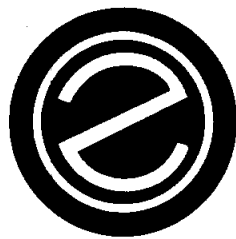


40th Annual Report
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ZENITH LIMITED


Zenith Limited
40TH ANNUAL REPORT 2000-2001
DIRECTORS

YASH BIRLA *Chairman*
 D.V. KAPUR
 AUGUSTINE P. KURIAS
 R.M. JAIN
 U.S. SETHIA *Managing Director*

SECRETARY

P.R. DHRUVA

AUDITORS

DALAL & SHAH
 Chartered Accountants

BRANCH AUDITORS

S.R. BATLIBOI & CO.
 Chartered Accountants

BANKERS

STATE BANK OF INDIA
 PUNJAB NATIONAL BANK
 BANK OF BARODA
 ORIENTAL BANK OF COMMERCE

REGISTERED OFFICE

MOTI MAHAL
 195, CHURCHGATE RECLAMATION,
 MUMBAI - 400 020.

WORKS

KHOPOLI 410 203
 DIST. RAIGAD
 MAHARASHTRA

 D-17, MIDC AREA
 BOISAR 401 506
 DIST. THANE
 MAHARASHTRA

 62/63, MIDC AREA
 SATPUR
 NASHIK 422 007
 MAHARASHTRA

 B-15/3/1, MIDC AREA
 WALUJ 431 133
 DIST. AURANGABAD
 MAHARASHTRA

 A-82, MIDC AREA
 KHAMGAON 444 303
 DIST. BULDHANA
 MAHARASHTRA

REGISTRARS AND TRANSFER AGENTS

BIGSHARE SERVICES PVT. LTD.
 E/2, ANSA INDUSTRIAL ESTATE,
 SAKIVIHAR ROAD, SAKI NAKA,
 ANDHERI (EAST),
 MUMBAI - 400 072

Shareholders are requested to note that only tea/coffee will be served during the 40th Annual General Meeting to be held on Wednesday, the 12th day of September, 2001 at 4.00 p.m. Patkar Hall, New Marine Lines, Mumbai - 400 020.


Zenith Limited
NOTICE.

NOTICE is hereby given that an Extraordinary General Meeting of the Members of the Company will be held at Patkar Hall of S.N.D.T. Women's University, 1, Nathibai Thakersey Road, Mumbai - 400 020 on Wednesday, the 12th day of September, 2001 at 4.45 p.m. on soon after the 40th Annual General Meeting is over to consider, and if thought fit to pass, with or without modifications, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT the erosion of fifty percent or more of the net worth of the Company as at the end of the financial year ended 31st March, 2001 in relation to its peak net worth during the immediately preceding four financial years be and is hereby considered in accordance with the provisions of Section 23 (1) (a) (ii) of the Sick Industrial Companies (Special Provisions) Act, 1985.

By Order of the Board

U. S. SETHIA
Managing Director

Mumbai, 28th June, 2001

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on poll instead of himself and such a proxy need not be a member of the Company.
2. Proxies in order to be effective, must be filed with the Company at its Registered Office not later than forty-eight hours before the meeting.
3. An Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 is annexed hereto.

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

The accumulated losses of the Company at the end of the financial year ended 31st March, 2001 have resulted in erosion of fifty percent or more of its peak net worth during the immediately preceding four financial years. The provisions of Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985 (the Act), are therefore, applicable to the Company and in pursuant thereof an Extraordinary General Meeting of the Members of the Company is being convened to consider such erosion. The Ordinary Resolution set out in the Notice is intended for this purpose.

The report of the Board of Directors of the Company as to such erosion and the causes for such erosion is annexed hereto and the steps that have been taken or are being taken to improve performance of the Company are also set out therein, in terms of Section 23 (1) (b) of the Act.

The report required to be sent to the Board for Industrial and Financial Reconstruction as required under Section 23 of the Act read with Regulation 36 of the Board for Industrial and Financial Reconstruction Regulations, 1987 is being forwarded.

None of the Directors of the Company is concerned or interested in the proposed resolution.

By Order of the Board

U. S. SETHIA
Managing Director

Mumbai, 28th June, 2001



REPORT OF BOARD OF DIRECTORS TO THE SHAREHOLDERS UNDER SECTION 23 OF THE SICK INDUSTRIAL COMPANIES (SPECIAL PROVISIONS) ACT, 1985.

The Company's peak net worth during the preceding four financial years amounted to Rs. 4,980 lacs as at 31.3.1998. The accumulated losses at the end of the financial year ended 31st March, 2001 have resulted in erosion of more than fifty percent of the Company's peak net worth.

