



CIN L99999MH1979PLC134191

BOARD OF DIRECTORS

Ms.H. S. Zaveri -Chairman

Mr.S.C.Rangani

Mr.J.S.Maini

Mr.V.S.Iyer

Ms.A.A Gowariker

BANKERS

Yes Bank

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 TRANSER AGENT

Universal Capital Securities Pvt.td.

(Formerly known as M/s.Mondkar Computers Pvt.Ltd.)

21, Shakil Niwas, Mahakali Caves Road

Andheri (East), Mumbai 400 093

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AGM NOTICE

To,
The Members
SNL BEARINGS LIMITED

NOTICE is given that the Thirty Fourth 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 29th July, 2014 at 3.00 p.m. to transact the following business:

Ordinary Business

1. To receive, consider and adopt the audited statement of Profit and Loss for the period ended 31st March, 2014 and Balance Sheet as at that date and reports of the Directors and Auditors thereon.
2. To declare payment of dividend in arrears on Preference Share Capital for financial year ended 31.03.2007.
3. To appoint a Director in place of Mr. S C Rangani 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 Annual General Meeting to be held for the financial year ending 31st March,2017, subject to annual ratification by the shareholders, 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 with or without modifications, the following resolution as an Ordinary Resolution:

Appointment of Mr.J S Maini as independent director for a term of five years.

“RESOLVED THAT pursuant to the provisions of section 149, 152 read with schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (appointment and qualifications of directors) Rules 2014 and Clause 49 of the Listing Agreement, Mr.J S Maini , DIN 00371772 who was appointed as a director liable to retire by rotation, be and is hereby appointed as Independent Director of the company, to hold office for five consecutive years for a term up to the conclusion of the 39th Annual General Meeting of the company in the calendar year 2019, on such remuneration by way of sitting fees,other permissible fees plus out-of-pocket expenses, as approved by the Board of Directors.”

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

Appointment of Mr.V S Iyer as independent director for a term of two years.

“RESOLVED THAT pursuant to the provisions of section 149, 152 read with schedule IV and all



other applicable provisions of the Companies Act, 2013 and the Companies (appointment and qualifications of directors) Rules 2014 and Clause 49 of the Listing Agreement, Mr.V S Iyer, DIN 00333957 who was appointed as a director liable to retire by rotation, and whose term expires at this annual general meeting, be and is hereby appointed as Independent Director of the company, to hold office for two consecutive years for a term up to the conclusion of the 36th Annual General Meeting of the company in the calendar year 2016, on such remuneration by way of sitting fees, other permissible fees plus out-of-pocket expenses, as approved by the Board of Directors."

7. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

Appointment of Ms.A A Gowariker as independent director for a term of five years.

"**RESOLVED THAT** pursuant to the provisions of section 149, 152 read with schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (appointment and qualifications of directors) Rules 2014 and Clause 49 of the Listing Agreement, Ms.A A Gowariker, DIN 03634905 who was appointed as a director liable to retire by rotation, be and is hereby appointed as Independent Director of the company, to hold office for five consecutive years for a term up to the conclusion of the 39th Annual General Meeting of the company in the calendar year 2019, on such remuneration by way of sitting fees, other permissible fees plus out-of-pocket expenses, as approved by the Board of Directors."

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

Authority to sell, lease, mortgage and/or charge the properties of the company

"**RESOLVED THAT** the consent of the company be and is hereby accorded in terms of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 to the Board of Directors of the Company to mortgaging and/or charging, in such form and manner and with such ranking and at such time and on such terms as the Board of Directors of the company may determine, the whole or substantially the whole of the undertaking of the company, wherever situate, both present and future, with a right to takeover the business and undertaking of the company in certain events, to or in favour of any Lender including Financial/Investment Institutions/Banks/Insurance Companies/other Financing Companies/Persons (collectively called as "Lenders") to secure any loans or Credit facilities granted or to be granted from time to time, from any one or more of the aforesaid institutions/persons and to secure payment of interest thereon at the respective agreed rates, compound/additional interest, liquidated damages, upfront fee, premia on prepayment and all other costs, charges, expenses and other moneys including any increase as a result of devaluation/reservation/fluctuation in the rates of exchange of foreign currencies involved and payable by the company to the Lenders under the respective heads of Agreement/Loan Agreement/Letters of Sanction/Memorandum of Terms and Conditions entered into/to be entered by the Company in respect of the said Loans.

"**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to finalise with the Lenders, the security and to do all such acts and things as may be necessary for giving effect to this resolution."



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

Borrowing powers of the company

“RESOLVED THAT in modification of the resolution passed at the twelfth Annual General Meeting of the company held on 18.9.1992 and pursuant to the provisions of Section 180(1) (c) and other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby accorded to the Board of directors for borrowing moneys from time to time, for the business and purpose of the company notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate for the time being of the paid-up capital of the company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the aggregate amount of such borrowings at any time shall not exceed the limit of Rs.100 crores.”

By Order of the Board

S C Rangani
Director

April 25,2014

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.**

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.

2. **A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING 50 AND HOLDING IN THE AGGREGATE NOT MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. HOWEVER, A MEMBER HOLDING MORE THAN 10%, OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR MEMBER.**

3. Pursuant to section 110 of the Companies Act, 2013 read with rule 22 of the Companies (Management and Administration) Rules 2014, e-voting facility to all members has been provided through the e-voting platform of CDSL. In this regard your demat account/folio number has been enrolled by the company for your participation in e-voting on the resolutions placed by the company on the e-voting system. Instructions and manner of e-voting process can be downloaded from the link <https://www.evotingindia.com>. e-voting is optional. The e-voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them as on 13th June,2014.

4. The Register of members of the company and Transfer Books will be closed from July 21,2014 to July 29, 2014 (both days inclusive).

5. Members/Proxies are requested to bring their attendance slip duly filled in and their copy of the Annual Report for the meeting.


EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013
Item No.5
Appointment of Mr.J S Maini as independent director for a term of five years.

Mr.J S Maini has been Non Executive Director on the Board of the company since June 2000. An experienced engineer with extensive exposure to manufacturing and technology, marketing and quality aspects, the board has decided to appoint him for a further term of five years as Non Executive Independent Director in terms of provisions of section 152 of the Companies Act, 2013.

The Board considers that his association as Director will be beneficial and in the interest of the company. The Directors recommend passing of the resolution set out at item no.5 of the accompanying notice. Except Mr.J S Maini none of the other Directors, key management personnel and their relatives are interested or concerned with the resolution.

Copy of the appointment letter shall be available for inspection on all working days between 11.00 a.m. and 3.00 p.m.

Brief details of Mr.J S Maini are given below:

Age	72 years
Qualification	BE Mechanical (Pune University)
Expertise/Experience	38 years of work experience. Worked with NRB Bearings Ltd, the holding company for 27 years in various positions in maintenance, manufacturing and commercial areas of the business and retired from the position of General Manager,(Aurangabad and Waluj plants).Thereafter he has been in the business of marketing bearings and automotive products as Authorised Stockist for several leading Original Equipment Manufacturers.
Director Since	June 2002
List of other Indian Public companies in which Directorship is held	-
Chairman/Member of Committees in other public companies in which he is a Director	-
No.of shares held	-

Item No.6
Appointment of Mr.V S Iyer as independent director for a term of two years.

Mr.V S Iyer has been Non Executive Director on the Board of the company since June 2002. He is a practicing Company Secretary and has extensive experience in company law matters. Keeping in mind his advanced age, the board has decided to appoint him for a further term of two years as Non Executive Independent Director in terms of provisions of section 152 of the Companies Act, 2013.

The Board considers that his association as Director will be beneficial and in the interest of the company. The Directors recommend passing of the resolution set out at item no.6 of the accompanying notice. Except Mr.V S Iyer none of the other Directors, key management personnel and their relatives are interested or concerned with the resolution.



Copy of the appointment letter shall be available for inspection on all working days between 11.00 a.m. and 3.00 p.m.

Brief details of Mr.V S Iyer are given below:

Age	90 years
Qualification	MA, LLB (Bombay University), FCS
Expertise/Experience	65 years of work experience. Starting his career in solicitor firms he branched out on his own as a practicing Company Secretary and has been advisor to the Remi Group and to Schneeberger India Pvt.Ltd. He has extensive experience in company law matters.
Director Since	June 2002
List of other Indian Public companies in which Directorship is held	RMG Alloy Steels Ltd.
Chairman/Member of Committees in other public companies in which he is a Director	-
No.of shares held	-

Item No.7

Appointment of Ms.A A Gowariker as independent director for a term of five years.

Ms.A A Gowariker has been Non Executive Director on the Board of the company since November 2011. An experienced lawyer and partner in Desai & Diwanji with substantial experience in mergers and acquisitions and project finance related transactions/projects, the board has decided to appoint her for a further term of five years as Non Executive Independent Director in terms of provisions of section 152 of the Companies Act, 2013.

