

Appendix 1
List of Companies Annual Report Studied

1	Abbot India Limited	53	Machino Plastics Limited
2	Aimco Pesticides Limited	54	Maharashtra Scooters Limited.
3	Alembic Limited	55	Majestic Auto Limited
4	Alps Industries Limited,	56	MCF Limited
5	Amco India Limited	57	Marico Industries Limited
6	Amrit Banaspati Co. Limited	58	Mayur Uniquoters Limited
7	Asahi India Glass Limited	59	Munjil Showa Limited
8	Ashok Leyland Limited	60	Murudeshwar Ceramics Ltd.
9	Automotive Axles Limited	61	Mysore Cements Limited
10	Aventis Pharma Limited	62	National Aluminium Com.Ltd.
11	Bal Pharma Limited	63	Nava Bharat Ferro Alloys Ltd.
12	Bambino Agro Industries Limited	64	NCL Industries Limited
13	Bata India Limited	65	Novartis India Limited
14	Bharat Bijlee Limited	66	Omax Autos Limited
15	Bharat Electronics Limited	67	Paekh Aluminex Limited
16	Blue Star Limited	68	Perfect Circle India Limited
17	Caprihans India Limited	69	Pfizer Limited
18	Ceekay Daikin Limited	70	Pidilite Industries Limited.
19	Century Extrusions Limited	71	Plastiblends India Limited
20	Century Textiles and Industries Limited	72	Prima Plastics Limited
21	Coromandel Fertilisers Limited	73	Pudmjee Pulp & Paper Mills Ltd.
22	Cosmo Ferrites Limited	74	Punjab Tractors Limited
23	Deepak Fertilisers and Petrochemicals Ltd.	75	Rane (Madras) Limited
24	Eicher Motors Limited.	76	Rane Brake Linings Limited
25	Elder health care limited	77	Rico Auto Industries Limited.
26	Excel Glasses Limited	78	Rishi Laser Cutting Limited
27	Falcon Tyres Limited	79	Salora International Limited
28	FDC Limited	80	Saurashtra Cement Limited
29	Fem Care Pharma Limited	81	Scooters India Limited
30	Gabriel India Limited	82	Seshasayee Papers Limited
31	Glaxo Healthcare Limited.	83	Shervani Industrial Limited
32	Godrej Consumer Products Limited	84	Shree Cement Limited
33	Goodlass Nerolac Paints Limited	85	Siel Limited
34	Good Year India Limited	86	Solitaire Machine Tools Ltd.d
35	Greeves Cotton Limited	87	Star Paper Mills Limited
36	GTC Industris Limited.	88	Steel Strips Wheels Limited
37	Gulf Oil Corporation Limited	89	Sulzer India Limited.
38	Hatsun Agro Product Limited.	90	Sun Pharmaceutical Ltd.
39	Hercules Hoists Limited	91	Tata Motors Limited
40	Hereitage Foods (India) Limited	92	The ACC Limited
41	High Energy Batteries (I) Limited.	93	The Mysore Paper Mills Ltd.
42	Hindalco Industries Limited	94	Titanor Components Limited
43	Hitachi Home & Life Solutions Limited	95	Tonira Pharma Limited
44	HMT Limited	96	Torrent Pharmaceuticals Ltd.
45	Hyderabad Industries Limited	97	Ultra Tech Cement Limited
46	ICI India Limited	98	United Breweries Limited
47	Igarshi Motors India Limited	99	V.S.T. Tillers Tractors Ltd.
48	IP Rings Limited	100	VST Industries Limited
49	Jain Irrigation Systems Limited.	101	Wartsila India Limited
50	Kesoram Industries Limited.	102	Wyeth Limited
51	Kisan Mouldings Limited	103	ZF Steering gear (India) Limited
52	Lakshmi Mills Co. Limited	104	Zodiac Clothing Limited

Appendix 2
List of Measurement Practices and Possible Methods Adopted by the Sample Companies

