



# **The Antifriction Bearings Corporation Limited**

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# 41

Annual Report  
2001-2002

## The Antifriction Bearings Corporation Limited

<b>BOARD OF DIRECTORS</b>	M.I. Patel	Executive Chairman
	S.M. Patel	Vice Chairman
	P.M. Patel	Managing Director
	T.M. Patel	Executive Director
	C.U. Shah	
	Y.H. Malegam	
	S.K. Diwanji	
	V.C. Vaidya	
	T. Raghavendran	(ICICI Nominee)
<b>CHIEF EXECUTIVE</b>	B.N. Vidholia	
<b>AUDITORS</b>	Parikh & Shah	
	Chartered Accountants	
<b>COST AUDITORS</b>	B.J.D Nanabhoy & Co.	
	Cost Accountants	
<b>SOLICITORS</b>	Desai & Diwanji	
	Advocates & Solicitors	
<b>BANKERS</b>	Bank of Baroda	
	Corporation Bank	
	HDFC Bank Ltd.	
	ICICI Bank Ltd.	
<b>REGISTERED OFFICE</b>	402-B, Poonam Chambers, Dr. Annie Besant Road, Worli, Mumbai 400 018.	
<b>REGISTRARS &amp; TRANSFER AGENTS</b>	Bigshare Services Pvt. Ltd. E-2, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai 400 072.	
<b>WORKS</b>	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 Forty-first Annual General Meeting of the Members of THE ANTIFRICTION BEARINGS CORPORATION LIMITED will be held on **Wednesday, the 28<sup>th</sup> August 2002** 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 31<sup>st</sup> March, 2002 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Y.H. Malegam, 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.

### SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass, with or without modifications, the following Resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to provisions of Sections 198, 269, 309, 310, 314 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the re-appointment of Mr. T.M.Patel as Executive Director of the Company for a period of five years with effect from 1<sup>st</sup> February 2003, on the terms and conditions including remuneration as are set out in the draft Agreement to be entered into by the Company with him, which agreement is hereby specifically sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or Agreement, in accordance with Schedule XIII to the Companies Act, 1956, and/or any amendments and/or modifications including any guidelines or notifications on managerial remuneration which may be issued or any rules that may be prescribed by the Central Government thereunder from time to time and acceptable to Mr.T.M.Patel or as may be varied by the General Meeting and that the consent of the Company be and is hereby accorded to his holding an office or place of profit as a Wholtime Director."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to vary and/or alter and/or modify the terms and conditions relating to remuneration, commission payable and perquisites to be provided for Mr.T.M.Patel as Executive Director of the Company in accordance with any changes that may be effected from time to time in Schedule XIII to the Companies Act, 1956, if any, any amendments and/or modifications including any guidelines or modifications as may be made by the Central Government from time to time."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary to give effect to this resolution."

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 and are hereby altered in the manner and to the extent following:

The following new Articles No.37A and 37B be inserted after the existing Article 37:

#### 37A NOMINATION:

- (1) Every holder of share(s) in and/or debenture(s) of the Company, may at any time nominate, in the manner prescribed under the Act, a person to whom his share(s) in, and/or debenture(s) of the Company, shall vest in the event of his death.
- (2) Where the share(s) in, and/or debenture(s) of the Company, are held by more than one person jointly, all the joint holders may together nominate, in the manner prescribed under the Act, a person to whom all the rights in the share(s) and/or debenture(s) of the Company, as the case may be, shall vest in the event of death of all the joint holders.
- (3) Notwithstanding anything contained in any other law for the time being in force or in these Articles or in any disposition, whether testamentary or otherwise, in respect of such share(s) in, and/or debenture(s) of the Company, where a nomination made in the manner prescribed under the Act, purports to confer on any person the right to vest the share(s) in, and/or debenture(s) of the Company, the nominee shall, on the death of the shareholder and/or debentureholder concerned or on the death of all the joint holders, as the case may be, become entitled to all the rights in relation to such share(s) and/or debenture(s) to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner prescribed under the Act.
- (4) Where the nominee is a minor, the holder of the share(s) in, and/or debenture(s) of the Company, can make a nomination in the manner prescribed under the Act, to appoint any person to become entitled to the share(s) in, and/or debenture(s) of the Company, in the event of his death, during the minority.

