

ABC

ABC Bearings Limited

51

**Annual Report
2011-2012**

ABC



Industrial Bearings Plant, Bharuch

BOARD OF DIRECTORS	S.M. Patel - Chairman P.M. Patel - Managing Director T.M. Patel - Executive Director C.U. Shah Y.H. Malegam S.K. Diwanji Jal R. Patel
COMPANY SECRETARY	S.B. Desai
AUDITORS	Parikh & Shah Chartered Accountants
COST AUDITORS	B.J.D Nanabhoy & Co. Cost Accountants
SOLICITORS	Desai & Diwanji Advocates & Solicitors
BANKERS	IDBI Bank Ltd. State Bank of India
REGISTERED OFFICE	402-B, Poonam Chambers, Dr. Annie Besant Road, Worli, Mumbai-400 018. Phone: 022-24964500/24964501/66608851 Fax : 022-24950527 E-mail: regdoff@abcbearings.com
REGISTRARS & TRANSFER AGENTS	Bigshare Services Pvt. Ltd. E-2, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai 400 072. Tel.: 022-28470652/28470653/40430200 Fax: 022-28475207 E-mail: marketing@bigshareonline.com
WORKS	1 GIDC Industrial Estate, Bharuch - 392 015, Gujarat State. Phone: 02642 - 248222/3/4, 246353 Fax: 02642 - 247591 E-mail: mktbrh@abcbearings.com 2 Khasra No. 122 MI, Central Hope Town, Village: Selaqui, Tehsil: Vikas Nagar, Dehradun - 248197, Uttarakhand.

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NOTICE

NOTICE is hereby given that the Fifty-first Annual General Meeting of the Members of **ABC Bearings Limited** will be held on **Friday, the 3rd August, 2012 at 4.30 p.m.** at Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2012 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. C.U. Shah, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Jal R. Patel, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

6. To consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:-

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the appointment of Mr. T.M. Patel as the Executive Director of the Company for a period of five years with effect from 1st April, 2012, on the terms and conditions including remuneration as set out in the draft Agreement to be entered into between the Company and Mr. T.M. Patel, copy whereof initialled by the Chairman for the purpose of identification placed before this meeting be and is hereby approved.”

“RESOLVED FURTHER THAT subject to the provisions of Section 198 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and the approval of Central Government, if necessary, in the event of inadequacy or absence of profits, Mr. T.M. Patel, be paid the remuneration as set out in the Draft Agreement to be entered into between the Company and Mr. T.M. Patel, as the Minimum Remuneration.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all such steps including the power to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board and Mr. T.M. Patel, subject to such approval as may be necessary, proper and expedient and to do any act, deeds, matters and things to give effect to this Resolution.”
7. To consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:-

“RESOLVED THAT pursuant to the provisions of Section 17 and other applicable provisions, if any, of the Companies Act, 1956, the existing Objects Clause III of Memorandum of Association of the Company be altered by adding the following new Clause 36.

(36) To acquire, amalgamate, absorb, merge or enter into any partnerships, joint ventures or undertake any business or any scheme of arrangement or restructuring with the creditors or shareholders of the Company.”
8. To consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:-

“RESOLVED THAT pursuant to provisions of Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the appointment of Mr. S.M. Patel as the Executive Chairman of the Company for a period of five years with effect from 2nd May, 2011 on the terms and conditions including remuneration as set out in the Agreement entered into between the Company and Mr. S.M. Patel, copy whereof initialled by the Chairman for the purpose of identification is placed before this meeting, be and is hereby approved.”

“RESOLVED FURTHER THAT subject to the provisions of Section 198 read with Schedule XIII of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956 and the approval of Central Government, if necessary, in the event of inadequacy or absence of profits, Mr. S.M. Patel, be paid the remuneration as set out in the Agreement entered into between the Company and Mr. S.M. Patel, as the Minimum Remuneration.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all such steps including the power to alter and vary the terms and conditions of the said appointment, in such manner as may be agreed to between the Board and Mr. S.M. Patel, subject to such approval as may be necessary, proper and expedient and to do any act, deeds, matters and things to give effect to this Resolution.”

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. The instrument of proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the meeting.
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the meeting is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will be closed from Friday, the 27th July, 2012 to Friday, the 3rd August, 2012 (both days inclusive).
4. Pursuant to Section 205A and 205C of the Companies Act, 1956, the dividend which remains unclaimed/unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government.

The tentative dates for transfer to IEPF of the dividend remaining unclaimed/unpaid since 2004-05 are provided hereunder:

Financial Year	Rate (%)	Date of declaration of Dividend	Tentative dates for transfer to IEPF
2004-05	30%	19.07.2005	24.08.2012
2005-06	40%	10.08.2006	15.09.2013
2006-07	40%	24.07.2007	29.08.2014
2007-08	40%	16.07.2008	21.08.2015
2008-09	20%	21.07.2009	26.08.2016
2009-10	45%	06.08.2010	11.09.2017
2010-11	60%	29.07.2011	03.09.2018

Those members, who have not encashed the dividend warrant/s for the above years, are requested to make their claim forthwith to the Registered Office of the Company/Registrar & Share Transfer Agent. It may be noted that once the unclaimed dividend is transferred to the Investor Education and Protection Fund as above, no claim shall lie in respect thereof with the Company.

5. As per SEBI's Notification dated 16th February, 2000, the equity shares of the Company have been compulsorily dematerialised and sale/purchase of the same is required to take place in dematerialised form only. You are advised to get your shares dematerialised through NSDL or CDSL. They have allotted ISIN Number INE 779A01011. Members are requested in their interest, to please return the physical certificates through their Depository Participants (DP).
6. The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the depositories/members for depositing dividend or payment through Electronic Clearing Service (ECS) to investors wherever ECS and bank details are available, for distribution of dividend.
7. Members seeking any information with regard to Accounts are requested to write to the Company at least 10 days in advance so as to enable the Company to keep the information ready.
8. Members are requested to register their e-mail address with the Share Transfer Agents for sending notice/documents through e-mail.
9. Members are requested to send all future correspondence in respect of their change of address, transfer of shares or any other query, directly to the Share Transfer Agents at the following address: -

Bigshare Services Pvt. Ltd.	Tel.: 022-28470652 28470653/40430200
E-2, Ansa Industrial Estate,	Fax: 022-28475207
Sakivihar Road, Saki Naka,	E-mail: marketing@bigshareonline.com
Andheri (E), Mumbai-400 072.	Website: www.bigshareonline.com
10. Members are requested to quote their Folio/DP ID Number(s) in all correspondence with the Company's Share Transfer Agents.
11. Members/Proxies should bring the attendance slip duly filled-in for attending the meeting.
12. Members are requested to bring their copy of Annual Report to the Meeting.

By Order of the Board of Directors

Registered Office:
402-B, Poonam Chambers,
Dr. Annie Besant Road,
Worli, Mumbai – 400 018.
Date: 11th May, 2012.

S.B. Desai
Company Secretary

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

Item No.6:

The shareholders at the Annual General Meeting held on 21st July, 2009 approved the appointment of and payment of remuneration to Mr. T. M. Patel, Executive Director from 01/04/2009 to 31/03/2012. As recommended by the Remuneration Committee, the Directors have at their meeting held on 27th January, 2012, re-appointed Mr. T.M. Patel as Executive Director for a further period of 5 years with effect from 1st April, 2012, on the terms and conditions including the remuneration as set out in the draft agreement, which are as under:

A. Salary

Mr. T.M. Patel shall be paid by way of monthly basic salary a sum of Rs.14,00,000/- with effect from 1st April, 2012 with 20% annual increment.

B. Commission

As may be decided by the Board of Directors at the end of each year calculated with reference to the net profit of the Company during the financial year, subject to overall ceiling as prescribed in Sections 198 and 309 of the Companies Act, 1956.

C. Perquisites & Allowances:

In addition to salary, Mr. T.M. Patel shall be entitled to the following perquisites and benefits:

- i) Accommodation (furnished/unfurnished) or House Rent Allowance in lieu thereof;
- ii) Maintenance and upkeep, monthly outgoings, cost of repairs, furnishings, payment of actual expenses for gas, electricity, water;
- iii) Reimbursement of actual expenditure on medical treatment for self and family;
- iv) Leave travel for self and family;
- v) Club fees;
- vi) Medical/Accident insurance;
- vii) 2 Cars with Driver maintained and fuelled by the Company for the use of Mr. T. M. Patel and his family;
- viii) Other perquisites subject to overall ceiling of remuneration stipulated in Sections 198 and 309 of the Companies Act, 1956.

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income tax Rules wherever applicable and in the absence of any such rules, perquisites shall be evaluated at actual cost.

D. Retirement Benefits:

Benefits of Provident Fund, Gratuity and Superannuation on the fixed monthly salary according to the Company's Rules.

E. Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, where, in any financial year during the currency of the tenure of Mr. T.M. Patel, the Company has no profits or its profits are inadequate, the Company will pay to Mr. T.M. Patel, remuneration by way of Salary, Benefits, Perquisites and Allowances as specified above as Minimum Remuneration, subject to such approvals as may be necessary.

F. Retirement by Rotation:

So long as Mr. T.M. Patel functions as Executive Director of the Company, he shall not be subject to retirement by rotation.

G. Sitting Fees:

Mr. T.M. Patel shall not be paid any sitting fees for attending the meetings of the Board or any Committee thereof.

The particulars set out above may be treated as an abstract of the Agreement, proposed to be entered into between the Company and Mr. T.M. Patel under the provisions of Section 302(2) of the Companies Act, 1956.

None of the Directors of the Company is, in any way, deemed to be concerned or interested in the aforesaid resolution except Mr. T.M. Patel himself, Mr. S.M. Patel and Mr. P.M. Patel being brothers and as such related to each other.

The Board of Directors recommends the resolution for approval of the members.

The draft Agreement, referred to above, to be entered into with Mr. T.M. Patel is available for inspection by the members of the Company at the Registered Office of the Company between 10.00 a.m. and 1.00 p.m. on all working days, except Saturdays till the date of the Annual General Meeting.

Item No. 7

The Board of Directors is exploring opportunities of alternative business proposals other than principal business activity of bearings. The Board feels that other business activities can be carried on more effectively and efficiently along with the principal business activity and the same will be in the interest of the Company. The Board of Directors seek your approval to enable them to explore such business proposals and to do such other acts/deeds as may necessary for the same. Since the existing Objects Clause of Memorandum of Association does not contain specific clause for such type of scheme of arrangement/restructuring of business activities, Special Resolution is proposed pursuant to the provisions of Section 17 of the Companies Act, 1956.

The Board recommends the resolution for approval of the members.

None of the Directors is concerned or interested in the resolution.

Copy of Memorandum of Association of the Company is available for inspection by the members of the Company at the Registered Office of the Company between 10.00 a.m. and 1.00 p.m. on all working days, except Saturdays till the date of the Annual General Meeting.

Item No. 8

Mr. S. M. Patel has been associated with the Company as Director for the past 22 years out of which he has been Chairman for the last 10 years. He has also been actively involved as Financial Advisor to the Company for seven years. Under his able guidance, the Company has benefited well which can be seen in the increased profitability of the Company. In view of his active involvement, the Board of Directors at their meeting held on 2nd May, 2011 decided to appoint Mr. S.M. Patel as Executive Chairman for a period of 5 years with effect from 2nd May 2011, on the terms and conditions including the remuneration as set out in the agreement, which are as under:

A. Salary

The Executive Chairman shall be paid by way of monthly basic salary a sum of Rs.15,00,000/- with effect from 2nd May, 2011 with 20% annual increment.

B. Commission

As may be decided by the Board of Directors at the end of each year calculated with reference to the net profit of the Company during the financial year, subject to overall ceiling as prescribed in Sections 198 and 309 of the Companies Act, 1956.

