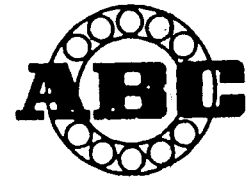


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YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		



The Antifriction Bearings Corporation Limited



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Annual Report
1996-97

The Antifriction Bearings Corporation Limited

DIRECTORS	Mr. M.I. Patel, <i>Chairman and Managing Director</i> Mr. S.M. Patel, <i>Vice Chairman</i> Mr. P.M. Patel, <i>Managing Director</i> Mr. T.M. Patel, <i>Executive Director</i> Mr. C.U. Shah Mr. A.K. Patel Mr. Y.H. Malegam Mr. S.K. Diwanji Mr. V.C. Vaidya Mr. J.R. Mulraj (<i>Nominee of ICICI</i>)
G.M. (Fin. & Accts.) & COMPANY SECRETARY	Mr. S.V. Subramania Iyer
AUDITORS	Messrs. Parikh & Shah <i>Chartered Accountants</i>
COST AUDITORS	Messrs. B.J.D. Nanabhoy & Co. <i>Cost Accountants</i>
SOLICITORS	Messrs. Desai & Diwanji
BANKERS	Bank of Baroda Corporation Bank
REGISTERED OFFICE	402-B, Poonam Chambers, Dr. Annie Besant Road, Worli, Mumbai 400 018.
WORKS	1. Pandit Jawaharlal Nehru Marg, Lonavla 410 401, Maharashtra State. 2. Plot No. 1-B, G.I.D.C Industrial Estate, Bharuch 392 015, Gujarat State. 3. Plot No. 109-B, G.I.D.C Industrial Estate, Bharuch 392 015, Gujarat State.

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NOTICE

NOTICE IS HEREBY GIVEN THAT the Thirtysixth Annual General Meeting of the Members of THE ANTIFRICTION BEARINGS CORPORATION LIMITED will be held on Thursday the 18th September, 1997 at 4.00 p.m. at Walchand Hirachand Hall, Indian Merchants' Chamber Building, 76, Veer Nariman Road, Mumbai - 400 020 to transact the following business :-

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 1997 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. S.M. Patel who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. S.K. Diwanji who retires by rotation and, being eligible, offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration.

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

"RESOLVED THAT M/s. Parikh & Shah, Chartered Accountants, the retiring Auditors of the Company be and they are hereby appointed Auditors of the Company to hold office from the conclusion of this meeting upto the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors, inclusive of travelling and other out of pocket expenses."

SPECIAL BUSINESS :

SPECIAL RESOLUTION

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

"RESOLVED THAT in accordance with the provisions of Section 314 (1B) and other applicable provisions, if any, of the Companies Act, 1956 and any other provisions of the applicable statutory enactments and subject to the approval of the Central Government, consent of the Company be and is hereby accorded to Mr. Sahir S. Patel, who is a relative of Mr. M.I. Patel and Mr. S.M. Patel, Directors of the Company, to hold and continue to hold an office or place of profit under the Company, as Senior Executive, or any other designation as may be given, carrying a total monthly remuneration of not less than Rs.20,000/-, as per details given in the draft agreement proposed to be entered into with him with effect from such date as may be approved by the Central Government."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to agree to such modifications or variations that may be suggested by Central Government as may be thought fit by the Board and acceptable to Mr. Sahir S. Patel."

NOTES:


1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. The relative explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of special business under item No. 6 as set out above is annexed hereto.
3. The Register of Members and Share Transfer books of the Company shall remain closed from Wednesday, the 3rd September, 1997 to Thursday the 18th September, 1997, both days inclusive. Dividend on shares as recommended by the Board of Directors, if declared at the meeting, will be paid to those shareholders whose names appear on the Register of Members as on 18th September, 1997.

The Antifriction Bearings Corporation Limited

4. Shareholders seeking any information with regard to the Accounts are requested to write to the Company at least 10 days in advance so as to enable the Company to keep the information ready.
5. The unclaimed dividend upto the financial year of the Company ended on 31st March, 1993 has already been transferred to the General Revenue Account of the Central Government in terms of the provisions of Section 205 A of the Companies Act, 1956. Those shareholders who have not claimed their dividend for the said financial year may claim the same from the Registrar of Companies, Maharashtra, by submitting an application in the prescribed form.

