

# **SNL BEARINGS LIMITED**

## **BOARD OF DIRECTORS**

Ms. H. S. Zaveri  
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**

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



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### Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to fill the appropriate column in the members feedback form (refer page 52 of the Annual Report) and register the same with Universal Capital Securities Pvt. Ltd. **Postage for sending the feed back form will be borne by the Company.**



## AGM NOTICE

To,  
The Members  
SNL BEARINGS LIMITED

NOTICE is given that the Thirty First Annual General Meeting of the Company will be held at the Conference Room, 5th Floor, Dhannur, Sir P. M. Road, Fort, Mumbai 400 001 on Tuesday 26th July 2011 at 3.00 p.m. to transact the following business:

### Ordinary Business

1. To receive and adopt the audited Accounts, Balance Sheet, Cash Flow Statements for the year ended 31st March, 2011 and reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Ms. H S Zaveri who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint a Director in place of Mr. J S Maini who retires by rotation and being eligible offers himself for re-appointment.
4. To consider and if thought fit, to pass with or without modifications, the following resolution:  
"RESOLVED THAT M/s. Deloitte Haskins & Sells, Chartered Accountants, (Registration no. ICAI 117365W) be and are hereby appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting on such remuneration plus out-of-pocket expenses, as may be mutually agreed upon between the Board of Directors and the Auditors."

By Order of the Board

S C Rangani  
Director

Dated : April 26, 2011

### 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 THE PROXY NEED NOT BE A MEMBER.**
2. Proxy to be effective should be submitted at the Registered Office of the company not later than 48 hours before the commencement of the meeting.
3. The Register of Members of the company and Transfer Books will be closed from July 18, 2011 to July 26, 2011 (both days inclusive).
4. A brief resume of Ms.H S Zaveri, Director, proposed to be reappointed vide Ordinary business no.2 in the notice is as follows:

Ms. H S Zaveri (51 yrs) is the Chairman of the Board of Directors. She is also the Managing Director & President of NRB Bearings Ltd. She has graduated Magna cum Laude with Honours from Wellesley College, USA. She has 24 yrs. experience in the bearings industry. Joining NRB Bearings Limited, the promoter company, as a Management trainee in 1987 she became Wholetime Director of NRB in 1994 heading marketing and sourcing and later corporate quality. The NRB Board recognizing her vision and path breaking contributions designated her as President in 2001.

In December 2005 she was awarded the best CEO by the Quality Circle Forum of India for her contribution to TPM and the Quality movement. In 2009 she received from Women Leaders in India (WIL) award as Leader in Manufacturing Sector.

In October 2010, the NRB board has widened her responsibilities and designated her as Managing Director.



In addition to her organizational responsibilities she holds the following positions:

- a. Ball and Roller Bearing Manufacturers Association (BRBMA) – President
  - b. Automotive Component Manufacturer’s Association of India (ACMA) Western Region– Deputy Chairman and National Executive Committee Member
  - c. CII – Member of Western Regional Council
  - d. Indo American Chamber of Commerce (IACC)- Member of Western India Council
  - e. Wellesley College, USA, Business Leadership Council – Member of President’s International Committee
5. A brief resume of Mr. J S Maini Director, proposed to be reappointed vide Ordinary business no.3 in the notice is as follows:

Mr.J S Maini (69 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 currently in the business of marketing bearings, he is in a position to offer various inputs for the efficient running of the Ranchi plant.

By Order of the Board

S C Rangani  
Director

April 26, 2011



**DIRECTORS' REPORT**

To,  
The Members  
SNL Bearings Limited

Your Directors have pleasure in presenting their Thirty First Annual Report together with Audited Accounts for the year ended 31st March, 2011.

**1. Financial Results**

	<b>Year ended 31<sup>st</sup> March, 2011 Rs. in lacs</b>	<b>Year ended 31<sup>st</sup> March, 2010 Rs. in lacs</b>
Profit/(Loss) before providing for interest & depreciation & Prior period Adjustments	559.00	121.01
Less : Interest	30.86	63.05
Less : Depreciation	47.39	47.30
Profit/(Loss) Before Tax	480.75	10.66
Provision for tax	99.04	5.54
Profit/(Loss) After Tax	381.71	5.12
Add : Balance brought forward from previous year	(820.70)	(825.82)
Add: Transfer to capital redemption reserve	(200.00)	-
Balance carried to Balance Sheet	(638.99)	(820.70)

**2. Operations**

Net sales during the year at Rs. 1745 lacs (previous year Rs.1299 lacs) are 34% higher than the previous year. Indian economic growth continued at a robust rate exceeding 8% during the year, and in the automotive sector the surge in demand exceeded expectations. Your company benefited from the growth of demand and has improved its capacity utilization to keep pace with the production schedules of the automotive OEMs. The company's focus on productivity improvement measures has been noteworthy as the performance for the year has been achieved inspite of a reduction in the work force arising from the VRS implemented in June, 2009.

The financial results have also been impacted favourably and the company has made a record profit before tax of Rs.480.75 lacs (Previous year Rs.10.66 lacs). Even adjusting for the VRS charge of Rs.195 lacs in the previous year, the growth in the PBT has been 134% over the previous year. Your company will continue to consolidate its position and capture growth opportunities during the current year.

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

**3. Public Deposits**

The company has not taken fixed deposit during the year. As on 31.3.2011 there are no fixed deposits with the company.

**4. Directors**

The Board accepted with regret the resignation of Mr. M N Hoda w.e.f. 28th October, 2010 and places on record its appreciation of his contribution during his tenure.

Ms. H S Zaveri and Mr. J S Maini retire by rotation but being eligible offer themselves for re-appointment.

**5. Finance**

Continued attention to working capital management has resulted in a reduction in interest costs and maintaining inventories and receivables at reasonable levels. In spite of rising interest rates in the financial markets, adequate working capital has been available to the company from the holding company at favourable rates of interest.

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

There was no employee -

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

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

- a. Measures taken for conservation of energy

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

The company has replaced 5 nos. of exhaust fans of 1.1 kw each with Turbo ventilation (which runs without consuming power) for removing hot air/gases from the plant. This has resulted in cost saving by way of power saving. The annual savings as a result of these measures approximate Rs. 3.33 lacs. It has also resulted in reduced heat load of plant and thus improved working environment.

- b. Technology absorption

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

The company's engineering staff has successfully replaced old conventional robotronic valve controlled panel of our Bihler machine with latest technology micrologic thyristor controlled panel which helped in minimizing break downs and increased productivity with quality.

In shell drawing, the type of steel for draw punches has been modified, resulting in doubling of tool life.

- c. Foreign exchange earnings & outgo

Details regarding expenditure and earnings in foreign exchange have been given in Note Nos. 10 & 11 respectively in Schedule No.19 of the audited accounts of the company.

**8. Corporate Governance**

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



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

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

#### 9. **Directors' Responsibility Statement**

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

- i. in the preparation of annual accounts, all applicable Accounting Standards have been followed and proper explanations relating to material departures, if any, have been furnished;
- ii. accounting policies as listed in 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, 2011 and of the profit of the Company for the accounting year ended on that day;
- iii. proper and sufficient care for maintenance of adequate accounting records has been taken in accordance with the provisions of the Act so as to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;
- iv. the Annual Accounts have been prepared on a going concern basis.

