





BIMETAL BEARINGS LIMITED

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REPORT AND ACCOUNTS

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BIMETAL BEARINGS LIMITED

DIRECTORS

Mr. A. KRISHNAMOORTHY (*Chairman & Managing Director*)
Mr. N. VENKATARAMANI
Mr. A. B. AVERY
Mr. S. GOPINATH RAO
Mr. K.V. SHETTY (Alternate to Mr. A.B. AVERY)

PRESIDENT - OPERATIONS

Mr. N.P. MANI

VICE PRESIDENT – FINANCE

Mr. N. VENKATARAMAN

SECRETARY

Mr. K. VIDHYA SHANKAR

AUDITORS

Messrs. PRICE WATERHOUSE, CHENNAI

BANKERS

CENTRAL BANK OF INDIA

LEGAL ADVISERS

Messrs. KING & PARTRIDGE, CHENNAI
Messrs. RAMANI & SHANKAR, COIMBATORE

REGISTRARS AND TRANSFER AGENTS

Messrs. GNSA INVESTOR SERVICES (P) Ltd.,
1/302, 2nd FLOOR, 52nd STREET, 7th AVENUE, ASHOK NAGAR,
CHENNAI 600 083.

DEPOSITORY REGISTRAR

M/S. INTEGRATED ENTERPRISES (INDIA) LIMITED,
II FLOOR, KENCES TOWERS,
NO. 1, RAMAKRISHNA STREET, NORTH USMAN ROAD,
T.NAGAR, CHENNAI 600 017

REGISTERED OFFICE

STRIP MILL PLANT
"HUZUR GARDENS", SEMBIAM, CHENNAI 600 011
Phone : 5375581

ADMINISTRATIVE OFFICE

18, RACE COURSE ROAD, COIMBATORE 641 018

FACTORIES

"HUZUR GARDENS", SEMBIAM, CHENNAI 600 011.
371, MARUDHAMALAI ROAD, COIMBATORE 641 041.
HOSUR – KRISHNAGIRI ROAD, HOSUR 635 125.
5/227, OLD MAHABALIPURAM ROAD, CHENNAI 600 096.

BIMETAL BEARINGS LIMITED

Registered Office: "Huzur Gardens", Sembiam, Chennai – 600 011.

NOTICE TO THE SHAREHOLDERS OF THE FORTIETH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Fortieth Annual General Meeting of the Shareholders of the Company will be held at 10.00 A.M., on Friday, the 20th day of July 2001 at New Woodlands Hotel, 72/75, Dr.Radhakrishnan Salai, Chennai - 600 004, to transact the following business:

ORDINARY BUSINESS:

1. To receive and adopt the Annual Balance Sheet as at 31st March 2001 and the Audited Profit and Loss Account for the year ended 31st March 2001 and the Auditors' and Directors' Report thereon.
2. To declare a Dividend.
3. To appoint a Director in the place of Mr.S.Gopinath Rao who retires by rotation and being eligible offers himself for re-election.
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass, with or without any modification, the following resolutions as **special resolutions**:
"RESOLVED THAT in accordance with the provisions of Section 31 of the Companies Act, 1956 approval of the Company be and is hereby accorded for the following alterations to the Articles of Association of the Company:

(a) The following existing Articles be and are hereby totally deleted:

2, 3, 4, 5, 6, 15, 21(5), 22(c) and 30.

(b) The following existing articles be and are hereby renumbered:

Existing Article No.	New Article No.
1(b)	1(o)
1(c)	1(q)
1(d)	1(p)
1(e)	1(i)
1(g)	1(r)
1(i)	1(s)
7 to 10	4 to 7
10A, 11 to 14	8, 9 to 12
16	13
17(1) (a) to (d) & 17(2)	15 (a) (i) to (iv) & 15 (b)
18 to 20	16 to 18
20A	19
21 (1) to (4), (6)	20 (a) to (d), (f)
21 (7)	20 (h)
21 (8) (a) & (b)	20 (i) (i) & (ii)
21 (9) (a) (i) (ii) & 21 (9) (b)	20 (j) (i) (a) (b) & 20 (j) (ii)
21 (10) (a) to (d)	20 (k) (i) to (iv)
22 (a) & (b)	21 (a) & (b)
22 (d) & (e)	3 (c) & (d)
23 to 28	22 to 27
29 (a)	28(a)(i)
29 (b) to (e)	28 (b) to (e)
31	29 (a)
32 (a) to (c)	30 (a) to (c)
32 (d) to (g)	30 (e) to (h)
33	31
34	32(a)
35 to 42	33 to 40
43 (a) to (d)	41 (a) to (d)
43 (e) to (l)	41 (f) to (u)
44 to 52	42 to 50
53	51(a)
54 to 68	52 to 66