CAUSES OF EROSION

The major factors that have led to this erosion of net worth of the Company are given below:

1. Adverse price movement, high inventory holding cost resulting high operating costs.
2. Scarcity of working capital funds and increase in interest burden.
3. Strained industrial relations (in case of Pipes and Tools Divisions).
4. The Chemicals Division, inspite of operating at high capacity utilisation is incurring cash losses due to adverse price of the product. Apparently the international market is on the cyclical down trend.
5. General recession in the industry and severe competition by dominant overseas suppliers like China.
6. Falling prices of core products (i.e. Chemicals, Pipes and Tools) resulting into loss in value of inventory holdings.
7. Increased cost of almost all the inputs resulted in high cost of manufacture which could not be passed on to consumers since the line of business is competitive.
8. Unfavourable market conditions.

STEPS FOR REVIVAL

1. The Management intends to expand the activities of the Chemicals Division by introducing new range of value-added Dye Intermediates to improve productivity.
2. The Management has taken steps to improve production and efficiency and reduce cost in all the Divisions of the Company.
3. Identification of non-viable units and disintegration of different Divisions/Units so as to get maximum advantage by way of Joint Venture.
4. The Management proposes to embark upon a programme of restructuring of the existing plant and machinery at its various Divisions in joint venture with an object to improve equipment reliability, optimise capacity of various production centres, reduce man-power costs to the extent possible, control expenses, optimise use of energy, improve quality of products to meet the domestic and international markets and thereby improve the overall profitability of the Company. The programme is proposed to be implemented in a phased manner.
5. The Management proposes to restructure its Working Capital Term Loan of Rs. 15 crore sanctioned by Industrial Development Bank of India and to convert it into a Long Term Loan repayable in 5 years.
6. The Management proposes to approach Banks to restructure its existing Working Capital Loans by converting part of its Working Capital limits into Working Capital Term Loan.

Your Directors wish to state that they are constantly reviewing the progress of the Company at all levels and they are determining from time to time appropriate measures which are required to be adopted for improving the overall performance of the Company. However, barring unforeseen circumstances, the Company expects to bring back its net worth to a positive level within a reasonable time.



Zenith Limited

NOTICE

NOTICE is hereby given that the 40th Annual General Meeting of the Members of the Company will be held at Patkar Hall of S.N.D.T. Women's University, 1, Nathibai Thakersey Road, Mumbai - 400 020 on Wednesday, the 12th day of September, 2001 at 4.00 p.m. to transact, with or without modifications, as may be permissible, the following business:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2001, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Dr. D. V. Kapur who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri R. M. Jain, who was appointed as an Additional Director of the Company and who holds office under Section 260 of the Companies Act, 1956, only upto the date of this Meeting and being eligible, offers himself for appointment and in respect of whom the Company has received a notice in writing from a member, signifying his intention to propose him as a candidate for the Office of the Director.
4. To consider and, if thought fit, to pass, with or without modifications, the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 224A and other applicable provisions, if any, of the Companies Act, 1956, Messrs. Dalal & Shah, Chartered Accountants, be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be determined by the Board of Directors in consultation with the Auditors, in addition to re-imbursement of out-of-pocket expenses incurred in the performance of their duties".
5. To consider and, if thought fit, to pass, with or without modifications, the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 224A and other applicable provisions, if any, of the Companies Act, 1956, Messrs. S. R. Batliboi & Company, Chartered Accountants, be and are hereby appointed as Branch Auditors of Tools Division having its units at Mumbai, Nashik and Aurangabad and Textile Division having its unit at Khamgaon, together with their branches, to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be determined by the Board of Directors, in consultation with the Branch Auditors, in addition to re-imbursement of out-of-pocket expenses incurred in the performance of their duties".

6. To consider and, if thought fit, to pass with or without modifications, the following Resolution as a Special Resolution:

RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered in the following manner:

After Article 61, the following Articles be inserted as Article 61-A, 61-B and 61-C.

DEMATERIALIZATION OF SECURITIES

61-A

Definitions

1. For the purpose of this Article:

* Beneficial Owner shall mean beneficial owner as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996 viz. a person whose name is recorded as such with a Depository.

* Depositories Act means Depositories Act, 1996 and shall include any statutory modification or re-enactment thereof for the time being in force and

* Depository shall mean a Depository as defined in clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996 and a Company formed and registered under the Companies Act, 1956 and which has been granted a Certificate of Registration to act as a Depository under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992.

* SEBI means the Securities and Exchange Board of India.

