

ZENITH LIMITED



**43RD
ANNUAL REPORT
2005**

Zenith Limited

DIRECTORS

YASH BIRLA

Chairman

D.V. KAPUR

AUGUSTINE P. KURIAS

ARUN JAIN

Executive Director

COMPANY SECRETARY

RAJIV GANDHI

AUDITORS

DALAL & SHAH

Chartered Accountants

BANKERS

STATE BANK OF INDIA

PUNJAB NATIONAL BANK

BANK OF BARODA

ORIENTAL BANK OF COMMERCE

WORKS

1. KHOPOLI 410 203

DIST. RAIGAD

MAHARASHTRA

2. 62/63, MIDC AREA,

SATPUR

NASHIK 422 007

MAHARASHTRA

3. B-15/3/1, MIDC AREA

WALUJ 431 133

DIST. AURANGABAD

MAHARASHTRA

REGISTRAR AND SHARE TRANSFER AGENT

BIGSHARE SERVICES PVT. LTD.

E/2, ANSA INDUSTRIAL ESTATE,

SAKIVIHAR ROAD, SAKI NAKA,

ANDHERI (EAST), MUMBAI - 400 072

TEL.: 022-28470652 / 28470653

FAX: 022-28475207

REGISTERED OFFICE

DALAMAL HOUSE,

1ST FLOOR, 206, JAMNALAL BAJAJ MARG,

NARIMAN POINT,

MUMBAI - 400 021.

TEL.: 022-22821122 FAX: 022-22855743

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Members are requested to note that only tea/coffee will be served during the 43rd Annual General Meeting to be held on Friday, the 30th day of September, 2005 at 2.00 p.m. at Patkar Hall of SNT Women's University, Nathibai Thakersey Road, New Marine Lines, Mumbai 400 020.

43RD ANNUAL REPORT 2003-2005**NOTICE**

NOTICE is hereby given that the Forty Third Annual General Meeting of the Members of ZENITH LIMITED will be held at Patkar Hall of SNDT Women's University, Nathibai Thakersey Road, New Marine Lines, Mumbai - 400 020 on Friday the 30th day of September 2005 at 2.00 p.m. to transact with or without modifications as may be permissible, the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2005 and Profit & Loss Account for the period ended on 31st March 2005, along with 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 Statutory Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT M/s. Dalal & Shah, Chartered Accountants, Mumbai, 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".