#### 10. **Auditors**

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

The product "Bearings" is subject to cost audit under the Central Government rules. M/s. Ashwin Solanki & Associates, Cost Accountants have been reappointed as the Cost Auditors for the year ending 31st March, 2012. The cost audit report for the year ended 31st March, 2010 was reviewed by the audit committee at their meeting held on 22nd July, 2010 and has been filed on 18th August, 2010 well within the due date of 30th September, 2010. The cost audit for the year ended 31st March, 2011 is in progress and the cost audit report will be filed within the stipulated time.

#### 11. **Acknowledgements**

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

On behalf of the Board

(Ms.) H S ZAVERI  
Chairman

Mumbai: April 26, 2011



## **MANAGEMENT DISCUSSION & ANALYSIS**

### **Industry structure and development**

Your company operates in the Antifriction bearing industry which is segmented into ball bearings and roller bearings (Tapered, Cylindrical, Needle, Spherical, Thrust and other special application bearings). The major user industries of antifriction bearings are automobiles, general engineering, railways, electrical equipment etc. The production of the organized bearing industry as represented under Ball & Roller Bearing Manufacturers Association (BRBMA) is placed at Rs.3950 crores during the last financial year. The market segmentation of demand is approximately 65% from original equipment manufacturers (OEM) and the balance coming from the replacement market/exports.

The automotive industry is the largest consumer of bearing products and has seen one of the strongest periods of demand during FY 2010-11. India is one of the fastest growing automotive markets in the world and supported by a favourable economic scenario, the outlook projected for the current year is strong. With GDP growth estimates of over 8.5% for the current year, the growth is expected to sustain momentum over the next 5 year horizon. While ensuring adequate liquidity and credit growth the government is using monetary policy to moderate inflationary pressures. While manufacturing growth continues agriculture is also rebounding and economic fundamentals are continuing to improve on the back of strong domestic savings, higher exports and higher domestic demand for goods and services.

### **Economic Environment**

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

The rising interest rates for auto loans, higher fuel prices and inflationary pressures within the economy could derail growth and put pressure on costs and margins for bearing manufacturers.

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

### **Opportunities and Threats**

The automotive sector and the industrial sector are expected to play a leading role in the growth of the Indian economy. India is already the fastest growing passenger car and two wheeler market in the world. Global manufacturers are also attracted by the huge potential offered by the Indian market. Your company can take advantage of the growth in demand in both the auto and industrial sectors as well as growth in demand in the replacement market.

The economy has seen resumption in domestic investment activity, which had been deferred due to liquidity crunch and economic slowdown. Leading industry players have initiated expansion plans and the government has also increased infrastructure spending, with the projected investment in infrastructure expected to double to US\$1 trillion in the 12th Five year plan. Investments in road, railways and power generation will result in a multiplier effect across various core industries like cement, steel, machine tools etc. All these factors are expected to result in increased demand for ball and roller bearings.





The domestic bearing industry is facing the following threats :

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

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

### **Financials**

The company has made a profit after tax of Rs.381.71 lacs as compared to Rs.5.12 lacs in the previous accounting year. The net sales at Rs.1745 lacs show an increase of 34% as compared to net sales of the previous year. Supported by a favourable economic scenario, the automotive segment registered a strong recovery across all segments during FY 2010-11. 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 continue to enhance volumes to improve capacity utilization, reduce costs, improve efficiencies, broad base its customer profile and develop new part numbers so that the financial results can be improved during the current financial year.

### **Risks and risk mitigation**

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

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

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

### **Internal control systems and adequacy**

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

### Segmentwise Performance

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

## SEGMENT INFORMATION

### Primary Segments- Business Segments

	2010-11			2009-10		
	Bearings	Special Purpose Machines	Total Amount	Bearings	Special Purpose Machines	Total Amount
	Rs.lacs	Rs.lacs	Rs.lacs	Rs.lacs	Rs.lacs	Rs.lacs
<b>A Segment Revenue</b>						
Net Sales to Customers	1561.80	183.00	1744.80	1269.46	30.00	1299.46
Inter Segment Revenue	-	-	-	-	-	-
<b>Total Segment Revenue</b>	1561.80	183.00	1744.80	1269.46	30.00	1299.46
<b>B Segment Results</b>	491.81	48.60	540.41	61.59	3.75	65.34
Less: Unallocated corporate expenses net off allocable income			28.80			(8.37)
Less: Interest expense			30.86			63.05
<b>Profit before tax</b>			480.75			10.66
<b>C Capital Employed</b>	774.49	100.02	874.51	847.65	77.00	924.65
Unallocated corporate assets (net)			(300.43)			(369.17)
<b>Total</b>			574.08			555.48

### Industrial Relations and Human Resource management

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

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

Permanent employees directly employed by the company currently total 124 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 consists of four 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 (51 yrs) is the Chairman of the Board of Directors. She is also the Managing Director & President of NRB Bearings Ltd. She has graduated from Wellesley College, USA and also has a degree in Education from Bombay University. She has 24 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 Ball & Roller Bearing Manufacturers Association (BRBMA), Automotive Component Manufacturers Association of India (ACMA), Indo American Chambers of Commerce, CII and the TPM Club of India.

Mr. S C Rangani (62 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. J S Maini (69 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 (87 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.

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 2010-11.



The maximum interval between any two meetings was 97 days. The Board held its meetings on 14th June, 2010, 22nd July, 2010, 28th October, 2010 and 25th January, 2011.

**c. Attendance of Directors:**

The overall attendance of Directors was 100%.

**Attendance of Directors  
At the Board Meetings held during 2010-11 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 (22 <sup>nd</sup> July, 2010)
1	Ms. H S Zaveri	4	4	Yes
2	Mr. S C Rangani	4	4	Yes
3	Mr. M N Hoda*	3	3	Yes
4	Mr. J S Maini	4	4	Yes
5	Mr. V S Iyer	4	4	Yes

Overall attendance in the Board Meetings: 100%

AGM : 100%

\*Mr.M N Hoda has resigned w.e.f.28.10.2010

**d. Other Directorships:**

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

**Other Boards of which Directors are Members**

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

\*excluding private limited companies and companies incorporated outside India.

**e. Membership of Board Committees:**

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

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

Ms. H S Zaveri and Mr. J S Maini 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.

<b>Name of Directors</b>	<b>Sitting fees (Rs.)</b>
H S Zaveri	40000
S C Rangani	20000
M N Hoda*	12500
J S Maini	20000
V S Iyer	42500
Gross total	135000

\*Mr. M N Hoda has resigned w.e.f. 28.10.2010

**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 2010-11**

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

Overall attendance: 100%

**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. Mr. M N Hoda resigned from the Board of Directors and Committees thereof w.e.f. 28th October, 2010 and Mr. S C Rangani was appointed a member of the committee at the same meeting. The shareholders of the Company are serviced by the share transfer agent- M/s.Universal Capital Securities Pvt. Ltd.. The transfers received by the Company are processed and transferred on a monthly basis. All requests for dematerialisation of shares are likewise processed and confirmation thereof is normally communicated to the investors and depository participants within 15 days of receipt thereof. The Committee also monitors redressal of investors' grievances.