(c) The following existing clauses be and are hereby altered as given below:

Existing Article No.	Description of the Alteration	New Article No. (For easy reference)
10 (c)	The words 'the person who stands first in the register of members' be and are hereby inserted instead of 'one of the several joint holders'	7(c)
10(A)(e)	The references to the sections 153A, 187B, 187C be and are hereby deleted.	8(e)
20(a)	The words 'as joint holders of any share, they shall be deemed to hold the same' be and are hereby deleted and the words 'holders' and 'nominations' be and are hereby inserted after the words joint tenants and survivorship respectively.	18(a)
22(a)	The number "300" be and is hereby inserted between the numbers "299 and 301".	21(a)
29(c)	The words "who is a minor or who is" be and are hereby inserted after the opening words "A member" of the Article and also in the marginal note the word "minor," be inserted after the words "votes in respect of".	28(c)
32(a)	For the word "eight" appearing in the said clause, the word "twelve" be and is hereby substituted.	30(a)
32(g)	The words "and have such rights as are usually exercised or available to a Whole-time Director in the management of the affairs of the Company" appearing in the said clause be and are deleted. For the words "approved by the Corporation", appearing in the last line of proviso to the last paragraph, the words "decided by the Company in consultation with the Corporation" be and are hereby substituted.	30(h)
36(b)	For the word "eight" wherever appearing in the said clause, the word "three" be and is hereby substituted.	34(b)
43(d) (ii)	For the words "Section 372" appearing in said clause, the words "Section 372A" be and are hereby substituted and also in the marginal note for the said Article.	41(d)(ii)
44 (a) (vi)	For the words "Section 372(2)" appearing in said clause, the words "Section 372A" be and are hereby substituted and also in the marginal note for the said Article.	42(a)(vi)
44(b)	For the words "Section 372" appearing in said clause, the words "Section 372A" be and are hereby substituted and also in the marginal note thereto.	42(b)
60	For the number "42" appearing in the said clause, the number "30" be and is hereby substituted.	58

(d) The following articles be and are hereby inserted with the numbers and titles and marginal notes assigned to them as given below:

New Article No. & Marginal Notes	Altered Articles
1(b)	"Derivatives" includes – i. a security derived from a debt instrument, share, loan whether secured or unsecured, risk instrument or contract for differences or any other form of security; ii. a contract which derives its value from the prices, or index of prices, of underlying securities.
1(c)	"Dividend" includes any interim dividend.
1(d)	"Employees Stock Option" means the option given to the whole-time Directors, officers or employees of a Company, which gives such directors, officers or employees the benefit or right to purchase or subscribe at a future date, the securities offered by the Company at a pre-determined price.
1(e)	"Hybrid" means any security which has the character of more than one type of security, including their derivatives.
1(g)	"Member" means duly registered holder, from time to time, of the shares of the Company and in this regard whose name is entered in the Register of Members of the Company and includes the subscribers to the Memorandum of Association.
1(j)	"Person" shall include any association, firm, corporation or Company as well as individuals as the context permits.
1(k)	"Postal Ballot" includes voting by shareholders by postal or electronic mode instead of voting personally in accordance with the provisions of Section 192A of the Act and the rules made there under.
1(l)	"Proxy" means an instrument through which a member or a representative of a body corporate authorises any other individual who is a member or not to attend and vote instead of himself at a general meeting on a poll.
1(m)	"Securities" include – i. shares, scrips, stocks, bonds, debentures, debenture stock or other marketable securities of a like nature in or of any incorporated Company or other body corporate; ii. derivative; iii. units of any other instrument issued by any collective investment scheme; iv. Government securities; v. Rights or interests in securities; vi. such other instruments as may be declared by Central Government to be securities under the Securities Contracts (Regulation) Act, 1956.
1(n)	"Shares with a differential rights" mean shares that are issued with differential rights as to dividend and/or voting or otherwise in accordance with the provisions of Section 86 of the Act and the Rules made there under.

