



Mr. T. M. Patel, Executive Director, lighting the lamp at the Annual Distributors' Conference at Goa.



Mr. S. M. Patel, Chairman, giving the Best Overall Performance Award to M/S Madras Auto Service.



New atmosphere controlled assembly facility at Bharuch.

BOOK - POST

To,

ABC

ABC Bearings Limited



If Underlivered, please return to:
ABC Bearings Limited
Registered Office : 402-B, Poonam Chambers
Dr. Annie Besant Road, Worli, Mumbai 400 018.

One Impressions Vast 5325- 202372

48
Annual Report
2008-2009

| | | | |
|---|---|-----------------|--------------------|
| BOARD OF DIRECTORS | S. M. Patel | - | Chairman |
| | P. M. Patel | - | Managing Director |
| | T. M. Patel | - | Executive Director |
| | C. U. Shah | | |
| | Y. H. Malegam | | |
| | S. K. Diwanji | | |
| | V. C. Vaidya | Upto 26.03.2009 | |
| | Jal R. Patel | | |
| C.E.O. | Sanjiv Kumar | | |
| COMPANY SECRETARY | S. B. Desai | | |
| AUDITORS | Parikh & Shah | | |
| | Chartered Accountants | | |
| COST AUDITORS | B. J. D Nanabhoy & Co. | | |
| | Cost Accountants | | |
| SOLICITORS | Desai & Diwanji | | |
| | Advocates & Solicitors | | |
| BANKERS | Bank of Baroda | | |
| | Corporation Bank | | |
| | Axis Bank Ltd. | | |
| | Kotak Mahindra Bank Ltd. | | |
| | The Hongkong and Shanghai Banking Corporation Ltd. | | |
| | Standard Chartered Bank | | |
| | Yes Bank Ltd. | | |
| REGISTERED OFFICE | 402-B, Poonam Chambers, Dr. Annie Besant Road, Worli, Mumbai-400 018. | | |
| | Phone : 022-24964500, 24964501, 56608851 | | |
| | Fax : 022-24950527 E-mail: regdoff@abcbearings.com | | |
| REGISTRARS & TRANSFER AGENTS | Bigshare Services Pvt. Ltd. | | |
| | E-2, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai 400 072.Tel.: 022-28470652/28470653 | | |
| | Fax: 022-28475207 E-mail: marketing@bigshareonline.com | | |
| WORKS | 1. Plot No.1-B, GIDC Industrial Estate, Bharuch - 392 015, Gujarat State. | | |
| | Phone: 02642- 248222/3/4, 246353 | | |
| | Fax : 02642- 248221, 247591 | | |
| | E-mail: mktbrh@abcbearings.com | | |
| | 2. Plot No.109-B, GIDC Industrial Estate, Bharuch - 392 015, Gujarat State. | | |
| | 3. Pandit Jawaharlal Nehru Marg, Lonavla - 410 401, Maharashtra State. | | |

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NOTICE

NOTICE is hereby given that the Forty-eighth Annual General Meeting of the Members of ABC Bearings Limited will be held on Tuesday, the 21st July, 2009 at 4.00 p.m. at Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2009 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 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 re-appointment.
4. To appoint a Director in place of Mr. Jal R. Patel, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration

SPECIAL BUSINESS:

6. To consider and, if thought fit, to pass with or without modifications, the following resolution as a SPECIAL RESOLUTION:-

"RESOLVED THAT in partial modification of Ordinary Resolution passed at the 45th Annual General Meeting held on 10th August, 2006 and pursuant to provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, (as may be re-enacted or modified from time to time), and subject to the approval of the Central Government consent of the Company be and is hereby accorded to the terms and conditions including remuneration payable to Mr. P. M. Patel, Managing Director for the remainder period of his term from 01/04/2009 to 31/07/2011 as set out in the draft Agreement to be executed between the Company and Mr. P. M. Patel placed before the meeting and duly initialled by the Chairman for the purpose of identification, which Agreement is hereby specifically sanctioned, with liberty to the Board of Directors to alter and vary the terms and conditions of appointment, but so as not to exceed the remuneration and perquisites set out in the draft Agreement."

"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."

