



Bearings

**S N L BEARINGS  
LIMITED**



**33<sup>rd</sup>  
ANNUAL REPORT  
2012-2013**

# SNL BEARINGS LIMITED

## **BOARD OF DIRECTORS**

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

## **BANKERS**

BNP Paribas  
Yes Bank

## **AUDITORS**

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

## **REGISTERED OFFICE**

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

## **FACTORY**

Ratu Road, Ranchi-834 001.

## **REGISTRAR & SHARE TRANSFER AGENT**

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



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## **AGM NOTICE**

To,  
The Members  
SNL BEARINGS LIMITED

NOTICE is given that the Thirty Third 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, 6th August, 2013 at 2.30 p.m. to transact the following business:

### **Ordinary Business**

1. To receive, consider and adopt the audited statement of Profit and Loss for the period ended 31st March, 2013 and Balance Sheet as at that date and reports of the Directors and Auditors thereon.
2. To declare payment of dividend in arrears on Preference Share Capital for financial year ended 31.03.2006.
3. To appoint a Director in place of Ms. H S Zaveri who retires by rotation and being eligible offers herself for re-appointment.
4. To appoint a Director in place of Mr. J S Maini who retires by rotation and being eligible offers himself for re-appointment.
5. 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 30,2013

### **Notes:**

1. **THE MEMBERS WHO ARE ENTITLED TO ATTEND AND VOTE AT THE MEETING ARE ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON THEIR BEHALF AND PROXY NEED NOT BE A MEMBER.**
2. Proxy to be effective should be submitted at the Registered Office of the company not later than 48 hours before the commencement of the meeting.
3. The Register of members of the company and Transfer Books will be closed from July 22, 2013 to August 6, 2013 (both days inclusive).
4. Members/Proxies are requested to bring their attendance slip duly filled in and their copy of the Annual Report for the meeting.
5. A brief resume of Ms.H S Zaveri, Director, proposed to be reappointed vide Ordinary business no.2 in the notice is as follows:



Ms.H S Zaveri (53 yrs) is the Chairman of the Board of Directors. Since October 2010, she is the Managing Director & President of NRB Bearings Ltd. She has graduated Magna cum Laude with Honours from Wellesley College, USA. She has 26 yrs. experience in the bearings industry.

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

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

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

- a. Ball and Roller Bearing Manufacturers Association (BRBMA) – Executive Committee Member
  - b. Automotive Component Manufacturer's Association of India (ACMA) Western Region– Executive Committee Member
  - c. CII – Executive Member of Western Regional Council and Convener of International Trade Committee
  - d. TPM Club in India – Board Member
  - e. Indo American Chamber of Commerce (IACC)- Member of Western India Council
  - f. Wellesley College, USA, Business Leadership Council – Member of President's International Committee
6. 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 (71 yrs) holds a degree in Mechanical Engineering from Pune University. He retired from the position of General Manager (Aurangabad & Waluj plants), NRB Bearings Ltd., after meritorious service of 27 years with the company in various positions in the maintenance, manufacturing and commercial areas of the business. He has a wealth of experience in manufacturing practices and currently in the business of marketing bearings and automotive products.

By Order of the Board

S C Rangani  
Director

April 30, 2013



## DIRECTORS' REPORT

To,  
The Members  
SNL Bearings Limited

Your Directors have pleasure in presenting their Thirty Third Annual Report together with Audited Accounts for the year ended 31st March, 2013.

### 1. Financial Results

	Year ended 31 <sup>st</sup> March, 2013 Rs. in Lakhs	Year ended 31 <sup>st</sup> March, 2012 Rs. in Lakhs
Profit before providing for interest & depreciation	686.64	691.36
Less : Finance costs	38.28	23.78
Less : Depreciation	37.31	43.76
Profit Before Tax	611.05	623.82
Tax expenses	215.28	177.31
Profit After Tax	395.77	446.51
Less : Balance brought forward from previous year	(457.25)	(638.99)
Less : Proposed dividend on Preference Shares	(60.00)	(55.73)
Less : Additional income-tax on dividend on Preference Shares	(10.20)	(9.04)
Less : Transfer to capital redemption reserve	(200.00)	(200.00)
Closing balance of surplus in statement of Profit & Loss	<u>(331.68)</u>	<u>(457.25)</u>

### 2. Operations

Net sales during the year at Rs. 2299.72 lakhs (previous year Rs.2052.77lakhs) are 12.03 % higher than the previous year. Amid the sluggish environment in the Indian economy, your company has achieved sales growth. However tight liquidity and higher interest rates affected the working capital cycle and the finance costs, while the weakening of the Indian rupee and high inflation, led to higher costs for inputs, resulting in overall pressure on margins.

There has been a decline of 2.05 % in profit before tax (PBT) from Rs.623.82 lakhs (Previous year) to Rs.611.05 lakhs on account of the above factors. Your company is confident of capturing growth opportunities during the current year and enhancing profitability with emphasis on improving quality, productivity and cost competitiveness.

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



Dividend @6% on the cumulative redeemable preference shares for the year ended 31st March, 2006 aggregating Rs.60.00 lakhs is being recommended by the Board to partially clear the dividend arrears.

**3. Public Deposits**

The company has not taken fixed deposit during the year. As on 31.3.2013 there are no fixed deposits with the company.

**4. Directors**

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

**5. Finance**

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

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

There was no employee -

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

**7. Safety, Healthy & Environment**

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

The company is committed to establishing and maintaining a safe working environment that promotes the health and performance of all our employees. The Safety policy inter alia ensures safety of public, employees, plant, equipment and business associates, ensuring compliance with all statutory rules and regulations on an ongoing basis.

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

- a. Measures taken for conservation of energy

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

- i) The company has replaced two coolant tank of HF Annealing machine with one coolant tank and removed one water pump and thereby saved 2808KWH per year.
- ii) Installed 08 nos of Turbo Ventilators in Needle Polishing Area replacing 3 nos of 3 phase, 3HP exhaust fan and thereby saving 11232 KWH per year.
- iii) Power factor improved from 0.89 to 0.94.



The resultant cost savings as a result of these measures are Rs.4.8 lakhs.

b. Technology absorption

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

The company's engineering staff has successfully installed 2nd Bihler machine. With modifications this machine can also do additional operation of piercing of cage strip instead of separate punching operation and with modified tools, production of good quality welded cages will be increased.

c. Foreign exchange earnings & outgo

Details regarding expenditure and earnings in foreign exchange have been given in Note No. 27 (h) and 27( i) respectively of the audited accounts of the company.

9. **Corporate Governance**

Pursuant to clause 49 of the listing agreements with the stock exchanges, 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).

10. **Directors' Responsibility Statement**

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

- i. in the preparation of annual accounts, all applicable Accounting Standards have been followed and proper explanations relating to material departures, if any, have been furnished;
- ii. accounting policies as listed in Note 2 to the financial statements have been judiciously selected and consistently applied and reasonable & prudent judgements and estimates have been made so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2013 and of the profit of the Company for the accounting year ended on that day;
- iii. proper and sufficient care for maintenance of adequate accounting records has been taken in accordance with the provisions of the Act so as to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;
- iv. the Annual Accounts have been prepared on a going concern basis.

**11. Auditors**

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

The product "Bearings" is subject to cost audit under the Central Government rules. The cost audit report for the year ended 31.3.2012 was reviewed by the audit committee at their meeting held on July 27, 2012 and has been filed in XBRL format on 26.12.2012. The cost audit for the year ended 31st March, 2013 is in progress and the cost audit report will be filed within the stipulated time.

**12. Acknowledgements**

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

On behalf of the Board

(Ms.) H S ZAVERI  
**Chairman**

Mumbai: April 30, 2013



## **MANAGEMENT DISCUSSION & ANALYSIS**

### **Industry structure and development**

Your company operates in the Antifriction bearing industry which is segmented into ball bearings and roller bearings (Tapered, Cylindrical, Needle, Spherical, Thrust and other special application bearings). The major user industries of antifriction bearings are automobiles, general engineering, railways, electrical equipment etc. The production of the organized bearing industry as represented under Ball & Roller Bearing Manufacturers Association (BRBMA) is placed at Rs.4400 crores during the last financial year. The market segmentation of demand is approximately 65% from original equipment manufacturers (OEM) and the balance coming from the replacement market/exports.

The automotive industry is the largest consumer of bearing products. In FY 2012-13 sales of the overall Indian automobile sector has increased by 3%, a much lower rate compared to the growth of 15% in the previous year. Particularly affected were sales of M&HCVs & Tractors that have shown de-growth compared with the previous year. Sales of two/three wheelers, passenger cars and LCVs have continued to show growth, albeit at a lower rate.

