

ANNUAL REPORT - 2003



TIMEX®
BILLENNIUM

A billion watches...
and still counting.

*The watches featured on the cover are
from the big, bold and beautiful collection
launched recently to commemorate the sale
of over one billion (one hundred crore)
Timex Watches worldwide.*

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NOTICE

NOTICE is hereby given that an Extra - Ordinary General Meeting of the Members of Timex Watches Limited will be held on Tuesday, 19 August 2003 at 12.30 P. M. at FICCI Auditorium, Tansen Marg, New Delhi, 110 001 to transact the following business:

SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution

"RESOLVED that pursuant to the provisions of Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985, the Company do report to the Board for Industrial and Financial Reconstruction (BIFR) of the fact that the accumulated losses of the Company as at the end of the financial year 31 March, 2003 have resulted in the erosion of more than fifty percent of the peak net worth during the immediately preceding four financial years.

RESOLVED FURTHER THAT, the shareholders while adopting the Report of the Board of Directors regarding the aforesaid erosion, appreciates the causes of erosion and approves the steps taken and/or to be taken by the management for improving the financial position of the Company".

NOTES :

1. The Explanatory Statement pursuant to section 173 (2) of the Companies Act, 1956 in respect of the Special Business stated above is annexed.
2. A MEMBER 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.
3. The proxy form duly completed in all respects should reach the Registered Office of the Company not later than 48 hours before the commencement of the meeting.

Registered Office :
117, G.F., World Trade Centre
Babar Road,
New Delhi - 110 001

Dated : 18 July 2003

By Order of the
Board of Directors
V.D. Wadhwa
V.P. - Legal &
Company Secretary

ANNEXURE TO THE NOTICE :

EXPLANATORY STATEMENT AND REPORT OF EROSION OF COMPANY'S NET WORTH (Pursuant to section 173 of the Companies Act, 1956 and Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985)

As per the Audited Accounts of the Company for the year 2002-03, the accumulated losses as at 31 March 2003 exceed more than fifty percent of the peak net worth of the Company during the immediately preceding four financial years i.e. as at 31 March 2003. As a result, the Company continues to be potentially sick within the meaning of Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA). As required by the said section, the Company is required to take the following steps within 60 days from the date of adoption of the duly audited accounts at the Annual General Meeting:

- I) Report the fact of erosion of net worth to the Board for Industrial and Financial Reconstruction and
- II) Hold a General Meeting of the shareholders for considering such erosion.

Hence, an Extra Ordinary General Meeting of the shareholders of the Company is scheduled to be held on 19 August 2003 at 12.00 Noon after adoption of the duly audited accounts for the year ending 31 March 2003 at the Annual General Meeting scheduled to be held on the same date at 10:00 A.M.

The Board of Directors are also required to forward to every member of the Company a report as to such erosion and the causes therefor, 21 days before the date on which the EGM is scheduled to be held. Accordingly the following report is being submitted.

Report pursuant to Section 23 (1) (b) of the Sick Industrial Companies (Special Provisions) Act, 1985

Background

Timex Watches Limited (TWL) was a Joint Venture Company between Timex Watches B. V. and Titan Industries Limited. The Joint Venture was established with the objective to manufacture and sale of world class quartz wristwatches in India. As per arrangement between the two promoters, the product was to be manufactured as per the technical know-how provided by Timex Group of Companies and Titan Industries Limited was looking after the sale, marketing and after-sales service of the products, which are sold under the brand name "TIMEX".

Effective 1 April 1998, TWL assumed the direct responsibility of handling sale, marketing and after-sales service of its products, which were hitherto being handled by Titan Industries Limited. Subsequently Timex Watches B. V. acquired the share holding of Titan Industries Limited in the Company and the Joint Venture between the two promoters was terminated effective 31 March 2000. Timex Watches B. V. together with its associate Company now holds 83.54% in the equity capital of the Company as a result of which TWL has become a subsidiary of Timex Watches B. V. effective 31 March 2000.