C. Perquisites & Allowances:

In addition to salary, the Executive Chairman shall be entitled to the following perquisites and benefits:

- i) Accommodation (furnished/unfurnished) or House Rent Allowance in lieu thereof;
- ii) Maintenance and upkeep, all monthly outgoings, cost of repairs, furnishings, payment of actual expenses for gas, electricity, water;
- iii) Reimbursement of actual expenditure on medical treatment for self and dependent family members;
- iv) Leave travel for self and dependent family members;
- v) Subscription to Club fees and other expenses incurred at the club;
- vi) Medical/accident insurance;
- vii) 2 cars with Drivers maintained and fuelled by the Company for the use of Mr. S. M. Patel and his family;
- viii) Other perquisites subject to overall ceiling of remuneration stipulated in Sections 198 and 309 of the Companies Act, 1956.

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income tax Rules wherever applicable and in the absence of any such rules, perquisites shall be evaluated at actual cost.

D. Retirement Benefits

Provident Fund, Gratuity and Superannuation on the fixed monthly salary in accordance to the Company's Rules.

E. Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, where, in any financial year during the currency of the tenure of Mr. S.M. Patel, the Company has no profits or its profits are inadequate, the Company will pay to Mr. S.M. Patel, remuneration by way of Salary, Benefits, Perquisites and Allowances as specified above, as Minimum Remuneration, subject to such approvals as may be necessary.

F. Retirement by Rotation:

Mr. S.M. Patel shall be subject to retirement by rotation.

G. Sitting Fees:

The Executive Chairman shall not be paid any sitting fees for attending the meetings of the Board or any Committee thereof.

The particulars set out above may be treated as an abstract of the Agreement, entered into between the Company and Mr. S.M. Patel under the provisions of Section 302(2) of the Companies Act, 1956.

None of the Directors of the Company is in any way deemed to be concerned or interested in the aforesaid resolution except Mr. S.M. Patel himself, Mr. P.M. Patel and Mr. T.M. Patel being brothers and as such related to each other.

The Agreement, referred to above, entered into with Mr. S.M. Patel is available for inspection by the members of the Company at the Registered Office of the Company between 10.00 a.m. and 1.00 p.m. on all working days, except Saturdays till the date of the Annual General Meeting.

The appointment and payment of remuneration was approved by the members at the last annual general meeting held on 29th July, 2011 by passing an Ordinary Resolution. However, as desired by the Central Government, the said resolution is placed as a Special Resolution.

The Board of Directors recommends the resolution for approval of members.

By Order of the Board of Directors

Registered Office:

402-B, Poonam Chambers,
Dr. Annie Besant Road,
Worli, Mumbai – 400 018.
Date: 11th May, 2012.

S.B. Desai
Company Secretary

ABC

DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present the Fifty-first Annual Report with the Audited Statement of Accounts for the year ended 31st March, 2012.

FINANCIAL RESULTS:

	Year ended 31.03.2012 ₹ in lacs	Year ended 31.03.2011 ₹ in lacs
Gross Profit before Interest, Depreciation and Tax	3028.07	4676.63
Less: Interest & Finance Charges	143.96	53.56
Depreciation	647.09	419.53
Profit before Tax	2237.02	4203.54
Less: Provision for tax		
Current Tax	(500.00)	(1200.00)
Income Tax for earlier years	-	(20.07)
Deferred Tax (Charge)/Credit	(202.76)	(156.72)
Profit after Tax	1534.26	2826.75
Add: Balance brought forward from previous year	838.73	617.40
Amount available for appropriations	2372.98	3444.15
Appropriations:		
Proposed Dividend	577.50	693.00
Tax on proposed dividend	93.69	112.42
Transfer to General Reserves	1000.00	1800.00
Balance carried to Balance Sheet	1671.19	838.73
	<u>2372.98</u>	<u>3444.15</u>

OPERATIONS:

The year under report has shown slow down in economy since the third quarter, especially in commercial vehicles and tractor segment, the sector in which your Company has a large presence. The rising input costs and rise in interest rates have put pressure on margins as well. Rise in imports from China by Original Equipment Manufacturers (OEMs) resulted in lower sales realisation.

As the Commercial Vehicle and the tractor industry, a segment in which your Company has a large presence also slowed down, the sales in the last quarter of the year were very much restricted resulting in higher finished goods inventory.

Uttarakhand Plant:

The plant at Uttarakhand which commenced production during March, 2011 is fast stabilising and showed profits during the year. The facility continues to service the industries largely in that state. The plant achieved TS:16949 certification.

Slewing Bearings:

The slewing bearing plant which was commissioned during last year, could not contribute significantly to cater to either the top or the bottom line due to the longer gestation period required for the products.

Increase in Capacity:

All the plants except the slewing bearing plant ran near full capacity.

The large capex planned for the year under review was partly put on hold due to the economic uncertainties prevailing. Part of these investments will be made during the current year, and your Company will continue with its investment plan with much caution and focus on value added services to its customers.

Turnover:

The turnover for the year under review was lower than the previous year due to the inventory corrections made by the customers and shift in their product mix and procurement policies.

DIVIDEND:

The Directors are pleased to recommend a dividend of ₹ 5/- (50%) per Share for the financial year ended 31st March 2012, if approved at the forthcoming Annual General Meeting, will be paid to (i) all those Equity Shareholders whose names appear on the Register of Members as on 3rd August, 2012 and (ii) to those whose names as beneficial owners are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as on that date.

The dividend pay out for the year under review has been formulated in accordance with the Company's policy of striving to pay stable dividend linked to long term performance, keeping in view the Company's need for capital, its growth plans and the intent to finance such plans through internal accruals to the maximum. Your Directors believe that this would increase shareholder value and eventually lead to a higher return threshold.

COLLABORATION:

The Collaboration with NSK Ltd., Japan, continues to be active and the Company is receiving the requisite support whenever required.

JOINT VENTURE COMPANY:

The Joint Venture Company NSK-ABC Bearings Limited's top line has been performing as per its business plans. It is in the process of establishing its business activities and we should see positive cash flow in the years to come.

QUALITY CERTIFICATIONS:

Your Company continues to enjoy the ISO 14001:2004 Certification for Environment Management, and the ISO/TS 16949 Certification for Quality Systems. Most of our OEM customers have given self-certification responsibility to the Company for direct supplies online.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act 1956, the Directors report that: -

- i. in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- ii. such accounting policies have been selected and applied consistently and the judgments and estimates made are reasonable and prudent 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 of the Profit or Loss of the Company for that year.
- iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. the annual accounts have been prepared on a going concern basis.

DIRECTORS:

In accordance with the requirements of the Companies Act, 1956, and the Articles of Association of the Company, Mr. C.U. Shah and Mr. Jal R. Patel retire by rotation and being eligible, have offered themselves for reappointment. Necessary resolutions are being proposed for their reappointment as Directors at the ensuing Annual General Meeting of the Company.

CORPORATE GOVERNANCE:

Your Company has complied with the requirements of the Code of Corporate Governance in accordance with Clause 49 of the Listing Agreement with BSE. A separate report on Corporate Governance along with Auditors' Certificate on its compliance

is attached to this Report. Management Discussion and Analysis, as prescribed by the Listing Agreement, also forms a part of the Annual Report.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information relating to Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo as required to be disclosed under section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in Annexure forming part of this Report.

AUDITORS:

M/s. Parikh & Shah, Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment. The Company has received confirmation that their appointment, if made, will be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

COST AUDITORS:

In pursuance of Section 233-B of the Companies Act, 1956, your Directors have appointed M/s. B. J. D. Nanabhoy & Co., Cost Accountants, as the Cost Auditors to conduct cost audit of the product 'Bearing' for the year 2012-13, subject to the approval of the Central Government. The Company has received confirmation that their appointment, if made, will be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

PARTICULARS RELATING TO EMPLOYEES:

Information required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 is given in the Annexure forming part of the Report. However, as per the provisions of Section 219(1)(b)(iv), the Report and Accounts are being sent to all Shareholders of the Company excluding the Statement of Particulars of Employees. Any shareholder interested in obtaining such particulars may inspect the same at the Registered Office of the Company or write to the Company for a copy.

ACKNOWLEDGEMENT:

The Directors wish to place on record their deep sense of appreciation for the committed services of the employees of the Company at all levels. The Directors also express their sincere appreciation for the assistance and co-operation received from Banks, Customers and Dealers, during the year.

For and on behalf of the Board

Place: Mumbai
Date: 11th May, 2012.

S. M. PATEL
Chairman

ANNEXURE TO DIRECTORS' REPORT

Particulars under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY:

Efforts for conservation of energy continued during the year are listed below:

- (a) The Uttarakhand factory utilises maximum natural light for its functioning in the daytime.
- (b) At the Bharuch and Uttarakhand factory, air Extractors have been installed on the shop floor to increase ventilation resulting in saving the energy consumption.
- (c) The slewing and large bearing factory at Bharuch utilises maximum natural light for its functioning in the day time by using transparent polycarbonate sheets in the roof. Insulation provided in the roof eliminates need of any fans for ventilation purposes.

B. TECHNOLOGY ABSORPTION:

The Company gets technical support from NSK Ltd., Japan on an ongoing basis based upon the long term agreement in force.

1. Several new measuring instruments have been procured to enhance quality control and process capability.
2. A full fledged machine building section has been established in the Bharuch plant. Its primary function is to rebuild and upgrade old machines and also automate the entire manufacturing process.
3. Improvements are being carried out for process capability enhancement.
4. Many new bearings have been developed for existing and new customers.
5. A full fledged Tool- room section has also been installed to reduce machine down time and also reduce new bearing development lead time.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Earnings	: ₹ 211.76 lacs
Outgo	: ₹ 1349.23 lacs

For and on behalf of the Board

Place: Mumbai
Date: 11th May, 2012.

S. M. PATEL
Chairman

10 YEARS' HIGHLIGHTS

₹ in lacs

PARTICULARS	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Sales & Other Income	8620.60	11200.74	15264.22	18255.23	21591.51	19534.84	15064.33	17737.99	22480.14	19441.70
Materials Consumed	3451.84	4963.87	6790.84	8239.07	9235.20	8907.07	7286.85	9151.34	11161.48	9658.59
Excise Duty	1138.58	1464.84	2019.08	2413.71	3000.90	2700.48	1678.37	1332.79	1965.02	1782.87
Employee Cost	1067.36	853.09	1069.49	1186.26	1122.80	1192.12	1052.55	1249.53	1573.71	1865.59
Interest & Finance Charges	608.24	342.00	280.96	269.36	382.51	318.46	1094.89	69.73	53.56	143.96
Depreciation	546.69	676.85	630.19	684.15	801.89	684.10	503.82	422.67	419.53	647.09
Other Expenses	1590.02	1701.05	2366.32	2749.38	3547.19	2888.98	2343.30	2910.36	3103.29	3106.58
Profit/(Loss) Before Tax & Exceptional items	217.87	1199.04	2107.34	2713.30	3501.02	2843.63	1104.55	2601.57	4203.54	2237.02
Exceptional Items	-	222.75	222.75	399.08	428.08	406.28	62.71	500.00	-	-
Diminution in value of Investments	-	-	-	-	-	-	9.00	-	-	-
Provision for Current Tax	10.56	91.00	910.00	979.15	1196.40	1011.86	359.50	1030.00	1220.07	500.00
Provision for Deferred Tax (Charge)/Credit	(61.41)	(270.72)	177.64	235.62	136.57	166.09	(15.84)	(17.13)	(156.72)	(202.76)
Profit/(Loss) After Tax & Exceptional Items	145.90	621.86	1152.23	1570.69	2013.11	1591.58	657.50	2054.44	2826.75	1534.26
Prior Period Adjustment (net)	-	-	-	-	-	-	-	-	-	-
Equity Dividend	-	173.25	346.50	462.00	462.00	462.00	231.00	519.75	693.00	577.50
Equity Dividend %	-	15	30	40	40	40	20	45	60	50
Retained Earnings	145.90	426.41	757.13	1043.90	1472.59	1051.06	387.24	1448.36	2021.33	863.07
Gross Fixed Assets*	8865.47	9054.62	9168.41	10183.96	11373.24	12106.73	12645.86	13437.31	17748.52	22102.49
Net Fixed Assets*#	3853.18	3405.68	2970.69	3378.52	3825.21	3898.64	3966.95	4355.52	8407.59	12151.33
Investments	17.46	21.73	21.73	139.05	21.73	1271.73	1250.10	1250.10	1250.10	1250.00
Net Current Assets*	3152.31	3429.45	4042.36	4433.83	6262.88	5956.97	7975.13	4217.03	3787.27	3371.55
Deferred Revenue Exp.	663.23	440.48	217.74	834.37	406.28	-	-	-	-	-
Total Assets (Net)	6984.27	6324.71	6457.53	8785.77	10516.10	11127.34	13192.18	9822.65	13444.96	16772.88
Share Capital - Equity	1155.00	1155.00	1155.00	1155.00	1155.00	1155.00	1155.00	1155.00	1155.00	1155.00
Reserves and Surplus	1394.38	1820.79	2577.92	3621.82	5094.41	6125.47	6472.79	7921.14	9942.47	10805.53
Net Worth	2549.38	2975.79	3732.92	4776.82	6249.41	7280.47	7627.79	9076.14	11097.47	11960.53
Borrowings*	4434.89	3348.92	2724.61	3449.58	3843.89	3590.16	5291.84	456.83	1901.10	4163.19
Deferred Tax Liability	701.91	972.63	794.99	559.37	422.80	256.71	272.55	289.68	446.40	649.16
Total Fund Employed	6984.27	6324.71	6457.53	8785.77	10516.10	11127.34	13192.18	9822.65	13444.96	16772.88
Earnings per Share ₹	1.26	5.38	9.98	13.60	17.43	13.78	5.69	17.79	24.47	13.28
Book value per Share ₹	22.07	25.76	32.32	41.36	54.11	63.03	66.04	78.58	96.08	103.55
Debt: Equity*	2.35	1.32	0.78	0.88	0.66	0.49	0.69	0.05	0.17	0.35
Turnover/Inventory(Times)	6.00	6.86	6.82	6.24	6.45	6.16	4.50	5.45	10.26	4.44
Turnover/Net Block*	2.24	3.29	5.14	5.40	5.64	5.01	3.80	4.07	2.67	1.60
Current Assets/Current Liabilities*	3.02	2.80	2.96	2.62	3.03	2.76	4.36	2.22	1.90	1.77
Number of Shareholders	8298	7870	7161	7097	7401	7757	8345	7625	10764	9848
No. of Employees	567	526	509	314	331	355	355	337	365	386