GDP growth forecasts were at a conservative 7.5% for FY 12-13 however these had to be revised downwards as GDP growth decelerated to 5.6% for the current year- the lowest since a decade. Faced by the slow down in growth and the risk of credit down rating, the Government of India has announced reforms to revive investments and sentiments. These are expected to have a positive effect in the medium and long term. The automotive industry is expected to return to fast track soon, as various factors like stabilisation of inflation leading to relaxation in interest rates, speedier clearances of projects in the infrastructure industry and growing demand for effective mass mobility solutions will lead to investments in road construction and in the rail sector.

### **Economic Environment**

Despite the current subdued mood in the automobile sector, the measures taken by the Indian government to stabilise the economy by containing fiscal and current account deficits will ensure that economic growth with slowly yet steadily return. Incentives have also been given in the budget for new investments which should spur industrial development.

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

Interest rates are expected to moderate during the course of the year alongwith containment of fuel prices and inflationary pressures which should enable bearing manufacturers to focus on cost reduction.

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

### **Opportunities and Threats**

Economic growth is expected to return as a result of the various stability measures and incentives



offered by the Government. Positive forecasts for the monsoon and improved availability of rural finance are expected to contribute the growing prosperity in rural areas which will also positively influence demand for motor cycles as well as agricultural tractors. Thus the long term outlook on the Indian economy remains very positive.

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

The domestic bearing industry is facing the following threats:

- a. The menace of spurious bearings continues to adversely affect the industry inspite of concerted efforts by the industry to control the same.
- b. Dumping of cheap bearings by Chinese and other South East Asian countries.
- c. Rising labour costs which will have to be compensated by productivity increases so as to retain competitiveness of the industry.

The industry and your company are taking all steps to spread awareness about the threat from fake products of inferior quality and exploring ways to minimise waste, increase efficiencies and produce high quality products to counter the threat of cheap imports.

### **Financials**

The company has made a profit after tax of Rs.395.77 lakhs as compared to Rs.446.51 lakhs in the previous accounting year. The net sales at Rs.2299.72 lakhs show an increase of 12.03% as compared to net sales of the previous year.

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

### **Risks and risk mitigation**

The company's internal control process cover, amongst others processes for identification, assessment and mitigation of various kinds of risks which include operational and financial risks. Such risks are regularly reviewed and discussed. 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 Board Members, with continuing interactions and communications with the leading members in the industry and other stakeholders keep themselves abreast with the developments in the market, products, competition and other areas.



### Internal control systems and adequacy

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

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

- Internal auditors who in addition to transaction audit cover operational audit and review business processes and performance
- 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

	2012-13			2011-12		
	Bearings	Special Purpose Machines	Total Amount	Bearings	Special Purpose Machines	Total Amount
	Rs.lakhs	Rs.lakhs	Rs.lakhs	Rs.lakhs	Rs.lakhs	Rs.lakhs
<b>A Segment Revenue</b>						
Net Sales to Customers	2030.93	268.79	2299.72	1807.77	245.00	2052.77
Inter Segment Revenue	-	-	-	-	-	-
<b>Total Segment Revenue</b>	<b>2030.93</b>	<b>268.79</b>	<b>2299.72</b>	1807.77	245.00	2052.77
<b>B Segment Results</b>	<b>603.35</b>	<b>82.51</b>	<b>685.86</b>	626.73	51.97	678.70
Less: Unallocated corporate expenses net off allocable income			38.70			31.79
Less: Interest expense			36.11			23.09
<b>Profit before tax</b>			<b>611.05</b>			623.82
<b>C Capital Employed</b>	<b>1417.76</b>	<b>88.54</b>	<b>1506.30</b>	1130.92	61.80	1192.72
Unallocated corporate assets (net)			(461.80)			(209.02)
<b>Total</b>			<b>1044.50</b>			983.70



### **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 145 nos.

### **Cautionary Statement**

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



## CORPORATE GOVERNANCE

Details of the Corporate Governance Code are given below:

### 1. Board of Directors

#### a. Composition:

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

Ms.H S Zaveri (53 yrs) is the Chairman of the Board of Directors. Since October 2010, she is the Managing Director & President of NRB Bearings Ltd. She has graduated Magna cum Laude with Honours from Wellesley College, USA. She has 26 yrs. experience in the bearings industry.

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

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

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

Mr.S C Rangani (64 yrs) is a graduate in commerce with post graduate qualifications in Management Studies and professional qualifications as a Company Secretary. He has over 40 yrs. experience in management positions in various industries including 20 years have been in the holding company with responsibilities for Finance, IT, Legal and Secretarial. He is also a Director on the board of NRB Bearings Ltd and NRB Bearings (Thailand) Ltd.

Mr.J S Maini (71 yrs) holds a degree in Mechanical Engineering from Pune University. He retired from the position of General Manager (Aurangabad & Waluj plants), NRB Bearings Ltd., after meritorious service of 27 years with the company in various positions in the maintenance, manufacturing and commercial areas of the business. He has a wealth of experience in manufacturing practices and currently in the business of marketing bearings and automotive products.

Mr.V S Iyer (89 yrs) has a Master's degree in Arts and a Law degree from Bombay University and additionally professionally qualified as a Company Secretary. He is a practicing Company Secretary and has extensive experience in company law related matters and is an advisor to Schneeberger India Pvt.Ltd.

Ms.Gowariker (46 yrs) is law graduate and is associated as partner with M/s.Desai & Diwanji. She has been with the firm for over 16 years and is part of the M&A and PF groups of the firm, advising on mergers and acquisitions and project finance related transactions. She has substantial experience in advising foreign investors, investment banks on transactions across various industry sectors such as health care/pharma, hotels and hospitality, auto, real estate, media and entertainment and oil/telecom/power/gas/roads/ports within the infrastructure segment.



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

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

**b. Board Meetings:**

The Board of the Company, as also the various specialized committees constituted by the Board, held as many as 14 meetings including 4 meetings of the Board during 2012-13.

The maximum interval between any two meetings was 111 days. The Board held its meetings on 8th May,2012, 27th July,2012, 25th October,2012 and 23rd January,2013.

**c. Attendance of Directors:**

The overall attendance of Directors was 95%.

**Attendance of Directors at the Board Meetings held during 2012-13 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 (27th July,2012)
1	Ms.H S Zaveri	4	4	Yes
2	Mr.S C Rangani	4	4	Yes
3	Mr.J S Maini	4	4	Yes
4	Mr.V S Iyer	4	4	Yes
5	Ms.A Gowariker	4	3	Yes

Overall attendance in the Board Meetings: 95%      AGM : 100%

**d. Other Directorships:**

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

**Other Boards of which Directors are Members**

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

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

**e. Membership of Board Committees:**

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



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

Ms. H S Zaveri and Mr. J S Maini retire by rotation and are eligible to offer themselves for re-appointment. 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	80,000
S C Rangani	57,500
J S Maini	55,000
V S Iyer	85,000
A Gowariker	40,000
Gross total	317,500

**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 four Non-executive Directors and is headed by Mr. J S Maini. The Members of the Committee have fair knowledge of project finance, accounts and company law and Mr. V S Iyer has the financial expertise. The other members of the committee are Ms.H S Zaveri and Ms.A A Gowariker both of whom are financially literate. The committee held 4 meetings during the year. The major terms of reference of the Audit Committee as stipulated in Clause 49 of the Listing Agreement are as follows:

- 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.
- Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit functions.
- Discussion with internal auditors of any significant findings and follow up thereon
- 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
- 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 2012-13**

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

Overall attendance: 93.75%

**3. Shareholders/Investors' Grievances Committee of Directors**

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

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

**Attendance of the Members at the Meetings of the Shareholders/  
Investors' Grievances Committee of Directors held during 2012-13**

Members	Meetings held during the tenure of the Director	Meetings attended
Mr.V S Iyer (Chairman)	6	6
Ms.H S Zaveri	6	5
Mr.S C Rangani	6	6

Overall attendance : 94.44%

**4. General Body Meetings**

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

32nd Annual General Meeting on 27th July, 2012 at 3.00 p.m.  
Conference Room, Dhannur, 15 Sir P M Road, Mumbai 400 001

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

30th Annual General Meeting on 22nd July, 2010 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 2012-13. There are no subsidiary companies. Neither has any non-compliance with any of the legal provisions of law been made by the Company nor any penalty or stricture imposed by the Stock Exchanges or SEBI or any other statutory authority, on any matter related to the capital markets, during the last 3 years.

6. **Means of Communication**

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

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

7. **General Shareholder Information**

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

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

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

9. **Non mandatory recommendations**

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

The Company's non-executive Chairman has not been provided a separate office.

b. **Remuneration Committee**

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

c. **Half yearly results to shareholders**

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

d. **Vote by Postal Ballot**

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

e. **Whistle Blower Policy**

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



**Auditors' certificate to the members of SNL Bearings Limited on compliance of the conditions of corporate governance for the year ended 31st March, 2013 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, 2013, as stipulated in clause 49 of the listing agreements of the said company with relevant stock exchanges (hereinafter referred to as clause 49).