- 37B (1) Notwithstanding anything contained in these Articles, any person who becomes a nominee by virtue of the provisions of Article 37A upon the production of such evidence as may be required by the Board, and subject as hereinafter provided, may elect either –

- (a) to be registered himself as holder of the share(s) and/or debenture(s), as the case may be; or
- (b) to make such transfer of the share(s) and/or debenture(s), as the case may be, as the deceased shareholder and/or debentureholder, as the case may be, could have made.
- (2) If the person being a nominee, so becoming entitled, elects to be registered as holder of the share(s) and/or debenture(s) himself, he shall deliver or send to the Company, a notice in writing duly signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder and/or debentureholder, as the case may be.
- (3) All the limitations, restrictions and provisions of the Act, relating to the right to transfer and the registration of transfer of share(s) and/or debenture(s) shall be applicable to any such notice or transfer as aforesaid as if the death of the shareholder/debentureholder had not occurred and the notice or transfer were a transfer signed by that shareholder and/or debentureholder, as the case may be.
- (4) A person, being a nominee, becoming entitled to the share(s) and/or debenture(s) by reason of the death of the holder, shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the

## The Antifriction Bearings Corporation Limited

share(s) and/or debenture(s), except that he shall not, before being registered a member, in respect of his share(s) or debenture(s), be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company;

Provided 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(s) and/or debenture(s) and if the notice is not complied within ninety days, the Board may thereafter withhold payment of all dividends, bonuses, or other moneys payable in respect of the share(s) and/or debenture(s), until the requirements of the notice have been complied with.

The following new Article No.78A be inserted after the existing Article No. 78.

### 78A. PASSING OF RESOLUTIONS BY POSTAL BALLOT :

Notwithstanding anything contained in these Articles, pursuant to Section 192A of the Companies Act, 1956, the Company may, and in the case of resolution relating to such business as the Central Government may, by notification, declare to be conducted only by postal ballot (including voting by electronic mode), shall, get any resolution passed by means of a postal ballot (including voting by electronic mode) instead of/in addition to transacting the business in the General Meeting of the Company. Where the Company decides to pass any resolution by postal ballot, it shall send a notice by registered post acknowledgement due, or by any other method as may be prescribed by the Central Government in this behalf to all the shareholders, along with draft resolution explaining reasons therefor, and requesting them to send their assent or dissent in writing on a postal ballot, in postage pre-paid envelope to be provided by the Company, within a period of 30 days or within such period as may be prescribed by the Central Government from the date of posting of the notice.

If a resolution is assented by a requisite majority of the shareholders by means of postal ballot (including voting by electronic mode), it shall be deemed to have been duly passed at a General Meeting in that behalf."

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

"RESOLVED THAT pursuant to Section 21 and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of the Central Government, the name of the Company be and is hereby changed from THE ANTIFRICTION BEARINGS CORPORATION LIMITED TO "ABC BEARINGS LIMITED."

"FURTHER RESOLVED THAT the name of THE ANTIFRICTION BEARINGS CORPORATION LIMITED, wherever it appears in the Memorandum and Articles of Association of the Company, Documents, Contracts, etc. be substituted by the new name "ABC BEARINGS LIMITED" with effect from the date the new name takes effect."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be required, considered necessary or incidental thereto, to give effect to the aforesaid resolution."

### 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.5 as set out above is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will be closed from Wednesday, the 14<sup>th</sup> August, 2002 to Wednesday, the 28<sup>th</sup> August, 2002 (both days inclusive).
4. Members 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.
5. Members are requested to send all future correspondence in respect of their change of address and transfer of shares etc., directly to the Share Transfer Agents at the following address: -  
BIGSHARE SERVICES PVT. LTD.  
E-2, ANSA INDUSTRIAL ESTATE, SAKIVIHAR ROAD, SAKI NAKA,  
ANDHERI (E), MUMBAI-400 072. TEL. NOS.: 8560652 / 8560653  
FAX NO. 8525207
6. Members are requested to quote their Folio Number(s) in all correspondence with the Company's Share Transfer Agents.
7. Members/Proxy should bring the attendance slip duly filled-in for attending the meeting.
8. Members are requested to bring copy of Annual Report to the Meeting.

By Order of the Board of Directors  
For THE ANTIFRICTION BEARINGS CORPORATION LIMITED

P.M. PATEL  
MANAGING DIRECTOR

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

Mumbai.  
Dated: 17<sup>th</sup> June, 2002.



