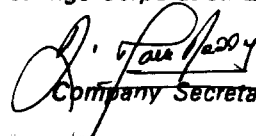


The Antifriction Bearings Corporation Limited

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For The Antifriction Bearings Corporation Ltd.


Company Secretary.

39

Annual Report
1999-2000

The Antifriction Bearings Corporation Limited

BOARD OF DIRECTORS

Mr. M.I. Patel
 Mr. S.M. Patel
 Mr. P. M. Patel
 Mr. T.M. Patel
 Mr. C.U. Shah
 Mr. Y.H. Malegam
 Mr. S.K. Diwanji
 Mr. V.C. Vaidya
 Mr. T. Raghavendran

Chairman & Managing Director
 Vice Chairman
 Managing Director
 Executive Director

(ICICI Nominee)

COMPANY SECRETARY

Mr. D. Malla Reddy

AUDITORS

Messrs Parikh & Shah
 Chartered Accountants

COST AUDITORS

Messrs B.J.D. Nanabhoy & Co.,
 Cost Accountants

SOLICITORS

Messrs Desai & Diwanji
 Advocates & Solicitors.

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, GIDC Industrial Estate,
 Bharuch 392 015,
 Gujarat State.
3. Plot No.109-B, GIDC Industrial Estate,
 Bharuch 392 015,
 Gujarat State.

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NOTICE

NOTICE is hereby given that the Thirty-ninth Annual General Meeting of the Members of **THE ANTI-FRICTION BEARINGS CORPORATION LIMITED** will be held on **Tuesday, the 1st August, 2000 at 4.30 p.m.** at Walchand Hirachand Hall, Indian Merchants Chamber Building, 76, Veer Nariman Road, Churchgate, 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, 2000 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. S.K. Diwanji, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. V.C. Vaidya, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

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 Register of Members and Share Transfer Books of the Company shall remain closed from 21st July, 2000 to 1st August, 2000, both days inclusive.
3. Shareholders seeking any information with regard to 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.
4. Company has already entered into an agreement with National Securities Depository Ltd. and Central Depository Services (India) Ltd. Interested shareholders may opt to hold their shares in the electronic mode after dematerialising the same through their respective Depository participant.
5. The Company has appointed M/s. Bigshare Services Pvt. Ltd., Mumbai, as the Share Transfer Agent of the Company and also appointed as the Depository Transfer Agent (DTA) for the electronic connectivity with NSDL and CDSL. Shareholders are requested to kindly send all future correspondence with respect of their change of address and transfer of shares etc. directly to the Share Transfer Agent at the following address:-

BIGSHARE SERVICES PVT. LTD.
J/12, ANSA INDUSTRIAL ESTATE,
SAKIVIHAR ROAD, SAKI NAKA,
ANDHERI (E), MUMBAI - 400 072.

TEL. NOS. : 8523541
8524914

FAX NO. : 8525207

6. Members are requested to quote their Folio Number(s) in all correspondence with the Company/Share Transfer Agent.
7. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, as amended with effect from 31st October, 1998, dividends for the financial year ended 31st March, 1996 and thereafter, which remains unclaimed for a period of 7 years from the date of transfer of the same under sub-section (1) of the Section, will be transferred to the Investor Education and Protection Fund of the Central Government established under Section 205C of the Act. According to the provisions of the Act as amended, no claims shall lie against the said Fund or the Company for the amounts of dividend so transferred nor shall any payment be made in respect of such claims.
8. Pursuant to the provisions of Section 109A of the Companies Act, 1956, shareholders may file Nomination in respect of their shareholding. Any shareholder willing to avail of this facility may submit to the Company the prescribed form 2B, if not already filed.
9. Members/Proxy should bring the attendance slip by duly filled-in for attending the meeting.
10. Members are requested to bring copies of Annual Report to the Meeting.

By Order of the Board of Directors
for **THE ANTI-FRICTION BEARINGS CORPORATION LIMITED**

D. MALLA REDDY
Company Secretary

Registered Office:

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

Dated: 24th May, 2000.

The Antifriction Bearings Corporation Limited

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present their 39th Annual Report and the Audited Accounts of the Company for the year ended 31st March, 2000.

FINANCIAL RESULTS:

	Rupees in lacs	
	Year ended 31.03.2000	Year ended 31.03.1999
Gross profit before Interest,		
Depreciation and Tax	1682.88	518.27
Less: Interest & Fin. charges	861.15	1036.71
Depreciation	597.83	484.87
	<u>1458.98</u>	<u>1521.58</u>
Profit before tax	223.90	(1003.31)
Less Provision for tax (MAT)	7.90	—
Profit after tax	<u>216.00</u>	<u>(1003.31)</u>
Add: Balance brought forward from previous year	(658.92)	257.79
Amount transferred from Investment		
Allowance Reserve	—	86.60
Amount available for appropriations:	<u>(442.92)</u>	<u>(658.92)</u>
APPROPRIATIONS:		
Loss carried to Balance Sheet	<u>(442.92)</u>	<u>(658.92)</u>

OPERATIONS:

During the year under review sales has increased from Rs.7177 lacs to Rs.10504 lacs, marking an increase of 46%. During the year the Company was able to generate a profit of Rs.223.90 lacs in spite of difficult market conditions and no substantial improvement in the Auto Sector, in which the company's products are primarily focussed (Commercial Vehicles and Tractors). In order to improve the performance of your Company, the management has taken several steps including, increasing dealer network, improving productivity, quality standards, and adding new customers. During the year, the company has exported bearings worth Rs.33.43 lacs and are exploring possibilities to increase the same substantially.