Reasons for erosion

The main reasons for erosion of more than fifty percent of the Net Worth are as explained below:

- (a) Setting up of the infrastructure for the sales and distribution network throughout the country after assuming the direct responsibility of sale, marketing and after-sales services of our product impacted the sale volumes adversely in the short term.
- (b) Drop in the sales volume due to loss of access to the large infrastructure of showrooms controlled by erstwhile co-promoter.
- (c) Higher spending primarily due to the necessary decision to increase brand-building activities, including advertising and marketing inputs for dealer development.
- (d) Both higher average levels of borrowings and higher average interest rates adversely affected the interest costs. Borrowings increased to fund the impact of lower sales volume and because of high receivables due from former franchisees and redistribution stockists.
- (e) Higher depreciation for assets, which has been evaluated as having a shorter useful life than anticipated earlier.
- (f) Write down of inventories to net realizable values.
- (g) Provision for the doubtful debts.
- (h) Due to mandatory provisioning for the diminutions in the value of long-term investments.
- (i) Social cost incurred by Company on account of reduction in head count.
- (j) Impairment cost on account of write down of the investment in Plant & Machinery due to outsourcing.
- (k) Provision for a non-recurring loss on account of the settlement with erstwhile co-promoter and its associates as a part of the settlement.

- (l) Slower than anticipated growth of the organized watch market.

Steps taken by the management:

In order to overcome the losses and to improve the net worth of the Company, TWL management has taken the following measures:

The Company has implemented cost reduction program in all business areas on an on-going basis.

During the last financial year, the Company has raised its capital by Rupees Twenty five crores by way of issuance of Preference Shares in favor of the promoters.

The Company has undergone major restructuring whereby it has sold its land and building and taken it back on long lease basis. It stopped manufacturing of components in house and gone in for outsourcing from third parties and reduced the headcount which has helped in reduction of manufacturing costs substantially besides reduction in the manpower cost. In addition, the scalable model of business provides greater flexibility to the management to introduce new products in shorter lead time.

The Company has also initiated Capital Restructuring activity which will enable the Company to right size its Balance Sheet by setting off its accumulated losses upto 30 June 03 against the Net Worth as on that date so that the available assets adequately represent the Capital of the Company. The Company proposes to achieve this in the following manner:

- i. the paid-up equity share capital of the Company is being reduced from Rs. 100,95,00,000 (divided into 10,09,50,000 equity shares of Rs 10 each) to Rs. 10,09,50,000 (divided into 10,09,50,000 equity shares of Re 1 each);
- ii. the paid-up preference share capital of the Company is being reduced from Rs 25,00,00,000 (divided into 25,00,000 preference shares of Rs 100 each) to Rs. 2,50,00,000 (divided into 25,00,000 Preference Shares of Rs. 10 each).
- iii. the amount lying to the credit of the Share Premium Account of the Company as on March 31, 2003 be used to set off the accumulated losses up to 30 June 2003, to the extent it is not set off by reduction in the equity share capital and preference share capital as mentioned in (i) and (ii) above.

The Company has replaced the high interest bearing debt with the lower interest bearing debt.

The Company has re negotiated with its vendors for reduction in the component prices; as a result the percentage of material cost has been reduced.

The Company has taken necessary steps to progressively increase per unit realization and total sales value of its products and services.

The Company has taken necessary steps to improve its market share through improved marketing and product support and by launching its international collection at competitive prices.

Latest financial position

The steps taken by the management for revenue maximization and cost reduction and the subsequent infusion of Rupees Twenty Five Crores as Preference Share Capital during the year 2002 - 2003 has resulted in an improved liquidity position for the Company as on date. Following reflects the improved liquidity position:

- As a result of the various steps taken/being taken by the management, The operating losses have reduced from the level of Rs.25.12 Crores as of 31 March 2002 and has come down to Rs.23.68 Crores as on 31 March 2003.
- There are no overdue outstanding to any banks, financial Institutions or employees.
- There are no loans, secured or unsecured, which are overdue.

Reasons for reference

Despite infusion of fresh capital by the promoters through preferential allotment, TWL is required to make a reference to BIFR under Section 23 of SICA as its

accumulated losses continue to exceed fifty percent of its peak net worth during the preceding four years.