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

### Item No. 5:

The Directors have at their meeting held on 17th June, 2002 re-appointed Mr.T.M.Patel as Wholetime Director, designated as Executive Director, for a further period of 5 years with effect from 1st February 2003, on the following terms and conditions :

- A. Salary : Rs.1,10,000/- per month from 1st February 2003, with annual increment of 10%
- B. Perquisites & Allowances : In addition to salary, the Executive Director shall be entitled to perquisites and benefits like accomodation (furnished or otherwise) or House Rent Allowance in lieu thereof, maintenance and upkeep, monthly outgoings, cost of repairs, furnishings, payment of actual expenses for gas, electricity, water, medical expenses, leave travel for self and family, club fees, medical/accident insurance, and such other perquisites, subject to overall ceiling of remuneration stipulated in Section 198 and 309 of the Companies Act, 1956.
- C. Commission : As may be decided by the Board of Directors at the end of each year calculated with reference to the net profit of the Company during the financial year.
- D. Minimum Remuneration : Notwithstanding anything herein contained, where in any financial year during the currency of that tenure of the Executive Director, the Company has no profits or the profits are inadequate , the Company will pay remuneration by way of salary and perquisites as stated above but shall not exceed the limits prescribed under Schedule XIII to the Companies Act, 1956, and other provisions thereof or any amendments, variations, modifications or re-enactment.

The particulars set out above may be treated as an abstract of the draft agreement proposed to be entered into between the Company and Mr. T.M.Patel which is required to be given to every member under the provisions of Section 302 (2) of the Companies Act, 1956.

None of the Directors of the Company is in any way concerned or interested in the aforesaid resolution except Mr. M.I.Patel, Mr.P.M.Patel and Mr. S.M.Patel being related to him.

Mr.T.M.Patel has been instrumental in dexterously managing the affairs of the Company's plant situated at Bharuch. It would, therefore, be desirable to re-appoint him for a further period of five years.

Mr.T.M.Patel shall not be subject to retirement by rotation during his tenure in office as Executive Director.

The Board of Directors of the Company recommends the passing of resolution for the re-appointment of Mr.T.M.Patel as Executive Director for a further term of 5 years commencing from 1st February, 2003.

A draft of the Agreement to be entered into with Mr. T.M.Patel, referred to above, is available for inspection by the members of the Company at the Registered Office of the Company between 10.00 a.m. and 1.00 p.m. on all working days of the Company till the date of the Annual General Meeting.

### Item No. 6:

As per the amendments to the Companies Act, 1956, new Sections 109A and 109B were inserted to provide that every holder of share(s) or debenture(s) of the Company may at any time nominate in the prescribed manner, a person to whom his share(s) in, or debenture(s) of the Company shall vest in the event of his death. It is proposed to alter the Articles of Association of the Company by inserting new Articles 37A and 37B to give effect to the said provisions.

Similarly, new Article 78A is proposed to be inserted to meet the requirements of new Section 192A for passing of certain resolutions by postal ballot.

According to Section 31 of the Companies Act, 1956, it is necessary to pass a Special Resolution to amend any of the provisions of the Articles of Association. Therefore, the Board recommends the resolution for the approval of the members.

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

### Item No. 7:

The products of the Company are marketed under the brand name of ABC and the Company is widely known amongst its customes as "ABC BEARINGS". Therefore, in order to synchronise the Company's name with its brand name, it is now proposed to change the name of the Comapny to "ABC BEARINGS LIMITED."

Your Directors are of the opinion that the proposed corporate name being similar to its brand name will bring about an enhancement in its product sales.

The Company will be making an application to the Registrar of Companies for availability of name. Accordingly, the Directors recommend the passing of a Special Resolution, placed at item No.7 of the accompanying notice.

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

By Order of the Board of Directors  
For THE ANTIFRICTION BEARINGS CORPORATION LIMITED

Registered Office  
402-B, Poonam Chambers,  
Dr. Annie Besant Road,  
Worli, Mumbai - 400 018.  
Dated: 17<sup>th</sup> June, 2002.

P.M. PATEL  
MANAGING DIRECTOR

## The Antifriction Bearings Corporation Limited

### DIRECTORS' REPORT

To the Members,

The Directors present herewith their Forty-first Annual Report with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March 2002.