Measurement Practices	Methods Adopted
1 Inventory Valuation	A Lower of Cost and Net Realizable Value
	B Cost
	C Cost or Market Value whichever is less
	D Combination of A & B
	E Combination of A & C
	F Not Disclosed
2 Inventory Costing	A Weighted Average Cost Method
	B FIFO
	C Combination of A & B
	D Other methods
	E Not Disclosed
3 Depreciation	A Straight Line Method
	B Written down value Method
4 Borrowing Costs	C Combination of A & B
	A A = Acquisition cost and other related costs capitalized as part of respective asset & other than these expenses are charged to revenue
	B Not Disclosed
	A Historical Cost
5 Tangible Fixed Assets	B Current Cost
	C Revalued Cost
	D Not Disclosed
	A Written off to Profit and Loss Account
6 Research and Development Cost	B Capital Expenditure Capitalized and Revenue exp. Written off to Profit and Loss Account
	C Revenue Expenditure Charged to P/L account and Capital Expenditure A mortized over a Period and disclosed in Intangible Asset
	D Not Disclosed
	A Current year charge based on effective tax rates alone recognized
7 Taxation	B Deferred tax using liabilities method alone recognized
	C Both 'A' and 'B' recognized
	D Not Disclosed
	A Classified as current and long-term investments. Current investments are valued lower of cost and fair value and LTI are valued cost less provision for diminution in value
8 Investments	B No classification is made and valued at cost
	C Not disclosed
	A Closing rate/Year end rate
9 Foreign Exchange Transactions	B Rate at the date of transaction
	C Forward contract rate
	D Combination of A & B
	E Combination of A & C
	F Not disclosed

Appendix 3
FREQUENCIES
(Inventory Valuation Methods Adopted by the Companies)

SL. NO.	STATUS		FREQUENCIES																	
			1997						2004						2006					
			A	B	C	D	E	F	A	B	C	D	E	F	A	B	C	D	E	F
1	Overall		27	16	20	33	5	1	72	6	9	15	2	0	85	3	9	7	0	0
2	Age Status	Younger (<25 Years)	11	9	5	2	13	0	29	4	3	1	5	0	34	2	3	0	3	0
3		Older (>25 Years)	16	7	15	3	20	1	43	2	6	1	10	0	51	1	6	0	4	0
4	Performance Status	Low Profitable (<26 Crores)	11	12	11	1	17	1	32	5	6	2	8	0	39	3	6	0	5	0
5		High Profitable (>26 Crores)	16	4	9	4	16	0	40	1	3	0	7	0	46	0	3	0	2	0
6	Size Status	Small (<104.37 Crores)	14	6	10	3	16	1	42	1	2	0	6	0	47	0	2	0	2	0
7		Large (>104.37 Crores)	13	10	10	2	17	0	30	5	7	2	9	0	38	3	7	0	5	0
8	Operation Status	Uni-national	12	12	14	4	15	1	40	3	8	2	5	0	44	2	8	0	4	0
9		Multinational	15	4	6	1	18	0	32	3	1	0	10	0	41	1	1	0	3	0
10	Sector Status	Basic and Capital Goods	9	8	5	2	9	0	27	2	1	0	4	0	27	2	1	0	4	0
11		Intermediate Goods	10	5	6	2	6	1	21	1	3	2	3	0	24	0	5	0	1	0
12		Consumer Durable Goods	8	3	9	1	18	0	24	3	5	0	8	0	34	1	3	0	2	0
13	Equity Base	Low Equity Base (<14.97 Crores)	14	11	10	1	15	1	36	5	6	1	5	0	42	2	7	0	2	0
14		High Equity Base (>14.97 Crores)	13	5	10	4	18	0	36	1	3	1	10	0	43	1	2	0	5	0

A: Lower of Cost or Net Realizable Value; B: Cost; C: Cost or Market Price Whichever is Less; D: Combination of A & B; E: Combination of A & C; F: Not Disclosed

Appendix 4
FREQUENCIES
(Inventory Costing Methods Adopted by the Companies)