2 Applicability of Table A	The Regulations contained in Table A of the First Schedule to the Companies Act, 1956, shall apply to this Company except so far as the clauses herein contained modify the same or provide otherwise. Whenever any of these clauses come into conflict with the provisions of the Companies Act, 1956 or any subsequent modifications of the Act thereof, the provisions and modifications, as the case may be, shall prevail.
3(a) (i) Authorised Capital to be as stated in memorandum of Association	SHARE CAPITAL The authorised share capital of the Company shall be such amount and of such description as is stated for the time being or at any time in Clause VI of the Memorandum of Association with power to increase or reduce the Capital and to divide the capital into several classes and to attach thereto, respectively, such preferential, deferred, qualified or special rights, privileges or conditions with voting rights or with differential rights as to dividend voting or otherwise as permissible under law and as may be determined by the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 1956 and as the Company deems fit and necessary.
3(a)(ii) Shares under the control of the Board	Subject to the provisions of the Act and these Articles, SEBI Guidelines and other statutory provisions, the shares in the Capital of the Company for the time being (including any shares forming part of any increased capital of the company) shall be under the control of the Board of Directors who may allot the same to such persons, on such terms and conditions, in such proportion and at such time as the Board may, from time to time, think fit.
3(a) (iii) Shares to rank Pari Passu unless specifically issued	The right conferred upon the holders of shares of any class issued with preferred or other rights, shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.
3(a)(iv) Allotment of shares for consideration other than cash	The Board may allot and issue shares in the capital of the Company as payment or part payment for any property (including goodwill) sold or transferred, goods or machinery supplied, or for services rendered to the Company in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued, as fully paid up or partly paid up and if so issued shall be deemed to be fully paid up or partly paid up shares as the case may be subject to the terms of the issue. The Board may also allot shares to the employees or directors of the Company as sweat equity.
3(a)(v) Recognition of person men- tioned in Register of Members	Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears upon the Register of Members as the holder of any share, as the absolute owner thereof and shall not (except as ordered by a court of competent jurisdiction or as by law required) be under any obligation to recognise any benami, trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or other notice thereof.
3(a)(vi) Fully paid shares to be registered in the name of minor	Shares may be registered in the name of any person, joint holders, Hindu undivided family, Minors, Societies registered under the Societies Registration Act, Trusts registered under the Indian Trusts Act and / or any limited Company. Provided that only fully paid up shares shall be registered in the names of minors.
3(b) Issue of various kinds of shares and securities	Subject to the provisions of the Act and the guidelines of SEBI, the Company may, from time to time, issue shares, securities and hybrids of various kinds including employee stock options, shares with differential rights, preference shares, either by issue of an information memorandum or otherwise as may be thought fit by the Board of Directors of the Company from time to time.
14 Loan to the employees and others for purchase of Shares	LOAN TO THE EMPLOYEES FOR PURCHASE OF SHARES The Company may in accordance with the provisions of Section 77 of the Act, provide money, in accordance with any scheme for the purchase of or subscription for, fully paid-up shares in the Company or its holding company, being a purchase or subscription by trustees of or for shares to be held by or for the benefit of employees of the company, including any director holding a salaried office or employment in the company. Further the company may also give loans to persons (other than directors or managers) bonafide in the employment of the company with a view to enabling those persons to purchase or subscribe for fully paid shares in the company or its holding company to be held by themselves by way of beneficial ownership. Provided that no loan made to any person in the bonafide employment of the Company as aforesaid shall exceed the amount of his salary or wages for a period of 6 (six months) at the time of issue of shares.
20(e) Notice of refusal to transfer	Subject to the provisions of Section 111A of the Act and Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992 or Regulations made thereunder, the shares of the Company shall be freely transferable EXCEPT WHEN – <ol style="list-style-type: none"> the instrument of transfer is not proper or has not been duly stamped and executed or the certificate relating to the share has not been delivered to the Company or any other requirement under the law relating to registration of such transfer has not been complied with; the transfer of the shares is in contravention of any Law or any Rule or Regulations having the force of law or any condition of the listing Agreement entered into by the Company with any Stock Exchange; the transfer of the share is prohibited by any order of any Court, Tribunal or other authority under any law for the time being in force. <p>If the Directors refuse to register a transfer of any share, they shall within one month after the date on which the transfer was lodged with the Company, send to the transferee and the transferor notice of refusal.</p>