SPECIAL BUSINESS

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

RESOLVED THAT pursuant to the provisions of Section 81, 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification, amendments or re-enactment thereof for the time in force) and in accordance with the provisions of the Articles of Association and the Memorandum of Association of the Company and such rules, guidelines and regulations, if any, as may be prescribed by Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI) and all other concerned and relevant authorities to the extent applicable, from time to time and subject to such approvals, consents, permissions and sanctions of the Government of India (GOI), SEBI, RBI and all other appropriate authorities, institutions or bodies, including those of Ministry of Commerce, Ministry of Finance, Ministry of Industry, Secretariat for Industrial Assistance and/or Foreign Investment Promotion Board as may be required and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, consents, permissions and sanctions which the Board of Directors of the company (hereinafter referred as the "Board" which expression shall be deemed to include person(s) authorized or any committee(s) constituted to be by the Board to exercise its powers including the powers conferred by this Resolution) is hereby authorized, on behalf of the Company, to create, offer, issue and/or allot, in the course of one or more public issue or rights issue or private offerings in domestic and/or one or more international markets, such number of equity shares and/or preference shares and/or Foreign Currency Convertible Bonds and/or Global Depository Receipts (GDR) and/or American Depository Receipts (ADR) and/or such other instruments including debentures convertible into equity shares at the option of the Company and/or the holders(s) of such securities, and/or securities linked to equity shares and/or securities with or without detachable/non-detachable warrants with a right exercisable by the warrant-holder to subscribe for equity shares, and/or warrants with an option exercisable by the warrant holder to subscribe for equity shares, and/or any instrument or securities representing either equity shares and/or convertible securities linked to equity shares, convertible debentures in one or more tranches (whether fully convertible or not and whether secured or not), (all of which are hereinafter collectively referred to as 'securities') to Promoters, Existing Shareholders or Directors, Employees, Indian Public, Foreign Institutional Investors (FIIs), Mutual Funds, Financial Institutions, Banks, Insurance Companies and / or any other persons or entities (hereinafter referred to as "investors") (whether residents and/or non-residents and/or strategic investors and/or non resident individuals and/or corporate bodies and whether or not such investors are members of the Company), through prospectus and/or offer letter or circular and/or on private/preferential placement basis for an aggregate amount of **upto Rs. 150 Crores (Rupees One Hundred Fifty Crores only)** or its equivalent including premium, such issue/offer and allotment to be made at such time or times, in one or more tranches, at such price or prices, at a discount, at part to or at a premium to market price or prices, in such manner and where necessary, in consultation with the Lead Managers and/or underwriters and/or other advisors or otherwise on such terms and conditions as the Board, may, in its absolute discretion, decide at the time of issue/offer/allotment.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid issue/offer of the securities may have all or any terms or combinations of terms in accordance with prevalent market practice including but not limited to terms and conditions relating to payment of interest, dividend, premium or redemption at the option of the company and/or holders of any securities, including terms for issue/offer of additional equity shares or variations of the price or period of conversion of securities into equity shares or issue/offer of equity shares during the period of the securities or terms pertaining to voting rights or option(s) for early redemption of securities. For the purpose of giving effect to the above, the Board be and is hereby authorized to determine the form, terms and timing of the issue(s)/offer(s), including the class of investors, to whom the securities are to be allotted, number of securities to be allotted in each tranche, issue/offer price, face value, premium amount on issue/conversion of securities/exercise of warrants/redemption of securities, rate of interest, redemption period, listings on one or more stock exchange in India and/or overseas as the Board in its absolute discretion deems fit and to make and accept any modification in the proposal as may be required by the authorities involved in such issues/offers in India and/or overseas, to do all acts, deeds, matters and things as may be necessary and to settle any questions or difficulties that may arise in regard to the issue(s)/offer(s).

RESOLVED FURTHER THAT in case of any equity linked issue/offer, the Board be and is hereby authorized to offer, issue/offer and allot such number of equity shares as may be required to be issued and allotted upon conversion of any securities referred to above or as may be necessary in accordance with the terms of the issue/offer, all such shares ranking pari passu inter se, with the then existing equity shares of the Company in all respects, in accordance with the law applicable at the time of such issue, offer or the allotment as the case may be.

RESOLVED FURTHER THAT the consent of the Company be and is hereby granted in terms of the applicable provisions, if any, of the Companies Act, 1956 and subject to all necessary approvals to the Board to secure, if necessary, all or any other above mentioned

Zenith Limited

DIRECTORS

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Chairman

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43RD ANNUAL REPORT 2003-2005**ANNEXURE TO THE NOTICE
EXPLANATORY STATEMENT SETTING OUT MATERIAL FACTS AS
REQUIRED BY SECTION 173(2) OF THE COMPANIES ACT, 1956.****Item No. 4**

To augment the Company's long term working capital resources and also to part finance, expansion, modernization, diversification schemes proposed to be undertaken by the Company in order to make operations more competitive in terms of size, technology and cost, reduce its cost of financing by retiring high cost term debt and improving debt equity ratio, it is considered desirable to raise funds by further issue of capital upto an amount not exceeding Rs.150 crores in the aggregate, including premium, if any.

Under Section 81(1A) of the Companies Act, 1956, wherever it is proposed to increase the subscribed capital of the Company by allotment of further shares, such further shares are required to be offered to the existing shareholders of the Company by way of rights unless the Company in General Meeting approves by means of a Special Resolution under sub-section (1A) of the said Section, the offer, issue and allotment of the Shares of the Company to others in any other manner.

The Special Resolution at item no. 4 seeks to provide enabling authority to the Board of Directors of the Company to issue securities as mentioned in the Resolution.