The Board considers that her association as Director will be beneficial and in the interest of the company. The Directors recommend passing of the resolution set out at item no.7 of the accompanying notice. Except Ms.A A Gowariker none of the other Directors, key management personnel and their relatives are interested or concerned with the resolution.

Copy of the appointment letter shall be available for inspection on all working days between 11.00 a.m. and 3.00 p.m.

Brief details of Ms.A A Gowariker are given below:

Age	47 years
Qualification	LLB
Expertise/Experience	20 years of work experience. Worked with Desai & Diwanji for the last 18 years and is part of the M&A and PF Groups of the firm.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, oil, power, gas, roads, ports within the infrastructure segment.
Director Since	November 2011



List of other Indian Public companies in which Directorship is held	-
Chairman/Member of Committees in other public companies in which he is a Director	-
No.of shares held	-

Item No.8

Authority to mortgage/charge the properties of the company in terms of section 180 (1) (a) of the Companies Act,2013

The shareholders have approved mortgaging/charging of the properties of the company at the General meeting held on 20th September, 1996. As a matter of abundant caution a reconfirmation of the aforesaid powers is being sought as now under the current law the requirement is that of a special resolution instead of an ordinary resolution. Further the Ministry of Corporate Affairs has also clarified a limited life in relation to past resolutions obtained and therefore there is need to obtain a fresh approval.

Item No.9

Borrowing Powers in terms of section 180 (1)(c) of the Companies Act,2013

The shareholders have approved borrowing powers upto Rs.100 crores at the General meeting held on 20th September, 1996. As a matter of abundant caution a reconfirmation of the borrowing powers within the aforesaid limit is being sought as now under the current law the requirement is that of a special resolution instead of an ordinary resolution. Further the Ministry of Corporate Affairs has also clarified a limited life in relation to past resolutions obtained and therefore there is need to obtain a fresh approval.

Item No. 3

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

Mr.S C Rangani (65 yrs) is a graduate in commerce with post graduate qualifications in Management Studies and professional qualifications as a Co.Secretary. He has over 42 yrs. experience in management positions in various industries of which the last 21 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 Ltd and NRB Bearings (Thailand) Ltd.

By Order of the Board

S C Rangani
Director

April 25,2014



DIRECTORS' REPORT

To,

The Members

SNL Bearings Limited

Your Directors have pleasure in presenting their Thirty Fourth Annual Report together with Audited Accounts for the year ended 31st March, 2014.

1. Financials

	Year ended 31st March, 2014 Rs. in lakhs	Year ended 31st March, 2013 Rs. in lakhs
Profit before providing for interest & depreciation	604.78	684.47
Less: Finance costs	65.41	36.11
Less: Depreciation	43.32	37.31
Profit Before Tax	496.05	611.05
Tax expenses	157.20	215.28
Profit After Tax	338.85	395.77
Less: Balance brought forward from previous year	(331.68)	(457.25)
Less: Proposed dividend on Preference Shares	(60.00)	(60.00)
Less: Additional Income tax on dividend on Preference Shares	(10.20)	(10.20)
Less: Transfer to capital redemption reserve	(200.00)	(200.00)
Closing balance of surplus in statement of Profit and loss	(263.03)	(331.68)

2. Operations

Amidst the sluggish environment in the Indian economy, your company's net sales during the year at Rs. 2302.05 lakhs (previous year Rs.2299.72 lakhs) are flat. has achieved sales growth. However tight liquidity and higher interest rates affected the working capital cycle and the finance costs, while the weakening of the Indian rupee and high inflation, led to higher costs for inputs, resulting in overall pressure on margins.

There has been a decline of 18.82 % in profit before tax (PBT) from Rs.611.05 lakhs (Previous year) to Rs.496.05 lakhs on account of the above factors. Your company is confident of capturing growth opportunities during the current year and enhancing profitability with emphasis on improving quality, productivity and cost competitiveness.

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

Dividend @6% on the cumulative redeemable preference shares for the year ended 31st March, 2007 aggregating Rs.60.00 lakhs is being recommended by the Board to partially clear the dividend arrears.

3. Public Deposits

The company has not taken fixed deposit during the year. As on 31.3.2014 there are no fixed deposits with the company.

4. Directors

Mr. S C Rangani retires by rotation but being eligible offers himself for re-appointment.'



The independent directors who will continue for fresh terms are as below and their brief profiles are given in the attached Notice.

a. **Mr. J S Maini**

Mr. J S Maini he is being appointed for a fresh term of five years.

b. **Mr. V S Iyer**

Mr. V S Iyer he is being appointed for a fresh term of two years.

c. **Ms. A A Gowariker**

Ms. A A Gowariker is being appointed for a fresh term of five years.

5. **Finance**

Finance costs have shown an increase on account of the higher interest rates and the enhanced working capital requirements arising from the additional volumes. Additional investments have also been initiated for installing additional capacities for projected growth.

6. **Safety, Healthy & Environment**

The company's plant at Ranchi has been awarded internationally recognized external certification viz. ISO14001:2004 (for adherence to environmental processes), OHSAS:18001:1999(for Health & Safety) and ISO/TS:16949:2002 (quality management)

The company is committed to establishing and maintaining a safe and healthy work environment on the principles of occupational safety and training in preventive aspects of safety so as to achieve target of zero work related accidents record. The Safety policy inter alia ensures safety of public, plant, equipment and business associates, ensuring compliance with all statutory rules and regulations on an ongoing basis.

Besides creating general awareness among employees towards environmental protection, the management encourages initiatives which are targetive towards conserving natural resources and improvements in resource efficiency across all processes.

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.

- i) The company has replaced 2HP mud pump with single phase 1 HP pump and thereby saved 3744 KWH per year (average running time 16 hrs per day)
- ii) The company has replaced 3 phase 10 HP water pump with 3 phase 3 HP water pump thereby saved 16848 KWH per year (average running time 06 hrs per day)

The resultant cost savings as a result of these measures are Rs.1.8 lakhs p.a.

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 has developed new products with improved functionalities which would contribute to better efficiencies in use.

c. Foreign exchange earnings & outgo

Details regarding expenditure and earnings in foreign exchange have been given in Note No. 27 (h) and 27(i) respectively 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, 2014 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.
- v. internal financial controls have been laid down and such financial controls are adequate and are operating effectively.
- vi. proper systems to ensure compliance with the provisions of all applicable laws have been devised and that such systems are adequate and operating effectively.

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 31.3.2013 was reviewed by the audit committee at their meeting held on August 6, 2013 and has been filed in XBRL format on 26.09.2013. The cost audit for the year ended 31st March,2014 is in progress and the cost audit report will be filed within the stipulated time.

11. Acknowledgements

The Board records their appreciation of the whole hearted support and contribution by the company's bankers, customers, suppliers and all employees of the company. Your Directors also 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.

On behalf of the Board

Ms. H S Zaveri
Chairman

Mumbai : April 25,2014



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.4400 crores during the last financial year. The market segmentation of demand is approximately 60% from original equipment manufacturers (OEM) and the balance coming from the replacement market/exports. The demand for roller bearings has remained flat during the last two years reflecting overall sluggishness in industrial activity.

The automotive industry is the largest consumer of bearing products. In FY 2013-14 sales of the overall Indian automobile sector have shown a negative trend compared to the growth of 3% in the previous year. Particularly affected were sales of Commercial vehicles & Passenger cars that have shown de-growth compared with the previous year. Sales of two/three wheelers have continued to show moderate growth of around 4% while the agricultural tractor sector has shown a smart growth of around 20%.

Roller bearings have wide ranging applications and are critical to industrial progress. As Indian industry develops demand for bearings is expected to grow both in quantitative as well as qualitative terms towards bearing solutions that are efficient and support productivity. Your company has enhanced capacity at Ranchi and is now in a position to offer a more comprehensive product portfolio to our customers.

Economic Environment

FY 2013-14 was a difficult year. Indian economy experienced sluggish growth, high inflation, pressure from external imbalances and overall low business sentiment. The economy which grew at 5% in FY 2012-13, continued its moderate growth trajectory in the first half of FY 2013-14 as GDP growth slowed down to 4.6%. The current trend shows that for FY 2013-14 economic growth may fall below 5%. Consumer inflation continues to remain at around 10% reflecting high food prices, currency depreciation, fuel price adjustments and other supply side constraints. During FY 2014-15 a slow recovery is expected based on rising global demand and increasing infrastructure investments. The outcome of the general elections will also influence future growth depending upon the stability and the policy initiatives of the new government.

Despite the current subdued mood in the automobile sector, the measures taken by the Indian government to stabilise the economy by containing fiscal and current account deficits will ensure that economic growth will slowly yet steadily return.

Rising disposable income of the expanding middle class households, and rural prosperity is expected to drive demand for both private and public transportation. 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 which will have to effectively address challenges of fuel efficiency, safety and increased comfort. 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 alongwith containment of fuel prices and inflationary pressures which should enable bearing manufacturers to focus on cost reduction.

