

# Deccan Bearings Limited

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**Balance Sheet**

**As on**

**31<sup>st</sup> March, 2008**

**CERTIFIED TRUE COPY**  
**For DECCAN BEARINGS LTD.**



**Director**

DECCAN BEARINGS LIMITED

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**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  
  
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.209,Near Kirti  
Orni, Veraval (Shapar),  
Tal: Kotdasangani,  
Dist: Rajkot,  
Gujarat.

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**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.....	24

**DECCAN BEARINGS LIMITED**

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**NOTICE**

NOTICE IS HEREBY GIVEN THAT the Twenty Third Annual General Meeting of the Members of DECCAN BEARINGS LIMITED will be held at the B.U.J. Hall, 23/25, Prospect Chambers Annexe, 2<sup>nd</sup> Floor, 317, D.N. Road, Fort, MUMBAI – 400 001 on Monday, 25<sup>th</sup> August, 2008 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, 2008 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. Vinay H. Tendulkar, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Mauresh S. Pai, 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: 1<sup>st</sup> August, 2008

**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 21<sup>st</sup> August 2008 to 25<sup>th</sup> August 2008 [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 Third Annual Report together with the audited accounts for the year ended 31st March, 2008.

1. FINANCIAL RESULTS:	Year Ended <u>31.03.2008</u>	Year Ended <u>31.03.2007</u>
Net Profit before providing for Depreciation	( 1,12,583)	( 17,48,777 )
Less: Depreciation	9,30,725	17,29,804
	-----	-----
Profit after providing Depreciation	(10,43,308)	(34,76,581)
Add/(Less): Provision for		
A) Current Tax	---	(3,75,000)
B) Deferred Tax	4,34,573	( 14,60,007)
C) Fringe Benefit Tax	(1,50,000)	(2,40,000)
	-----	-----
Profit/(Loss) after Taxation	(7,58,735)	(26,31,574)
Add: Balance brought forward from previous year	(28,67,708)	6,99,018
Less: Provision for Tax for Earlier Years	---	9,35,152
	-----	-----
Amount available for Appropriation	(36,26,443 )	(28,67,708)
	=====	=====
<b>Appropriation:</b>		
Balance carried to Balance sheet	(36,26,443 )	( 28,67,708)
	=====	=====

## 2. DIVIDEND:

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

## 3. PRESENT OPERATIONS &amp; FUTURE OUTLOOK:

During the year under consideration, there were many adverse factors like unprecedented increase in the cost of raw materials, components, consumables and increase in processing costs due to high inflation. There was also sharp increase in the value of the Rupee against the US Dollar. All these along with much stiffer competition from Chinese and also domestic competition resulted in decline in the total turnover from Rs. 7,64,18,689/- in the previous year to Rs.5,73,97,477/- in the current year. This also resulted in some losses for the Company.

However, presently there are many positive factors working in the Company's favour. The dollar has strengthened against the Indian Rupee, giving better opportunity for exports. There has been steep increase in the prices of the main overseas competition from Chinese manufacturers. Their supplies are also inconsistent and

**DECCAN BEARINGS LIMITED**

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subdued. Also, due to the recent government intervention, the unscrupulous imports which was resulting in unfair competition to the Company's products in the domestic market, is expected to reduce drastically. All these factor along with the Company's aggressive drive to increase exports should work in the Company's favour.

**4. DIRECTORS:**

Mr. Vinay H Tendulkar and Mr. Mauresh S. Pai, 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:**

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

## DECCAN BEARINGS LIMITED

**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, Gujarat Industrial Development Corporation, 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



KIRAN N.VORA  
Managing Director

Mumbai, Dated: 1<sup>st</sup> August, 2008

**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.

## DECCAN BEARINGS LIMITED


## (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. 2,11,30,153/-	(Rs. 2,92,54,745/-)
2. Foreign Exchange Outgo :		
Travelling	Rs. 69110 /-	( Rs.2,96,670/-)
Imports		
Raw – Materials on C.I.F.	Rs. Nil/-	( Rs.8,25,363/- )

For and on behalf of the Board of Directors

  
KIRAN N.VORA  
Managing Director

Mumbai, Dated: 1<sup>st</sup> August, 2008