#### FINANCIAL RESULTS :

	Year ended 31.03.2002 Rs. in lacs	Year ended 31.03.2001 Rs. in lacs
Gross Profit / (Loss) before Interest, Depreciation, Extraordinary Items and Tax	863.39	973.27
Add: Extraordinary Income	—	980.98
Gross Profit / (Loss) before Interest, Depreciation and Tax	863.39	1954.25
Less: Interest & Finance Charges	736.87	1053.48
Depreciation	408.72	535.92
	1145.59	1589.40
Profit / (Loss) before Exceptional Items & Tax	(282.20)	364.85
Less: Provision for Diminution in Value of Investments	293.80	—
Profit / (Loss) after Exceptional Items & before Tax	(576.00)	364.85
Less: Provision for tax	—	35.00
Current tax	—	—
Deferred tax credit	100.46	—
Profit / Loss after tax	(475.54)	329.85
Prior Period Adjustment (Net)	(58.54)	—
Add: Balance brought forward from previous year	—	(442.92)
Less: Transfer from General Reserve	—	113.07
Balance carried to Balance Sheet	(534.08)	—

#### DIVIDEND :

Your Directors have not recommended payment of any dividend for the financial year under review, due to loss suffered by your Company.

#### MANAGEMENT DISCUSSION AND ANALYSIS :

ABC, with plants at Lonavla and Bharuch, manufactures mainly Tapered Roller and Cylindrical Roller Bearings, focusing its sales efforts on the commercial vehicle and tractor industry. The Company entered into a long term Licensing and Technical Assistance Agreement for Ball and Tapered Roller Bearings with NSK Ltd., Japan, the second-largest bearings' manufacturer in the world. However, due to continuous decline in demand for ball bearings, the Company exited from the Ball Bearing business in the last quarter of year 2001 and instead increased its thrust in the Tapered and Cylindrical Roller segments of the industry.

##### a) Industry Structure and Developments:

The industry comprises of about twelve major players in the organised sector and innumerable units in the unorganised sector. The total bearing demand in India is estimated at Rs. 2,100 crores. Almost all the major international bearings' manufacturers are represented in India by way of technical and/or financial assistance to Indian companies.

The growth of the bearings industry is in a major way linked to the growth of the automobile industry. There has been an overall decline in growth over the past three years due to slow-down in Indian economy as well as the dumping of cheap imported bearings.

##### b) Opportunities and Threats

Our Industry growth has been severely affected by the slow-down in Indian economy. During the past four years there has been a steady decrease in import duties leading to an upsurge of cheap imported bearings. Further, the influx of spurious bearings has also contributed severely towards the overall damage to our industry.

Your company is one of the leading players in the Tapered Roller and Cylindrical Roller Bearings segments and is geared to regain its position as a market leader in the Tapered Roller segment.

##### c) Segment-wise performance

Your Company has only one segment of activity namely 'Bearings' as defined by Accounting Standard 17 issued by the Institute of Chartered Accountants of India. The overall performance of your Company is discussed separately in this report.

##### d) Outlook

A sustained growth in the automobile sector would give the necessary boost to our industry. Currently, the Truck and Tractor segments are improving. Our tie-up with 'NSK' Japan has assisted your Company in securing firm orders for transmission bearings for Toyota Kirloskar Motor Ltd. Signs of improvement in the economy are visible. The thrust on exports, started a few years ago, shows emerging results.

Your Company's management is making all-out efforts to post a growth significantly better than the prevalent trend in economy.

##### e) Risks and concerns

Like any other industry, our bearings industry is also affected by the downturn in economy, the social and political unrests, strikes, curfews, etc. Operations at our main plant, situated at Bharuch in Gujarat, was grievously affected on account of communal riots during February and March of the year under review.

Our industry is a capital-intensive industry. The working capital requirements are relatively high. The depressed market conditions in the automobile sector and the sluggish economy have led to increased credit periods to customers and increased discounts, resulting thereby in low realisations and continuous impediments to proper working capital usage.

##### f) Internal control systems and their adequacy

The Company has engaged a firm of Chartered Accountants, a full-fledged internal audit agency, staffed with qualified and experienced persons, who conduct regular review of the financial and operating controls at various locations of the Company. The Audit Committee, at their meetings, in the presence of the Statutory as well as the Internal Auditors also reviews the Internal Control systems and their adequacy.

##### g) Financial performance with respect to operations

During the year under review, sales reduced to Rs. 75.24 crores as against Rs. 101.04 crores during the previous year. The Commercial Vehicle and Tractor industry to which your Company caters substantially, continued to exhibit negative growth. The impact of revival measures in both Commercial vehicles and Tractor industry failed to have any significant effect. After the sale of the assets of Company's Ball Bearing Division, the expectations of increased profitability could not materialise mainly due to the negative growth in both Truck and Tractor segments, where our Company's products are mainly focused. Also fierce competition in the after-market brought about a tremendous reduction in demand resulting in a steep decrease in production. Your Company, however, has taken adequate cost-reduction measures, which will have positive long term effects, to reduce the impact of this downward trend and has effectively reduced the quantum of loss. Significantly, despite the severe battering taken by your Company on account of steep decline in sales, no cash loss has been incurred in the year under review.