Registered Office:
402-B, Poonam Chambers
Dr. Annie Besant Road
Worli, Mumbai 400 018.

By Order of the Board of Directors
For The Antifriction Bearings Corporation Ltd.



S.V. SUBRAMANIA IYER
Gen. Manager (Finance & Accounts) &
Company Secretary

Dated 26th June 1997.

EXPLANATORY STATEMENT

As required by Section 173(2) of the Companies Act, 1956 the following Explanatory Statement sets out material facts relating to the business under item No. 6 of the accompanying notice.

Item No.6 :

Mr. Sahir S. Patel, was appointed as 'Senior Executive' of the Company with effect from 1st April, 1997 by a resolution passed by the Board of Directors of the Company at their meeting held on 27.03.1997.

Mr. Sahir S. Patel is an MBA from USA.

Mr. Sahir S. Patel is presently drawing remuneration aggregating less than Rs. 20,000/- per month in accordance with the provisions of Section 314 of the Companies Act, 1956.

The Directors at their meeting held on 26th June, 1997 have passed resolution revising his remuneration and benefits as under and the revised salary and benefits shall be applicable from such date as may be approved by the Central Government.

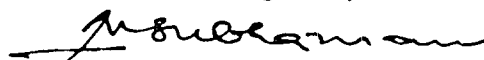
1. Basic Salary of Rs. 25000/- per month in the grade of Rs. 25000 - 50000.
2. Perquisites and benefits :
Housing : Free furnished accommodation or suitable house rent allowance.
3. He will also be entitled to benefits of medical reimbursement, leave travel concession for himself and his family, medical insurance, personal accident insurance, club membership, reimbursement of entertainment, leave, leave encashment and such other amenities as are allowed for or as are applicable to other Senior Executives of the Company.
4. Provident Fund, Superannuation Fund, Gratuity Fund, etc. as per rules of the Company.
5. Use of Company car with driver and telephone at his residence.

Mr. Sahir S. Patel is a relative of Mr. M.I. Patel and Mr. S.M. Patel, Directors of the Company and they may be deemed to be interested in the said resolution. No other Director of the Company is concerned or interested in the resolution.

Mr. Sahir S. Patel has furnished declaration to the Company that he is related to the above Directors.

A draft of the agreement proposed to be entered into with Mr. Sahir S. Patel is available for inspection at the Registered Office of the Company on any working day between 10.00 a.m. and 12.00 noon upto the date of the Annual General Meeting.

By Order of the Board of Directors
For The Antifriction Bearings Corporation Ltd.



S.V. SUBRAMANIA IYER
Gen. Manager (Finance & Accounts) &
Company Secretary

Mumbai
Dated 26th June 1997.



DIRECTORS' REPORT

To the Members,

The Directors are pleased to present their 36th Annual Report and the Audited Accounts of the Company for the year ended 31st March, 1997.

FINANCIAL RESULTS :

	For the year ended	
	31.03.1997.31.03.1996	
	Rs. in lacs	Rs. in lacs
Gross Profit before Interest,		
Depreciation and Tax	2637.98	1957.65
Less: Interest	930.43	766.81
Depreciation	796.95	526.83
Profit before tax	910.60	664.01
Provision for tax	135.00	14.07
Profit after tax	775.60	649.94
Add: Balance brought forward		
from previous year	218.38	120.70
Provision for Doubtful		
Debts written back	1.43	—
Amount available for		
appropriations :	995.41	770.64

APPROPRIATIONS:

Debenture Redemption Reserve	50.00	50.00
Proposed Dividend	202.26	202.26
Income Tax on Proposed Dividend	20.23	—
General Reserve	450.00	300.00
Surplus carried to Balance Sheet	272.92	218.38
	995.41	770.64

DIVIDEND: The Directors are pleased to recommend a dividend of 35% (previous year 35%) for the year ended 31st March, 1997, which, if approved by the members at the annual general meeting, will absorb a sum of Rs. 222.49 lacs, inclusive of dividend tax.

OPERATIONS :

LONAVLA : The Company's plant at Lonavla manufactures Taper, Cylindrical Roller and Ball

Thrust Bearings with an installed capacity of 3 million nos. per annum. This unit employs approx. 450 workmen and 120 supervisory staff.

