

SNL BEARINGS LIMITED

BOARD OF DIRECTORS

Ms. H. S. Zaveri
Mr. M. N. Hoda
Mr. S. C. Rangani
Mr. J. S. Maini
Mr. V. S. Iyer

BANKERS

BNP Paribas

AUDITORS

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

REGISTERED OFFICE

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

FACTORY

Ratu Road, Ranchi-834 001

REGISTRAR & SHARE TRANSFER AGENT

Mondkar Computers Pvt. Ltd.
21, Shakil Niwas,
Mahakali Caves Road,
Andheri (East)
Mumbai 400 093.
Tel: 836 6620, 825 7641
Fax: 836 9704



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AGM NOTICE

To,
The Members
SNL BEARINGS LIMITED

NOTICE is given that the Thirtieth Annual General Meeting of the Company will be held at the Conference Room, 6th Floor, Dhannur, Sir P.M.Road, Fort, Mumbai 400 001 on Thursday July 22, 2010 at 3.00 p.m. to transact the following business

Ordinary Business

1. To receive, consider and adopt the audited Profit and Loss Account, Cash Flow Statements for the period ended 31st March, 2010 and Balance Sheet as at that date and reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. S C Rangani who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. V S Iyer who retires by rotation and being eligible offers himself for re-appointment.
4. To consider and if thought fit, to pass with or without modifications, the following resolution:
"RESOLVED THAT M/s. Deloitte Haskins & Sells, Chartered Accountants, Mumbai (Registration no. ICAI 117365W) be and are hereby appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting, in place of M/s. A F Ferguson & Co., Chartered Accountants, Mumbai, the retiring auditors, on such remuneration plus out-of-pocket expenses, as may be mutually agreed upon between the Board of Directors and the Auditors."

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

Dated : May 14, 2010

By Order of the Board

S C Rangani
Director

Notes:

1. **THE MEMBERS WHO ARE ENTITLED TO ATTEND AND VOTE AT THE MEETING ARE ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON THEIR BEHALF AND PROXY NEED NOT BE A MEMBER.**
2. Proxy to be effective should be submitted at the Registered Office of the company not later than 48 hours before the commencement of the meeting.
3. The Register of members of the company and Transfer Books will be closed from July 12, 2010 to July 22, 2010 (both days inclusive).
4. Members/Proxies are requested to bring their attendance slip duly filled in and their copy of the Annual Report for the meeting.
5. A brief resume of Mr.S C Rangani, Director, proposed to be reappointed vide Ordinary business no.2 in the notice is as follows:
Mr. S C Rangani (61 yrs) is a graduate in commerce with post graduate qualifications in Management Studies and professional qualifications as a Company Secretary. He has over 38 yrs. experience in management positions in various industries including 16 years as head of Finance and Company Secretary in the holding company. He is also a Director on the board of NRB Bearings (Thailand) Ltd.
6. A brief resume of Mr. V S Iyer Director, proposed to be reappointed vide Ordinary business no.3 in the notice is as follows:
Mr.V S Iyer (86 yrs) has a Master's degree in Arts and a Law degree from Bombay University and additionally professionally qualified as a Company Secretary. He is a practicing Company Secretary and has extensive experience in company law related matters and is an advisor to the Remi Group of companies and Schneeberger India Pvt. Ltd.

By Order of the Board

S C Rangani
Director

May 14, 2010



DIRECTORS' REPORT

To,
The Members
SNL Bearings Limited

Your Directors have pleasure in presenting their Thirtieth Annual Report together with Audited Accounts for the year ended 31st March, 2010.

1. Financial Results

	Year ended 31 st March, 2010 Rs. in lacs	Year ended 31 st March, 2009 Rs. in lacs
Profit/(Loss) before providing for interest & depreciation & Prior period Adjustments	121.01	269.94
Less : Interest	63.05	71.65
Less : Depreciation	47.30	44.46
Profit/(Loss) Before Tax	10.66	153.83
Provision for tax	5.54	53.54
Profit/(Loss) After Tax	5.12	100.29
Add : Balance brought forward from previous year	(825.82)	(926.11)
Balance carried to Balance Sheet	(820.70)	(825.82)

2. Operations

Net sales during the year at Rs. 1299 lacs (previous year Rs.1240 lacs) are 4.75% higher than the previous year. The global recovery and the strong demand revival in the domestic market during the second half of the financial year resulted in the automotive industry in both the 2/3 wheeler and commercial vehicle segments having substantially higher offtakes from the company. The company has responded to the spurt in demand by increasing production levels, inspite of a reduction in the work force arising from the VRS (Voluntary Retirement Scheme) implemented in June, 2009.

The company has made a lower profit before tax of Rs. 10.66 lacs (previous year Rs.153.83 lacs) as a result of the impact of the payments aggregating to Rs.195 lacs made to workmen consequent upon their opting for VRS. The profit before tax, adjusted for the VRS payment is higher at Rs.206.04 lacs. The continuing focus on improvement in efficiencies, has enabled the improved performance and will help the company sustain reasonable growth in net sales and profits in the current year.

No dividend on equity shares has been recommended for the year.

3. Public Deposits

The company has not taken fixed deposit during the year. As on 31.3.2010 there are no fixed deposits with the company.



4. **Directors**

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

5. **Finance**

Inventory and receivable levels have been closely monitored considering the growth in demand since November'09. Rising interest rates in the financial markets have resulted in an increase in interest costs for the year. However adequate working capital has been available to the company from the holding company at favourable rates of interest.

6. **Voluntary Retirement Scheme (VRS)/Wage Settlement for workmen**

The company implemented a VRS Scheme in June 2009. 50 workmen had opted for the scheme and their accounts have been settled. With the reduced manpower the restructured management team have achieved sales valued at Rs. 12.69 crores for bearings and components and additionally Rs.0.30 crores for machines and toolings, by motivating all employees to perform with enhanced productivity. The revised strength of employees at Ranchi was 126 as on 31st March, 2010 as against 189 as on 31.3.2009. The aggregate cash outflows on account of the VRS was Rs.195 lacs. There have been considerable savings in employee costs since June 2009 to offset the above outflows.

The management has entered into a revised wage agreement with the workmen from 1st October, 2009. The earlier settlement had expired on 31st March, 2008 and the company had deferred the negotiations for the new wage settlement on account of the difficult market conditions. As part of the settlement the company has paid an ex-gratia amount aggregating Rs 2 lacs for the period July, 2009 to September,2009. In addition the expected cost of wage increases is Rs 14 lacs per annum. However as the new wage agreement is linked with the number of bearings produced in a month for the workmen to be eligible for higher wages, productivity increases, improved quality and reduced wastage plus lower downtime are expected to result in enhanced profitability for the company.

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

There was no employee -

- a. employed throughout the period under review, receiving remuneration in aggregate not less than Rs.24,00,000/- p.a.
- b. employed for the part of the period receiving remuneration not less than Rs.2,00,000/- per month

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

- a. Measures taken for conservation of energy

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

The other specific measure is the replacement of 1.1 KW A C Motor in pneumatic press used in the manufacture of bearing components. The annual savings as a result of these measures is Rs. 30202/-. Break down frequency is also minimized and productivity enhanced.

- b. Technology absorption

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

The company's engineering staff have successfully replaced relay logic panels with microprocessor panels in various machines which have helped in minimizing break downs



Also, assembly operations have been successfully automated resulting in improved manpower productivity.

c. Foreign exchange earnings & outgo

Details regarding expenditure and earnings in foreign exchange have been given in Note Nos. 11 & 12 respectively in Schedule No.19 of the audited accounts of the company.

9. 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 Asst. General Manager & Plant Head and a Director of the Company.

10. 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 the Schedule 18 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, 2010 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

11. Auditors

M/s. A. F. Ferguson & Co., have declined re-appointment as Auditors of the company. M/s. Deloitte Haskins & Sells, Chartered Accountants, have agreed to be appointed as Auditors and the Board recommends the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, as the Auditors of the Company.

A certificate from the auditors has been received to the effect that their appointment, if made, would be within the limits prescribed under section 224(1B) of the Companies Act, 1956.

The product "Bearings" is subject to cost audit under the Central Government rules. M/s. Ashwin Solanki & Associates, Cost Accountants have been reappointed as the Cost Auditors for the year ending 31st March, 2011.

12. Acknowledgements

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

On behalf of the Board

(Ms.) H S ZAVERI
Chairman



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 market segmentation of demand is approximately 60% from original equipment manufacturers (OEM) and the balance coming from the replacement market/exports.

The automotive industry is the largest consumer of bearing products. The Indian passenger car sector and the two wheeler sector, launched a number of new models and domestic demand revived in the second half of the financial year. With industrial production improving the commercial vehicle segment is also expected to show an increase in demand particularly for the light commercial vehicle. Demand from other industry sectors like machine tools, textile machines remained sluggish during most part of the year though some signs of improvement have been noted in the last quarter.

During the year the organised bearing industry in India produced bearings valued at Rs.3200 crores. Your company has improved its net sales by 4.75% and accordingly the market share of your company in the overall industry has slightly improved from the previous years level to 0.5%. In the needle bearing segment its market share is estimated at about 6%.

