, B. Pillai Plastics, Qualicare Pharmaceuticals Ltd., Shree Pack, Sel-Jegat Printers, Shree Products Ltd., Sri Raja Rajeswari Plastic Industries, Salesworth India Pvt. Ltd., Sterile Specialities India Pvt. Ltd., Super Press, Sangam Plastics, Tirumala Enterprises, The Orient Processors, Srikals Graphics, Star Drugs & Research Laboratories, Suyash Offset, Vinit Carbonic, AST Packaging, Bhakti Plastics, Kanishk Enterprises, Kishore Industries, Saras Plastics Beryl Chemi, Paras Plastics, Sai Om Industries, Srhshti Packaging, Dodal Sales Corporation, Sagmeshwar, Metro Foils & Prints, Prachi Industries, Unipharm Rotographics, Neelkamal Printing Press, United Printing, Krishna Plastics, Ajanta Steels, Shri Krishna Chemicals, Raj Chemicals, Sanfran Inc., Lavanya Printing Inks, Popular Chemicals, Wonder Packaging Industries Pooja Enterprises, Sulphur Mills, R P Traders, Varun Enterprises, Vishal Electric & Metal Industries, Zicolied Industries, Archana Enterprises, B.D. Enterprises, Pravin Industries, Shree Chemo Plast, Shree Paper Products, Siddhivinayak Rubber Products.

The above information regarding SSI Undertakings has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

XIX. Earnings per Share as per Accounting Standard - 20 (AS-20):

	2003 – 04
Profit after tax as per Profit & Loss Account (Rs. In lakhs)	127.55
Weighted Average number of Equity Shares used as denominator for calculating EPS (in lakhs Shares)	66.10
Earnings per Share of Rs. 10/- Each	
Before Extraordinary Items Rs.	1.92
After Extraordinary Items Rs.	1.77

XX. The Company has not made any provision for the Cess under the provisions of Section 441A of the Companies Act, 1956, in the absence of notification regarding rate and manner of remittance.

XXI. Fixed Assets taken on Finance Lease prior to 01-04-2001 amounted to Rs 5345805 (previous year Rs 6377530) Futures obligations towards lease rentals under the lease Agreements as on 31st March 2004 amounted to Rs 2327041 (previous year Rs 4088791)

	2003 – 04	2002 – 03
	Rs.	Rs.
Within one year	1442143	1761750
Later than one year and not later than five years	884898	2327041
Later than five years	–	–

The Company has acquired certain items of Vehicles on finance lease on or after April 1, 2001, amounting to Rs.39,03,140 (Previous year Nil). The minimum lease rental outstandings as on 31st March, 2004 in respect of these assets are as follows:

PARTICULARS	Total minimum lease payments outstanding as on		Future Interest on outstanding Lease payments as on		Present value of minimum Lease payments as on	
	31.3.04	31.3.03	31.3.04	31.3.03	31.3.04	31.3.03
	Rs.	Rs	Rs	Rs	Rs	Rs
Within one Year	107029 2	-	439083	-	631209	-
Later than one year and not later than five years	373094 6	-	774369	-	295657 7	-
Later than five years	-	-	-	-	-	-
Total	480123 8	-	1213452	-	358778 6	-

In the case of Subsidiary Company, the future lease commitments (including lease rentals) is Rs.30,59,295/-

	Rs.
Within one Year	12,43,200/-
Later than one Year and not later than five Years	18,16,095/-
Later than five Years	-
Total	30,59,295

XXII. Previous Year's figures have been regrouped and reclassified wherever necessary to conform to the current year's presentation. Figures have been rounded off to the nearest rupee.

XXIII. Subsidiary Company's figures have been regrouped to be in line with Parent Company's presentation.

XXIV. RELATED PARTY DISCLOSURE AS PER ACCOUNTING STANDARD - AS 18

List of related parties with whom transaction have taken place during the year.

Associates Companies / Firms / Parties	
	TT Krishnamachari & Co.
	Pharma Research & Analytical Laboratories
	TTK Prestige Ltd
	TTK LIG Limited
	Packwell Packaging Products Ltd.
	TTK Tantex Limited
	SSL - TTK Limited
	T.T.K. Insurance pvt.Ltd
	Mr. T.T. Mukund

Key Management Personnel		
	Mr.T.T.Jagannathan	Chairman
	Mr T.T.Raghunathan	Executive Vicechairman
	Mr D.Srinivasan.	Executive Director
	Mr. I. Ravindran	Wholetime Director
	Mr.Girish Rao	Managing Director

Summary of transactions with the above related parties is as follows:

	Purchase of Finished Goods	2314.19
	Purchase of Raw Material	58.04
	Sale of Goods	230.78
	Receiving Services	174.88
	Rendering Services	27.41
	Interest Received On Deposit	3.00
	Rental Charges Paid	31.08
	Rental Charges Received	6.08
	Reimbursement of Expenses Paid	2.86
	Logo Charges Paid	62.20
	Inter corporate deposit	50.00
	Outstanding Balance included in Current Assets	186.55
	Outstanding Balance included in Current Liabilities	406.66
	Managerial Remuneration	72.76
	Intercorporate Deposit Interest payment	3.20

XXV In respect of Debtors and Creditors, confirmation of balances are not yet available for verification in some cases.