7. To consider and, if thought fit, to pass with or without modifications, the following resolution as a SPECIAL RESOLUTION:-

"RESOLVED THAT in partial modification of Ordinary Resolution passed at the 46th Annual General Meeting held on 24th July, 2007 and pursuant to provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, (as may be re-enacted or modified from time to time), and subject to the approval of the Central Government consent of the Company be and is hereby accorded to the terms and conditions including remuneration payable to Mr. T. M. Patel, Executive Director for the period from 01/04/2009 to 31/03/2012 as set out in the draft Agreement to be executed between the Company and Mr. T. M. Patel placed before the meeting and duly initialled by the Chairman for the purpose of identification, which Agreement is hereby specifically sanctioned, with liberty to the Board of Directors to alter and vary the terms and conditions of appointment, but so as not to exceed the remuneration and perquisites set out in the draft Agreement."

"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."

8. To consider and, if thought fit, to pass with or without modifications, the following resolution as an ORDINARY RESOLUTION:-

"RESOLVED THAT pursuant to the provisions of Section 258 and other applicable provisions, if any of the Companies Act, 1956 and subject to the approval of members in general meeting, casual vacancy caused due to the resignation of Mr. V. C. Vaidya need not be filled in. "

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 of the Company. The instrument of proxy should, however be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the meeting.
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the Special Business to be transacted at the meeting is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will be closed from Tuesday, the 14th July, 2009 to Tuesday, the 21st July, 2009 (both days inclusive).
4. i) Pursuant to Section 205A of the Companies Act, 1956, the unclaimed dividend upto the financial year ended 31st March, 1998 has been transferred to Investor Education and Protection Fund (IEPF) established under Section 205C of the Companies Act, 1956.

ii) Those members who have not encashed the dividend warrants for the financial years 2003-04 to 2007-08 are requested to return the time barred dividend warrants to the Company's registered office at 402-B, Poonam Chambers, Dr. Annie Besant Road, Worli, Mumbai – 400018 for issue of duplicate dividend warrant.
5. As per SEBI's Notification dated 16th February, 2000, the equity shares of the Company have been compulsorily dematerialised and sale/purchase of the same is required to take place in dematerialised form only. You are advised to get your shares dematerialised through NSDL or CDSL. They have allotted ISIN Number INE 779A01011. Members are requested in their interest, to please return the physical certificates through their Depository Participants (DP).
6. The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the depositories/members for depositing dividend or payment through Electronic Clearing Service (ECS) to investors wherever ECS and bank details are available, for distribution of dividend.
7. 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.
8. Members are requested to send all future correspondence in respect of their change of address, transfer of shares or any other query, 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.: 022-28470652 | 28470653
Fax: 022-28475207
E-mail: marketing@bigshareonline.com
Website: www.bigshareonline.com
9. Members are requested to quote their Folio/DP ID Number(s) in all correspondence with the Company's Share Transfer Agents.
10. Members/Proxy should bring the attendance slip duly filled-in for attending the meeting.
11. Members are requested to bring their copy of Annual Report to the Meeting.

By Order of the Board of Directors

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

S. B. Desai
Company Secretary

Date: 8th May, 2009.

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

Item No.6:

At 45th Annual General Meeting of the Company held on 10th August, 2006 Mr. P. M. Patel was reappointed as Managing Director for a further period of 5 years with effect from 1st August 2006, on the following terms and conditions :

- a) Salary : Rs.5,00,000/- (Rupees Five Lacs Only) per month with annual increment of 20% or more as the Board of Directors may decide.
- b) 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, subject to overall ceiling as prescribed in Sections 198 and 309 of the Companies Act, 1956.
- c) Perquisites & Allowances: In addition to salary, the Managing Director shall be entitled to perquisites and benefits like accommodation (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, reimbursement of actual expenditure on medical treatment for self and family, leave travel for self and family, club fees, medical/accident insurance, and such other perquisites subject to overall ceiling of remuneration stipulated in Sections 198 and 309 of the Companies Act, 1956.

Minimum Remuneration: Notwithstanding anything herein contained, where, in any financial year during the currency of tenure of the Managing 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.

During last year, the business activities of your Company were severely affected due to the slowdown in Medium and Heavy Commercial Vehicles industry and overall recession in the market. Further, due to variation in exchange rate, necessary provision was made in the accounts of the Company. With the result, the profitability of the Company went down significantly. The remuneration paid to Mr. P. M. Patel was restricted to 5% of net profits of the Company as per the provisions of the Companies Act, 1956.

It is now proposed that subject to the approval of the Central Government, the salary with annual increment of 20%, perquisites and allowances as per the terms of appointment shall be considered as the minimum remuneration and that the overall ceiling of remuneration stipulated in schedule XIII of the Companies Act shall not be applicable.

