Deccan Bearings Limited

Balance Sheet
As on
31st March, 2010

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.

CONTENTS

Notice 2

Directors' Report 3

Auditors' Report..... 7

Balance Sheet..... 11

Profit & Loss Account..... 12

Cash Flow Statement..... 13

Schedules. 14

Notes on Accounts..... 19

Balance Sheet Abstract..... 25

NOTICE

NOTICE IS HEREBY GIVEN THAT the Twenty Fifth 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, 30th September 2010 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, 2010 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. Kiran N. Vora, who retires by rotation and being eligible, offers himself for re-appointment.

3] To appoint a Director in place of Mr. Barukh W. Christian, 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

KIRAN N.VORA
Managing Director

Registered Office
315/321, Prospect Chambers,
Dr.D.N.Road, Fort,
MUMBAI – 400 001
Mumbai, Dated: 1st September, 2010

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 28th September 2010 to 30th September 2010 [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.

DIRECTORS' REPORT

The Members,

DECCAN BEARINGS LIMITED

Your Directors have pleasure in presenting the Twenty Fifth Annual Report together with the audited accounts for the year ended 31st March, 2010.

1. FINANCIAL RESULTS:	Year Ended 31.03.2010	Year Ended 31.03.2009
Net Profit before providing for Depreciation	12,08,739	2,90,438
Less: Depreciation	8,31,861	8,89,336
Profit after providing Depreciation	3,76,878	(5,98,898)
Add/(Less): Provision for		
A] Deferred Tax	3,97,839	1,55,294
B] Income Tax	(1,00,000)	Nil
C] Fringe Benefit Tax	Nil	(1,10,000)
Profit/(Loss) after Taxation	6,74,717	(5,53,604)
Add: Balance brought forward from previous year	(41,80,047)	(36,26,443)
Amount available for Appropriation	(35,05,330)	(41,80,047)
Appropriation:		
Balance carried to Balance sheet	(35,05,330)	(41,80,047)

2. DIVIDEND:

In view of the need to conserve the resources for the future growth, no dividend has been considered by the Board.

3. PRESENT OPERATIONS & FUTURE OUTLOOK:

During the year under consideration, the Company has entered into Production and Distribution of a whole new range of Industrial Bearings particularly with more emphasis on the local markets. These additional product range along with aggressive marketing policies of the Company has resulted in about 20% growth in the overall sales of the Company from Rs. 51224263 to 61224974. The above increased sales turnover has also resulted in improving the profit line of the Company in the year under consideration.

The Company is in the process of further increasing the range of products to be manufactured as well as directly procure from various qualitative sources so as to further increase the overall sales and profit line.

4. DIRECTORS:

Mr. Kiran N. Vora and Mr. Barukh W. Christian, 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 judgment 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 profit 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 provisions 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.

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 and shareholders of the Company for their continued support and assistance to the Company.

For and on behalf of the Board of Directors

KIRAN N.VORA
Managing Director

Mumbai, Dated: 1st September, 2010

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.

(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 1,69,36,633/-		(Rs. 1,78,26,081/-)
2. Foreign Exchange Outgo	:		
Traveling	Rs.	Nil/-	Nil/-
Imports			
Raw – Materials on C.I.F.	Rs.	Nil/-	Nil /-

For and on behalf of the Board of Directors

KIRAN N.VORA
Managing Director

Mumbai, Dated: 1st September, 2010