* Regrouped/reworked as per requirements of Revised Schedule VI for Financial Year 2010-2011.

Including capital advances

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company firmly believes that Corporate Governance is very closely linked to its core values and is associated with best practices, a fine blend of law, regulation and voluntary practices with the overall objective of protecting the interests of its stakeholders. The Company continues to focus on best practices in the area of Corporate Governance with specific emphasis on ensuring accountability and transparency.

Your Company confirms the compliance of Corporate governance as contained in Clause 49 of the Listing Agreement, the details of which are given below:

2. GOVERNANCE PRACTICES:

The Company's Corporate Governance practices are driven by the ideology of transparency, integrity, ethical conduct, openness and fair reporting. The Company has adopted various best practices with a view to ensure that its corporate responsibilities are fully met.

The following codes have been included in the Code of Corporate Governance:

(a) Code of Conduct

The Company's Code of Conduct, which is required to be followed by the Board Members and Senior Management Personnel, is based on the principle that business should be conducted ethically, honestly and with integrity, to the exclusion of personal gains. The document also requires conduct of business in a professional manner directed towards maintaining and enhancing the reputation of the Company.

(b) Prohibition of Insider Trading

The Company's Code of Conduct for prevention of Insider Trading, which applies to Board Members and Senior Management, seeks to prohibit trading in the securities of the Company based on insider or privileged information.

(c) Confidentiality of Information

Any information concerning the Company's business, its customers, suppliers, etc. to which the Directors and Senior Management have access or which is possessed by the Directors and Senior Management, must be considered privileged and confidential and should be held in confidence at all times, and should not be disclosed to any person, unless (i) specifically authorised; or (ii) the same is part of the public domain at the time of disclosure; or (iii) is required to be disclosed in accordance with applicable laws.

(d) Health, Safety and Environment

The Board Members and Senior Management shall be committed to prevent the wasteful use of natural resources and minimise any hazardous impact of the development, production, use and disposal of any of its products and services on the ecological environment.

(e) Protection of Assets

The Board Members and Senior Management shall employ the assets of the Company and for the purpose of conducting the business for which they are duly authorised. These include tangible assets such as equipment and machinery, systems, facilities, materials, resources as well as intangible assets such as propriety information, relationships with customers and suppliers etc.

(f) Financial Reporting And Records

The Board Members and Senior Management will prepare and maintain their accounts fairly and accurately in accordance with the accounting and financial reporting standards which represent the generally accepted guidelines, principles, standards, laws and regulations of the country in which the Company or its subsidiaries conducts its business affairs.

(g) Quality Services

The Board Members and Senior Management will be committed to render services of the highest quality standards, backed by efficient after-sales service consistent with the requirements of the customers to ensure their total satisfaction. The quality standards of the Company's services should meet the required international standards.

(h) Shareholders

The Board Members and Senior Management will be committed to enhance shareholder value and comply with all regulations and laws that govern shareholders' rights. The Board of Directors of the Company will duly and fairly inform the shareholders about all relevant aspects of the Company's business and disclose such information in accordance with the respective regulations and agreements.

3. BOARD OF DIRECTORS:

The Board of Directors comprises a fair number of independent, professionally competent and acclaimed Non-executive Directors. The Company has an Executive Chairman, with the number of Non-Executive Independent Directors being more than 50% of the total number of Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement.

As stipulated, none of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees. Particulars in respect of their various Directorships, Chairmanships and Memberships of Board/Committees and attendance at Board/General Meeting of the Company are given here below:

Name of the Director	Executive/Non-Executive/Independent	No. of Directorships of other Public Companies	No. of Committees in which Chairman/ Member of other Public Companies		No. of Board Meetings attended	Whether attended last AGM Yes/No
			Member	Chairman		
Mr. S.M. Patel	Executive Chairman	2	1	-	4	Yes
Mr. P.M. Patel	Managing Director	5	4	-	4	Yes
Mr. T.M. Patel	Executive Director	2	2	-	3	Yes
Mr. Y.H. Malegam	Non-Executive – Independent	7	1	4	4	Yes
Mr. S.K. Diwanji	Non-Executive – Independent	5	4	1	4	Yes
Mr. C.U. Shah	Non-Executive – Independent	-	-	-	2	No
Mr. Jal R. Patel	Non-Executive – Independent	5	3	3	4	Yes

This excludes alternate directorships/directorships in foreign companies, wherever applicable.

During the financial year 2011-12, four Board meetings were held on the following dates i.e. on 2nd May, 2011, 29th July, 2011, 21st October, 2011 and 27th January, 2012 and the Annual General Meeting was held on 29th July, 2011.

4. CODE OF CONDUCT:

The Board of Directors has adopted the Code of Business conduct and Ethics for Directors and Senior Management. The said Code has been communicated to the Directors and members of the Senior Management. The Code has also been posted on the Company's website – www.abcbearings.com

The Code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them. A declaration signed by the Managing Director is given below:

I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Business Conduct and Ethics for Directors and Senior Management in respect of Financial Year 2011-2012.

P.M. Patel
Managing Director

5. AUDIT COMMITTEE:

The Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its statutory requirements. The Committee makes recommendations to the Board within the delegated authority. The terms of reference of the Audit Committee are in accordance with clause 49(II) of the Listing Agreement with the Stock Exchange.

The responsibilities of the Audit Committee include inter-alia:

Overseeing the financial reporting process to ensure proper disclosure of financial statements;

- Reviewing with the management, the Company's financial statements before submission to the Board for approval with particular reference to:
 - a. Changes, if any, in accounting policies and practices and reasons for the same;
 - b. Significant adjustments made in the financial statements arising out of audit findings;
 - c. Disclosure of any related party transactions;
 - d. Qualification in the draft audit report, if any.
- Recommending appointment/removal of statutory auditors and fixing their remuneration;
- Reviewing the quarterly, half yearly and annual financial statements before submission to the Board;
- Reviewing the adequacy of the internal audit functions, internal audit reports, discussion with internal auditors, any significant findings and actions arising out of reports;
- Ensuring compliance of internal control systems and discussing the scope of audit with external auditors;
- The Company has adopted a separate Charter for Audit Committee.

The composition of the Audit Committee is as under:

Name of the Director	Category	No. of Audit Committee Meetings attended
Mr. Jal R. Patel	Independent Non-executive Director (Chairman)	4
Mr. S.M. Patel	Executive-Non-Independent Director (Member)	4
Mr. S.K. Diwanji	Independent Non-executive Director (Member)	4

During the Financial year 2011-12, four Audit Committee Meetings were held on the following dates i.e. on 2nd May, 2011, 29th July, 2011, 21st October, 2011 and 27th January, 2012.

6. REMUNERATION COMMITTEE:

The Remuneration Committee of the Board is constituted to formulate and recommend to the Board from time to time, a compensation structure for whole-time directors of the Company. All compensation/ remuneration payable to the directors are as approved by the shareholders in the general meeting.

The Remuneration Committee comprising of three Independent Non-Executive Directors, recommends/reviews the remuneration packages of the Whole-time Directors, which inter-alia is based on the criteria such as industry benchmarks, financial performance of the Company, performance of the Whole-time Directors, etc.

The composition of the Remuneration Committee is as under:

Name of the Director	Category	No. of Remuneration Committee Meetings attended
Mr. S.K. Diwanji	Independent Non-executive Director (Chairman)	2
Mr. Jal R. Patel	Independent Non-executive Director (Member)	2
Mr. C.U. Shah	Independent Non-executive Director (Member)	-

During the Financial year 2011-12, two Remuneration Committee Meetings were held on the following dates i.e. on 2nd May, 2011 and 27th January, 2012.

Based on the recommendations of the Remuneration Committee, the remuneration of the Whole-time Directors is decided by the Board of Directors. The Company pays remuneration to the Whole-time Directors by way of salary, perquisites, contribution to Provident Fund, Superannuation and Gratuity as per the present trend in the industry.

The tenure of appointment/re-appointment of the Whole-time Directors/details of salary and perquisites and contribution to Provident Fund and Superannuation paid for the financial year ended 31st March, 2012 are as under:

Name	Tenure	Salary (₹)	Perquisites (₹)	Contribution to Provident Fund/ Super-annuation (₹)	Total (₹)
Mr. S.M. Patel	Appointed for a period of 5 years from 02.05.2011	1,64,26,230	8,29,298	19,71,147	1,92,26,675
Mr. P.M. Patel	Reappointed for a period of 5 years from 01.08.2011	1,45,18,725	4,91,920	31,82,861	1,81,93,506
Mr. T.M. Patel	Reappointed for a period of 3 years from 01.04.2009	45,10,644	2,68,833	16,84,349	64,63,826

The approval of the Central Govt. is awaited for Mr. S. M. Patel's appointment and payment of remuneration as Executive Chairman.

The Non-Executive Directors are paid sitting fee @ Rs.15,000/- for attending Board Meeting, Rs.10,000/- for attending Audit Committee Meeting and for attending Remuneration Committee Meeting @ Rs.7,500/-.

The total amount of sitting fees paid during the year was Rs.3,20,000/-. The details of sitting fees paid to the Non-Executive Directors during the year under report and their shareholding in the Company are as given below:

Name of the Non-Executive Director	Sitting Fees paid during the period 01.04.2011 to 31.03.2012 (₹)	No. of shares held As on 31 st March, 2012 (Nos.)
Mr. Y.H. Malegam	60,000.00	7,445
Mr. S.K. Diwanji	1,15,000.00	7,950
Mr. C.U. Shah	30,000.00	10,000
Mr. Jal R. Patel	1,15,000.00	350

7. COMPLIANCE OFFICER:

Mr. S.B. Desai, Company Secretary acts as Compliance Officer of the Company for ensuring compliance with the requirements of Listing Agreement with the Stock Exchange and under SEBI Regulations as amended from time to time.

8. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE:

The Board of Directors of the Company reconstituted the Transfer-Cum-Shareholders'/Investors' Grievance Committee consisting of three Directors of the Company viz. Mr. S.K. Diwanji as Chairman, Mr. S.M. Patel, Mr. P.M. Patel and Mr. T.M. Patel as members. The Company had appointed M/s. Bigshare Services Private Limited to act as Registrar and Transfer Agent of the Company.

The Committee inter alia, approves issue of duplicate certificates and oversees and reviews all matters connected with securities' transfers, transmissions, sub-divisions, consolidations etc. The Committee also monitors redressal of investors' grievances.

The composition of the Transfer-Cum-Shareholders'/Investors' Grievance Committee and attendance at the meetings is as under:

Name of the Director	Chairman or Member	No. of Committee Meetings attended
Mr. S.K. Diwanji	Chairman	15
Mr. S.M. Patel	Member	15
Mr. P.M. Patel	Member	15
Mr. T.M. Patel	Member	Nil

During the year, the Transfer-Cum-Shareholders'/Investors' Grievance Committee held its meetings on 15th April, 2011, 29th April, 2011, 16th May, 2011, 31st May, 2011, 30th June, 2011, 21st July, 2011, 16th August, 2011, 30th September, 2011, 14th October, 2011, 15th November, 2011, 30th November, 2011, 15th December, 2011, 30th December, 2011, 13th January, 2012, 31st January, 2012, 15th March, 2012 and 31st March, 2012.

During the year under review all the complaints/grievances that were received from the shareholders/ investors, have been attended to and satisfactorily resolved. No valid transfer/transmission of shares was pending as on 31st March, 2012.

The information about complaints received and their disposal during the year is tabulated hereunder:

Nature of complaint	No. of complaints received	No. of complaints resolved
Non receipt of Shares after transfer	6	6
Non receipt of Dividend	25	25
Non receipt of Annual Report	5	5
Non receipt of demat credit	7	7
Non receipt of Exchange Certificate	9	9
Non receipt of Power of Attorney	2	2
Legal/Court case	1	1
Total	55	55

All the queries/complaints were attended to promptly and resolved within 30 days.

All valid share transfers, received during the year ended 31st March, 2012, have been acted upon and there were no share transfers pending as on 31st March, 2012.

9. GENERAL BODY MEETINGS:

Location and time where the last three Annual General Meetings were held are as under:

Financial Year	Date	Location of the Meeting	Time
2008-2009	21 st July, 2009	Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018.	4.00 p.m.
2009-2010	6 th August, 2010	Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018.	4.00 p.m.
2010-2011	29 th July, 2011	Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018.	4.30 p.m.

The Company has passed Special Resolutions at the Annual General Meeting held for the year 2008-2009 and 2009-2010.

No Special Resolution requiring Postal Ballot as required by the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001/Clause 49 of the Listing Agreement has been placed for Shareholders' approval at the last Annual General Meeting nor is any resolution proposed to be taken up through postal ballot at the ensuing Annual General Meeting.

10. DISCLOSURES REGARDING APPOINTMENT OR RE-APPOINTMENT OF DIRECTORS:

- Mr. C.U. Shah, aged 94 years, joined the Board of the Company on 17th October, 1961. He is not a Director in any other public limited company. He is a member of the Remuneration Committee of the Company.
- Mr. Jal R. Patel, aged 74 years, is a Financial & Management Consultant. He is an Associate Member of Institute of Company Secretaries of India and Institute of Chartered Accountants of India. He has held the position of Managing Director of FAG Bearings India Ltd. for 23 years and he retired from the organisation as the Chairman. He is also a Director of the following public limited companies:-

Name of the Company	Designation/Membership/ Chairmanship of Board Committees
Gujarat Gas Company Limited	Director/Chairman of Audit Committee/Member of Shareholders Grievance Committee
Shri Dinesh Mills Limited	Director/Member of Shareholders Grievance Committee
Styrolution ABS (India) Limited	Director/Member of Audit Committee/Chairman of Shareholders Grievance Committee
Eimco Elecon India Limited	Director/Chairman of Audit Committee
Munjhal Auto Industries Limited	Director

11. DISCLOSURES:

During the year 2011-12, the Company had no materially significant related party transaction, which is considered to have potential conflict with the interests of the Company at large.

There has not been any non-compliance, penalties or strictures imposed on the Company by the Stock Exchange, SEBI or any other statutory authority, on any matter relating to the capital markets, during the last three years.

The Company has complied with all mandatory requirements and has adopted non-mandatory requirement as per details given below:

- a) Remuneration Committee: The Company has constituted Remuneration Committee as detailed herein above.
- b) Shareholders' Rights: The quarterly and half yearly results are published in the newspaper and also displayed on the website of the Company. The results are not separately circulated to the shareholders.
- c) Audit Qualifications: The auditors have not qualified the financial statements of the Company.

12. MEANS OF COMMUNICATION:

The Board of Directors of the Company approves and takes on record the unaudited financial results of the Company within 45 days of the close of the quarter/half year and announces forthwith the results to the Stock Exchange, where the shares of the Company are listed, as also the same are published within 48 hours in two newspapers as prescribed. As the Company publishes the audited annual results within the stipulated period of 60 days, as required by the Listing Agreement with the Stock Exchange, the unaudited results for the last quarter of the financial year are not published.

The Company's results, official news releases and presentation to analysts are displayed on the Company's website, i.e www.abcbearings.com.

Management Discussion and Analysis Report forms part of this Annual Report.

13. GENERAL SHAREHOLDER INFORMATION:**Annual General Meeting**

Date : 3rd August, 2012.

Time : 4.30 p.m.

Venue : Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018.

14. FINANCIAL YEAR:

The Company follows April-March as its financial year. The results for every quarter are declared in the month following the quarter except for the quarter January-March, for which the audited results are declared in April/May as permitted under the Listing Agreement.

15. DATE OF BOOK CLOSURE

Friday, the 27th July, 2012 to Friday, the 3rd August, 2012 (both days inclusive)

16. DIVIDEND PAYMENT DATE

After 3rd August, 2012.

17. LISTING ON STOCK EXCHANGES

The Company's shares are listed on Bombay Stock Exchange Limited, Mumbai.

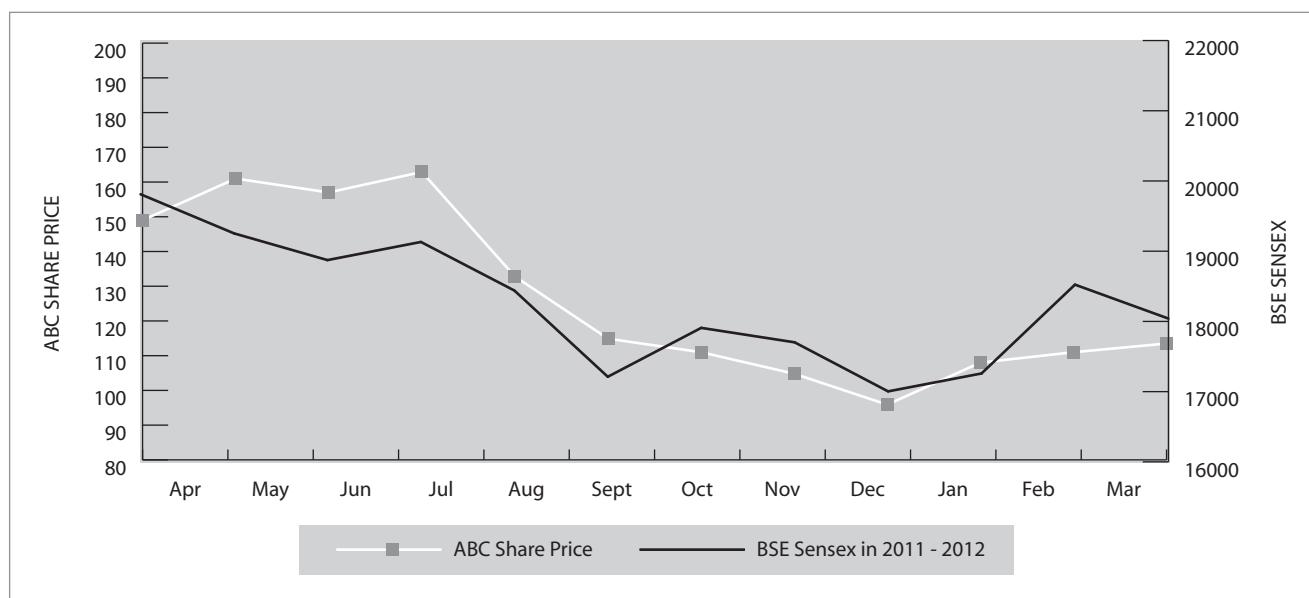
18. STOCK CODE

Bombay Stock Exchange Limited, Mumbai (BSE)	-	505665
Demat International Security Identification Number (ISIN) in NSDL & CDSL for Equity Shares	-	INE 779A01011

19. STOCK PRICE DATA

Bombay Stock Exchange Limited, Mumbai (BSE)

Month	High (₹)	Low (₹)
April, 2011	149.00	110.00
May, 2011	161.00	133.00
June, 2011	157.00	138.40
July, 2011	162.90	132.50
August, 2011	132.80	105.00
September, 2011	114.90	105.75
October, 2011	111.00	98.15
November, 2011	104.80	92.00
December, 2011	95.90	89.50
January, 2012	108.00	87.55
February, 2012	111.00	98.40
March, 2012	113.50	96.00

ABC SHARE PRICE - VS BSE SENSEX IN 2011-2012

Performance in comparison to BSE Sensex

20. REGISTRARS AND TRANSFER AGENTS

Bigshare Services Pvt. Ltd.
E-2, Ansa Industrial Estate,
Sakivihar Road, Saki Naka,
Andheri (E), Mumbai 400 072.

Tel.: 022-28470652/28470653/40430200
Fax: 022-28475207
E-mail: marketing@bigshareonline.com
Website: www.bigshareonline.com

21. SHARE TRANSFER SYSTEM

A Share Transfer Committee of Directors has been constituted by the Board. The Committee attends to share transfer formalities at least twice in a month. Transfer of shares are processed and registered within the stipulated time, provided all the documents are valid and complete in all respects. The Board of Directors has appointed the Company Secretary as Compliance Officer of the Company to monitor the share transfer process. Share transfers approved by the Committee are placed at the Board Meeting from time to time. There were no share transfers pending as on 31st March, 2012.

22. DISTRIBUTION OF SHAREHOLDING:

Categories of Shareholding as on 31st March, 2012.

Category	Shares	
	Number	% to Total
Promoters and Promoters Group	4304840	37.27
Mutual Funds	45	0.00
Banks, Financial Institutions, Insurance Companies	413122	3.58
Foreign Institutional Investors	450	0.00
Private Corporate Bodies	594878	5.15
Indian Public	3328555	28.82
NRIs/OCBs	2894755	25.06
Others (Shares in Transit)	13355	0.12
Total	11550000	100.00

Distribution of Shareholding as on 31st March 2012.

Range	Shareholders		Shares	
	Number	% to Total	Number	% to Total
1 - 50	3406	34.59	96319	0.83
51 - 100	2291	23.26	204177	1.77
101 - 300	2273	23.08	448062	3.88
301 - 500	781	7.93	340335	2.95
501 - 1000	586	5.95	457057	3.96
1001 - 5000	418	4.25	873808	7.56
5001 and above	93	0.94	9130242	79.05
Total	9848	100.00	11550000	100.00

23. DEMATERIALISATION OF SHARES AND LIQUIDITY:

96.08% equity shares of the Company have been dematerialised as on 31st March, 2012.

24. OUTSTANDING GDRS/ADRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY:

Company has not issued any GDRs/ADRs/Warrants or any Convertible Instruments.

