

38TH ANNUAL REPORT

2017-18



S N L BEARINGS LIMITED





CIN NO. L99999MH1979PLC134191

BOARD OF DIRECTORS

Ms. H. S. Zaveri - Chairman
Mr. S. C. Rangani
Mr. J. S. Maini (Resigned w.e.f. 22.01.2018)
Mr. J. D. Diwan
Mr. Vivek Sahai
Mr. A. S. Kohli (Appointed w.e.f. 17.05.2018)
Mr. Claude Rose (Appointed w.e.f. 17.05.2018)

KEY MANAGERIAL PERSONNEL

General Manager - Mr. KKP Sinha
Company Secretary - Mr. Kamlesh Sondigala (Appointed w.e.f. 1.12.2017)

BANKERS

Yes Bank
BNP Paribas

AUDITORS

M/s. Walker Chandio & Co LLP
Chartered Accountants
16th Floor, Tower II,
Indiabulls Finance Centre,
Senapati Bapat Marg,
Elphinstone (W),
Mumbai 400 013

REGISTERED OFFICE

Dhannur
15, Sir. P. M. Road
Fort, Mumbai 400 001
Phone: 022 - 22663698

FACTORY

Ratu Road, Ranchi - 834 001
Website: www.snlbearings.in

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 Eighth Annual General Meeting of the Company will be held at the Conference Room, 5th Floor, Dhannur, 15, Sir P.M. Road, Fort, Mumbai 400 001 on Wednesday, August 1st, 2018 at 3.00 p.m. to transact the following business:

Ordinary Business

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2018 and the reports of the Board of Directors and the auditors thereon.
2. To declare dividend on Equity Share Capital for the year ended 31st March, 2018.
3. To appoint a Director in place of Mr. S C Rangani (DIN.00209069) who retires by rotation and being eligible offers himself for re-appointment.
4. To consider and if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution** :

“RESOLVED THAT M/s. Walker Chandio & Co LLP, Chartered Accountants, (Registration No. ICAI Firm No. 001076N/N500013) be and are hereby appointed as statutory auditors of the Company, to hold office until the conclusion of the annual general meeting to be held for the Financial Year ending 31st March, 2023, on such remuneration plus out-of-pocket expenses as may be mutually agreed upon between the Board of Directors and the Auditors.”

“RESOLVED FURTHER THAT the Audit Committee and/ or Board of Directors be and is hereby authorized to fix their remuneration according to the scope of their services as Statutory Auditors and other permissible assignments, if any, in line with prevailing rules and regulations made in this regard.”

Special Business

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

Appointment of Mr. Vivek Sahai as an Independent Director

“RESOLVED THAT pursuant to the provisions of sections 149, 152 read with Companies (Appointment and Qualifications of Directors) Rules 2014 and SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, Mr. Vivek Sahai (DIN 01717502) who was appointed as an Additional Director pursuant to the provisions of section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as Independent Director of the Company, to hold office for five consecutive years from the date of his appointment i.e. 8th November, 2017 on such remuneration by way of sitting fees, commission and other permissible fees plus out-of pocket expenses, as approved by the Board of Directors.”



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

Appointment of Mr. Arvinder Singh Kohli as Non-Executive & Non-Independent Director

“RESOLVED THAT pursuant to the provisions of sections 149, 152 read with Companies (Appointment and Qualifications of Directors) Rules 2014 and SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, Mr. Arvinder Singh Kohli (DIN 08135020) who was appointed as an Additional Director pursuant to the provisions of section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as Non-Executive & Non-Independent Director of the company, who shall be liable to retire by rotation, on such remuneration by way of sitting fees, commission and other permissible fees plus out-of pocket expenses, as approved by the Board of Directors.”

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

Appointment of Mr. Claude Alex d’Gama Rose as an Independent Director

“RESOLVED THAT pursuant to the provisions of sections 149, 152 read with schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules 2014 and SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, Mr. Claude Alex d’Gama Rose (DIN 01494440) who was appointed as an Additional Director pursuant to the provisions of section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as Independent Director of the Company, to hold office for five consecutive years from the date of his appointment i.e. 17th May, 2018 on such remuneration by way of sitting fees, commission and other permissible fees plus out-of pocket expenses, as approved by the Board of Directors.”

By order of the Board

Kamlesh Sondigala
Company Secretary

Dated: May 17, 2018



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 OF THE COMPANY.**

Proxy to be effective should be submitted at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.