Conclusion

The reference to the BIFR is required to be made on the technical grounds as per the provisions of the Act. The enhanced capital base, the Capital restructuring plan as proposed for approval in the forthcoming Annual General Meeting of the Company subject to the approval/confirmation by the H'ble High Court at Delhi, the future business plan and the steps being taken by the promoters and management of the Company for cost reduction and improvement in profitability are likely to yield the desired results in the coming years and pull the Company out of the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985.

The report is submitted to the shareholders for their consideration.

At this juncture, the Directors solicit continued support and co-operation from the members of the Company, which will strengthen the management initiatives and actions.

None of the Directors is concerned or interested in this resolution.

By order of the Board
of Directors

Place : New Delhi
Dated : 18 July 2003

V. D. Wadhwa
V. P. - Legal
& Company Secretary

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Attendance Slip

TIMEX WATCHES LIMITED

117, Ground Floor, World Trade Centre, Babar Road, New Delhi - 110001

I hereby record my presence at the Extra-ordinary General Meeting of the Company being held on Tuesday, 19 August, 2003.

Member's/Proxy's name (In Block Letters)

Signature of Shareholder/Proxy

Folio No.....

No. of Shares held.....

Note : Please complete the Attendance Slip and hand it over at the entrance of the Meeting Hall.

ADMISSION AT THE EXTRA-ORDINARY GENERAL MEETING VENUE WILL BE ALLOWED ONLY ON VERIFICATION OF THE MEMBERSHIP DETAILS AND SIGNATURE(S) ON THE ATTENDANCE SLIP.

Proxy Form

TIMEX WATCHES LIMITED

117, Ground Floor, World Trade Centre, Babar Road, New Delhi - 110001

I/We of
in the district of
the above named Company, hereby appoint
of in the district of
or failing him/her of
in the district of as my / our proxy to attend and vote for me/us
and on my/our behalf at the Extra-ordinary General Meeting to the Company to be held at
12.30 P. M. on Tuesday, 19 August, 2003 and any adjournment thereof.

As witness my / our hands this.....day of.....2003

Signature of Shareholder (s)

Folio No.....

No. of Shares held.....

Affix a
Revenue
Stamp

Note : The proxy form must be deposited at the Registered Office of the Company together with the Attendance Slip not less than 48 hours before the scheduled time for holding the meeting.

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Director(s)	Frank Sherer Kapil Kapoor Daya Dhaon M.M. Rao Manny Henriques Siddharth Varma	Chairman Managing Director
V.P. Legal & Company Secretary	V.D. Wadhwa	
Banker	The Hongkong and Shanghai Banking Corporation Limited. Credit Lyonnais HDFC Bank Limited	
Auditors	Bharat S. Raut & Co. Chartered Accountants	
Registered Office	117, G.F., World Trade Centre Babar Road New Delhi-110001	
Works	B-190, Phase-II, Noida, 201 305 U.P.	

TIMEX Watches Limited

NOTICE

Notice is hereby given that the Fifteenth Annual General Meeting of the Members of TIMEX WATCHES LIMITED will be held on Tuesday, 19 August 2003 at 10.00 A.M. at FICCI Auditorium, Tansen Marg, New Delhi, 110 001 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31 March 2003, Profit and Loss Account for the year ended on that date and the report of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Manuel Lopes Henriques who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Siddharth Varma who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

M/s Bharat S Raut & Co., the retiring Auditors, being eligible, offer themselves for reappointment on a remuneration to be fixed by the Board of Directors of the Company in addition to reimbursement of all out of pocket expenses.

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**.

