

Deccan Bearings Limited

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24th Annual Report 2008-09

DECCAN BEARINGS LIMITED

Board of Directors	MR. KIRAN N. VORA MR. BARUKH W. CHRISTIAN MR. RAJEEV D. SHENVI MR. ABHAY V. KOTHARI MR. VINAY H. TENDULKAR MR. MAURESH S. PAI
Auditors	M/S.D.V.VORA & CO. Chartered Accountants 36, Bhangwadi Shoppin Arcade, Kalbadevi Road, Mumbai 400 002
Bankers	STATE BANK OF INDIA
Registered Office	315/321, Prospect Chambers, 2nd Floor, Dr.D.N.Road, Fort, Mumbai 400 001
Works	2011 - GIDC Halol, Dist.Panchmahal, Gujarat. Survey No.209,Near Kirti Orni, Veraval (Shapar), Tal: Kotdasangani, Dist: Rajkot, Gujarat.


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DECCAN BEARINGS LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT the Twenty Fourth Annual General Meeting of the Members of DECCAN BEARINGS LIMITED will be held at the B.U.J. Hall, 23/25, Prospect Chambers Annexe, 2nd Floor, 317, D.N. Road, Fort, MUMBAI – 400 001 on Friday, 25th September 2009 at 11 a.m. 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 Auditors thereon.
- 2] To appoint a Director in place of Mr. Rajeev D. Shenvi , who retires by rotation and being eligible, offers himself for re-appointment.
- 3] To appoint a Director in place of Mr. Abhay V. Kothari , who retires by rotation and being eligible, offers himself for re-appointment.
- 4] To appoint Auditors and to fix their remuneration.

By Order of the Board of Directors

SD/-
KIRAN N.VORA
Managing Director

Registered Office

315/321, Prospect Chambers,
Dr.D.N.Road, Fort,
MUMBAI – 400 001

Mumbai, Dated: 1st September, 2009

NOTES:

- a] A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- b] The Register of Members and Share Transfer Books of the Company will be closed from 21st September 2009 to 25th September 2009 [both days inclusive].
- c] Members intending to require information about accounts to be explained in the meeting are requested to inform the Company in writing at least ten days in advance of the Meeting.
- d] Shareholders are requested to bring their copies of the Annual Report at General Meeting.
- e] Shareholders are requested to notify change in address, if any, at the Registered Office of the Company, quoting their Folio Numbers.

DECCAN BEARINGS LIMITED**DIRECTORS' REPORT**

The Members,

DECCAN BEARINGS LIMITED

Your Directors have pleasure in presenting the Twenty Fourth Annual Report together with the audited accounts for the year ended 31st March, 2009.

1. FINANCIAL RESULTS:	Year Ended 31.03.2009	Year Ended 31.03.2008
Net Profit before providing for Depreciation	2,90,438	(1,12,583)
Less: Depreciation	8,89,336	9,30,725
	<hr/>	<hr/>
Profit after providing Depreciation	(5,98,898)	(10,43,308)
Add/(Less): Provision for		
A] Deferred Tax	1,55,294	4,34,573
B] Fringe Benefit Tax	(1,10,000)	(1,50,000)
	<hr/>	<hr/>
Profit/(Loss) after Taxation	(5,53,604)	(7,58,735)
Add: Balance brought forward from previous year	(36,26,443)	(28,67,708)
	<hr/>	<hr/>
Amount available for Appropriation	(41,80,047)	(36,26,443)
	<hr/>	<hr/>
Appropriation:		
Balance carried to Balance sheet	(41,80,047)	(36,26,443)
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2. DIVIDEND:

In view of the losses incurred during the year, no dividend has been considered by the Board.

3. PRESENT OPERATIONS & FUTURE OUTLOOK:

During the year under consideration, there has been unprecedented economic meltdown all over the world and which also affected all businesses in India. The Production Index globally went down steeply and the financial systems were completely in turmoil. Sales and Annual Results of all Companies in India as well as throughout the world have been heavily affected.

Our Company was also affected although not as severely as most other Companies. The total Sales declined as a result from Rs.5,73,97,477/- in the previous year to Rs.5,11,24,263/- in the Current Year. Although there was loss resulting from the above scenario, there has not been a cash loss as will be seen from the financial results.

DECCAN BEARINGS LIMITED

In the meantime the Company has started penetrating into new avenues of Business like Industrial Bearings for local distribution in India. This is expected to add substantial additional turnover in the Company. Efforts to export to a wider network of customers in different countries are also being made to increase export turnover. The Company is planning to source many new product range of bearings which the Company does not produce to increase the product range of the Company.