Economic Environment

For the first few months the Indian economy was affected by the global happenings and industrial production declined. Thereafter there were successive improvements in every quarter and the third and the fourth quarters have seen all automotive sectors back on track with a good order book position for the plant. The Indian economy has shown a turn around, thanks to the timely steps taken by the Government and the economic growth is estimated at 6.9% - 7% for the year.

Rising commodity prices followed by high inflation has led to monetary policies aimed at containing inflation by reducing liquidity. As a result interest rates are expected to harden. However adequate liquidity in the system is unlikely to immediately impact availability of credit for vehicle purchases.

The automotive sector which has led the recovery is expected to continue this trend during the current accounting year. Select industrial segments have also shown recovery in the second half of the year. Hence the strong domestic demand and the stimulus measures of the government should result in a continued recovery.

Opportunities and Threats

The automotive sector and the industrial sector are expected to play a leading role in the growth of the Indian economy. The strong domestic demand is expected to continue in the coming years as India is one of the fastest growing passenger car and two wheeler markets in the world. With energy efficient technologies being increasingly adopted, the expanding "value conscious" middle class will ensure adequate market growth atleast during the medium term.

The government plans for upgrading infrastructure and particularly the road network across the country - the Union Minister has committed to lay 20 kms of new road every day – are all expected to result in the growth of the bearings market.

The domestic bearing industry is facing the following threats :

- a. The menace of spurious bearings continues to adversely affect the industry inspite of concerted efforts by the industry to control the same. This activity has increased significantly over the years as a result of the continuous reduction in customs duties.



- b. Steel prices significantly affect the margins of the bearings industry. After a brief period of relatively stable prices, globally steel prices have started to firm up.
- c. With the developed markets in the US and Europe facing recessionary conditions, bearings manufacturers in China and South –East Asian countries are using the Indian market for dumping cheap bearings.

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

Financials

The company has made a profit of Rs.10.66 lacs as compared to Rs.153.82 lacs in the previous accounting year. The net sales at Rs.1299 lacs show an increase of 4.75% as compared to net sales of the previous year. The strong demand revival in the domestic market during the second half of the financial year resulted in the automotive industry in both the 2/3 wheeler and commercial vehicle / tractor segments having substantially higher offtakes from the company. The company has responded to the spurt in demand by increasing production levels, inspite of a reduction in the work force arising from the VRS (Voluntary Retirement Scheme) implemented in June, 2009.

The company will strive to enhance volumes to improve capacity utilization, reduce costs, improve efficiencies and broad base its product profile so that the financial results can be improved during the current financial year.

Risks and risk mitigation

The company's internal control process cover, amongst others, processes for identification, assessment and mitigation of various kinds of risks which include operational and financial risks. Such risks are regularly reviewed and discussed. Company's internal auditors review the internal controls, risk assessment and mitigation procedures, independently as part of their internal audit process and their observations and findings are presented, reviewed and discussed in the audit committee meeting.

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

Internal control systems and adequacy

The company has in place adequate internal control systems which ensures reliable financial reporting, safeguarding of assets, adherence to management policies and promotion of ethical conduct. These systems are being revamped with the implementation of 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 and guides management and along with statutory auditors and internal auditors reviews significant findings and follows up thereon.



Segmentwise Performance

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

SEGMENT INFORMATION

Primary Segments- Business Segments

	2009-10			2008-09		
	Bearings	Special Purpose Machines	Total Amount	Bearings	Special Purpose Machines	Total Amount
	Rs.lacs	Rs.lacs	Rs.lacs	Rs.lacs	Rs.lacs	Rs.lacs
A Segment Revenue						
Net Sales to Customers	1269.46	30.00	1299.46	1148.06	91.93	1239.99
Inter Segment Revenue	-	-	-	-	-	-
Total Segment Revenue	1269.46	30.00	1299.46	1148.06	91.93	1239.99
B Segment Results	61.59	3.75	65.34	220.35	17.74	238.09
Less: Unallocated corporate expenses net off allocable income			(8.37)			12.61
Less: Interest expense			63.05			71.65
Profit before tax			10.66			153.83
C Capital Employed	850.39	77.00	927.39	898.25	70.89	969.14
Unallocated corporate assets (net)			(371.91)			(423.46)
Total			555.48			545.68

Industrial Relations and Human Resource management

The company's industrial relations with employees at its Ranchi plant have been generally cordial. During the year the company has implemented a VRS Scheme and re-structured the management team to work with reduced manpower and motivated employees to perform with enhanced productivity.

Noting the good response from the workmen the company entered into a revised wage settlement with the workmen in October 2009. Under the new wage agreement the workmen are eligible for higher wages linked with the number of bearings produced, improvement in quality and reduction in wastage. The above are expected to result in enhanced profitability for the company.

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

Cautionary Statement

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



CORPORATE GOVERNANCE

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

1. Board of Directors

a. Composition:

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

Ms. H S Zaveri (50 yrs) is the Chairman of the Board of Directors. She is also the President of NRB Bearings Ltd. She has graduated from Wellesley College, USA and also has a degree in Education from Bombay University. She has 23 years experience in the bearings industry in various commercial and senior management positions in the holding company. Her contribution in the areas of strategic planning, marketing and quality systems and her leadership capabilities will help take the holding company towards its Vision 2020 of being a billion dollar company with the presence in every vehicle in the world.

She is actively associated with Automotive Component Manufacturers' Association of India (ACMA), Ball & Roller Bearings Manufacturers' Association of India (BRBMA), Indo American Chambers of Commerce, CII and the TPM Club of India.

Mr. S C Rangani (61 yrs) is a graduate in commerce with post graduate qualifications in Management Studies and professional qualifications as a Company Secretary. He has over 38 yrs. experience in management positions in various industries including 16 years as head of Finance and Company Secretary in the holding company. He is also a Director on the board of NRB Bearings (Thailand) Ltd.

Mr. M N Hoda (72 yrs) holds a diploma in Mechanical Engineering from Andhra University. With his extensive experience of over 39 years in the bearings industry he has played a key role in advising the management on all technical aspects at the Ranchi plant. Currently he is working closely with the holding company on new projects.

Mr. J S Maini (68 yrs) holds a degree in Mechanical Engineering from Poona University. He retired from the position of General Manager (Aurangabad & Waluj plants), NRB Bearings Ltd., after meritorious service of 27 years with the company in various positions in the maintenance, manufacturing and commercial areas of the business. With his wealth of experience in manufacturing and in the business of marketing bearings and other industrial products, he is in a position to contribute towards the growth strategy for the company.

Mr. V S Iyer (86 yrs) has a Master's degree in Arts and a Law degree from Bombay University and additionally professionally qualified as a Company Secretary. He is a practicing Company Secretary and has extensive experience in company law related matters and is an advisor to the Remi Group of companies and Schneeberger India Pvt. Ltd.

Other than Ms. H S Zaveri who is part of the promoter family of NRB Bearings Ltd. and Mr. S C Rangani who receives remuneration from the holding company, the other directors mentioned above are independent. Mr. M N Hoda has received remuneration from the holding company between 16th March 2010 & 31st March 2010.

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



b. Board Meetings:

The Board of the Company, as also the various specialized committees constituted by the Board, held as many as 15 meetings including 4 meetings of the Board during 2009-10.

The maximum interval between any two meetings was 98 days. The Board held its meetings on 22nd April, 2009, 23rd July 2009, 29th October 2009, 22nd January, 2010.

c. Attendance of Directors:

The overall attendance of Directors was 90%.

**Attendance of Directors
At the Board Meetings held during 2009-10 and the last Annual General Meeting**

Sr. No.	Name of Directors	Meetings held during the tenure of the Directors	Meetings Attended	Attendance at the last AGM (23 rd July, 2009)
1	Ms. H S Zaveri	4	3	Yes
2	Mr. S C Rangani	4	4	Yes
3	Mr. M N Hoda	4	4	Yes
4	Mr. J S Maini	4	3	Yes
5	Mr. V S Iyer	4	4	Yes

Overall attendance in the Board Meetings: 90%

AGM : 100%

d. Other Directorships:

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

Other Boards of which Directors are Members

Sr. No.	Name of Directors	Details of other Directorships *	Details of Committee Memberships
1	Ms.H S Zaveri	NRB Bearings Ltd NRB Bearings (Thailand) Ltd.	Member-Investor Grievances/ Share Transfer Committee
2	Mr. S C Rangani	NRB Bearings (Thailand) Ltd.	NIL
3	Mr. M N Hoda	NIL	NIL
4	Mr. J S Maini	NIL	NIL
5	Mr. V S Iyer	NIL	NIL

*excluding private limited companies

e. Membership of Board Committees:

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

f. Details of Directors being appointed/reappointed:

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



g. **Remuneration of Directors:**

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

Name of Directors	Sitting fees (Rs.)	Total (Rs.)
H S Zaveri	30000	30000
S C Rangani	10000	10000
M N Hoda	20000	20000
J S Maini	15000	15000
V S Iyer	37500	37500
Gross total	112500	112500

2. **Audit Committee**

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

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



**Attendance of Members
at the Meetings of the Audit Committee held during 2009-10**

Members	Meetings held	Meetings attended
Mr. J S Maini (Chairman)	4	3
Ms. H S Zaveri	4	3
Mr. V S Iyer	4	4

* Overall attendance: 83.33%

Mr. J S Maini, Chairman of the Audit Committee was unable to attend the meeting of the Audit Committee held on 29.10.2009 owing to personal commitments. The other members of the Audit Committee-Mr. V S Iyer, Independent member and Ms. H S Zaveri, non Independent member on behalf of the promoter company-who were present at the meeting, invited Mr. M N Hoda, then independent member of the Board of Directors & Mr. S. C. Rangani non independent member of the Board of Directors to join the Audit Committee meeting and the entire Board of Directors other than Mr. J S Maini participated in the meeting.