25. PLANT LOCATIONS

1. Bharuch, Gujarat State. 2. Dehradun, Uttarakhand State.

26. ADDRESS FOR CORRESPONDENCE

Shareholders may correspond on all matters relating to transfer/dematerialisation of shares, payment of dividend, and any other query relating to shares of the Company with Registrars and Share Transfer Agents, at the address given below:

M/s. Bigshare Services Pvt. Ltd.
E-2, Ansa Industrial Estate, Sakivihar Road,
Saki Naka, Andheri (E),
Mumbai 400 072.

Tel.:022-28470652/28470653/40430200
Fax:022-28475207
E-mail: marketing@bigshareonline.com
Website: www.bigshareonline.com

Our Registrar & Transfer Agent M/s. Bigshare Services Private Limited launched Gen-Next Investor Module **i'Boss** the most advanced tool to interact with shareholders. Please login into **i'Boss** (www.bigshareonline.com) and help them to serve you better.

Shareholders would have to correspond with the respective Depository Participants for shares held in demat mode.

For and on behalf of the Board

Place: Mumbai
Date: 11th May, 2012.

S.M.PATEL
Chairman

Auditors' Certificate regarding compliance of Corporate Governance

To the Members of ABC Bearings Limited

We have examined the compliance of the conditions of Corporate Governance by ABC Bearings Limited for the year ended 31st March, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have conducted our review on the basis of the relevant records and documents maintained by the Company. Based on such review and as per the information and explanations given to us by the Company, in our opinion, the Company has complied with the conditions of Corporate Governance, as stipulated in Clause 49 of the said Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For PARIKH & SHAH
Chartered Accountants

Mumbai, 12th May, 2012.

H.K. DESAI
Partner

MANAGEMENT DISCUSSION AND ANALYSIS:

a) Industry Structure and Development

The Indian bearing market is around Rs.75 billion. The largest user segment for bearings is automobiles. Other users fall in industrial segment. Though the outlook is positive in long run, industry faces challenges in near future due to high inflation and uncertainty in global economic situation.

Automobile market include two wheelers, cars, commercial vehicles and tractors. It is catered to by ball bearing, taper roller bearings and other specialised bearings. The industrial market includes different applications in segments like energy, mining, metal etc. They are catered to by spherical roller bearings, cylindrical roller bearings, slewing bearings etc.

b) Opportunities and Threats

Opportunities:

As the automotive industry grows the number of vehicles on the road will increase considerably resulting in increase in demand in the aftermarket. With the industrial and infrastructure activity on an increase, the demand from the machine tool and other industrial application will also grow.

Increase in education among young population, rise in salaries of middle class and development in rural areas indicate growth rate in GDP for 2012-13.

Various infrastructure projects undertaken by Government of India have provided very good scope for commercial vehicles in transport sector on which the industry has the largest exposure.

Threats:

The last few years has seen large scale increase in steel prices, which is the basic material for bearings, general overheads and high interest rate which has negative effect on the bottom line.

Cheap import of bearings from China at prices below the material costs is a serious threat to Indian manufacturers. Counterfeit products are cause of concern for organised bearing manufacturers. Both these have already affected the industry.

Sharp depreciation of the Indian Rupee, continues to impact the performance and profitability of industrial companies.

c) Segment-wise-performance

The Company has only one segment of activity namely 'Bearings' as defined by AS-17 issued by the Institute of Chartered Accountants of India.

d) Outlook

The outlook in the first few months of the new year 2012 – 13 is not encouraging. However, according to the views of the actual users (OEM), the demand for vehicles should pick up during the second half of the year and the expectation is that the total demand in the year should be higher than the previous year. The Company is planning to introduce new products which should offset the reduced demand in the existing products. Further, the Company has planned to increase its presence in the aftermarket.

e) Risks and concerns

As in all business, ours is also prone to both external and internal risks. However, to counter as many risks as possible, your Company has a written risk policy and the same is reviewed at regular intervals and effective measures are put in place from time to time for minimizing these risks.

Your Company has an insurance policy coverage which is reviewed by an outside agency to ensure that the assets are adequately insured against major risks.

Safety measures especially on shop floor are regularly reviewed and monitored.

f) Internal control systems and their adequacy

The Company has in place an effective and independent internal control system covering all areas of operations. The transactions are approved by authorised persons. A firm of reputed Chartered Accountants conducts the Internal Audit of the Company as per the schedule approved by the Audit Committee for the year. A regular review is done in respect of the financial and operating controls at various locations of the Company. The Audit Committee at its periodic meetings, reviews observations and recommendations contained in Internal Audit Reports, where both Statutory as well as Internal Auditors participate. Independent opinions are expressed on issues of concern and the consequential corrective actions are reviewed by the Audit Committee.

g) Financial performance with respect to operations

There was an all around increase in the input costs including steel, consumables, energy, stores, spares and other overheads. All these costs could not be passed on to the customers as there was tremendous pressure on sale due to large scale imports of bearings mainly from China by OEM's at extremely low prices at times below the raw material coverage. There has been an increase in production in spite of smaller production and despatch lots. Sale of slewing bearings is yet to pick up as the gestation period is large.

h) Human Resources and Industrial Relations

The Company continued its efforts toward strengthening of human resources by providing employees with better working atmosphere by giving proper training at all levels.

Industrial relations during the year continued to be cordial and peaceful. At the end of the year, there were 386 employees on your Company's rolls.

For and on behalf of the Board

Place: Mumbai
Date: 11th May, 2012.

S.M.PATEL
Chairman

ABC

Auditors' Report

To
The Members of
ABC Bearings Limited

We have audited the attached Balance Sheet of **ABC Bearings Limited** as at 31st March, 2012 and the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India, which requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, and also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Sub-section (4A) of section 227 of the Companies Act, 1956 and on the basis of such checks of books and records of the Company as considered appropriate and as per the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

1. we have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary, for the purpose of our audit;
2. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
3. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account of the Company;
4. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
5. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - b. in the case of the Statement of Profit and Loss of the Profit for the year ended on that date; and
 - c. in the case of Cash Flow Statement, of the cash flows for the year ended on that date.
6. on the basis of written representations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as a Director in terms of Section 274(1)(g) of the Companies Act, 1956;

For **PARIKH & SHAH**
Chartered Accountants
Firm's Registration No. 107528W

Place: Mumbai
Date: 12th May, 2012.

H.K. Desai
Partner
Membership No.13719

Re: ABC Bearings Limited**ANNEXURE TO AUDITORS' REPORT ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012**

1. a) The Company has maintained proper records showing full particulars including quantitative details and location of all its fixed assets.
b) We are informed that the Company has programme of physical verification of all the fixed assets over a period of two years. Accordingly, the physical verification of part of the fixed assets has been carried out by the Management during the year and no material discrepancies have been noticed on such verification.
c) Fixed assets disposed off during the year were not substantial and therefore do not affect the going concern status of the Company.
2. a) The inventory has been physically verified at reasonable intervals during the year by the Management except stocks with third parties for which confirmations are obtained.
b) In our opinion the procedures of physical verification followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
c) The Company has maintained proper records of inventory. The discrepancies noticed on physical verification, between physical stocks and books records, were not material in relation to the operations of the company and have been properly dealt with in the books of account.
3. a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
b) The Company has not taken unsecured loans secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
4. According to the information and explanations given to us, there are, in our opinion, adequate internal control systems commensurate with the size of the Company and nature of the business for the purchase of inventory, fixed assets and for sale of goods. No major weaknesses are noticed in the course of our audit in this behalf.
5. In our opinion, and according to the information and explanations given to us, there are no contracts and arrangements the particulars of which need to be entered into the register maintained under Section 301 of the Companies Act, 1956.
6. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
7. In our opinion the Company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of Accounts maintained by the Company pursuant to the order made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.
9. a) On the basis of our examination of the books of account and other relevant records, the Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, income-tax, sales-tax, wealth-tax, service tax, custom duty, excise-duty, cess and other material statutory dues applicable to it and no such dues were outstanding as at 31-03-2012 for a period of more than six months from the date they became payable.
b) According to information and explanation given to us the disputed dues in respect of Sales Tax, Excise duty, Service Tax and Income tax that have not been deposited by the Company are as follows:

Name of Statute	Nature of Dues	Amount (₹ in lacs)	Period to which it relates	Forum where the dispute is pending
State and Central Sales Tax Acts	Sales Tax	1.98	2000-01	Jt. Commissioner of Sales Tax(Appeal) Worli Division, Mumbai
		14.13	2001-02	Jt. Commissioner of Sales Tax Appeal, Worli Division, Mumbai.
		8.80	2010-11	Jt. Commissioner of (Appeal) Commercial Tax, Meerut, UP.
The Central Excise Act, 1944	Excise Duty	3.08	1998-99	CEGAT, Commissioner, Mumbai
		6.56	2011-12	Commissioner (Appeal) Central Excise Vadodara.
The Finance Act, 1994	Service Tax	1.74	2008-09	Commissioner (Appeal), Central Excise, Vadodara.
		0.43	2008-09	Commissioner (Appeal), Central Excise, Vadodara.
		2.89	2011-12	Commissioner (Appeal), Central Excise, Vadodara.
Income Tax Act, 1961	Income Tax	8.74	2004-05	Appeal order effects of CIT (A)/ITAT are pending.
	Fringe Benefit Tax	0.58	2005-06	Appeal order effects of CIT (A)/ITAT are pending.
	Income Tax	43.48	2006-07	CIT(A) ITAT, Mumbai.
	Income Tax	4.81	2007-08	ITAT, Mumbai.
	Income Tax	73.92	2008-09	CIT (Appeals) Mumbai.

10. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year covered by our audit and the immediately preceding financial year.
11. According to the records of the Company examined by us and on the basis of information and explanations given to us, the Company has not defaulted in repayment of dues to banks during the year. The Company has not taken any loans from financial institutions and has not issued debentures during the year.
12. As the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities clause 4(xii) of the Order is not applicable.
13. The Company is not a chit fund/nidhi/mutual benefit fund/society. Accordingly the provisions of the clause 4(xiii) of the Order are not applicable.
14. As the Company is not dealing or trading in shares, securities, debentures and other investments, paragraph 4(xiv) of the Order is not applicable.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The term loans have been applied for the purpose for which they were obtained.
17. On the basis of examination of the Accounts and as per information and explanation given in our opinion the funds raised on short term basis have prima facie not been used for long term investments.
18. The Company has not made any preferential allotment of shares to any parties and companies covered under the register maintained u/s. 301 of the Companies Act, 1956 during the year.
19. No security or charge is required to be created since the company has not issued any Debentures.
20. The Company has not raised any money by public issue during the year.
21. On the basis of examination of books of account and other relevant records in the course of our audit and information and explanation given to us no fraud on or by the Company has been noticed or reported during the year.

For **PARIKH & SHAH**
Chartered Accountants
Firm's Registration No. 107528W

Place: Mumbai
Date: 12th May, 2012.

H.K. Desai
Partner
Membership No.13719

Balance Sheet as at 31st March, 2012

	Notes	As at 31st March, 2012 ₹ in lacs	As at 31st March, 2011 ₹ in lacs
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
Share Capital	2	1,155.00	1,155.00
Reserves and Surplus	3	10,805.53	9,942.47
		11,960.53	11,097.47
(2) Non-Current Liabilities			
Long-term borrowings	4	1,512.83	1,407.53
Deferred tax liabilities (Net)	5	649.16	446.39
Other Long-term liabilities	6	133.51	271.92
Long-term provisions	7	104.00	73.79
		2,399.50	2,199.63
(3) Current Liabilities			
Short-term borrowings	8	2,650.36	493.57
Trade payables	9	1,437.09	1,655.36
Other current liabilities	10	1,803.50	1,734.71
Short-term provisions	11	823.52	861.90
		6,714.47	4,745.54
Total		21,074.50	18,042.64
II. ASSETS			
(1) Non-current assets			
Fixed assets	12		
Tangible assets		8,999.72	7,267.77
Intangible assets		259.24	228.33
Capital work-in-progress		1,097.25	561.02
Non-current investments	13	1,250.00	1,250.10
Long-term loans and advances	14	2,279.72	663.15
		13,885.93	9,970.37
(2) Current assets			
Inventories	15	4,374.49	2,190.62
Trade receivables	16	2,382.45	4,956.54
Cash and cash equivalents	17	132.99	285.36
Short-term loans and advances	18	298.64	639.75
		7,188.57	8,072.27
Total		21,074.50	18,042.64
Significant accounting policies	1		
Notes to the Financial Statements	2 to 40		

As per our Report of even date.