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

**Attendance of the Members at the Meetings of the Shareholders/  
Investors' Grievances Committee of Directors held during 2010-11**

Members	Meetings held during the tenure of the Director	Meetings attended
Mr.V S Iyer (Chairman)	9	9
Ms.H S Zaveri	9	8
Mr.M N Hoda *	5	2
Mr.S C Rangani	4	4

Overall attendance : 85.19%

\*Mr.M N Hoda has resigned w.e.f.28.10.2010

**4. General Body Meetings**

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

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

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

28th Annual General Meeting on 24th July, 2008 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 2010-11. 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 included as part of this 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.

However, employees are encouraged to approach corporate management or the Audit committee on any matter concerning unethical behaviour or violation of the company's code of conduct.



**Auditors' certificate to the members of SNL Bearings Limited on compliance of the conditions of corporate governance for the year ended 31st March, 2011 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, 2011, 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;

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

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

For **Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm Reg. No. 117366W)

**A. C. KHANNA**  
Partner  
Membership No. 17814

Mumbai : April 26, 2011

**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,2011.

**For SNL Bearings Ltd.**

S C Rangani  
**Director & Compliance Officer**

Mumbai : April 26, 2011





## SHAREHOLDERS' INFORMATION

### 1. Annual General Meeting

Date and Time	:	July 26, 2011 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, 2011	:	July 26, 2011
Financial reporting for the quarter ending September 30, 2011	:	Last week October, 2011
Financial reporting for the quarter ending December 31, 2011	:	Last week January, 2012
Financial reporting for the year ending March 31, 2012	:	End May, 2012
Annual General Meeting for the year ending March 31, 2012	:	July / August, 2012

3. **Book Closure Date** : July 18, 2011 to July 26, 2011 (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 as no dividends on Equity Capital have been declared for the last 7 year.

### 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 31<sup>st</sup> March :

No. of Equity Shares	2011				2010			
	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	4246	94.440	383066	10.607	3402	96.484	242869	6.725
501-1000	132	2.936	104162	2.884	59	1.673	46050	1.275
1001-2000	66	1.468	104128	2.883	31	0.879	47925	1.327
2001-3000	22	0.489	55497	1.537	15	0.425	37600	1.041
3001-4000	7	0.156	25847	0.716	4	0.114	14200	0.393
4001-5000	5	0.111	21891	0.606	-	-	-	-
5001-10000	10	0.222	83807	2.321	3	0.085	20600	0.570
10001 & above	8	0.178	2833142	78.446	12	0.340	3202296	88.669
TOTAL	4496	100.000	3611540	100.000	3526	100.000	3611540	100.000

As on 31st March, 2011, 3451785 no. of shares constituting 95.58% 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 31<sup>st</sup> March :

Category	2011				2010			
	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
<b>Individuals</b>								
Promoter group	1	0.02	9643	0.27	-	-	-	-
Public	4377	97.38	785343	21.74	3448	97.79	561963	15.56
<b>Corporate Bodies</b>								
Promoter group	1	0.02	2652762	73.45	1	0.03	2484176	68.78
Others	102	2.28	157397	4.36	68	1.93	364608	10.10
Foreign Collaborator	-	-	-	-	-	-	-	-
NRI/OCBs	13	0.28	6345	0.18	6	0.17	4575	0.13
FI/FII/Banks	1	0.02	50	-	3	0.08	196218	5.43
Mutual Funds/ UTI	-	-	-	-	-	-	-	-
TOTAL	4495	100.00	3611540	100.00	3526	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 remat/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	2010-11 Nos.	2009-10 Nos.
<b>Relating to transfers, Transmissions</b> etc. (including duplicate share certificates, stop transfer, non-receipt of share certificates, deletion of name, non receipt of AGM Report, rectification of share certificate, indemnity bond for duplicate certificate, signature verification)	6	1
<b>Relating to dividends</b> (including revalidation of dividend warrants, non-receipt of dividend warrants and bank details)	0	0
<b>Relating to change of address</b>	9	11
<b>Others</b>	NIL	NIL
Total	15	12

- 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 : 15
- 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 2011-12 have been paid to The Bombay Stock Exchange Ltd. The company's application for voluntary delisting from the Calcutta Stock Exchange has been submitted on 2nd September, 2005 and is pending for action by them and hence the listing fee from the year 2007-08 has not been paid.

#### 13. Stock Codes

Bombay Stock Exchange  
 ISIN No.

505827  
**INE 568F 01017**



#### 14. Stock Market Data

The Bombay Stock Exchange Ltd., Mumbai.

Monthly high and low quotations and volume of shares traded.

2010-11	Mumbai Stock Exchange		
Month	High	Low	Volume
April'10	51.40	39.05	126000
May'10	52.25	38.00	98400
June'10	66.65	50.95	160000
July'10	72.95	57.50	47950
August'10	85.80	60.75	910454
September'10	107.05	53.00	1829119
October'10	57.00	48.65	123902
November'10	52.65	32.55	84507
December'10	49.80	35.00	71016
January'11	48.95	34.25	240346
February'11	42.70	30.00	145452
March'11	40.00	29.80	60086
Total			3897232

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

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.*



## CERTIFICATION BY PLANTHEAD AND DIRECTOR

The Board of Directors  
SNL Bearing Ltd.

We hereby certify that:

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

**For SNL Bearings Ltd.**

Mumbai : April 26, 2011

K K P SINHA  
**AGM & PLANT HEAD**

S C Rangani  
**Director**



**AUDITORS' REPORT TO THE MEMBERS OF SNL BEARINGS LIMITED ON  
THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011**

1. We have audited the attached Balance Sheet of **SNL BEARINGS LIMITED** as at 31st March, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 4 above, we report that:
  - (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit .
  - (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books .
  - (iii) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account of the company.
  - (iv) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
  - (v) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
    - (b) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date and
    - (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date
5. On the basis of the written representations received from the Directors as on 31st March, 2011 taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

**For DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Registration No.117366W)

**A.C. KHANNA**  
Partner  
Membership No. 17814



**ANNEXURE TO THE AUDITORS' REPORT TO THE MEMBERS OF SNL BEARINGS  
LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011  
(referred to in paragraph 3 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 current year. In our opinion, the frequency of verification is reasonable having regard to the size of the company and the nature of its assets.
- (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (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.300.00 lacs and the year-end balance of such loans was Rs. 200.00 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:

**ANNEXURE TO THE AUDITORS' REPORT TO THE MEMBERS OF SNL BEARINGS  
LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011****(referred to in paragraph 3 of our report of even date) (Contd.)**

- 
- (a) The particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register, maintained under the said section have been so entered.
- (b) The transactions made in pursuance of such contracts or arrangements and exceeding the value of rupees five 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, 2011, 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, 2011;
- (x) In our opinion, the accumulated losses of the company are not more than fifty percent of its net worth. The company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (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.