All other terms and conditions remain unchanged.

The Managing Director shall not be paid any sitting fees for attending meetings of the Board of Directors or Committees thereof.

The particulars set out above may be treated as an abstract of the Agreement, proposed to be entered into between the Company and Mr. P. M. Patel under the provisions of Section 302(2) of the Companies Act, 1956.

None of the Directors of the Company is in any way deemed to be concerned or interested in the aforesaid resolution except Mr. P. M. Patel himself, Mr. S. M. Patel and Mr. T. M. Patel being brothers and as such related to each other.

Mr. P. M. Patel shall not be subject to retirement by rotation during his tenure in office as Managing Director of the Company, in accordance with the provisions of the Articles of Association of the Company.

The Board of Directors recommends the resolution for approval of the members.

The draft Agreement, referred to above, to be entered into with Mr. P. M. Patel 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, except Saturdays till the date of the Annual General Meeting.

Item No. 7

At 46th Annual General Meeting of the Company held on 24th July, 2007 Mr. T. M. Patel was reappointed as Executive Director for a further period of 5 years with effect from 1st February 2008 on the following terms and conditions :

- a) Salary : Rs.4,90,000/- (Rupees Four Lacs, Ninety Thousand Only) per month with annual increment as the Board of Directors may decide.
- b) 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, subject to overall ceiling as prescribed in Sections 198 and 309 of the Companies Act, 1956.
- c) Perquisites & Allowances: In addition to salary, the Executive Director shall be entitled to perquisites and benefits like accommodation (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, reimbursement of actual expenditure on medical treatment for self and family, leave travel for self and family, club fees, medical/accident insurance, and such other

perquisites subject to overall ceiling of remuneration stipulated in Sections 198 and 309 of the Companies Act, 1956.

Minimum Remuneration: Notwithstanding anything herein contained, where, in any financial year during the currency of 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.

During last year, the business activities of your Company were severely affected due to the slowdown in Medium and Heavy Commercial Vehicles industry and overall recession in the market. Further, due to variation in exchange rate, necessary provision was made in the accounts of the Company. With the result, the profitability of the Company went down significantly. The remuneration paid to Mr. T. M. Patel was restricted to 5% of net profits of the Company as per the provisions of the Companies Act, 1956.

It is now proposed that subject to the approval of the Central Government, the salary with annual increment of 20% , perquisites and allowances as per the terms of appointment shall be considered as the minimum remuneration and that the overall ceiling of remuneration stipulated in schedule XIII of the Companies Act shall not be applicable.

All other terms and conditions remain unchanged.

The Executive Director shall not be paid any sitting fees for attending meetings of the Board of Directors or Committees thereof.

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

None of the Directors of the Company is in any way deemed to be concerned or interested in the aforesaid resolution except Mr. T. M. Patel himself, Mr. S. M. Patel and Mr. P. M. Patel being brothers and as such related to each other.

Mr. T. M. Patel shall not be subject to retirement by rotation during his tenure in office as Managing Director of the Company, in accordance with the provisions of the Articles of Association of the Company.

The Board of Directors recommends the resolution for approval of the members.

The draft Agreement, referred to above, to be entered into with Mr. T. M. Patel 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, except Saturdays till the date of the Annual General Meeting.

Information required under Clause (iv) of proviso to paragraph 1(C) of Section II of Part II of Schedule XIII of the Companies Act, 1956

I General Information

1. Nature of Industry : The Company is engaged in manufacture and sale of bearings
2. Date or expected date of commencement of commercial production : Since 1961
3. In case of New Companies, expected date of commencement of activities as per projects approved by Financial Institutions appearing in the prospectus. : Not applicable, as the company is existing company.

4. Financial Performance based on given indicators. : (Rs. in lacs)

| Years | 31/03/2007 | 31/03/2008 | 31/03/2009 |
|--|------------|------------|------------|
| Turnover (Gross) | 21591.51 | 19534.84 | 15326.07 |
| Profit/loss before Tax & Exceptional Items | 3501.02 | 2843.63 | 1095.55 |
| Profit/loss after Tax & Exceptional items | 2013.11 | 1591.58 | 657.50 |

5. Export performance and net Foreign Exchange collaborations. : The F. O. B. value of export was Rs. 95.15 lacs in 2006-07, Rs.46.06 lacs in 2007-08 and Rs.46.82 in 2008-09.
6. Foreign investments or collaborators, if any. : The Company has no foreign investments. The Company has technical collaboration with NSK Ltd. Japan.