XXVI. In case of subsidiary the Redeemable preference shares carry a Dividend of 5% per annum cumulative. The redeemable preference shares are redeemable in three equal instalments at the end of 10th 11th &12thYears.

The Preference Shares carry an option for conversion into equity shares after 12 months from the date of issue (earliest date of conversion being 3rd January,2004) and the terms of conversion into equity Shares shall be agreed upon mutually between the Company and the holders of Preference Shares.

If no such option is exercised before the expiry of 10 years, the Preference Shares shall be redeemed as stated above (i.e earliest date of redemption is 2nd January,2013)

Preference Dividend amounting to Rs.3,34,322/- (P.Y.Rs.80,164/-) has been provided for in the parents financial statements while consolidating the Accounts of the Company.

TTK HEALTHCARE LIMITED

Segment-Wise Revenue, Results and Capital Employed: (Consolidated)

Segment-Wise Revenue & Results:

(Rs. In lakhs)

Particulars	For the year ended 31.03.2004			For the year ended 31.03.2003		
	Segment Revenue	Excise Duty related to Sales	Net Segment Revenue	Segment Revenue	Excise Duty related to Sales	Net Segment Revenue
Segment Revenue :						
Pharmaceuticals	6092.43	323.78	5768.65	5771.63	315.93	5455.70
Medical Devices	1018.15	20.68	997.47	1349.98	23.24	1326.74
Consumer Products Distribution	6989.28	0.00	6989.28	6355.69	0.00	6355.69
Printing / Maps	565.01	14.21	550.80	619.62	10.66	608.96
Third Party Administrator (TPA) Services	655.88	0.00	655.88	73.74	0.00	73.74
Others	641.40	0.00	641.40	627.15	0.00	627.15
Total Segment Revenue	15962.15	358.67	15603.48	14797.81	349.83	14447.98
Less Inter Segment Revenue	78.69		78.69	80.42	0.00	80.42
Net Sales	15883.46	358.67	15524.79	14717.39	349.83	14367.56
Segment Results (Profit before Interest & Tax)						
Pharmaceuticals			1077.41			1093.14
Medical Devices			(246.03)			(143.67)
Consumer Products Distribution			39.43			98.24
Printing / Maps			(123.76)			(10.39)
Third Party Administrator (TPA) Services			30.94			(73.77)
Others			19.19			32.98
Total Segment Results			797.18			996.53
Less : Interest Expenses			329.21			432.60
Less : Unallocable Expenses (net of Unallocable Income)			330.70			474.18
Total Profit / Loss before Tax			137.27			89.75
Less : Extraordinary Item - Voluntary Retirement Scheme			10.54			0.00
Total Profit / Loss before Tax			126.73			89.75

Capital Employed (Consolidated)		
	(Rs. In lakhs)	
Particulars	As on	
	31.03.2004	31.03.2003
Segment Assets less Segment Liabilities		
Pharmaceuticals	2110.31	2167.26
Medical Devices	2298.57	2602.18
Consumer Products Distribution	160.04	178.36
Printing / Maps	355.71	616.46
Third Party Administrator (TPA) Services	360.34	123.56
Others	320.06	276.82
Total Capital Employed in Segments	5605.03	5964.64
Add : Unallocable Corporate Assets less Corporate Liabilities	(139.09)	(161.37)
Total Capital Employed in Company	5465.94	5803.27
Total Assets Exclude :		
Investments	211.01	211.01
Deferred Tax Asset	1686.94	1772..86
Miscellaneous Expenditures to the extent not written off	117.97	2.17
Total Liabilities Exclude :		
Secured Loans	2286.94	2313.80
Unsecured Loans	257.66	599.20
Deferred Tax Liability	652.08	671.62

Notes :