SL. NO.	STATUS		FREQUENCIES														
			1997					2004					2006				
			A	B	C	D	E	A	B	C	D	E	A	B	C	D	E
1	Overall		22	9	4	2	65	55	22	10	1	16	62	23	7	1	11
2	Age Status	Younger (<25 Years)	8	6	2	0	24	17	15	0	1	9	20	14	0	0	8
3		Older (>25 Years)	14	3	2	2	41	38	7	10	0	7	42	9	7	1	3
4	Performance Status	Low Profitable (<26 Crores)	11	3	2	0	37	24	14	1	1	13	29	14	0	0	10
5		High Profitable (>26 Crores)	11	6	2	2	28	31	8	9	0	3	33	9	7	1	1
6	Size Status	Small (<104.37 Crores)	12	5	2	1	30	33	7	8	0	3	34	8	7	1	1
7		Large (>104.37 Crores)	10	4	2	1	35	22	15	2	1	13	28	15	0	0	10
8	Operation Status	Uni-national	12	5	3	1	37	30	14	4	1	9	34	15	2	0	7
9		Multinational	10	4	1	1	28	25	8	6	0	7	28	8	5	1	4
10	Sector Status	Basic and Capital Goods	9	2	2	1	19	20	5	5	1	3	24	4	4	0	2
11		Intermediate Goods	7	4	2	1	16	16	8	3	0	3	17	9	2	0	2
12		Consumer Durable Goods	6	3	0	0	30	19	9	2	0	10	21	10	1	1	7
13	Equity Base	Low Equity Base (<14.97 Crores)	6	7	1	1	37	26	12	3	0	12	29	14	1	0	9
14		High Equity Base (>14.97 Crores)	16	2	3	1	28	29	10	7	1	4	33	9	6	1	2
A: Weighted Average Method; B: FIFO; C: Combination of A & B; D: Other methods; E: Not Disclosed																	

Appendix 5
FREQUENCIES
(Depreciation Methods Adopted by the Companies)

SL. NO.	STATUS		FREQUENCIES								
			1997			2004			2006		
			A	B	C	A	B	C	A	B	C
1	Overall		77	11	14	78	12	14	77	10	17
2	Age Status	Younger (<25 Years)	35	4	1	36	3	3	36	3	3
3		Older (>25 Years)	42	7	13	42	9	11	41	7	14
4	Performance Status	Low Profitable (<26 Crores)	44	3	6	42	4	7	41	2	10
5		High Profitable (>26 Crores)	33	8	8	36	8	7	36	8	7
6	Size Status	Small (<104.37 Crores)	34	6	10	37	6	8	37	6	8
7		Large (>104.37 Crores)	43	5	4	41	6	6	40	4	9
8	Operation Status	Uni-national	48	5	5	46	5	7	44	4	10
9		Multinational	29	6	9	32	7	7	33	6	7
10	Sector Status	Basic and Capital Goods	26	3	4	24	4	6	24	4	6
11		Intermediate Goods	26	2	2	25	3	2	24	2	4
12		Consumer Durable Goods	25	6	8	29	5	6	29	4	7
13	Equity Base	Low Equity Base (<14.97 Crores)	42	6	4	43	7	3	43	4	6
14		High Equity Base (>14.97 Crores)	35	5	10	35	5	11	34	6	11
A: Straight Line Method; B: Written Down Value Method; C: Combination of A & B											

Appendix 6
FREQUENCIES
(Treatment of Borrowing Costs by the Companies)

SL. NO.	STATUS		FREQUENCIES					
			1997		2004		2006	
			A	B	A	B	A	B
1	Overall		0	102	53	51	58	46
2	Age Status	Younger (<25 Years)	0	40	17	25	18	24
3		Older (>25 Years)	0	62	36	26	40	22
4	Performance Status	Low Profitable (<26 Crores)	0	53	26	27	30	23
5		High Profitable (>26 Crores)	0	49	27	24	28	23
6	Size Status	Small (<104.37 Crores)	0	50	30	21	32	19
7		Large (>104.37 Crores)	0	52	23	30	26	27
8	Operation Status	Uni-national	0	58	32	26	35	23
9		Multinational	0	44	21	25	23	23
10	Sector Status	Basic and Capital Goods	0	33	17	17	20	14
11		Intermediate Goods	0	30	17	13	18	12
12		Consumer Durable Goods	0	39	19	21	20	20
13	Equity Base	Low Equity Base (<14.97 Crores)	0	52	24	29	27	26
14		High Equity Base (>14.97 Crores)	0	50	29	22	31	20
A = Acquisition cost and other related costs capitalized as part of respective asset & other than these expenses are charged to revenue; B: Not Disclosed								

Appendix 7
FREQUENCIES
(Valuation Methods for Tangible Fixed Assets Adopted by the Companies)