* Regulations means the regulations made by SEBI;

* Record includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the regulations made by SEBI;

* Security means and includes shares, debentures and such other security as may be specified by the SEBI from time to time;

* Shareholders or Member means the duly registered holder, from time to time of the shares of the Company and includes the subscribers to the Memorandum of Association of the Company and also every person holding Equity Shares and/or Preference Shares of the Company as also one whose name is entered as a beneficial owner of the shares in the records of a Depository.

2. Dematerialisation of Securities:

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its shares or securities or rematerialise its shares and other securities (both existing and future) held by it with a Depository and to offer its shares and other securities for subscription in a dematerialised form pursuant to the Depositories Act, 1996 and the Rules and/or Regulations framed thereunder, if any.

**3. Options for Investors:**

- i) Every person subscribing to securities offered by the Company shall have the option to receive the security certificates or to hold the securities with a Depository.
- ii) Where a person opts to hold his securities in the Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of such information, the Depository shall enter in its record the name of the allottee as the beneficial owner of the securities.
- iii) Such a person who is the beneficial owner of the securities can at any time opt out of a Depository, if permitted by the law, in respect of any securities in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates of Securities.

4. Securities in Depositories to be in fungible form:

All Securities held by a Depository shall be dematerialised and shall be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187A, 187B, 187C and 372A of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.

5. Rights of Depositories and Beneficial Owners:

- a) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of securities on behalf of the beneficial owner.
- b) Save as otherwise provided in (a) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- c) Every person holding securities of the Company and whose name is entered as a beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subjected to all the liabilities in respect of his securities which are held by a Depository.
- d) The beneficial owner may, with the previous approval of the Depository create a pledge or hypothecation in respect of securities owned by him through a Depository and shall give intimation of such pledge or hypothecation to the Depository and such Depository shall thereupon make entries in its records accordingly. Any entry in the record of a Depository shall be evidence of a pledge or hypothecation.

6. Service of documents:

Notwithstanding anything contained in the Act or these Articles where securities are held with a Depository, the record of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.

7. Transfer of Securities:

Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a Depository.

8. Allotment of securities dealt with in a Depository:

Notwithstanding anything contained in the Act or these Articles where securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.

9. Distinctive numbers of securities held with a Depository:

Nothing contained in the Act or these Articles, regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a Depository.

10. Register and Index of Beneficial Owner:

The Register and Index of Beneficial Owners maintained by a Depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security holders for the purpose of these Articles.

11. Investment of the Company:

Notwithstanding anything contained in the Act or these Articles, the Company shall hold its investments in the name of the Depository when such investments are in the form of securities held by the Company as a beneficial owner.

NOMINATION**61-B**

- a) A Shareholder of the Company may at any time, nominate, in the prescribed manner, a person to whom his shares in the Company shall vest in the event of his death;
- b) Where the shares of the Company are held by more than one person jointly, the joint holders may together nominate in the prescribed manner, a person to whom all the rights in the shares of the Company, shall vest in the event of death of all the joint holders.
- c) Notwithstanding anything contained in any other law for the time being in force or in any disposition whether testamentary or otherwise, in respect of such shares of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares of the Company, the nominee shall, on the death of the shareholders or, as the case be, on the death of the joint holders



become entitled to all the rights in such shares to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.

- d) Where the nominee is a minor, it shall be lawful for the holder of the shares to appoint, in the prescribed manner, any person to become entitled to shares of the Company, in the event of his death, during the minority of the nominee.

TRANSMISSION OF SECURITIES BY NOMINEE

61-C

A Nominee upon production of such evidence as may be required by the Board and subject to such provisions as hereinafter provided elect, either:

- a) To register himself as holder of the share: or
 - b) To make such transfer of the share as the deceased shareholder could have made. If the nominee elects to be registered as holder of the share himself, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied by the death certificate of the deceased shareholder.
- All the limitations, restrictions and provisions of the Companies Act, 1956 relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice or transfer were a transfer signed by that shareholder.
- c) A nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the share except that he shall not, before being registered as a member in respect of his share, be entitled in respect of it to exercise any rights conferred by membership in relation to the meetings of the Company.
 - d) Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share until the requirements of the notice have been complied with.
7. To consider and if thought fit, to pass with or without modifications, the following Resolution as a Special Resolution:

RESOLVED THAT subject to such consents, permissions or sanctions as may be required from any authority, statutory or otherwise, particularly from the Securities and Exchange Board of India (SEBI) and other applicable provisions, if any, of the Companies Act, 1956 and guidelines, rules framed by SEBI in this regard, the Board of Directors of the Company be and is hereby authorised to seek Voluntary Delisting of its Equity Shares listed on various Stock Exchanges viz. Delhi, Kanpur, Ahmedabad, Kolkata,