ABC Bearings Limited

II Information about the appointee

| | Mr. P. M. Patel | Mr. T. M. Patel |
|--|---|--|
| 1. Background details | : He is 61 years of age and is M. B. A. in Finance with vast experience in bearing industry. | He is 55 years of age and is B. S. Graduate from U. S. A. with experience in bearings industry over two decades. |
| 2. Past remuneration | : He was reappointed as Managing Director w. e. f. 01/08/2006 for a period of five years and was paid remuneration as under : | He was reappointed as Executive Director w. e. f. 01/02/2008 for a period of five years and was paid remuneration as under : |
| | 2006-07 Rs.196.17 Lacs | 2006-07 Rs.172.24 Lacs |
| | 2007-08 Rs.158.08 Lacs | 2007-08 Rs.125.94 Lacs |
| | 2008-09 Rs.59.34 Lacs | 2008-09 Rs.59.34 Lacs |
| 3. Recognition/Awards. | : With requisite experience and qualifications, the Board is of the opinion that they are suited for their positions. | |
| 4. Job profile and his suitability | : The remuneration of Mr. P M Patel is in line with the remuneration in similar sized industries in same segment of business | The remuneration of Mr. T M Patel is in line with the remuneration in similar sized industries in same segment of business |
| 5. Remuneration proposed | : As set out above | |
| 6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person. | : The remuneration of Mr. P. M. Patel and Mr. T. M. Patel is in line with the remuneration in similar sized industries in same segment of business. | |
| 7. Any pecuniary Relationship | : Mr. P. M. Patel, Mr. T. M. Patel and Mr. S. M. Patel, Director are related to each other as brothers. | |

III Other information

| | |
|--|--|
| 1. Reason for loss or inadequacy of profits. / Steps taken or proposed to be taken for improvement | : Elaborated in the Directors' Report and Management Discussion and Analysis. |
| 2. Expected increase in productivity and profits in measurable terms | : The company has started cost reduction programme by taking various measures. These measures will result in savings in variable cost this year. Several new products & customers are under development, which is expected to add about 10-15% to sales this year. With the result the profitability of the company will increase. |

Item No. 8

Mr. V. C. Vaidya has submitted his resignation as Director of the Company with effect from 26/03/2009. The Board of Directors has decided to accept the resignation and not to fill the casual vacancy caused due to his resignation. Since the strength of the Board of Directors of the Company will be reduced from eight to seven, ordinary resolution is proposed pursuant to the provisions of Section 258 of the Companies Act, 1956. However, the revised strength of the Board will be within the limits fixed by Articles of Association of the Company.

The Board of Directors recommends the resolution for approval of the members.

None of the Directors of the Company is in any way deemed to be concerned or interested in the aforesaid resolution.

By Order of the Board of Directors

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

S. B. Desai
Company Secretary

Date: 8th May, 2009.

DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present the Forty-eighth Annual Report with the Audited Statement of Accounts for the year ended 31st March, 2009.

FINANCIAL RESULTS:

| | Year ended 31.03.2009 Rs. in lacs | Year ended 31.03.2008 Rs. in lacs |
|---|---|---|
| Gross Profit before Interest, Depreciation and Tax | 2631.55 | 3439.91 |
| Less: Interest & Finance Charges | 1094.89 | 318.46 |
| Depreciation | 503.82 | 684.10 |
| Profit before Tax | 1032.84 | 2437.35 |
| Less: Provision for tax | | |
| Fringe Benefit Tax | (24.50) | (26.86) |
| Current Tax | (335.00) | (985.00) |
| Deferred tax Credit | (15.84) | 166.09 |
| Profit after Tax | 657.50 | 1591.58 |
| Add: Balance brought forward from previous year | 581.80 | 530.74 |
| Amount available for appropriations | 1239.30 | 2122.32 |
| Appropriations: | | |
| Proposed Dividend | 231.00 | 462.00 |
| Tax on proposed dividend | 39.26 | 78.52 |
| Transfer to General Reserves | 400.00 | 1000.00 |
| Balance carried to Balance Sheet | 569.04 | 581.80 |
| | 1239.30 | 2122.32 |

OPERATIONS:

This year saw a global slow down, which also affected the sales of your company, particularly in the second half of the financial year. The net sales were lower by 19.32% over the previous year. The net profit for the year also declined to Rs. 657.50 lacs as a result.