20(g) Refusal to register transfer of shares subject to lien	The Directors may decline to register any transfer of shares on which the Company has a lien in respect of shares which are not fully paid up. Registration of transfer shall not be refused on the ground of transferor being either alone or jointly with any other person or persons is / are indebted to the Company.
20(l) No liability to the Company	The Company shall incur no liability or responsibility whatsoever in consequence of their registering or giving effect to any transfer of shares made, or purporting to be made, by any apparent legal owner thereof (as shown or appearing in the Register) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of transfer and may have entered such notice or referred thereto in any book of the Company. The Company shall not be bound by or required to regard or attend to or give effect to any notice which may be given to it of any equitable right or title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in the books of the Company; but the Company shall nevertheless be at liberty to have regard to and give effect thereto, if the Board shall think fit.
28(a)(ii) Manner of casting of votes	Subject to Section 192A of the Act and any Rules notified thereunder, the Board may opt to get any resolution passed by postal ballot instead of transacting the business in the General Meeting of the Company.
29(b) Loose leaf form and conclusive nature	The minutes of meeting of Board of Directors, committee meetings, general meetings of the Company, class meetings of the Company may be maintained in loose leaf form, if so decided by the Board and shall be kept under lock and key by the Chairman / Managing Director / Director / Secretary or by any other person as may be authorised by the Board. In no case the minutes of the proceedings of a meeting shall be attached to any such books by pasting or otherwise. Any such minutes kept as aforesaid shall be conclusive evidence of the proceedings recorded therein.
29(c) Exclusion of certain unwanted matters	Any matter which, in the opinion of the Chairman of the Meeting- <ol style="list-style-type: none"> is, or could reasonably be regarded as defamatory of any person; is irrelevant or immaterial to the proceeding; or is detrimental to the interests of the Company; may be excluded by the Chairman from the minutes of proceedings of a meeting.
29(d) Chairman's discretion	The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this sub-clause.
30(d) Present Directors	The present directors of the Company shall be those persons whose names are entered and shown as those occupying the office of director for the time being, in the Register of Directors maintained by the Company.
32(b) Defaults of Alternate Director	An original Director shall not be liable for the acts and defaults of any Alternate Director appointed in his place.
41(e) Directors may appoint committees	Subject to the restrictions contained in Section 292 of the Act, the Board may delegate any of their powers to Committees of the Board consisting of such members of its body as it thinks fit, and it may from time to time revoke and discharge any such Committee of the Board either wholly or in part, and either as to persons or purposes; but every Committee of the Board so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfilment of the purpose of their appointment but not otherwise, shall have the like force and effect as if done by the Board. Further, the Board may also delegate any of their powers which specifically do not require the approval of the Board as per the Act, to any committee comprising of executives of the Company who need not be director(s) on the Board either wholly or in part for such purposes and subject to such regulations that may from time to time be imposed on it by the Board.
51(b) Remuneration to Auditors	The remuneration of the auditors shall be fixed by the Company in general meeting or in such manner as the company in general meeting may determine, except that the remuneration of any auditors appointed to fill up any casual vacancy may be fixed by the board.

Date : Chennai,
Place: 13/06/2001

By Order of the Board,
K.VIDHYA SHANKAR,
Secretary.

NOTES:

