

DECCAN BEARINGS LIMITED

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BALANCE SHEET

AS ON

31. 03. 2002

Board of Directors	MR.KIRAN N.VORA MR.BARUKH W.CHRISTIAN MR.RAJEEV D.SHENVI MR.ABHAY V.KOTHARI
Auditors	M/S.D.V.VORA & CO. Chartered Accountants 4, Bhangwadi, 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.:30/1, Shapar, Tal: Kotasangani, Dist: Rajkot, Gujarat.

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NOTICE

NOTICE IS HEREBY GIVEN THAT the Seventeenth Annual General Meeting of the Members of DECCAN BEARINGS LIMITED will be held at the Registered Office at 315/321, Prospect Chambers, 2nd Floor, Fort, MUMBAI - 400 001 on Monday, 30th September, 2002 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, 2002 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.R.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.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 314 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII thereto, the approval of the Members be and is hereby accorded to the re-appointment of Mr. Kiran N. Vora as Managing Director of the Company for a period of 5 years with effect from 1st October, 2002, on the terms and conditions including remuneration as set out in the Explanatory Statement attached to this Notice"

- 6] To consider and, if thought fit to pass the following Resolution, with or without modification, as an Ordinary Resolution :-

"RESOLVED THAT pursuant to the provisions of Section 198, 309, 314 and other applicable provisions, if any and Schedule XIII of the Companies Act, 1956, the Company hereby approves the payment of enhanced remuneration from Rs.1,80,000 per annum to Rs.1,98,000 per annum to Mr. Abhay V. Kothari, Executive Director-Materials from 1st October, 2002 for the remaining term of the office up to 2nd September, 2006."

- 7] To consider and, if thought fit to pass the following Resolution, with or without modification, as an Ordinary Resolution :-

"RESOLVED THAT pursuant to the provisions of Section 198, 309, 314 and other applicable provisions, if any and Schedule XIII of the Companies Act, 1956, the Company hereby approves the payment of enhanced remuneration from Rs.1,83,600 per annum to Rs.2,07,600 per annum to Mr. Bharukh William Christian ,

Executive Director- Production from 1st October, 2002 for the remaining term of the office up to 2nd September, 2006."

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: 04th September, 2002

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 27th September 2002 to 30th September 2002 [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 atleast seven days in advance of the Meeting.
- d) Shareholders are requested to please bring their copies of the Annual Report with them 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.
- f) The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.

ANNEXURE TO THE NOTICE

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

ITEM NO.5.

The term of Mr. Kiran N. Vora as Managing Director of the Company expires on 30th September, 2002 . Subject to the approval of Members in General Meeting, the Board of Directors during their meeting held on 4th September, 2002, have approved the re-appointment of Mr. Kiran N. Vora as Managing Director of the Company for a period of 5 years with effect from 1st October , 2002 on the terms and conditions given below.

- A] Salary : 35,000 per month.

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Director.

B] Perquisites:

In addition to salary the following perquisites not exceeding the overall ceiling prescribed under Schedule XIII will be provided to him.

Housing: Free residential accommodation or house rent allowance in lieu thereof or house maintenance allowance along with benefits of gas, electricity, water and furnishings.

Medical Reimbursement: Reimbursement of medical expenses for self and family, as per Rules of the Company.

Leave Travel Allowance: For self and family in accordance with the Rules of the Company.

Club Fees: Club fees, subject to a maximum of two clubs.

Personal Accident Insurance : Premium not to exceed Rs. 3000/- per annum.

Apart from the above Mr. Kiran N. Vora will also be entitled to the following.

Company's Contribution to Provident Fund: As per the Rules of the Company.

Gratuity : As per the Rules of the Company.

Company's Car & Driver: Use of Company Car and driver on Company's business and personal use.

Residential Telephone: The Company shall provide telephone facility at his residence. Telephone facility at the residence will not be considered as perquisite. Personal long distance calls will be billed by the Company to Mr. Kiran N. Vora.

- a] In calculating above ceiling, perquisites shall be evaluated as per the Income Tax Rules, wherever applicable. In the absence of any such rules the perquisites shall be evaluated at actual costs.
- b]. Company's contribution to Provident Fund (not exceeding the limits laid down under existing rules thereof) shall not be included in the computation of limits for remuneration aforesaid.
- c] Gratuity as per Company's rules shall also not be included in the computation of limits for remuneration aforesaid.