3. Shareholders/Investors' Grievances Committee of Directors

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

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

**Attendance of the Members at the Meetings of the Shareholders/
Investors' Grievances Committee of Directors held during 2009-10**

Members	Meetings held during the tenure of the Director	Meetings attended
Mr. V S Iyer (Chairman)	7	7
Ms. H S Zaveri	7	6
Mr. M N Hoda	7	4

* Overall attendance : 81%

4. General Body Meetings

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

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

28th Annual General Meeting on 24th July, 2008 at 3.00 p.m.
Conference Room, Dhannur, 15 Sir P M Road, Mumbai 400 001



27th Annual General Meeting on 26th July, 2007 at 3.00 p.m.
Conference Room, Dhannur, 15 Sir P M Road, Mumbai 400 001

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

5. **Disclosures**

The Company has not entered into any transaction of material nature that may have a potential conflict with interests of the Company, with any of the Directors or their relatives during the year 2009-10. There are no subsidiary companies. Neither has any non-compliance with any of the legal provisions of law been made by the Company nor any penalty or stricture imposed by the Stock Exchanges or SEBI or any other statutory authority, on any matter related to the capital markets, during the last 3 years.

6. **Means of Communication**

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

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

7. **General Shareholder Information**

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

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

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

9. **Non mandatory recommendations**

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

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

b. **Remuneration Committee**

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

c. **Half yearly results to shareholders**

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

d. **Vote by Postal Ballot**

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

e. **Whistle Blower Policy**

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



Auditors' certificate to the members of SNL Bearings Limited on compliance of the conditions of corporate governance for the year ended 31st March, 2010 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, 2010, as stipulated in clause 49 of the listing agreements of the said company with relevant stock exchanges (hereinafter referred to as clause 49).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

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

- i) in the absence of any designated Chief Executive Officer (CEO) and Chief Financial Officer (CFO), the relevant certification on the various matters specified under paragraph V of clause 49 has been done by the Asst. General Manager and a Director of the Company;
- ii) in the Audit committee meeting held on 29th October, 2009 the quorum was not satisfied as only one independent director was present and accordingly, the clause (B) of part II of clause 49 were not complied with. Consequently, the requirement of the said clause, in respect of meeting at least four times in a year and not more than four months should have elapsed between two meetings, was not complied with;

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

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

For **A. F. FERGUSON & CO.**
Chartered Accountants
(Firm Reg. No. 112066W)

A. C. KHANNA
Partner
Membership No. 17814

Mumbai : 14th May, 2010

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, 2010.

For SNL Bearings Ltd.

S C RANGANI
DIRECTOR & COMPLIANCE OFFICER



SHAREHOLDERS' INFORMATION

1. Annual General Meeting

Date and Time	:	July 22, 2010 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, 2010	:	July 22, 2010
Financial reporting for the quarter ending September 30, 2010	:	Last week October, 2010
Financial reporting for the quarter ending December 31, 2010	:	Last week January, 2011
Financial reporting for the year ending March 31, 2011	:	End May, 2011
Annual General Meeting for the year ending March 31, 2011	:	July / August, 2011

3. **Book Closure Date** : July 12, 2010 to July 22, 2010
(both days inclusive)

4. **Dividend Payment Date** : Not applicable

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

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

6. Unclaimed Dividends

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

7. Nomination Facility

Shareholders holding 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	2010				2009			
	No. of share holders	% of share holders	No. of shares held	% share holding	No. of share holders	% of share holders	No. of shares held	% share holding
Upto 500	3402	96.484	242869	6.725	3349	97.638	229721	6.361
501-1000	59	1.673	46050	1.275	33	0.962	24950	0.691
1001-2000	31	0.879	47925	1.327	22	0.641	32125	0.890
2001-3000	15	0.425	37600	1.041	9	0.262	23550	0.652
3001-4000	4	0.114	14200	0.393	5	0.146	17400	0.482
4001-5000	0	0.000	0	0.000	3	0.087	13450	0.372
5001-10000	3	0.085	20600	0.570	2	0.058	15200	0.421
10001 & above	12	0.340	3202296	88.669	7	0.204	3255144	90.131
TOTAL	3526	100.000	3611540	100.000	3430	100.000	3611540	100.000

As on 31st March, 2010, 3248476 no.of shares constituting 89.95% 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	2010				2009			
	No.of share holders	% share holders	No.of shares held	% share holding	No.of share holders	% of share holders	No.of shares held	% share holding
Individuals	3448	97.79	561963	15.56	3364	98.07	341863	9.47
Corporate Bodies	69	1.96	2848784	78.88	57	1.66	2551184	70.63
Foreign Collaborator	-	-	-	-	-	-	-	-
NRI/OCBs	6	0.17	4575	0.127	5	0.15	925	0.03
FI/FII/Banks	3	0.08	196218	5.433	4	0.12	717568	19.87
Mutual Funds/UTI	-	-	-	-	-	-	-	-
TOTAL	3526	100.00	3611540	100.00	3430	100.00	3611540	100.00



10. Share Transfer System

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

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

11. Investor queries/complaints handled

Nature of queries/complaints	2009-10 Nos.	2008-09 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)	1	0
Relating to dividends (including revalidation of dividend warrants, non-receipt of dividend warrants and bank details)	0	0
Relating to change of address	11	4
Others	NIL	NIL
Total	12	4

- 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 : 12
- c. All the complaints have been resolved
- d. There are no pending share transfers at the year end

12. Listing on Stock Exchange at

: Equity shares

Bombay Stock Exchange Ltd.
P. J. Towers, Dalal Street,
Mumbai 400 023

The Calcutta Stock Exchange
Association Ltd.
7 Lyons Range, Calcutta 700 001

Note : Listing fees for the year 2010-11 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 for the years 2007-08, 2008-09, 2009-10, 2010-11 has not been paid.



13. Stock Codes

Bombay Stock Exchange
ISIN No.

505827
INE 568F 01017

14. Stock Market Data

The Bombay Stock Exchange Ltd., Mumbai

Monthly high and low quotations and volume of shares traded.

2009-10	Mumbai Stock Exchange		
Month	High	Low	Volume
April'09	7.99	6.59	1800
May'09	10.15	7.60	3450
June'09	11.90	9.41	30100
July'09	10.47	8.82	750
August'09	10.00	9.72	700
September'09	9.97	8.65	2300
October'09	9.37	9.37	850
November'09	13.79	9.83	197500
December'09	23.35	14.47	550650
January'10	34.25	24.50	224500
February'10	34.25	24.00	315050
March'10	42.20	32.50	159250
Total			1486900

15. Registrars and Transfer Agents

(Share transfer and communication regarding share certificates, dividends and change of address)

: M/s. Mondkar Computers P. Ltd.
21, Shakil Niwas, Mahakali Caves Road,
Andheri (East), Mumbai 400 093
(Registered with SEBI as Share
Transfer Agent-Category I)

16. Investor correspondence

: The Director
SNL Bearings Limited
Dhannur, 15 Sir P.M.Road
Fort, Mumbai 400 001
Tel : 022-2266 4160/4998
Fax : 022-2266 0412
E-mail : sc.rangani@nrbbearings.co.in

As per 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.



RISK MANAGEMENT FRAMEWORK

Risk is an inherent aspect of business. Risk taking is an essential ingredient for growth. The negative fall outs of such an ingredient need to be managed through effective risk mitigation.

The Board of directors has been responsible for monitoring risk levels on various parameters.

1. Sources of risk and components of risk

The Board alongwith the management of the company has identified the following risks:

a. **Business risk**

Excessive dependence on any single product group, any single business segment increases risks. The company has a very high dependence on the automotive industry and a slow down in this industry affects the company.

Risk Mitigation

The product concentration is consciously built up as a natural consequence of the company's decision to have needle bearings as its core business.

Though a major part of the company's sales is to the automotive industry, there are different segments which are catered to by the company

- a. two/three wheeler
- b. commercial vehicles
- c. tractors
- d. ancillaries

Each of these segments has its own business cycles which therefore mitigates against a slow down in any one segment.

Within the automotive industry the company has consciously moved to strong players among the OEMs so as to reduce risk of losses. Also close relationships are developed with our customers so that risk of sudden diversion is lowered.

b. **Financial risk**

The company is a net foreign exchange spender. Since the company's product prices are largely influenced by the landed cost of imported inputs, the company may lose in the event of a sudden depreciation of the Indian rupee.