Your Company's largest sales segment is Medium and Heavy Commercial Vehicles (M & HCV), which recorded a negative growth of 35% during the year. The Light Commercial Vehicles (LCV) and Multi-Utility Vehicles (MUV) segments recorded a negative growth between 11% and 12%. The Tractors segment also recorded a negative growth of 2% during the year. As a result, demand from the OEMs for your company's products declined by almost 30% during the year. OEMs continued to support the Company strongly, and the aftermarket sales also showed good growth.

December and January were the months with the lowest demand from OEMs. CV production has picked up from February onwards, but still remains below the levels achieved

last year. The market is expected to improve further post the monsoon.

DIVIDEND:

The Directors have recommended a dividend of Rs.2/- per Equity Share on 1,15,50,000 Equity Shares of Rs.10/- each for the financial year ended 31st March 2009, which, if approved at the forthcoming Annual General Meeting, will be paid to (i) all those Equity Shareholders whose names appear on the Register of Members as on 21st July, 2009 and (ii) to those whose names as beneficial owners are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as on that date.

The dividend pay out for the year under review has been formulated in accordance with the Company's policy of striving to pay stable dividend linked to long term performance, keeping in view the Company's need for capital, its growth plans and the intent to finance such plans through internal accruals to the maximum. Your Directors believe that this would increase shareholder value and eventually lead to a higher return threshold.

COLLABORATION:

Since the extension of Technical collaboration with NSK Japan for a further period of ten years in 2007, further gains have been achieved in improving quality and productivity during the year.

JOINT VENTURE COMPANY:

Your Company had signed a Joint Venture Agreement with NSK Ltd., Japan, Technical Collaborator, to form a Joint Venture Company viz. NSK-ABC Bearings Limited (NABL). The NABL plant was inaugurated on 15th of February, 2008. Production and sales have commenced from this plant. The JV will concentrate on production and sale of bearings to mainly Passenger Car segment.

QUALITY CERTIFICATIONS:

Your Company continues to enjoy the ISO 14001:2004 Certification for Environment Management, and the ISO/TS 16949 Certification for Quality Systems. Most of our OEM customers have given self-certification responsibility to the Company for direct supplies on line.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- 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.
- 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.

ABC Bearings Limited

iv. the annual accounts have been prepared on a going concern basis.

FIXED DEPOSITS:

Your Company does not have any fixed deposit.

DIRECTORS:

Mr. V. C. Vaidya resigned as Director with effect from 26.03.2009. The Board of Directors has decided not to fill casual vacancy caused due to resignation of Mr. V. C. Vaidya. Suitable resolution is proposed in the notice convening Annual General Meeting for your approval.

The Board of Directors place on record its appreciation for valuable services rendered by him during his tenure of directorship with the Company.

In accordance with the requirements of the Companies Act, 1956 and the Articles of Association of the Company, Mr. S. M. Patel and Mr. Jal R. Patel retire by rotation and being eligible, have offered themselves for reappointment. Necessary resolutions are being proposed for their reappointment as Directors at the ensuing Annual General Meeting of the Company.

CORPORATE GOVERNANCE:

Your Company has complied with the requirements of the Code of Corporate Governance in accordance with Clause 49 of the Listing Agreement with BSE. A separate report on Corporate Governance along with Auditors' certificate on its compliance is attached to this Report. Management Discussion and Analysis, as prescribed by the Listing Agreement, also forms a part of the Annual Report.

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

The information relating to Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo as required to be disclosed under section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in Annexure forming part of this Report.

AUDITORS:

M/s. Parikh & Shah, Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment. The Company has received confirmation that their appointment, if made, will be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

COST AUDITORS:

In pursuance of Section 233-B of the Companies Act, 1956, your Directors have appointed M/s. B. J. D. Nanabhoy & Co., Cost Accountants, as the Cost Auditors to conduct cost audit of the product 'Bearing' for the year 2009-10, subject to the approval of the Central Government. The Company has received confirmation that their appointment, if made, will be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

PARTICULARS RELATING TO EMPLOYEES:

Information required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 is given in the Annexure forming part of the Report. However, as per the provisions of Section 219(1)(b)(iv), the Report and Accounts are being sent to all Shareholders of the Company excluding the Statement of Particulars of Employees. Any shareholder interested in obtaining such particulars may inspect the same at the Registered Office of the Company or write to the Company for a copy.

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 also express their sincere appreciation for the assistance and co-operation received from Banks, Customers and Dealers, during the year.

For and on behalf of the Board

Place: Mumbai
Date: 8th May, 2009.

S. M. PATEL
Chairman