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

3. The Register of Members of the Company and Transfer Books thereof will be closed from 26th July, 2018 to 1st August, 2018 (both days inclusive).

4. E-voting facility to all members has been provided through the e-voting platform of CDSL and the Company has appointed Mr. Upendra Shukla, Practicing Company Secretary, as Scrutiniser for the e-voting process. Instructions and manner of the process have been detailed in the para 7 below. The Scrutiniser will make a report to the Chairman of the Company, of the votes cast in favour and against and the results on the resolutions alongwith the Scrutiniser's report will be available on the website of the Company within two working days of the same being passed.

5. The dividend after declaration, will be paid to those shareholders whose names appear in the Register of Members after giving effect to all valid share transfers in physical form lodged with the Company on or before 25th July, 2018. In respect of shares held in electronic form, to those "Deemed Members" whose names appear on the statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) at the end of business hours on 25th July, 2018.

Members and all others concerned are requested to lodge transfer deeds, change of address communication, mandates (if any) with the Company's Share Transfer Agents 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 before 25th July, 2018.

6. The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividend through National Electronic Clearing Service (NECS) to investors wherever NECS and bank details are available. In the absence of NECS facilities, the Company will print the bank account details if available, on the payment instrument for distribution of dividend. SEBI has also mandated the submission of PAN by every participant in the securities market. Members holding shares in electronic form are requested to submit their PAN to the DPs with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company.

Electronic Clearing Service (NECS) to investors wherever NECS and bank details are available. In the absence of NECS facilities, the Company will print the bank account details if available, on the payment instrument for distribution of dividend. SEBI has also mandated the submission of PAN by



every participant in the securities market. Members holding shares in electronic form are requested to submit their PAN to the DPs with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company.

7. PROCESS FOR MEMBERS OPTING FOR E-VOTING

- (i) The voting period begins on Sunday, July 29, 2018 at (9.00 am IST) and ends on Tuesday, July 31, 2018 at (5.00 pm IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of July 25th 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

In case of members receiving e-mail:

- (iii) Log on to the e-voting website www.evotingindia.com
- (iv) Click on "Shareholders" tab.
- (v) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (vi) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vii) Next enter the Image Verification as displayed and Click on Login.
- (viii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- (ix) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

- Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.
- In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. Please enter your sequence number as Sr. No. which is mentioned in the EVSN covering letter.
- DOB Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.



- Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.
 - Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field.
- (x) After entering these details appropriately, click on "SUBMIT" tab.
- (xi) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xiii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiv) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting.
- Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xvi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xviii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xix) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xx) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.



- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xviii) above to cast vote.
 - (B) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
 - (C) A member can opt for only one mode of voting i.e. either through e-voting or in physical form. If a member casts his vote by both modes, then voting done through e-voting shall prevail and the vote by ballot shall be treated as invalid.
8. Members/Proxies are requested to bring their attendance slip duly filled in and their copy of the Annual Report for the meeting.

By Order of the Board

Kamlesh Sondigala
Company Secretary

Dated: May 17, 2018

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013****Item No. 5****Appointment of Mr. Vivek Sahai as an Independent Director.**

Mr. Vivek Sahai has been Non Executive Director on the Board of the company since November, 2017. Mr. Vivek Sahai (66 yrs) holds a M Sc. (Physics) degree and passed Civil Services Exam of UPSC from 1972 batch and joined the Indian Railway Traffic Services. He superannuated on 30th June 2011 from the apex position of Chairman Railway Board (CRB) and Principal Secretary to the Government of India. At that time he also concurrently held the post of Member Traffic Railway Board. As CRB he managed a vast force of railway-men in the country numbering over 1.3 million. He was also the Chairman of the Container Corporation, Dedicated Freight Construction Corporation of India Ltd., and Indian Railway Catering and Tourism Corporation from 2010 to 2011. Since July 2017 he is the Logistics Advisor to ACC Ltd.

The board has decided to appoint him for a term of five years as Independent Director in terms of provisions of section 152 of the Companies Act, 2013. The Board considers that his association as Director will be beneficial and in the interest of the company.

The Directors recommend passing of the resolution set out at item no. 5 of the accompanying notice. Notice from a member proposing his candidature together with a deposit of Rs. 1 lakhs in terms of section 160 of the Companies Act, 2013 has been received by the company.

Except Mr. Vivek Sahai none of the other Directors, key management personnel and their relatives are interested or concerned with the resolution.

