

DECCAN BEARINGS LIMITED



Balance Sheet

as on

31.03.2003

Board of Directors	MR.KIRAN N.VORA MR.BARUKH W.CHRISTIAN MR.RAJEEV D.SHENVI MR.ABHAY V.KOTHARI
Auditors	W.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: Kotdasangani, Dist: Rajkot, Gujarat.

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NOTICE

NOTICE IS HEREBY GIVEN THAT the Eighteenth 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 Tuesday, 30th September, 2003 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, 2003 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. Barukh William Christian, who retires by rotation and being eligible, offers himself for re-appointment.
- 3] To appoint a Director in place of Mr. Kiran N. Vora, 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, 309, 314 and other applicable provisions, if any and Schedule XIII of the Companies Act, 1956, the Company hereby approves the enhancement in the remuneration of Mr. Abhay V. Kothari, Executive Director-Materials within the range of Rs.207900/- per annum to Rs.275000/- per annum with liberty to the Board of Directors to sanction such increase as it may in its absolute discretion determine, provided that the salary does not exceed the range stipulated above with effect from 1st October 2003 for the remaining term of the office up to 2nd September 2006."

- 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 enhancement in the remuneration of Mr. Bharukh William Christian, Executive Director-Production within the range of Rs.217980/- per annum to Rs.300000/- per annum with liberty to the Board of Directors to sanction such increase as it may in its absolute discretion determine, provided that the salary does not exceed the range stipulated above with effect from 1st October 2003 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: 11th August, 2003

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 2003 to 30th September 2003 [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 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.
- 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 Board at its meeting held on 11th August, 2003 considered and found expedient to place before the members for its approval, the proposal for the increase in remuneration of Mr. Abhay V. Kothari, Executive Director- Materials, which is presently Rs.1,98,000 per annum 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. 6

The Board at its meeting held on 11th August, 2003 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, which is presently Rs.2,07,600 per annum 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

Mumbai, Dated: 11th August, 2003

DIRECTORS' REPORT

The Members,

DECCAN BEARINGS LIMITED

Your Directors have pleasure in presenting the Eighteenth Annual Report together with the audited accounts for the period ended 31st March, 2003.

1. FINANCIAL RESULTS:	<u>31.03.2003</u>	<u>31.03.02</u>
Net Profit before providing for Depreciation	43,13,625	51,83,192
Less: Depreciation	20,77,670	21,07,029
	22,35,955	30,76,163
Profit after providing Depreciation		
Less: .i] Provision for Tax		
A] Current Tax	5,10,000	9,00,000
B] Deferred Tax	(8,17,630)	NIL
	(3,07,630)	9,00,000
Profit after Taxation	25,43,585	21,76,163
Add: Balance brought forward from previous year	52,92,121	42,29,530
Excess/ (Short) Provision for Taxation of earlier years	NIL	(3,13,572)
Less: Deferred Tax Liability upto 31.03-2002	57,88,497	NIL
Amount available for Appropriation	20,47,209	60,92,121
Appropriation:		
Transfer to General Reserve	5,00,000	8,00,000
Balance carried forward to Balance sheet	15,47,209	52,92,121
	20,47,209	60,92,121

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 period under consideration the Company's Turnover in terms of both Domestic and Export Sales achieved appreciable growth. However due to steep increase in Raw-materials costs, Marketing Expenses and cut-throat competition in the export market, coupled with losses incurred on account of adverse foreign exchange

fluctuations, the ultimate results from operations for the year were not to our expectation.

The above adverse conditions continue to persist in the current Financial Year. The raw material prices are also unprecedentedly increasing. Your Directors are therefore trying hard to meet these challenges for the Financial Year 2003-2004.

4. DIRECTORS:

Mr. Bharukh William Christian and Mr. Kiran N. Vora 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;
- (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 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:

M/s V. B. Prabhudesai & Co. have been appointed to carry out the cost audit.

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 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: 11th August, 2003

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 applicants 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

Development activity being a part of the overall operation, its expenses are not separately accounted for.