

SNL BEARINGS LIMITED

BOARD OF DIRECTORS

Ms. H. S. Zaveri
Mr. S. C. Rangani
Mr. J. S. Maini
Mr. V. S. Iyer
Ms. A. A. Gowariker

BANKERS

BNP Paribas

AUDITORS

M/s. Deloitte Haskins & Sells
Chartered Accountants
12, Dr. Annie Besant Road,
Opp. Shiv Sagar Estate, Worli,
Mumbai 400 018

REGISTERED OFFICE

Dhannur,
15 Sir P.M. Road,
Fort, Mumbai 400 001.

FACTORY

Ratu Road, Ranchi-834 001.

REGISTRAR & SHARE TRANSFER AGENT

Universal Capital Securities Pvt. Ltd.
(Formerly known as M/s.Mondkar Computers Pvt.Ltd.)
21, Shakil Niwas,
Mahakali Caves Road,
Andheri (East)
Mumbai 400 093.
Tel: 2836 6620, 2825 7641
Fax: 2836 9704



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AGM NOTICE

To,
The Members
SNL BEARINGS LIMITED

NOTICE is given that the Thirty Second Annual General Meeting of the Company will be held at the Conference Room, 5th Floor, Dhannur, Sir P. M. Road, Fort, Mumbai 400 001 on Friday, July 27th, 2012 at 3.00 p.m. to transact the following business:

Ordinary Business

1. To receive, consider and adopt the audited Statement of Balance Sheet, Profit and Loss Account, Cash Flow Statement for the year ended 31st March, 2012 as at that date and reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. S C Rangani who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. V S Iyer who retires by rotation and being eligible offers himself for re-appointment.
4. To consider and if thought fit, to pass with or without modifications, the following resolution:
"RESOLVED THAT M/s. Deloitte Haskins & Sells, Chartered Accountants, (Registration no. ICAI 117365W) be and are hereby appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting on such remuneration plus out-of-pocket expenses, as may be mutually agreed upon between the Board of Directors and the Auditors."

Special Business

5. To consider and if thought fit, to pass, the following Resolution as an **Ordinary Resolution.**

Appointment of Ms. A. A. Gowariker as Additional Director

"RESOLVED THAT Ms. A. A. Gowariker, who was appointed as an Additional Director by the Board of Directors of the Company on November 4, 2011, pursuant to Article 79 of the Articles of Association of the company and who holds office upto the date of this Annual General Meeting under section 260 of the Companies Act, 1956 and in respect of whom the company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the company, liable to retire by rotation."

By Order of the Board

S C Rangani
Director

Dated : May 8, 2012

Notes:

1. **THE MEMBERS WHO ARE ENTITLED TO ATTEND AND VOTE AT THE MEETING ARE ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON THEIR BEHALF AND PROXY NEED NOT BE A MEMBER.**
2. Proxy to be effective should be submitted at the Registered Office of the company not later than 48 hours before the commencement of the meeting.
3. The Register of members of the company and Transfer Books will be closed from July 18, 2012 to July 27, 2012 (both days inclusive).
4. Members/Proxies are requested to bring their attendance slip duly filled in and their copy of the Annual Report for the meeting.



5. A brief resume of Mr. S C Rangani, Director, proposed to be reappointed vide Ordinary business no.2 in the notice is as follows:

Mr. S C Rangani (63 yrs) is a graduate in commerce with post graduate qualifications in Management Studies and professional qualifications as a Company Secretary. He has over 40 yrs. experience in management positions in various industries of which the last 19 years have been in the holding company with responsibilities for Finance, IT, Legal and Secretarial.

6. A brief resume of Mr. V S Iyer, Director, proposed to be reappointed vide Ordinary business no.3 in the notice is as follows:

Mr. V S Iyer (88 yrs) has a Master's degree in Arts and a Law degree from Bombay University and additionally is professionally qualified as a Company Secretary. He is a practicing Company Secretary and has extensive experience in company law related matters.

7. A brief resume of Ms. A A Gowariker, Director, proposed to be appointed vide Special business no.5 in the notice is as follows:

Ms. Gowariker (45 yrs) is law graduate and is associated as partner with M/s. Desai & Diwanji. She has been with the firm for over 16 years and is part of the M&A and PF groups of the firm, advising on mergers and acquisitions and project finance related transactions. She has substantial experience in advising foreign investors, investment banks on transactions across various industry sectors such as health care/pharma, hotels and hospitality, auto, real estate, media and entertainment and oil/telecom/power/gas/roads/ports within the infrastructure segment.

By Order of the Board

S C Rangani
Director

May 8, 2012



DIRECTORS' REPORT

To,
The Members
SNL Bearings Limited

Your Directors have pleasure in presenting their Thirty Second Annual Report together with Audited Accounts for the year ended 31st March, 2012.

1. Financial Results

	Year ended 31st March, 2012 Rs. in Lakhs	Year ended 31st March, 2011 Rs. in Lakhs
Profit/(Loss) before providing for interest & depreciation & prior period adjustments	691.36	559.38
Less : Interest	23.78	31.24
Less : Depreciation	43.76	47.39
Profit/(Loss) Before Tax	623.82	480.75
Tax expenses	177.31	99.04
Profit/(Loss) After Tax	446.51	381.71
Less : Balance brought forward from previous year	(638.99)	(820.70)
Less : Proposed dividend on Preference Shares	(55.73)	-
Less : Additional income-tax on dividend on Preference Shares	(9.04)	-
Less : Transfer to capital redemption reserve	(200.00)	(200.00)
Closing balance of surplus in statement of Profit & Loss	<u>(457.25)</u>	<u>(638.99)</u>

2. Operations

Net sales during the year at Rs. 2053 Lakhs (previous year Rs. 1761 Lakhs) are 16.5% higher than the previous year. Growth in the Indian economy slowed during the second half of the year due to global economic uncertainties. However considering the buoyancy witnessed in the first half, the automotive sector recorded an overall growth of 15% contributing in the improved performance of the company. India's rapid economic growth will continue to offer exciting opportunities for growth in the coming years.

The financial results have also been impacted favourably and the company has made a record profit before tax of Rs. 623.82 Lakhs (Previous year Rs. 480.75 Lakhs). The growth in the PBT has been 30% over the previous year. Your company will continue to consolidate its position and capture growth opportunities during the current year.

No dividend on equity shares has been recommended for the year in order to conserve resources for future requirements.



Dividend @ 2% on the Cumulative Redeemable Preference shares for the years 18th June, 2002 to 31.3.2005 aggregating Rs. 55.73 Lakhs is being recommended by the Board in view of the improved performance to partially clear the dividend arrears.

3. **Public Deposits**

The company has not taken fixed deposits during the year. As on 31.3.2012 there are no fixed deposits with the company.

4. **Directors**

The Board welcomed Ms. Aslesha Gowariker as Additional Director w.e.f November 4, 2011 and look forward to active contribution in the board proceedings from her. She holds office upto the AGM and is proposed to be appointed as Director. Nomination has been received from a shareholder for appointing her as a Director and the same has been included in the notice.

Mr. S C Rangani and Mr. V S Iyer retire by rotation but being eligible offer themselves for re-appointment.

5. **Finance**

Working capital management has resulted in maintaining inventories and receivables at reasonable levels. There has been savings in finance costs during the year in spite of rising interest rates in the financial markets.

6. **Information regarding employee pursuant to section 217(2A) of the Companies Act, 1956.**

There was no employee -

- a. employed throughout the period under review, receiving remuneration in aggregate not less than Rs. 60,00,000/-p.a.
- b. employed for the part of the period receiving remuneration not less than Rs. 5,00,000/- per month.

7. **Information pursuant to section 217(1)(e)**

- a. Measures taken for conservation of energy

The company is making all efforts for conservation of energy on a continuous basis.

The company has installed 4 nos. of shunt capacitor to improve power factor resulting in improvement of the power factor from 0.85 to 0.89. A high rating motor in the drawing press has been replaced reducing the power load by 17KW. The resultant cost savings as a result of these measures are Rs. 2.9 Lakhs.

- b. Technology absorption

With the objective of improving productivity as well as quality, during the year the company has continued its efforts on development of special purpose machines and toolings, improvements in process parameters and reduction in cycle times.

The company's engineering staff has successfully installed zig zag strip feeder for shell blanking resulting in 5% savings in raw materials for shell manufacturing.

In the tube turning process, simultaneous forming of multi pieces has resulted in productivity improvements.

- c. Foreign exchange earnings & outgo

Details regarding expenditure and earnings in foreign exchange have been given in Note Nos. 26(h) & 26(i) of the audited accounts of the company.



8. **Corporate Governance**

Pursuant to clause 49 of the listing agreements with the stock exchanges, a Management Discussion and Analysis, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance are made part of the Annual Report.

The Code of Conduct for directors and Senior Management personnel of the company, as approved by the Board, has been affirmed on an annual basis by all the directors and the Plant Head of the Company.

The relevant certification on the various matters specified under paragraph V of clause 49 has been done by the Assistant General Manager/Plant Head (CEO) and a Director of the Company (CFO).

9. **Directors' Responsibility Statement**

In accordance with the Companies (Amendment) Act, 2000, the Directors state that :

- i. in the preparation of annual accounts, all applicable Accounting Standards have been followed and proper explanations relating to material departures, if any, have been furnished;
- ii. accounting policies as listed in Note 2 to the financial statements have been judiciously selected and consistently applied and reasonable & prudent judgements and estimates have been made so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2012 and of the profit of the Company for the accounting year ended on that day;
- iii. proper and sufficient care for maintenance of adequate accounting records has been taken in accordance with the provisions of the Act so as to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;
- iv. the Annual Accounts have been prepared on a going concern basis.

10. **Auditors**

M/s. Deloitte Haskins & Sells, Chartered Accountants retire at the ensuing Annual General Meeting and are eligible for re-appointment. The board recommends their re-appointment. A certificate from the auditors have been received to the effect that their appointment, if made would be within the limits prescribed under section 224 (1)(B) of the Companies Act, 1956.

The product "Bearings" is subject to cost audit under the Central Government rules. The cost audit report for the year ended 31st March, 2011 was reviewed by the audit committee at their meeting held on 26th July, 2011 and has been filed on 26th August, 2011 well within the due date of 30th September, 2011. The cost audit for the year ended 31st March, 2012 is in progress and the cost audit report will be filed within the stipulated time.

11. **Acknowledgements**

Your Directors acknowledge the valuable support and active involvement and encouragement by all members of the management team of NRB Bearings Ltd., towards the improved efficiencies of the company. The Board also records their appreciation of the whole hearted support and contribution by the company's bankers, customers, suppliers and all employees of the company.