##### h) Human Resources and Industrial Relations

Your Company recognises employee satisfaction and morale as a key for sustained growth and recognises training as an integral part of employee development. Adequate measures for the same have been carried out for the year under review.

Industrial relations have been cordial. During the year, your Company has continued with its restructuring operations aiming at cost efficacy and viability of operations.

Your Company has strength of 878 employees as at 31<sup>st</sup> March 2002.

#### COLLABORATION :

The Company's Collaborators NSK Ltd., Japan, continued to render valuable technical support to the Company in the field of technology



upgradation and system improvements. With their support your Company was able to develop bearings and secure order for the same from Toyota Kirloskar Motor Ltd. (TKM) for their requirements of bearings for manufacture of transmissions for the world market. The Company continues to be exclusive indigenous supplier of Taper Roller Bearings for TKM's Qualis Vehicles.

### QUALITY CERTIFICATION :

The plants continue to enjoy the ISO 9001 and QS 9000 Certification. As reported in the previous reports, most of the customers have awarded self-certification to the Company for its products for Direct Online supply.

### DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to Section 217(2AA) of the Companies Act 1956, your Directors report that: -

1. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanatory statement relating to material departures, if any.
2. such accounting policies have been selected and applied consistently and the judgments and estimates made 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 the financial year and of the Profit or Loss of the Company for that year.
3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. the accounts have been prepared on a going concern basis.

### FIXED DEPOSITS:

The Company has not accepted or renewed any fixed deposits from the public during the year under Section 58A of the Companies Act, 1956. Deposits amounting to Rs. 2 lacs matured on or before 31<sup>st</sup> March 2002 were not claimed by the depositors as on that date.

### DIRECTORS:

In accordance with Article 104 of the Articles of Association of the Company, Directors Mr. Y.H. Malegam and Mr. V.C. Vaidya retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. Necessary resolutions for their reappointment are being placed before the members for their approval.

### CORPORATE GOVERNANCE

Your Directors are pleased to advise you that your Company has implemented the requirements of the Code of Corporate Governance in accordance with Clause 49 of the Listing Agreement with the BSE, where the shares of your Company are listed, in the manner as detailed in a Report on Corporate Governance included as a part of the Annual Report.

The Management Discussion and Analysis Report forms part of the Director's Report. A certificate from the Auditors of the Company regarding compliance of the Code of Corporate Governance is annexed to the Directors' Report.

### REPORT ON ENERGY CONSERVATION AND RESEARCH AND DEVELOPMENT ACTIVITIES:

Information relating to Energy Conservation, Foreign Exchange Earned and Spent and Research and Development activities undertaken by the Company 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, is given in the annexure to the Directors' Report.

### AUDITORS:

M/s. Parikh & Shah, Chartered Accountants, the Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for reappointment. The Company has received confirmation that their appointment will be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

### PARTICULARS RELATING TO EMPLOYEES :

Information pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is not given as none of the employees has drawn more than Rs.24 lacs per annum.

### ACKNOWLEDGEMENT :

The Directors wish to place on record their deep sense of appreciation for the committed services of the employees of the Company at all levels. The Directors would also like to express their sincere appreciation for the assistance and co-operation received from Financial Institutions, Banks, Customers and Dealers, during the year.

For and on behalf of the Board

Mumbai,

17<sup>th</sup> June, 2002.

M.I. PATEL

Executive Chairman

## 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 a continuous improvement activity. During the year under report, your Company has engaged the services of M/s. Electrical Research and Development Association, Vadodara for conducting Energy Audit. Based on their observations and reports, potential areas for energy saving were further identified and steps are being taken to implement the same.

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 report 'NSK' experts continued to visit the plant offering techniques for adapting to improvement in areas of manufacturing, quality assurances, etc. Project for continuous improvement in reducing machine setting time as well as cycle times were taken up under the guidance of the NSK experts. Techniques for upgradation of product quality, product life and product efficiency were also taken up.