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the directors and the management, except that in the absence of any designated Chief Executive Officer (CEO) and Chief Financial Officer (CFO), the relevant certification on the various matters specified under paragraph V of clause 49 has been done by the Asst. General Manager and Plant Head 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. 117365W)

Mumbai : April 30, 2013

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



## SHAREHOLDERS' INFORMATION

### 1. Annual General Meeting

Date and Time	:	August 6, 2013 at 2.30 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, 2013	:	August 6, 2013
Financial reporting for the quarter ending September 30, 2013	:	Last week October, 2013
Financial reporting for the quarter ending December 31, 2013	:	Last week January, 2014
Financial reporting for the year ending March 31, 2014	:	End April, 2014
Annual General Meeting for the year ending March 31, 2014	:	July/August, 2014

3. **Book Closure Date** : July 22, 2013 to August 6, 2013 (both days inclusive)

4. **Preference Dividend Payment Date** : August 12, 2013

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

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

### 6. Unclaimed Dividends

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

### 7. Nomination Facility

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

8. Distribution of Shareholding as on 31<sup>st</sup> March :

No. of Equity Shares	2013				2012			
	No. of share holders	% of share holders	No. of shares held	% of share holding	No. of share holders	% of share holders	No. of shares held	% share holding
Upto 500	<b>4010</b>	<b>93.93</b>	<b>351744</b>	<b>9.739</b>	4136	94.30	370863	10.269
501- 1000	<b>131</b>	<b>3.07</b>	<b>105287</b>	<b>2.915</b>	134	3.06	107855	2.986
1001- 2000	<b>73</b>	<b>1.71</b>	<b>110680</b>	<b>3.065</b>	64	1.45	101454	2.809
2001- 3000	<b>26</b>	<b>0.61</b>	<b>64648</b>	<b>1.790</b>	22	0.50	56466	1.563
3001- 4000	<b>8</b>	<b>0.19</b>	<b>28187</b>	<b>0.780</b>	7	0.16	25085	0.695
4001- 5000	<b>3</b>	<b>0.07</b>	<b>12915</b>	<b>0.358</b>	4	0.09	17619	0.488
5001- 10000	<b>8</b>	<b>0.19</b>	<b>68428</b>	<b>1.895</b>	10	0.23	81586	2.259
10001 & above	<b>10</b>	<b>0.23</b>	<b>2869651</b>	<b>79.458</b>	9	0.21	2850612	78.931
<b>TOTAL</b>	<b>4269</b>	<b>100.00</b>	<b>3611540</b>	<b>100.00</b>	4386	100.00	3611540	100.00

As on 31st March, 2013, 3456670 no. of shares constituting 95.71% of the share capital has been dematerialised.

***The company has entered into agreements with NSDL during the year 2002-03 and has been allotted ISIN 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	2013				2012			
	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	<b>1</b>	<b>0.02</b>	<b>9643</b>	<b>0.27</b>	0.01	0.02	9643	0.27
Public	<b>4178</b>	<b>97.88</b>	<b>784448</b>	<b>21.72</b>	4265	97.25	773948	21.43
<b>Corporate Bodies</b>								
Promoter group	<b>1</b>	<b>0.02</b>	<b>2652762</b>	<b>73.45</b>	1	0.02	2652762	73.45
Others	<b>70</b>	<b>1.64</b>	<b>155756</b>	<b>4.31</b>	101	2.30	167537	4.64
Foreign Collaborator	-	-	-	-	-	-	-	-
NRI/OCBs	<b>18</b>	<b>0.42</b>	<b>8881</b>	<b>0.25</b>	17	0.29	7600	0.21
FI/FII/Banks	<b>1</b>	<b>0.02</b>	<b>50</b>	-	1	0.02	50	-
Mutual Funds/ UTI	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>4269</b>	<b>100.00</b>	<b>3611540</b>	<b>100.00</b>	4386	100.00	3611540	100.00



#### 10. Share Transfer System

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

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

#### 11. Investor queries/complaints handled

Nature of queries/complaints	2012-13 Nos.	2011-12 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)	<b>2</b>	-
<b>Relating to dividends</b> (including revalidation of dividend warrants, non-receipt of dividend warrants and bank details)	-	-
<b>Relating to change of address</b>	<b>4</b>	3
<b>Others</b>	<b>NIL</b>	NIL
Total	<b>6</b>	3

a. Legal proceedings on share transfer, if any : There are no legal proceedings relating to transfer of shares.

b. Number of shareholders' complaints received during the year : Nil

c. All the complaints have been resolved

d. There are no pending share transfers 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 2013-14 have been paid to The Bombay Stock Exchange Ltd. The company's application for voluntary delisting from the Calcutta Stock Exchange has been submitted on 2nd September, 2005 and is pending for action by them and hence the listing fee from the year 2007-08 has not been paid.

#### 13. Stock Codes

Bombay Stock Exchange  
ISIN No.

505827  
**INE 568F 01017**



#### 14. Stock Market Data

The Bombay Stock Exchange Ltd., Mumbai.

Monthly high and low quotations and volume of shares traded.

2011-12	Mumbai Stock Exchange		
Month	High	Low	Volume
April'12	31.50	25.55	16524
May'12	36.15	28.70	42491
June'12	35.00	29.55	15501
July'12	38.90	27.30	35777
August'12	34.30	25.00	28153
September'12	31.00	26.25	14867
October'12	34.00	26.75	23723
November'12	31.40	26.85	22136
December'12	30.25	26.80	17902
January'13	32.10	26.25	26631
February'13	31.95	23.60	14272
March'13	29.45	21.25	17627
Total			275604

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

**CEO/CFO CERTIFICATION**

The Board of Directors  
SNL Bearing Ltd.

We hereby certify that:

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

**For SNL Bearings Ltd.**

Mumbai : April 30, 2013

K.K.P. Sinha

**AGM & PLANT HEAD**

S C Rangani

**DIRECTOR**

**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, 2013.

**For SNL Bearings Ltd.**

Mumbai : April 30, 2013

S C RANGANI

**DIRECTOR & COMPLIANCE OFFICER**



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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SNL BEARINGS LIMITED ON  
THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2013**

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**Report on the Financial Statements**

We have audited the accompanying financial statements of SNL BEARINGS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year ended and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

**Auditors' Responsibility**

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

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

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

**For DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Registration No. 117365W)

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

Mumbai : April 30, 2013



**ANNEXURE TO THE AUDITORS' REPORT TO THE MEMBERS OF SNL BEARINGS  
LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2013**

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

- 
- (i) Having regard to the nature of the Company's business/activities/result, clause (xiii) of the Order is not applicable.
  - (ii) In respect of its fixed assets:
    - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
    - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
    - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
  - (iii) In respect of its inventory:
    - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
    - (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
    - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
  - (iv) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause (iii) (b), (c) and (d) of the Companies (Auditor's Report) Order, 2003 (hereinafter referred to as the said Order) are not applicable to the company.
  - (v) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. As per the information and explanations provided to us, the Company is not involved

**ANNEXURE TO THE AUDITORS' REPORT TO THE MEMBERS OF SNL BEARINGS LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2013****(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

in any service activities. During the course of our audit, we have not observed any major weakness in such internal control system

- (vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
  - (a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
  - (b) Where each of such transaction is in excess of Rs.5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time except in respect of certain purchases for which comparable quotations are not available and in respect of which we are unable to comment.
- (vii) According to the information and explanations given to us, the company has not accepted any deposits from the public to which the provisions of sections 58A, 58AA and any other relevant provisions of the Companies Act, 1956 and the rules framed there under would apply. Accordingly, the provisions of clause (vi) of the said Order are not applicable to the company.
- (viii) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the management have been commensurate with the size of the Company and the nature of its business.
- (ix) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (x) According to the information and explanations given to us in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

**ANNEXURE TO THE AUDITORS' REPORT TO THE MEMBERS OF SNL BEARINGS LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2013****(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

- 
- (b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2013 for a period of more than six months from the date they became payable.
- (c) There were no dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2013.
- (xi) The accumulated losses of the Company at the end of the financial year are not less than fifty percent of its net worth. The Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not borrowed from any financial institution. Also, the Company has not issued any Debentures.
- (xiii) According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiv) The company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the said Order are not applicable to the company during the year.
- (xv) According to the information and explanations given to us, the company has not given any guarantees for loans taken by others from banks or financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- (xvii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have, prima facie, not been used during the year for long-term investment.
- (xviii) According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956. Accordingly, the question of reporting on whether the price at which such shares have been issued is prejudicial to the interest of the company does not arise.