On behalf of the Board

(Ms.) H S ZAVERI
Chairman

Mumbai: May 8, 2012



MANAGEMENT DISCUSSION & ANALYSIS

Industry structure and development

Your company operates in the Antifriction bearing industry which is segmented into ball bearings and roller bearings (Tapered, Cylindrical, Needle, Spherical, Thrust and other special application bearings). The major user industries of antifriction bearings are automobiles, general engineering, railways, electrical equipment etc. The production of the organized bearing industry as represented under Ball & Roller Bearing Manufacturers Association (BRBMA) is placed at Rs. 4300 crores during the last financial year. The market segmentation of demand is approximately 65% from original equipment manufacturers (OEM) and the balance coming from the replacement market/exports.

The automotive industry is the largest consumer of bearing products. In FY 2011-12 sales of the overall Indian automobile sector has increased by 15%, a much lower rate compared to the growth of 30% in the previous year. Particularly affected were passenger car sales that have registered de-growth since July 2011 compared with the previous year. Sales of two wheeler and commercial vehicles have shown buoyancy. India continues to be one of the fastest growing automotive markets in the world and the outlook for the current year continues to be favourable. Even with GDP growth estimates at a conservative 7% for the current year, the opportunities for industrial development remain very positive in India and the demand for bearing products is expected to maintain the present momentum.

Economic Environment

Continued growth in industrial production and rising disposable income of the expanding middle class households, is expected to result in double digit growth for the automotive sector. The continued capacity expansion by major OEMs, in line with market demand is expected to encourage auto component manufacturers to invest in new capacities and expand operations. Opportunities for exports are expected to increase both for finished automobiles as well as auto components. Many new launches are also planned during the year which will help in expanding the size of the market.

Interest rates are expected to moderate during the course of the year though higher fuel prices and inflationary pressures within the economy could put pressure on costs and margins for bearing manufacturers.

Your company will continue to focus on offering value added solutions and leverage its competitive strength to match customer growth plans.

Opportunities and Threats

Rapid industrialization and economic growth is expected to result in increasing demand for personal transportation. Growing prosperity in rural areas will also positively influence demand for motor cycles as well as agricultural tractors in India. Thus the long term outlook on the Indian economy remains very positive.

Infrastructure development continues to be a priority for the Indian Government. Similarly public and private investment programmes have been finalized in core sectors like steel, cement, power and renewable energy. All these factors are expected to result in increased demand for ball and roller bearings.

The domestic bearing industry is facing the following threats :

- a. The menace of spurious bearings continues to adversely affect the industry inspite of concerted efforts by the industry to control the same.



- b. Domestic inflation is disturbing – rising input costs including employee costs are likely to affect competitiveness. With bearing steel prices on an uptrend it is likely that there will be pressure on costs and margins for the Indian manufacturers.
- c. Dumping of cheap bearings by Chinese and other South East Asian countries.

The industry and your company are taking all steps to improve competitiveness by reducing costs, improving quality and spreading awareness about the threat from fake products of inferior quality.

Financials

The company has made a profit after tax of Rs. 446.51 Lakhs as compared to Rs. 381.71 Lakhs in the previous accounting year. The net sales at Rs. 2052.77 Lakhs show an increase of 16.5% as compared to net sales of the previous year.

The company will continue to enhance volumes to improve capacity utilization, reduce costs, improve efficiencies, broad base its customer profile and develop new part numbers so that the financial results can be improved during the current financial year.

Risks and risk mitigation

The company's internal control processes cover, amongst others processes for identification, assessment and mitigation of various kinds of risks which include operational and financial risks. Such risks are regularly reviewed and discussed. The macro concerns which could significantly impact industry performance during the year are inflation, fiscal deficit, high interest rates, government's inability to build and expand critical infrastructure and the adverse impact of the FTAs which have resulted in higher imports of auto components and could therefore negatively impact the industry's plans to achieve the targeted size of US\$ 40 billion by 2016 under the Automotive Mission Plan.

Company's internal auditors review the internal controls, risk assessment and mitigation procedures, independently as part of their internal audit process and their observations and findings are presented, reviewed and discussed in the audit committee meeting.

The Plant head of the operating unit, with continuing interactions and communications with the marketing head of the holding company, employees and other stakeholders keeps himself abreast with the developments in the market, products, competition and other areas.

Internal control systems and adequacy

The company has in place adequate internal control systems which ensures reliable financial reporting, safeguarding of assets, adherence to management policies and promotion of ethical conduct. The company has implemented an integrated ERP system which will help the company in its growth process and make it more responsive to changes in the business environment and processes.

Some of the significant features of the internal control systems are:

- a. Internal auditors who in addition to transaction audit cover operational audit and review business processes and performance
- b. Standard operating procedures and guidelines are being reviewed in the light of the ERP implementation to ensure tighter controls, including recommendations to strengthen business processes. Improvements/modifications are being effected to meet with changes in business conditions, statutory and accounting requirements.

The Audit Committee closely interacts with and guides management and alongwith statutory auditors and internal auditors reviews significant findings and follows up thereon.



Segmentwise Performance

During the current year also, the company has manufactured special purpose machines and tools for the bearing industry which has resulted in a better utilization of assets and other resources of the company. Accordingly while ball and roller bearings remain the primary business segment, the results of the Special purpose machine segment are also reported as some of the assets and liabilities of the company were expended towards this business segment. The details of the segment performance are tabled below:

SEGMENT INFORMATION

Primary Segments- Business Segments

	2011-12			2010-11		
	Bearings	Special Purpose Machines	Total Amount	Bearings	Special Purpose Machines	Total Amount
	Rs.Lakhs	Rs.Lakhs	Rs.Lakhs	Rs.Lakhs	Rs.Lakhs	Rs.Lakhs
A Segment Revenue						
Net Sales to Customers	1807.77	245.00	2052.77	1578.45	183.00	1761.45
Inter Segment Revenue	-	-	-	-	-	-
Total Segment Revenue	1807.77	245.00	2052.77	1578.45	183.00	1761.45
B Segment Results	626.73	51.97	678.70	508.46	48.60	557.06
Less: Unallocated corporate expenses net off allocable income			(31.79)			(45.45)
Less: Interest expense			(23.09)			(30.86)
Profit before tax			623.82			480.75
C Capital Employed	1130.92	61.80	1192.72	800.05	100.02	900.07
Unallocated corporate assets (net)			(209.02)			(162.88)
Total			983.70			737.19

Industrial Relations and Human Resource management

The company's industrial relations with employees at its Ranchi plant continued to be cordial and peaceful.

The company has continued its efforts towards strengthening HR by providing employees a better working atmosphere and creating a culture which nurtures personal and organizational role.

Permanent employees directly employed by the company currently total 126 nos.

Cautionary Statement

Statements in this Management Discussion and Analysis describing the company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results may differ materially from those either expressed or implied.



CORPORATE GOVERNANCE

Details of the compliance of the Corporate Governance Code are given below:

1. Board of Directors

a. Composition:

The company is Board managed. All directors are non executive directors and professionally competent. At present the Board consist of five members. The Board of Directors closely monitors the performance of the company and its management, approves and reviews strategy, ensures legal and ethical conduct and proper financial reporting. It is accountable to the shareholders as well as other stake holders for the long term health of the company.

Ms. H S Zaveri (52 yrs) is the Chairman of the Board of Directors. She is also the Managing Director & President of NRB Bearings Ltd. She has graduated from Wellesley College, USA and also has a degree in Education from Bombay University. She has 23 years experience in the bearings industry in various commercial and senior management positions in the holding company. Her contribution in the areas of strategic planning, marketing and quality systems and her leadership capabilities will help take the holding company towards its Vision 2020 of being a billion dollar company with a presence in every vehicle in the world.

She is actively associated with Ball & Roller Bearing Manufacturers Association (BRBMA), Automotive Component Manufacturers Association of India (ACMA), Indo American Chambers of Commerce, CII and the TPM Club of India. She is also a Director on the Board of NRB Bearings (Thailand) Ltd.

Mr. S C Rangani (63 yrs) is a graduate in commerce with post graduate qualifications in Management Studies and professional qualifications as a Company Secretary. He has over 40 yrs. experience in management positions in various industries including 19 years have been in the holding company with responsibilities for Finance, IT, Legal and Secretarial. He is also a Director on the board of NRB Bearings (Thailand) Ltd.

Mr. J S Maini (70 yrs) holds a degree in Mechanical Engineering from Pune University. He retired from the position of General Manager (Aurangabad & Waluj plants), NRB Bearings Ltd., after meritorious service of 27 years with the company in various positions in the maintenance, manufacturing and commercial areas of the business. With his wealth of experience in manufacturing and in the business of marketing bearings and other industrial products, he is in a position to contribute towards the growth strategy for the company.

Mr. V S Iyer (88 yrs) has a Master's degree in Arts and a Law degree from Bombay University and additionally professionally qualified as a Company Secretary. He is a practicing Company Secretary and has extensive experience in company law related matters and is an advisor to Schneeberger India Pvt. Ltd.

Ms. A. A. Gowariker (45 yrs) is law graduate and is associated as partner with M/s. Desai & Diwanji. She has been with the firm for over 16 years and is part of the M&A and PF groups of the firm, advising on mergers and acquisitions and project finance related transactions. She has substantial experience in advising foreign investors, investment banks on transactions across various industry sectors such as health care/pharma, hotels and hospitality, auto, real estate, media and entertainment and oil/telecom/power/gas/roads/ports within the infrastructure segment.



Other than Ms. H S Zaveri who is part of the promoter family of NRB Bearings Ltd. and Mr. S C Rangani who receives remuneration from the holding company, the other directors mentioned above are independent.

The directors have received remuneration only by way of sitting fees.

b. Board Meetings:

The Board of the Company, as also the various specialized committees constituted by the Board, held as many as 14 meetings including 4 meetings of the Board during 2011-12.

The maximum interval between any two meetings was 101 days. The Board held its meetings on 26th April, 2011, 26th July, 2011, 4th November, 2011 and 18th January, 2012.

c. Attendance of Directors:

The overall attendance of Directors was 89%.

Attendance of Directors

At the Board Meetings held during 2011-12 and the last Annual General Meeting

Sr. No.	Name of Directors	Meetings held during the tenure of the Directors	Meetings Attended	Attendance at the last AGM (26 th July, 2011)
1	Ms. H S Zaveri	4	4	Yes
2	Mr. S C Rangani	4	4	Yes
3	Mr. J S Maini	4	3	Yes
4	Mr. V S Iyer	4	4	Yes
5	Ms. A Gowariker	2	1	-

Overall attendance in the Board Meetings: 89% AGM : 100%

d. Other Directorships:

None of the Directors holds Directorship in more than 10 listed companies.