"RESOLVED THAT pursuant to the provisions of Listing Agreement, Securities & Exchange Board of India guidelines, Sections 78, 100 and other applicable provisions, if any, of the Companies Act, 1956, Article 18 of the Articles of Association of the Company and subject to the approval/confirmation of the Hon'ble High Court of Judicature at New Delhi;

- i. the paid-up equity share capital of the Company be reduced from Rs. 100,95,00,000 (Rupees One hundred crores ninety five lakhs) divided into 10,09,50,000 (Ten crores nine lakhs and fifty thousand) fully paid-up equity shares of Rs. 10 (Rupees Ten) each to Rs. 10,09,50,000 (Rupees Ten crores nine lakhs and fifty thousand) divided into 10,09,50,000 (Ten crores nine lakhs and fifty thousand) fully paid-up equity shares of Re 1 (Rupee One) each & the balance paid-up equity share capital be cancelled;
- ii. the paid-up preference share capital of the Company be reduced from Rs. 25,00,00,000 (Rupees Twenty five crores) divided into 25,00,000 (Twenty five lakhs) fully paid-up preference shares of Rs. 100 (Rupees One Hundred) each to Rs. 2,50,00,000 (Rupees Two crore fifty lakhs) divided into 25,00,000 (Twenty five lakhs) fully paid-up preference shares of Rs. 10 (Rupees Ten) each & the balance paid-up preference share capital be cancelled and
- iii. A sum of Rs.17,92,45,000 (Rupees Seventeen crores ninety two lakhs forty five thousand) lying to the credit of the Share Premium Account of the Company be

used to set off the accumulated losses as per books of Accounts of the Company up to 30 June 2003 to the extent it is not set off by reduction/cancellation in the equity share capital and preference share capital as mentioned in (i) and (ii) above.

and that such amount as has been reduced / cancelled be utilized for writing off:

- a) the debit balance in the Profit & Loss Account as on March 31, 2003 aggregating to Rs 124,66,90,430 (Rupees One hundred twenty four crore sixty six lakh ninety thousand four hundred and thirty only);
- b) the loss of Rs.3,09,79,946 (Rupees Three crore nine lakh seventy nine thousand nine hundred and forty six only) during the quarter from April 1, 2003 to June 30, 2003 aggregating to a total loss of Rs.127,76,70,376 (Rupees One hundred twenty seven crore seventy six lakh seventy thousand three hundred and seventy six only) as on 30 June 2003.

RESOLVED FURTHER that for the purpose of giving effect to these Resolutions and for removal of any difficulties or doubts, the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee or any person which the Board may nominate/constitute to exercise its powers, including the powers by this Resolution) be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, usual or proper and to settle any question or difficulty that may arise with regard to the reduction / cancellation / utilization / adjustment of the Equity Share Capital Account, Preference Share Capital Account and the Share Premium Account including passing such accounting entries and/or making such other adjustments in the books of accounts as are considered necessary to give effect to the above resolutions or to accept such modification of the aforesaid terms or to carry on such directions as may be required by the said Delhi High Court and/or any other regulatory authority to implement the aforesaid Resolution.

RESOLVED FURTHER that upon the aforesaid reduction becoming effective and operative, consent of the Company, pursuant to the provisions of Article 19 of the Articles of Association of the Company and section 94 of the Companies Act, 1956 be and is hereby accorded to the following:-

- (a) The sub-division of 12,50,00,000 (Twelve Crores Fifty Lakhs) equity shares of Rs. 10/- (Rupees Ten) each comprised in the authorised share capital of the Company into 125,00,00,000 (One Hundred & Twenty Five Crores) equity shares of Re. 1/- (Rupee One) each.
- (b) The sub-division of 25,00,000 (Twenty Five Lakhs) preference shares of Rs. 100/- (Rupees One Hundred) each comprised in the authorised share capital of the Company into 2,50,00,000 (Two Crores Fifty Lakhs) preference shares of Rs. 10/- (Rupees Ten) each.

RESOLVED FURTHER THAT upon the aforesaid reduction becoming effective & operative, the Clause V of the Memorandum of Association of the Company be altered by substituting in its place and stead the following new Clause V.

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- (v) The Authorised Share Capital of the Company is Rs. 150,00,00,000/- (Rupees One Hundred and Fifty Crores only) divided into 125,00,00,000 (One Hundred and Twenty Five Crores) equity shares of Re. 1/- (Rupee One) each and 2,50,00,000 (Two Crores and Fifty Lakhs) preference shares of Rs. 10/- (Rupees Ten) each.