Chennai, Bangalore and for that matter to approach the Stock Exchanges and/or any other concerned authority (ies) seeking its (their) approval for Voluntary Delisting of the Equity Shares from the said Stock Exchanges.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to settle all questions, difficulties or doubts as may arise in regard to the aforesaid Voluntary Delisting of Shares as it may in its absolute discretion deem fit without being required to seek any further approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval expressly by the authority of this Resolution.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all necessary steps in this regard in order to comply with all the legal and procedural formalities and further to authorise any of its Committee or any of its Director or any of the officers of the Company to do all such acts, deeds or things to give effect to the aforesaid Resolutions.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE FILED WITH THE COMPANY AT ITS REGISTERED OFFICE NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE MEETING.
2. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of Nos. 3, 4, 5, 6 & 7 set out above is annexed hereto.
3. The Register of Members of the Company and Share Transfer Books will remain closed from 5.9.2001 to 12.9.2001 (both days inclusive) for the purpose of Annual General Meeting.
4. Members are requested to notify the changes in address, if any, immediately, quoting their folio numbers to the Registrars and Transfer Agents, M/s. Bigshare Services Pvt. Ltd., E/2, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai - 400 072.
5. Nomination forms are available on request at the Registered Office of the Company or from the Registrars and Transfer Agents, M/s. Bigshare Services Pvt. Ltd., E/2, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai - 400 072.

By Order of the Board

Mumbai, 28th June, 2001

U. S. SETHIA
Managing Director



ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT SETTING OUT MATERIAL FACTS AS REQUIRED BY
SECTION 173 OF THE COMPANIES ACT, 1956**Item No. 3**

The Board had appointed Shri R. M. Jain as an Additional Director of the Company with effect from 28th June, 2001. As per the provisions of Section 260 of the Companies Act, 1956, he holds office upto the date of the ensuing Annual General Meeting. He is eligible for appointment as a Director of the Company. As required under Section 257 of the Companies Act, 1956, notice has been received from a member signifying his intention to propose Shri R. M. Jain for the office of Director of the Company which notice is open for inspection by Members at the Registered Office of the Company between 10.30 a.m. and 12.30 p.m. on all working days. The Company has also received the deposit of Rs. 500/- as required under the Act.

It is desirable that the Company should continue to avail itself of his services on the Board and hence your Directors recommend his appointment.

Shri R. M. Jain is interested in this Resolution only to the extent of sitting fees payable by the Company.

Your Directors therefore, recommend the above resolution for your approval.

None of the Directors of the Company, is, in any way, concerned or interested in the said Resolution.

Item No. 4

Since the combined shareholding of Life Insurance Corporation of India, Unit Trust of India, State/Central Government, Nationalised Banks and Insurance Companies exceeds 25% of the Subscribed Capital of the Company, the appointment of Messrs. Dalal & Shah, Chartered Accountants, as Auditors of the Company is proposed to be made by a Special Resolution in view of the provisions of Section 224A of the said Act. As required under Section 224 (1) of the Companies Act, 1956, a Certificate has been received from the Auditors to the effect that their appointment, if made, will be in accordance with the limits specified in Section 224 (1B) of the said Act.

None of the Directors of the Company, is, in any way, concerned or interested in this Resolution.

Item No. 5

Under Section 228 of the Companies Act, 1956, it is obligatory for the Company to have all the branches audited by a Statutory Auditor unless the Company in General Meeting decides to have the branches audited by any other persons qualified to be appointed as Auditors of the Company under

Section 226 of the said Act. The Company has its Tools Manufacturing Units at Mumbai, Nashik and Aurangabad and Textile Unit at Khamgaon and it is proposed, in accordance with provisions of the said Section, to appoint Messrs. S. R. Batliboi & Company, Chartered Accountants, to audit the accounts of the aforesaid units of the Company. As required under Section 224 (1) of the Companies Act, 1956, a Certificate has been received from the said Auditors to the effect that their appointment, if made, will be in accordance with the limits specified in Section 224 (1B) of the said Act. As the provisions of Section 224A of the Companies Act, 1956 are equally applicable, hence the appointment is proposed to be made by a Special Resolution.

None of the Directors of the Company, is, in any way, concerned or interested in this Resolution.