Other Boards of which Directors are Members

Srl. No.	Name of Directors	Details of other Directorships *	Details of Committee Memberships
1	Ms. H S Zaveri	NRB Bearings Ltd NRB Industrial Bearings Ltd	Member-Investor Grievances/ Share Transfer Committee NIL
2	Mr. S C Rangani	NIL	NIL
3	Mr. J S Maini	NIL	NIL
4	Mr. V S Iyer	NIL	NIL
5	Ms.A Gowariker	NIL	NIL

*excluding private limited companies and companies incorporated outside India.

e. Membership of Board Committees:

None of the Directors holds membership of more than 10 Committees of Boards nor is any Director a Chairman of more than 5 Committees of Boards.



f. **Details of Directors being appointed/reappointed:**

Mr. S C Rangani and Mr. V S Iyer retire by rotation and are eligible for reappointment. The particulars of these directors are furnished elsewhere.

Ms. A A Gowariker holds office upto the Annual General Meeting and it is proposed to appoint her as Director. Her particulars have been included in the notice.

g. **Remuneration of Directors:**

The directors have been remunerated only by way of sitting fees and no other benefits are paid.

Name of Directors	Sitting fees (Rs.)
H S Zaveri	45000
S C Rangani	32500
J S Maini	20000
V S Iyer	45000
A Gowariker	2500
Gross total	145000

2. **Audit Committee**

The Audit Committee of SNL Bearings Limited was set up in July, 2002. The Committee, in order to comply with the condition of clause 49 of the listing agreement relating to composition of such committee, consists of four Non-executive Directors and is headed by Mr. J S Maini. The Members of the Committee have fair knowledge of project finance, accounts and company law and Mr. V S Iyer has the financial expertise. The other members of the committee are Ms. H S Zaveri and Ms. A A Gowariker both of whom are financially literate. The committee held 4 meetings during the year, which were well attended by its members. The major terms of reference of the Audit Committee as stipulated in Clause 49 of the Listing Agreement are as follows:

- a. Reviewing with management the annual financial statements before submission to the Board, focusing primarily on (i) any changes in accounting policies and practices, (ii) major accounting entries based on exercise of judgement by management, (iii) qualifications in draft audit report, (iv) significant adjustments arising out of audit, (v) the going concern assumption, (vi) compliance with accounting standards, (vii) compliance with Stock Exchanges and legal requirements concerning financial statements and (viii) any related party transactions i.e. transactions of the Company of material nature with promoters or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.
- b. Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- c. Reviewing the adequacy of internal audit functions.
- d. Discussion with internal auditors of any significant findings and follow up thereon
- e. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.



- f. Reviewing the Company's financial and risk management policies
- g. To look into the reasons for substantial defaults in the payment to the depositors, debentureholders, shareholders (in case of non-payment of declared dividends) and creditors.

**Attendance of Members
at the Meetings of the Audit Committee held during 2011-12**

Members	Meetings held during the tenure of the Director	Meetings attended
Mr. J S Maini (Chairman)	4	3
Ms. H S Zaveri	4	4
Mr. V S Iyer	4	4
Ms. A A Gowariker	1	NIL

Overall attendance: 84.62%

3. Shareholders/Investors' Grievances Committee of Directors

The Board of Directors of the Company has set up a Shareholders/Investors' Grievances Committee of Directors comprising Mr. V S Iyer (Chairman), Ms. H S Zaveri, and Mr. S C Rangani. The shareholders of the Company are serviced by the share transfer agent- M/s. Universal Capital Securities Pvt. Ltd. The transfers received by the Company are processed and transferred on a monthly basis. All requests for dematerialisation of shares are likewise processed and confirmation thereof is normally communicated to the investors and depository participants within 15 days of receipt thereof. The Committee also monitors redressal of investors' grievances.

As required by the Stock Exchanges, the Company has appointed Mr. S C Rangani, Director, as the Compliance Officer to monitor the share transfer process and liaison with the regulatory authorities.

**Attendance of the Members at the Meetings of the Shareholders/
Investors' Grievances Committee of Directors held during 2011-12**

Members	Meetings held during the tenure of the Director	Meetings attended
Mr. V S Iyer (Chairman)	6	6
Ms. H S Zaveri	6	6
Mr. S C Rangani	6	6

Overall attendance : 100%

4. General Body Meetings

The last 3 Annual General Meetings of the Company were held as below:

31st Annual General Meeting on 26th July, 2011 at 3.00 p.m.
Conference Room, Dhannur, 15 Sir P M Road, Mumbai 400 001

30th Annual General Meeting on 22nd July, 2010 at 3.00 p.m.
Conference Room, Dhannur, 15 Sir P M Road, Mumbai 400 001



29th Annual General Meeting on 23rd July, 2009 at 3.00 p.m.
Conference Room, Dhannur, 15 Sir P M Road, Mumbai 400 001

There were no special resolutions passed by the Company through postal ballot at any of the above meetings. At the ensuing Annual General Meeting, there are no resolutions proposed to be passed through postal ballot.

5. **Disclosures**

The Company has not entered into any transaction of material nature that may have a potential conflict with interests of the Company, with any of the Directors or their relatives during the year 2011-12. There are no subsidiary companies. Neither has any non-compliance with any of the legal provisions of law been made by the Company nor any penalty or stricture imposed by the Stock Exchanges or SEBI or any other statutory authority, on any matter related to the capital markets, during the last 3 years.

6. **Means of Communication**

Information like Quarterly Financial Results and Press Releases on significant developments in the Company have been submitted to Stock Exchanges to enable them to put them on their web sites. The Quarterly Financial Results are published in English and vernacular newspapers.

A Report on Management Discussion and Analysis has been included elsewhere in this report.

7. **General Shareholder Information**

The mandatory as also various additional information of interest to investors is voluntarily furnished in the following section on Investor information in this Report.

8. **Auditor's Certificate on Corporate Governance**

The Auditor's Certificate on Compliance of Clause 49 of the Listing Agreement relating to Corporate Governance is published as an annexure to the Directors' Report.

9. **Non mandatory recommendations**

a. **Chairman of the Board – Re: Non-executive Chairman**

The Company's non-executive Chairman has not expressed any desire for a separate office.

b. **Remuneration Committee**

The Company has decided not to proceed with formation of Remuneration Committee at this stage.

c. **Half yearly results to shareholders**

The company has circulated the Chairman's speech at the AGM and the half yearly results to all the shareholders.

d. **Vote by Postal Ballot**

During the year no resolution was passed requiring vote by postal ballot.

e. **Whistle Blower Policy**

The company has decided not to proceed with formulation of a whistle blower policy.



Auditors' certificate to the members of SNL Bearings Limited on compliance of the conditions of corporate governance for the year ended 31st March, 2012 under clause 49 of the listing agreement with relevant stock exchanges.

We have examined the compliance of the conditions of corporate governance by SNL Bearings Limited, for the year ended on 31st March, 2012, as stipulated in clause 49 of the listing agreements of the said company with relevant stock exchanges (hereinafter referred to as clause 49).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination has been limited to a review of the 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.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the directors and the management, except that:

- i) in the absence of any designated Chief Executive Officer (CEO) and Chief Financial Officer (CFO), the relevant certification on the various matters specified under paragraph V of clause 49 has been done by the Asst. General Manager and a Director of the Company;
- ii) in the Audit committee meeting held on 26th July, 2011 as explained in para 2 in the Company's report on Corporate Governance, the provisions of clause (B) of part II of clause 49 as well as the requirement of the said clause, in respect of meeting at least four times in a year and not more than four months should have elapsed between two meetings, were not complied with;

We certify that the company has complied with the conditions of corporate governance as stipulated in clause 49;

We 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 **Deloitte Haskins & Sells**
Chartered Accountants
(Firm Reg. No. 117365W)

A. C. KHANNA
Partner
Membership No. 17814

Mumbai : May 8, 2012

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of conduct for all Board Members and Senior Management. All Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct in respect of the financial year ended 31st March, 2012.

For **SNL Bearings Ltd.**

S C Rangani
Director & Compliance Officer

Mumbai : May 8, 2012



SHAREHOLDERS' INFORMATION

1. Annual General Meeting

Date and Time	:	July 27, 2012 at 3.00 p.m.
Venue	:	Conference Hall, Dhannur 15 Sir P. M. Road, Fort Mumbai 400 001

2. Financial Calendar

Financial reporting for the quarter ending June 30, 2012	:	July 27, 2012
Financial reporting for the quarter ending September 30, 2012	:	October, 2012
Financial reporting for the quarter ending December 31, 2012	:	January, 2013
Financial reporting for the year ending March 31, 2013	:	May, 2013
Annual General Meeting for the year ending March 31, 2013	:	July / August, 2013

3. **Book Closure Date** : July 18, 2012 to July 27, 2012
(both days inclusive)

4. **Dividend Payment Date** : 31st July 2012

5. **Registered Office** : Dhannur, 15 Sir P. M. Road,
Fort, Mumbai 400 001
(Tel) 2266 4160 / 4998
(Fax) 2266 0412

Plant : Ranchi : Ratu, Ranchi 834 001
(Tel) 0651-2521876
(Fax) 0651-2521920

6. Unclaimed Dividends

No unclaimed dividends remaining unclaimed for 7 years from the date of declaration.

7. Nomination Facility

Shareholders of physical shares can nominate a person for the shares held by them. Requisite nomination forms have already been circulated by the company to the shareholders who are advised to avail of this facility.



8. Distribution of Shareholding as on 31st March :

No. of Equity Shares	2012				2011			
	No. of share holders	% of share holders	No. of shares held	% share holding	No. of share holders	% of share holders	No. of shares held	% share holding
Upto 500	4136	94.30	370863	10.269	4246	94.44	383066	10.61
501-1000	134	3.06	107855	2.99	132	2.93	104162	2.88
1001-2000	64	1.45	101454	2.81	66	1.47	104128	2.88
2001-3000	22	0.50	56466	1.56	22	0.49	55497	1.53
3001-4000	7	0.16	25085	0.69	7	0.16	25847	0.72
4001-5000	4	0.09	17619	0.49	5	0.11	21891	0.61
5001-10000	10	0.23	81586	2.26	10	0.22	83807	2.32
10001 & above	9	0.21	2850612	78.93	8	0.18	2833142	78.45
TOTAL	4386	100.00	3611540	100.00	4496	100.00	3611540	100.00

As on 31st March, 2012, 3454720 no. of shares constituting 95.66% of the share capital has been dematerialised.