1. A MEMBER WHO IS ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. Proxies in order to be effective shall be duly stamped, completed, signed and deposited, not less than 48 hours before the commencement of the meeting at **GNSA INVESTOR SERVICES PRIVATE LIMITED, 1/302, 2nd Floor, 52nd Street, 7th Avenue, Ashok Nagar, Chennai 600 083**, Telephone No.4891058 & 4891991 being the Company's Registrars and Share Transfer Agents. Members / Proxies are requested to bring the attendance slip duly filled in and also their copy of the Annual Report to the Meeting. Members are requested to quote their Registered Folio Number in all correspondence.
2. Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the Special Business is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 03rd July, 2001 to 20th July 2001, both days inclusive.
4. Any Dividend that may be declared at this meeting will be paid within the stipulated period to the Members (or their mandates) whose names appear in the Register of Members of the Company as on 20th July 2001.
5. The Company has, pursuant to Section 205 (Amended) of the Companies Act, 1956, transferred the amounts of Unclaimed Dividends declared upto the Financial Year 1994-95 to the General Revenue Account of the Central Government and the same can be claimed by the concerned shareholders from the Registrar of Companies (Tamilnadu), Shastri Bhavan, Haddows Road, Chennai – 600 006. Consequent upon the amendment of Section 205A of the Companies Act, 1956, and introduction of Section 205(C) by the Companies (Amendment) Act, 1999, the amount of Dividend remaining unclaimed for a period of 7 years shall be transferred to Investor Education and Protection Fund. Members who have not encashed the Dividend Warrants for the year ended 31.03.1996 and / or any subsequent Dividend payments are requested to make their claim to the Company.
6. With a view to providing protection against fraudulent encashment of Dividend Warrants, the members were requested in the past to provide their bank account numbers, names and addresses of the bank branches to enable the Company to incorporate the said details in the Dividend Warrants. Those members who have not yet provided such information to our Registrars and Share Transfer Agents are again requested to provide the details quoting their Folio Numbers to enable the Company to incorporate the same in the Dividend Warrants that may be issued in future. The shareholders will appreciate that the Company will not be responsible for any loss arising out of such fraudulent encashment of Dividend Warrants. A suitable form for the use of Shareholders is enclosed.
7. As per the amended provisions of the Companies Act, 1956, facility for making nominations is now available for the Shareholders in respect of the Shares held by them. Nomination Forms can be obtained from the Registrars & Share Transfer Agents of the Company.
8. As per circular letter dated 09.11.2000 sent to the shareholders by the Company, the shares of the Company are presently available in the dematerialised form with effect from 23.10.2000.
9. Further as per our circular letter dated 14.03.2001 sent to the shareholders by the Company, the shares of the Company are to be compulsorily traded only in the dematerialised form with effect from 26.03.2001.
10. The Company has appointed **M/s.Integrated Enterprises (India) Limited, II Floor, Kences Towers, No.1, Ramakrishna Street, North Usman Road, T.Nagar, Chennai – 600 017. Phone : 8140801 – 803** as its depository registrar. The ISIN number allotted to the Company is **INE-469A01019**.

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.**Item No.5:**

The special resolution under the items provides for the following:

- a. The Articles stated in the resolution under (a) of the said item are proposed to be deleted as they are outdated.
- b. The Articles stated in the resolution under (b) of the said item are proposed to be renumbered to facilitate proper arrangement of all the Articles.
- c. The Articles stated in the resolution under (c) of the said item are proposed to be altered in order to remove certain incongruities and make those Articles relevant in the current context.

d. The following Articles are proposed to be inserted for the reasons given below:

Sl. No.	Altered Article Reference	Explanatory Statement
1.	1(b)	Inserted to define the word "Derivatives"
2.	1(c)	Inserted to define the word "Dividend"
3.	1(d)	Inserted to define the word "Employees Stock Option"
4.	1(e)	Inserted to define the word "Hybrid"
5.	1(g)	Inserted to define the word "Member".
6.	1(j)	Inserted to define the word "Person".
7.	1(k)	Inserted to explain the expression "Postal Ballot"
8.	1(l)	Inserted to define the word "Proxy".
9.	1(m)	Inserted to define the word "Securities"
10.	1(n)	Inserted to include an explanation to shares that may be issued with differential rights.
11.	2	Inserted to provide for the applicability of Table A to Schedule I under the Companies Act, 1956.
12.	3(a) (i)	Inserted to provide for capital of the Company as stated in Memorandum of Association.
13.	3(a) (ii)	Inserted to provide for the power to the Board within whose control the shares of the Company are vested.
14.	3(a) (iii)	Inserted to provide for ranking of shares on pari passu basis unless issued with specific rights.
15.	3(a)(iv)	Inserted to provide power to the Board for issue of shares for consideration other than cash.
16.	3(a)(v)	Inserted to provide for recognition for the person whose name is entered in to the register of members as absolute owner of shares written against this name.
17.	3(a)(vi)	Inserted to provide for registration of shares in the name of minor only if they are fully paid.
18.	3(b)	Inserted to provide for issue of various kinds of shares and securities.
19.	14	Inserted to provide for provision of loans to employees and other for purchase of shares.
20.	20(e)	Inserted to provide for free transferability of shares and requirement for the Board to issue notice of refusal when share transfer is refused.
21.	20(g)	Inserted to provide power to the Board to refuse to register shares that are subject to lien.
22.	20(l)	Inserted to provide to free the Company from any liability in cases where share transfers are registered in good faith.
23.	28(a)(ii)	Inserted to provide to enable casting of votes by postal ballot.
24.	29(b)	Inserted to provide maintenance of minutes of meetings in loose leaf form.
25.	29(c)	Inserted to provide power to the Chairman to exclude unwanted matters from minutes of meetings.
26.	29(d)	Inserted to provide absolute discretion to Chairman for Inclusion / non-inclusion in the minutes of meetings.
27.	30(d)	Inserted to provide for recognition of persons occupying the office of director.
28.	32(b)	Inserted to provide for freeing of liability on original director for the acts of his alternate.
29.	41(e)	Inserted to provide power to the Board to form committees in order to delegate the powers of the Board.
30.	51(b)	Inserted to provide for determination of payment of remuneration to the auditors of the Company.