Item No. 6**Appointment of Mr. Arvinder Singh Kohli as Non-Executive & Non-Independent Director.**

Mr. Arvinder Singh Kohli has been appointed as Non Executive & Non Independent Director on the Board of the company since May, 2018. Mr. Arvinder Singh Kohli (62 yrs) is BE Mech. and after his initial assignment as General Manager of a steel rolling mill in Nagpur, has been associated with the holding Company for over 20 years as part of the Senior Management Team responsible for Manufacturing, Quality and Engineering services, including Process Innovations. Since 2007, he has been responsible for the setting up and successful operations of the holding Company's subsidiary at Thailand viz. NRB Bearings (Thailand) Ltd.

The board has decided to appoint him as a Non-Executive Director & Non-Independent Director in terms of provisions of section 152 of the Companies Act, 2013. The Board considers that his association as Director will be beneficial and in the interest of the company.

The Directors recommend passing of the resolution set out at item no. 6 of the accompanying notice. Notice from a member proposing his candidature together with a deposit of Rs.1 lakhs in terms of section 160 of the Companies Act, 2013 has been received by the company.

Except Mr. Arvinder Singh Kohli none of the other Directors, key management personnel and their relatives are interested or concerned with the resolution.

Item No. 7**Appointment of Mr. Claude Alex d'Gama Rose as Non-Executive Director.**

Mr. Claude Alex d'Gama Rose has been appointed as Non-Executive Director on the Board of the company since May, 2018. Mr. Claude Alex d'Gama Rose (62 yrs) is a qualified cost accountant from ICWA (Institute of Costs and Works Accountants). He was country head of the Continental group in India from January 2010 until his retirement in October 2017. As Managing Director of Continental



Automotive Components India Private Ltd, he had a key role in building Continental brand in the Indian automotive industry. He was the Chief Financial Officer of the company before taking over as Managing Director. Prior to his stint with the Continental group, Mr. Claude Alex d'Gama Rose enjoyed a prolonged engagement with multiple business verticals of Siemens in India.

The board has decided to appoint him for a term of five years as Independent Director in terms of provisions of section 152 of the Companies Act, 2013. The Board considers that his association as Director will be beneficial and in the interest of the company.

The Directors recommend passing of the resolution set out at item no. 7 of the accompanying notice. Notice from a member proposing his candidature together with a deposit of Rs. 1 lakhs in terms of section 160 of the Companies Act, 2013 has been received by the company.

Except Mr. Claude Alex d'Gama Rose none of the other Directors, key management personnel and their relatives are interested or concerned with the resolution.

Additional Information / Details of the Directors seeking appointment/ re-appointment at the Annual General Meeting:

Name of Director	Mr. S C Rangani	Mr. Vivek Sahai	Mr. Arvinder Singh Kohli	Mr. Claude Alex d'Gama Rose
DIN	00209069	01717502	08135020	01494440
Date of Birth	13.11.1948	05.06.1951	09.10.1956	29.10.1956
Nationality	Indian	Indian	Indian	Indian
Date of appointment on Board	31.07.2000	8.11.2017	17.05.2018	17.05.2018
Qualification	B.Com , MMS (Bombay University), ACS	M.Sc (Physics), UPSC Civil Services Exam	BE (Mech.)	Cost Accountant (ICWA)
List of Directorships held in other Companies (excluding foreign, private and section 8 companies)	NRB Bearings Ltd	Karam Chand Thapar & Bros (Coal Sales) Ltd	Nil	Nil
Memberships/ Chairmanships of Audit and Stakeholders Relationship Committees across public companies	Nil	Nil	Nil	Nil
No. of Shares held	250	Nil	10	Nil
Relationship between Directors - interse	Nil	Nil	Nil	Nil

By Order of the Board

Kamlesh Sondigala
Company Secretary

Dated: May 17, 2018



BOARD'S REPORT

To,
The Members
SNL Bearings Limited

Your Directors have pleasure in presenting their Thirty Eighth Annual Report together with Audited Accounts for the year ended 31st March, 2018.