All these measures are expected to improve the total turnover and profit line of the Company.

4. DIRECTORS:

Mr. Rajeev D. Shenvi and Mr. Abhay V. Kothari, Directors retire by rotation and are being eligible, offer themselves for re-appointment.

5. DIRECTORS RESPONSIBILITY STATEMENT

Your Directors confirm that :

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) the accounting policies are consistently applied and reasonable, prudent judgement and estimates are made 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 the loss of the Company for the year ended on that date.
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for detecting and preventing frauds and other irregularities.
- (iv) the Directors have prepared the annual accounts on a going concern basis.

6. AUDITORS:

The Auditors M/s D. V. Vora & Co. Chartered Accountants hold office until the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment. Certificate from the Auditors has been received to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

7. APPOINTMENT OF COST AUDITORS:

We are advised by Mr. V. V. Deodhar, Cost Accountant, Mumbai, that the provision of Cost Audit are not applicable to the Company and accordingly an application has been sent to "The Adviser (Cost) Govt. of India, Ministry of Corporate Affairs, Cost Audit Branch, New Delhi" for cancellation of Cost Audit Order.

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8. PARTICULARS OF EMPLOYEES:

There were no employees drawing remuneration falling under the provisions of Section 217(2A) of the Companies Act, 1956.

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

Information as per Section 217(i)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 has been given in the Annexure-I and forms part of this report.

10. APPRECIATION:

Your Directors wish to convey their sincere thanks to State Bank of India, the valued dealers and customers and staff members of the Company for their continued support and assistance to the Company.

For and on behalf of the Board of Directors

Mumbai, Dated: 1st September, 2009

SD/-
KIRAN N.VORA
Managing Director

ANNEXURE - I

Statement of Particulars under Companies [Disclosure of particulars in the Report of Board of Directors) Rules, 1988.

A] CONSERVATION OF ENERGY: Not applicable**B] (i) RESEARCH & DEVELOPMENT (R & D)****1. SPECIAL AREAS IN WHICH R & D CARRIED OUT BY THE COMPANY:**

R & D activity covers application development of new sizes specifically developed for customer requirements.

2. BENEFITS DERIVED AS A RESULT OF THE ABOVE R & D

Enlargement of product range and contribution to import substitution program of customers.

3. FUTURE PLAN OF ACTION:

To cover more users/industries under the fold of application developed program.

4. EXPENSES ON R & D

The expenses on development activity being a part of the overall operation, are not separately accounted for.

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(ii) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

During the year on-going product upgradation in terms of quality and productivity was maintained using inhouse technology. No imported technology was absorbed and the Company's products continue to enjoy international acceptance.

C] FOREIGN EXCHANGE EARNINGS AND OUTGO:

1. Foreign Exchange Earnings [Export of Goods(F.O.B.)]	:	Rs 1,78,26,081/-	(Rs. 2,11,30,153/-)
2. Foreign Exchange Outgo	:		
Traveling	Rs.	Nil /-	(Rs.69,110/-)
Imports			
Raw – Materials on C.I.F.	Rs.	Nil/-	(Rs.8,25,363/-)

For and on behalf of the Board of Directors

SD/-
KIRAN N.VORA
Managing Director

Mumbai, Dated: 1st September, 2009

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DECCAN BEARINGS LIMITED

AUDITORS' REPORT

TO,

THE MEMBERS OF
DECCAN BEARINGS LIMITED
MUMBAI

- 1] We have audited the attached Balance Sheet of **DECCAN BEARINGS LIMITED** as at 31st March, 2009 and the related Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2] We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material-misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3] As required by the Companies [Auditor's Report] Order, 2003, as amended by the Companies (Auditor's Report) Amendment Order 2004, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, (and on the basis of such checks as considered appropriate and according to the information and explanations given to us during the course of the audit), we enclose in the Annexure hereto a statement on the matters specified in Paragraphs 4 and 5 of the said order.
- 4] Further to our comments in the Annexure referred to in paragraph (3) above, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, subject to note no 1(h) of schedule 19, regarding part provision of gratuity, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books of the Company.
 - (c) The Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by the Report are in agreement with the Books of Account of the Company;
 - (d) In our opinion, subject to note no 1(h) of schedule 19, regarding part provision of gratuity, and to the best of our information and according to the explanations given to us, the Balance Sheet, Profit & Loss account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956