Consent of the shareholders is being sought pursuant to the provisions of Section 81(1A) of the Companies Act, 1956, Articles of Association of the Company and other applicable provisions.

The Directors are interested in item no. 4 of the Agenda to the extent of their and their relatives' shareholding in the Company or by HUFs of which Directors or their relatives are Kartas or by the company/(ies) in which the Directors or their relatives may have interest.

Item No. 5

As the Members are aware that the Company is a part of "Yash Birla Group" which traces its roots to the present Chairman Mr. Yashowardhan Birla's great grandfather, Mr. R.D.Birla. The Birla family is considered as the pioneer of India's industrialization. The Company is also amongst one of the major exporter earning valuable foreign exchange for the country. In order to make the identity of the Company clearly established with Birla family and also with the country of its origin, it is proposed to change the name from **Zenith Limited** to **Zenith Birla (India) Limited**.

Except Mr. Yashovardhan Birla, none of the other Directors are concerned or interested in passing of this resolution.

For and on behalf of the Board

Report  junction.com

ARUN JAIN
Executive Director

Place : Mumbai

Date : 1st September, 2005

Zenith Limited

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the Forty Third Annual Report together with the Audited Statements of Accounts of your Company for the period ended 31st March, 2005.

FINANCIAL RESULTS

	18 Months 31.03.2005	(Rs. In Crores) 15 Months 30.09.2003
TOTAL INCOME	560.43	436.32
PROFIT/(LOSS) BEFORE INTEREST, DEPRECIATION, TAXATION AND EXPENSES IN RESPECT OF EARLIER YEARS.	15.61	14.59
Interest and Finance Expenses	14.39	13.89
PROFIT/(LOSS) BEFORE DEPRECIATION, TAXATION AND EXPENSES IN RESPECT OF EARLIER YEARS.	1.22	0.71
Depreciation	5.25	3.87
PROFIT/(LOSS) FOR THE YEAR BEFORE TAXATION AND EXPENSES IN RESPECT OF EARLIER YEARS.	(4.02)	(3.16)
Less: Loss Transferred to Reconstruction Reserve Account	8.98	0.00
	4.96	(3.16)
Deferred Tax Credit (Net)	—	(0.86)
	4.96	(2.30)
Income\Wealth Tax in respect of earlier years	—	0.05
Expenses in respect of earlier years	0.86	0.23
	0.86	0.28
Less: Transferred to Reconstruction Reserve Account	0.79	—
	0.07	0.28
NET PROFIT/(LOSS)	4.89	(2.58)

The performance of your Company during the period under report has shown improvement over the previous period. Total income has gone up to Rs. 560.43 crores against Rs. 436.32 crores during the previous period. The profit before interest, depreciation and taxation has also gone up from Rs. 14.59 crores in the previous period to Rs. 15.61 crores during the period under review. Additional measures are being taken to further improve the sales and profitability from the current financial year onwards.

1) OPERATIONS :

The Division-Wise performance during the year under review in comparison to that in the previous year is as under:

Division		2003-2005 (18 months)			2002-2003 (15 months)		
		Sales (Qty.)	Production (Qty.)	Production Value (Rupees in Crores)	Sales (Qty.)	Production (Qty.)	Production Value (Rupees in Crores)
Pipes	MT	121080	112451	393.68	113202	103968	295.19
Chemicals	MT	3010	2841	42.13	3039	3064	53.91
Tools (000 pcs)	MT	16810	16852	50.14	13551	14027	31.87
Textile	MT	5250	4943	52.13	4449	4524	43.40

PIPES DIVISION

Production at Pipe Division was higher at 112451 MT during the period under review as compared to 103968 MT in the previous period. Sales were higher at 121080 MT as compared to 113202 MT during the previous period. Margins remained under pressure due to constantly rising costs of HR coils required for manufacture of pipes. In spite of this, the Division has been able to maintain the profitability.