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

Opportunities and Threats

Economic growth is expected to return as, of late, government has taken initiatives to clear a number of infrastructure projects. As sentiments improve, the investment momentum, which is still missing especially in the private sector is expected to return from Q2 in the current fiscal. Policy reforms are expected to accelerate, once a stable alliance post general elections is in place and spur fast track growth in the coming years. As India addresses the twin challenges of inclusive growth and sustainability, even a normal monsoon, with improved availability of rural finance, will positively influence demand for motor cycles as well as agricultural tractors. In order to address diverse needs of mobility, India will have to invest in smart models of mass transportation. Rising aspirations of the middle class and increasing urbanization will drive demand for both private and public transportation and with industry focusing on offering improved fuel efficiencies, lower emissions and more driving comfort, the overall mobility sector is expected to benefit from continued growth in the longer term.

The domestic bearing industry is facing the following threats:

- a. The menace of spurious bearings continues to adversely affect the industry. As per estimates roughly one in every four bearings sold in the replacement market is fake/ of inferior quality presenting a threat to unsuspecting users. Concerted efforts by the industry to control the same are required on a continuing basis to make any impact.
- b. With global demand weakening, dumping of cheap bearings by Chinese and other South East Asian countries has intensified. The industry is working with the government for imposition of safeguard duties to protect the domestic industry.
- c. Rising labour costs which will have to be compensated by productivity increases so as to retain competitiveness of the industry.
- d. Slowing economic growth leading to flat user demand for the industry's products could lead to idle investments and a higher burden of fixed costs.

Of course, the industry and your company have to continuously explore ways and take all measures to strengthen competitive advantage by minimizing waste, increasing efficiencies and producing high quality products to counter the threat of cheap imports.

Financials

The company has made a profit after tax of Rs.338.85 lakhs as compared to Rs.395.77 lakhs in the previous accounting year. The net sales at Rs.2299.72 lakhs are flat.

The company expects that the market will improve and with the new capacities which have become operational, it will be able to enhance volumes, improve efficiencies, broaden its customer profile and product range so that the financial results are better during the current financial year.



Risks and risk mitigation

The company has comprehensive risk management processes for identification, assessment and mitigation of all potential business risks which include operational and financial risks. Risk mitigation measures and their implementation are regularly reviewed and discussed, and after evaluation, improved and updated. 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 and his continuing interactions with the functional heads of the holding company, employees and other stakeholders, helps management with regular monitoring and reports about the developments in the market, competition, extension of product range, and financial, legal and compliance issues.

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 continued to manufacture special purpose machines and tools for the bearing industry to better utilize its 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

	2013-14			2012-13		
	Bearings	Special Purpose Machines	Total Amount	Bearings	Special Purpose Machines	Total Amount
	Rs.lakhs		Rs.lakhs	Rs.lakhs	Rs.lakhs	Rs.lakhs
A Segment Revenue						
Net Sales to Customers	2281.06	20.99	2302.05	2030.93	268.79	2299.72
Inter Segment Revenue	-	-	-	-	-	-
Total Segment Revenue	2281.06	20.99	2302.05	2030.93	268.79	2299.72
B Segment Results	550.65	4.89	555.54	603.35	82.51	685.86
Less: Unallocated corporate expenses net off allocable income			(5.93)			38.70
Less: Interest expense			65.41			36.11
Profit before tax			496.05			611.05
C Capital Employed	1837.72	106.06	1943.78	1417.76	88.54	1506.30
Unallocated corporate assets (net)			(831.00)			(463.00)
Total			1112.78			1044.50

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 growth.

Productivity increases and a lean management structure have resulted in improved production levels being sustained .

Permanent employees directly employed by the company currently total 145 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

The company is committed to and continues to practice good Corporate Governance. The core principles followed by the company are creating long term value for all stake holders, business practices which are ethical and in compliance with applicable legal requirements and having an impact on the environment in which we work.

1. Board of Directors

a. Composition :

The Company is Board managed. All directors are non executive directors and professionally competents. At present the Board consists 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.

The Chairman of the Board is Ms.H S Zaveri whose details are as below. The brief profiles of the other directors have been mentioned in the Director's Report.

Ms.H S Zaveri (54 yrs) is the Chairman of the Board of Directors. Since October 2010, she is the Managing Director & President of NRB Bearings Ltd. She has graduated Magna cum Laude with Honours from Wellesley College, USA. She has 27 yrs. experience in the bearings industry.

She has been responsible for working out a strategic plan for NRB Bearings Ltd to become a supplier to global OEMs and the company has now become a front runner in the Indian and global markets.

In December 2005 she was awarded the best CEO by the Quality Circle Forum of India for her contribution to TPM and the Quality movement. In 2009 she received from Women Leaders in India (WIL) award as Leader in Manufacturing Sector. She has also been ranked among the most powerful women in Indian business by various magazines during 2011 and 2012.

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.

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 are independent.

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



Name Of Directors	DIN	Category	No.of director-ships as on 31.3.2014	No.of membership in committees (Chairmanship) as on 31.3.2014
H S Zaveri	00003948	NE/NID	2	2(1)
S C Rangani	00209069	NE/NID	1	1
J S Maini	00371772	NE/ID	-	-
V S Iyer	00333957	NE/ID	1	-
A A Gowariker	03634905	NE/ID	-	-

NE and NID – Non Executive and Non Independent Director

NE and ID - Non Executive and Independent Director

Directorships do not include alternate directorship, directorships of private limited companies, section 25 companies and companies incorporated outside India.

The Board of Directors is constituted with appropriate combination of Independent and Non Independent Directors as per Clause 49 of the Listing Agreement with the stock exchanges.

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 2013-14.

The maximum interval between any two meetings was 98 days. The Board held its meetings on 30th April,2013, 6th August,2013, 22nd October,2013 and 22nd January,2014

c. Attendance of Directors :

The overall attendance of Directors was 85%.

Board Meetings held during 2013-14 and the last Annual General Meeting

Sr. No.	Name of Directors	Meetings held during the tenure of the Directors	Meetings At-tended	Attendance at the last AGM (6th August,2013)
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	4	2	No

Overall attendance in the Board Meetings: 85%

AGM: 80%



d. **Other Directorships :**

None of the Directors holds Directorship in more than 7 listed companies.

Other Boards of which directors are Members

Sr. No.	Name of Directors	Details of other Directorships*	Details of Committee Membership
1	Ms.H S Zaveri	NRB Bearings Ltd NRB Industrial Bearings Ltd	Member-Investor Grievances/ Share Transfer Committee Chairman-CSR Committee Nil
2	Mr.S C Rangani	NRB Bearings Ltd	Member-CSR Committee
3	Mr.J S Maini	NIL	NIL
4	Mr.V S Iyer	RMG Alloy Steels Ltd.	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 7 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 retires by rotation and offers himself for re-appointment.

Mr.J S Maini, Independent director is proposed to be appointed for a term of five years.

Mr.V S Iyer Independent director is proposed to be appointed for a term of two years, considering his advanced age.

Ms.A A Gowariker Independent director is proposed to be appointed for a term of five years.

The particulars of these directors are furnished elsewhere.

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
H S Zaveri	85,000
S C Rangani	55,000
J S Maini	45,000
V S Iyer	85,000
A Gowariker	30,000
Gross total	300,000



2. Audit Committee

The Audit Committee was set up in July, 2002. The Committee consists of four Non-executive Directors with Mr. J S Maini as Chairman. 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. 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. Recommending for appointment, remuneration and terms of appointment of auditors of the company, reviewing and monitoring the auditors independence and performance and effectiveness of the audit process and discussion with internal auditors of any significant findings and follow up thereon particularly into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature.
- c. Scrutiny of inter-corporate loans and investments.
- d. Valuation of undertakings or assets of the company, wherever it is necessary.
- e. Monitoring the end use of funds raised through public offers and related matters
- f. Evaluation of internal financial controls and risk management systems
- 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.
- h. Ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use.

Attendance of Members at the Meetings of the Audit Committee held during 2013-14

Members	Meetings held	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	4	2

Overall attendance: 81.25%



3. Stakeholders Relationship Committee

The Board of Directors of the Company had set up a Shareholders/Investors' Grievances Committee of Directors comprising Mr. V S Iyer (Chairman), Ms. H S Zaveri, and Mr. S C Rangani. As the company has more than 1000 shareholder's during the last financial year the same has been reconstituted as Stakeholders Relationship Committee to consider and resolve the grievances of all securities holders.

The shareholders of the Company are serviced by the share transfer agent- M/s.Universal Capital Securities Pvt.Ltd. 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 Stakeholders Relationship Committee of Directors held during 2013-14

Members	Meetings held during the tenure of the Director	Meetings attended
Mr.V S Iyer (Chairman)	5	5
Ms.H S Zaveri	5	5
Mr.S C Rangani	5	5

Overall attendance : 100%

4. General Body Meetings

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

33rd Annual General Meeting on 6th August,2013 at 3.00 p.m.