The long term settlement entered into with the recognised union expired on 31st March, 1996. The union terminated the same and submitted fresh charter of demands for negotiations.

Some of the workmen, dissatisfied with the recognised union, formed a rival union. As they were not able to prove their majority, the Industrial Court did not grant them recognition. However, the unrecognised union insisted and pressurised the management by adopting go slow tactics to negotiate the settlement with them only. In spite of wise counselling and persuasion, the workmen continued with go slow tactics and indisciplinary behaviour under the direction of the Committee Members of the unrecognised union.

With no other alternative left, the management was forced to declare partial lock out of manufacturing activity from 1st January, 1997.

The Industrial Court in Pune where applications were filed by both the factions of the union, directed the workmen to resume work on giving undertaking to the Company to maintain discipline and give normal production without adopting go slow tactics. The Company lifted the lock out from 2nd May 1997. The Plant is steadily returning to normalcy.

On account of the above, the production during the year at Lonavla was only 11.25 lacs bearings as against 19.87 lacs during the previous year.

BHARUCH : The Company has three manufacturing divisions at Bharuch, one for Taper Roller Bearings, one for Ball Bearings and the latest expansion unit also for Taper Roller Bearings.

Taper Roller Bearings - Division I : The machines originally acquired in 1980 for this division were revamped during the last two years for increasing productivity and upgrading the quality. With the completion of this activity, the plant is now working at near optimum capacity.

Ball Bearing Division : This division was set up in 1991. The competition in the field of Ball Bearing is fierce. The availability of cheap smuggled bearings in the market affects the price level of the Company. In view of these conditions, production during the year was lower than the

The Antifriction Bearings Corporation Limited

previous year by about 10% at 36.84 lacs nos.

Expansion unit of Taper Roller Bearings :

Expansion of a new Division for Taper Roller Bearings with a capacity of 3.3 million nos. was completed during the year. The Company produced about 1.6 million nos. during the year. In view of the highly sophisticated state of the machinery, the capacity utilisation will improve only gradually with experience.

Our Company continues to be committed to the Commercial Vehicle and Tractor Manufacturers. However, with the setting up of the Ball Bearing unit, the Company now also caters to the requirements of the fans, electric motors, two wheelers and passenger car segment. The after market is serviced by authorised stockists of the Company which are spread across the country.

The Engineering Industry in general is passing through a recession. This coupled with dumping of imported bearings is showing pressure on sale of the Company's products. Efforts are being taken to boost sales to original equipment manufacturers and retail trade through Company's own stockists.

POWER : Industrial growth in Gujarat during the last one decade has been at a rapid pace with improper and insufficient infrastructure facility. Power is continuously in short supply. To overcome this, the Company has set up wind farms with a capacity of 1.35 Mega Watts besides installing Diesel Generators which together helps to run the units reasonably smoothly.

FIXED DEPOSITS : The deposits from the public and the shareholders as on 31st March, 1997 amounted to Rs.69.15 lacs and the unclaimed amount of fixed deposits was Rs.2.19 lacs out of which Rs.0.05 lac has since been paid.

DIRECTORS : During the year under review, The Industrial Credit and Investment Corporation of India Ltd. (ICICI) withdrew the nomination of Mr. S.P. Nagarkatte as their nominee Director and appointed Mr. J.R. Mulraj in his place.

The Board of Directors take this opportunity to thank Mr. S.P. Nagarkatte for his valuable guidance and advice given to the Company during his tenure as a Director of the Company.

Pursuant to the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. S.M. Patel and Mr. S.K. Diwanji,

Directors, retire by rotation, and, being eligible, offer themselves for reappointment.

AUDITORS : M/s. Parikh & Shah, the present auditors have furnished a Certificate regarding their eligibility for reappointment as Company's Auditors pursuant to Section 224 (1B) of the Companies Act, 1956.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO : In accordance with the requirements of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, statement showing particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are annexed hereto and form part of the Report.

PARTICULARS OF EMPLOYEES : Information as per sub Section (2A) of Section 217 of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and forming part of Directors' Report for the year ended 31st March 1997 is available for inspection at the registered office of the Company during working hours for the period of 21 days before the date of the meeting and any shareholder interested in such particulars may inspect the same as above or write to the Company Secretary for a copy of the same.