CHEMICALS DIVISION

During current period (operational up to 22.11.2004), Chemical Division has suffered substantial losses due to various factors like depressed industry scenario, falling market prices and uncompetitive margins. Loss for the current period increased to Rs. 16.23 crores from Rs. 8.05 crores in the earlier period. As a part of Scheme of Arrangement, the Division has been sold during the year.

TOOLS DIVISION

The impact of growth seen in auto general engineering industry was reflected in the performance of Tools Division. Production was higher at 168.52 Lacs nos. during the period under review as compared to 140.27 Lacs nos. in the previous period. Sales were higher at 168.10 Lacs nos. as compared to 135.51 Lacs nos. during the previous period.

43RD ANNUAL REPORT 2003-2005**TEXTILE DIVISION**

Production was marginally higher at 4943 MT during the period under review as compared to 4524 MT in the previous period. Similarly, there was marginal increase in sales from 5250 MT as compared to 4449 MT during the previous period. As a part of Scheme of Arrangement, the Division has been spin off into a subsidiary w.e.f. from 1st January, 2005.

2) EXPORT PERFORMANCE

Exports of the Company have gone up to Rs 216.83 Crores in the current period against Rs 179.39 Crores during the previous period.

3) SCHEME OF ARRANGEMENT

Your Company has entered into a Scheme of Arrangement under section 391 and 394 of the Companies Act 1956. This scheme of arrangement was approved by Shareholders and Secured Creditors in the Extraordinary General Meeting held on 13th June, 2005. Subsequent to aforesaid approval the Scheme Of Arrangement approved by the Hon'ble High Court of Judicature at Bombay by its order dated 12th August, 2005, the Textile and Chemical business of the Company stands transferred and vested in Khamgaon Syntex India Limited (a wholly owned subsidiary of the Company) and Nipur Chemicals Limited from the appointed date, i.e 1st January, 2005. In view thereof the results for the 18 Months period ending 31st March, 2005 excludes the operations of the Textile and Chemical business from the appointed date.

4) DIVIDEND

In view of the past losses incurred by the Company, your Directors do not recommend the payment of dividend.

5) EXTENSION OF ACCOUNTING YEAR

In order to give effect of corporate debt restructuring plan and restructuring plan of company's division which includes demerger/hive off sell off etc. the accounting years has been extended from 12 months (ended on 30th Sept. 2004) to 18 months (ended on 31st March, 2005).

6) PERSONNEL AND WELFARE

Industrial Relations at all Divisions of the Company ~~were very cordial throughout~~ the period.

Your Directors express their sincere appreciation for the dedicated efforts put in by all the employees and for their continued contribution for ensuring improved performance of your Company during the period.

7) SUBSIDIARY COMPANIES

The Accounts for the wholly owned Subsidiary Companies, **M/s Zenith (USA) Inc. and Khamgaon Syntex India Ltd.** have been received by the Company and therefore statement pursuant to Section 212 of the Companies Act, 1956, is enclosed.

8) MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of clause 49 of the Listing Agreement with the Stock Exchange the Management Discussion and Analysis Report is appended to this report.

9) CORPORATE GOVERNANCE

Your Company has always strived to incorporate appropriate standards for good corporate governance. As a listed company, all required measures are taken to comply with the Agreement with the Stock Exchange. A separate report on Corporate Governance alongwith a certificate of Compliance from the Auditor form part of this report.

10) DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act 1956, the Directors of the Company state as under that :-

- i) in the preparation of annual accounts, applicable Accounting Standards have been followed except as mentioned Note No.4(iii) (Annexure A) regarding valuation of finished and process stocks of Tools division as per the method explained therein, which has also been done as per consistent practice. These notes are appearing in the schedule 21 of the accounts.
- ii) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial period and of the profit or loss for the period except as mentioned in (i) above.
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act 1956, for safeguarding the assets of the Company and for preventing and detecting fraud & other irregularities.
- iv) the Directors had prepared Annual Accounts on a 'going concern' basis.

11) AUDITORS REMARKS

The Auditors have drawn your attention to specific points in their report. The notes are self-explanatory.