Conference Room, Dhannur, 15 Sir P M Road, Mumbai 400 001

32nd Annual General Meeting on 27th July, 2012 at 3.00 p.m.

Conference Room, Dhannur, 15 Sir P M Road, Mumbai 400 001

31st Annual General Meeting on 26th July, 2011 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, the following resolution is proposed to be passed through e-voting.

Item no 8 Authority to sell, lease, mortgage and charge the properties of the company

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 2013-14. 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 is hosted on the company's web site www.snlbearings.in and have also 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. 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. The quarterly financial results are also available on the company's web site www.snlbearings.in.

c. Audit qualifications

The financial statements are unqualified.

d. Separate posts of Chairman and CEO

The company has separate person for the post of Chairman and CEO.

e. Reporting of Internal Auditor

The internal auditor reports directly to the Audit Committee.



Auditors' certificate to the members of SNL Bearings Limited on compliance of the conditions of corporate governance for the year ended 31st March, 2014 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, 2014, 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 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 General Manager and a Director of the Company.

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's Registration No. 117365W)

Saira Nainar

Partner

Membership No. 040081

Place: Mumbai

Date: April 25, 2014



Shareholders' Information

1. Annual General Meeting

Date and Time	: July 29, 2014 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, 2014	: July 29 , 2014
Financial reporting for the quarter ending September 30, 2014	: Last week October, 2014
Financial reporting for the quarter ending December 31, 2014	: Last week January, 2015
Financial reporting for the year ending March 31, 2015	: End April, 2015
Annual General Meeting for the year ending March 31, 2015	: July/August, 2015

3. **Book Closure Date** : 21st July, 2014 to 29th July, 2014
(both days inclusive)

4. **Preference Dividend Payment Date** : 4th August, 2014

5. **Registered Office** : Dhannur, 15 Sir P.M.Road
Fort, Mumbai 400 001
(Tel) 22664160/4998
(Fax) 22660412

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	2014				2013			
	No. of share holders	% of share holders	No. of shares held	% of share holding	No. of share holders	% of share holders	No. of shares held	% share holding
Upto 500	3974	93.84	344609	9.542	4010	93.93	351744	9.739
501-1000	133	3.14	109170	3.023	131	3.07	105287	2.915
1001-2000	69	1.63	105481	2.921	73	1.71	110680	3.065
2001-3000	29	0.69	73331	2.03	26	0.61	64648	1.79
3001-4000	5	0.12	17647	0.489	8	0.19	28187	0.78
4001-5000	7	0.17	31660	0.877	3	0.07	12915	0.358
5001-10000	7	0.17	58679	1.625	8	0.19	68428	1.895
10001 & above	11	0.26	2870963	79.494	10	0.23	2869651	79.458
TOTAL	4235	100	3611540	100	4269	100	3611540	100

As on 31st March, 2014, 3458371 no. of shares constituting 95.75% 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	2014				2013			
	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
Individuals								
Promoter group	1	0.02	9643	0.27	1	0.02	9643	0.27
Public	4150	97.99	819600	22.69	4178	97.88	784448	21.72
Corporate Bodies								
Promoter group	1	0.02	2652762	73.45	1	0.02	2652762	73.45
Others	66	1.56	121599	3.37	70	1.64	155756	4.31
Foreign Collaborator	-	-	-	-	-	-	-	-
NRI/OCBs	16	0.38	7886	0.22	18	0.42	8881	0.25
FI/FII/Banks	1	0.02	50	-	1	0.02	50	-
Mutual Funds/ UTI	-	-	-	-	-	-	-	-
TOTAL	4235	100.00	3611540	100.00	4269	100.00	3611540	100.00



10. Share Transfer System

The Stakeholders Relationship 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 re-issuance of duplicate share certificate.

Share transfers in physical form are presently registered and returned within a period of 15 days from the date of receipt in case documents are complete in all respects.

11. Investor queries/complaints handled

Nature of queries/complaints	2013-14 Nos.	2012-13 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)	-	2
Relating to dividends (including revalidation of dividend warrants, non-receipt of dividend warrants and bank details)	-	-
Relating to change of address	5	4
Others	-	-
Total	5	6

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 : Nil

c. All the complaints have been resolved.

d. There are no pending share transfers as 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 2014-15 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 505827
 ISIN No. **INE 568F 01017**

14. Stock Market Data

The Stock Exchange, Mumbai

Monthly high and low quotations and volume of shares traded

2013-14	Mumbai Stock Exchange		
Month	High	Low	Volume
April'13	28.00	20.30	4761
May'13	27.50	20.00	5712
June'13	27.50	22.15	4369
July'13	23.00	18.10	14529
August'13	23.80	17.15	2839
September'13	19.35	17.60	2755
October'13	19.50	17.05	7742
November'13	16.55	15.20	35190
December'13	18.15	14.85	14866
January'14	20.75	16.35	11659
February'14	17.20	15.10	696
March'14	18.20	14.05	12999
Total			118117

15. **Registrars and Transfer Agents** : M/s.Universal Capital Securities Pvt.ltd.
 (Share transfer and communications (Formerly MondkarComputers P.Ltd.)
 regarding share certificates, dividends 21, Shakil Niwas,Mahakali Caves Road
 and change of address) 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 : 022-22664160/4998
Fax:022-22660412
E-mail : sc.rangani@nrbbearings.co.in
Website: www.snlbearings.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.



CEO/CFO CERTIFICATION

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. There are, to the best of our knowledge and belief, 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.

K.K.P. Sinha
AGM & PLANT HEAD

S C Rangani
DIRECTOR

Mumbai : April 25, 2014

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,2014.

For SNL Bearings Ltd.

S C RANGANI

DIRECTOR & COMPLIANCE OFFICER

Mumbai : April 25, 2014



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SNL BEARINGS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of SNL BEARINGS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act 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, 2014;
- (b) in the case of the Statement of Profit and Loss, 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.



- (b) in the case of the Statement of Profit and Loss, 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s Report) Order, 2003 (“the Order”) issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) 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.
 - (b) 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.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).
 - (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

(Firm’s Registration No. 117365W)

Saira Nainar

(Partner)

(Membership No. 040081)

Mumbai : April 25, 2014



ANNEXURE TO THE AUDITORS' REPORT TO THE MEMBERS OF SNL BEARINGS LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014.

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) Having regard to the nature of the Company's business/activities/result, clause (xiii) of the Order is not applicable.
- (ii) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (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) In respect of its inventory:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause (iii) (b), (c), (d), (f) and (g) of the Order are not applicable to the Company.
- (v) In our opinion and according to the information and explanations given to us, 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 major weakness in such internal control system.
- (vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 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 Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
 - (b) Where each of such transaction is in excess of Rs.5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time except in respect of certain purchases for which comparable quotations are not available and in respect of which we are unable to comment.



- (vii) According to the information and explanations given to us, 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.
- (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 the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (x) According to the information and explanations given to us in respect of statutory dues:
 - (a) The Company has been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2014 for a period of more than six months from the date they became payable.
 - (c) There were no dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2014.
- (xi) The accumulated losses of the Company at the end of the financial year are less than fifty percent of its net worth. The Company has not incurred cash losses in the financial year 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.
- (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) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- (xvii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have, prima facie, not been used during the year for long-term investment.



- (xviii) According to the information and explanations given to us, the Company has not made 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) According to the information and explanations given to us, during the period covered by our audit report, the Company has not issued any debentures. Accordingly, the question of creating a security or charge for debentures does not arise.
- (xx) According to the information and explanations given to us, during the year, the Company has not raised any money by public issues. Accordingly, the question of disclosure of end use of such monies does not arise.
- (xxi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

(Firm's Registration No. 117365W)

Saira Nainar

(Partner)

(Membership No. 040081)

Mumbai : April 25, 2014



Balance Sheet as at 31st March, 2014

₹ in lakhs

Particulars		Note No.	As at 31st March, 2014	As at 31st March, 2013
I.	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	3	561.15	761.15
	(b) Reserves and surplus	4	552.00	283.35
2	Non-current liabilities			
	(a) Long-term borrowings	5	196.28	3.39
	(b) Deferred tax liabilities (net)	6	80.70	46.14
	(c) Other long term liabilities	7	6.11	5.61
	(d) Long-term provisions	8	24.39	22.09
3	Current liabilities			
	(a) Short-term borrowings	9	411.73	380.30
	(b) Trade payables	10	98.95	155.38
	(c) Other current liabilities	11	118.71	41.54
	(d) Short-term provisions	12	89.61	89.19
	TOTAL		2,139.63	1,788.14
II.	ASSETS			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	13	830.53	510.06
	(ii) Intangible assets	13	1.92	2.10
	(b) Long-term loans and advances	14	27.91	110.37
2	Current assets			
	(a) Inventories			
	(b) Trade receivables	15	641.88	680.74
	(c) Cash and cash equivalents	16	575.02	426.66
	(d) Short-term loans and advances	17	6.73	3.67
	TOTAL	18	55.64	54.54
	See accompanying note forming part of the financial statements.		2,139.63	1,788.14