1. Financial Results

	Year ended 31st March, 2018 ₹ in lakhs	Year ended 31st March, 2017 ₹ in lakhs
Profit before providing for interest & depreciation	1216.99	1080.44
Less : Finance costs	0.83	13.65
Less: Depreciation	79.12	70.77
Profit Before Tax	1137.04	996.02
Tax expenses	315.02	334.42
Profit After Tax	822.02	661.60
Other Comprehensive Income (OCI)	15.58	(3.36)
Add/Less: Balance brought forward from previous year	629.91	214.01
Less: Final dividend on Equity Shares	--	--
Less: Interim Dividend on Equity Shares	--	(180.58)
Less: Additional Income tax on dividend on Equity Shares	--	(37.76)
Less: Transfer to capital redemption reserve	--	(25.00)
Closing balance of surplus in statement of Profit and loss	1467.51	629.91

2. Operations

Net revenues during the year at Rs. 3831.45 lakhs (previous year Rs. 3348.26 lakhs) are higher by 14 %, The transition to GST created a temporary disruption in the value chain during the first half, but since then, India's industrial production has displayed a welcome growth revival. This is also supported by the global economic recovery. Your company's sales to mobility sectors grew in line with market growth, which has been supported by the Government's thrust on rural spending and infrastructure creation. There is optimism that there will be continued growth in the automotive segments during the current year.

Profit after tax (PAT) has increased by 24% from Rs. 662 lakhs (previous year) to Rs. 822 lakhs on account of higher volumes and helped by lower tax rates. Your company is taking steps to capitalise on the positive environment by enhancing operational efficiencies and scaling up our manufacturing capacities.



3. Dividend

Directors are pleased to recommend a final equity dividend @ Rs. 5/- per share of Rs. 10/- each involving an outgo of Rs. 217.34 lakhs (inclusive of dividend distribution tax) and payable to members/ beneficial owners as per the Register of Members as on 25th July, 2018.

4. Corporate Social Responsibility activities (CSR)

The CSR Committee has defined the areas for contribution and support by the Company. For the year ended 31.3.2018 an aggregate amount of Rs. 16.90 lakhs has been contributed to various organizations doing commendable work for the cause of promoting education to the under privileged sections of society-

- i. Scholarship scheme through Vidyasaarathi (VSS), an online platform operated transparently by TISS (Tata Institute of Social Sciences) for needy students, particularly in the state of Jharkhand where Company's plant is located.
- ii. Sankalp – A Pledge to Change, running schools providing education to the poor sections of society in slums in and around Jamshedpur, Dhanbad and other backward areas of Jharkhand.
- iii. Indian Cancer Society providing medical facilities and support to affected patients, spreading awareness about cancer.

Detailed report on CSR activities including amount spent is given in **Annexure I**.

5. 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:18001:2007 (for Health & Safety) and IATF:16949:2015 (quality management system). The Company is in the process of adopting new external certification viz. ISO 14001:2015 (*Eliminate or Minimize Environmental Impact*).

Work force is trained at regular intervals in preventive aspects of safety and prevention of work related accidents.

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

6. Public Deposits

During the year, the Company has not accepted any deposits from the public/ Members under Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014. As on 31.3.2018 there are no fixed deposits with the Company.

7. Extract of Annual Return

The details forming part of the extract of the Annual Return as required under the Companies Act, 2013 is given in **Annexure II**.

8. Related Party transactions

Transactions between the Holding Company, NRB Bearings Ltd and co-subsiary, NRB Bearings (Thailand) Ltd, and associate NRB Industrial Bearings Ltd have taken place in the ordinary course



of business. All transactions entered with the related parties have been at arms length and are in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations. The individual transactions have been regularly placed before the audit committee and the Board of Directors on a quarterly basis and have been approved in advance.

Details of the remuneration/ sitting fees paid to the Directors and KMP as applicable and all transactions appear under Notes to accounts as note no. 35 to the Annual Accounts. The Related Party Transactions Policy as approved by the Board is uploaded on the Company's website.

The particulars of contracts or arrangements with related parties referred to in Section 188 (1) of the Companies Act, 2013 in Form AOC-2 pursuant to Section 134 (3) (h) of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 is attached as **Annexure-III** to this Report.

9. **Corporate Governance**

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Management Discussion and Analysis, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance are made part of the Annual Report. Details of Board meetings held during the year under review and the composition of the various committees are included therein.

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, Company Secretary and the General Manager of the Company. All independent directors have also submitted the declaration of independence confirming that they meet the criteria of independence as provided under section 149 of the Companies Act, 2013.

The relevant certification on the various matters specified under Regulation 17(8) of SEBI (LODR) Regulations, 2015 has been done by the General Manager as (CEO) and a Director of the Company, with requisite financial expertise, as (CFO).