12) DIRECTORS

In accordance with the Article 149 of the Articles of the Association of the Company, Dr. D.V.Kapur retires by rotation and being eligible, offer himself for re-appointment.

13) FIXED DEPOSITS

The Company has not accepted any Fixed Deposits from the public during the period under review.

14) AUDITORS

M/s Dalal & Shah, Mumbai retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. The Audit Committee recommends the re-appointment of M/s Dalal & Shah, as Statutory Auditors of the Company.

15) PARTICULARS OF EMPLOYEES

There were no employees covered under Section 217 (2A) of the Companies Act, 1956 read with companies (particulars of employees) Rules, 1975.

Zenith Limited

16) ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

Details of energy conservation and research & development activities undertaken by the Company alongwith the information in accordance with the provisions of Section 217 (1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988, are given in Annexure forming part of this report.

17) INSURANCE

Properties and Assets of the Companies are adequately insured.

18) CONSOLIDATED FINANCIAL STATEMENTS

The Audited Consolidated Financial Statement of the Group are annexed.

19) ACKNOWLEDGEMENTS

Your Directors take this opportunity to express their grateful appreciation for the excellent assistance and co-operation received from the Shareholders, Financial Institutions, Banks, Central and State Government Authorities.

Your Directors also thank all the Shareholders for their continued support.

For and on behalf of the Board

YASH BIRLA
Chairman

Place : Mumbai

Date : 1st September, 2005

ANNEXTURE TO DIRECTORS' REPORT

(Information under Section 217 (1) (e) of the Companies Act 1956, read with Companies (Disclosure of particulars in Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March 2005)

A. CONSERVATION OF ENERGY:

a) Energy Conservation Measures Taken:

The Company has taken following measures for energy conservation at the factories, namely:

- 1) Additional capacitors tank with automatic P.F. Controller unit have been provided and power factor achieved from 0.99 to unity.
 - 2) Insulation updated for steam lines & vessels & arrangements improved for condensate collection and transfer to Boiler feed water tank.
 - 3) Spray drying capacity increased by increasing ID & FD fan capacity which has resulted into lower electrical consumption per unit of production.
 - 4) We have changed 24 Nos. 5 H.P. Crompton Greaves make Motors by energy efficient Siemens Motors for better efficiency and saving in energy by 30% in this area.
- (b) Further R & D work is being carried on for reduction of time cycle of the process.
- (c) Impact of measures of (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods. The above measures have resulted in energy saving and consequent decrease in the cost of production.
- (d) Total Energy Consumption and Energy Consumption per unit of production is not applicable to any units of the Company.

B. TECHNOLOGY ABSORPTION :

Efforts made in Technology Absorption as per Form B.

FORM "B"

Research and Development (R & D)

1. Specific areas in which R & D carried out by the Company.
 - (a) R & D Work is going on to give more yield and to reduce time cycle of process for optimizing the raw material consumption and utilities norms.
 - (b) Development of new value added products.
2. Future Plan of Action
To develop further new value added products.
3. Expenditure on R & D:
The expenditure on in-house R & D is shown under respective heads and no separate account is maintained.
4. Technology Absorption, Adaptation and Innovation : Nil

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

	(18 Mths.) 2003-2005	Rs.in crores (15 Mths.) 2002-2003
Total Foreign Exchange earned	217.31	179.57
Total Foreign Exchange used	25.70	54.28

43RD ANNUAL REPORT 2003-2005**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****a) Industry Structure and Developments:**

The Company is engaged in the manufacture and marketing of Steel Pipes and Cutting Tools for local and International markets like USA, Europe, Middle East & Far Eastern countries.

b) Opportunities and Threats:

Opportunities : The Company's products are well established and well accepted in both domestic and international markets and Customers are giving price preference for steel pipes & Cutting tools because of the brand value.

Impending Growth of auto industry, provide opportunity for the products of Pipe & Tool Divisions.

Threats : Competitions from un-organised sectors and Competitors in domestic markets.

Volatile increase in raw-material cost, which the Company may not be able to pass on to customers. In the changing market scenario, parity between raw material prices and sale prices may disturb the margin.