For PARIKH & SHAH
Chartered Accountants

H. K. DESAI
Partner

Mumbai : 12th May, 2012

For and on behalf of Board

S. M. PATEL
Chairman

P. M. PATEL
Managing Director

S. B. DESAI
Company Secretary

Mumbai : 11th May, 2012

Statement of Profit and Loss for the year ended 31st March, 2012

	Notes	For the year ended 31st March, 2012 ₹ in lacs	For the year ended 31st March, 2011 ₹ in lacs
Income			
Revenue from operations (Gross)		19,339.92	22,364.31
Less : Excise Duty (Note 28)		1,648.66	2,027.30
Revenue from operations (net)	19	17,691.26	20,337.01
Other Income	20	101.78	115.83
Total Revenue		17,793.04	20,452.84
Expenses			
Cost of materials & Components consumed (Note 35-B)		10,428.63	8,891.40
Purchase of Traded Goods		50.69	97.64
(Increase)/Decrease in inventories of finished goods, work-in-progress and traded goods	21	(1,982.94)	1,260.37
Employee benefit expense	22	1,865.58	1,573.71
Finance costs	23	143.96	53.56
Depreciation and amortisation expense	12	647.09	419.53
Other expenses	24	4,403.01	3,953.09
Total Expenses		15,556.02	16,249.30
Profit before tax		2,237.02	4,203.54
Tax expense:			
Current tax		500.00	1,200.00
Deferred tax		202.76	156.72
Income Tax for earlier years		-	20.07
Profit for the year		1,534.26	2,826.75
Earning per equity share of face value of Rs. 10 each :			
(1) Basic & Diluted (In Rs.)		13.28	24.47
Notes to the Financial Statements	2 to 40		

As per our Report of even date.

For PARIKH & SHAH
Chartered Accountants

H. K. DESAI
Partner

Mumbai : 12th May, 2012

For and on behalf of Board

S. M. PATEL
Chairman

P. M. PATEL
Managing Director

S. B. DESAI
Company Secretary

Mumbai : 11th May, 2012

CASH FLOW STATEMENT	2011-12 ₹ in Lacs	2010-11 ₹ in Lacs
A. CASH FLOW FROM OPERATING ACTIVITIES:		
NET PROFIT BEFORE TAX	2,237.02	4,203.54
Adjustment for:		
Depreciation and amortisation	647.09	419.53
Bad Debts / Claims Written-Off	4.02	27.45
Provision for Doubtful Debts	36.23	28.20
Provision for Leave Encashment	30.21	7.52
(Profit) / Loss on sale of fixed assets(net)	(91.40)	(31.05)
Interest and finance charges	143.96	53.56
Dividend and interest income	(8.22)	(10.65)
Excess Provision/ Sundry balances written back	(32.94)	(146.02)
Provision for Diminution in Value of Investment W/Back	-	(31.55)
(Surplus) / Loss on redemption of Investments	-	0.09
	<u>728.95</u>	<u>317.08</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	2,965.97	4,520.62
Trade and other receivables	2,943.06	(1,970.27)
Inventories	(2,183.86)	1,000.32
Trade Payable	(552.11)	298.79
	<u>207.09</u>	<u>(671.16)</u>
CASH GENERATED FROM OPERATIONS	3,173.06	3,849.46
Interest paid	(136.54)	(47.99)
Direct Taxes Received/(Paid)	(669.35)	(1,095.78)
	<u>(805.89)</u>	<u>(1,143.77)</u>
NET CASH FLOW FROM OPERATING ACTIVITY (A)	2,367.17	2,705.69
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(4,175.92)	(4,353.42)
(Purchase) / Sale of Investments (Net)	-	31.46
Sale of Fixed Assets	127.06	58.02
Dividend & Interest Received	5.56	10.81
NET CASH USED IN INVESTING ACTIVITIES (B)	<u>(4,043.30)</u>	<u>(4,253.13)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES:		
(Repayments)/ Proceeds from Outside Borrowings	2,322.81	2,184.34
Dividend paid	(686.63)	(514.32)
Taxes Paid on Distributed Profit	(112.42)	(86.33)
NET CASH USED IN FINANCING ACTIVITIES (C)	<u>1,523.76</u>	<u>1,583.69</u>
NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	<u>(152.37)</u>	<u>36.25</u>
CASH & CASH EQUIVALENTS (Opening Balance)	285.36	249.11
CASH & CASH EQUIVALENTS (Closing Balance)	132.99	285.36
	<u>(152.37)</u>	<u>36.25</u>

This is the Cash Flow Statement referred to in our report of even date

For and on behalf of the Board

For **PARIKH & SHAH**
Chartered Accountants

S. M. PATEL
Chairman

H. K. DESAI
Partner

S. B. DESAI
Company Secretary

P. M. PATEL
Managing Director

Mumbai: 12th May, 2012

Mumbai: 11th May, 2012

ABC Bearings Limited**1. Significant Accounting Policies****1. Basic of accounting and preparation of financial statements:**

The financial statements of the Company have been prepared on accrual basis under the historical cost convention in accordance with the Generally Accepted Accounting Principles in India to comply with the Accounting Standard notified under the Companies (Accounting Standards) Rules, 2006 and the relevant provision of the Companies Act, 1956. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2. Fixed Assets:

- a) Addition to fixed assets comprises the purchase price and directly attributable costs.
- b) Tools each costing Rs.25,000/- or more are treated as fixed assets.
- c) Depreciation is provided in the manner and at the rates prescribed in Schedule XIV to the Companies Act, 1956, as under:
 - i) On straight line basis for assets acquired prior to 1st April, 1987 and after 31st March, 1991.
 - ii) On written down value basis for assets acquired during 1st April, 1987 to 31st March, 1991.
- d) Cost of Lease-hold land is amortised over the period of lease.
- e) Intangible assets are amortised as under:
 - Software – equally over a period of three years.
 - Knowhow – equally over a period of ten years.

3. Investments:

Investments are stated at cost, less provision for diminution other than temporary, if any, and are meant to be held for long-term period.

4. Inventory Valuation:

- a) Stock of Stores and Spares : At lower of cost on weighted Average basis or net realisable value.
- b) Raw Materials and Tools : At lower of cost on weighted average basis or net realisable value
- c) Work in Progress } : At lower of cost or net realisable value.
- d) Finished Goods }
- e) Excise duty payable on finished goods stocks at the end of the year is accounted for and considered for valuation.

5. Foreign Currency Transactions:

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of the respective transactions. Monetary foreign currency assets and liabilities remaining unsettled at the Balance Sheet date are translated at the rates of exchange prevailing on that date.

Gains/losses arising on account of realisation/settlement of foreign exchange transactions and on translation of foreign currency assets and liabilities are recognised in the Statement of Profit and Loss except for gains/losses arising on restatement/settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets which are adjusted to the cost of the respective assets. None of the exchange differences arising from foreign currency borrowings are regarded as an adjustment to interest costs.

6. Retirement Benefits:

Retirement benefits to employees comprise of payment of gratuity, superannuation and provident fund under the approved schemes of the Company/statutory regulation. Gratuity liability is provided on the basis of actuarial valuation and funded with an approved Trust. Liability for leave encashment on retirement is provided based on actuarial valuation.

7. Sales:

Sales are recognised on despatch to customers. Sales comprise sale of goods including excise duty and other incidental recoveries.

8. Taxes on Income:

Current Tax

Provision for Income Tax is determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred Tax Provision

Deferred Tax is recognised, on timing differences, being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Notes to Financial Statements for the year ended 31st March, 2012

Note No	As at 31st March, 2012 ₹ in lacs	As at 31st March, 2011 ₹ in lacs
2 Share Capital		
Authorised		
1,20,00,000 Equity Shares of ₹ 10/- each.	1,200.00	1,200.00
	<u>1,200.00</u>	<u>1,200.00</u>
Issued, Subscribed & Paid-up		
1,15,50,000 Equity Shares of ₹ 10/- each, fully paid -up	1,155.00	1,155.00
	<u>1,155.00</u>	<u>1,155.00</u>

a) The reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period :

	31st March, 2012	31st March, 2011
Number of shares at the beginning of the year	11550000	11550000
Number of shares at the end of the year	11550000	11550000

The Company has only one class of share, namely Equity Shares having face value of ₹ 10/- each. The holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

b) Details of shareholders holding more than 5% shares as at March 31, 2012 is set out below :

Name of the shareholder	31st March, 2012		31st March, 2011	
	No. of shares	% of shares	No. of shares	% of shares
Tricot Investments Limited	2,843,000	24.61	2,843,000	24.61
Emsons Leasing Company Pvt. Ltd.	952,661	8.25	850,861	7.37
Mipco Investments Pvt. Ltd.	827,392	7.16	737,186	6.38
Manoway Investments Pvt. Ltd.	689,289	5.97	591,327	5.12
Maple Investments Company Pvt. Ltd.	620,527	5.37	523,904	4.54

Notes to Financial Statements for the year ended 31st March, 2012

	31st March, 2012 ₹ in lacs	31st March, 2011 ₹ in lacs
3 Reserves & Surplus		
Security Premium Account	152.14	152.14
Cash Subsidy Reserve	20.00	20.00
General Reserve		
Opening Balance	8,931.60	7,131.60
Transferred from Surplus	1,000.00	1,800.00
Closing Balance	9,931.60	8,931.60
Surplus in Statement of Profit and Loss		
Opening Balance	838.72	617.40
Add: Net profit after tax for the year	1,534.26	2,826.75
Amount available for appropriation	2,372.98	3,444.15
Less :		
Dividend	577.50	693.00
Dividend tax	93.69	112.42
Transfer to general reserve	1,000.00	1,800.00
	1,671.19	2,605.42
Closing balance	701.79	838.73
	10,805.53	9,942.47
4 Long-Term Borrowings		
Secured		
Term Loans		
From Banks		
IDBI Bank Limited #	958.09	1,396.32
State Bank of India ##	551.78	-
HDFC Bank Limited ###	2.96	5.19
From Others	-	6.02
	1,512.83	1,407.53

Secured by first and exclusive hypothecation charge over plant & machinery purchased under the finance. Further, the first charge on other plant & machinery and second charge on current assets of the company on pari passu basis. The loan is repayable in 9 equal quarterly instalments of ₹ 1.66 crore each from Balance Sheet date up to June 2014.

Secured by first and exclusive hypothecation charge over plant & machinery purchased under the finance and further the pari passu charge over existing plant & machinery. The loan is repayable in 20 equal quarterly instalments of ₹ 2.50 crore each from January 2013 to October 2017. Amount of loan sanctioned ₹ 50 crores is yet to be fully availed.

Secured by hypothecation of vehicle purchased under the finance. The loan is repayable in 24 monthly instalments from Balance Sheet date upto March 2014.