**ANNEXURE TO THE AUDITORS' REPORT TO THE MEMBERS OF SNL BEARINGS  
LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2013**

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

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

**For DELOITTE HASKINS & SELLS**

Chartered Accountants  
(Firm Reg. No. 117365W)

**A.C. KHANNA**

Partner  
Membership No. 17814

Mumbai : April 30, 2013

**BALANCE SHEET AS AT 31ST MARCH, 2013**

(Rupees in Lakhs)

Particulars		Note No.	As at 31st March, 2013	As at 31st March, 2012
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
(a)	Share capital	3	<b>761.15</b>	961.15
(b)	Reserves and surplus	4	<b>283.35</b>	(42.22)
<b>2</b>	<b>Non-current liabilities</b>			
(a)	Long-term borrowings	5	<b>3.39</b>	-
(b)	Deferred tax liabilities (net)	6	<b>46.14</b>	18.87
(c)	Other long term liabilities	7	<b>5.61</b>	5.61
(d)	Long-term provisions	8	<b>22.09</b>	17.42
<b>3</b>	<b>Current liabilities</b>			
(a)	Short-term borrowings	9	<b>380.30</b>	114.81
(b)	Trade payables	10	<b>183.55</b>	109.71
(c)	Other current liabilities	11	<b>13.37</b>	16.06
(d)	Short-term provisions	12	<b>89.51</b>	173.74
	<b>TOTAL (I)</b>		<b>1,788.46</b>	1,375.15
<b>II</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
(a)	Fixed assets			
(i)	Tangible assets	13	<b>510.06</b>	308.19
(ii)	Intangible assets	13	<b>2.10</b>	4.35
(b)	Long-term loans and advances	14	<b>110.69</b>	89.92
<b>2</b>	<b>Current assets</b>			
(a)	Inventories	15	<b>680.74</b>	634.68
(b)	Trade receivables	16	<b>426.66</b>	305.74
(c)	Cash and cash equivalents	17	<b>3.67</b>	6.62
(d)	Short-term loans and advances	18	<b>54.54</b>	25.65
	<b>TOTAL(II)</b>		<b>1,788.46</b>	1,375.15
	<b>See accompanying notes forming part of the financial statements.</b>			

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

Chartered Accountants

**A.C. KHANNA**

Partner

Mumbai : April 30, 2013

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

**H. S. Zaveri**

**J. S. Maini**

**S. C. Rangani**

**A. A. Gowariker**

**V. S. Iyer**

Directors

Mumbai : April 30, 2013



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

(Rupees in Lakhs)

Particulars		Note No.	For the year ended 31st March, 2013	For the year ended 31st March, 2012
<b>I. Revenue</b>				
(a) Revenue from operations (gross)	19		<b>2,574.89</b>	2,258.42
Less : Excise duty			<b>275.17</b>	205.65
Revenue from operations (net)			<b>2,299.72</b>	2,052.77
(b) Other income	20		<b>7.35</b>	2.63
<b>Total Revenue (I)</b>			<b>2,307.07</b>	2,055.40
<b>II. Expenses</b>				
(a) Cost of materials consumed	21		<b>650.20</b>	565.22
(b) Changes in inventories of finished goods and work-in-progress	22		<b>(33.21)</b>	(38.54)
(c) Other manufacturing expenses	23		<b>417.18</b>	363.24
(d) Employee benefits expenses	24		<b>451.05</b>	371.27
(e) Finance costs	25		<b>38.28</b>	23.78
(f) Depreciation and amortization expenses	13		<b>37.31</b>	43.76
(g) Other expenses	26		<b>135.21</b>	102.85
<b>Total Expenses (II)</b>			<b>1,696.02</b>	1,431.58
<b>III Profit before tax (I-II)</b>			<b>611.05</b>	623.82
<b>IV. Tax expense:</b>				
(a) Current tax expense for current year			<b>179.16</b>	197.99
(b) Less : MAT credit			-	(52.43)
(c) Current tax expense relating to prior years			<b>8.85</b>	12.88
(d) Net current tax expense			<b>188.01</b>	158.44
(e) Deferred tax			<b>27.27</b>	18.87
<b>Net Tax Expense</b>			<b>215.28</b>	177.31
<b>V. Profit after tax</b>			<b>395.77</b>	446.51
<b>VI. Earnings per equity share (of Rs. 10 each)</b>				
Basic and Diluted	27(d)		<b>Rs. 10.29</b>	Rs. 11.12
<b>See accompanying notes forming part of the financial statements.</b>				

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

Chartered Accountants

**A.C. KHANNA**

Partner

Mumbai : April 30, 2013

For and on behalf of the Board of Directors

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

Directors

Mumbai : April 30, 2013


**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013**

	Year ended 31.03.2013 Rs. Lakhs	Year ended 31.03.2012 Rs. Lakhs
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit before tax	<b>611.05</b>	623.82
Adjustments for :		
Depreciation and amortization	<b>37.31</b>	43.76
Provision for gratuity	<b>(6.06)</b>	(3.27)
Provision for leave encashment	<b>4.91</b>	2.84
Interest expense	<b>36.11</b>	23.09
Net (gain)/ loss on sale of fixed assets	<b>0.30</b>	(0.01)
Provision for doubtful debt no longer required	<b>(5.53)</b>	-
	<b>67.04</b>	66.41
Operating profit before working capital changes	<b>678.09</b>	690.23
<b>Changes in working capital:</b>		
Adjustments for (increase) / decrease in operating assets:		
- Inventories	<b>(46.06)</b>	(126.08)
- Trade receivables	<b>(115.41)</b>	(9.66)
- Short-term loans and advances	<b>(28.89)</b>	14.99
- Long-term loans and advances	<b>(93.60)</b>	52.43
Adjustments for increase / (decrease) in operating liabilities:		
- Trade payables	<b>73.84</b>	(84.38)
- Other current liabilities	<b>(2.69)</b>	2.14
- Other long term liabilities	-	2.00
- Short-term provisions	<b>1.00</b>	(0.50)
	<b>(211.81)</b>	(149.06)
Cash generated from operations	<b>466.28</b>	541.17
Net income tax (paid)	<b>(200.00)</b>	(190.31)
<b>Net cash flow from operating activities (A)</b>	<b>266.28</b>	350.86
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of fixed assets	<b>(238.12)</b>	(59.42)
Sale of fixed assets	<b>0.89</b>	0.04
<b>Net cash flow used in investing activities (B)</b>	<b>(237.23)</b>	(59.38)


**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)**

	Year ended 31.03.2013 Rs.Lakhs	Year ended 31.03.2012 Rs.Lakhs
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Repayment of borrowings	-	(200.00)
Net increase/(decrease) in cash credit	<b>265.49</b>	114.81
Long term borrowings	<b>3.39</b>	-
Repayment of preference share	<b>(200.00)</b>	(200.00)
Finance cost	<b>(36.11)</b>	(23.09)
Dividends paid on Preference shares	<b>(55.73)</b>	-
Interest on Preference shares dividends	<b>(9.04)</b>	-
<b>Net cash flow used in financing activities (C)</b>	<b>(32.00)</b>	(308.28)
<b>Net (decrease)/increase in Cash and cash equivalents (A+B+C)</b>	<b>(2.95)</b>	(16.80)
Cash and cash equivalent at the commencement of the financial year components being:		
Cash on hand	<b>0.11</b>	0.11
Balances with banks on current accounts	<b>6.51</b>	23.31
	<b>6.62</b>	23.42
Cash and cash equivalent at the end of the financial year components being:		
Cash on hand	<b>0.30</b>	0.11
Balances with banks on current accounts	<b>3.37</b>	6.51
	<b>3.67</b>	6.62
Net (Decrease)/Increase as disclosed above	<b>(2.95)</b>	(16.80)

Note :

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

In terms of our report attached

**For DELOITTE HASKINS & SELLS**

Chartered Accountants

**A. C. KHANNA**

Partner

Mumbai : April 30, 2013

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

**H. S. Zaveri**

**J. S. Maini**

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

Directors

Mumbai : April 30, 2013



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**Notes forming part of the financial statements for the year ended 31st March, 2013**

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**1 Corporate information:**

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

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

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

**2.2 Use of Estimates:**

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

**2.3 Fixed assets, depreciation and amortization:**

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

**2.4 Foreign currency transactions and translations:**

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

**2.5 Inventories:**

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



## Notes forming part of the financial statements for the year ended 31st March, 2013.

### 2.6 Employee benefits:

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

#### Provident and Family Pension Fund

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

- (ii) Defined Benefit Plan :

#### 1 Gratuity

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

#### 2 Compensated absences

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

- 3. Actuarial gains and losses are recognised in the statement of profit and loss.

### 2.7 Impairment of assets:

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



## Notes forming part of the financial statements for the year ended 31st March, 2013

impaired loss recognized in prior accounting periods is reversed if there has been a change in the estimate of the recoverable value.