"RESOLVED FURTHER pursuant to Section 31 of the Companies Act, 1956, that upon the above reduction becoming effective & operative the existing Article 3 of the Articles of Association of the Company be altered by substituting in its place and stead the following new Article 3.

3. The Authorised Share Capital of the Company is Rs. 150,00,00,000/- (Rupees One Hundred and Fifty Crores only) divided into 125,00,00,000 (One Hundred and Twenty Five Crores) equity shares of Re. 1/- (Rupee One) each and 2,50,00,000 (Two Crores Fifty Lakhs) preference shares of Rs. 10/- (Rupees Ten) each.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts which are necessary to either change the existing certificates or to endorse the changes on the certificates etc as they may deem fit and appropriate pursuant to the Companies (Issue of Share Certificate) Rules, 1960".

NOTES:

1. The Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of the Special Business stated above is annexed.
2. A MEMBER 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.
3. The proxy form duly completed in all respects should reach the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
4. The Register of Members and the Register of Share Transfers of the Company have remained closed from 30 June 2003 to 5 July 2003, both days inclusive.
5. The members are requested to inform changes, if any, in their Registered Address alongwith Pin Code Number to the Company at the following address:

TIMEX WATCHES LIMITED

(Investors Relation Department)
117. Ground Floor, World Trade Centre
Babar Road, New Delhi-110 001

6. The Members attending the meeting are requested to bring the enclosed attendance slip and deliver the same after filling in their folio number at the entrance of the meeting hall. Admission at the Annual General Meeting venue will be allowed only on verification of the signature(s) on the Attendance Slip.

Duplicate attendance slip shall not be issued at the Annual General Meeting venue. The same shall be issued at the Registered Office of the Company up to a day preceding the day of the Annual General Meeting.

7. As a measure of economy, copies of the Annual Report will not be distributed at the venue of the Annual General Meeting. The Members are, therefore requested to bring their copies of the Annual Report to the meeting.
8. The Members desirous of any information on the Accounts are requested to write to the Company atleast a week before the meeting so as enable the management to keep the information ready.
9. The Non Resident members are advised to provide their correspondence address in India and to give mandate for remittance of dividend directly to their bank account(s) in future.

Registered Office :

117. Ground Floor,
World Trade Centre, Babar Road,
New Delhi-110 001

Dated: 18 July, 2003

By Order of the
Board of Directors

V D Wadhwa
V. P. - Legal &
Company Secretary

EXPLANATORY STATEMENT UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956.

Item No 5

The Company has incurred significant losses in the last few years due to various reasons including setting up of the infrastructure for the sales & distribution network after assuming the direct responsibility of sale, marketing and after-sales services of the product, due to loss of access to the large infrastructure of showrooms controlled by erstwhile co-promoter which impacted the sale volumes adversely and resultant higher spending for increased brand-building activities, due to restructuring/revamping of manufacturing operations and reduction in head count etc which has a long term positive impact on the profitability of the Company.

The other major factors responsible for losses in the previous years are;

- (a) Higher depreciation for assets, which has been evaluated as having a shorter useful life than anticipated earlier.
- (b) Write down of inventories to net realizable values.
- (c) Provision for the doubtful debts.
- (d) Due to mandatory provisioning for the diminution in the value of long-term investments.
- (e) Social cost incurred by Company on account of manpower rationalization and reduction in head counts.
- (f) Impairment cost on account of write down of the investment in Plant & Machinery due to outsourcing.
- (g) Provision for a non-recurring loss on account of the settlement with its erstwhile co-promoter and their associates as a part of the settlement.
- (h) Slower than anticipated growth of the organized watch market.