The company has entered into agreements with NSDL during the year 2002-03 and has been allotted ISN No.INE 568F 01017. The company has also entered into agreements with CDSL during the year 2009-10.

9. Categories of shareholdings as on 31st March :

Category	2012				2011			
	No. of share holders	% share holders	No. of shares held	% share holding	No. of share holders	% of share holders	No. of shares held	% share holding
Individuals								
Promoter group	1	0.02	9643	0.27	1	0.02	9643	0.27
Public	4265	97.25	773948	21.43	4377	97.38	785343	21.74
Corporate Bodies								
Promoter group	1	0.02	2652762	73.45	1	0.02	2652762	73.45
Others	101	2.30	167537	4.64	102	2.27	157397	4.36
Foreign Collaborator	-	-	-	-	-	-	-	-
NRI/OCBs	17	0.39	7600	0.21	13	0.29	6345	0.18
FI/FII/Banks	1	0.02	50	-	1	0.02	50	-
Mutual Funds/ UTI	-	-	-	-	-	-	-	-
TOTAL	4386	100.00	3611540	100.00	4495	100.00	3611540	100.00



10. Share Transfer System

The Investor Grievances/Share Transfer Committee comprising of three directors is authorized to approve transfer of shares and the said Committee approves transfer of shares. The Committee meets every quarter or earlier in case there are any requests for share transfers in physical form or requests for reissue of duplicate share certificate.

Share transfers in physical form are presently registered and returned within a period of 30 days from the date of receipt in case documents are complete in all respects.

11. Investor queries/complaints handled

Nature of queries/complaints	2011-12 Nos.	2010-11 Nos.
Relating to transfers, Transmissions etc. (including duplicate share certificates, stop transfer, non-receipt of share certificates, deletion of name, non receipt of AGM Report, rectification of share certificate, indemnity bond for duplicate certificate, signature verification)	-	6
Relating to dividends (including revalidation of dividend warrants, non-receipt of dividend warrants and bank details)	-	-
Relating to change of address	3	9
Others	NIL	NIL
Total	3	15

- a. Legal proceedings on share transfer, if any : There are no major legal proceedings relating to transfer of shares.
- b. Number of shareholders' complaints received during the year : 3
- c. All the complaints have been resolved
- d. There are no pending share transfers at the year end

12. Listing on Stock Exchange at

: Equity shares
 Bombay Stock Exchange Ltd.
 P. J. Towers, Dalal Street,
 Mumbai 400 023
 The Calcutta Stock Exchange
 Association Ltd.
 7 Lyons Range, Calcutta 700 001

Note : Listing fees for the year 2012-13 have been paid to The Bombay Stock Exchange Ltd. The company's application for voluntary delisting from the Calcutta Stock Exchange has been submitted on 2nd September, 2005 and is pending for action by them and hence the listing fee from the year 2007-08 has not been paid.

13. Stock Codes

Bombay Stock Exchange
 ISIN No.

505827
INE 568F 01017



14. Stock Market Data

The Bombay Stock Exchange Ltd., Mumbai.

Monthly high and low quotations and volume of shares traded.

2011-12	Mumbai Stock Exchange		
	High	Low	Volume
April'11	44.00	32.20	64297
May'11	42.90	32.65	36143
June'11	42.40	35.00	32649
July'11	48.55	34.30	82080
August'11	45.95	32.55	29960
September'11	39.85	32.25	59725
October'11	38.85	32.00	20634
November'11	40.40	29.00	30725
December'11	35.65	25.50	24372
January'12	36.50	28.00	17099
February'12	33.65	28.75	27096
March'12	36.00	27.55	24837
Total			449617

15. **Registrars and Transfer Agents** : M/s. Universal Capital Securities Pvt. Ltd.
(Share transfer and communication regarding share certificates, dividends and change of address) (Formerly Mondkar Computers P. Ltd.)
21, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai 400 093.
(Registered with SEBI as Share Transfer Agent-Category I)
16. **Investor correspondence** : The Director
SNL Bearings Limited
Dhannur, 15 Sir P.M.Road, Fort, Mumbai 400 001.
Tel : 022-2266 4160/4998 Fax : 022-2266 0412
E-mail : sc.rangani@nrbbearings.co.in

SEBI circular No.MRD/DoP/Dep/SE/Cir-22/06 dated December 18, 2006 has advised all listed companies to designate an email ID of the grievance redressal division/compliance officer exclusively for the purpose of registering complaints by investors. The following is the email ID designated for the same. investorcare_snl@nrbbearings.co.in

17. Details on use of public funds obtained in the last three years :

No funds have been raised from public in the last three years.

18. Outstanding GDR/Warrants and convertible bonds, conversion date and likely impact on Equity :

The company has no outstanding GDR/Warrants and/or convertible bonds.

Green initiative in Corporate Governance – Electronic Mode of service of documents

Clause 32 of the Listing Agreement has been amended and requires the company to send soft copies of the Annual Reports to all shareholders who have registered their email addresses for the purpose.

Keeping in view the objective of the Green Initiative of the MCA, we request you to register your email ID with our RTA at snlbearings@unisec.in on or before 15th July, 2012, so that all communication can be sent in electronic form.

We earnestly request you to join this noble initiative.



CERTIFICATION BY PLANTHEAD AND DIRECTOR

The Board of Directors
SNL Bearing Ltd.

We hereby certify that:

- a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with the existing accounting standards applicable laws and regulations
- b. To the best of our knowledge and belief, there are no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operations of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit Committee:
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For SNL Bearings Ltd.

Mumbai : May 8, 2012

K K P SINHA
AGM & PLANT HEAD

S C Rangani
Director



**AUDITORS' REPORT TO THE MEMBERS OF SNL BEARINGS LIMITED ON
THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2012**

1. We have audited the attached Balance Sheet of SNL BEARINGS LIMITED as at 31st March, 2012, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both 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.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 4 above, we report that:
 - (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (iii) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account of the company.
 - (iv) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - (v) in our opinion and to the best of our information and according to the explanations given to us, the said accounts 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 Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors as on 31st March, 2012 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 DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No.117365W)

A.C. KHANNA
Partner
Membership No. 17814



**ANNEXURE TO THE AUDITORS' REPORT TO THE MEMBERS OF SNL BEARINGS
LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2012
(referred to in paragraph 3 of our report of even date)**

-
- (i) Having regard to the nature of the Company's business/activities/result, clause (xiv) of Caro is not applicable.
- (ii) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, the fixed assets are being physically verified by the management once in two years. Such verification due as per this programme was carried out in the current year. In our opinion, the frequency of verification is reasonable having regard to the size of the company and the nature of its assets.
- (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories 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 is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iv) (a) The company has not granted any loans, to companies, firms or other parties covered in register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause (iii) (b), (c) and (d) of the Companies (Auditor's Report) Order, 2003 (hereinafter referred to as the said Order) are not applicable to the company.
- (b) The company has taken loans from a company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum principal amount involved during the year was Rs. 200.00 Lakhs and the year-end balance of such loans was Rs. NIL.
- (c) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from the company listed in the register maintained under section 301 of the Companies Act, 1956 are, prima facie, not prejudicial to the interest of the company.
- (d) The payment of principal amount and interest in respect of such loans are as per stipulations.
- (v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods. As per the information and explanations provided to us the Company is not involved in any service activities. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.
- (vi) In respect of contracts or arrangements entered in the register maintained in pursuance of section



**ANNEXURE TO THE AUDITORS' REPORT TO THE MEMBERS OF SNL BEARINGS
LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2012
(referred to in paragraph 3 of our report of even date) (Contd.)**

301 of the Companies Act 1956, to the best of our knowledge and belief and according to the information and explanations given to us:

- (a) The particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register, maintained under the said section have been so entered.
- (b) The transactions made in pursuance of such contracts or arrangements and exceeding the value of rupees five Lakhs in respect of any party are of a special nature for which there are no alternative sources available nor are there any similar transactions with other parties. In the absence of prevailing market prices of such transactions being produced to us, we are unable to form an opinion on the reasonableness of prices paid / received.
- (vii) The company has not accepted any deposits from the public to which the provisions of sections 58A, 58AA and any other relevant provisions of the Companies Act, 1956 and the rules framed there under would apply. Accordingly, the provisions of clause (vi) of the said Order are not applicable to the company during the year.
- (viii) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the management have been commensurate with the size of the Company and the nature of its business.
- (ix) We have broadly reviewed, without carrying out a detailed examination, the books of account 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, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- (x) (a) According to the records of the company, undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, fringe benefit tax, sales tax, value added tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it have generally been regularly deposited with the appropriate authorities.
- (b) According to the information and explanations given to us, there are no arrears of outstanding undisputed statutory dues as at 31st March, 2012, for a period of more than six months from the date it became payable.
- (c) According to the information and explanations given to us, there are no dues of income-tax, wealth-tax, service tax, sales tax, customs duty, excise duty and cess which have not been deposited on account of any dispute as at March 31, 2012;
- (xi) In our opinion, the accumulated losses of the company are not more than fifty percent of its net worth. The company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xii) In our opinion and according to the information and explanations given to us, the company has not defaulted in the repayment of dues to banks. The Company has not borrowed from any financial institution. Also, the Company has not issued any Debentures.



**ANNEXURE TO THE AUDITORS' REPORT TO THE MEMBERS OF SNL BEARINGS
LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2012
(referred to in paragraph 3 of our report of even date) (Contd.)**

- (xiii) According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiv) The company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the said Order are not applicable to the company during the year.
- (xv) According to the information and explanations given to us, the company has not given any guarantees for loans taken by others from banks or financial institutions.
- (xvi) According to the information and explanations given to us, in our opinion, the term loan has been, prima facie, applied by the Company during the year for the purpose for which the loan was obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, in our opinion, no funds raised on short term basis have been used for long term investment.
- (xviii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the question of reporting on whether the price at which such shares have been issued is prejudicial to the interest of the company does not arise.
- (xix) The company has not issued any debentures. Accordingly, the question of creating a security or charge for debentures does not arise.
- (xx) The company has not raised any money by public issues during the year. Accordingly, the question of disclosure of end use of such monies does not arise.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm Reg. No. 117365W)

A.C. KHANNA
Partner
Membership No. 17814

Mumbai : May 8, 2012

**BALANCE SHEET AS AT 31ST MARCH, 2012**

(Rupees in Lakhs)

Particulars		Note No.	As at 31st March, 2012	As at 31st March, 2011
I.	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	3	961.15	1161.15
	(b) Reserves and surplus	4	(42.22)	(423.96)
2	Non-current liabilities			
	(a) Deferred tax liabilities (net)	5	18.87	-
	(b) Other long term liabilities	6	5.61	3.61
	(c) Long-term provisions	7	17.42	15.63
3	Current liabilities			
	(a) Short-term borrowings	8	114.81	200.00
	(b) Trade payables	9	50.80	135.39
	(c) Other current liabilities	10	74.97	72.62
	(d) Short-term provisions	11	173.74	38.69
	TOTAL (I)		1375.15	1203.13
II	ASSETS			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	12	308.19	288.79
	(ii) Intangible assets	12	4.35	8.12
	(b) Long-term loans and advances	13	89.92	37.49
2	Current assets			
	(a) Inventories	14	634.68	508.60
	(b) Trade receivables	15	305.74	296.08
	(c) Cash and cash equivalents	16	6.62	23.42
	(d) Short-term loans and advances	17	25.65	40.63
	TOTAL(II)		1375.15	1203.13
	See accompanying notes forming part of the financial statements.			