### 2.8 Revenue / Sales:

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

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

### 2.9 Taxation:

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

### 2.10 Lease:

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

### 2.11 Provisions and contingencies:

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

### 2.12 Segment Reporting:

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



## Notes forming part of the financial statements for the year ended 31st March, 2013

### 3 Share Capital:

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	Number of shares	Rupees in Lakhs	Number of shares	Rupees in Lakhs
<b>Authorised</b>				
Equity Shares of Rs. 10 each	<b>6,000,000</b>	<b>600.00</b>	6,000,000	600.00
6 % Cumulative Redeemable preference shares of Rs. 100 each	<b>1,000,000</b>	<b>1,000.00</b>	1,000,000	1,000.00
	<b>7,000,000</b>	<b>1,600.00</b>	7,000,000	1,600.00
<b>Issued</b>				
Equity Shares of Rs. 10 each	<b>4,054,376</b>	<b>405.44</b>	4,054,376	405.44
6 % Cumulative Redeemable preference shares of Rs. 100 each	<b>1,000,000</b>	<b>1,000.00</b>	1,000,000	1,000.00
	<b>5,054,376</b>	<b>1,405.44</b>	5,054,376	1,405.44
<b>Subscribed &amp; Paid up</b>				
Equity Shares of Rs. 10 each*	<b>3,611,540</b>	<b>361.15</b>	3,611,540	361.15
6 % Cumulative Redeemable preference shares of Rs. 100 each	<b>1,000,000</b>	<b>400.00</b>	1,000,000	600.00
<b>Total</b>	<b>4,611,540</b>	<b>761.15</b>	4,611,540	961.15

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

#### (a) Rights attached to equity shares :

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

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

In the year ended March 31, 2008 the company had re-negotiated the coupon rate from 9% to 2% with effect from 18th June, 2002 to 31st March, 2005 and at 6% from 1st April, 2005 onwards and the repayment terms extended to 12 years repayable @ Rs. 20 per year (face value Rs.100 each) at the end of 8th, 9th, 10th, 11th and 12th year or such earlier years as the company may deem fit. On the completion of 8th and 9th and 10th year, company repaid Rs. 600 lakhs as per repayment terms. Also pursuant to section 80 and section 77AA of the Companies Act, 1956, the company has transferred Rs. 200 lakhs from current year profits (Rs. 400 lakhs in previous years) to Capital Redemption Reserve.

Considering the improved financial results board has decided to pay dividend in arrears on 6% cumulative redeemable preference shares @6% for the period from 1st April, 2005 to



### Notes forming part of the financial statements for the year ended 31st March, 2013

31st March 2006 aggregating Rs.60.00 lacs.(Previous year : for the period 18th June, 2002 to 31st March, 2005 aggregating Rs. 55.73 Lacs). After considering the effect of dividend, as discussed before, arrears of cumulative dividends on the 6% Cumulative Redeemable Preference Shares, considering the revised coupon rates, as stated above, is Rs. 355.69 lacs (as at 31.03.2012 : Rs. 389.10 lacs).

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

Particulars	Equity Shares as at 31st March, 2013		Preference Shares as at 31st March, 2013	
	Number of shares	Rupees in Lakhs	Number of shares	Rupees in Lakhs
Shares outstanding at the beginning of the year	3,611,540	361.15	1,000,000	600.00
Shares bought back during the year	-	-	-	200.00
Shares outstanding at the end of the year	3,611,540	361.15	1,000,000	400.00

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

Particulars	Number of Equity Shares as at		Number of Preference Share as at	
	31st March, 2013	31st March, 2012	31st March, 2013	31st March, 2012
NRB BEARINGS LIMITED	2,652,762	2,652,762	1,000,000	1,000,000

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

Name of Shareholder	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Equity Shares</b>				
NRB BEARINGS LIMITED	2,652,762	73.45	2,652,762	73.45
<b>Preference Shares:</b>				
NRB BEARINGS LIMITED	1,000,000	100.00	1,000,000	100.00

**4 Reserves and Surplus:**

(Rupees in Lakhs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
<b>a. Capital Reserves</b>	<b>15.03</b>	15.03
<b>b. Capital Redemption Reserve</b>		
Opening balance	400.00	200.00
Add: Transfer from statement of profit and loss	200.00	200.00
Closing balance	600.00	400.00


**Notes forming part of the financial statements for the year ended 31st March, 2013**

Particulars	As at 31st March, 2013	As at 31st March, 2012
<b>c. Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening balance	<b>(457.25)</b>	(638.99)
Add: Net Profit for the current year	<b>395.77</b>	446.51
Less: Proposed dividend on Preference shares	<b>(60.00)</b>	(55.73)
Less: Additional income-tax on dividend on preference shares	<b>(10.20)</b>	(9.04)
Less: Transfer to Capital Redemption Reserve	<b>(200.00)</b>	(200.00)
Closing balance	<b>(331.68)</b>	(457.25)
<b>Total</b>	<b>283.35</b>	(42.22)

**5. Long Term Borrowings:**
**(Rupees in Lakhs)**

Particulars	As at 31st March, 2013	As at 31st March, 2012
Car Loan from a Bank (Secured)*	<b>3.39</b>	-
<b>Total</b>	<b>3.39</b>	-

**6 Deferred Tax Liabilities :**
**(Rupees in Lakhs)**

Particulars	As at 31st March, 2013	As at 31st March, 2012
<b>a. Tax effect of items constituting deferred tax liabilities</b>		
On difference between book balance and tax balance of fixed assets	<b>75.54</b>	63.10
	<b>75.54</b>	63.10
<b>b. Tax effect of items constituting deferred tax asset</b>		
Provision for gratuity	<b>(0.77)</b>	(2.74)
Provision for compensated absences	<b>(8.38)</b>	(6.78)
Provision for doubtful debts	<b>(7.60)</b>	(9.40)
Voluntary retirement scheme	<b>(12.65)</b>	(25.31)
	<b>(29.40)</b>	(44.23)
<b>Total</b>	<b>46.14</b>	<b>18.87</b>

**7 Other Long Term Liabilities:**
**(Rupees in Lakhs)**

Particulars	As at 31st March, 2013	As at 31st March, 2012
Security Deposits from Customers	<b>5.61</b>	5.61
<b>Total</b>	<b>5.61</b>	5.61



## Notes forming part of the financial statements for the year ended 31st March, 2013

### 8 Long Term Provisions:

(Rupees in Lakhs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Leave Encashment (unfunded)	22.09	17.42
<b>Total</b>	<b>22.09</b>	17.42

### 9 Short Term Borrowings:

(Rupees in Lakhs)

Particulars	As at 31st March, 2013	As at 31st March, 2011
<b>Secured</b>		
Cash Credit*	380.30	114.81
<b>Total</b>	<b>380.30</b>	114.81

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

### 10 Trade Payables:

(Rupees in Lakhs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Due to micro and small enterprises (see note 27 (b))	-	-
Others	183.55	109.71
<b>Total</b>	<b>183.55</b>	109.71

### 11 Other Current Liabilities:

(Rupees in Lakhs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Statutory dues	11.97	11.21
Advance from Customers	0.43	4.85
Current Maturities of Long Term Debt	0.97	-
<b>Total</b>	<b>13.37</b>	16.06

### 12 Short Term Provisions:

(Rupees in Lakhs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Provision for Bonus	12.00	11.00
Leave Encashment (unfunded)	3.73	3.49
Gratuity (Funded)	2.38	8.44
Proposed dividend on Preference shares	60.00	55.73
Additional income-tax on preference shares	10.20	9.04
Provision for income tax (net of advance tax of Rs. 180.00 lakhs and previous year Rs. 125.00 lakhs)	1.20	86.04
<b>Total</b>	<b>89.51</b>	173.74



## Notes forming part of the financial statements for the year ended 31st March, 2013

### 13 Fixed Assets:

(Rupees in Lakhs)