Risk mitigation

To hedge its risk the company actively manages the exposure by taking forward cover

c. **Market risk**

New entrants in the needle bearing business could reduce business prospects of the company thus impacting its financial performance. The new entrants could be domestic players or international players taking advantage of the WTO Free Trade Agreements (FTA) or other similar government policies which are opening the Indian market to more imports at far lower costs than presently prevailing.

Risk mitigation

The company actively studies trends in the market and by constantly improving on price and performance parameters strives to retain its business.

Quality certification like ISO 9000 and TS 16949 ensures that systems are in place to mitigate quality problems at the product development stage and also processes identified for re-engineering so as to improve long term competitiveness.



d. **Event risk**

Damage to production facilities and or company properties like inventories at plants and warehouses.

Risk mitigation

- Insurance policies covering fire, thefts/burglary, transit are already in place.

e. Non compliance of laws and regulations applicable to the company could result in legal action, fines and penalties.

Risk mitigation

Compliance certificate are sent quarterly by the Plant Head to the Board of Directors. Business decisions are taken after ensuring that the same are not in contravention of any law by taking opinions from independent legal counsel/consultants.

2. **Structure**

The management team ensures implementation of the mitigation measures by setting up:

- prudential norms aimed at limiting exposures
- formal reporting and control mechanisms to ensure timely information availability
- cascading down to the level of line managers at the transactional level all the mitigation measures

3. **Processes and awareness**

- Risk identification, monitoring movement (if any) in existing risks, defining measures to respond to new risks effectively is being done on a regular basis.
- As operational management team members have been involved in the setting up of measures to implement mitigation. Awareness have been created and this facilitates pro-active risk management



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 their 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 their 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 they 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 they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For SNL Bearings Ltd.

Mumbai : May 3, 2010

K K P SINHA
AGM & Plant Head

S C Rangani
Director/CFO



**AUDITORS' REPORT TO THE MEMBERS OF SNL BEARINGS LIMITED ON THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH, 2010**

1. We have audited the attached balance sheet of SNL Bearings Limited, as at 31st March, 2010, and also the profit and loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Without qualifying our opinion, we draw attention to note 3 on schedule 19. Notwithstanding the accumulated losses, the financial statements have been prepared on a going concern basis having regard to the reasons stated in the said note.
5. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
 - (iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account.
 - (iv) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - (v) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:



**AUDITORS' REPORT TO THE MEMBERS OF SNL BEARINGS LIMITED ON THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH, 2010**

- (a) in the case of the balance sheet, of the state of affairs of the company as at 31st March, 2010;
 - (b) in the case of the profit and loss account, of the profit for the year ended on that date;
and
 - (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.
- (vi) On the basis of the written representations received from the directors, as on 31st March 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For A. F. FERGUSON & CO.
Chartered Accountants
(Firm Reg. No. 112066W)

A.C. KHANNA
Partner
Membership No. 17814

Mumbai : May 14, 2010



**ANNEXURE TO THE AUDITORS' REPORT TO THE MEMBERS OF SNL BEARINGS LIMITED
ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010
(referred to in paragraph 4 of our report of even date)**

-
- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, the fixed assets are being physically verified by the management once in two years. Such verification due as per this programme was carried out in the previous year. In our opinion, the frequency of verification is reasonable having regard to the size of the company and the nature of its assets.
- (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) (a) The company has not granted any loans, to companies, firms or other parties covered in register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause (iii) (b), (c) and (d) of the Companies (Auditor's Report) Order, 2003 (hereinafter referred to as the said Order) are not applicable to the company.
- (b) The company has taken loans from a company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum principal amount involved during the year was Rs.450.00 lacs and the year-end balance of such loans was Rs. 300.00 lacs.
- (c) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from the company listed in the register maintained under section 301 of the Companies Act, 1956 are, *prima facie*, not prejudicial to the interest of the company.
- (d) The payment of principal amount and interest in respect of such loans are as per stipulations.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods. As per the information and explanations provided to us the Company is not involved in any service activities. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.
- (v) 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 in section 301 of the Companies Act, 1956 that need to be entered into the register, maintained under the said section have been so entered.



**ANNEXURE TO THE AUDITORS' REPORT TO THE MEMBERS OF SNL BEARINGS LIMITED
ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010
(referred to in paragraph 4 of our report of even date) (Contd.)**

- (b) The transactions made in pursuance of such contracts or arrangements and exceeding the value of rupees five lacs in respect of any party are of a special nature for which there are no alternative sources available nor are there any similar transactions with other parties. In the absence of prevailing market prices of such transactions being produced to us, we are unable to form an opinion on the reasonableness of prices paid / received.
- (vi) 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.
- (vii) 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.
- (viii) We have broadly reviewed, without carrying out a detailed examination, the books of account maintained by the company pursuant to the Order made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- (ix) (a) According to the records of the company, undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, fringe benefit tax, sales tax, value added tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it have generally been regularly deposited with the appropriate authorities.
- (b) According to the information and explanations given to us, there are no arrears of outstanding undisputed statutory dues as at 31st March, 2010, for a period of more than six months from the date it became payable.
- (c) According to the information and explanations given to us, there are no dues of income-tax, wealth-tax, service tax, sales tax, customs duty, excise duty and cess which have not been deposited on account of any dispute as at March 31, 2010 except in respect of certain disputed dues detailed as under;

Name of statute	Nature of the dues	Amount (Rs. In lacs)	Period to which the amount relates	Forum where dispute is pending
Delhi Sales Tax	Sales Tax dues	2.69	2001-02 2002-03	Joint Commissioner Appeals (Delhi)
Central Value Added Tax	CENVAT dues	2.99	2005-06	Commissioner of Appeals, Ranchi

- (x) In our opinion, the accumulated losses of the company are more than fifty percent of its net worth. The company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.



**ANNEXURE TO THE AUDITORS' REPORT TO THE MEMBERS OF SNL BEARINGS LIMITED
ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010
(referred to in paragraph 4 of our report of even date) (Contd.)**

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

For A. F. FERGUSON & CO.
Chartered Accountants
(Firm Reg. No. 112066W)

A.C. KHANNA
Partner
Membership No. 17814

Mumbai : May 14, 2010



BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedule No.	Rs.lacs	As at 31.03.2010 Rs.lacs	Rs.lacs	As at 31.03.2009 Rs.lacs
I. SOURCES OF FUNDS:					
1) Shareholders' funds:					
a) Share capital	1	1361.15		1361.15	
b) Reserves and surplus	2	15.03		15.03	
			1376.18		1376.18
2) Loan funds:					
a) Secured loans	3	71.91		123.46	
b) Unsecured loans	4	300.00		300.00	
			371.91		423.46
Total			1748.09		1799.64
II. APPLICATION OF FUNDS:					
1) Fixed assets:	5				
a) Gross block		1506.79		1513.03	
b) Less: Depreciation/ Amortisation		1184.62		1148.22	
c) Net block			322.17		364.81
2) Current assets, loans and advances:					
a) Inventories	6	499.25		606.86	
b) Sundry debtors	7	210.73		229.95	
c) Cash and bank balances	8	7.88		9.24	
d) Loans and advances	9	51.52		62.60	
		769.38		908.65	
Less: Current liabilities and provisions:					
a) Current liabilities	10	144.80		262.34	
b) Provisions	11	19.36		37.30	
		164.16		299.64	
Net current assets			605.22		609.01
3) Profit and loss account			820.70		825.82
Total			1748.09		1799.64

Significant accounting policies 18
Notes to the accounts 19

Per our attached report of even date

For **A. F. FERGUSON & CO.**

Chartered Accountants

A.C. KHANNA

Partner

Mumbai : May 14, 2010

For and on behalf of the Board of Directors

H. S. Zaveri J. S. Maini M. N. Hoda

S. C. Rangani V. S. Iyer

Directors

Mumbai : May 14, 2010


PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedule No.	Rs.lacs	Year ended 31.03.2010 Rs.lacs	Rs.lacs	Year ended 31.03.2009 Rs.lacs
INCOME					
Sales (Gross)		1409.99		1409.19	
Less:Excise duty		110.53	1299.46	<u>169.20</u>	1239.99
Other income	12		37.39		<u>22.64</u>
			1336.85		<u>1262.63</u>
Increase/(Decrease) in stock of work-in-progress and finished goods	13		(67.89)		<u>144.93</u>
			1268.96		<u>1407.56</u>
EXPENDITURE					
Raw materials, components and packing materials consumed			295.38		403.25
Stores and spares consumed			81.59		98.64
Processing Charges			10.75		13.69
Power and fuel			84.06		81.87
Employee costs	14		567.51		399.57
Repairs	15		28.14		37.63
Other expenses	16		80.52		102.97
Depreciation / Amortisation	5		47.30		44.46
Interest	17		63.05		<u>71.65</u>
			1258.30		<u>1253.73</u>
PROFIT BEFORE TAX			10.66		153.83
Provision for taxation					
- Current tax		1.70		20.19	
- Fringe benefit tax		-		2.07	
- In respect of earlier years		3.84	5.54	<u>31.28</u>	53.54
PROFIT AFTER TAX			5.12		100.29
Debit Balance brought forward			(825.82)		<u>(926.11)</u>
DEBIT BALANCE CARRIED TO BALANCE SHEET			(820.70)		<u>(825.82)</u>
Significant accounting policies	18				
Notes to the accounts	19				
Basic, as well as diluted, earnings per Equity Share (Nominal value per Equity Share: Rs.10) [Refer note 15 on Schedule 19]			Rs. (1.81)		Rs. 0.83