SL. NO.	STATUS		FREQUENCIES											
			1997				2004				2006			
			A	B	C	D	A	B	C	D	A	B	C	D
1	Overall		66	9	23	4	62	19	23	0	65	16	23	0
2	Age Status	Younger (<25 Years)	32	5	1	2	32	9	1	0	33	7	2	0
3		Older (>25 Years)	34	4	22	2	30	10	22	0	32	9	21	0
4	Performance Status	Low Profitable (<26 Crores)	37	4	9	3	33	9	11	0	35	6	12	0
5		High Profitable (>26 Crores)	29	5	14	1	29	10	12	0	30	10	11	0
6	Size Status	Small (<104.37 Crores)	29	4	16	1	30	7	14	0	31	8	12	0
7		Large (>104.37 Crores)	37	5	7	3	32	12	9	0	34	8	11	0
8	Operation Status	Uni-national	41	4	11	2	38	10	10	0	38	6	14	0
9		Multinational	25	5	12	2	24	9	13	0	27	10	9	0
10	Sector Status	Basic and Capital Goods	22	5	6	0	16	11	7	0	19	6	9	0
11		Intermediate Goods	18	2	6	4	22	4	4	0	22	2	6	0
12		Consumer Durable Goods	26	2	11	0	24	4	12	0	24	8	8	0
13	Equity Base	Low Equity Base (<14.97 Crores)	41	5	4	2	35	12	6	0	38	5	10	0
14		High Equity Base (>14.97 Crores)	25	4	19	2	27	7	17	0	27	11	13	0
A: Historical Cost; B: Current Cost; C: Revalued Cost; D: Not Disclosed														

**Appendix 8
FREQUENCIES**

(Treatment of Research and Development Cost by the Companies)

SL. NO.	STATUS		FREQUENCIES											
			1997				2004				2006			
			A	B	C	D	A	B	C	D	A	B	C	D
1	Overall		9	48	0	45	9	46	5	44	9	44	9	42
2	Age Status	Younger (<25 Years)	0	15	0	25	0	14	3	25	0	13	5	24
3		Older (>25 Years)	9	33	0	20	9	32	2	19	9	31	4	18
4	Performance Status	Low Profitable (<26 Crores)	6	18	0	29	6	19	2	26	6	16	5	26
5		High Profitable (>26 Crores)	3	30	0	16	3	27	3	18	3	28	4	16
6	Size Status	Small (<104.37 Crores)	3	32	0	15	3	27	3	18	3	28	5	15
7		Large (>104.37 Crores)	6	16	0	30	6	19	2	26	6	16	4	27
8	Operation Status	Uni-national	6	20	0	32	6	20	1	31	6	19	2	31
9		Multinational	3	28	0	13	3	26	4	13	3	25	7	11
10	Sector Status	Basic and Capital Goods	1	14	0	18	1	13	1	19	0	12	3	19
11		Intermediate Goods	3	16	0	11	2	16	2	10	3	15	2	10
12		Consumer Durable Goods	5	18	0	16	6	17	2	15	6	17	4	13
13	Equity Base	Low Equity Base (<14.97 Crores)	3	14	0	35	3	18	2	30	3	17	4	29
14		High Equity Base (>14.97 Crores)	6	34	0	10	6	28	3	14	6	27	5	13

A: Written off to Profit and Loss Account; B: Capital Expenditure Capitalized and Revenue exp. Written off to Profit and Loss account; C: Revenue Expenditure Charged to Profit and Loss account and Capital Expenditure Amortized over a Period and disclosed; D: Not Disclosed

Appendix 9
FREQUENCIES
(Recognition of Taxation by the Companies)