Particulars	Gross Block (At Cost)				Accumulated Depreciation			Net Block		
	Balance as at 1st April, 2012	Additions	Disposals	Balance as at 31st March, 2013	Balance as at 1st April, 2012	Depre - ciation for the year	On disposals	Balance as at 31st March, 2013	Balance as at 31st March, 2013	Balance as at 31st March, 2012
<b>Tangible Assets</b>										
Buildings on leasehold land	184.48	-	-	<b>184.48</b>	79.69	<b>4.84</b>	-	<b>84.53</b>	<b>99.95</b>	104.79
Plant and equipment	1,245.48	226.24	-	<b>1,471.72</b>	1,074.42	<b>23.45</b>	-	<b>1,097.87</b>	<b>373.85</b>	171.06
Furniture and fixtures	12.13	0.48	-	<b>12.61</b>	9.52	<b>0.37</b>	-	<b>9.89</b>	<b>2.72</b>	2.61
Vehicles	5.04	5.32	2.46	<b>7.90</b>	2.00	<b>0.53</b>	1.27	<b>1.26</b>	<b>6.64</b>	3.04
Office Equipments	38.67	5.59	-	<b>44.26</b>	30.95	<b>2.30</b>	-	<b>33.25</b>	<b>11.01</b>	7.72
Electrical installations	72.51	-	-	<b>72.51</b>	53.54	<b>3.08</b>	-	<b>56.62</b>	<b>15.89</b>	18.97
Total	1,558.31	237.63	2.46	<b>1,793.48</b>	1,250.12	<b>34.57</b>	1.27	<b>1,283.42</b>	<b>510.06</b>	308.19
<b>Intangible Assets</b>										
Computer software	27.74	0.49	-	<b>28.23</b>	23.39	<b>2.74</b>	-	<b>26.13</b>	<b>2.10</b>	4.35
Total	27.74	0.49	-	<b>28.23</b>	23.39	<b>2.74</b>	-	<b>26.13</b>	<b>2.10</b>	4.35
<b>Grand total</b>	<b>1,586.05</b>	<b>238.12</b>	<b>2.46</b>	<b>1,821.71</b>	<b>1,273.51</b>	<b>37.31</b>	<b>1.27</b>	<b>1,309.55</b>	<b>512.16</b>	<b>312.54</b>
<b>Previous year</b>	<b>1,526.81</b>	<b>59.42</b>	<b>0.18</b>	<b>1,586.05</b>	<b>1,229.90</b>	<b>43.76</b>	<b>0.15</b>	<b>1,273.51</b>	<b>312.54</b>	

### 14 Long term Loans and Advances:

(Rupees in Lakhs)

(Unsecured, considered goods)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Capital Advances	<b>93.60</b>	-
<b>Security Deposits</b>		
- with Government authorities	<b>16.31</b>	16.31
- with Others	<b>0.46</b>	0.46
Advance Income Tax	<b>0.32</b>	20.72
MAT Credit	-	52.43
<b>Total</b>	<b>110.69</b>	89.92

### 15 Inventories:

(Rupees in Lakhs)

Particulars	As at 31st March, 2013		As at 31st March, 2012	
<b>a. Raw Materials and components</b>				
Raw Materials	<b>128.33</b>		140.38	
Components	<b>4.30</b>	<b>132.63</b>	4.09	144.47
<b>b. Work-in-progress</b>				
Work-in-progress - Bearings	<b>132.32</b>		122.64	
Work-in-progress - Special Purpose Machine	<b>50.00</b>	<b>182.32</b>	65.00	187.64
<b>c. Finished goods</b>				
Finished goods - Bearings	<b>219.42</b>	<b>219.42</b>	180.89	180.89
<b>d. Others</b>				
Stores and spares	<b>96.42</b>		78.57	
Packing Materials	<b>6.81</b>		6.73	
Tools	<b>43.14</b>	<b>146.37</b>	36.38	121.68
<b>Total</b>		<b>680.74</b>		634.68


**Notes forming part of the financial statements for the year ended 31st March, 2013**
**16 Trade Receivables**
**(Rupees in Lakhs)**

Particulars	As at 31st March, 2013	As at 31st March, 2012
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	<b>426.66</b>	305.74
Unsecured, considered doubtful	-	-
	<b>426.66</b>	305.74
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered doubtful	<b>23.45</b>	28.99
Less: Provision for doubtful debts	<b>(23.45)</b>	(28.99)
	-	-
<b>Total</b>	<b>426.66</b>	305.74

**17 Cash and Cash equivalents**
**(Rupees in Lakhs)**

Particulars	As at 31st March, 2013	As at 31st March, 2012
a. Balances with banks		
- In current accounts	<b>3.37</b>	6.51
b. Cash on hand	<b>0.30</b>	0.11
<b>Total</b>	<b>3.67</b>	6.62

**18 Short-term Loans and Advances**
**(Rupees in Lakhs)**

Particulars	As at 31st March, 2013	As at 31st March, 2012
<b>Unsecured, considered good</b>		
Advances recoverable in cash or in kind or for value to be received	<b>20.11</b>	11.40
Balance with Government authorities (net)	<b>30.30</b>	11.00
Loans given to Staff	<b>4.13</b>	3.25
<b>Total</b>	<b>54.54</b>	25.65

**19 Revenue from operation**
**(Rupees in Lakhs)**

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Sale of products	<b>2,546.86</b>	2,224.50
Other operating Revenue	<b>28.03</b>	33.92
<u>Less:</u>		
Excise duty	<b>(275.17)</b>	(205.24)
<b>Total</b>	<b>2,299.72</b>	2,052.77


**Notes forming part of the financial statements for the year ended 31st March, 2013**

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
<b>Details of Operating Revenue</b>		
a. Sale of products comprises		
Bearings	<b>2,244.48</b>	1,954.26
Special Purpose Machines	<b>302.38</b>	270.24
	<b>2,546.86</b>	2,224.50
b. Other operating Revenue		
Sale of Scrap	<b>28.03</b>	33.92
<b>Total</b>	<b>2,574.89</b>	2,258.42

**20 Other Income**
**(Rupees in Lakhs)**

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Interest Income	<b>0.11</b>	0.12
Net gain on foreign currency	<b>1.71</b>	2.50
Net gain on sale of fixed assets	-	0.01
Provision for doubtful debt no longer required	<b>5.53</b>	-
<b>Total</b>	<b>7.35</b>	2.63

<b>Details of Interest Income</b>		
a. Interest on Other Loans and Advances	<b>0.04</b>	0.07
b. Interest on Bank Balance	<b>0.07</b>	0.05
<b>Total</b>	<b>0.11</b>	0.12

**21 Cost of material consumed**
**(Rupees in Lakhs)**

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
<b>Opening Stock</b>	<b>144.47</b>	110.02
Add : Purchases	<b>638.36</b>	599.67
	<b>782.83</b>	709.69
Less : Closing Stock	<b>132.63</b>	144.47
<b>Total</b>	<b>650.20</b>	565.22

<b>Details of Material Consumed</b>		
Steel Wires	<b>92.68</b>	77.65
Steel Strips	<b>223.26</b>	170.97
Steel Tubes	<b>178.82</b>	116.23
For Components	<b>11.04</b>	4.09
For Special Purpose Machine	<b>144.40</b>	196.28
<b>Total</b>	<b>650.20</b>	565.22


**Notes forming part of the financial statements for the year ended 31st March, 2013**
**22 Changes in inventories of finished goods and work-in-progress (Rupees in Lakhs)**

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
<b>Opening stocks:</b>		
Work - in - progress	<b>187.64</b>	135.40
Finished goods	<b>180.89</b>	194.59
	<b>368.53</b>	329.99
<b>Closing stocks:</b>		
Work - in - progress	<b>182.32</b>	187.64
Finished goods	<b>219.42</b>	180.89
	<b>401.74</b>	368.53
<b>Total</b>	<b>(33.21)</b>	(38.54)

**23 Other Manufacturing Expenses (Rupees in Lakhs)**

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Consumption of Stores and Spares	<b>117.77</b>	84.82
Consumption of Tools	<b>44.25</b>	29.08
Consumption of Packing Materials	<b>26.42</b>	21.95
Processing charges	<b>25.04</b>	44.99
Power and fuel	<b>138.66</b>	126.67
Repair and maintenance -Plant and machinery	<b>60.52</b>	54.27
Excise duty on closing stock	<b>4.52</b>	1.46
<b>Total</b>	<b>417.18</b>	363.24

**24 Employee Benefits Expense (Rupees in Lakhs)**

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Salaries and incentives	<b>371.02</b>	298.57
Contributions to Provident fund(see Note 27. I. i)	<b>22.91</b>	18.86
Gratuity fund contributions (see note 27. I. ii)	<b>17.19</b>	22.02
Staff welfare expenses	<b>39.93</b>	31.82
<b>Total</b>	<b>451.05</b>	371.27


**Notes forming part of the financial statements for the year ended 31st March, 2013**
**25 Finance Cost**
**(Rupees in Lakhs)**

<b>Particulars</b>	<b>For the year ended 31st March, 2013</b>	For the year ended 31st March, 2012
Interest on Fixed Loans	<b>17.05</b>	17.83
Interest on others	<b>19.06</b>	5.26
Bank charges	<b>2.17</b>	0.69
<b>Total</b>	<b>38.28</b>	23.78

**26 Other expenses**
**(Rupees in Lakhs)**

<b>Particulars</b>	<b>For the year ended 31st March, 2013</b>	For the year ended 31st March, 2012
Insurance	<b>1.78</b>	0.93
Rent (see note 27 (e))	<b>4.34</b>	4.34
Rates & Taxes	<b>5.43</b>	0.96
Maintenance of Building and others	<b>11.51</b>	5.43
Directors' fees	<b>3.18</b>	1.45
Discount and Commission on sales	<b>14.26</b>	11.22
Travelling & Conveyance expenses	<b>25.46</b>	21.30
Telephone expenses	<b>2.97</b>	4.80
Printing and Stationery	<b>4.92</b>	4.85
Payment to Auditors (See note below)	<b>6.34</b>	5.48
Legal & Professional charges	<b>16.04</b>	11.44
Freight & Transport	<b>14.10</b>	11.42
Service charges	<b>11.48</b>	8.72
Loss on sale of fixed assets	<b>0.30</b>	-
Miscellaneous expenses	<b>13.10</b>	10.51
<b>Total</b>	<b>135.21</b>	102.85