**ANNEXURE TO THE AUDITORS' REPORT TO THE MEMBERS OF SNL BEARINGS  
LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011  
(referred to in paragraph 3 of our report of even date) (Contd.)**

- (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 DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm Reg. No. 117366W)

**A.C. KHANNA**  
Partner  
Membership No. 17814

Mumbai : April 26, 2011


**BALANCE SHEET AS AT 31ST MARCH, 2011**

	Schedule No.	Rs.lacs	As at 31.03.2011 Rs.lacs	Rs.lacs	As at 31.03.2010 Rs.lacs
<b>I. SOURCES OF FUNDS:</b>					
1) Shareholders' funds:					
a) Share capital	1	<b>1161.15</b>		1361.15	
b) Reserves and surplus	2	<b>215.03</b>		15.03	
			<b>1376.18</b>		1376.18
2) Loan funds:					
a) Secured loans	3	-		71.91	
b) Unsecured loans	4	<b>200.00</b>		300.00	
			<b>200.00</b>		371.91
<b>Total</b>			<b>1576.18</b>		<b>1748.09</b>
<b>II. APPLICATION OF FUNDS:</b>					
1) Fixed assets:	5				
a) Gross block		<b>1526.81</b>		1506.79	
b) Less: Depreciation/ Amortisation		<b>1229.90</b>		1184.62	
c) Net block			<b>296.91</b>		322.17
2) Current assets, loans and advances:					
a) Inventories	6	<b>508.60</b>		499.25	
b) Sundry debtors	7	<b>296.08</b>		210.73	
c) Cash and bank balances	8	<b>23.42</b>		7.88	
d) Loans and advances	9	<b>163.12</b>		51.52	
		<b>991.22</b>		769.38	
Less: Current liabilities and provisions:					
a) Current liabilities	10	<b>223.12</b>		144.80	
b) Provisions	11	<b>127.82</b>		19.36	
		<b>350.94</b>		164.16	
Net current assets			<b>640.28</b>		605.22
3) Profit and loss account			<b>638.99</b>		820.70
<b>Total</b>			<b>1576.18</b>		<b>1748.09</b>
Significant accounting policies	18				
Notes to the accounts	19				

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

Chartered Accountants

**A.C. KHANNA**  
Partner

Mumbai : April 26, 2011

**For and on behalf of the Board of Directors**

**H. S. Zaveri**

**J. S. Maini**

**S. C. Rangani**

**V. S. Iyer**

Directors

Mumbai : April 26, 2011


**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

	Schedule No.	Year ended 31.03.2011		Year ended 31.03.2010	
		Rs.lacs	Rs.lacs	Rs.lacs	Rs.lacs
<b>INCOME</b>					
Sales (Gross)		<b>1919.56</b>		1409.99	
Less:Excise duty		<b>174.76</b>	<b>1744.80</b>	<u>110.53</u>	1299.46
Other income	12		<b>16.76</b>		<u>37.39</u>
			<b>1761.56</b>		1336.85
Increase/(Decrease) in stock of work-in-progress and finished goods	13		<b>(17.28)</b>		<u>(67.89)</u>
			<b>1744.28</b>		<u>1268.96</u>
<b>EXPENDITURE</b>					
Raw materials, components and packing materials consumed			<b>427.61</b>		295.38
Stores and spares consumed			<b>120.64</b>		81.59
Processing Charges			<b>16.72</b>		10.75
Power and fuel			<b>92.67</b>		84.06
Employee costs	14		<b>365.90</b>		567.51
Repairs	15		<b>61.43</b>		28.14
Other expenses	16		<b>100.31</b>		80.52
Depreciation / Amortisation	5		<b>47.39</b>		47.30
Interest	17		<b>30.86</b>		<u>63.05</u>
			<b>1263.53</b>		<u>1258.30</u>
<b>PROFIT BEFORE TAX</b>					
			<b>480.75</b>		10.66
Provision for taxation					
- Current tax		<b>98.04</b>		1.70	
- In respect of earlier years		<b>1.00</b>	<b>99.04</b>	<u>3.84</u>	5.54
<b>PROFIT AFTER TAX</b>					
			<b>381.71</b>		5.12
Transferred to Capital Redemption reserve			<b>200.00</b>		-
Debit Balance brought forward			<b>(820.70)</b>		<u>(825.82)</u>
<b>DEBIT BALANCE CARRIED TO BALANCE SHEET</b>					
			<b>(638.99)</b>		<u>(820.70)</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. 8.93		Rs. (1.81)
In terms of our report attached					
<b>For DELOITTE HASKINS &amp; SELLS</b>			<b>For and on behalf of the Board of Directors</b>		
Chartered Accountants			<b>H. S. Zaveri</b>	<b>J. S. Maini</b>	
<b>A.C. KHANNA</b>			<b>S. C. Rangani</b>	<b>V. S. Iyer</b>	
Partner			Directors		
Mumbai : April 26, 2011			Mumbai : April 26, 2011		


**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011**

	Year ended 31.03.2011 Rs.lacs	Year ended 31.03.2010 Rs.lacs
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
PROFIT before TAX	<b>480.75</b>	10.66
Adjustments for :		
Depreciation	<b>47.39</b>	47.30
Interest expenditure	<b>30.86</b>	63.05
Payment in Excess of provision		(1.61)
Loss on sale of fixed assets	<b>2.12</b>	(0.01)
Provision for doubtful debts	-	-
Provision for leave encashment	<b>(1.29)</b>	1.78
Provision for gratuity	<b>11.71</b>	-
	<u><b>90.79</b></u>	<u>110.51</u>
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>571.54</b>	121.17
Changes in :		
- Trade and other receivables	<b>(111.94)</b>	36.35
- Inventories	<b>(9.35)</b>	107.61
- Trade payables/provisions	<b>78.32</b>	(125.48)
	<u><b>(42.97)</b></u>	<u>18.48</u>
NET CASH GENERATED FROM OPERATIONS	<b>528.57</b>	139.65
Direct taxes paid	<b>(85.99)</b>	(21.76)
NET CASH FROM OPERATING ACTIVITIES	<u><b>442.58</b></u>	<u>117.89</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of fixed assets	<b>(26.05)</b>	(5.21)
Sale of fixed assets	<b>1.78</b>	0.56
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u><b>(24.27)</b></u>	<u>(4.65)</u>


**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011 (contd.)**

	Year ended 31.03.2011		Year ended 31.03.2010	
	Rs.lacs	Rs.lacs	Rs.lacs	Rs.lacs
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>				
Proceeds from borrowings		-		150.00
Repayment of borrowings		<b>(100.00)</b>		(151.52)
Decrease in cash credit		<b>(71.91)</b>		(50.03)
Repayment of Pref share		<b>(200.00)</b>		-
Interest paid		<b>(30.86)</b>		(63.05)
NET CASH USED IN FINANCING ACTIVITIES		<b><u>(402.77)</u></b>		<u>(114.60)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		<b><u>15.54</u></b>		<u>(1.36)</u>
CASH AND CASH EQUIVALENTS AS AT THE COMMENCEMENT OF THE FINANCIAL YEAR the components being:				
Cash on hand		-	0.01	
Balances with banks on current and margin accounts		<b><u>7.88</u></b>	<u>9.23</u>	9.24
CASH AND CASH EQUIVALENTS AS AT THE END OF THE FINANCIAL YEAR the components being:				
Cash on hand		<b>0.11</b>	-	
Balances with banks on current/ deposit accounts		<b><u>23.31</u></b>	<u>7.88</u>	<u>7.88</u>
NET INCREASE/(DECREASE) AS DISCLOSED ABOVE		<b><u>(15.54)</u></b>		<u>(1.36)</u>