**In terms of our report attached
For DELOITTE HASKINS & SELLS**

Chartered Accountants

Saira Nainar
Partner

Mumbai : April 25, 2014

For and on behalf of the Board of Directors

H. S. Zaveri

J. S. Maini

S. C. Rangani

V. S. Iyer

Directors

Mumbai : April 25, 2014



Statement of Profit and Loss for the year ended 31st March, 2014

₹ in lakhs

Particulars		Note No.	For the year ended 31st March, 2014	For the year ended 31st March, 2013
I	Revenue			
	(a) Revenue from operations (gross)	19	2,574.30	2,574.89
	Less : Excise duty		272.25	275.17
	Revenue from operations (net)		2,302.05	2,299.72
	(b) Other income	20	48.03	7.35
	Total Revenue (I)		2,350.08	2,307.07
II.	Expenses			
	(a) Cost of materials consumed	21	606.21	650.20
	(b) Changes in inventories of finished goods and work-in-progress	22	37.11	(33.21)
	(c) Other manufacturing expenses	23	447.29	417.18
	(d) Employee benefits expenses	24	510.61	451.05
	(e) Finance costs	25	65.41	36.11
	(f) Depreciation and amortization expenses	13	43.32	37.31
	(g) Other expenses	26	144.08	137.38
	Total Expenses (II)		1,854.03	1,696.02
III.	Profit before tax (I-II)		496.05	611.05
IV.	Tax Expense:			
	(a) Current tax expense for current year		122.64	179.16
	(b) Current tax expense relating to prior years		-	8.85
	(c) Net current tax expense		122.64	188.01
	(d) Deferred tax		34.56	27.27
	Net Tax Expense		157.20	215.28
V.	Profit after tax		338.85	395.77
VI.	Earnings per equity share (of Rs. 10 each)			
	Basic and Diluted	27 (d)	Rs. 8.90	Rs. 10.29
	See accompanying note forming part of the financial statements.			

In terms of our report attached
For DELOITTE HASKINS & SELLS

Chartered Accountants

Saira Nainar
Partner

Mumbai : April 25, 2014

For and on behalf of the Board of Directors

H. S. Zaveri

J. S. Maini

S. C. Rangani

V. S. Iyer

Directors

Mumbai : April 25, 2014



Cash Flow Statement for the year ended 31st March, 2014

	Year ended 31.03.2014 Rs. Lakhs	₹ in lakhs Year ended 31.03.2013 Rs. Lakhs
A. Cash flow from operating activities		
Net Profit before tax	496.05	611.05
Adjustments for :		
Depreciation and amortization	43.32	37.31
Provision for leave encashment	2.27	4.91
Interest expense	65.41	36.11
Net (gain)/ loss on sale of fixed assets	0.30	0.30
Provision for doubtful debt	2.15	(5.53)
	<u>113.45</u>	<u>73.10</u>
Operating Profit before working capital changes	<u>609.50</u>	<u>684.15</u>
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
- Inventories	38.86	(46.06)
- Trade receivables	(150.52)	(115.41)
- Short-term loans and advances	(1.10)	(28.89)
- Long-term loans and advances	87.16	(93.60)
Adjustments for increase / (decrease) in operating liabilities:		
- Trade payables	(56.43)	73.84
- Other current liabilities	4.54	(2.69)
- Other long term liabilities	0.50	-
- Short-term provisions	(0.88)	(5.06)
	<u>(77.87)</u>	<u>(217.87)</u>
Cash generated from operations	531.63	466.28
Net income tax (paid)	(126.00)	(200.00)
Net cash flow from operating activities (A)	<u>405.63</u>	<u>266.28</u>
B. Cash flow from investing activities		
Purchase of fixed assets	(333.70)	(238.12)
Sale of fixed assets	0.99	0.89
Net cash flow used in investing activities (B)	<u>(332.71)</u>	<u>(237.23)</u>



Cash Flow Statement for the year ended 31st March, 2014

₹ in lakhs

	Year ended 31.03.2014 Rs. Lakhs	Year ended 31.03.2013 Rs. Lakhs
C. Cash flow from financing activities		
Repayment of borrowings	(1.08)	-
Net increase/(decrease) in cash credit	31.43	265.49
Long term borrowings	232.88	3.39
Repayment of preference share	(200.00)	(200.00)
Finance cost	(62.89)	(36.11)
Dividends paid on Preference shares	(60.00)	(55.73)
Dividend Distribution Tax on Preference share dividends	(10.20)	(9.04)
Net cash flow used in financing activities (C)	<u>(69.86)</u>	<u>(32.00)</u>
Net increase/(decrease) in Cash and cash equivalents (A+B+C)	<u>3.06</u>	<u>(2.95)</u>
Cash and cash equivalent at the commencement of the financial year components being:		
Cash on hand	0.30	0.11
Balances with banks on current accounts	3.37	6.51
	<u>3.67</u>	<u>6.62</u>
Cash and cash equivalent at the end of the financial year components being:		
Cash on hand	0.18	0.30
Balances with banks on current accounts	6.55	3.37
	<u>6.73</u>	<u>3.67</u>
Net increase/(decrease) as disclosed above	<u>3.06</u>	<u>(2.95)</u>

Notes:

(a) The above cash flow 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.

(b) See accompanying note forming part of the financial statements.

In terms of our report attached For DELOITTE HASKINS & SELLS

Chartered Accountants

Saira Nainar
Partner

Mumbai : April 25, 2014

For and on behalf of the Board of Directors

H. S. Zaveri

J. S. Maini

S. C. Rangani

V. S. Iyer

Directors

Mumbai : April 25, 2014

**Notes forming part of the financial statements for the year ended 31st March, 2014****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 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, (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) 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 balance sheet date. 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 in the statement of Profit and loss account.

**Notes forming part of the financial statements for the year ended 31st March, 2014****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.

2.6 Employee benefits :

(a) Short term employee benefits are recognised as an expense at the undiscounted amount in the statement of 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 the statement of 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.

**Notes forming part of the financial statements for the year ended 31st March, 2014****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 statement of profit and loss.**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 statement of Profit and 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.

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.



Notes forming part of the financial statements for the year ended 31st March, 2014

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.

2.13 Cash and Cash equivalents :

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

3. Share Capital:

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	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	1,000.00	1,000,000	1,000.00
	7,000,000	1,600.00	7,000,000	1,600.00
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	1,000.00	1,000,000	1,000.00
	5,054,376	1,405.44	5,054,376	1,405.44
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	200.00	1,000,000	400.00
Total	4,611,540	561.15	4,611,540	761.15

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.


Notes forming part of the financial statements for the year ended 31st March, 2014
(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 September, 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, 9th, 10th and 11th year, Company repaid Rs. 800 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 the board has decided to pay dividend in arrears on 6% cumulative redeemable preference shares @6% for the period from 1st April, 2006 to 31st March 2007 aggregating Rs.60.00 lacs. (Previous year : for the period 1st April, 2006 to 31st March, 2007 aggregating Rs. 60.00 Lacs). After considering the effect of dividend, as discussed before, arrears of cumulative dividends on the 6% Cumulative Redeemable preference Shares, considering the revised coupon rates, as stated above, is Rs. 310.25 lacs (as at 31.03.2013 : Rs. 355.69 lacs).

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

Particulars	Equity Shares As at 31st March, 2014		Preference Shares As at 31st March, 2014	
	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	400.00
Partial Redemption of shares during the year	-	-	-	200.00
Shares outstanding at the end of the year	3,611,540	361.15	1,000,000	200.00



Notes forming part of the financial statements for the year ended 31st March, 2014

d) Details of shareholder holding more than 5% shares :

Name of Shareholder	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares NRB BEARINGS LIMITED, HOLDING COMPANY	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

- e) The Company intends to approach the Preference Shareholders to change the redemption terms of Preference Shares which are due to be fully redeemed on 18th June, 2014. As per the proposed terms, the redemption of Rs 150 lacs will be made on 18th June, 2014 and the balance of Rs 50 lacs will be redeemed over the period of next two years equally on 18th June, 2015 and 18th June, 2016.

4. Reserves and Surplus :

₹ in lakhs

Particulars	As at 31st March, 2014	As at 31st March, 2013
a. Capital Reserves	15.03	15.03
b. Capital Redemption Reserve		
Opening balance	600.00	200.00
Add: Transfer from statement of profit and loss	200.00	200.00
Closing balance	800.00	600.00
c. Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(331.68)	(457.25)
Add: Net Profit for the current year	338.85	395.77
Less: Proposed dividend on preference shares	(60.00)	(60.00)
Less: Additional income-tax on dividend on preference shares	(10.20)	(10.20)
Less: Transfer to Capital Redemption Reserve	(200.00)	(200.00)
Closing balance	(263.03)	(331.68)
Total	552.00	283.35



Notes forming part of the financial statements for the year ended 31st March, 2014

5. Long Term Borrowings :

₹ in lakhs

Particulars	As at 31st March, 2014	As at 31st March, 2013
Car Loan from a Bank (Secured)*	2.31	3.39
Term Loan (Secured) #	193.97	-
Total	196.28	3.39

* Secured against assets purchased out of the borrowings.