10. **Internal Control System**

There are adequate internal financial controls in place with reference to the financial statements. During the year, the working of the upgraded ERP system has been stabilized to provide required internal finance controls. Further improvements by way of biometric attendance and linked leave records and payroll systems are under trials for implementation. The Internal Auditors have been regularly reviewing the same, and their recommendations for improvements have been included in the ERP upgrade implementation. During the year under review, these controls were evaluated and no significant weakness was identified either in the design or operation of the controls. This formalized system of internal control facilitates effective compliance of Section 138 of the Companies Act, 2013 and the Listing Regulations.

Your Company's Statutory Auditors have, in their report, confirmed the adequacy of the internal control procedures.

11. **Vigil Mechanism**

The Company has formulated and implemented the whistle Blower Policy/Vigil Mechanism. This has provided a mechanism for Directors and employees of the Company and other persons dealing with the Company to report to the Chairman of the Audit Committee, any instance of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. More



details about this Policy are given in the Corporate Governance Report, which forms part of this Annual Report. The Whistle Blower Policy is available on the Company website. All complaints received are reviewed and investigated by management suitable corrective actions are taken.

12. **Directors and Key Managerial Personnel**

Retirement by Rotation

In accordance with the provisions of Section 152, Mr. S C Rangani (DIN 00209069) will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, has offered himself for re-appointment. The Board recommends his re-appointment. His brief profile is the part of the Corporate Governance Report annexed to this report.

Independent Directors Declaration

The Independent Directors have submitted the Declaration of Independence, as required pursuant to Section 149 of the Companies Act, 2013 and the provisions of Listing Regulations, stating that they meet the criteria of independence provided therein. The profile of the Independent Directors forms part of the Corporate Governance Report.

Mr. J S Maini, Independent Director of the Company has resigned from the Board on 22nd January, 2018 due to his personal commitments. The Board records its appreciation of the valuable contribution made by Mr. Maini to the Board/ Committee proceedings during his tenure of over 15 years.

Brief details of Mr. Vivek Sahai (DIN 01717502), Mr. A S Kohli (DIN 08135020) and Mr. Claude Alex d'Gama Rose (DIN 01494440), who have been appointed as Additional directors of the company with effect from 8th November, 2017 and 17th May, 2018 respectively by the Board of Directors and who hold office upto the date of this Annual General Meeting, are as below:

Mr. Vivek Sahai (66 yrs) holds a MSc. (Physics) degree and passed Civil Services Exam of UPSC from 1972 batch and joined the Indian Railway Traffic Services. He superannuated on 30th June 2011 from the apex position of Chairman Railway Board (CRB) and Principal Secretary to the Government of India. At that time he also concurrently held the post of Member Traffic Railway Board. As CRB he managed a vast force of railway-men in the country numbering over 1.3 million. He was also the Chairman of the Container Corporation, Dedicated Freight Construction Corporation of India Ltd., and Indian Railway Catering and Tourism Corporation from 2010 to 2011. He is Logistics Advisor to ACC Ltd since July 2017.

Mr. A S Kohli (62 yrs) is BE Mech. and has been associated with the holding Company for over 20 years as part of the Senior Management Team responsible for Manufacturing, Quality and Engineering services, including Process Innovations. Since 2007, he has been responsible for the setting up and successful operations of the holding Companies subsidiary at Thailand viz. NRB Bearings (Thailand) Ltd.

Mr. Claude Rose (62 yrs) is a qualified Cost Accountant from ICWA (Institute of Costs and Works Accountants). He was country head of the Continental group in India from January 2010 until his retirement in October 2017. As a Managing Director of Continental Automotive Components India Private Ltd, he built the company and the Continental brand in the Indian automotive industry. He was the Chief Financial Officer of the company before taking over as Managing Director. Prior to his stint with the Continental group, he enjoyed a prolonged engagement with multiple business verticals of Siemens in India.



The Board has decided to appoint Mr. Vivek Sahai & Mr. Claude Rose for a term of five years as Independent Directors and Mr. A S Kohli as Non Executive & Non Independent Director in terms of provisions of section 149 and 152 of the Companies Act, 2013. The Board considers that their association as Director will be beneficial and in the interest of the company. The Directors recommend passing of the resolution set out at item no. 5, 6 & 7 of the accompanying notice.

For the FY 2017-18, the Board has carried out an annual performance evaluation of its own and that of its Committees and individual directors, using various performance evaluation criteria on the forms circulated to and filled in by the directors. The feedback has been shared and discussed. The independent directors – Mr. J D Diwan and Mr. Vivek Sahai have met separately on 28th March, 2018 and have conveyed to the Chairman of the Board, their satisfaction with the working of the Board.