The Company is also endeavouring to increase capacity utilisation by increasing and expanding its market share which will enable it to distribute overheads and reduce costs, thereby improving the margins.

The pending wage settlement at the Lonavla plant was resolved during the year and a long term agreement has been reached with the workmen. The financial burden on account of arrears for the past 3 years amounted to Rs.96.11 lacs and the same is expensed in the accounts for the year.

COLLABORATION:

The collaborators NSK Ltd., Japan continue to render valuable technical support to the Company in the field of technology upgradation and system improvements. With their assistance, your Company has been able to develop and manufacture bearings for Toyota Kirloskar Motors (TKM) for their Qualis Vehicle. Presently your Company is the exclusive indigenous supplier of these bearings to TKM.

QUALITY CERTIFICATION:

Most of the customers have awarded self certification to the Company for its products. The plants continue to enjoy the ISO 9001 and QS 9000 certification.

DIVIDEND:

In view of the carried forward losses, your Directors have not recommended declaration of any dividend for the year.

RIGHTS ISSUE:

Your Company offered Equity Shares on Rights Basis to the existing shareholders at par in the ratio of one share for every share held by them. The response to the rights issue of shares was practically fully subscribed and the paid up capital after the issue increased to Rs.1155.00 lacs.

DEMATERIALIZATION OF SHARES:

As part of its efforts to provide better investor service, the Company has admitted its Equity Shares in the Depository Systems of National Securities Depository Ltd. and Central Depository Services (India) Ltd. and has offered the investors the facility to hold the shares in electronic form and scripless trading of the same.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information in accordance with the provisions 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, regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are given in the annexure forming part of this report.

PARTICULARS OF EMPLOYEES:

As required by the provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of employees are set out in the annexure to the Directors' Report. However, the above information is not being sent along with the Annual Report and any shareholder interested in obtaining such information, may write to the Registered Office of the Company.

FIXED DEPOSITS:

During the year under review, your Company has not accepted or renewed any Fixed Deposits. Out of the existing fixed deposits of Rs.59.43 lacs Rs.2.39 lacs had matured but not claimed during the year.

DIRECTORS:

As per provisions of Companies Act, 1956 and the Articles of Association of the Company, Mr. S.K. Diwanji and Mr. V.C. Vaidya, Directors, retire by rotation and being eligible, offer themselves for re-appointment.

AUDITORS:

M/s. Parikh & Shah, the retiring Auditors have furnished certificate regarding eligibility for reappointment.

INDUSTRIAL RELATIONS:

Industrial relations continued to remain cordial at all the plants and H.O.

ACKNOWLEDGEMENT:

The management wishes to acknowledge their sincere thanks to the financial institutions and banks for their continued support and co-operation.

For and on behalf of the Board

M.I. PATEL
Chairman

Mumbai,
Dated:24th May, 2000.



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:

Conservation of energy is considered as one of the continuous improvement activity.

1. High energy consumption area like furnaces and utility services (compressors) are planned for optimum utilisation.
2. High power loads staggered to control max. demand.
3. PID controller is installed for the temperature control of furnaces.
4. Low productive and high energy consumption machines discontinued from the operation.
5. DC motors were replaced with energy saving soft start drives.
6. Conventional lighting has been replaced by Energy Saving lighting for certain office and Shop floor areas.
7. For Utilities such as Compressed Air System
 - (a) All leakages whenever observed were promptly attended.

- (b) Reduction in operating pressure wherever possible.
- (c) Switching - off Extra Compressors during part load and Lunch hours.
8. In certain areas number of Operational Coolant Pumps were reduced.

B. TECHNOLOGY ABSORPTION:

During the year under review Company's engineers were given training by M/s. NSK Ltd., both in India and in Japan, which has resulted in the improvement of productivity as well as quality standards.

Implementing the various technological upgradation in the plant has benefited the Company in controlling costs and to compete in quality with other bearing manufacturers.

The Company has been able to develop new bearings to meet the customer's requirements especially for Toyota Kirloskar Motors (TKM) and presently is the exclusive indigenous supplier of these bearings to TKM.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Earnings	:	Rs. 33.43 lacs
Outgo	:	Rs. 675.24 lacs

SHARE HOLDING PATTERN - EQUITY SHARES

As at 31st March, 2000

Shares held	No. of shareholders	Total No. of Shares
upto 50	1891	51258
51 to 100	1639	132678
101 to 300	2512	477830
301 to 500	689	284889
501 to 1000	640	453372
1001 to 5000	386	739040
5001 & above	63	9410933
Grand Total	7820	11550000

DISTRIBUTION OF EQUITY SHARES

AS AT 31ST MARCH, 2000

	Non Residents	Public Financial Institutions, Nationalised banks & Ins. Companies	Mutual Funds	Indian Companies	Others	Total
Number of shareholders	40	15	3	85	7677	7820
Shares held	2898813	2817411	195	227548	5606033	11550000