<b>Detail of Auditors Payment (Net of service tax input credit, where applicable)</b>		
Auditors - Statutory Audit	<b>2.60</b>	2.60
For taxation matters	<b>1.00</b>	0.80
For other services	<b>2.65</b>	2.05
For reimbursement of expenses	<b>0.09</b>	0.03
<b>Total</b>	<b>6.34</b>	5.48



## Notes forming part of the financial statements for the year ended 31st March, 2013

### 27 Additional information to the financial statements:

(a) Contingent liabilities not provided for :

- (i) The Company had received an Order dated 6th September, 2004 from the Employees Provident Fund Organisation raising a demand of Rs. 161.36 lakhs including interest of Rs. 46.73 lakhs for default in making payment of Employees Provident Fund and allied dues for the period April, 1986 to February, 2003. The Company has been making contributions to the 'SNL Officers Provident Fund Trust' and 'SNL Employee's Provident Fund Trust', being Trusts formed by the Company in earlier years; these Trusts have net assets of Rs. 91.68 lakhs and Rs. 55.30 lakhs respectively as at 31st March, 2012 as reflected in their audited balance sheets. As per the order, the existence of the said Trusts and the act of switching over from Employees trust to the Officers trust on salary exceeding the statutory limit fixed by the Employees Provident Fund and Miscellaneous Act, 1952, have been considered violative of the Act. The authorities had attached one of the company's bank accounts and had recovered an amount of Rs. 2.75 lakhs in an earlier year. The company has contested the above demand and on a writ petition filed by the company in the High Court of Jharkhand, Ranchi, the High Court has directed the authorities not to take coercive steps till the disposal of the petition. The Company denies all the allegations made against it since the company had made the necessary applications to grant exemption to the Trusts which was neither granted nor rejected in spite of several reminders from time to time. In view of the facts of the case, the company does not expect any liability in this regard.
  - (ii) Provident fund and other matters in respect of workers: Nil, (as at 31.03.2012 : Rs. 5.05 lakhs).
  - (iii) Disputed penalty claim by the Central Excise and Service Tax Department vide order C.V.No. (65) (12) 79/SNL/Denovo/Adjn/Ran/11 dated January 8, 2013 under section 78 of the Finance Act, 1994 amounting to Rs. 1,170,248/- and an additional penalty of Rs 2,000/- for non-compliance with rules 4 & 7 of the Service Tax Rules, 1994, in respect of failure to pay service tax on lease rent received for leasing of equipments during the financial periods ending March 31, 2003, 2004, 2005 and 2006. Further, interest is also levied on the above dues by the said department in terms of section 75 of the Finance Act, 1994. The Company has, in earlier years, paid the service tax dues amounting to Rs.1,170,248/- against show cause notice C.V.No. V(4)65/ADJ/RAN/06/3208 dated May 22, 2007 in respect of the said service tax liability on lease rent received. Further, during the year the Company has paid Rs.294,562/- in terms of proviso to section 78 under protest in respect of the penalty claim as discussed above. The Company is of the view that the order will be settled in their favor and accordingly has not made any provision in the books of account for the year ended March 31, 2013.
- (b) There are no amounts due to the suppliers covered under Micro, Small and Medium Enterprises Development Act, 2006; this information takes into account only those suppliers who have responded to the enquiries made by the Company for this purpose. The auditors have relied on the representation made by the management.
- (c) Related party disclosures:
- (i) Names of related parties and nature of relationship where control exists:

**Holding Company:**

- NRB Bearings Limited


**Notes forming part of the financial statements for the year ended 31st March, 2013**

<b>Fellow Subsidiary</b>	:	- NRB Bearings (Thailand) Limited
<b>Group Company</b>	:	- NRB Industrial Bearings Limited
<b>Key Management Personnel</b>	:	- Ms. H. S. Zaveri
		- Ms. A. A. Gowariker
		- Mr. S. C. Rangani
		- Mr. J. S. Maini
		- Mr. V. S. Iyer

**(ii) Transactions with related parties**
**(Rupees in Lakhs)**

Name of the related party and nature of transactions	Volume of transactions For the year ended		Balances Receivable / (Payable) As at	
	31st March, 2013	31st March, 2012	31st March, 2013	31st March, 2012
(i) Holding Company: NRB Bearings Limited				
Group Company:	-	200.00	-	-
Inter Corporate Deposit Repayment	-	0.69	-	-
Interest paid on ICD	1,334.68	1,107.70	} 158.21	80.38
Sale of finished goods	28.69	0.11		
Purchases of raw materials	21.97	12.84		
Purchase of fixed assets			Outstanding Guarantees	
Outstanding Guarantees given on behalf of company	-	-	350.00	350.00
Redemption of Preference Shares	200.00	200.00	-	-
Preference Shares outstanding	-	-	400.00	600.00
Proposed Dividend	60.00	55.73	-	-
(ii) Fellow Subsidiary: NRB Bearings Limited, Thailand				
Sale of finished goods	33.69	5.50	33.00	3.05
Purchases of raw materials	3.00	-	-	-
(iii) Group Company: NRB Industrial Bearings Limited				
Sale of finished goods	35.53	-	35.53	-
(iv) Key Management Personnel	Director's fees			
- Ms. H. S. Zaveri	0.80	0.45	-	-
- Ms. A. A. Gowariker	0.57	0.03	-	-
- Mr. S. C. Rangani	0.40	0.32	-	-
- Mr. J. S. Maini	0.55	0.20	-	-
- Mr. V. S. Iyer	0.85	0.45	-	-



## Notes forming part of the financial statements for the year ended 31st March, 2013

### (d) Earnings Per Share:

(Rupees in lakhs)

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Profit after tax	<b>395.77</b>	446.51
Less :		
Undeclared dividend on cumulative preference shares for the year	<b>(20.68)</b>	(38.59)
Additional income - tax on distributable profits	<b>(3.51)</b>	(6.26)
	<b>(24.19)</b>	(44.85)
Profit after tax attributable to equity shareholders	<b>371.58</b>	401.66
Number of Equity Shares	<b>3,611,540</b>	3,611,540
Basic and Diluted Earning per share	<b>Rs. 10.29</b>	Rs. 11.12

### (e) Details of leasing arrangements:

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

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

(Rupees in lakhs)

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Raw materials	<b>172.79</b>	166.51
Consumables	<b>5.17</b>	8.45
Spare parts	-	31.56
Total Consumables and spare parts	<b>5.17</b>	40.01
Capital goods	<b>100.97</b>	16.64
<b>Total</b>	<b>278.93</b>	223.16



## Notes forming part of the financial statements for the year ended 31st March, 2013

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

(Rupees in lakhs)

Particulars	For the year ended 31st March, 2013			For the year ended 31st March, 2012		
	Indigenous	Imported	Total	Indigenous	Imported	Total
Raw materials & Components	432.1 66%	218.09 34%	650.19	403.73 71%	161.49 29%	565.22

### (h) Expenditure incurred in foreign currency :

(Rupees in lakhs)

Particulars	Currency	For the year ended 31st March, 2013		For the year ended 31st March, 2012	
		Foreign Currency	Rupees in lakhs	Foreign Currency	Rupees in lakhs
Raw materials	Euro	2,01,018	141.71	3,44,236	226.57
Stores & spares	Euro	-	-	30,617	19.99
	USD	5,621	3.13	-	-
	CHF	13,660	7.63	15,902	8.56
Capital goods	Euro	49,210	35.14	20,760	14.29
	JPY	94,000	63.43	-	-
<b>Total</b>			<b>251.05</b>		<b>269.40</b>

### (i) Earnings in foreign exchange :

(Rupees in lakhs)

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Export of goods	106.53	55.16

### (j) Derivative Instruments:

(Rupees in lakhs)

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

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	Amount in		Amount in	
	Foreign Currency	Rupees	Foreign Currency	Rupees
<b>Amount receivable:</b>				
Euro	2,162	150	12,602	8.57
USD	60,801	33.00	5,824	3.05
<b>Amount payable:</b>				
EURO	30,075	20.94	-	-
CHF	-	-	13,660	7.72


**Notes forming part of the financial statements for the year ended 31st March, 2013**
**(k) Segment Reporting:**

(Rupees in lakhs)