Note : Figures in brackets are outflows/deductions

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

Chartered Accountants

**A. C. KHANNA**  
Partner

Mumbai : April 26, 2011

**For and on behalf of the Board of Directors**

**H. S. Zaveri**

**J. S. Maini**

**S. C. Rangani**

**V. S. Iyer**

Directors

Mumbai : April 26, 2011


**SCHEDULES 1 TO 11 ANNEXED TO AND FORMING PART OF  
THE BALANCE SHEET AS AT 31ST MARCH, 2011**

	<b>As at 31.03.2011 Rs. lacs</b>	As at 31.03.2010 Rs.lacs
<b>Schedule 1 - Share capital</b>		
Authorised :		
60,00,000 Equity shares of Rs.10 each	<b>600.00</b>	600.00
10,00,000 6% Cumulative Redeemable Preference Shares of Rs.100 each	<b>1000.00</b>	1000.00
	<b>1600.00</b>	1600.00
Issued:		
40,54,376 Equity shares of Rs.10 each	<b>405.44</b>	405.44
10,00,000 6% Cumulative Redeemable Preference Shares of Rs.100 each	<b>1000.00</b>	1000.00
	<b>1405.44</b>	1405.44
Subscribed & Paid up:		
36,11,540 Equity shares of Rs.10 each fully paid-up of the above, 26,52,762 Equity shares of Rs.10 each (Previous year 24,86,176 Equity Shares) are held by the holding company, NRB Bearings Limited	<b>361.15</b>	361.15
10,00,000 6% Cumulative Redeemable Preference Shares of Rs. 80 each fully paid-up held by the holding company, NRB Bearings Limited (Refer note 2(i), (ii) on Schedule 19) Repaid Rs.20 per share on 18.06.2010	<b>800.00</b>	1000.00
Per balance sheet	<b>1161.15</b>	1361.15
Note: Terms of redemption of 6% Cumulative Redeemable Preference Shares of Rs.100 each:		
i. Rs.20 per share on 18.06.2011		
ii. Rs.20 per share on 18.06.2012		
iii. Rs.20 per share on 18.06.2013		
iv. Rs.20 per share on 18.06.2014		
<b>Schedule 2 - Reserves and surplus</b>		
Capital reserve:		
Per last balance sheet	<b>15.03</b>	15.03
Capital Redemption reserve:		
Per last balance sheet	-	-
Add : Transfer from Profit & loss Account	<b>200.00</b>	-
	<b>215.03</b>	<b>15.03</b>


**SCHEDULES 1 TO 11 ANNEXED TO AND FORMING PART OF  
THE BALANCE SHEET AS AT 31ST MARCH, 2011 (contd.)**

	<b>As at 31.03.2011 Rs. lacs</b>	As at 31.03.2010 Rs. lacs
<b>Schedule 3 - Secured loans</b>		
From bank:		
i) Cash credit facility (Refer note 1 below)	-	71.91
ii) Term Loan	-	-
Per balance sheet	<u>-</u>	<u>71.91</u>

## Notes :

- Secured by hypothecation of inventories and book debts and guaranteed by the holding company, NRB Bearings Limited

**Schedule 4 - Unsecured loans**

Other loans and advances:

From the holding company, NRB Bearings Limited (repayable within one year Rs. 200 lacs; as at 31.03.2010: Rs. 300 lacs)	<b>200.00</b>	300.00
Per balance sheet	<u><b>200.00</b></u>	<u>300.00</u>

**Schedule 5 - Fixed Assets**

Description	GROSS BLOCK-AT COST				DEPRECIATION/AMORTISATION			NET BLOCK		
	Opening Balance As at 01.04.10	Additions during the year	Deductions during the year	Closing Balance As at 31.03.11	Opening Balance As at 01.04.10	For the year	On deductions during the year	Closing Balance As at 31.03.11	As at 31.03.11	As at 31.03.10
	Rs.lacs	Rs.lacs	Rs.lacs	Rs.lacs	Rs.lacs	Rs.lacs	Rs.lacs	Rs.lacs	Rs.lacs	Rs.lacs
<b>Tangible Assets:</b>										
Building on leasehold land	184.48	-	-	<b>184.48</b>	69.95	4.87	-	<b>74.82</b>	<b>109.66</b>	114.53
Plant and machinery	1172.87	14.79	-	<b>1187.66</b>	1020.26	26.10	-	<b>1046.36</b>	<b>141.30</b>	152.61
Furniture, fixtures and equipment	45.86	3.95	-	<b>49.81</b>	34.39	3.14	-	<b>37.53</b>	<b>12.28</b>	11.47
Electrical installations	72.51	-	-	<b>72.51</b>	47.11	3.35	-	<b>50.46</b>	<b>22.05</b>	25.40
Vehicles	11.07	-	6.03	<b>5.04</b>	2.99	0.66	2.11	<b>1.54</b>	<b>3.50</b>	8.08
<b>Intangible assets:</b>										
-Computer software	20.00	7.31	-	<b>27.31</b>	9.92	9.27	-	<b>19.19</b>	<b>8.12</b>	10.08
<b>Total</b>	<b>1506.79</b>	<b>26.05</b>	<b>6.03</b>	<b>1526.81</b>	<b>1184.62</b>	<b>47.39</b>	<b>2.11</b>	<b>1229.90</b>	<b>296.91</b>	<b>322.17</b>
Previous year	1513.03	5.21	11.45	<b>1506.79</b>	1148.22	47.30	10.90	<b>1184.62</b>	322.17	364.81
Per balance sheet									<b>296.91</b>	322.17


**SCHEDULES 1 TO 11 ANNEXED TO AND FORMING PART OF  
THE BALANCE SHEET AS AT 31ST MARCH, 2011 (contd.)**

	Rs.lacs	As at 31.03.2011 Rs.lacs	Rs.lacs	As at 31.03.2010 Rs.lacs
<b>Schedule 6 - Inventories (at lower of cost and net realisable value, as certified by a director)</b>				
Stores and spare parts		<b>68.59</b>		82.33
Stock-in-trade				
Raw materials, bought out components and packing materials	<b>110.02</b>		69.65	
Work-in-progress	<b>135.40</b>		158.38	
Finished goods	<b>194.59</b>		188.89	
	_____	<b>440.01</b>	_____	416.92
Per balance sheet		<b>508.60</b>		<b>499.25</b>
<b>Schedule 7 - Sundry debtors</b>				
(Unsecured)				
Outstanding for a period exceeding six months considered good		-		-
considered doubtful		<b>32.39</b>		49.69
		<b>32.39</b>		49.69
Others				
considered good		<b>296.08</b>		210.73
considered doubtful		-		4.21
		<b>328.47</b>		264.63
Provision for doubtful debts		<b>32.39</b>		53.90
Per balance sheet		<b>296.08</b>		<b>210.73</b>
<b>Schedule 8 - Cash and bank balances</b>				
Cash on hand		<b>0.11</b>		-
With scheduled banks				
On current accounts		<b>23.31</b>		7.88
On fixed deposit account		-		-
Per balance sheet		<b>23.42</b>		<b>7.88</b>