Notes to Financial Statements for the year ended 31st March, 2012

	31st March, 2012	31st March, 2011
5 Deferred Tax Liabilities (Net)		
Deferred Tax Liabilities :		
Difference between Book & Tax Depreciation	740.06	547.72
Deferred Tax Assets :		
Expenses allowable for Tax purpose when paid	13.59	12.06
Provision for Doubtful Debts	43.57	64.76
Provision for Leave Encashment	33.74	24.51
	<u>90.90</u>	<u>101.33</u>
Net Deferred Tax Liability	<u>649.16</u>	<u>446.39</u>
6 Other Long-Term Liabilities		
Retention money of Contractors	14.93	-
Payable for Technical Knowhow/support	91.30	202.95
Deposit from Customers	12.20	29.35
Other Payables	15.08	39.62
	<u>133.51</u>	<u>271.92</u>
7 Long-Term Provisions		
Provision for Employee Benefit Leave Encashment	104.00	73.79
	<u>104.00</u>	<u>73.79</u>
8 Short-Term Borrowings		
Secured		
Loan Repayable on Demand		
Cash Credit from Banks	2,475.36	493.57
Unsecured		
Deposit from related parties	175.00	-
	<u>2,650.36</u>	<u>493.57</u>
Cash credit facilities are secured by first pari passu charge on stock-in-trade and book debts and second pari passu charge on Plant & Machinery of the Company.		
9 Trade Payables		
Trade Payables	1,437.09	1,655.36
	<u>1,437.09</u>	<u>1,655.36</u>
Refer Note 30 for amounts due to micro, small and medium enterprises		

Notes to Financial Statements for the year ended 31st March, 2012

	31st March, 2012 ₹ in lacs	31st March, 2011 ₹ in lacs
10 Other Current Liabilities		
Current maturities of Long-Term Debt	918.26	637.91
Interest accrued but not due on loans	12.54	6.04
Interest accrued and due on loans	0.98	-
Unpaid Dividend	36.58	30.21
Others :		
Creditor for Capital Expenditure	146.17	50.99
Payable for expenses	363.05	534.63
Statutory Liabilities	277.58	434.20
Employee benefits payable	48.34	40.73
	1,803.50	1,734.71
11 Short-Term Provisions		
Gratuity	152.34	56.48
Proposed Dividend	577.50	693.00
Tax on Proposed Dividend	93.68	112.42
	823.52	861.90

12 FIXED ASSETS

₹ in Lacs

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1st April 2011	Additions	Deductions	As at 31st March 2012	Up to 31st March 2011	Adjustment on account of sale	For the year	Up to 31st March 2012	As at 31st March 2012	As at 31st March 2011
Tangible Assets										
Land										
Lease Hold Land	286.17	-	-	286.17	21.82	-	3.74	25.56	260.61	264.35
Free Hold Land	255.84	-	-	255.84	-	-	-	-	255.84	255.84
Buildings	1,177.14	130.11	-	1,307.25	244.45	-	36.97	281.42	1,025.82	932.67
Plant and Machinery	12,739.95	2,003.96	37.73	14,706.18	7,875.02	17.48	460.30	8,317.84	6,388.33	4,864.91
Equipments, Appliances & Tools	927.10	150.96	7.16	1,070.90	610.48	3.90	46.76	653.35	417.55	316.61
Electrical Installations	531.67	26.16	-	557.83	232.10	-	18.88	250.97	306.86	299.56
Office Equipments	50.85	25.09	1.65	74.30	6.27	0.52	3.45	9.21	65.09	44.59
Furniture & Fixtures	174.34	12.94	0.82	186.45	85.73	0.80	10.78	95.70	90.75	88.62
Vehicles	301.38	27.03	25.17	303.24	100.78	14.17	27.77	114.38	188.86	200.61
Intangible Assets										
Computer Software	190.92	26.92	-	217.84	162.56	-	14.05	176.61	41.24	28.36
Technical Knowhow - Acquired	201.69	42.44	-	244.12	1.71	-	24.41	26.13	218.00	199.97
Total	16,837.03	2,445.62	72.52	19,210.12	9,340.93	36.87	647.09	9,951.16	9,258.96	7,496.10
<i>(Previous Year)</i>	<i>13,011.22</i>	<i>4,013.19</i>	<i>187.38</i>	<i>16,837.03</i>	<i>9,081.80</i>	<i>160.40</i>	<i>419.53</i>	<i>9,340.93</i>	<i>7,496.10</i>	<i>3,929.42</i>

Additions include exchange difference adjusted in terms of Companies (Accounting Standard) Amendment Rules, 2009 on Accounting Standard notified by Government of India on 31.03.2009 as under:

	₹ in Lacs
Plant & Machinery	266.53
Technical knowhow	42.44
	<u>308.97</u>

Notes to Financial Statements for the year ended 31st March, 2012

Note No.	31st March, 2012 ₹ in Lacs	31st March, 2011 ₹ in Lacs
13 Non-Current Investments		
Non-Trade (Unquoted) Investment in Equity Instrument of a Joint Venture Company 1,25,00,000 Equity Shares of ₹ 10/- each fully paid in NSK-ABC Bearings Ltd.	1,250.00	1,250.00
Investment in Government or Trust Securities	-	0.10
	<u>1,250.00</u>	<u>1,250.10</u>
14 Long-Term Loans and Advances		
a) Unsecured, Considered Good :		
Capital Advances	1,795.12	350.47
Security Deposit	132.35	127.59
Other loans & advances	42.51	44.70
b) Unsecured, Considered doubtful Less: Provision for doubtful claims	23.72 (23.72)	23.72 (23.72)
	-	-
c) Income Tax (Net of provision)	309.74	140.39
	<u>2,279.72</u>	<u>663.15</u>
15 Inventories		
At lower of cost or net realisable value:		
Raw Materials	1,573.01	1,394.04
Work-in-Progress	831.30	540.91
Finished Goods (including Goods in transit ₹ 71.58 lacs, Previous Year ₹ 5.60 Lacs.)	1,832.93	148.07
Traded Goods (including Goods in transit ₹ Nil, Previous Year ₹ 0.27 Lac.)	14.44	6.75
Stores & Spares	118.05	99.63
Loose Tools	4.76	1.23
	<u>4,374.49</u>	<u>2,190.62</u>
16 Trade Receivables		
a) Over six months from the date they were due for payment		
Unsecured :		
Considered Good	4.16	99.89
Considered Doubtful	110.57	171.23
b) Others, Unsecured :		
Considered Good :	2,378.29	4,856.65
	2,493.02	5,127.77
Less: Provision for doubtful receivables	(110.57)	(171.23)
	<u>2,382.45</u>	<u>4,956.54</u>
17 Cash and Cash Equivalents		
Cash-on-Hand	1.42	2.12
Balance with Banks :		
On Current accounts	38.63	251.70
In unpaid dividend account	36.58	30.21
Other Bank Balances (Held as Margin for Letter of Credit & Guarantees)	56.36	1.33
	<u>132.99</u>	<u>285.36</u>
18 Short-Term Loans and Advances		
Unsecured, considered good		
Loans to employees	4.65	0.65
Other Loans & Advances		
Receivable #	227.76	536.06
Prepaid expenses	33.77	47.80
Other advances	32.45	55.25
	<u>298.64</u>	<u>639.75</u>

Relates to various input credits availed and balances with Central Excise

Notes to Financial Statements for the year ended 31st March, 2012

	31st March, 2012 ₹ in Lacs	31st March, 2011 ₹ in Lacs
19 Revenue from Operations		
Sale of Products		
Sale of Finished Goods	19,155.86	21,937.74
Sale of Traded Goods	46.47	113.20
Sale of Services	1.60	-
Other Operating Revenue	135.99	313.37
Revenue from Operation (gross)	<u>19,339.92</u>	<u>22,364.31</u>
Less : Excise Duty (Note 28)	1,648.66	2,027.30
Revenue from Operation (net)	<u><u>17,691.26</u></u>	<u><u>20,337.01</u></u>
20 Other Income		
Income from Long-term Investment	-	4.65
Interest Received	8.22	6.00
Profit on Fixed Assets Sold/Scrapped (Net)	91.40	31.05
Foreign Exchange Gain/(Loss)	2.16	-
Provision for diminution in value of investment written back (net)	-	31.55
Rent Income	-	42.58
	<u><u>101.78</u></u>	<u><u>115.83</u></u>
21 (Increase)/Decrease in Inventories		
Closing stock		
Finished Goods	1,832.93	148.06
Traded Goods	14.43	6.75
Work-in-Progress	831.30	540.91
	<u>2,678.66</u>	<u>695.72</u>
Opening stock		
Finished Goods	148.06	1,391.86
Traded Goods	6.75	10.30
Work-in-Progress	540.91	553.94
	<u>695.72</u>	<u>1,956.10</u>
	<u><u>(1,982.94)</u></u>	<u><u>1,260.37</u></u>
22 Employee Benefit Expenses		
Salary, Wages and Bonus	1,517.62	1,361.29
Contribution to Provident & Other Funds	286.87	171.41
Staff Welfare Expenses	61.09	41.01
	<u><u>1,865.58</u></u>	<u><u>1,573.71</u></u>
23 Finance Costs		
Interest	119.61	50.49
Other borrowing costs	24.35	3.07
	<u><u>143.96</u></u>	<u><u>53.56</u></u>

Notes to Financial Statements for the year ended 31st March, 2012

		31st March, 2012	<i>31st March, 2011</i>
		₹ in Lacs	<i>₹ in Lacs</i>
24 Other Expenses			
Stores and Spares consumed (Note 35)		1,212.90	1,009.71
Power and Fuel		662.06	583.51
Processing and Other Charges		636.76	549.16
Repairs:			
Building	55.55		33.19
Machinery	84.43		96.42
Others	67.72		60.50
		207.70	190.11
Rent		24.26	19.91
Rates and Taxes		54.67	29.38
Insurance		25.20	22.62
Communication Charges		26.72	31.08
Travelling Expenses		116.46	106.37
Legal & Professional Expenses		31.42	96.30
Remuneration to Auditors:			
Audit fees	3.00		2.50
For Tax Audit	0.75		0.75
For Certification/Other Matters	1.28		1.18
For Expenses	0.05		0.07
		5.08	4.50
Cost audit fees		0.48	0.48
License & Technical Assistance fees		58.93	61.78
Commission & Discount		498.44	567.76
Warranty Claims		38.76	59.82
Carriage Outward		243.50	249.35
Loss on Sale of Long-Term Investment		-	0.09
Provision for Doubtful Debts/Claims		36.23	28.20
Bad Debts/Claims written off	100.92		
Less: Provision for Doubtful Debts written back	96.90	4.02	27.45
Directors' Fees		3.20	4.05
Excise Duty (Note 28)		134.21	(62.28)
Other Expenses		382.01	373.74
		4,403.01	3,953.09

Notes to Financial Statements for the year ended 31st March, 2012

	2011-2012 ₹ in Lacs	2010-2011 ₹ in Lacs
25 Contingent Liabilities not provided for :		
i) For guarantee & counter-guarantees to the Bank against Bank's guarantee to the Government of India and other authorities	32.02	2.62
(ii) Excise Duty demand disputed	47.42	35.32
(iii) Income tax/Fringe Benefit Tax demand contested in appeal	131.53	98.37
(iv) Property tax demand contested in appeal	-	36.19
(v) Sales tax demand disputed	24.91	18.40
(vi) Claims against the Company not acknowledged as debt	76.69	70.37
26 Estimated amount of contracts remaining to be executed on capital account and not provided for	5634.52	7141.72
27 The Company has opted for accounting the exchange differences gain/loss arising on long term foreign currency monetary item in line with Companies (Accounting Standards) Amendment Rules 2009 on "Accounting Standard (AS) 11" notified by Government of India on 31.03.09.		
Accordingly the exchange difference loss ₹ 318.69 lacs arising on deferred payment credits so far as it relates to depreciable asset is adjusted by addition to the cost of the assets including capital work in progress, resulting into higher profits for the year (net of depreciation ₹ 15.45 lacs) by ₹ 303.24 lacs.		
28 Excise duty deducted from turnover represents excise duty collected on sale of goods. Excise duty shown under 'expenditure' represents the aggregate of excise duty borne by the Company and difference between excise duty on opening and closing stocks of finished goods.		
29 An Application is made to the Central Government in respect of Mr. S. M. Patel, as Executive Chairman and remuneration fixed in pursuance to the resolution passed at the last Annual General Meeting held on 29th July, 2011 and further that in absence of profits or inadequate profits the remuneration so paid be considered as minimum remuneration.		
The remuneration provided in terms of aforesaid resolution is subject to the approval of central Government which is awaited. Meanwhile, Mr. S. M. Patel is paid remuneration with reference to net profits of the Company for the financial year subject to overall ceiling as prescribed in Section 198 and 309 of the companies Act, 1956.		
30 As on 31-03-2012, the Company owes a sum of ₹ 355.09 lacs (Previous Year ₹ 326.69 Lacs) to Micro, Small and Medium Enterprises. The information has been given in respect of such vendors to the extent they could be identified as "Micro, Small and Medium" enterprises on the basis of information available with the Company.		
31 Employee benefits		
1. Defined contribution plans		
a. Provident Fund		
b. Superannuation Fund		
c. State Defined Contribution Plan		
d. Employer's contribution to Employee's state insurance during the year, the Company has recognised the following amounts in the Statement of Profit & Loss		
	2011-2012 ₹ in Lacs	2010-2011 ₹ in Lacs
Employer's Contribution to Provident Fund	88.52	68.82
Employer's Contribution to Superannuation Fund	25.43	28.25
Employer's Contribution to Employee's State Insurance	20.58	17.40
Included in Contribution to Provident Fund and other funds (Note 22)	134.53	114.47