d. Certain changes have also been made to the marginal notes for easy reference.

e. A copy of the altered Articles of Association is available for inspection by members at the registered office of the Company at Strip Mill Plant, "Huzur Gardens", Sembiam, Chennai – 600 011 during 2 PM to 4 PM on any working day excluding Saturday.

f. A copy is also available at the venue of the meeting at the appointed time.

g. As per Section 31 of the Companies Act, 1956, alteration of Articles of Association requires the passing of a special resolution in a general meeting.

h. Your directors recommend the resolution under the item No.5 to be proposed as a special resolution.

j. None of the directors of the Company is interested or concerned in the above resolution.

Date : Chennai,
Place: 13/06/2001

By Order of the Board,
K.VIDHYA SHANKAR,
Secretary.

BIMETAL BEARINGS LIMITED

REPORT OF DIRECTORS

Your Directors have pleasure in presenting their Fortieth Annual Report for the year ended 31st March 2001 together with the Accounts and Auditors' Report thereon.

FINANCIAL RESULTS:

	YEAR ENDED 31.03.2001 Rs. Lacs.	YEAR ENDED 31.03.2000 Rs. Lacs.
Net Sales	5,990.90	6,046.20
Profit before Interest, Depreciation, and Taxation.	1,524.24	1,525.80
Less		
Interest	38.61	64.75
Depreciation	309.00	310.34
Profit before Tax	1,176.63	1,150.71
Less		
Taxation	427.00	375.00
Profit after Tax	749.63	775.71
Add		
Balance brought forward from previous year	116.71	112.56
Provision for Taxation no longer required written back.	22.21	24.14
Profit available for appropriation	888.55	912.41
Less		
Transfer to		
Interim Dividend	—	114.75
Proposed Final Dividend (50%)	191.25	76.50
Dividend Tax	19.51	29.45
General Reserve	550.00	575.00
Balance carried forward	127.79	116.71

OPERATIONS :

The Auto and Tractor industries did not fulfil the expectations of recovery towards the growth mode during the year 2000-01. The production levels in Medium and Heavy Commercial Vehicle segments, which contribute significantly to the sales turnover, declined by 22.5%. The Tractor segment, which is next in order to Medium and Heavy Commercial Vehicle segment in terms of contribution, also declined by 12%. The Passenger Car segment followed the trend by registering a decline of 12.6%. Marginal growths of 3.3% and 1.3% were registered in the Light Commercial and Multi-Utility Vehicle segments respectively. The sales to the OE market of the Company's products declined by 15.92% compared to the previous year. In the After-Market, the sales registered a growth of 8.2%, through better channel management, brand promotion and improved level of customer service.

The conventional analysis of production and sales in the industry as reported by the Vehicle Manufacturers is no longer a barometer of the industry trend and a new concept of interjecting Retail Sales as a substitute for the OEM's sales, has more realistically projected the demand-supply ratio in each of the market segments. This change in the method of monitoring the industry, has inevitably brought in the compulsion of having to draw up production plans for the next financial year taking due note of inventories at the market level. This trend is evident in the industry projections for the First Quarter of the Current Financial Year.

In the After-Market, a combination of increased product life and improved methods of vehicle maintenance has brought in a new feature of reduced demand for a given level of vehicle parc. This factor has been further compounded by lower utilisation of vehicles due to the market economics in the haulage industry. Estimates of demand compression in the After-Market segments, particularly in the engine overhaul sector, vary from 25% to 30%.

Viewed in the context of the market scenario as above, the performance of the Company during the year under review is satisfactory.

Export sales registered a growth of 10.3% over the previous year and a significant aspect to be noted is that in the value-added segment of finished products, the growth has been very significant while there has been a decline of 10.2% in the export of Powders and Bimetallic strips in the Materials category. With the steps initiated in the year that has gone by on market development and enlarging the product range for exports, the Company expects to build significantly on the export segment in the Current Financial Year.