SL. NO.	STATUS		FREQUENCIES											
			1997				2004				2006			
			A	B	C	D	A	B	C	D	A	B	C	D
1	Overall		9	1	0	92	2	14	79	9	0	13	87	4
2	Age Status	Younger (<25 Years)	3	0	0	37	0	7	31	4	0	7	34	1
3		Older (>25 Years)	6	1	0	55	2	7	48	5	0	6	53	3
4	Performance Status	Low Profitable (<26 Crores)	3	0	0	50	1	6	39	7	0	4	46	3
5		High Profitable (>26 Crores)	6	1	0	42	1	8	40	2	0	9	41	1
6	Size Status	Small (<104.37 Crores)	6	1	0	43	1	8	40	2	0	7	43	1
7		Large (>104.37 Crores)	3	0	0	49	1	6	39	7	0	6	44	3
8	Operation Status	Uni-national	2	0	0	56	1	9	41	7	0	8	46	4
9		Multinational	7	1	0	36	1	5	38	2	0	5	41	0
10	Sector Status	Basic and Capital Goods	1	0	0	32	0	3	29	2	0	3	30	1
11		Intermediate Goods	1	1	0	28	0	6	18	6	0	5	23	2
12		Consumer Durable Goods	7	0	0	32	2	5	32	1	0	5	34	1
13	Equity Base	Low Equity Base (<14.97 Crores)	2	1	0	49	0	8	40	5	0	8	43	2
14		High Equity Base (>14.97 Crores)	7	0	0	43	2	6	39	4	0	5	44	2
A: Current year charge based on effective tax rates alone recognized; B: Deferred tax using liabilities method alone recognized; C: Both 'A' and 'B' recognized; D: Not Disclosed														

**Appendix 10
FREQUENCIES**

(Valuation of Investment Methods Adopted by the Companies)

SL. NO.	STATUS		FREQUENCIES								
			1997			2004			2006		
			A	B	C	A	B	C	A	B	C
1	Overall		36	45	21	77	18	9	82	13	9
2	Age Status	Younger (<25 Years)	9	17	14	26	8	8	29	6	7
3		Older (>25 Years)	27	28	7	51	10	1	53	7	2
4	Performance Status	Low Profitable (<26 Crores)	13	22	18	37	9	7	39	7	7
5		High Profitable (>26 Crores)	23	23	3	40	9	2	43	6	2
6	Size Status	Small (<104.37 Crores)	28	19	3	42	8	1	44	6	1
7		Large (>104.37 Crores)	8	26	18	35	10	8	38	7	8
8	Operation Status	Uni-national	15	28	15	37	13	8	39	11	8
9		Multinational	21	17	6	40	5	1	43	2	1
10	Sector Status	Basic and Capital Goods	11	14	8	24	5	5	27	3	4
11		Intermediate Goods	8	14	8	19	8	3	19	7	4
12		Consumer Durable Goods	17	17	5	34	5	1	36	3	1
13	Equity Base	Low Equity Base (<14.97 Crores)	12	24	16	37	10	6	40	7	6
14		High Equity Base (>14.97 Crores)	24	21	5	40	8	3	42	6	3

A: Classified as current and long-term investments. Current investments are valued lower of cost and fair value and long term investments are valued cost less provision for diminution in value; B: No classification is made and valued at cost; C: Not disclosed.

**Appendix 11
FREQUENCIES**

(Treatment of Foreign Currency Transactions by the Companies)

SL. NO.	STATUS	FREQUENCIES		
		1997	2004	2006

		A	B	C	D	A	B	C	D	A	B	C	D	
1	Overall	28	18	37	19	16	17	62	9	11	18	68	7	
2	Age Status	Younger (<25 Years)	7	8	15	10	7	5	24	6	6	8	23	5
3		Older (>25 Years)	21	10	22	9	9	12	38	3	5	10	45	2
4	Performance Status	Low Profitable (<26 Crores)	12	13	14	14	10	9	27	7	7	9	31	6
5		High Profitable (>26 Crores)	16	5	23	5	6	8	35	2	4	9	37	1
6	Size Status	Small (<104.37 Crores)	18	5	22	5	8	9	32	2	3	9	38	1
7		Large (>104.37 Crores)	10	13	15	14	8	8	30	7	8	9	30	6
8	Operation Status	Uni-national	16	13	16	13	9	9	31	9	7	10	34	7
9		Multinational	12	5	21	6	7	8	31	0	4	8	34	0
10	Sector Status	Basic and Capital Goods	5	6	15	7	6	4	23	1	6	3	24	1
11		Intermediate Goods	10	7	10	3	5	5	17	3	4	5	18	3
12		Consumer Durable Goods	13	5	12	9	5	8	22	5	1	10	26	3
13	Equity Base	Low Equity Base (<14.97 Crores)	8	15	17	12	6	9	33	5	5	11	33	4
14		High Equity Base (>14.97 Crores)	20	3	20	7	10	8	29	4	6	7	35	3
<p>A: Closing rate/Year end rate and Forward Contract rate; B: Rate at the date of transaction; C: Combination of 'A' and 'B' recognized; D: Not Disclosed.</p>														