Per our report attached to the balance sheet

For **A. F. FERGUSON & CO.**

Chartered Accountants

A.C. KHANNA

Partner

Mumbai : May 14, 2010

For and on behalf of the Board of Directors

H. S. Zaveri J. S. Maini M. N. Hoda

S. C. Rangani V. S. Iyer

Directors

Mumbai : May 14, 2010


CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	Year ended 31.03.2010 Rs.lacs	Year ended 31.03.2009 Rs.lacs
A. CASH FLOW FROM OPERATING ACTIVITIES :		
PROFIT before TAX	10.66	153.83
Adjustments for :		
Depreciation	47.30	44.46
Interest expenditure	63.05	71.65
Excess provision of previous year written back	(1.61)	-
Profit on sale of fixed assets	(0.01)	(0.10)
Provision for doubtful debts	-	10.00
Provision for leave encashment	1.78	(1.54)
Provision for gratuity	-	9.72
	<u>110.51</u>	<u>134.19</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	121.17	288.02
Changes in :		
- Trade and other receivables	36.35	235.49
- Inventories	107.61	(180.08)
- Trade payables/provisions	(125.48)	81.81
	<u>18.48</u>	<u>137.22</u>
NET CASH GENERATED FROM OPERATIONS	139.65	425.24
Direct taxes paid	(21.76)	(43.74)
NET CASH FROM OPERATING ACTIVITIES	<u>117.89</u>	<u>381.50</u>
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets	(5.21)	(24.07)
Sale of fixed assets	0.56	0.50
NET CASH USED IN INVESTING ACTIVITIES	<u>(4.65)</u>	<u>(23.57)</u>


CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010 (contd.)

	Year ended 31.03.2010		Year ended 31.03.2009
	Rs.lacs	Rs.lacs	Rs.lacs
C. CASH FLOW FROM FINANCING ACTIVITIES :			
Proceeds from borrowings		150.00	-
Repayment of borrowings		(151.52)	(351.65)
Increase in cash credit		(50.03)	57.18
Interest paid		(63.05)	(71.85)
NET CASH USED IN FINANCING ACTIVITIES		<u>(114.60)</u>	<u>(366.32)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		<u>(1.36)</u>	<u>(8.39)</u>
CASH AND CASH EQUIVALENTS AS AT THE COMMENCEMENT OF THE FINANCIAL YEAR the components being:			
Cash on hand	0.01		0.01
Balances with banks on current and margin accounts	<u>9.23</u>	9.24	<u>17.62</u> 17.63
CASH AND CASH EQUIVALENTS AS AT THE END OF THE FINANCIAL YEAR the components being:			
Cash on hand	-		0.01
Balances with banks on current/ deposit accounts	<u>7.88</u>	<u>7.88</u>	<u>9.23</u> <u>9.24</u>
NET DECREASE AS DISCLOSED ABOVE		<u>(1.36)</u>	<u>(8.39)</u>

Note : Figures in brackets are outflows/deductions

Per our report attached to the balance sheet

For **A. F. FERGUSON & CO.**

Chartered Accountants

A. C. KHANNA

Partner

Mumbai : May 14, 2010

For and on behalf of the Board of Directors

H. S. Zaveri

J. S. Maini

M. N. Hoda

S. C. Rangani

V. S. Iyer

Directors

Mumbai : May 14, 2010



**SCHEDULES 1 TO 11 ANNEXED TO AND FORMING PART OF
THE BALANCE SHEET AS AT 31ST MARCH, 2010**

	As at 31.03.2010 Rs. lacs	As at 31.03.2009 Rs.lacs
Schedule 1 - Share capital		
Authorised :		
60,00,000 Equity shares of Rs.10 each	600.00	600.00
10,00,000 6% Cumulative Redeemable Preference Shares of Rs.100 each	<u>1000.00</u>	<u>1000.00</u>
	<u>1600.00</u>	<u>1600.00</u>
Issued:		
40,54,376 Equity shares of Rs.10 each	405.44	405.44
10,00,000 6% Cumulative Redeemable Preference Shares of Rs.100 each	<u>1000.00</u>	<u>1000.00</u>
	<u>1405.44</u>	<u>1405.44</u>
Subscribed & Paid up:		
36,11,540 Equity shares of Rs.10 each fully paid-up of the above, 24,84,176 Equity shares of Rs.10 each are held by the holding company, NRB Bearings Limited	361.15	361.15
10,00,000 6% Cumulative Redeemable Preference Shares of Rs.100 each fully paid-up held by the holding company, NRB Bearings Limited (Refer note 2(i), (ii) on Schedule 19)	<u>1000.00</u>	<u>1000.00</u>
Per balance sheet	<u>1361.15</u>	<u>1361.15</u>

Note: Terms of redemption of 6% Cumulative Redeemable Preference Shares of Rs.100 each:

- i. Rs.20 per share on 18.06.2010
- ii. Rs.20 per share on 18.06.2011
- iii. Rs.20 per share on 18.06.2012
- iv. Rs.20 per share on 18.06.2013
- v. Rs.20 per share on 18.06.2014

Schedule 2 - Reserves and surplus

Capital reserve:

Per last balance sheet	<u>15.03</u>	<u>15.03</u>
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Schedule 3 - Secured loans

From bank:

i) Cash credit facility (Refer note 1 below)	71.91	121.94
ii) Term Loan (Refer note 2 below)	-	1.52
Per balance sheet	<u>71.91</u>	<u>123.46</u>

Notes :

1. Secured by hypothecation of inventories and book debts and guaranteed by the holding company, NRB Bearings Limited
2. Secured by hypothecation of a vehicle



**SCHEDULES 1 TO 11 ANNEXED TO AND FORMING PART OF
THE BALANCE SHEET AS AT 31ST MARCH, 2010 (contd.)**

	As at 31.03.2010 Rs.lacs	As at 31.03.2009 Rs.lacs
Schedule 4 - Unsecured loans		
Other loans and advances:		
From the holding company, NRB Bearings Limited (repayable within one year Rs. 300 lacs; as at 31.03.2009: Rs. 300 lacs)	300.00	300.00
Per balance sheet	<u>300.00</u>	<u>300.00</u>

Schedule 5 - Fixed Assets

Description	GROSS BLOCK-AT COST				DEPRECIATION/AMORTISATION				NET BLOCK	
	Opening Balance As at 01.04.09	Additions during the year	Deductions during the year	Closing Balance As at 31.03.10	Opening Balance As at 01.04.09	For the year	On deductions during the year	Closing Balance As at 31.03.10	As at 31.03.10	As at 31.03.09
	Rs.lacs	Rs.lacs	Rs.lacs	Rs.lacs	Rs.lacs	Rs.lacs	Rs.lacs	Rs.lacs	Rs.lacs	Rs.lacs
Tangible Assets:										
Building on leasehold land	184.48	-	-	184.48	65.07	4.88	-	69.95	114.53	119.41
Plant and machinery	1172.87	-	-	1172.87	992.45	27.81	-	1020.26	152.61	180.42
Furniture, fixtures and equipment	45.86	-	-	45.86	30.84	3.55	-	34.39	11.47	15.02
Electrical installations	72.51	-	-	72.51	43.71	3.40	-	44.11	25.40	28.80
Vehicles	22.52	-	11.45	11.07	12.86	1.03	10.90	2.99	8.08	9.66
Intangible assets:										
-Computer software	14.79	5.21	-	20.00	3.29	6.63	-	9.92	10.08	11.50
Total	1513.03	5.21	11.45	1506.79	1148.22	47.30	10.90	1184.62	322.17	364.81
Previous year	1496.84	24.07	7.88	1513.03	1111.24	44.46	7.48	1148.22		385.60
Per balance sheet									322.17	364.81

	As at 31.03.2010 Rs.lacs	As at 31.03.2009 Rs.lacs
Schedule 6 - Inventories (at lower of cost and net realisable value, as certified by a director)		
Stores and spare parts	82.33	96.16
Stock-in-trade		
Raw materials, bought out components and packing materials	69.65	95.54
Work-in-progress	158.38	225.84
Finished goods	188.89	189.32
	<u>416.92</u>	<u>510.70</u>
Per balance sheet	<u>499.25</u>	<u>606.86</u>