Tendency of customers to shift to other cheaper brands and periodical restrictions by U.S.A. in respect of imports from India.

c) Segment-wise Performance:

Segment-wise performance of the Company during the financial year 2003-05 as given below:

Particulars	Rs. in Crores			
	Pipe	Chemical	Tools	Textiles
Sales	403.16	43.20	54.03	53.26
Expenditure	394.68	59.43	53.56	52.27
Profit / (Loss)	8.48	(16.23)	0.47	0.99

d) Outlook:

The global consumption of steel and its allied products has seen an increasing trend in the last couple of years and is expected to increase further in the coming years which shows industry as whole is growing. With the emergence of demand for steel pipes of bigger square & rectangular hollow section and bigger diameter pipes for Petroleum Industry, the industry is seeing a good prospective as whole. With increasing emphasis for infrastructure and agriculture, your company expects the various opportunities for further growth.

Our efforts towards making the organization a customer-centric would also have favorable impact.

e) Risks Management:

The products of various divisions are considered as "Standard Commodity Products" and therefore subject to global price competition. The Company continuously make efforts in improving production efficiency, cost reduction & brand building to mitigate the impact. It is considered opinion on the management that it has taken all possible steps to maintain and enhance the competitive position of the company.

f) Internal Control Systems:

The Company has an intricate system of internal control procedure commensurate to its size and nature of the business. This internal control system ensures optimal use of Company's resource and protection thereof. This internal control systems provides for well administered policies, guidelines, authorizations, approval procedures etc. The Company has appointed internal auditor who carries out better way of auditing through out the year. The Audit Plan is approved by the Audit Committee of the Board of Directors. The committee meets every quarter to review the progress of internal audit work viz a viz the schedule.

g) Financial Performance:

The Company's sales grew by 31% for the period 2003-05 to Rs. 563.01 crores as against Rs. 429.63 crores for the period 2002-03. Profit for the current period increased to Rs. 4.89 crores as compared to loss of Rs. 2.58 crores for the period 2002-03. The gross cash inflow before working capital changed during the period was Rs. 5.59 crores as against Rs. 14.06 crores for the period 2002-03.

During the period, the Company has wiped out the accumulated loss up to 31.12.2004 against Reconstruction Reserve Account created by transfer from revaluation reserve, vide Bombay High Court Order dated 12.08.2005 in connection with Scheme of Arrangement u/s 391 and 394.

h) Related Party Transactions:

These have been discussed in detail in the notes to the accounts in the financial statement.

i) Material development in Human Resources:

The Company has focused on building the organization for developing human resources. More attempt is now being given to develop a better structure in this important area with a long term future in mind.

The Company believes that human resources are vital resources in giving the Company a competitive edge in the current business environment. During the period, the focus was to realign the organization to a customer- centric organization. This involved extensive communication to employees directed towards changing the mind -set and getting used to the new way of truly customer-centric

Zenith Limited

working. In addition, actions were also devoted towards stabilizing the new performance management system. The Company has more than 1200 employees at the end of March 2005.

As in the past, the industrial relation continues to remain generally cordial at all locations of the Company.

j) Conclusion:

Your company has delivered reasonable performance amidst challenging business environment characterized by increase in raw material prices & pressure on the margins due to growing competition.

Going forward your company is cautiously confident of delivering better operating performance on the back of improving cost competitiveness driven by financial and business restructuring and improved outlook for end uses of steel pipes in infrastructure & agriculture as well as cutting tools in related industries.

Toward heightening growth momentum to realize its vision of globally competitive, your company has taken reasonable initiative. Our effort will be supported by robust current operations and improved balance sheet. We are confident of success of these efforts and deliver superior value to stakeholders in the future.

Cautionary Statement:

Some of the statements contained within this report may be forward looking in nature and may involve risks and uncertainties. Actual Result, and outcomes in future may vary materially from those discussed herein. Factors that may cause such variances include, but are not limited to management of growth, market acceptance of company's product and services, risks associated with new product version, dependence on third party relationship and the activities of competitors.