INDUSTRIAL RELATIONS : Relation with employees at the Company's units at Bharuch and Head Office at Mumbai remained cordial and harmonious. Though the relations with individual workers at Lonavla Plant are cordial, the problem of recognition of the union continues to be a burning issue and all efforts are put in to resolve the same.

ACKNOWLEDGEMENTS: The Directors place on record their appreciation for the continued assistance and co-operation extended to the Company by financial institutions, banks and dedicated employees of the Company.

By Order of the Board
P.M. PATEL
Managing Director
Y.H. MALEGAM
Director

Mumbai
26th June, 1997.



Annexure to Directors' Report
Particulars under the Companies (Disclosure of Particulars
in the Report of the Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY:

(i) Energy Conservation measures taken:

- a) Old motors were replaced with new motors having better features and efficiency.
- b) After analysing the various loads of electricity in the machines, proper controlling factor is introduced.
- c) The Company has added capacitor banks for improving the power factor which has resulted in reduced energy consumption.
- d) Changes and modifications have been done to the air compressor pipelines to stop leakages and strengthen the compressor capacity.

(ii) Additional investments and proposals for reduction of consumption of energy:

- a) Installed DG sets for power generation which will enable the Company to monitor power consumption.

B. TECHNOLOGY ABSORPTION:

The Company is constantly engaged in improving production techniques, lowering wastage and quality maintenance.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

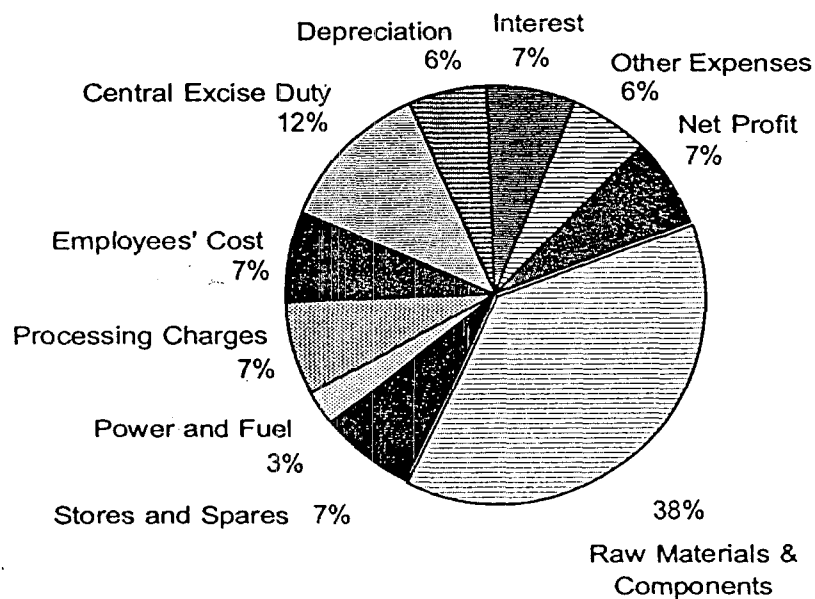
Earnings	Rs. 34.96 lacs
Outgo	Rs. 2028.28 lacs.

The Antifriction Bearings Corporation Limited

DISTRIBUTION OF INCOME 1996-97.

Particulars	Rs. in lacs	Percentage
1. Raw Materials & Components	4747.43	37.45
2. Stores & Spares	899.52	7.10
3. Power and Fuel	362.91	2.86
4. Processing Charges	873.70	6.89
5. Employees' Cost	873.44	6.89
6. Central Excise Duty	1513.34	11.94
7. Depreciation	796.95	6.29
8. Interest	930.43	7.34
9. Other Expenses	767.36	6.05
10. Net Profit	910.60	7.19
TOTAL	12675.68	100.00