In terms of our report attached
For DELOITTE HASKINS & SELLS

Chartered Accountants

A.C. KHANNA

Partner

Mumbai : May 8th, 2012

For and on behalf of the Board of Directors**H. S. Zaveri****J. S. Maini****S. C. Rangani A. A. Gowariker V. S. Iyer**

Directors

Mumbai : May 8th, 2012



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

(Rupees in Lakhs)

Particulars		Note No.	For the year ended 31st March, 2012	For the year ended 31st March, 2011
I.	Revenue			
	(a) Revenue from operations (gross)	18	2258.42	1936.21
	Less : Excise duty		205.65	174.76
	Revenue from operations (net)		2052.77	1761.45
	(b) Other income	19	2.63	0.11
	Total Revenue (I)		2055.40	1761.56
II.	Expenses			
	(a) Cost of materials consumed	20	565.22	406.47
	(b) Changes in inventories of finished goods and work-in-progress	21	(38.54)	17.28
	(c) Other manufacturing expenses	22	363.24	300.17
	(d) Employee benefits expenses	23	371.27	365.90
	(e) Finance costs	24	23.78	31.24
	(f) Depreciation and amortization expenses	12	43.76	47.39
	(g) Other expenses	25	102.85	112.39
	Total Expenses (II)		1431.58	1280.81
III	Profit before tax (I-II)		623.82	480.75
IV.	Tax expense:			
	(a) Current tax expense for current year		197.99	98.04
	(b) Less : MAT credit		(52.43)	-
	(c) Current tax expense relating to prior years		12.88	1.00
	(d) Net current tax expense		158.44	99.04
	(e) Deferred tax		18.87	-
			177.31	99.04
V.	Profit after tax		446.51	381.71
VI.	Earnings per equity share (of Rs. 10 each)			
	Basic and Diluted	26(d)	Rs. 11.12	Rs. 8.93
	See accompanying notes forming part of the financial statements.			

In terms of our report attached

For DELOITTE HASKINS & SELLS

Chartered Accountants

A.C. KHANNA

Partner

Mumbai : May 8th, 2012

For and on behalf of the Board of Directors**H. S. Zaveri****J. S. Maini****S. C. Rangani****A. A. Gowariker****V. S. Iyer**

Directors

Mumbai : May 8th, 2012


CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	Year ended 31.03.2012 Rs. Lakhs	Year ended 31.03.2011 Rs. Lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before tax	623.82	480.75
Adjustments for :		
Depreciation and amortisation	43.76	47.39
Provision for gratuity	(3.27)	11.71
Provision for leave encashment	2.84	(1.29)
Interest expense	23.09	30.86
Net (gain)/loss on sale of fixed assets	(0.01)	2.12
	<u>66.41</u>	<u>90.79</u>
Operating profit before working capital changes	<u>690.23</u>	<u>571.54</u>
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
- Inventories	(126.08)	(9.35)
- Trade receivables	(9.66)	(83.35)
- Short-term loans and advances	14.99	(26.59)
- Long-term loans and advances	52.43	-
Adjustments for increase / (decrease) in operating liabilities:		
- Trade payables	(84.59)	53.29
- Other current liabilities	2.35	25.28
- Other long term liabilities	2.00	-
- Short-term provisions	(0.50)	(0.25)
	<u>(149.06)</u>	<u>(42.97)</u>
Cash generated from operations	541.17	528.57
Net income tax (paid)	(190.31)	(85.99)
Net cash flow from operating activities (A)	<u>350.86</u>	<u>442.58</u>
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets	(59.42)	(26.05)
Sale of fixed assets	0.04	1.78
Net cash flow used in investing activities (B)	<u>(59.38)</u>	<u>(24.27)</u>


CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012 (contd.)

	Year ended 31.03.2012 Rs.Lakhs	Year ended 31.03.2011 Rs.Lakhs
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Repayment of borrowings	(200.00)	(100.00)
Net increase/(decrease) in cash credit	114.81	(71.91)
Repayment of preference share capital	(200.00)	(200.00)
Finance cost	(23.09)	(30.86)
Net cash flow used in financing activities (C)	<u>(308.28)</u>	<u>(402.77)</u>
 Net (decrease)/increase in Cash and cash equivalents (A+B+C)	 <u>(16.80)</u>	 <u>15.54</u>
Cash and cash equivalent at the commencement of the financial year components being:		
Cash on hand	0.11	-
Balances with banks on current accounts	23.31	7.88
	<u>23.42</u>	<u>7.88</u>
Cash and cash equivalent at the end of the financial year components being:		
Cash on hand	0.11	0.11
Balances with banks on current accounts	6.51	23.31
	<u>6.62</u>	<u>23.42</u>
Net (Decrease)/Increase as disclosed above	<u>(16.80)</u>	<u>15.54</u>

Note :

- a) The above cashflow statement has been prepared under the indirect method as set out in Accounting Standard 3 (AS-3) 'Cash Flow Statements' as specified in Companies (Accounting Standards) Rules, 2006.

In terms of our report attached

For DELOITTE HASKINS & SELLS

Chartered Accountants

A. C. KHANNA

Partner

Mumbai : May 8th, 2012

For and on behalf of the Board of Directors

H. S. Zaveri

J. S. Maini

S. C. Rangani A. A. Gowariker V. S. Iyer

Directors

Mumbai : May 8th, 2012

**Notes forming part of the financial statements for the year ended 31st March, 2012.**

1 Corporate information:

SNL Bearings Limited, established in 1983, is engaged in the manufacture and marketing of antifriction bearing products. The holding company NRB Bearings Limited acquired the company on June 01, 2000.

2 Significant accounting policies:**2.1 Basis of accounting and preparation of financial statements:**

The financial statements are prepared under historical cost convention on an accrual basis and are in accordance with the requirements of the Companies Act, 1956, and comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the said Act.

2.2 Use of Estimates:

The preparation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reported period. The estimates and assumptions used in the accompanying financial statements are based upon Management's evaluation of the relevant facts and circumstances as on the date of financial statements. Actual results may differ from the estimates used in preparing the accompanying financial statements. Differences between the actual results and estimates are recognized in the period in which the results are known/materialize.

2.3 Fixed assets, depreciation and amortization:

- (a) Tangible assets are stated at their original cost including incidental expenses related to acquisition and installation, less accumulated depreciation and impairment loss, if any. Cost comprises of the purchase price and any other attributable cost of bringing the assets to its working condition for its intended use.
- (b) Intangible assets - Computer software acquired is amortised over a period of three years on a straight line basis.
- (c) Depreciation is provided on the straight line method at the rates prescribed in Schedule XIV to the Companies Act, 1956.

2.4 Foreign currency transactions and translations:

Transactions in foreign currency are recorded at the original rates of exchange in force at the time the transactions are effected. At the year end, monetary items denominated in foreign currency are reported using the closing rate of exchange. Exchange differences arising thereon and on realization/payment of foreign exchange are accounted for in the relevant year as income or expense.

2.5 Inventories:

Inventories comprising of raw materials, stores and spare parts, tools, bought out components & packing materials, manufactured components, work-in-progress and finished goods are valued at the lower of cost and net realisable value. Material costs included in the valuation of inventories are determined on the basis of weighted average method. Costs of conversion and other costs are determined on the basis of standard cost method adjusted for variances between standard costs and actual costs, unless such costs are specifically identifiable, in which case they are included in the valuation at actuals.

**Notes forming part of the financial statements for the year ended 31st March, 2012.****2.6 Employee benefits:**

- (a) Short term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
- (b) Long term benefits:
- (i) Defined Contribution Plan :

Provident and Family Pension Fund

The eligible employees of the Company are entitled to receive post employment benefits in respect of provident and family pension fund, in which both employees and the Company make monthly contributions at a specified percentage of the employees' eligible salary (currently 12% of employees' eligible salary). The contributions are made to Regional Provident Fund Commissioner or provident fund trust and the Central Provident Fund under the State Pension Scheme. Provident Fund and Family Pension Fund are classified as Defined Contribution Plans as the Company has no further obligations beyond making the contribution. The Company's contributions to Defined Contribution Plan are charged to profit and loss account as incurred.

- (ii) Defined Benefit Plan :

1 Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company has obtained insurance policies with the Life Insurance Corporation of India (LIC) and makes an annual contribution to LIC. The Company makes provision for gratuity based on an actuarial valuation by actuary.

2 Compensated absences

The Company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment/availment. The Company makes provision for compensated absences based on an actuarial valuation by actuary.

3. Actuarial gains and losses are recognised in the profit and loss account.

2.7 Impairment of assets:

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. An impairment loss is charged to the Profit & Loss in the year in which an asset is identified as impaired. The impaired loss recognized in prior accounting periods is reversed if there has been a change in the estimate of the recoverable value.

**Notes forming part of the financial statements for the year ended 31st March, 2012****2.8 Revenue / Sales:**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company. Revenue is recognized only when no significant uncertainties exist regarding the amount of consideration and it is reasonably certain that ultimate collection will be made.

“Net Sales” excludes amounts recovered towards excise duty, sales tax, octroi and freight and are net of sales returns.

2.9 Taxation:

- (a) Income taxes are accounted for in accordance with Accounting Standard (AS)-22 “Accounting for taxes on income”. Income tax comprises both current and deferred tax.
- (b) Current tax is measured on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.
- (c) The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. They are measured using substantially enacted tax rates and tax regulations as at the Balance Sheet date.
- (d) Deferred tax assets on account of other timing differences are recognized only to the extent there is a reasonable certainty of its realization.