**SCHEDULES 1 TO 11 ANNEXED TO AND FORMING PART OF
THE BALANCE SHEET AS AT 31ST MARCH, 2010 (contd.)**

	As at 31.03.2010 Rs.lacs	As at 31.03.2009 Rs.lacs
Schedule 7 - Sundry debtors		
(Unsecured)		
Outstanding for a period exceeding six months considered good	-	16.50
considered doubtful	49.69	53.90
	<u>49.69</u>	<u>70.40</u>
Others		
considered good	210.73	213.45
considered doubtful	4.21	-
	<u>264.63</u>	<u>283.85</u>
Provision for doubtful debts	53.90	53.90
Per balance sheet	<u>210.73</u>	<u>229.95</u>
Schedule 8 - Cash and bank balances		
Cash on hand	-	0.01
With scheduled banks		
On current accounts	7.88	9.23
Per balance sheet	<u>7.88</u>	<u>9.24</u>
Schedule 9 - Loans and Advances		
(Unsecured, considered good unless stated otherwise)		
Advances recoverable in cash or in kind or for value to be received	31.06	44.15
Income-tax recoverable (net)	16.05	10.00
Balance with govt. authorities	4.41	8.45
Per balance sheet	<u>51.52</u>	<u>62.60</u>
Schedule 10 - Current Liabilities		
Sundry creditors		
- due to micro enterprises and small enterprises (see note 4)	-	-
- due to others	141.19	233.58
	<u>141.19</u>	<u>233.58</u>
Security deposits	3.61	3.61
Book overdraft	-	25.15
Per balance sheet	<u>144.80</u>	<u>262.34</u>


**SCHEDULES 1 TO 11 ANNEXED TO AND FORMING PART OF
THE BALANCE SHEET AS AT 31ST MARCH, 2010 (contd.)**

	As at 31.03.2010 Rs.lacs	As at 31.03.2009 Rs.lacs
Schedule 11 - Provisions		
Provision for compensated absences	19.36	17.58
Provision for gratuity	-	9.72
Provision for Income tax (net)	-	10.00
Per balance sheet	<u>19.36</u>	<u>37.30</u>

**SCHEDULES 12 TO 17 ANNEXED TO AND FORMING PART OF THE PROFIT AND
LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

	Year ended 31.03.2010 Rs.lacs	Year ended 31.03.2009 Rs.lacs
Schedule 12 - Other income		
Sale of scrap	16.58	17.59
Gain on foreign exchange variation	14.05	-
Profit on sale of fixed assets (net)	0.01	0.10
Excess provision in respect of earlier years written back	1.61	-
Miscellaneous	5.14	4.95
Per profit and loss account	<u>37.39</u>	<u>22.64</u>
Schedule 13 - Increase/(Decrease) in stock of work-in-progress and finished goods		
Closing stocks :		
Work-in-progress	158.38	225.84
Finished goods	188.89	189.32
	<u>347.27</u>	<u>415.16</u>
Opening stocks :		
Work-in-progress	225.84	157.87
Finished goods	189.32	112.36
	<u>415.16</u>	<u>270.23</u>
Per profit and loss account	<u>(67.89)</u>	<u>144.93</u>


SCHEDULES 12 TO 17 ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010 (contd.)

	Year ended 31.03.2010 Rs.lacs	Year ended 31.03.2009 Rs.lacs
Schedule 14 - Employee costs		
Salaries, wages and bonus	485.06	295.34
Gratuity	42.43	52.46
Company's contribution to provident fund and other funds	18.05	27.28
Staff welfare	21.97	24.49
Per profit and loss account	<u>567.51</u>	<u>399.57</u>
Schedule 15 - Repairs		
Plant and machinery	22.87	28.99
Building	0.85	3.93
Others	4.42	4.71
Per profit and loss account	<u>28.14</u>	<u>37.63</u>
Schedule 16 - Other expenses		
Insurance	1.70	2.31
Rent	4.34	4.34
Rates and taxes	0.73	2.39
Directors' fees	1.13	1.07
Commission on sales	3.89	1.82
Travelling and conveyance	17.36	18.69
Postage, telephone and fax	4.56	4.52
Bank charges	0.31	1.08
Legal and professional charges	11.40	11.35
Forwarding charges	6.76	4.99
Service charges	5.83	5.59
Provision for doubtful debts	-	10.00
Foreign exchange loss	-	12.79
Excise duty on Increase/(Decrease) in stock of finished goods	(0.67)	0.29
Miscellaneous	23.18	21.74
Per profit and loss account	<u>80.52</u>	<u>102.97</u>
Schedule 17 - Interest		
On fixed loans	0.27	0.58
On others	62.78	71.07
Per profit and loss account	<u>63.05</u>	<u>71.65</u>

**Schedule 18 – Significant accounting policies annexed to and forming part of the balance sheet as at 31st March, 2010 and the profit and loss account for the year ended on that date****1. Basis of accounting**

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

2. Use of Estimates

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

3. Fixed assets and depreciation

- (a) Tangible fixed assets are stated at their original cost including incidental expenses related to acquisition and installation, less accumulated depreciation. Cost comprises of the purchase price and any other attributable cost of bringing the assets to its working condition for its intended use.
- (b) Computer software 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.

4. Foreign currency transactions

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.

5. Inventories

Stock-in-trade comprising of raw materials, stores and spare parts, 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 stock-in-trade 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.

6. Employee benefits

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



Schedule 18 – Significant accounting policies annexed to and forming part of the balance sheet as at 31st March, 2010 and the profit and loss account for the year ended on that date

(b) Long term benefits:

(i) Defined Contribution Plan :

Provident and Family Pension Fund

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

(ii) Defined Benefit Plan :

1. Gratuity

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

2. Compensated absences

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

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

7. Borrowing costs

Borrowing costs that are directly attributable to the acquisition of qualifying assets are capitalised for the period until the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred. No borrowing costs were eligible for capitalisation during the year.

8. Impairment of assets

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

**Schedule 18 – Significant accounting policies annexed to and forming part of the balance sheet as at 31st March, 2010 and the profit and loss account for the year ended on that date**

9. 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.

Sale of goods/machines is recognized on dispatch to customers. “Net Sales” excludes amounts recovered towards excise duty, sales tax, octroi and freight and net of sales returns.

10. 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.
- e. Provision for Fringe Benefits Tax (FBT) is made in accordance with Chapter XIIIH of the Income Tax Act, 1961.

11. Leases**a. Finance Lease**

Assets acquired under lease where the company has substantially all the risks and rewards of ownership are classified as Finance Lease. Such assets are capitalized at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

b. Operating Lease

Assets acquired on lease where significant portions of the risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Such lease rentals are charged to Profit & Loss Account on straight line basis.

12. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

13. 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.



Schedule 19 – Notes annexed to and forming part of the balance sheet as at 31st March, 2010 and the profit and loss account for the year ended on that date

1. Contingent liabilities not provided for :
 - a) The Company had received an Order dated 6th September, 2004 from the Employees Provident Fund Organisation raising a demand of Rs.161.36 lacs including interest of Rs.46.73 lacs 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.91.23 lacs and Rs.48.19 lacs respectively as at 31st March, 2009 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 lacs 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) Provident fund and other matters in respect of workers: Rs. 5.05 lacs, (as at 31.03.2009 : Rs. 5.05 lacs)
 - c) Sales tax matters : Rs 5.68 lacs, (as at 31.03.2009 : Rs.6.69 lacs)
 - d) Excise duty/service tax matters : Rs Nil, (as at 31.03.2009 : Rs.14.70 lacs)
2. (i) In the year ended March 31, 2008, the company had re-negotiated the coupon rate from 9% to 2% with effect from 18th June, 2002 to 31st March, 2005 and at 6% from 1st April, 2005 onwards and the repayment terms extended to 12 years repayable @ Rs.20 per year (face value Rs.100 each) at the end of 8th, 9th, 10th, 11th and 12th year or such earlier years as the company may deem fit.
- (ii) Arrears of cumulative dividends on the now 6% Cumulative Redeemable Preference Shares, considering the revised coupon rates, as stated above, is Rs. 355.67 lacs (as at 31.03.2009: Rs. 295.67 lacs)
3. The management believes that the company is a going concern and will continue to be so in the foreseeable future in view of the further reduction in accumulated losses in the current year at Rs. 820.70 lacs (as at 31.03.2009: Rs.825.82 lacs), the continuing support of the holding company and the restructuring process initiated by the management.
4. 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.



Schedule 19 – Notes annexed to and forming part of the balance sheet as at 31st March, 2010 and the profit and loss account for the year ended on that date (contd.)

5. Details of Auditors' remuneration:
(excludes service tax)

	Year ended 31.03.2010 Rs.lacs	Year ended 31.03.2009 Rs.lacs
Audit fees	1.55	1.55
Report under section 44AB of the Income-tax Act, 1961	0.60	0.60
Other services	1.50	1.50
Out of pocket expenses	0.04	0.08

6. Raw materials, components and packing materials consumed:

	Unit	Year ended 31.03.2010		Year ended 31.03.2009	
		Quantity	Value Rs.lacs	Quantity	Value Rs.lacs
Raw materials:					
Steel Wires	Tonnes	65	54.43	66	55.48
Steel Strips	"	131	131.33	137	124.04
Steel Tubes	Mtrs in 000's	39	74.14	46	97.00
Sub-total			<u>259.90</u>		<u>276.52</u>
Components:					
For bushes and cages	Nos. in 000's	4506	16.26	5340	14.62
For Special Purpose Machines		*	1.91	*	95.65
Sub-total			<u>18.17</u>		<u>110.27</u>
Packing materials:		*	17.31	*	16.46
* diverse quantitative units					
Grand total:			<u>295.38</u>		<u>403.25</u>
Of which		%	Value Rs.lacs	%	Value Rs.lacs
Imported		43	127.71	36	145.23
Indigenous		57	167.67	64	258.02
Total		<u>100</u>	<u>295.38</u>	<u>100</u>	<u>403.25</u>

Consumption includes adjustment of excess/shortage ascertained on physical count.



