

DECCAN BEARINGS LIMITED

BALANCE SHEET
AS ON
31ST MARCH 2011

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 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 Omi, Veraval (Shapar), Tal: Kotdasangani, Dist: Rajkot, Gujarat.

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DECCAN BEARINGS LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT the Twenty Sixth Annual General Meeting of the Members of DECCAN BEARINGS LIMITED will be held at the B.U.J. Hall, 23/25, Prospect Chambers Annex, 2nd Floor, 317, D.N. Road, Fort, MUMBAI – 400 001 on Friday, 30th September 2011 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, 2011 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. Kothahri, 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 a Special Resolution :-

"RESOLVED THAT pursuant to the provision of Section 198, 309 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves of the re-appointment and terms of remuneration of Mr. Barukh William Christian, Whole time Director of the Company, designated Executive Director- Production for a period of five years with effect from 3rd September, 2011 on the terms and conditions set out in the accompanying Explanatory Statement to this Notice"

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: 5th September, 2011

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 2011 to 30th September 2011 [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.

DECCAN BEARINGS LIMITED

- 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.

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

ITEM NO. 5 :

As per the recommendation of the Remuneration Committee, as its meeting held on 12th August, 2011 has approved the remuneration payable to Mr.Barukh William Christian Executive Director – Production w.e.f. 3rd September, 2011 as set out below. The remuneration as detailed hereunder is within the limit as prescribed under Section II Part II of Schedule XIII of the Companies Act, 1956.

Salary including Perquisites :

In the range of Rs.3,50,000/- (Rupees Three Lac Fifty Thousand Only) to Rs.6,00,000/- (Rupees Six Lac Only) per annum including maximum 10% increment per year.

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: 5th September, 2011

DIRECTORS' REPORT

The Members,

DECCAN BEARINGS LIMITED

Your Directors have pleasure in presenting the Twenty Sixth Annual Report together with the audited accounts for the year ended 31st March, 2011.

1. FINANCIAL RESULTS:	Year Ended <u>31.03.2011</u>	Year Ended <u>31.03.2010</u>
Net Profit before providing for Depreciation	10,05,349	12,08,739
Less: Depreciation	9,02,072	8,31,861
	<hr/>	<hr/>
Profit after providing Depreciation	1,03,277	3,76,878
Add/(Less): Provision for		
A] Deferred Tax	2,15,827	3,97,839
B] Income Tax	(1,80,000)	(1,00,000)
	<hr/>	<hr/>
Profit/(Loss) after Taxation	1,39,104	6,74,717
Add: Balance brought forward from previous year	(35,05,330)	(41,80,047)
Add: Excess Provision for Tax for Earlier	3,21,706	
	<hr/>	<hr/>
Amount available for Appropriation	(30,44,520)	(35,05,330)
	<hr/> <hr/>	<hr/> <hr/>
Appropriation:		
Balance carried to Balance sheet	(30,44,520)	(35,05,330)
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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 increased its focus on local sales. Due to the aggressive marketing policies of the Company, in the area of local sales, as well as widening of the range of products available with the Company, the total local sales has gone up by 18% as compared with the previous year. Due to the depressed overseas markets, and the ever increasing cost of raw materials, and steep increase in the bank interest rates, the export sales has dropped in the year under consideration. The overall sales is still positive as compare to the previous year.

With the Indian economy still maintaining a healthy GDP growth rate as compared to most of the other countries in the world, the Company has increased its focus in the more profitable local markets and is confident of a healthy increase in its turnover and profits in the following year.

4. DIRECTORS:

Mr. R.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 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. PARTICULARS OF EMPLOYEES:

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

8. 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.

9. 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: 5th September, 2011

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.

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C] FOREIGN EXCHANGE EARNINGS AND OUTGO:

1. Foreign Exchange Earnings [Export of Goods(F.O.B.)]	: Rs. 93,03,531/-	(Rs. 1,69,36,633/-)
2. Foreign Exchange Outgo	:	
Traveling Imports	Rs. 2,12,456/-	Nil/-
Raw – Materials on C.I.F.	Rs. 20,44,664/-	Nil /-
Trading Goods on C.I.F.	Rs. 26,39,465/-	Nil/-

For and on behalf of the Board of Directors



KIRAN N.VORA
Managing Director

Mumbai, Dated: 5th September, 2011