2.10 Lease:

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

2.11 Provisions and contingencies:

- (a) A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.
- (b) Contingent liabilities are disclosed as notes when the Company has a possible of present obligation where it is not probable that an outflow of resources will be required to settle it. Contingent assets are neither recognized nor disclosed.

2.12 Segment Reporting:

In accordance with Accounting Standard 17 on Segment reporting, the company has manufacturing of bearings and special purpose machines as the reportable business Segments and is geographically located primarily in India.

Notes forming part of the financial statements for the year ended 31st March, 2012
3 Share Capital:

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	Number of shares	Rupees in Lakhs	Number of shares	Rupees in Lakhs
Authorised				
Equity Shares of Rs. 10 each	6,000,000	600.00	6,000,000	600.00
6 % Cumulative Redeemable preference shares of Rs. 100 each	1,000,000	1000.00	1,000,000	1000.00
	7,000,000	1600.00	7,000,000	1600.00
Issued				
Equity Shares of Rs. 10 each	4,054,376	405.44	4,054,376	405.44
6 % Cumulative Redeemable preference shares of Rs. 100 each	1,000,000	1000.00	1,000,000	1000.00
	5,054,376	1405.44	5,054,376	1405.44
Subscribed & Paid up				
Equity Shares of Rs. 10 each*	3,611,540	361.15	3,611,540	361.15
6 % Cumulative Redeemable preference shares of Rs. 100 each	1,000,000	600.00	1,000,000	800.00
Total	4,611,540	961.15	4,611,540	1161.15

Note * : Out of 4,054,376 number of issued equity shares of Rs. 10 each, on 442,836 number of shares calls are not made.

(a) Rights attached to equity shares :

- (i) Right to receive dividend as may be approved by the Board / Annual General Meeting.
- (ii) The equity shares are not repayable except in the case of a buy back, reduction of capital or winding up in terms of the provision of the Companies Act, 1956.
- (iii) Every member of the company holding equity shares has a right to attend the General Meeting of the company and has a right to speak and on a show of hands, has one vote if he is present in person and on a poll shall have the right to vote in proportion to his share of the paid-up capital of the company.

(b) Terms of redemption of 6% cumulative redeemable preference share of Rs. 100:

In the year ended March 31, 2008, the company had re-negotiated the coupon rate from 9% to 2% with effect from 18th June, 2002 to 31st March, 2005 and at 6% from 1st April, 2005 onwards and the repayment terms extended to 12 years repayable @ Rs.20 per year (face value Rs.100 each) at the end of 8th, 9th, 10th, 11th and 12th year or such earlier years as the company may deem fit. On the completion of 8th and 9th year, company repaid Rs. 400 lakhs as per repayment terms. Also pursuant to section 80 and section 77AA of the Companies Act, 1956, the company has transferred Rs. 200 lakhs from current year profits (Rs. 200 lakhs in previous year) to Capital Redemption Reserve.

Considering the improved financial results board has decided to pay dividend in arrears on 6% cumulative redeemable preference shares @2% for the period 18th June, 2002 to 31st March 2003 on a proportionate basis and for the years ended on 31st March 2004 and 2005 aggregating Rs. 55.73 Lakhs. After considering the effect of dividend, as discussed

Notes forming part of the financial statements for the year ended 31st March, 2012

before, arrears of cumulative dividends on the 6% Cumulative Redeemable Preference Shares, considering the revised coupon rates, as stated above, is Rs. 389.10 Lakhs (as at 31.03.2011: Rs. 406.27 Lakhs).

(c) Reconciliation of the number of shares outstanding as at beginning and end of the year:

Particulars	Equity Shares as at 31st March, 2012		Preference Shares as at 31st March, 2012	
	Number of shares	Rupees in Lakhs	Number of shares	Rupees in Lakhs
Shares outstanding at the beginning of the year	3,611,540	361.15	1,000,000	800.00
Shares bought back during the year	-	-	-	200.00
Shares outstanding at the end of the year	3,611,540	361.15	1,000,000	600.00

(d) Detail of shares held by its holding company:

Particulars	Number of Equity Shares as at		Number of Preference Share as at	
	31st March, 2012	31st March, 2011	31st March, 2012	31st March, 2011
NRB BEARINGS LIMITED	2,652,762	2,652,762	1,000,000	1,000,000

(e) Details of shareholder holding more than 5% shares:

Name of Shareholder	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares				
NRB BEARINGS LIMITED	2,652,762	73.45	2,652,762	73.45
Preference Shares:				
NRB BEARINGS LIMITED	1,000,000	100.00	1,000,000	100.00

4 Reserves and Surplus:
(Rupees in Lakhs)

Particulars	As at 31st March, 2012	As at 31st March, 2011
a. Capital Reserves	15.03	15.03
b. Capital Redemption Reserve		
Opening balance	200.00	-
Add: Transfer from statement of profit and loss	200.00	200.00
Closing balance	400.00	200.00


Notes forming part of the financial statements for the year ended 31st March, 2012

(Rupees in Lakhs)

Particulars	As at 31st March, 2012	As at 31st March, 2011
c. Surplus/(Deficit) in Statement of Profit and Loss		
Opening balance	(638.99)	(820.70)
Add : Net Profit for the current year	446.51	381.71
Less : Proposed dividend on Preference shares	(55.73)	-
Less : Additional income-tax on dividend on preference shares	(9.04)	-
Less : Transfer to Capital Redemption Reserve	(200.00)	(200.00)
Closing balance	(457.25)	(638.99)
Total	(42.22)	(423.96)

5 Deferred Tax Liabilities :

(Rupees in Lakhs)

Particulars	As at 31st March, 2012	As at 31st March, 2011
a. Tax effect of items constituting deferred tax liabilities		
On difference between book balance and tax balance of fixed assets	63.10	77.75
	63.10	77.75
b. Tax effect of items constituting deferred tax asset		
Provision for gratuity	2.74	3.98
Provision for compensated absences	6.78	6.14
Provision for doubtful debts	9.40	11.01
Voluntary retirement scheme	25.31	-
Brought forward business losses	-	56.62
	44.23	77.75
Total	18.87	-

6 Other Long Term Liabilities:

(Rupees in Lakhs)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Security Deposits from Customers	5.61	3.61
Total	5.61	3.61

7 Long Term Provisions:

(Rupees in Lakhs)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Leave Encashment (unfunded)	17.42	15.63
Total	17.42	15.63



Notes forming part of the financial statements for the year ended 31st March, 2012

8 Short Term Borrowings:

(Rupees in Lakhs)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Secured		
Cash Credit*	114.81	-
Unsecured		
Loans and advances from related parties (See note 26 (c))	-	200.00
From the holding company, NRB Bearings Limited		
Total	114.81	200.00

* Cash credit from banks is secured by hypothecation of Inventories, book debts and guaranteed by the holding company, NRB Bearings Limited

9 Trade Payables:

(Rupees in Lakhs)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Due to micro and small enterprises (see note 26 (b))	-	-
Others	50.80	135.39
Total	50.80	135.39

10 Other Current Liabilities:

(Rupees in Lakhs)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Statutory dues	11.21	10.98
Advance from Customer	4.85	2.94
Salary & Reimbursements	20.71	19.28
Others Accrued Expenses	38.20	39.42
Total	74.97	72.62

11 Short Term Provisions:

(Rupees in Lakhs)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Provision for Bonus	11.00	11.50
Leave Encashment (unfunded)	3.49	2.44
Gratuity (Funded)	8.44	11.71
Proposed dividend on Preference shares	55.73	-
Additional income-tax on preference shares	9.04	-
Provision for income tax (net of advance tax of Rs. 125.00 lakhs and previous year Rs. 85.00 lakhs)	86.04	13.04
Total	173.74	38.69

Notes forming part of the financial statements for the year ended 31st March, 2012

12 Fixed Assets:

(Rupees in Lakhs)

Particulars	Gross Block (At Cost)			Accumulated Depreciation				Net Block		
	Balance as at 1st April, 2011	Additions	Disposals	Balance as at 31st March, 2012	Balance as at 1st April, 2011	Depre - ciation for the year	On disposals	Balance as at 31st March, 2012	Balance as at 31st March, 2011	
Tangible Assets										
Buildings on leasehold land	184.48	-	-	184.48	74.82	4.87	-	79.69	104.79	109.66
Plant and equipment	1187.66	57.82	-	1245.48	1046.36	28.06	-	1074.42	171.06	141.30
Furniture and fixtures	49.81	1.17	0.18	50.80	37.53	3.09	0.15	40.47	10.33	12.28
Vehicles	5.04	-	-	5.04	1.54	0.46	-	2.00	3.04	3.50
Electrical installations	72.51	-	-	72.51	50.46	3.08	-	53.54	18.97	22.05
Total	1499.50	58.99	0.18	1558.31	1210.71	39.56	0.15	1250.12	308.19	(288.79)
Intangible Assets										
Computer software	27.31	0.43	-	27.74	19.19	4.20	-	23.39	4.35	8.12
Total	27.31	0.43	-	27.74	19.19	4.20	-	23.39	4.35	8.12
Grand total	1526.81	59.42	0.18	1586.05	1229.90	43.76	0.15	1273.51	312.54	296.91
Previous year	1506.79	26.05	6.03	1526.81	1184.62	47.39	2.11	1229.90	296.91	

13 Long term Loans and Advances:

(Rupees in Lakhs)

(Unsecured, considered goods)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Security Deposits		
- with Government authorities	16.31	16.31
- with Others	0.46	0.46
Advance Income Tax	20.72	20.72
MAT Credit	52.43	-
Total	89.92	37.49

14 Inventories:

(Rupees in Lakhs)

Particulars	As at 31st March, 2012		As at 31st March, 2011	
a. Raw Materials and components				
Raw Materials	140.38		105.49	
Components	4.09	144.47	4.53	110.02
b. Work-in-progress				
Work-in-progress - Bearings	122.64		110.40	
Work-in-progress - Special Purpose Machine	65.00	187.64	25.00	135.40
c. Finished goods				
Finished goods - Bearings	180.89	180.89	194.59	194.59
d. Others				
Stores and spares	78.57		31.67	
Packing Materials	6.73		5.00	
Tools	36.38	121.68	31.92	68.59
Total		634.68		508.60



Notes forming part of the financial statements for the year ended 31st March, 2012

15 Trade Receivables

(Rupees in Lakhs)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Trade receivables outstanding for a period less than six months from the date they are due for payment Unsecured, considered good	305.74	296.08
	305.74	296.08
Trade receivables outstanding for a period exceeding six months from the date they are due for payment Unsecured, considered doubtful Less: Provision for doubtful debts	28.99 (28.99)	32.39 (32.39)
	-	-
Total	305.74	296.08