Schedule 19 – Notes annexed to and forming part of the balance sheet as at 31st March, 2010 and the profit and loss account for the year ended on that date (contd.)

7. Stores and spares consumed:

	Year ended 31.03.2010		Year ended 31.03.2009	
	%	Value Rs.lacs	%	Value Rs.lacs
Imported	-	-	-	-
Indigenous	100	81.59	100	98.64
	<u>100</u>	<u>81.59</u>	<u>100</u>	<u>98.64</u>

Consumption includes adjustment of excess/shortage ascertained on physical count.

8. Capacity and production:

	Unit	Installed capacity (per annum)		Production	
		As at 31.03.2010	As at 31.03.2009	Year ended 31.03.2010	Year ended 31.03.2009
Needle Roller Bushes and Cages	Nos in 000's	12000	12000	10090	10719
Needle Rollers	"	250000	250000	168194	185826
Special Purpose Machines	Nos	Note (iv)	Note (iv)	2	3

Notes: i) Licenced capacity has not been shown as the industry has been delicensed.

ii) Installed capacity is as certified by a Director and has been accepted by the auditors without verification, this being a technical matter.

iii) Production includes following quantities produced for captive consumption:

Needle Rollers – Nos 143220 in thousands (year ended 31.03.2009: Nos. 145428 in thousands)

iv) There is no separate installed capacity for Special Purpose Machines.

9. Sales (net of excise duty):

	Unit	Year ended 31.03.2010		Year ended 31.03.2009	
		Quantity	Value Rs. lacs	Quantity	Value Rs. lacs
Needle Roller Bushes and Cages	Nos in 000's	10259	1226.46	9968	1090.89
Needle rollers	"	23158	43.00	36646	57.17
Special Purpose Machines	Nos	1	30.00	3	91.93
Total			<u>1299.46</u>		<u>1239.99</u>



Schedule 19 – Notes annexed to and forming part of the balance sheet as at 31st March, 2010 and the profit and loss account for the year ended on that date (contd.)

10. Closing stock of finished goods:

	<u>Unit</u>	<u>As at 31.03.2010 Quantity</u>	<u>Value Rs. lacs</u>	<u>As at 31.03.2009 Quantity</u>	<u>Value Rs. lacs</u>
Needle Roller Bushes and Cages	Nos.in 000's	2137	134.53	2306	176.00
Needle Rollers	"	19938	19.36	18122	13.32
Special purpose machine		1	35.00	-	-
Total			<u>188.89</u>		<u>189.32</u>

Notes: (1) Stocks are after adjustments for excess/shortage on physical count and write-off of obsolete and slow moving items.

(2) The charge to the profit and loss account consequent to the write-down of inventories to its net realisable value is Rs. 5.53 lacs (Previous year 31.03.2009: Rs.9.81 lacs).

(3) The Company sometimes sells manufactured components of Needle Roller Bushes and Cages. The quantities of such components have not been included in the relevant groups. However, value shown under the relevant group is inclusive of the value of such components

	Year ended 31.03.2010 Rs. lacs	Year ended 31.03.2009 Rs. lacs
11. C.I.F. value of imports:		
Raw materials and components	106.40	189.13
12. Earnings in foreign currency:		
FOB Value of Exports	25.40	32.48



Schedule 19 – Notes annexed to and forming part of the balance sheet as at 31st March, 2010 and the profit and loss account for the year ended on that date (contd.)

13. Segment Information

	Primary Segments- Business Segments		
	Bearings Rs.lacs	Special Purpose Machines Rs.lacs	Total Amount Rs.lacs
A Segment Revenue			
Sales (Net)	1269.46 (1148.06)	30.00 (91.93)	1299.46 (1239.99)
Inter Segment Revenue	-	-	-
Total Segment Revenue	1269.46 (1148.06)	30.00 (91.93)	1299.46 (1239.99)
B Segment Results	61.59 (220.35)	3.75 (17.74)	65.34 (238.09)
Less: Unallocated corporate expenses			29.02 (35.25)
Less: Interest expense			63.05 (71.65)
Unallocated income			37.39 (22.64)
Profit before tax			10.66 (153.83)
Less : Provision for taxation-			5.54 (53.54)
Profit after tax			5.12 (100.29)
C Segment Assets	1011.55 (1143.82)	80.00 (124.96)	1091.55 (1273.46)
Unallocated corporate assets			- (-)
Total Assets			1091.55 (1273.46)
D Less : Segment Liabilities	163.90 (245.57)	3.00 (54.07)	166.90 (299.64)
Less : Unallocated corporate liabilities			369.17 (423.46)
Total Liabilities			536.07 (723.10)
E Cost incurred during the period to acquire segment fixed assets	5.21 (24.07)	- (-)	5.21 (24.07)
F Depreciation / Amortisation	47.30 (44.46)	- (-)	47.30 (44.46)
G Non-cash expenses other than depreciation/amortisation	- (-)	- (-)	- (-)

There are no secondary segments identified by the company since the sales are substantially in the domestic market.

Note: Figures in brackets are in respect of previous year.



Schedule 19 – Notes annexed to and forming part of the balance sheet as at 31st March, 2010 and the profit and loss account for the year ended on that date (contd.)

14. Related party disclosures

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

NRB Bearings Limited, holding company.

Key management personnel:

- Ms. H S Zaveri
- Mr. M N Hoda
- Mr. S C Rangani
- Mr. J S Maini
- Mr. V S Iyer

Fellow subsidiary NRB Bearings (Thailand) Ltd.

(ii) Transactions with related parties

Name of the related party and description of relationship	Nature of transaction	Volume of transactions		Receivable/ (Payable)	
		Year ended 31.03.2010 Rs.lacs	Year ended 31.03.2009 Rs.lacs	As at 31.03.2010 Rs.lacs	As at 31.03.2009 Rs.lacs
(a) NRB Bearings Limited,					
	ICD repaid	150.00	350.00	(300.00)	(300.00)
	ICD taken	150.00			
	Interest paid on ICD	49.05	58.91	}	}
	Sale of raw materials etc.& finished goods	695.87	838.50		
	Purchase of raw materials	4.25	12.89		
				76.85	75.19
Outstanding guarantees					
	Guarantees given on behalf of company	210.00	210.00	210.00	210.00
(b) NRB Bearings Limited, Thailand					
	Sales of Finished Goods	1.96	-	0.07	-
(c) Key management personnel					
		Director's fees			
	- Ms. H. S. Zaveri	0.30	0.33	-	-
	- Mr. M. N. Hoda	0.20	0.15	-	-
	- Mr. S. C. Rangani	0.10	0.10	-	-
	- Mr. J. S. Maini	0.15	0.15	-	-
	- Mr. V. S. Iyer	0.38	0.35	-	-



Schedule 19 – Notes annexed to and forming part of the balance sheet as at 31st March, 2010 and the profit and loss account for the year ended on that date (contd.)

15. Values used in calculating Earnings Per Share:

	Year ended 31.03.2010 (Rs.in lacs)	Year ended 31.03.2009 (Rs.in lacs)
(a) Numerator: (i) Profit after tax	5.12	100.29
(ii) Undeclared dividend on cumulative preference shares for the year	60.00	60.00
(iii) Additional income-tax on distributable profits	10.20	10.20
(iv) Profit / (Loss) after tax attributable to equity shareholders	(65.08)	30.09
(b) Denominator : Number of Equity Shares	3,611,540	3,611,540
(c) Earnings per share	(1.81)	0.83

16. Deferred taxes:

Nature of timing difference	Deferred tax asset/ (liability) as at 31st March, 2009 (Rs in lacs)	(Charge)/credit for the current year (Rs in lacs)	Deferred tax asset/(liability) as at 31st March, 2010 (Rs. in lacs)
(i)	(ii)	(iii)	(iv)
(a) Deferred tax liabilities			
Depreciation	(97.78)	11.42	(86.36)
Sub-total	(97.78)	11.42	(86.36)
(b) Deferred tax assets			
Provision for doubtful Debts	18.32	-	18.32
Provision for Gratuity	3.30	(3.30)	-
Provision for compensated absences	5.98	0.60	6.58
Carry forward business loss (*)	70.18	(8.72)	61.46
Sub-total	(97.78)	(11.42)	(86.36)
Net Amount	-	-	-

* Recognised to the extent of balance in deferred tax liability.



Schedule 19 – Notes annexed to and forming part of the balance sheet as at 31st March, 2010 and the profit and loss account for the year ended on that date (contd.)