**SCHEDULES 1 TO 11 ANNEXED TO AND FORMING PART OF  
THE BALANCE SHEET AS AT 31ST MARCH, 2011 (contd.)**

	Rs.lacs	As at 31.03.2011 Rs.lacs	Rs.lacs	As at 31.03.2010 Rs.lacs
<b>Schedule 9 - Loans and Advances</b>				
(Unsecured, considered good unless stated otherwise)				
Advances recoverable in cash or in kind or for value to be received			55.48	31.06
Income-tax recoverable (net)			101.05	16.05
Balance with govt. authorities			6.59	4.41
Per balance sheet			<u>163.12</u>	<u>51.52</u>
<b>Schedule 10 - Current Liabilities</b>				
Sundry creditors				
- due to micro enterprises and small enterprises (see note 3)		-	-	
- due to others	<u>219.51</u>		141.19	141.19
		<b>219.51</b>		
Security deposits		<u>3.61</u>		3.61
Per balance sheet		<u>223.12</u>		<u>144.80</u>
<b>Schedule 11 - Provisions</b>				
Provision for compensated absences			18.07	19.36
Provision for gratuity			11.71	-
Provision for Income tax (net)			98.04	-
Per balance sheet			<u>127.82</u>	<u>19.36</u>

**SCHEDULES 12 TO 17 ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS  
ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

	Year ended 31.03.2011 Rs.lacs	Year ended 31.03.2010 Rs.lacs
<b>Schedule 12 - Other income</b>		
Sale of scrap	<b>16.65</b>	16.58
Gain on foreign exchange variation	-	14.05
Profit on sale of fixed assets (net)	-	0.01
Excess provision in respect of earlier years written back	-	1.61
Miscellaneous	<u>0.11</u>	5.14
Per profit and loss account	<u>16.76</u>	<u>37.39</u>



**SCHEDULES 12 TO 17 ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011 (contd.)**

	Year ended <b>31.03.2011</b> Rs.lacs	Year ended 31.03.2010 Rs.lacs
<b>Schedule 13 - Increase/(Decrease) in stock of work-in-progress and finished goods</b>		
<b>Closing stocks :</b>		
Work-in-progress	<b>135.40</b>	158.38
Finished goods	<b>194.59</b>	188.89
	<b>329.99</b>	347.27
<b>Opening stocks :</b>		
Work-in-progress	<b>158.38</b>	225.84
Finished goods	<b>188.89</b>	189.32
	<b>347.27</b>	415.16
<b>Per profit and loss account</b>	<b><u>(17.28)</u></b>	<b><u>(67.89)</u></b>
<b>Schedule 14 - Employee costs</b>		
Salaries, wages and bonus	<b>294.32</b>	485.06
Gratuity	<b>23.35</b>	42.43
Company's contribution to provident fund and other funds	<b>24.72</b>	18.05
Staff welfare	<b>23.51</b>	21.97
<b>Per profit and loss account</b>	<b><u>365.90</u></b>	<b><u>567.51</u></b>
<b>Schedule 15 - Repairs</b>		
Plant and machinery	<b>43.29</b>	22.87
Building	<b>13.49</b>	0.85
Others	<b>4.65</b>	4.42
<b>Per profit and loss account</b>	<b><u>61.43</u></b>	<b><u>28.14</u></b>


**SCHEDULES 12 TO 17 ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011 (contd.)**

	Year ended <b>31.03.2011</b> Rs.lacs	Year ended 31.03.2010 Rs.lacs
<b>Schedule 16 - Other expenses</b>		
Insurance	<b>0.84</b>	1.70
Rent	<b>4.34</b>	4.34
Rates and taxes	<b>3.10</b>	0.73
Directors' fees	<b>1.35</b>	1.13
Commission on sales	<b>5.56</b>	3.89
Travelling and conveyance	<b>18.75</b>	17.36
Postage, telephone and fax	<b>3.82</b>	4.56
Bank charges	<b>0.38</b>	0.31
Legal and professional charges	<b>24.59</b>	11.40
Forwarding charges	<b>8.33</b>	6.76
Service charges	<b>6.37</b>	5.83
Foreign exchange loss	<b>2.67</b>	-
Loss on sale for fixed assets	<b>2.12</b>	-
Excise duty on Increase/(Decrease) in stock of finished goods	<b>5.72</b>	(0.67)
Miscellaneous	<b>12.37</b>	23.18
Per profit and loss account	<b><u>100.31</u></b>	<u>80.52</u>
<b>Schedule 17 - Interest</b>		
On fixed loans	<b>6.78</b>	0.27
On others	<b>24.08</b>	62.78
Per profit and loss account	<b><u>30.86</u></b>	<u>63.05</u>



### **Schedule 18 – Significant accounting policies annexed to and forming part of the balance sheet as at 31<sup>st</sup> March, 2011 and the profit and loss account for the year ended on that date**

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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 31<sup>st</sup> March, 2011 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 makes an annual contribution to LIC. The Company makes provision for gratuity based on an actuarial valuation by actuary.

**2. Compensated absences**

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

**3. Actuarial gains and losses are recognised in the profit and loss account.****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 an asset is identified as impaired. The impaired loss recognized in prior accounting periods is reversed if there has been a change in the estimate of the recoverable value.

**Schedule 18 – Significant accounting policies annexed to and forming part of the balance sheet as at 31<sup>st</sup> March, 2011 and the profit and loss account for the year ended on that date**

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**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.

**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 are recognized when the company has a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are disclosed when the Company has a possible of present obligation where it is not probable that an outflow of resources will be required to settle it. Contingent assets are neither recognized nor disclosed.

**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, 2011 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.99.52 lacs and Rs.48.97 lacs respectively as at 31st March, 2010 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 31.03.2010 : Rs. 5.05 lacs)
  - c) Sales tax matters : Rs Nil, (as at 31.03.2010 : Rs.5.68 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. On the completion of 8th year, company repaid 200 lacs as per repayment terms. Also pursuant to section 80 and section 77AA read with section 205 of the Companies Act, 1956, the company has transferred Rs. 200 lacs from current year profits to Capital Redemption Reserve.
  - (ii) Arrears of cumulative dividends on the 6% Cumulative Redeemable Preference Shares, considering the revised coupon rates, as stated above, is Rs. 406.27 lacs (as at 31.03.2010: Rs. 355.67 lacs).
3. 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, 2011 and the profit and loss account for the year ended on that date (contd.)**

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

	Year ended 31.03.2011 Rs.lacs	Year ended 31.03.2010 Rs.lacs
Audit fees	2.20	1.55
Report under section 44AB of the Income-tax Act,1961	0.80	0.60
Other services	2.00	1.50
Out of pocket expenses	0.06	0.04