Item No. 6

Consequent upon the enactment of the Depositories Act, 1996 and the Securities and Exchange Board of India making compulsory the dematerialised trading of the Company's shares, it is necessary to admit the Company's shares to the Depository System. The Companies Act, 1956 pertaining to issue, holding, transfer, transmission and dealing of shares and other securities have also been amended to facilitate the introduction and implementation of the Depository System. In view of this, the Articles of Association need suitable alteration.

As per the provisions of Section 109A and 109B of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 1999 the holders of securities of the Company have been given an option to nominate a person to whom the rights of the security holders of the Company shall vest in the event of his death. It would be beneficial if such nomination clause is included in the Articles of Association of the Company.

Your Directors, therefore, recommend the above Resolution for your approval.

None of the Directors of the Company is, in any way, concerned or interested in the said Resolution.

A copy of the Memorandum and Articles of Association of the Company together with the proposed alteration is available for inspection by the Members of the Company at its Registered Office on all working days (except Saturdays and holidays) between 10.30 a.m. and 12.30 p.m. upto the date of the Annual General Meeting.

**Zenith Limited**

Item No. 7

The Equity Shares of the Company since incorporation were listed in the Mumbai Stock Exchange and, subsequently, in 1990, were listed on various Stock Exchanges viz. Delhi, Kanpur, Ahmedabad, Kolkata, Chennai, Bangalore with a view to broad base the shareholding of the Company from different parts of the country. Unfortunately, the Company became sick in 1990 and due to heavy financial crisis the Company could not pay heavy listing fees and the Company was forced to delist the shares from the above Stock Exchanges, except Mumbai Stock Exchange, where listing fees are paid every year regularly.

In view of the Company's financial position and the fact that shareholders/investors do not get much benefit despite Company spending these amounts, it has been considered that the listing on these Exchanges as mentioned above, except Mumbai Stock Exchange, be discontinued. Shareholders/Investors in these regions will not suffer due to delisting since with the introduction of screen based

trading, trading in shares can be easily done from all over the country.

Considering these facts, the Board of Directors has proposed delisting of Equity Shares of the Company from Stock Exchanges viz. Delhi, Kanpur, Ahmedabad, Kolkata, Chennai, Bangalore and has therefore put forth the Special Resolution mentioned hereinabove.

Your Directors, therefore, recommend the above Resolution for your approval.

None of the Directors of the Company are interested or concerned in the said Resolution except to the extent of their shareholding.

By Order of the Board

U. S. SETHIA
Managing Director

Mumbai, 28th June, 2001





40TH ANNUAL REPORT 2000-2001

DIRECTORS' REPORT

To The Members,

Your Directors present the Fortieth Annual Report together with the Audited Statement of Accounts for the year ended 31st March 2001.

FINANCIAL RESULTS

	2000-2001 (Rs.in Lacs)	1999-2000 (Rs.in Lacs)
TOTAL INCOME	26238.15	20998.42
PROFIT/(LOSS) BEFORE INTEREST, DEPRECIATION, EXTRAORDINARY ITEMS & TAXATION	138.59	(71.94)
Interest	1406.61	1125.57
PROFIT/(LOSS) BEFORE DEPRECIATION, EXTRAORDINARY ITEMS & TAXATION	(1268.02)	(1197.51)
Depreciation	277.90	314.58
PROFIT/(LOSS) BEFORE EXTRAORDINARY ITEMS, EXPENSES IN RESPECT OF EARLIER YEARS & TAXATION	(1545.92)	(1512.09)
Extraordinary Items		
Credits :-		
Profit on Sale of Undertakings/Properties	311.17	-
Reliefs and Concessions under the BIFR Scheme	-	55.15
Less: Additional Expenses/Debits under the BIFR Scheme (Net)	7.41	3.21
	(7.41)	51.94
PROFIT/(LOSS) FOR THE YEAR	(1242.16)	(1460.15)
Expenses in respect of earlier years	(32.18)	(46.97)
Excess/Short Depreciation of earlier years	0.89	-
Provision for Taxation (Wealth Tax)	(1.45)	(0.98)
	(1274.90)	(1508.10)
Balance of loss as per last Account	(2677.82)	(1169.72)
Balance carried to Balance Sheet	(3952.72)	(2677.82)

During the year under review, total income has gone upto Rs. 262 crore as against Rs. 210 crore in the last year and there is a profit of Rs. 1.39 crore before interest, depreciation and taxation as against a loss of Rs. 0.72 crore during the year.

The profitability remained seriously affected because of continued unfavourable market conditions mainly for the products of our Chemical and Tools Divisions.

The management is very much concerned with this situation and have taken further measures for optimising efficiencies and reduction in cost at all stages. These efforts have resulted in reduction of losses to some extent.