16 Cash and Cash equivalents

(Rupees in Lakhs)

Particulars	As at 31st March, 2012	As at 31st March, 2011
a. Balances with banks - In current accounts	6.51	23.31
b. Cash on hand	0.11	0.11
Total	6.62	23.42

17 Short-term Loans and Advances

(Rupees in Lakhs)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Unsecured, considered good		
Advances recoverable in cash or in kind or for value to be received	11.40	32.67
Balance with Government authorities (net)	11.00	6.42
Loans given to Staff	3.25	1.54
Total	25.65	40.63

18 Revenue from operation

(Rupees in Lakhs)

Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Sale of products	2224.50	1918.11
Other operating Revenue	33.92	18.10
<u>Less:</u>		
Excise duty	(205.65)	(174.76)
Total	2052.77	1761.45


Notes forming part of the financial statements for the year ended 31st March, 2012

Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Details of Operating Revenue		
a. Sale of products comprises		
Bearings	1954.26	1720.69
Special Purpose Machines	270.24	197.42
	2224.50	1918.11
b. Other operating Revenue		
Sale of Scrap	33.92	18.10
Total	2258.42	1936.21

19 Other Income
(Rupees in Lakhs)

Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Interest Income	0.12	0.11
Net gain on foreign currency	2.50	-
Net gain on sale of fixed assets	0.01	-
Total	2.63	0.11

Details of Interest Income

a. Interest on Other Loans and Advances	0.07	0.08
b. Interest on Bank Balance	0.05	0.03
Total	0.12	0.11

20 Cost of material consumed
(Rupees in Lakhs)

Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Opening Stock	110.02	69.65
Add : Purchases	599.67	446.84
	709.69	516.49
Less : Closing Stock	144.47	110.02
Total	565.22	406.47

Details of Material Consumed

Steel Wires	77.65	68.37
Steel Strips	170.97	156.30
Steel Tubes	116.23	93.20
For Components	4.09	10.81
For Special Purpose Machine	196.28	77.79
Total	565.22	406.47



Notes forming part of the financial statements for the year ended 31st March, 2012

21 Changes in inventories of finished goods and work-in-progress

(Rupees in Lakhs)

Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Opening stocks:		
Work - in - progress	135.40	158.38
Finished goods	194.59	188.89
	329.99	347.27
Closing stocks:		
Work - in - progress	187.64	135.40
Finished goods	180.89	194.59
	368.53	329.99
Total	(38.54)	17.28

22 Other Manufacturing Expenses

(Rupees in Lakhs)

Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Consumption of Stores and Spares	84.82	99.02
Consumption of Tools	29.08	21.62
Consumption of Packing Materials	21.95	21.13
Processing charges	44.99	16.72
Power and fuel	126.67	92.67
Repair and maintainance -Plant and machinery	54.27	43.29
Increase/Decrease of Excise duty on stock	1.46	5.72
Total	363.24	300.17

23 Employee Benefits Expense

(Rupees in Lakhs)

Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Salaries and incentives	298.57	296.87
Contributions to Provident fund (see Note 26. I. i)	18.86	18.32
Gratuity fund contributions (see note 26. I. ii)	22.02	23.35
Staff welfare expenses	31.82	27.36
Total	371.27	365.90


Notes forming part of the financial statements for the year ended 31st March, 2012
24 Finance Cost

(Rupees in Lakhs)

Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Interest on Fixed Loans	17.83	6.78
Interest on others	5.26	24.08
Bank charges	0.69	0.38
Total	23.78	31.24

25 Other expenses

(Rupees in Lakhs)

Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Insurance	0.93	0.84
Rent (see note 26 (e))	4.34	4.34
Rates & Taxes	0.96	3.10
Maintenance of Building and others	5.43	18.14
Directors' Fees	1.45	1.35
Discount and Commission on sales	11.22	5.56
Travelling & Conveyance Expenses	21.30	18.75
Telephone Expenses	4.80	3.82
Printing and Stationery	4.85	2.92
Payment to Auditors (See note below)	5.48	5.06
Legal & Professional Charges	11.44	19.54
Freight & Transport	11.42	8.33
Service Charges	8.72	6.37
Loss on Exchange Difference	-	2.67
Loss of sale of fixed assets	-	2.12
Miscellaneous expenses	10.51	9.45
Total	102.85	112.36

Detail of Auditors Payment (Net of service tax input credit, where applicable)		
Auditors - Statutory Audit	2.60	2.20
For taxation matters	0.80	0.80
For other services	2.05	2.00
For reimbursement of expenses	0.03	0.06
Total	5.48	5.06



Notes forming part of the financial statements for the year ended 31st March, 2012

26 Additional information to the financial statements:

(a) Contingent liabilities not provided for :

(i) The Company had received an Order dated 6th September, 2004 from the Employees Provident Fund Organisation raising a demand of Rs. 161.36 Lakhs including interest of Rs. 46.73 Lakhs for default in making payment of Employees Provident Fund and allied dues for the period April, 1986 to February, 2003. The Company has been making contributions to the 'SNL Officers Provident Fund Trust' and 'SNL Employee's Provident Fund Trust', being Trusts formed by the Company in earlier years; these Trusts have net assets of Rs. 92.82 Lakhs and Rs. 51.29 Lakhs respectively as at 31st March, 2011 as reflected in their audited balance sheets. As per the order, the existence of the said Trusts and the act of switching over from Employees trust to the Officers trust on salary exceeding the statutory limit fixed by the Employees Provident Fund and Miscellaneous Act, 1952, have been considered violative of the Act. The authorities had attached one of the company's bank accounts and had recovered an amount of Rs. 2.75 Lakhs in an earlier year. The company has contested the above demand and on a writ petition filed by the company in the High Court of Jharkhand, Ranchi, the High Court has directed the authorities not to take coercive steps till the disposal of the petition. The Company denies all the allegations made against it since the company had made the necessary applications to grant exemption to the Trusts which was neither granted nor rejected in spite of several reminders from time to time. In view of the facts of the case, the company does not expect any liability in this regard.

(ii) Provident fund and other matters in respect of workers: Rs. 5.05 Lakhs, (as at 31.03.2011: Rs. 5.05 Lakhs)

(b) There are no amounts due to the suppliers covered under Micro, Small and Medium Enterprises Development Act, 2006; this information takes into account only those suppliers who have responded to the enquiries made by the Company for this purpose. The auditors have relied on the representation made by the management.

(c) Related party disclosures:

(i) Names of related parties and nature of relationship where control exists:

Holding Company:

- NRB Bearings Limited

Fellow Subsidiary:

- NRB Bearings (Thailand) Ltd.

Key Management Personnel:

- Ms. H. S. Zaveri

- Ms. A. A. Gowariker

- Mr. S. C. Rangani

- Mr. J. S. Maini

- Mr. V. S. Iyer

Notes forming part of the financial statements for the year ended 31st March, 2012

(ii) Transactions with related parties

(Rupees in Lakhs)

Name of the related party and nature of transactions	Volume of transactions For the year ended		Balances Receivable/ (Payable) As at	
	31st March, 2012	31st March, 2011	31st March, 2012	31st March, 2011
(i) Holding Company:				
NRB Bearings Limited				
Inter Corporate Deposit Repayment	200.00	100.00	-	(200.00)
Inter Corporate Deposit Taken	-	-	-	-
Interest paid on ICD	0.69	21.30	-	-
Sale of finished goods	1107.70	983.98	80.38	174.31
Purchases of raw materials	0.11	5.50	-	-
Purchase of fixed assets	12.84	-	Outstanding Guarantees	
Outstanding Guarantees given on behalf of company	-	140.00	350.00	350.00
Redemption of Preference Shares	200.00	200.00	-	-
Preference Shares outstanding	-	-	600.00	800.00
Proposed Dividend	55.73	-	-	-
(ii) Fellow Subsidiary:				
NRB Bearings Limited, Thailand				
Sale of finished goods	5.50	43.00	3.05	-
(iii) Key Management Personnel	Director's fees			
- Ms. H. S. Zaveri	0.45	0.40	-	-
- Ms. A. A. Gowariker	0.03	-	-	-
- Mr. M. N. Hoda	-	0.13	-	-
- Mr. S. C. Rangani	0.32	0.20	-	-
- Mr. J. S. Maini	0.20	0.20	-	-
- Mr. V. S. Iyer	0.45	0.42	-	-


Notes forming part of the financial statements for the year ended 31st March, 2012
(d) Earnings Per Share:

Particulars	For the year ended 31st March, 2012 (Rupees in lakhs)	For the year ended 31st March, 2011 (Rupees in lakhs)
Profit after tax	446.51	381.71
Less :		
Undeclared dividend on cumulative preference shares for the year	(38.59)	(50.60)
Additional income - tax on distributable profits	(6.26)	(8.60)
	44.85	59.20
Profit after tax attributable to equity shareholders	401.36	322.51
Number of Equity Shares	3,611,540	3,611,540
Basic and Diluted Earning per share	Rs. 11.12	Rs. 8.93

(e) Details of leasing arrangements:

- (i) The company has taken factory land on lease.
- (ii) Lease payments for land recognized in note 25 for current year is Rs. 4.34 lakhs and in previous year was Rs. 4.34 lakhs.
- (iii) The future minimum lease payments under non-cancellable operating lease – not later than one year is Rs. 4.34 lakhs and in previous year is Rs. 4.34 lakhs, later than one year and not later than five years is Rs. 21.70 lakhs and in previous year was Rs. 21.70 lakhs.