**5. Raw materials, components and packing materials consumed:**

	Unit	Year ended 31.03.2011		Year ended 31.03.2010	
		Quantity	Value Rs.lacs	Quantity	Value Rs.lacs
<b>Raw materials:</b>					
Steel Wires	Tonnes	76	68.37	65	54.43
Steel Strips	"	181	156.30	131	131.33
Steel Tubes	Mtrs in 000's	62	93.20	39	74.14
Sub-total			<u>317.87</u>		<u>259.90</u>
<b>Components:</b>					
For bushes and cages	Nos. in 000's	9734	10.81	4506	16.26
For Special Purpose Machines		*	77.80	*	1.91
Sub-total			<u>88.61</u>		<u>18.17</u>
<b>Packing materials:</b>		*	21.13	*	17.31
Grand total:			<u><u>427.61</u></u>		<u><u>295.38</u></u>
Of which		%	Value Rs.lacs	%	Value Rs.lacs
Imported		36	155.56	43	127.71
Indigenous		64	272.05	57	167.67
Total		<u>100</u>	<u><u>427.61</u></u>	<u>100</u>	<u><u>295.38</u></u>

\* Diverse quantitative units

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, 2011 and the profit and loss account for the year ended on that date (contd.)**

**6. Stores and spares consumed:**

	Year ended 31.03.2011		Year ended 31.03.2010	
	%	Value Rs.lacs	%	Value Rs.lacs
Imported	-	-	-	-
Indigenous	100	98.98	100	81.59
	<u>100</u>	<u>98.98</u>	<u>100</u>	<u>81.59</u>

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

**7. Capacity and production:**

	Unit	Installed capacity (per annum)		Production	
		As at 31.03.2011	As at 31.03.2010	Year ended 31.03.2011	Year ended 31.03.2010
Needle Roller Bushes and Cages	Nos in 000's	12000	12000	12127	10090
Needle Rollers	"	250000	250000	199774	168194
Special Purpose Machines	Nos	Note (iv)	Note (iv)	4	2

**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 164048 in thousands (year ended 31.03.2010: Nos. 143220 in thousands)

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

**8. Sales (net of excise duty):**

	Unit	Year ended 31.03.2011		Year ended 31.03.2010	
		Quantity	Value Rs. lacs	Quantity	Value Rs. lacs
Needle Roller Bushes and Cages	Nos in 000's	11955	1506.15	10259	1226.46
Needle rollers	"	31872	55.65	23158	43.00
Special Purpose Machines	Nos	5	183.00	1	30.00
<b>Total</b>			<u>1744.80</u>		<u>1299.46</u>



**Schedule 19 – Notes annexed to and forming part of the balance sheet as at 31st March, 2011 and the profit and loss account for the year ended on that date (contd.)**

**9. Closing stock of finished goods:**

		<b>As at 31.03.2011</b>		As at	31.03.2010
	<u>Unit</u>	<u>Quantity</u>	<u>Rs. lacs</u>	Quantity	Value
					<u>Rs. lacs</u>
Needle Roller Bushes and Cages	Nos.in 000's	<b>2309</b>	<b>174.92</b>	2137	134.53
Needle Rollers	"	<b>23792</b>	<b>19.67</b>	19938	19.36
Special purpose machine			-	1	35.00
<b>Total</b>			<b><u>194.59</u></b>		<b><u>188.89</u></b>

- 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. Nil lacs (Previous year 31.03.2010: Rs.5.53 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

	<b>Year ended</b>	Year ended
	<b>31.03.2011</b>	31.03.2010
	<b>Rs. lacs</b>	Rs. lacs
10. C.I.F. value of imports:		
Raw materials and components	<b>150.93</b>	106.40
11. Earnings in foreign currency:		
FOB Value of Exports	<b>70.91</b>	25.40


**Schedule 19 – Notes annexed to and forming part of the balance sheet as at 31st March, 2011 and the profit and loss account for the year ended on that date (contd.)**
**12. Segment Information**

Primary Segments- Business Segments

	Bearings	Special Purpose Machines	Total Amount
	Rs.lacs	Rs.lacs	Rs.lacs
<b>A Segment Revenue</b>			
Sales (Net)	1561.80 (1269.46)	183.00 (30.00)	1744.80 (1299.46)
Inter Segment Revenue	-	-	-
Total Segment Revenue	1561.80 (1269.46)	183.00 (30.00)	1744.80 (1299.46)
<b>B Segment Results</b>	491.81 (61.59)	48.60 (3.75)	540.41 (65.34)
Less: Unallocated corporate expenses			45.56 (29.02)
Less: Interest expense			30.86 (63.05)
Unallocated income			16.76 (37.39)
<b>Profit before tax</b>			480.75 (10.66)
Less : Provision for taxation			99.04 (5.54)
<b>Profit after tax</b>			381.71 (5.12)
<b>C Segment Assets</b>	1021.27 (1011.85)	103.75 (80.00)	1125.02 (1091.55)
Unallocated corporate assets			- (-)
<b>Total Assets</b>			1125.02 (1091.55)
<b>D Less : Segment Liabilities</b>	246.78 (163.90)	3.73 (3.00)	250.51 (166.90)
Less : Unallocated corporate liabilities			300.43 (369.17)
<b>Total Liabilities</b>			550.94 (536.07)
<b>E Cost incurred during the period to acquire segment fixed assets</b>	26.05 (5.21)	- (-)	26.05 (5.21)
<b>F Depreciation / Amortisation</b>	47.39 (47.30)	- (-)	47.39 (47.30)
<b>G Non-cash expenses other than depreciation/amortisation</b>	- (-)	- (-)	- (-)

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, 2011 and the profit and loss account for the year ended on that date (contd.)**

## 14. Values used in calculating Earnings Per Share:

	<b>Year ended 31.03.2011 (Rs.in lacs)</b>	Year ended 31.03.2010 (Rs.in lacs)
(a) Numerator: (i) Profit after tax	<b>381.71</b>	5.12
(ii) Undeclared dividend on cumulative preference shares for the year	<b>50.60</b>	60.00
(iii) Additional income-tax on distributable profits	<b>8.60</b>	10.20
(iv) Profit / (Loss) after tax attributable to equity shareholders	<b>322.51</b>	(65.08)
(b) Denominator : Number of Equity Shares	<b>3,611,540</b>	3,611,540
(c) Earnings per share	<b>8.93</b>	(1.81)

## 15. Deferred taxes:

Nature of timing difference	Deferred tax asset/ (liability) as at 31st March, 2010 (Rs in lacs)	(Charge)/credit for the current year (Rs in lacs)	Deferred tax asset/(liability) as at 31st March, 2011 (Rs. in lacs)
(i)	(ii)	(iii)	(iv)
<b>(a) Deferred tax liabilities</b>			
Depreciation	(86.36)	8.61	(77.75)
Sub-total	(86.36)	8.61	(77.75)
<b>(b) Deferred tax assets</b>			
Provision for Gratuity	-	3.98	3.98
Provision for doubtful Debts	18.32	(7.31)	11.01
Compensated absence	6.58	(0.44)	6.14
Carry forward business loss (*)	61.46	(4.84)	56.62
Sub-total	(86.36)	(8.61)	(77.75)
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, 2011 and the profit and loss account for the year ended on that date (contd.)**

16. 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, 2011		As on 31st March, 2010	
		Amount in Foreign Currency	Amount (Rs.in lacs)	Amount in Foreign Currency	Amount (Rs.in lacs)
Amount receivable	EURO	-	-	6,900.00	4.72
	USD	<b>14,055.60</b>	<b>6.27</b>	44,959.15	20.67
Amount payable	EURO	<b>134,978.34</b>	<b>85.51</b>	67,380.95	40.77
	CHF	<b>(15901.50)</b>	<b>(7.75)</b>	-	-