The term loan carries an Interest rate of 12.75% per annum. The loan amount is repayable in monthly installments upto December 2018.

6. Deferred Tax Liabilities :

₹ in lakhs

Particulars	As at 31st March, 2014	As at 31st March, 2013
a. Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	98.12	75.54
b. Tax effect of items constituting deferred tax assets		
Provision for gratuity	-	(0.77)
Provision for compensated absences	(9.11)	(8.38)
Provision for doubtful debts	(8.31)	(7.60)
Voluntary retirement scheme	-	(12.65)
	(17.42)	(29.40)
Total	80.70	46.14

7. Other Long Term Liabilities :

₹ in lakhs

Particulars	As at 31st March, 2014	As at 31st March, 2013
Security Deposits from Customers	6.11	5.61
Total	6.11	5.61

8. Long Term Provisions:

₹ in lakhs

Particulars	As at 31st March, 2014	As at 31st March, 2013
Leave Encashment	24.39	22.09
Total	24.39	22.09



Notes forming part of the financial statements for the year ended 31st March, 2014

9 Short Term Borrowings :

₹ in lakhs

Particulars	As at 31st March, 2014	As at 31st March, 2013
Secured		
Cash Credit*	411.73	380.30
Total	411.73	380.30

* Cash credit from banks is secured by hypothecation of Inventories & book debts.

10 Trade Payables :

₹ in lakhs

Particulars	As at 31st March, 2014	As at 31st March, 2013
Due to micro and small enterprises (see note 27 (b))	-	-
Others	98.95	155.38
Total	98.95	155.38

11 Other Current Liabilities :

₹ in lakhs

Particulars	As at 31st March, 2014	As at 31st March, 2013
Interest Accrued but not due on Borrowings	2.52	-
Current Maturities of Long Term Debt	39.88	0.97
Other Payables		
- Statutory Dues	11.67	11.97
- Capital Creditors	31.20	-
- Salary	32.09	28.17
- Advance from Customers	1.35	0.43
Total	118.71	41.54

12 Short Term Provisions :

₹ in lakhs

Particulars	As at 31st March, 2014	As at 31st March, 2013
Provision for Bonus	13.50	12.00
Leave Encashment	3.70	3.73
Gratuity (Funded)	-	2.38
Proposed dividend on preference shares	60.00	60.00
Additional income-tax on preference shares	10.20	10.20
Provision for Income tax less advance tax there against	2.21	0.88
Total	89.61	89.19



Notes forming part of the financial statements for the year ended 31st March, 2014

₹ in lakhs

Particular	Gross Block (At Cost)			Accumulated Depreciation			Net Block	
	Balance as at 1st April, 2013	Additions	Disposals	Balance as at 31st March, 2014	Balance as at 1st April, 2013	On disposals	Balance as at 31st March, 2014	Balance as at 31st March, 2013
A. Tangible Assets								
Buildings on leasehold land	184.48 (184.48)	-	-	184.48 (184.48)	84.53 (79.69)	-	89.37 (84.53)	99.95 (104.79)
Plant and equipment	1,471.72 (1245.48)	361.56 (226.24)	26.75	1,806.53 (1471.72)	1,097.87 (1074.42)	25.46	1,104.09 (1097.87)	373.85 (171.06)
Furniture and fixtures	12.61 (12.13)	- (0.48)	-	12.61 (12.61)	9.89 (9.52)	-	10.17 (9.89)	2.72 (2.61)
Vehicles	7.90 (5.04)	- (5.32)	- (2.46)	7.90 (7.90)	1.26 (2.00)	- (1.27)	2.00 (1.26)	6.64 (3.04)
Office Equipments	44.26 (38.67)	3.02 (5.59)	-	47.28 (44.26)	33.25 (30.95)	-	35.46 (33.25)	11.01 (7.72)
Electrical installations	72.51 (72.51)	-	-	72.51 (72.51)	56.62 (53.54)	-	59.69 (56.62)	15.89 (18.97)
Sub total (A)	1,793.48	364.58	26.75	2,131.31	1,283.42	25.46	1,300.78	510.06
B. Intangible Assets								
Computer software acquired	28.23 (27.74)	0.32 (0.49)	-	28.55 (28.23)	26.13 (23.39)	-	26.63 (26.13)	2.10 4.35
Sub total (B)	28.23	0.32	-	28.55	26.13	-	26.63	2.10
Total (A + B)	1,821.71	364.90	26.75	2,159.86	1,309.55	25.46	1,327.41	512.16
Previous year	1,586.05	238.12	2.46	1,821.71	1,273.51	1.27	1,309.55	312.54



Notes forming part of the financial statements for the year ended 31st March, 2014

14 Long Term Loans and Advances :
(Unsecured, considered good)

₹ in lakhs

Particulars	As at 31st March, 2014	As at 31st March, 2013
Capital Advances	2.09	93.60
Security Deposits		
- with Government authorities	25.14	16.31
- with Others	0.68	0.46
Total	27.91	110.37

15 Inventories :

₹ in lakhs

Particulars	As at 31st March, 2014		As at 31st March, 2013	
a. Raw Materials and components				
Raw Materials	149.75		128.33	
Components	9.62	159.37	4.30	132.63
b. Work-in-progress				
Work-in-progress - Bearings	125.29		132.32	
Work-in-progress - Special Purpose Machine	80.40	205.69	50.00	182.32
c. Finished goods				
Finished goods - Bearings	158.94	158.94	219.42	219.42
d. Others				
Stores and spares	64.79		96.42	
Packing Materials	7.41		6.81	
Tools	45.68	117.88	43.14	
Total		641.88		680.74

16 Trade Receivables :

₹ in lakhs

Particulars	As at 31st March, 2014	As at 31st March, 2013
Trade receivables outstanding for a period less than six months from the date they are due for payment Unsecured, considered good	575.02	426.66
Trade receivables outstanding for a period exceeding six months from the date they are due for payment Unsecured, considered doubtful	25.61	23.45
Less: Provision for doubtful debts	(25.61)	(23.45)
	-	-
Total	575.02	426.66



Notes forming part of the financial statements for the year ended 31st March, 2014

17 Cash and Cash equivalents :

₹ in lakhs

Particulars	As at 31st March, 2014	As at 31st March, 2013
a. Balances with banks - In current accounts	6.55	3.37
b. Cash on hand	0.18	0.30
Total	6.73	3.67

18 Short-term Loans and Advances :

₹ in lakhs

Particulars	As at 31st March, 2014	As at 31st March, 2013
Unsecured, considered good		
Advances recoverable in cash or in kind or for value to be received	3.40	20.11
Balance with Government authorities(net)	47.67	30.30
Loans given to Staff	4.57	4.13
Total	55.64	54.54

19 Revenue from operations :

₹ in lakhs

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Sale of products	2,525.06	2,546.86
Other operating revenue	49.24	28.03
Less: Excise duty	(272.25)	(275.17)
Total	2,302.05	2,299.72

Details of Operating Revenue:		
a. Sale of products comprises		
Bearings	2,501.47	2,244.48
Special Purpose Machines	23.59	302.38
	2,525.06	2,546.86
b. Other operating revenue		
Sale of scrap	49.24	28.03
Total	2,574.30	2,574.89

20 Other Income :

₹ in lakhs

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Interest Income	0.09	0.11
Net gain on foreign currency	1.49	1.71
Provision for doubtful debt no longer required	-	5.53
Cenvat Credit*	46.45	-
Total	48.03	7.35

* Cenvat credit of Rs. 46.45 lacs pertaining to prior years availed during the year.