As a result of the losses, 89% of the Net Worth of the Company has been eroded as on date. The status of net worth and losses for the Company as on 30 June 2003 are as under:

TIMEX Watches Limited

STATUS OF THE NET WORTH AND LOSSES AS ON 30 JUNE 2003

Rs. in Mn

(A) NETWORTH		
Equity Share Capital		1,009.50
Preference Share Capital		250.00
Share Premium Account		179.20
Total Net Worth		1,438.70
(B) LOSSES		
Accumulated Losses:		
As on 31 March 2003	1246.70	
Loss during April - June 2003	30.98	
Total Accumulated Losses		1,277.68
RESIDUAL NET WORTH (A) - (B)		161.02

The Company has taken several steps for improvement in the operational efficiency measures directed at significant reduction in the manufacturing cost, better working capital management, launching new product ranges with higher margins etc which has started yielding desired results. In addition the Company has also strengthened its brand presence which is helping it to improve its revenues and margin per watch. The financial statements of the Company does not fully reflect the improvement in the overall operations of the Company as a result of various steps which have been taken by the management of the Company and which are likely to have positive impact on the future profitability of the Company.

Due to the accumulated losses, the Company is a potentially sick Company. Your Company intends to wipe out all its losses amounting Rs.127.77 Crore by setting it off against equity and preference share capital and share premium amount so as to have a clear and true representation in the Balance Sheet.

It is, therefore, proposed to carry out the capital restructuring activity by writing off the accumulated losses as appearing in the Accounts for the period ending 30 June 2003 and reduce

the paid up value per share on the equity shares, reduce the paid up value per share on the preference shares and utilize a part of balance in the share premium account to set off the accumulated losses as on 30 June 2003 as a part of the Capital Restructuring scheme.

It is further proposed that the paid up Equity Share Capital of the Company be reduced from Rs 1,00,95,00,000 (divided into 10,09,50,000 equity shares of Rs 10 each) to Rs 10,09,50,000 (divided into 10,09,50,000 equity shares of Re 1 each) by cancellation of Rs 9 per equity share, the paid up Preference Share Capital of the Company be reduced from Rs. 25,00,00,000 (divided into 25,00,000 Preference Shares of Rs. 100 each) to Rs. 2,50,00,000 (divided into 25,00,000 Preference Shares of Rs. 10 each) by cancellation of Rs 90 per preference share and the credit balance of Rs.17.92 Crore in the share premium account be utilized to set off the following losses:

- the debit balance in the Profit & Loss Account as on March 31, 2003 aggregating to Rs 1,24,66,90,430 (Rupees One hundred twenty four crore sixty six lakh ninety thousand four hundred and thirty only) ; and
- Loss of Rs.3,09,79,946 (Rupees Three crore nine lakh seventy nine thousand nine hundred and forty six only) for the period from April 1, 2003 to June 30, 2003.

As a result of this activity the paid up value per equity share of Rs. 10/- each would stand reduced to Re.1/- each and the paid up value per Preference Share of Rs. 100/- each would stand reduced to Rs.10/- each.

Such cancellation / application / utilization of the Equity Share Capital Account, Preference Share Capital and the Share Premium Account will amount to capital reduction in accordance with the provisions of Sections 78, read with Section 100 of the Companies Act, 1956. The Board of Directors of the Company at their meeting held on July 8, 2003 and on July 18, 2003 approved such cancellation / application / utilization to the extent of Rs. 127.77 Crore. The Balance Sheet as on 31st March, 2004 will incorporate the above adjustments upon confirmation by the Hon'ble High Court of Judicature at New Delhi.

The post restructuring net worth after carrying out the proposed adjustments is likely to be as under;

STATUS OF PRE RESTRUCTURING AND POST RESTRUCTURING NET WORTH

Rs in Million

	Pre Restructuring	Adjustments due to restructuring	Post Restructuring
GROSS NET WORTH			
Equity Share Capital	1,009.50	(908.55)	100.95
Preference Share Capital	250.00	(225.00)	25.00
Share Premium Account	179.20	(144.13)	35.07
Total Net Worth	1,438.70	(1277.68)	161.02
ACCUMULATED LOSSES			
Profit and Loss Account	1,246.70	(1,246.70)	Nil
Loss for the Quarter ending 30 June 2003	30.98	(30.98)	Nil
Total Accumulated losses	1,277.68	(1277.68)	Nil