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

(a) **Defined Contribution Plan**

	Rs. In Lacs			
	As at 31st March, 2011	As at 31st March, 2010	As at 31st March, 2009	As at 31st March, 2008
Contributions 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:				

Employer 's Contribution to Provident Fund	<b>10.38</b>	8.11	8.30	12.83
Employer's Contribution to Family Pension Fund	<b>7.94</b>	8.84	11.75	11.35

(b) **Defined Benefit Plan**

Gratuity - As per actuarial valuation as on March 31, 2011 (based on Projected Unit Benefit Method)

	Rs. In Lacs			
	As at 31st March, 2011	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				
Present value of Defined Benefit obligation as at March 31, 2010	<b>83.17</b>	88.24	71.71	66.80
Interest Cost	<b>6.64</b>	5.18	6.05	5.33
Current Service Cost	<b>4.37</b>	4.53	3.85	2.94
Past Service Cost	<b>1.26</b>	-	-	-
Benefits paid	<b>(9.16)</b>	(51.86)	(8.79)	(4.62)
Net Actuarial (Gain)/Loss	<b>9.92</b>	37.08	15.41	1.26
Present Value of Defined Benefit obligation as at March 31, 2011	<b>96.20</b>	83.17	88.24	71.71



**Schedule 19 – Notes annexed to and forming part of the balance sheet as at 31st March, 2011 and the profit and loss account for the year ended on that date (contd.)**

17. (Contd.)

	As at 31st March, 2011	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	<b>85.15</b>	78.52	38.65	36.15
Expected return on plan assets	<b>7.22</b>	8.54	6.35	2.89
Net Actuarial Gain / (Loss)	<b>(8.37)</b>	(4.18)	(2.84)	-
Employer's contribution	<b>9.65</b>	54.13	41.67	4.23
Benefits paid	<b>(9.16)</b>	(51.86)	(5.31)	(4.62)
Fair value of plan assets	<b>84.49</b>	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.	<b>100%</b>	100%	100%	100%
III Opening Net asset / (liability) recognised in Balance Sheet				
Present Value of Defined Benefit obligation	<b>96.20</b>	83.17	88.24	71.71
Fair value of plan assets	<b>84.49</b>	85.15	78.52	38.65
Net asset / (liability) recognised in Balance Sheet	<b>(11.71)</b>	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	<b>4.37</b>	4.53	3.85	2.94
Past Service Cost	<b>1.28</b>	-	-	-
Interest Cost	<b>6.64</b>	5.18	6.05	5.33
Expected return on plan asset	<b>(7.22)</b>	(8.54)	(6.35)	(2.89)
Net Actuarial (Gain)/Loss	<b>18.28</b>	41.26	18.26	1.26
Total expenses recognised in the profit and loss account in schedule 14, under:	<b>23.35</b>	42.43	21.81	6.64
Actual return on plan assets	<b>(1.15)</b>	4.36	3.50	-



**Schedule 19 – Notes annexed to and forming part of the balance sheet as at 31st March, 2011 and the profit and loss account for the year ended on that date (contd.)**

17. (Contd.)

	<b>As at 31st March, 2011</b>	<b>Rs. In Lacs</b>		As at 31st March, 2008
		As at 31st March, 2010	As at 31st March, 2009	
V Present Value of Defined Benefit Obligation	<b>96.20</b>	83.17	88.24	-
Fair Value of Plan Assets	<b>84.49</b>	85.15	78.52	-
Experience Adjustment on Defined Benefit Obligation	<b>9.80</b>	24.28	(4.60)	-
Experience Adjustment on Fair Value of Plan Assets	<b>(8.37)</b>	(4.18)	(2.84)	-

**Note:** Figures in respect of year ended on 31st March, 2008 are not available with the company. Hence not furnished in above table V.

	<b>As at 31st March, 2011</b>	As at 31st	As at 31st	As at 31st
		March, 2010	March, 2009	March, 2008
VI Actuarial assumptions				
Mortality Table	<b>LIC (1994-96) (Ultimate)</b>	LIC (1994-96) (Ultimate)	LIC (1994-96) (Ultimate)	LIC (1994-96) (Ultimate)
Discount rate	<b>8.00%</b>	8.00%	7.75%	8.5%
Salary escalation	<b>3%</b>	4%	2%	3%

VII The above information is certified by the actuary.





**Schedule 19 – Notes annexed to and forming part of the balance sheet as at 31st March, 2011 and the profit and loss account for the year ended on that date (contd.)**

**Notes:**

- i) The company's best estimate of contributions expected to be paid to the plan during the annual period beginning after 31st March, 2011 is Rs. 4.55 lacs.
  - ii) Accounting Standards 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 3 years are only reported.
  - iii) Compensated absences recognized in the statement of profit & loss account for the year, under the employee cost in schedule 14, is Rs. (1.29) lacs (for the year ended 31st March, 2010: Rs. 1.78 Lacs)
18. 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**

**S. C. Rangani**

**V. S. Iyer**

Directors

Mumbai : April 26, 2011



**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)**

	Total Liabilities	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="7"/> <input type="text" value="6"/> <input type="text" value="1"/> <input type="text" value="8"/>	Total Assets	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="7"/> <input type="text" value="6"/> <input type="text" value="1"/> <input type="text" value="8"/>
Sources of Fund	Paid -Up Capital	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="1"/> <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="2"/> <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=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/>	Unsecured Loans	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="0"/> <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="2"/> <input type="text" value="9"/> <input type="text" value="6"/> <input type="text" value="9"/> <input type="text" value="1"/>	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="4"/> <input type="text" value="0"/> <input type="text" value="2"/> <input type="text" value="8"/>	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="6"/> <input type="text" value="3"/> <input type="text" value="8"/> <input type="text" value="9"/> <input type="text" value="9"/>		

**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="7"/> <input type="text" value="6"/> <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="6"/>	Total Expenditure	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="8"/> <input type="text" value="0"/> <input type="text" value="8"/> <input type="text" value="1"/>
<input checked="" type="checkbox"/> <input type="checkbox"/>	Profit/Loss before Tax	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="4"/> <input type="text" value="8"/> <input type="text" value="0"/> <input type="text" value="7"/> <input type="text" value="5"/>	<input checked="" type="checkbox"/> <input type="checkbox"/>	Profit/Loss after Tax
(+ for Profit, - for Loss)	Earning Per Share in Rs.	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="8"/> <input type="text" value="."/> <input type="text" value="9"/> <input type="text" value="3"/>		Dividend Rate %
				<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=""/>

**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**

**S. C. Rangani**

**V. S. Iyer**

# SNL BEARINGS LIMITED

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

## ADMISSION SLIP

I hereby record my presence at the 31<sup>st</sup> Annual General Meeting of members of the Company held at Conference Room, Dhannur, Sir P. Mehta Road, Fort, Mumbai 400 001 on 26<sup>th</sup> July, 2011 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 31<sup>st</sup> Annual General Meeting of the Company to be held at Conference Room, Dhannur, Sir P. Mehta Road, Fort, Mumbai 400 001 on 26<sup>th</sup> July, 2011 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'.

