

Ninth Annual Report

BALANCE SHEET AS AT MARCH 31, 2004

	Sch No.	As at March 31, 2004 Rs.	As at March 31, 2003 Rs.
I SOURCES OF FUNDS			
SHAREHOLDERS FUND			
Capital	1	100,608,000	51,258,000
Reserves & Surplus	2	112,448,276	13,785,218
LOAN FUNDS			
Secured Loans	3	33,782,015	18,109,344
Unsecured Loans		23,986,765	10,199,677
DEFERRED TAX LIABILITY (Net)		6,053,039	4,785,114
		<u>276,878,095</u>	<u>98,137,353</u>
II APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	4	48,109,118	44,139,135
Less : Depreciation		13,884,370	11,525,058
Net Block		34,224,748	32,614,077
Capital Work-in Progress		2,500,490	
		36,725,238	32,614,077
INVESTMENTS			
	5	145,718,000	
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	6	6,820,658	8,238,604
Sundry Debtors		147,027,042	192,269,572
Cash & Bank Balances		16,248,106	9,999,621
Loans & Advances		15,427,331	13,540,982
		185,523,137	224,048,779
LESS : CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	7	79,382,397	141,533,828
Provisions		12,549,512	18,448,705
NET CURRENT ASSETS		93,591,228	64,066,246
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)	8	843,629	1,457,030
		<u>276,878,095</u>	<u>98,137,353</u>
Significant Accounting Policies and Notes on Accounts	14		

For and on behalf of the Board

Per our Report of Even Date
for **DELOITTE HASKINS & SELLS**
Chartered Accountants

C.ShivKumar Reddy
Managing Director

C.Uma Reddy
Director

K.Chandrashekarappa
Company Secretary

S. GANESH
Partner

Place : Bangalore
Date : 13th January 2005

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2004**

	Sch No.	As at March 31, 2004 Rs.	As at March 31, 2003 Rs.
I INCOME			
Gross Sales	9	116,282,524	221,271,198
Less: Excise Duty		5,612,305	4,603,642
Net Sales		110,670,219	216,667,556
Other Income	10	1,374,408	4,516,501
		112,044,627	221,184,057
II EXPENDITURE			
Manufacturing Expenses	11	67,270,118	152,320,241
Administrative, Selling & Other Expenses	12	31,949,934	41,831,956
Depreciation	4	2,791,402	2,865,778
Interest & Financial Expenses	13	5,242,107	3,949,499
(Accretion)/Decretion to Stock		765,862	2,401,597
		108,019,423	203,369,072
Profit/(Loss) before Taxation		4,025,204	17,814,985
Less: Provision for Taxation			
Current Tax		250,000	5,000,000
Deferred Tax charge / (credit)		1,267,925	840,990
Profit/(Loss) after Taxation and before Prior Period and Extraordinary Items		2,507,279	11,973,995
Add/(Less)			
Prior Period Adjustments		-	(6,825,226)
Profit/(Loss) for the Year		2,507,279	5,148,770
Surplus Brought forward from Previous Year		13,656,499	17,640,884
Less: Deferred Tax Liability relating to prior year			2,065,384
Amount available for Appropriations		16,163,778	20,724,270
Appropriations			
Transfer to General Reserve		-	128,719
Proposed Dividend @ 12%		-	6,150,960
Tax on Dividend		-	788,092
Balance carried to Balance Sheet		16,163,778	13,656,499
		16,163,778	20,724,270
Basic Earnings Per share		0.49	1.00
No. of Equity shares used in computing Earnings per share		5,125,800	5,125,800
Significant Accounting Policies and Notes on Accounts	14		

For and on behalf of the Board

Per our Report of Even Date

for **DELOITTE HASKINS & SELLS**
Chartered Accountants**C.ShivKumar Reddy**
Managing Director**C.Uma Reddy**
Whole Time Director**K.Chandrashekarappa**
Company Secretary**S. GANESH**
PartnerPlace : Bangalore
Date : 13th January 2005