The Board of Directors recommend the above resolution for your approval.

The terms and conditions of Mr. Kiran N. Vora's appointment set out above, may be treated as an abstract under Section 302 of the Companies Act , 1956.

Mr. Kiran N. Vora Managing Director may be deemed to be concerned or interested in the resolution.

None of the other Directors of the Company are , in any way, concerned or interested in the resolution.

ITEM NO. 6

The Board at its meeting held on 4th September, 2002 considered and found expedient to place before the members for its approval, the proposal for the increase in remuneration of Mr. Abhay V. Kothari V. Kothari, Executive Director- Materials, in the manner specified in the accompanying Notice of the Meeting, which is in accordance with the provisions of Schedule XIII of the Companies Act, 1956. Members are requested to consider and approve the same.

No Director other than Mr. Abhay V. Kothari is directly or indirectly interested or connected in the Resolution proposed for adoption.

ITEM NO. 7

The Board at its meeting held on 4th September, 2002 considered and found expedient to place before the members for its approval, the proposal for the increase in remuneration of Mr. Bharukh William Christian, Executive Director- Production, in the manner specified in the accompanying Notice of the Meeting, which is in accordance with the provisions of Schedule XIII of the Companies Act, 1956. Members are requested to consider and approve the same.

No Director other than Mr. Bharukh William Christian is directly or indirectly interested or connected in the Resolution proposed for adoption.

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

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Mumbai, Dated: 04th September, 2002

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Director.

DIRECTORS' REPORT

The Members,

DECCAN BEARINGS LIMITED

Your Directors have pleasure in presenting the Seventeenth Annual Report together with the audited accounts for the period ended 31st March, 2001.

1. FINANCIAL RESULTS:	<u>31/03/2002</u>	<u>31/03/01</u>
Net Profit/(Loss) before providing for Depreciation	51,83,192	9,05,554
Less: Depreciation	21,07,029	20,78,949
Profit/(Loss) after providing Depreciation	<u>30,76,163</u>	<u>(11,73,395)</u>
Less: .i] Provision for Tax	9,00,000	0
.ii] Excess/ (Short) Provision for Taxation of earlier years	<u>(3,13,572)</u>	<u>0</u>
Profit/(Loss) after Tax	18,62,591	(11,73,395)
Add: Balance brought forward from previous year	42,29,530	54,02,921
Amount available for Appropriation	<u>60,92,121</u>	<u>42,29,526</u>
	=====	=====
Appropriation:		
Transfer to General Reserve	8,00,000	0
Balance carried forward to Balance sheet	52,92,121	42,29,526
	<u>60,92,121</u>	<u>42,29,526</u>
	=====	=====

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:

Although the Company could not restart manufacturing activities at its factory at Halol due to consistent labour problems, the alternative arrangements made by the Company for manufacturing bearings has turned out to be satisfactory and encouraging. The Company's Sales both local and export showed steady growth and your Board of Directors are optimistic of achieving similar growth in the current financial year.

4. DIRECTORS:

Mr. R. D. Shenvi and Mr. Abhay V. Kothari Directors retire by rotation and 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

- (ii) been followed along with proper explanation relating to material departures;
- (iii) 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;
- (iv) 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 preventing and detecting fraud 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(1) of the Companies Act, 1956.

7. APPOINTMENT OF COST AUDITORS:

In view of the Order issued by the Ministry of Law, Justice & Company Affairs Department of Company Affairs, after considering the subsequent representation made by the Company before the Ministry of Law, Justice & Company Affairs Department of Company Affairs, your Board Of Directors are taking all steps for appointment of Cost Auditors for the Company as required under relevant provisions of the Companies Act, 1956.

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-II and form part of this report.

10. APPRECIATION:

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

For and on behalf of the Board of Directors

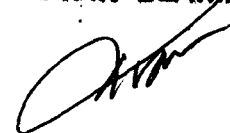


KIRAN N.VORA
Managing Director

Mumbai, Dated: 04th September, 2002

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For DECCAN BEARINGS LTD.



Director.