(f) C.I.F. value of imports:
(Rupees in lakhs)

Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Raw materials	166.51	150.38
Consumables	8.45	0.55
Spare parts	31.56	-
Total Consumables and spare parts	40.01	0.55
Capital goods	16.64	-
Total	223.16	150.93

(g) Details of consumption of imported and indigenous items
(Rupees in lakhs)

Particulars	For the year ended 31st March, 2012			For the year ended 31st March, 2011		
	Indigenous	Imported	Total	Indigenous	Imported	Total
Raw materials & Components	403.73 71%	161.49 29%	565.22	250.91 62%	155.56 38%	406.47


Notes forming part of the financial statements for the year ended 31st March, 2012
(h) Expenditure incurred in foreign currency :
(Rupees in lakhs)

Particulars	Currency	For the year ended 31st March, 2012		For the year ended 31st March, 2011	
		Foreign Currency	Rupees in lakhs	Foreign Currency	Rupees in lakhs
Raw materials	Euro	344326	226.57	146055	94.42
Stores & spares	Euro	30617	19.99	25826	16.00
	CHF	15902	8.56	15902	7.84
Capital goods	Euro	20760	14.29	-	-
Total			269.41		118.26

(i) Earnings in foreign exchange :
(Rupees in lakhs)

Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Export of goods	55.16	70.91

(j) Derivative Instruments:
(Rupees in lakhs)

The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	As on 31st March, 2012		As on 31st March, 2011	
	Amount in		Amount in	
	Foreign Currency	Rupees	Foreign Currency	Rupees
Amount receivable:				
Euro	12,602	8.57	-	-
USD	5,824	3.05	14,056	6.27
Amount payable:				
EURO	-	-	134,978	85.51
CHF	13,660	7.72	(15,902)	(7.75)

Notes forming part of the financial statements for the year ended 31st March, 2012

(k) Segment Reporting:

(Rupees in lakhs)

	Particulars	Bearings	Special Purpose Machines	Total Amount
A	Segment Revenue	1807.77	245.00	2052.77
	Sales (Net)	(1578.45)	(183.00)	(1761.45)
	Total Segment Revenue	1807.77 (1578.45)	245.00 (183.00)	2052.77 (1761.45)
B	Segment Results	626.73	51.97	678.70
		(508.46)	(48.60)	(557.06)
	Less: Unallocated corporate expenses			34.42 (45.56)
	Less: Interest Expenses			23.09 (30.86)
	Add : Unallocated income			2.63 (0.11)
	Profit before tax			623.82 (480.75)
	Less: Provision for taxation			177.31 (99.04)
	Profit after tax			446.51 (381.71)
C	Segment Assets	1206.40	65.00	1271.40
		(1053.38)	(103.75)	(1157.13)
	Add : Unallocated corporate assets			103.75 (46.00)
	Total Assets			1375.15 (1203.13)
D	Segment Liabilities	75.48	3.20	78.68
		(253.33)	(3.73)	(257.06)
	Add : Unallocated corporate liabilities			312.77 (208.88)
	Total Liabilities			391.45 (465.94)
E	Cost incurred during the period to acquire segment fixed assets	59.42	-	59.42
		(26.05)	(-)	(26.05)
F	Depreciation / Amortisation	43.76	-	43.76
		(47.39)	(-)	(47.39)

Notes forming part of the financial statements for the year ended 31st March, 2012
(I) Disclosure required as per AS-15 is as under:
(i) Defined Contribution Plan:
(Rupees in lakhs)

Contribution to Defined Contribution Plan, recognised in the statement of profit and loss account under employee cost, in note 23 for the year are as under:

Particulars	As At				
	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008
Employer's Contribution to Provident Fund	11.08	10.38	8.11	8.30	12.83
Employer's Contribution to EPS	7.78	7.94	8.84	11.75	11.35

(ii) Defined Benefit Plan:
(Rupees in lakhs)

Gratuity – As per actuarial valuation as on March 31, 2012. (based on Projected Unit Benefit Method)

	Particulars	As At				
		31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008
I	Reconciliation of opening and closing balances of Defined Benefit obligation					
	Present value of Defined Benefit obligation - Opening	96.20	83.17	88.24	71.71	66.80
	Interest Cost	7.97	6.64	5.18	6.05	5.33
	Current Service Cost	4.68	4.37	4.53	3.85	2.94
	Past Service Cost	1.27	1.26	-	-	-
	Benefits paid	(8.52)	(9.16)	(51.86)	(8.79)	(4.62)
	Net Actuarial (Gain)/Loss	15.70	9.92	37.08	15.41	1.26
	Present Value of Defined Benefit obligation -Closing	117.30	96.20	83.17	88.24	71.71
II	Reconciliation of fair value of plan assets					
	Fair value of plan assets - Opening	84.49	85.15	78.52	38.65	36.15
	Expected return on plan assets	8.44	7.22	8.54	6.35	2.89
	Net Actuarial Gain / (Loss)	(0.84)	(8.37)	(4.18)	(2.84)	-
	Employer's contribution	25.30	9.65	54.13	41.67	4.23
	Benefits paid	(8.52)	(9.16)	(51.86)	(5.31)	(4.62)
	Fair value of plan assets - Closing	108.87	84.49	85.15	78.52	38.65

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Funds maintained with LIC	100%	100%	100%	100%	100%
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Notes forming part of the financial statements for the year ended 31st March, 2012

	Particulars	As At				
		31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008
III	Opening Net asset / (liability) recognised in Balance Sheet					
	Present Value of Defined Benefit obligation	117.30	96.20	83.17	88.24	71.71
	Fair value of plan assets	108.87	84.49	85.15	78.52	38.65
	Net asset / (liability) recognised in Balance Sheet	(8.43)	(11.71)	1.98	9.72	(2.41)
	Unfunded asset/(liability) remained to be recognized in Balance sheet	-	-	-	-	(30.65)
IV	Component of employer's expenses					
	Current Service Cost	4.68	4.37	4.53	3.85	2.94
	Past Service Cost	1.27	1.28	-	-	-
	Interest Cost	7.97	6.64	5.18	6.05	5.33
	Expected return on plan asset	(8.44)	(7.22)	(8.54)	(6.35)	(2.89)
	Net Actuarial (Gain)/Loss	16.54	18.28	41.26	18.26	1.26
	Net Actuarial (Gain)/Loss					
	Total expenses recognised in the profit and loss account under 23 is as follows:	22.02	23.35	42.43	21.81	6.64
	Actual return on plan assets	7.60	(1.15)	4.36	3.50	-
V	Present Value of Defined Benefit Obligation	117.30	96.20	83.17	88.24	-
	Fair Value of Plan Assets	108.87	84.49	85.15	78.52	-
	Experience Adjustment on Defined Benefit Obligation	6.36	9.80	24.28	(4.60)	-
	Experience Adjustment on Fair Value of Plan Assets	(0.84)	(8.37)	(4.18)	(2.84)	-
VI	Actuarial assumptions	LIC	LIC	LIC	LIC	LIC
	Mortality Table	(1994-96) (Ultimate)	(1994-96) (Ultimate)	(1994-96) (Ultimate)	(1994-96) (Ultimate)	(1994-96) (Ultimate)
	Discount rate	8.50%	8.00%	8.00%	7.75%	8.50%
	Salary escalation	7.00%	3.00%	4.00%	2.00%	3.00%

The above information is certified by the actuary.



Notes forming part of the financial statements for the year ended 31st March, 2012

VII Notes:

- a. The company's best estimate of contributions expected to be paid to the plan during the annual period beginning after 31st March, 2012 is Rs. 12.81 (in lakhs).
 - b. Compensated absences recognized in the statement of profit & loss account for the current year, under the employee cost in note 23, is Rs. 2.84 lakhs and for previous year was Rs. 1.29 (in lakhs).
- 27 The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

H. S. Zaveri	J. S. Maini
S. C. Rangani	A.A. Gowariker
	V. S. Iyer
	Directors

Mumbai : May 8, 2012



FINANCIAL HIGHLIGHTS

Year Ended	31.03.08	31.03.09	31.03.10	31.03.11	31.03.12
Sales (Net)					
Domestic	1536.09	1207.51	1274.06	1672.44	1963.69
Exports	19.75	32.48	25.40	70.91	55.16
Sales Total	1555.84	1239.99	1299.46	1743.35	2018.85
Operating Profit (EBITDA)	446.49	271.94	121.01	559.38	691.36
Profit Before Tax	278.09	155.83	10.66	480.75	623.82
Tax (Net)	2.03	53.54	5.54	99.04	177.31
Profit After Tax	276.06	102.29	5.12	381.71	446.51
Earnings per share (FV Rs.10)	5.70	0.83	-1.81	8.93	11.12
Shareholders' Funds	450.07	550.36	555.48	737.19	918.93
Funds Employed	1168.00	973.82	927.39	1203.13	1375.15
Fixed Assets (Gross)	1496.84	1513.03	1506.79	1526.81	1586.05
Fixed Assets (Net)	385.60	364.81	322.17	296.91	312.54
Fixed Asset Turnover (times)	4.03	3.40	4.03	5.87	6.46
Net Current Assets	782.40	609.01	605.22	422.03	558.37
Working Capital Turnover (times)	1.99	2.04	2.15	4.13	3.62
Shareholder Nos	3447	3430	3526	4496	4386
Employee Nos	195	189	126	126	126

SNL BEARINGS LIMITED

Registered Office: Dhannur, 15, Sir P. M. Road, Fort, Mumbai - 400 001.

ADMISSION SLIP

I hereby record my presence at the 32nd Annual General Meeting of members of the Company held at Conference Room, Dhannur, Sir P. Mehta Road, Fort, Mumbai 400 001 on 27th July, 2012 at 3.00 p.m.

DP Id*	
Client Id*	

Folio No.	
No. of shares	

Name of Member/Proxy
(who will attend the meeting)

Signature of Member/Proxy
(who will attend the meeting)

1. Please complete and hand over the slip at the entrance.
2. Please quote FOLIO NUMBER clearly.

* Applicable for investors holding shares in electronic form

----- . TEAR HERE . -----

SNL BEARINGS LIMITED

Registered Office: Dhannur, 15, Sir P. M. Road, Fort, Mumbai - 400 001.

PROXY FORM

I/We
of
in the district of..... being member(s) of SNL BEARINGS LIMITED, hereby appoint
Shri/Smt./Miss
of
in the district of.....
or failing him/her Shri/Smt./Miss.....
of
in the district of.....

as my/our proxy to attend and vote for me/us on my/our behalf at the 32nd Annual General Meeting of the Company to be held at Conference Room, Dhannur, Sir P. Mehta Road, Fort, Mumbai 400 001 on 27th July, 2012 at 3.00 p.m.

Name..... Signed on at

DP Id*	
Client Id*	

Folio No.	
No. of shares	

Address
.....

Signature

Affix
revenue
stamp

* Applicable for investors holding shares in electronic form

- Notes:**
1. The proxy need NOT be a member.
 2. THE PROXY FORM, DULY SIGNED ACROSS A REVENUE STAMP SHOULD REACH THE COMPANY'S CORPORATE OFFICE AT LEAST 48 HOURS BEFORE THE TIME OF THE MEETING.
 3. The proxy form should be filled in completely including 'Folio No.' and 'Address'.

FORM A

- | | |
|---|------------------------------|
| 1. Name of the Company | SNL Bearings Ltd |
| 2. Annual financial statements for the year ended | 31 st March, 2013 |
| 3. Type of Audit observation | Un-qualified |
| 4. Frequency of observation | NA |

Signed by:



DIRECTOR & COMPLIANCE OFFICER



DELOITTE HASKINS & SELLS



AUDIT COMMITTEE CHAIRMAN

J S MAINI