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

Earnings : Rs. 83.48 lacs

Outgo : Rs.210.81 lacs

## The Antifriction Bearings Corporation Limited

## 10 YEARS' HIGHLIGHTS

(Rupees in lacs)

PARTICULARS	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Sales & Other Income	7485.30	6405.88	8196.09	10462.81	11779.18	8030.53	7367.20	10732.50	11408.92	7717.56
Materials Consumed	3249.05	2991.02	3528.92	4552.97	4750.45	2926.95	3329.07	4078.40	5305.62	3349.51
Excise Duty	1328.56	1023.24	1332.58	1368.86	1513.34	901.51	885.48	1708.77	1259.41	1031.07
Employee Cost	621.69	664.70	811.37	889.32	873.44	1032.49	1137.74	1441.48	1357.46	1108.07
Interest & Finance Charges	622.48	476.23	509.03	766.81	930.43	946.70	1036.71	861.15	1053.48	736.87
Depreciation	273.76	218.65	314.74	526.83	796.95	533.57	484.88	597.83	535.92	408.72
Other Expenses	822.55	788.51	1294.12	1694.01	2003.97	1606.87	1496.63	1820.97	1532.18	1365.52
Profit / (Loss) Before Tax & Exceptional Items	567.21	243.53	405.33	664.01	910.60	82.44	-1003.31	223.90	364.85	-282.20
Diminution in value of Investments	-	-	-	-	-	-	-	-	-	293.80
Provision for Current Tax	212.00	0.00	65.00	14.07	135.00	9.00	-	7.90	35.00	-
Provision for Deferred Tax(Cr)	-	-	-	-	-	-	-	-	-	100.46
Profit / (Loss) After Tax & Exceptional Items	355.21	243.53	340.33	649.94	755.60	73.44	-1003.31	216.00	329.85	-475.54
Prior Period Adjustment (net)	-	-	-	-	-	-	-	-	-	58.54
Equity Dividend Rs.	115.58	115.58	173.37	202.96	202.96	63.57	0.00	0.00	0.00	0.00
Equity Dividend %	30.00	30.00	30.00	35.00	35.00	10.00	0.00	0.00	0.00	0.00
Retained Earnings	239.63	127.95	166.96	446.98	572.64	9.87	-1003.31	216.00	329.85	-475.54
Gross Fixed Assets	4264.34	4685.36	5897.91	9129.50	11062.96	11459.33	11499.26	11655.99	8683.15	8821.30
Net Fixed Assets	2127.36	2330.10	3257.81	6039.22	7295.23	7158.03	6834.21	6450.77	4546.46	4349.79
Investments	230.42	180.40	183.22	183.22	183.22	183.22	183.02	183.02	383.02	22.91
Net Current Assets	2746.73	2156.25	2667.20	3044.38	3499.83	4066.27	3354.38	4192.76	4002.45	3241.53
Deferred Revenue Exp.	-	-	-	-	-	-	-	-	-	160.32
Total Assets (Net)	5104.51	4163.19	6132.67	9266.82	10978.28	11407.52	10371.61	10826.55	8931.93	7134.05
Share Capital - Equity	385.26	385.26	577.89	577.89	577.89	577.89	577.89	1155.00	1155.00	1155.00
Reserves and Surplus	1846.60	1974.55	1948.89	2396.57	2971.11	2980.98	1977.67	2193.67	2523.52	1248.48
Net Worth	2231.86	2359.81	2526.78	2974.46	3549.00	3558.87	2555.56	3348.67	3678.52	2403.48
Borrowings	2872.65	2403.38	3605.89	6292.36	7429.28	7848.65	7816.05	7477.88	5253.41	4730.57
Total Liabilities	5104.51	4763.19	6132.67	9266.82	10978.28	11407.52	10371.61	10826.55	8931.93	7134.05
Earnings per Share	9.22	6.32	5.89	11.25	13.42	1.27	-17.36	2.52	2.86	-4.62
Book value per Share	57.93	61.25	43.72	51.47	61.41	61.58	44.22	28.99	31.85	20.81
Debt: Equity	1.29	1.02	1.43	2.12	2.09	2.21	3.06	2.23	1.43	2.11
Turnover/Inventory(Times)	4.08	3.78	4.44	4.47	4.03	2.50	3.09	3.33	6.84	5.78
Turnover/Net Block	3.52	2.75	2.52	1.73	1.61	1.12	1.08	1.66	2.51	1.77
Current Assets / Current Liabilities	3.66	2.62	2.81	2.43	2.39	3.23	2.73	2.85	3.09	3.35
Number of Shareholders	7122	7119	6864	6990	7252	7302	7397	7820	8764	8603
No. of Employees	1267	1149	1147	1295	1353	1358	1394	1341	1198	878