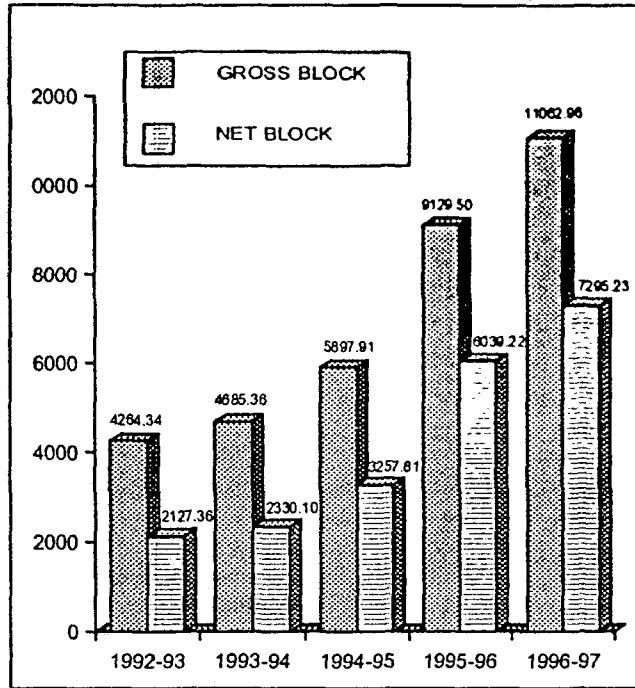
HOW RUPEE WAS SPENT





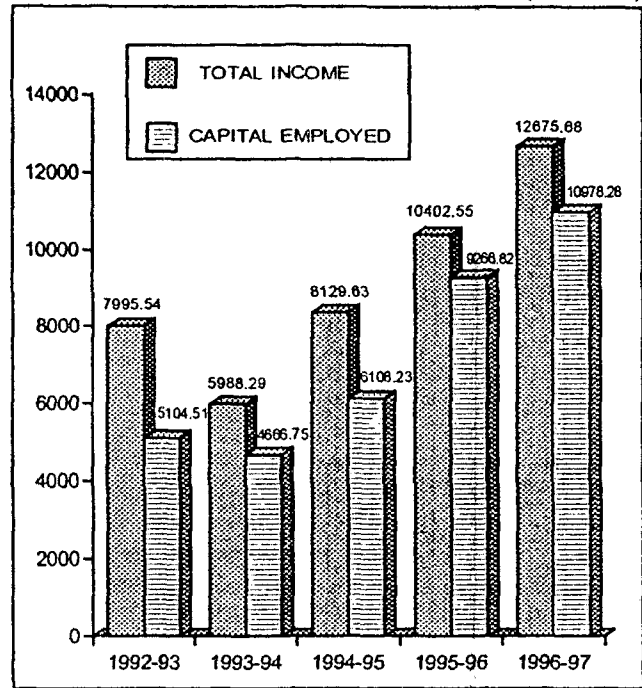
GROSS BLOCK AND NET BLOCK

(Rs. in Lacs)



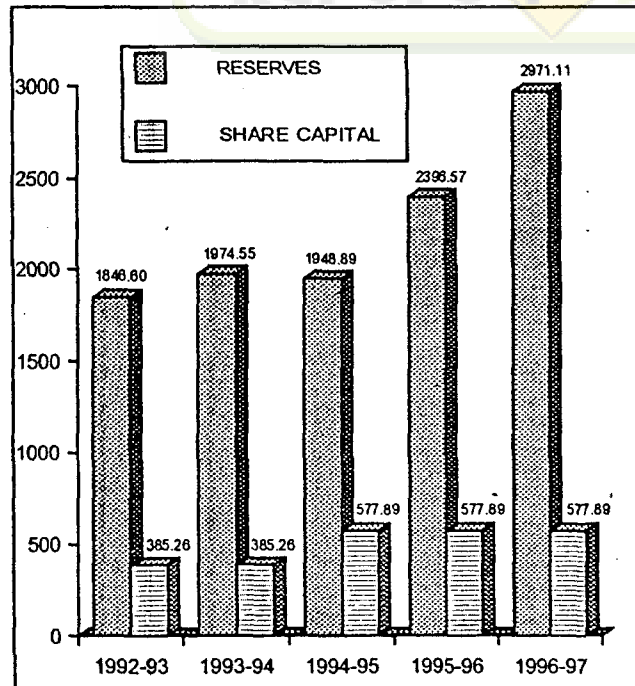
TOTAL INCOME AND CAPITAL EMPLOYED

(Rs. in Lacs)



RESERVES AND SHARE CAPITAL

(Rs. in Lacs)



TOTAL INCOME

(Rs. in Lacs)