Figures in brackets are Previous year figures

	Particulars	Bearings	Special Purpose Machines	Total Amount
<b>A</b>	<b>Segment Revenue</b>	2030.93	268.79	2299.72
	Sales (Net)	(1807.77)	(245.00)	(2052.77)
	Total Segment Revenue	2030.93 (1807.77)	268.79 (245.00)	2299.72 (2052.77)
<b>B</b>	<b>Segment Results</b>	603.35 (626.73)	82.51 (51.97)	685.86 (678.70)
	Less: Unallocated corporate expenses			46.05 (34.42)
	Less: Interest Expenses			36.11 (23.09)
	Add : Unallocated income			7.35 (2.63)
	Profit before tax			611.05 (623.82)
	Less: Provision for taxation			215.28 (177.31)
	Profit after tax			395.77 (446.51)
<b>C</b>	<b>Segment Assets</b>	1527.97 (1206.40)	117.58 (65.00)	1645.55 (1271.40)
	Add : Unallocated corporate assets			142.91 (103.75)
	Total Assets			1788.46 (1375.15)
<b>D</b>	<b>Segment Liabilities</b>	110.21 (75.48)	29.04 (3.20)	139.25 (78.68)
	Add : Unallocated corporate liabilities			604.71 (312.77)
	Total Liabilities			743.96 (391.45)
<b>E</b>	<b>Cost incurred during the period to acquire segment fixed assets</b>	238.12 (59.42)	- (-)	238.12 (59.42)
<b>F</b>	<b>Depreciation / Amortisation</b>	37.31 (43.76)	- (-)	37.31 (43.76)



## Notes forming part of the financial statements for the year ended 31st March, 2013

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

#### (i) Defined Contribution Plan:

(Rupees in lakhs)

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

Particulars	As At				
	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009
Employer's Contribution to Provident Fund	14.44	11.08	10.38	8.11	8.30
Employer's Contribution to EPS	8.47	7.78	7.94	8.84	11.75

#### (ii) Defined Benefit Plan:

(Rupees in lakhs)

Gratuity – As per actuarial valuation as on March 31, 2013. (based on Projected Unit Benefit Method)

	Particulars	As At				
		31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009
I	Reconciliation of opening and closing balances of Defined Benefit obligation					
	Present value of Defined Benefit obligation - Opening	117.30	96.20	83.17	88.24	71.71
	Interest Cost	9.97	7.97	6.64	5.18	6.05
	Current Service Cost	5.29	4.68	4.37	4.53	3.85
	Past Service Cost	-	1.27	1.26	-	-
	Benefits paid	(6.35)	(8.52)	(9.16)	(51.86)	(8.79)
	Net Actuarial (Gain)/Loss	21.66	15.70	9.92	37.08	15.41
	Present Value of Defined Benefit obligation -Closing	147.87	117.30	96.20	83.17	88.24
II	Reconciliation of fair value of plan assets					
	Fair value of plan assets - Opening	108.87	84.49	85.15	78.52	38.65
	Expected return on plan assets	9.36	8.44	7.22	8.54	6.35
	Net Actuarial Gain / (Loss)	10.36	(0.84)	(8.37)	(4.18)	(2.84)
	Employer's contribution	23.25	25.30	9.65	54.13	41.67
	Benefits paid	(6.35)	(8.52)	(9.16)	(51.86)	(5.31)
	Fair value of plan assets - Closing	145.49	108.87	84.49	85.15	78.52



### Notes forming part of the financial statements for the year ended 31st March, 2013

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

Funds maintained with LIC		<b>100%</b>	100%	100%	100%	100%
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	Particulars	As At				
		31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009
III	Opening Net asset / (liability) recognised in Balance Sheet					
	Present Value of Defined Benefit obligation	<b>147.87</b>	117.30	96.20	83.17	88.24
	Fair value of plan assets	<b>145.49</b>	108.87	84.49	85.15	78.52
	Net asset / (liability) recognised in Balance Sheet	<b>(2.38)</b>	(8.43)	(11.71)	1.98	9.72
	Unfunded asset/(liability) remained to be recognized in Balance sheet	-	-	-	-	-
IV	Component of employer's expenses					
	Current Service Cost	<b>5.29</b>	4.68	4.37	4.53	3.85
	Past Service Cost	-	1.27	1.28	-	-
	Interest Cost	<b>9.97</b>	7.97	6.64	5.18	6.05
	Expected return on plan asset	<b>(9.36)</b>	(8.44)	(7.22)	(8.54)	(6.35)
	Net Actuarial (Gain)/Loss	<b>11.29</b>	16.54	18.28	41.26	18.26
	Net Actuarial (Gain)/Loss					
	Total expenses recognized in the statement of profit and loss under 24 is as follows:	<b>17.19</b>	22.02	23.35	42.23	21.81
	Actual return on plan assets	<b>19.72</b>	7.60	(1.15)	4.36	3.50
V	Present Value of Defined Benefit Obligation	<b>147.87</b>	117.30	96.20	83.17	88.24
	Fair Value of Plan Assets	<b>145.49</b>	108.87	84.49	85.15	78.52
	Experience Adjustment on Defined Benefit Obligation	<b>13.65</b>	6.36	9.80	24.28	(4.60)
	Experience Adjustment on Fair Value of Plan Assets	<b>10.36</b>	(0.84)	(8.37)	(4.18)	(2.84)
VI	Actuarial assumptions	<b>LIC</b>	LIC	LIC	LIC	LIC
	Mortality Table	<b>(1994-96) (Ultimate)</b>	(1994-96) (Ultimate)	(1994-96) (Ultimate)	(1994-96) (Ultimate)	(1994-96) (Ultimate)
	Discount rate	<b>8.70%</b>	8.50%	8.00%	8.00%	7.75%
	Salary escalation	<b>7.00%</b>	7.00%	3.00%	4.00%	2.00%

**Notes forming part of the financial statements for the year ended 31st March, 2013**

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The above information is certified by the actuary.

VII Notes:

- a. The company's best estimate of contributions expected to be paid to the plan during the annual period beginning after 31st March, 2013 is Rs. Nil.
  - b. Compensated absences recognized in the statement of profit and loss for the current year, under the employee cost in note 24, is Rs. 4.91 lakhs and for previous year was Rs. 2.84 lakhs.
- 28 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

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

<b>H. S. Zaveri</b>	<b>J. S. Maini</b>
<b>S. C. Rangani</b>	<b>A.A. Gowariker</b>
	<b>V. S. Iyer</b>
	Directors

Mumbai : April 30, 2013



## FINANCIAL HIGHLIGHTS

(Rupees in lakhs)

Year Ended	31.03.09	31.03.10	31.03.11	31.03.12	31.03.13
<b>Sales (Net)</b>					
Domestic	1207.51	1274.06	1672.44	1963.69	2165.16
Exports	32.48	25.4	70.91	55.16	106.53
<b>Sales Total</b>	<b>1239.99</b>	<b>1299.46</b>	<b>1743.35</b>	<b>2018.85</b>	<b>2271.69</b>
Operating Profit (EBITDA)	271.94	121.01	559.38	691.36	686.64
Profit Before Tax	155.83	10.66	480.75	623.82	611.05
Tax (Net)	53.54	5.54	99.04	177.31	188.01
Profit After Tax	102.29	5.12	381.71	446.51	423.04
Retained Earnings	102.29	5.12	381.71	381.74	352.84
Dividend	-	-	-	55.73	60.00
Tax on dividend	-	-	-	9.04	10.20
Earnings per share (FV Rs.10)	0.83	-1.81	8.93	11.12	10.29
Dividend %	-	-	-	-	-
Shareholders' Funds	550.36	555.48	737.19	918.93	1044.50
Funds Employed	973.82	927.39	1203.13	1375.15	1375.15
Fixed Assets (Gross)	1513.03	1506.79	1526.81	1586.05	1821.71
Fixed Assets (Net)	364.81	322.17	296.91	312.54	512.16
Fixed Asset Turnover (times)	3.40	4.03	5.87	6.46	4.44
Net Current Assets	609.01	605.22	422.03	558.37	498.88
Working Capital Turnover (times)	2.04	2.15	4.13	3.62	4.55
Shareholder Nos	3430	3526	4496	4386	4269
Employee Nos	189	126	126	126	145

# SNL BEARINGS LIMITED

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

## ADMISSION SLIP

I hereby record my presence at the 33<sup>rd</sup> Annual General Meeting of members of the Company held at Conference Room, Dhannur, Sir P. Mehta Road, Fort, Mumbai 400 001 on 6<sup>th</sup> August, 2013 at 2.30 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 33<sup>rd</sup> Annual General Meeting of the Company to be held at Conference Room, Dhannur, Sir P. Mehta Road, Fort, Mumbai 400 001 on 6<sup>th</sup> August, 2013 at 2.30 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'.



SNL Factory Building at Ranchi

# BOOK POST

If undelivered, please return to:

**SNL Bearings Ltd.**

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