1. Segments have been identified in line with the Accounting Standard on Segment Reporting (AS-17) considering the organisation structure and the differential risks and returns of these segments.
2. Segment Sales are net of Excise Duty related to the Sales of own manufactured goods for the current as well as the previous periods.
3. Details of products included in each of the Segments are as below:
 - Pharmaceuticals include products for both Human and Veterinary use.
 - Medical Devices include Artificial Heart Valves, Hernia Repair Mesh, Surgical Sutures, Catheters, Incontinence Bags, Gloves and Blood Lancets.
 - Consumer Products Distribution consists of marketing and distribution of EVA Range of Cosmetics (Own Brand) and also trading of Branded Condoms, Shoe care, Hair care and Toiletry Products.
 - Printing/Maps comprise of Printing and Publishing of Maps and Atlases and Packaging Materials.
 - TPA Services comprise of the Third Party Administrator services rendered to Insurance Companies.
 - Others" comprise of ready-to-fry Cereal Snack Foods & Rice Sevai and Paper Products.
4. The segment-wise revenue, results and capital employed figures relate to respective amounts directly identifiable to each of the segments. The unallocable expenditure includes expenses incurred on common services at the corporate level and all those expenses not identifiable to any specific segment.
5. The prior periods' figures have been regrouped and reclassified, wherever necessary, to conform to the current year's presentation.

TTK HEALTHCARE LIMITED				
CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2004				
(Consolidated)				
	2003 - 2004		2002 - 2003	
A. CASH FLOW FROM OPERATING ACTIVITIES	(Rs.in Lakhs		(Rs.in Lakhs)	
Net Profit Before Tax		126.72		163.52
Adjustments for:				
Depreciation	261.46		255.84	
Preliminary Expenses	0.14			
Profit / Loss on sale of Assets	10.02		-2.62	
Dividend Received	-0.01		-0.01	
Interest Paid	329.21	600.82	432.60	685.81
Operating Profit before Working Capital changes		727.54		849.33
Adjustments for:				
Trade and Other Receivables	-39.68		448.58	
Inventories	486.89		233.78	
Trade Payables	56.51		253.73	
		503.72		936.09
Cash generated from operations		1231.26		1785.42
Direct Taxes Paid		23.10		194.60
Cash Flow before Extraordinary items :		1254.36		1980.02
Extraordinary Items (Pursuant to Merger) & Deferred Revenue Expenditure		-115.94		280.30
Cash Flow after Extraordinary items		1138.42		2260.32
B. CASH FLOW FROM INVESTMENT ACTIVITIES				
Purchase of Fixed Assets	-221.20		-322.41	
Sale of Fixed Assets	7.54		10.58	
Purchase of Investments (Pursuant to merger)	0.00		-49.63	
Interest/Dividend Received	0.01		0.01	
Amalgamation Reserve Adjustments	0.00		-68.08	
Security Premium Adjustments etc.	0.00		-813.63	
Revenue Reserve Adjustments	-130.45	-344.10	0.00	-1243.16
C. CASH FLOW FROM FINANCING ACTIVITIES				
Minority Interest	67.33			
Proceeds from Long term Borrowings	108.67		-468.61	
Bank Borrowings - Short Term	-335.52		110.36	
Public / Other Deposits	-141.54		-132.51	
Interest Paid	-329.20		-432.60	
Preference Dividend	-0.83			
Net Cash used in Financing Activities		-631.09		-923.36
Net Increase in Cash and Cash Equivalents		163.23		93.80
Cash and Cash Equivalents as at the beginning of the year	816.39		669.19	
Cash and Cash Equivalents as at the end of the year	979.62	-163.23	762.99	-93.80
Notes :				
a. The above cash flow statement has been prepared under the 'Indirect Method' set out in Accounting Standard - 3 (AS - 3) issued by the Institute of Chartered Accountants of India.				
b. The previous year's figures have been regrouped wherever necessary in order to conform to this year's presentation.				
c. Cash Flow for the Previous Year does not include the Subsidiary Company's Operations as the Subsidiary Company's operations have started only in the Previous Year and based on the transitional provision clause under AS-21 the cash flow for the Previous Year for the Subsidiary Company has not been considered.				
Annexure to our Report of date				
For M/s AIYAR & CO	For M/s VISWANATHAN	T.T. Jagannathan, Chairman		
Chartered Accountants	Chartered Accountants	R.K. Tulshan, Director		
		Dr.K.R.Srimurthy, Director		
		B.N.Bhagwat, Director		
V.NATARAJAN	C.N. SRINIVASAN.	K. Vaidyanathan, Director		
Partner	Partner	D. Srinivasan, Executive Director		
Membership No.454	Membership No.18205	K. Shankaran, Director		
		I. Ravindran, Wholetime Director		
Bangalore		S. Kalyanaraman, Company Secretary		
25 th June 2004		K. Hariharasubramanian, Vice President (Accounts)		