Notes forming part of the financial statements for the year ended 31st March, 2014

Details of Interest Income :		
a. Interest on Other Loans and Advances	0.01	0.04
b. Interest on Bank Balance	0.08	0.07
Total	0.09	0.11

21 **Cost of materials consumed :**

₹ in lakhs

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Opening Stock	132.63	110.02
Add : Purchases	632.95	672.81
	765.58	782.83
Less : Closing Stock	159.37	132.63
Total	606.21	650.20

Details of Material Consumed:		
Steel Wires	96.15	92.68
Steel Stripes	306.93	223.26
Steel Tubes	149.33	178.82
For Components	13.15	11.04
For Special Purpose Machine	40.65	144.40
Total	606.21	650.20

22 **Changes in inventories of finished goods and work-in-progress :**

₹ in lakhs

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Opening stocks:		
Work - in - progress	182.32	187.64
Finished goods	219.42	180.89
	401.74	368.53
Closing stocks:		
Work - in - progress	205.69	182.32
Finished goods	158.94	219.42
	364.63	401.74
Total	37.11	(33.21)



Notes forming part of the financial statements for the year ended 31st March, 2014

23 Other Manufacturing Expenses :

₹ in lakhs

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Consumption of Stores and Spares	103.97	117.77
Consumption of Tools	57.64	44.25
Consumption of Packing Materials	27.78	26.42
Processing charges	30.84	25.04
Power and fuel	169.23	138.66
Repair and maintenance -Plant and machinery	68.61	60.52
Excise duty on closing stock	(10.78)	4.52
Total	447.29	417.18

24 Employee Benefits Expense:

₹ in lakhs

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Salaries and incentives	418.25	371.02
Contributions to Provident fund(see Note 27. I. i)	24.78	22.91
Gratuity fund contributions (see note 27. I. ii)	23.62	17.19
Staff welfare expenses	43.96	39.93
Total	510.61	451.05

25 Finance Cost :

₹ in lakhs

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Interest on Term Loans	23.60	17.05
Interest on Bank Overdraft	41.81	19.06
Total	65.41	36.11

26 Other Expenses:

₹ in lakhs

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Insurance	2.00	1.78
Rent (see note 27 (e))	4.34	4.34
Rates & Taxes	2.90	5.43
Maintenance of Building and others	8.92	11.51
Directors' fees	3.00	3.18
Discount and Commission on sales	12.04	14.26
Travelling & Conveyance expenses	33.37	25.46
Telephone expenses	3.96	2.97
Printing and Stationery	3.19	4.9



Notes forming part of the financial statements for the year ended 31st March, 2014

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Payment to Auditors (See note below)	6.28	6.34
Legal & Professional charges	15.08	16.04
Freight & Transport	13.02	14.10
Service charges	14.54	11.48
Loss on sale of fixed assets	0.30	0.30
Provision for doubtful debts	2.15	-
Miscellaneous expenses	18.99	15.27
Total	144.08	137.38

Detail of Auditors Payment (Net of service tax input credit, where applicable)		
- Auditors - Statutory Audit	2.60	2.60
- For taxation matters	1.00	1.00
- For other services	2.65	2.65
- For reimbursement of expenses	0.03	0.09
Total	6.28	6.34

27 Additional information to the financial statements:

(a) Contingent liabilities not provided for :

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. 104.08 lakhs and Rs. 64.28 lakhs respectively as at 31st March, 2013 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.

(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.



Notes forming part of the financial statements for the year ended 31st March, 2014

(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) Limited
Company over which relatives of KMP are able to exercise significant influence	: - NRB Industrial Bearings Limited
Key Management Personnel	: - Ms. H. S. Zaveri - Ms. 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, 2014

(ii) Transactions with related parties:

Name of the related party and nature of transactions	Volume of transactions		Balances Receivable / (Payable)	
	For the year ended		As at	
	31st March, 2014	31st March, 2013	31st March, 2014	31st March, 2013
(i) Holding Company: NRB Bearings Limited				
Sale of finished goods	1,253.37	1,334.68	} 331.11 <u>Outstanding Guarantees</u>	158.21
Purchases of raw materials	124.25	28.69		
Purchase of fixed assets	-	21.97		
Outstanding guarantees given on behalf of company	-	-	-	350.00
Redemption of Preference Shares	200.00	200.00	-	-
Preference Shares outstanding	-	-	200.00	400.00
Proposed Dividend	60.00	60.00	-	-
(ii) Fellow Subsidiary : NRB Bearings (Thailand) Limited				
Sale of finished goods	10.83	33.69	1.73	33.00
Purchases of raw materials	-	3.00		
(iii) Company over which relatives of KMP are able to exercise significant influence: NRB Industrial Bearings Limited				
Sale of finished goods	-	35.53	30.71	35.53
(iv) Key Management Personnel:	Director's fees			
- Ms. H. S. Zaveri	0.85	0.80	-	-
- Ms. A. A. Gowariker	0.30	0.57	-	-
- Mr. S. C. Rangani	0.55	0.40	-	-
- Mr. J. S. Maini	0.45	0.55	-	-
- Mr. V. S. Iyer	0.85	0.85	-	-



Notes forming part of the financial statements for the year ended 31st March, 2014

(d) Earnings Per Share :

Particulars	For the year ended 31st March, 2014 Rupees in lakhs	For the year ended 31st March, 2013 Rupees in lakhs
Profit after tax	338.85	395.77
Less :		
Undeclared dividend on cumulative preference shares for the year	(14.93)	(20.68)
Additional income - tax on distributable profits	(2.54)	(3.51)
	(17.47)	(24.19)
Profit after tax attributable to equity shareholders	321.38	371.58
Number of Equity Shares	3,611,540	3,611,540
Basic and Diluted Earning per share	Rs. 8.90	Rs. 10.29

(e) Details of leasing arrangements :

The company has taken factory land on lease. Lease payments for land recognized in note 26 for the year ended 31-03-14 is Rs. 4.34 lakhs (for the year ended 31-03-13: Rs. 4.34 lakhs)

Particulars	For the year ended 31st March, 2014 Rupees in lakhs	For the year ended 31st March, 2013 Rupees in lakhs
(i) For a period not later than one year	4.34	4.34
(ii) For a period more than one year and not later than five year	17.36	17.36
(iii) For a period more than five year	-	-

(f) C.I.F. value of imports :

₹ in lakhs

Particulars	For the year ended 31st March, 2014 Rupees in lakhs	For the year ended 31st March, 2013 Rupees in lakhs
Raw materials & Components	177.66	172.79
Consumables	-	5.17
Capital goods	-	100.97
Total	177.66	278.93

(g) Details of consumption of imported and indigenous items :

₹ in lakhs

Particulars	For the year ended 31st March, 2014			For the year ended 31st March, 2013		
	Indigenous	Imported	Total	Indigenous	Imported	Total
Raw materials & Components	404.11 67%	202.10 33%	606.21	432.11 66%	218.09 34%	650.20



Notes forming part of the financial statements for the year ended 31st March, 2014

(h) Expenditure incurred in foreign currency (Cash Basis):

	Currency	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
		Foreign Currency	Rupees in lakhs	Foreign Currency	Rupees in lakhs
Raw materials & Components	Euro	246,308	197.90	201,018	141.71
Stores & spares	USD	-	-	5,621	3.13
	CHF	-	-	13,660	7.63
Capital goods	Euro	-	-	49,210	35.14
	JPY	-	-	94,000	63.43
Total			197.90		251.04

(i) Earnings in foreign exchange :

₹ in lakhs

Particulars	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
	Rupees in lakhs		Rupees in lakhs	
Export of goods	53.83		106.53	

(j) Derivative Instruments:

₹ 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, 2014		As on 31st March, 2013	
	Amount in		Amount in	
	Foreign Currency	Rupees in lakhs	Foreign Currency	Rupees in lakhs
Amount receivable:				
Euro	2,162	1.79	2,162	1.50
USD	2,878	1.73	60,801	33.00
Amount payable:				
Euro	-	-	30,075	20.94



Notes forming part of the financial statements for the year ended 31st March, 2014

(k) Segment Reporting :

₹ in lakhs

Particulars	Bearings	Special Purpose Machines	Total Amount
A Segment Revenue			
Sales (net)	2281.06 (2030.93)	20.99 (268.79)	2302.05 (2299.72)
Total Segment Revenue	2281.06 (2030.93)	20.99 (268.79)	2302.05 (2299.72)
B Segment Results			
Less: Unallocated corporate expenses	552.19 (603.35)	4.89 (82.51)	557.08 (685.86) 43.65 (46.05)
Less: Interest expenses			65.41 (36.11)
Add: Unallocated income			48.03 (7.35)
Profit before tax			496.05 (611.05)
Less: Provision for taxation			157.20 (215.28)
Profit after tax			338.85 (395.77)
C Segment Assets	1944.98 (1527.97)	111.10 (117.58)	2056.08 (1645.55)
Add: Unallocated corporate assets			83.55 (142.59)
Total Assets			2139.63 (1788.14)
D Segment Liabilities	107.26 (110.21)	5.04 (29.04)	112.30 (139.25)
Add: Unallocated corporate liabilities			914.18 (604.39)
Total Liabilities			1026.48 (743.64)
E Cost incurred during the period to acquire segment fixed assets	364.90 (238.12)	- (-)	364.90 (238.12)
F Depreciation / Amortization	43.32 (37.31)	- (-)	43.32 (37.31)



Notes forming part of the financial statements for the year ended 31st March, 2014

(l) Disclosure required as per AS-15 is as under :

₹ in lakhs

(i) Defined Contribution Plan:

Contribution to Defined Contribution Plan, recognized in the statement of profit and loss under employee cost in note 24 for the year are as under:

Particulars	As At				
	31st March, 2014	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010
Employer's Contribution to Provident Fund	15.76	14.44	11.08	10.38	8.11
Employer's Contribution to EPS	9.02	8.47	7.78	7.94	8.84