17. Derivative Instruments:

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

	Currency Type	As on 31st March, 2010		As on 31st March, 2009	
		Amount in Foreign Currency	Amount (Rs.in lacs)	Amount in Foreign Currency	Amount (Rs.in lacs)
Amount receivable	EURO	6,900.00	4.72	20,205.92	13.06
	USD	44,959.15	20.67	-	-
Amount payable	EURO	67,380.95	40.77	47,724.75	31.67
	CHF	-	-	34,741.50	15.35

18. Disclosure required as per AS-15 is as under:

(a) **Defined Contribution Plan**

Rs. In Lacs

Contribution to Defined Contribution Plan, recognised in the statement of profit and loss account under employee cost, in schedule 14 for the year are as under:

	Year ended 31.03.2010	Year ended 31.03.2009	Year ended 31.03.2008
Employer 's Contribution to Provident Fund	8.11	8.30	12.83
Employer's Contribution to Family Pension Fund	8.84	11.75	11.35

(b) **Defined Benefit Plan**

Gratuity - As per actuarial valuation as on March 31, 2010 (based on Projected Unit Benefit Method)

	Rs. In Lacs		
	As at 31st March, 2010	As at 31st March, 2009	As at 31st March, 2008
I Reconciliation of opening and closing balances of Defined Benefit obligation			
Opening Present value of Defined Benefit obligation	88.24	71.71	66.80
Interest Cost	5.18	6.05	5.33
Current Service Cost	4.53	3.85	2.94
Benefits paid	(51.86)	(8.79)	(4.62)
Net Actuarial (Gain)/Loss	37.08	15.41	1.26
Closing Present Value of Defined Benefit obligation	83.17	88.24	71.71



Schedule 19 – Notes annexed to and forming part of the balance sheet as at 31st March, 2010 and the profit and loss account for the year ended on that date (contd.)

18. (Contd.)	Rs. In Lacs		
	As at 31st March, 2010	As at 31st March, 2009	As at 31st March, 2008
II Reconciliation of fair value of plan assets			
Opening Fair value of plan assets	78.52	38.65	36.15
Expected return on plan assets	8.54	6.35	2.89
Net Actuarial Gain / (Loss)	(4.18)	(2.84)	-
Employer's contribution	54.13	41.67	4.23
Benefits paid	(51.86)	(5.31)	(4.62)
Closing Fair value of plan assets	85.15	78.52	38.65
The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:			
Funds maintained with Life Insurance Corporation of India.	100%	100%.	100%
III Opening Net asset / (liability) recognised in Balance Sheet			
Present Value of Defined Benefit obligation	83.17	88.24	71.71
Fair value of plan assets	85.15	78.52	38.65
Net asset / (liability) recognised in Balance Sheet	1.98	9.72	(2.41)
Unfunded asset / (liability) remained to be recognized in Balance sheet	-	-	(30.65)
IV Component of employer's expenses			
Current Service Cost	4.53	3.85	2.94
Interest Cost	5.18	6.05	5.33
Expected return on plan asset	(8.54)	(6.35)	(2.89)
Net Actuarial (Gain)/Loss	41.26	18.26	1.26
Total expenses recognised in the profit and loss account in schedule 14, under:	42.43	21.81	6.64
Actual return on plan assets	4.36	3.50	-
Present Value of Defined Benefit Obligation	83.17	88.24	-
Fair Value of Plan Assets	85.15	78.52	-
Experience Adjustment on Defined Benefit Obligation	24.28	(4.60)	-
Experience Adjustment on Fair Value of Plan Assets	(4.18)	(2.84)	-

Note: Figures in respect of years prior to year ended on 31st March, 2010 are not available with the company. Hence not furnished in above table V.



Schedule 19 – Notes annexed to and forming part of the balance sheet as at 31st March, 2010 and the profit and loss account for the year ended on that date (contd.)

18. (Contd.)

	As at 31st March, 2010	As at 31st March, 2009	As at 31st March, 2008
VI Actuarial assumptions			
Mortality Table	LIC (1994-96) (Ultimate)	LIC (1994-96) (Ultimate)	LIC (1994-96)
Discount rate	8.00%	7.75%	8.5%
Salary escalation	4%	2%	3%

VII The above information is certified by the actuary.

Notes:

- i) Accounting Standard 15 (revised 2005) "Employee Benefits" requires the disclosure of information mentioned above related to 'Net Asset / (Liability) recognized in the balance sheet' for the past 4 years, However Company adopted accounting standard 15 "Employee Benefits" effective from April 1, 2007 and hence figures of past 2 years are only reported.
- ii) Compensated absences recognized in the statement of profit & loss account for the year, under the employee cost in schedule 14, is Rs. 1.78 Lacs (for the year ended 31st March, 2009 : Rs. 0.60 Lacs)

19. (i) The company has taken factory land on lease.

(ii) Lease payments for land recognized in Schedule 16 Rs.4.33 lacs (previous year Rs.4.33 lacs).

The future minimum lease payments under non-cancellable operating lease – not later than one year:Rs.4.33 lacs (previous year:Rs.4.33 lacs), later than one year and not later than five years:Rs.21.69 lacs (previous year Rs.21.69 lacs).

20. The figures for the previous financial year have been regrouped/restated wherever necessary.

Signatures to Schedule 1 to 19

For and on behalf of the Board of Directors

H. S. Zaveri J. S. Maini M. N. Hoda

S. C. Rangani V. S. Iyer
Directors

Mumbai : May 14, 2010


BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
I. Registration Details

Registration No.
 State Code
 Balance Sheet Date
 Day Month Year

II. Capital Raised During the year (Amount in Rs. Thousands)

Public Issue	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/> <input type="text" value=""/>	Right Issue	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/> <input type="text" value=""/>
Bonus Issue	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/> <input type="text" value=""/>	Private/Preferential Placement	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/> <input type="text" value=""/>

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Sources of Fund	Total Liabilities	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="7"/> <input type="text" value="4"/> <input type="text" value="8"/> <input type="text" value="0"/> <input type="text" value="9"/>	Total Assets	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="7"/> <input type="text" value="4"/> <input type="text" value="8"/> <input type="text" value="0"/> <input type="text" value="9"/>
	Paid-Up Capital	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="6"/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="5"/>	Reserves & Surplus	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="3"/>
	Secured Loans	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="7"/> <input type="text" value="1"/> <input type="text" value="9"/> <input type="text" value="1"/>	Unsecured Loans	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/>
Application of Funds	Net Fixed Assets	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="1"/> <input type="text" value="7"/>	Investments	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/> <input type="text" value=""/>
	Net Current Assets	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="6"/> <input type="text" value="0"/> <input type="text" value="5"/> <input type="text" value="2"/> <input type="text" value="2"/>	Miscellaneous Expenses	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/> <input type="text" value=""/>
	Accumulated Losses	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="8"/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="7"/> <input type="text" value="0"/>		

IV. Performance of Company (Amount in Rs. Thousands)

	Turn Over	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="3"/> <input type="text" value="6"/> <input type="text" value="8"/> <input type="text" value="5"/>	Total Expenditure	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="2"/> <input type="text" value="6"/> <input type="text" value="1"/> <input type="text" value="9"/>	
<input checked="" type="checkbox"/> <input type="checkbox"/> + -	Profit/Loss before Tax	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="6"/> <input type="text" value="6"/>	<input checked="" type="checkbox"/> <input type="checkbox"/> + -	Profit/Loss after Tax	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="5"/> <input type="text" value="1"/> <input type="text" value="2"/>
(+ for Profit, - for Loss)	Earning Per Share in Rs.	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input)<input="" type="text" value="1"/> <input type="text" value="."/> <input type="text" value="8"/> <input type="text" value="1"/> <input text"="" type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/> <input type="text" value=""/>			

V. Generic Names of Three Principal Products/ Services of Company (as per monetary terms)

Item Code No. (I T C Code)
 Product Description
 Item Code No. (I T C Code)
 Product Description

For and on behalf of the Board of Directors
H. S. Zaveri J. S. Maini M. N. Hoda

Mumbai : May 14, 2010

S. C. Rangani V. S. Iyer
 Directors

SNL BEARINGS LIMITED

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

ADMISSION SLIP

I hereby record my presence at the 30th Annual General Meeting of members of the Company held at Conference Room, 6th Floor, Dhannur, Sir P. Mehta Road, Fort, Mumbai 400 001 on 22nd July, 2010 at 3.00 p.m.

DP Id*	
Client Id*	

Folio No.	
No. of shares	

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

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

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

* Applicable for investors holding shares in electronic form

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

SNL BEARINGS LIMITED

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

PROXY FORM

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

as my/our proxy to attend and vote for me/us on my/our behalf at the 30th Annual General Meeting of the Company to be held at Conference Room, 6th Floor, Dhannur, Sir P. Mehta Road, Fort, Mumbai 400 001 on 22nd July, 2010 at 3.00 p.m.

Name Signed on at

DP Id*	
Client Id*	

Folio No.	
No. of shares	

Address
.....

Signature

Affix
revenue
stamp

* Applicable for investors holding shares in electronic form

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