Notes to Financial Statements for the year ended 31st March, 2012

	2011-2012 ₹ in Lacs	2010-2011 ₹ in Lacs
2. Defined Benefit Plans		
Contribution to Gratuity Fund (Funded Scheme) In accordance with Accounting Standard 15 (Revised 2005). Arrived as per actuarial valuation carried out in respect of the aforesaid defined benefit plan.		
A) Changes in the Present Value of Obligation		
Present value of Obligation as at April 1, 2011	455.35	375.40
Interest Cost	35.29	30.03
Current Service Cost	35.33	20.78
Past Service Cost	0.23	-
Benefits Paid	(8.39)	(9.25)
Actuarial (gain)/loss on obligations	121.51	38.39
Present Value of Obligation as at March 31, 2012	639.32	455.35
B) Changes in the Fair Value of Plan Assets (For Funded Scheme)		
Present Value of Plan Assets as at April 1, 2011	398.87	375.85
Expected Return on Plan Assets	35.95	31.56
Actuarial Gains / (Losses)	4.08	0.71
Net Contributions by Employer	56.47	-
Benefits Paid	(8.39)	(9.25)
Fair Value of Plan Assets as at March 31, 2012	486.98	398.87
C) Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets		
Present Value of Funded Obligation as at March 31, 2012	639.32	455.35
Present Value of Plan Assets as at the end of the year	486.98	398.87
Unfunded Liability/(Net Asset) Recognised in Balance Sheet	152.34	56.48
D) Amount recognised in the Balance Sheet		
Unfunded Liability/(Net Asset)	152.34	56.48
Contribution During the Year	-	-
Liability/(Asset) recognised in the Balance Sheet	152.34	56.48
Included in Current Liabilities & Provisions	-	-
Included in Short Term Provisions (Note 11)	152.34	56.48
E) Expenses recognised in the Statement of Profit and Loss		
Current Service Cost	35.33	20.78
Interest Cost	35.29	30.03
Expected Return on Plan Assets	(35.95)	(31.56)
Settlement Cost/(Credit)	-	-
Past Service Cost	0.23	-
Net actuarial (gain)/loss recognised in the period	117.43	37.68
Total Expenses recognised in the Statement of Profit and Loss	152.34	56.93
Included in Contribution to Provident and other Funds (Note 22)		

Notes to Financial Statements for the year ended 31st March, 2012

F) Principal Actuarial Assumptions used

Report as at	31.03.2012	31.03.2011	31.03.2010	31.03.2009	31.03.2008
Discount Rates	8.25%	7.75%	8.00%	7.50%	8.00%
Expected Rate of Return	8.50%	8.50%	8.50%	8.50%	8.50%
Expected Salary Increases	6.00%	6.00%	6.00%	6.00%	6.00%
Mortality Assumption	LIC (1994-96)	LIC (1994-96)	LIC (1994-96)	LIC (1994-96)	LIC (1994-96)
	Mortality Tables	Mortality Tables	Mortality Tables	Mortality Tables	Mortality Tables
Withdrawal Rates	5% at younger ages reducing to 1% at older ages	5% at younger ages reducing to 1% at older ages	5% at younger ages reducing to 1% at older ages	3% at younger ages reducing to 1% at older ages	3% at younger ages reducing to 1% at older ages

G) Major Categories of Plan Assets as a Percentage of Fair Value of the Total Plan Assets

Report as at	31.03.2012	31.03.2011	31.03.2010	31.03.2009	31.03.2008
Government of India Securities	36%	37%	26%	33%	33%
High quality Corporate Bonds	41%	41%	50%	32%	32%
Equity shares of listed companies	0%	0%	0%	0%	0%
Property	0%	0%	0%	0%	0%
Insurer managed funds	0%	0%	0%	0%	0%
Bank Balance and Fixed Deposits	23%	22%	24%	35%	35%
Total	100%	100%	100%	100%	100%

32 The Company's business activity falls within a single primary segment viz., manufacture of Bearings. As such there are no separate reportable segments as envisaged under Accounting Standard - 17.

33 Related party disclosure as required by Accounting Standard - 18 :

A Related Parties :

i) Associate Companies :	ii) Key management Personnel :	iii) Relatives of Key management Personnel
Manoway Investments Pvt. Ltd.	Mr. S. M. Patel	Meena S. Patel
Mipco Investments Pvt. Ltd.	Mr. P.M. Patel	Simki S. Patel
Maple Investments Co. Pvt. Ltd.	Mr. T.M. Patel	S. S. Patel (in capacity as karta)
Emsons Leasing Co. Pvt. Ltd.		
Ziwani Properties Pvt. Ltd.		
Saturn Holdings and Properties Pvt.Ltd.		
Essex Properties Pvt.Ltd.		
NSK-ABC Bearings Limited (Joint Venture Company)		

Notes to Financial Statements for the year ended 31st March, 2012

		2011-2012	2010-2011
		₹ in Lacs	₹ in Lacs
B Related Party Transactions			
Transactions	Associate Companies		
Rent	Manoway Investments Pvt. Ltd.	0.00	0.35
Lease charges received	Mipco Seamless Rings (Guj.) Ltd.	0.00	0.05
Purchase of Fixed Assets	Essex Properties Pvt. Ltd.	0.25	-
Lease Rent	Emsons Leasing Co. Pvt. Ltd.	-	0.60
Fixed Deposit Interest	Meena S. Patel	0.45	-
	Simki S. Patel	0.23	-
	S. M. Patel H.U.F	0.50	-
	S. S. Patel H.U.F	0.37	-
	Executive Directors		
Remuneration	P. M. Patel	181.94	232.74
	T. M. Patel	64.64	206.30
	S. M. Patel	192.26	0.00
	Non Executive Director		
Remuneration	S. M. Patel	0.00	46.55
Professional Fees and reimbursement of expenses	S. M. Patel	5.00	65.41

C Outstanding Balances as at 31.03.2012

Key Management Personnel & Relatives			
Deposits	Meena S. Patel	51.00	-
	Simki S. Patel	26.00	-
	S. M. Patel H.U.F	56.00	-
	S. S. Patel H.U.F	42.00	-

D There are no write-offs or write back of any amounts for any of the above related parties

34 Opening and Closing Stock of goods manufactured during the year :-

Class of goods manufactured		Opening Stock	Closing Stock
		₹ in Lacs	₹ in Lacs
Ball & Roller and Slewing Bearings	2011-2012	144.71	1797.31
	2010-2011	1359.87	144.71
Components	2011-2012	3.36	35.62
	2010-2011	31.99	3.36

Notes to Financial Statements for the year ended 31st March, 2012

35 (A) Information for each class of goods manufactured and sold during the year :

Class of goods Manufactured		Sales Value ₹ in Lacs
Ball & Roller and Slewing Bearings	2011-2012	18,553.31
	2010-2011	21,468.39
Components	2011-2012	602.55
	2010-2011	465.93
Traded Goods (Grease)	2011-2012	46.47
	2010-2011	116.62
Total	2011-2012	19,202.33
	2010-2011	22,050.94

	2011-12 ₹ in Lacs	2010-11 ₹ in Lacs
(B) Raw Materials and Components consumed		
(i) Steel	3,722.80	2,434.70
(ii) Rolled/Forged Rings	3,523.32	3,562.88
(iii) Bought-out Components (Rollers & Cages)	3,182.51	2,893.82
	10,428.63	8,891.40

	% of total consumption			
(C) Percentage of Consumption :	2011-2012	2010-2011		
(i) Raw Materials and Components:				
Imported (at landed cost)	0.59	3.92	61.39	348.26
Indigenous	99.41	96.08	10,367.24	8,543.14
	100.00	100.00	10,428.63	8,891.40
(ii) Stores and Spares :				
Imported (at landed cost)	2.02	1.72	24.56	17.37
Indigenous	97.98	98.28	1,188.34	992.34
	100.00	100.00	1,212.90	1,009.71

Notes to Financial Statements for the year ended 31st March, 2012

:	2011-12 ₹ in Lacs	2010-11 ₹ in Lacs
36 CIF Value of Imports:		
Raw Materials	86.26	230.21
Stores and Spares	13.09	7.76
Capital Goods	1120.84	2699.51
37 Earnings in Foreign Exchange :		
F.O.B. Value of Exports	211.76	274.87
38 Expenditure in Foreign Currency: (on mercantile basis)		
Interest and Finance charges	45.60	3.78
Travelling Expenses	16.44	17.96
Technical service/assistance fees	58.93	61.78
Fees paid to Foreign Technicians	4.24	11.98
Others	3.83	5.93
39 Remittance in foreign currency on account of dividend to non-resident shareholders:		
Number of shareholders	1	1
Number of shares held	2739098	2739098
Amount remitted	164.35	123.25
Year to which dividend relates	2010-11	2009-10
40 Figures for the previous year have been regrouped/rearranged wherever necessary for comparison and to confirm to the classification of the current period.		

As per our Report of even date

For and on behalf of Board

For PARIKH & SHAH
Chartered Accountants

S. M. PATEL
Chairman

H. K. DESAI
Partner

P. M. PATEL
Managing Director

S. B. DESAI
Company Secretary

Mumbai : 12th May, 2012

Mumbai : 11th May, 2012

ABC BEARINGS LIMITED**Regd. Office: 402-B, Poonam Chambers, Dr. Annie Besant Road, Worli, Mumbai – 400 018.****ATTENDANCE SLIP**

To be handed over at the entrance of the meeting hall

Full Name of the Member attending _____

Full Name of the First Joint-holder _____

(To be filled in if first named joint-holder does not attend the meeting)

Name of Proxy _____

(To be filled in if Proxy Form has been duly deposited with the Company)

I hereby record my presence at the FIFTYFIRST ANNUAL GENERAL MEETING of the Company held on Friday, the 3rd August, 2012 at 4.30 p.m. at Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018.

Regd. Folio/ID No. _____

No. of Shares held _____

Member's/Proxy's signature
(to be signed at the time of
handing over this slip)

(Please cut here)

ABC BEARINGS LIMITED**Regd. Office: 402-B, Poonam Chambers, Dr. Annie Besant Road, Worli, Mumbai – 400 018.****PROXY FORM**

I/We _____

of _____ in the district of _____

_____ being member(s) of the above named company, hereby

appoint _____

of _____ in the district of _____

or failing him _____

of _____ in the district of _____

as my/our proxy and to vote for me/us on my/our behalf at the FIFTYFIRST ANNUAL GENERAL MEETING of the Company to be held on Friday, the 3rd August, 2012 at 4.30 p.m. at Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018 or any adjournment thereof.

Signed this _____ day of _____ 2012.

Regd. Folio/ID No. _____

No. of Shares held _____

Please
affix ₹ 1
Revenue
Stamp

The Companies Act, 1956 lays down that an instrument appointing a proxy shall be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.



Mr. P. M. Patel
(Managing Director)

Mr. S. M. Patel
(Chairman)

Mr. T. M. Patel
(Executive Director)



Management and Distributors



Marketing Team

BOOK - POST

To

ABC

If undelivered, please return to:

ABC Bearings Limited

Registered Office: 402 - B, Poonam Chambers,
Dr. Annie Besant Road, Worli, Mumbai – 400 018.

+91 - 22 - 24964500 / 1 / 3

+91 - 22 - 24950527 (Fax)

regdoff@abcbearings.com

www.abcbearings.com