(ii) Defined Benefit Plan :

₹ in lakhs

Gratuity – As per actuarial valuation as on March 31, 2014. (based on Projected Unit Benefit Method)

Particulars	As At				
	31st March, 2014	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010
I. Reconciliation of opening and closing balances of Defined Benefit obligation Present value of Defined Benefit obligation - Opening	147.87	117.30	96.20	83.17	88.24
Interest Cost	11.83	9.97	7.97	6.64	5.18
Current Service Cost	7.25	5.29	4.68	4.37	4.53
Past Service Cost	-	-	1.27	1.26	-
Benefits paid	(0.84)	(6.35)	(8.52)	(9.16)	(51.86)
Net Actuarial (Gain)/Loss	23.15	21.66	15.70	9.92	37.08
Present Value of Defined Benefit obligation -Closing	189.26	147.87	117.30	96.20	83.17
II. Reconciliation of fair value of plan assets					
Fair value of plan assets - Opening	145.49	108.87	84.49	85.15	78.52
Expected return on plan assets	12.66	9.36	8.44	7.22	8.54
Net Actuarial Gain / (Loss)	5.82	10.36	(0.84)	(8.37)	(4.18)
Employer's contribution	26.00	23.25	25.30	9.65	54.13
Benefits paid	(0.84)	(6.35)	(8.52)	(9.16)	(51.86)
Fair value of plan assets - Closing	189.13	145.49	108.87	84.49	85.15


Notes forming part of the financial statements for the year ended 31st March, 2014

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

Particulars	As At				
	31st March, 2014	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010
Funds maintained with LIC	100%	100%	100%	100%	100%
III. Opening Net asset / (liability) recognized in Balance Sheet					
Present Value of Defined Benefit obligation	189.26	147.87	117.30	96.20	83.17
Fair value of plan assets	189.13	145.49	108.87	84.49	85.15
Net asset / (liability) recognized in Balance Sheet	(0.13)	(2.38)	(8.43)	(11.71)	1.98
Unfunded asset/(liability) remained to be recognized in Balance sheet	-	-	-	-	-
IV. Component of employer's expenses					
Current Service Cost	7.25	5.29	4.68	4.37	4.53
Past Service Cost	-	-	1.27	1.28	-
Interest Cost	11.83	9.97	7.97	6.64	5.18
Expected return on plan asset	(12.66)	(9.36)	(8.44)	(7.22)	(8.54)
Net Actuarial (Gain)/ Loss	17.33	11.29	16.54	18.28	41.26
Net Actuarial (Gain)/Loss					
Total expenses recognized in the statement of profit and loss under 24 is as follows:	23.75	17.19	22.02	23.35	42.43
Actual return on plan assets	18.48	19.72	7.60	(1.15)	4.36
V. Present Value of Defined Benefit Obligation	189.26	147.87	117.30	96.20	83.17
Fair Value of Plan Assets	189.13	145.49	108.87	84.49	85.15
Experience Adjustment on Defined Benefit Obligation	1.04	13.65	6.36	9.80	24.28
Experience Adjustment on Fair Value of Plan Assets	5.82	10.36	(0.84)	(8.37)	(4.18)
VI. Actuarial assumptions					
Mortality Table	LIC (1994-96)	LIC (1994-96)	LIC (1994-96)	LIC (1994-96)	LIC (1994-96)
Discount rate	(Ultimate)	(Ultimate)	(Ultimate)	(Ultimate)	(Ultimate)
Salary escalation	9.29%	8.70%	8.50%	8.00%	8.00%
	8.00%	7.00%	7.00%	3.00%	4.00%

The above information is certified by the actuary.



Notes forming part of the financial statements for the year ended 31st March, 2014

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, 2014 is Rs. Nil and for previous year was Rs. NIL.
 - b. Compensated absences recognized in the statement of profit and loss for the current year, under the employee cost in note 24, is Rs. 2.27 lakhs and for previous year was Rs. 4.91 lakhs.
- (m) Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

In terms of our report attached

For DELOITTE HASKINS & SELLS

Chartered Accountants

Saira Nainar

Partner

Mumbai : April 25, 2014

For and on behalf of the Board of Directors

H. S. Zaveri

J. S. Maini

S. C. Rangani

V. S. Iyer

Directors

Mumbai : April 25, 2014



FINANCIAL HIGHLIGHTS

₹ in lakhs

Year Ended	31.03.10	31.03.11	31.03.12	31.03.13	31.03.14
Sales (Net)					
Domestic	1274.06	1672.44	1963.69	2165.16	2204.17
Exports	25.4	70.91	55.16	106.53	53.83
Sales Total	1299.46	1743.35	2018.85	2271.69	2258.00
Operating Profit (EBITDA)	121.01	559.38	691.36	684.47	604.78
Profit Before Tax	10.66	480.75	623.82	611.05	496.05
Tax (Net)	5.54	99.04	177.31	215.28	157.20
Profit After Tax	5.12	381.71	446.51	395.77	338.85
Retained Earnings	5.12	381.71	381.74	325.57	268.65
Dividend	0	0	55.73	60.00	60.00
Tax on dividend	0	0	9.04	10.20	10.20
Earnings per share (FV Rs.10)	-1.81	8.93	11.12	10.29	8.90
Dividend %	0	0	0	0	0.00
Shareholders' Funds	555.48	737.19	918.93	1044.5	1113.15
Funds Employed	927.39	1203.13	1375.15	1375.15	1665.52
Fixed Assets (Gross)	1506.79	1526.81	1586.05	1821.71	2159.86
Fixed Assets (Net)	322.17	296.91	312.54	512.16	832.45
Fixed Asset Turnover (times)	4.03	5.87	6.46	4.44	2.71
Net Current Assets	605.22	422.03	558.37	499.20	560.27
Working Capital Turnover (times)	2.15	4.13	3.62	4.55	4.03
Shareholder Nos	3526	4496	4386	4269	4235.00
Employee Nos	126	126	126	145	145.00

FIXED ASSET TURNOVER - NET SALES/NET FIXED ASSETS AT YEAR END

WORKING CAPITAL TURNOVER - NET SALES/NET CURRENT ASSETS AS AT YEAR END



SNL Bearings Ltd.

CIN:L99999MH1979PLC134191

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

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Name and Address of Shareholders _____ _____ _____	DP ID*/CLIENT ID/FOLIO NO. _____ NO.OF SHARE _____
--	---

I hereby record my presence at the **34TH ANNUAL GENERAL MEETING** of the Company held on Tuesday, July 29, 2014 at 3.00 p.m. at the Conference Hall, Dhannur, 15 Sir P.M. Road, Fort, Mumbai 400 001.

Signature of Shareholder/Proxy

PROXY FORM



SNL Bearings Ltd.

CIN:L99999MH1979PLC134191

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

Name of the member(s) and Registered Address _____ _____ _____	DP ID*/CLIENT ID/FOLIO NO. _____ Email ID: _____
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I/We being the members of _____ shares of SNL Bearings Limited, hereby appoint:

- 1) _____ of _____ having e-mail ID _____ or failing him
- 2) _____ of _____ having e-mail ID _____ or failing him
- 3) _____ of _____ having e-mail ID _____

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **34th ANNUAL GENERAL MEETING** of the Company, to be held on on Tuesday, July 29,2014 at 3.00 p.m. at the Conference Hall, Dhannur, 15 Sir P.M.Road, Fort, Mumbai 400 001 and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

**I wish my above Proxy to vote in the manner as indicated in the box below:

Resolutions	For	Against
1. Consider and adopt Audited Financial Statements, Reports of the Board of Directors and Auditors		
2. Declaration of Dividend on Preference Shares		
3. Reappointment of Ms.H S Zaveri who retires by rotation		
4. Appointment of Auditors and fixing their remuneration		
5. Appointment of Mr.J S Maini as an Independent Director		
6. Appointment of Mr.V S Iyer as an Independent Director		
7. Appointment of Ms.Aslesha Gowariker as an Independent Director		
8. Authority to sell, lease, mortgage and/or charge the properties of the company		
9. Borrowing powers of the company		

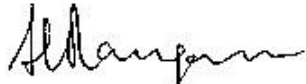
Notes:

- 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.**
- 2. A Proxy need not be a member of the Company.**
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- **4. This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
6. In the case of jointholders, the signature of any one holder will be sufficient, by names of all the jointholders should be stated.

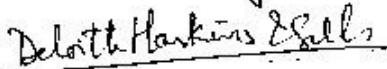
FORM A

1. Name of the Company	SNL Bearings Ltd
2. Annual financial statements for the year ended	31 st March, 2014
3. Type of Audit observation	Un-qualified
4. Frequency of observation	NA

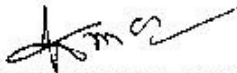
Signed by:



DIRECTOR & COMPLIANCE OFFICER



DELOITTE HASKINS & SELLS



AUDIT COMMITTEE CHAIRMAN

J S MAINI