Key Managerial Personnel

Pursuant to the provisions of Sections 2(51), 203 of the Companies Act, 2013 read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the following are the Key Managerial Personnel:

Mr. S C Rangani - Director (with financial knowledge & experience), overseeing the Finance function, certifying as CFO, (no requirement of full time CFO)

Mr. Kamlesh Sondigala* - Company Secretary and Compliance Officer,

Mr. KKP Sinha - General Manager, certifying as CEO

* Mr. Kamlesh Sondigala was appointed as Company Secretary w.e.f. 1st December, 2017 on resignation of Mr. Bankim Purohit, Company Secretary of the Company.

13. Directors' Responsibility Statement

Pursuant to the requirements under Section 134 (3) (c) of the Companies Act, 2013, your Directors state that:

- i. in the preparation of annual accounts, the applicable Accounting Standards have been followed along with proper explanations relating to material departures, if any, have been furnished;
- ii. The accounting policies have been selected and these have been applied consistently and judgments and estimates made thereon are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2018 and of the profit of the Company for that period;
- iii. proper and sufficient care for the maintenance of adequate accounting records has been taken in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the Annual Accounts have been prepared on a going concern basis.
- v. internal financial controls have been laid down and being followed by the Company and that such financial controls are adequate and are operating effectively.
- vi. proper systems to ensure compliance with the provisions of all applicable laws have been devised and that such systems are adequate and operating effectively.



14. **Particulars of Loans, Guarantees or Investments**

Your Company has been rated '**CRISIL A1**' (upgraded from '**CRISIL A2**') for the Short-term Bank facility and on the Company's long-term facilities have been re-affirmed at '**CRISIL A/STABLE**' (Upgraded from '**CRISIL BBB+/STABLE**') as on September, 2017.

During the year under review, the Company has not advanced any loans, given guarantees, only certain investments of temporary surplus funds in Mutual Funds has been done with Board's approval.

15. **Orders passed by the Regulators or the Courts or the Tribunals**

There are no orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company's operation.

16. **Particulars of Employees**

In terms of the provisions of Section 197(12) of the Act, there are no employees of the Company drawing remuneration in excess of the limits set out in the said provision.

The disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to this report at **Annexure IV**.

17. **Information pursuant to Section 134(3)(m) of the Companies Act, 2013 and Rule no.8 of Companies (Accounts) Rules 2014**

a. Measures taken for conservation of energy

During the year, based on the recommendations of the CII Energy Audit Team, which are being implemented in phases at the plant, the company is making all efforts for conservation of energy on a continuous basis.

During F.Y. 17-18, Energy Savings were achieved to the tune of 204218 KWH & Rs. 12.73 lakhs annually by replacing Normal Motors (IE0) with energy efficient motors (IE3), Star/Delta starter with VFD (Variable Feed Drive) and Normal MV Lamp with LED Lights.

b. Technology absorption

With the objective of improving productivity as well as quality, during the year the Company has continued its efforts on improvements in process parameters and reduction in cycle times. Improvements made on press machines for manufacturing cage bearings by reduction in set-up time and resetting time. As a result average production quantity has increased.

Upgradation of technology is a key focus area and the Company has initiated necessary mapping of its machines with this objective. Human capital development, through campus recruitment of technically qualified personnel and training programmes for upgrading existing promising engineers, has been initiated. All efforts are towards developing low cost technological solutions.

c. Foreign exchange earnings & outgo for the year ended 31st March 2018

Foreign Exchange Earnings: Export of goods - Rs. 61.16 lakhs

Foreign Exchange Outgo: Raw materials & Components - Rs. 358.27 lakhs

Consumables, Spares, tools - Rs. 2.69 lakhs

**18. Auditors****Statutory Auditors**

Appointment of M/s. Walker Chandio & Co. LLP, Chartered Accountants as statutory auditors was approved by the members by way of Postal Ballot on January 05, 2018 to fill the casual vacancy in the office of Company's auditors caused due to resignation of existing statutory auditors and they hold the office of statutory auditors until the conclusion of ensuing Annual General meeting of the Company.

The Audit Committee and the Board of Directors recommends the re-appointment of M/s. Walker Chandio & Co. LLP, Chartered Accountants as statutory auditors for a further term of five years and suitable resolution for the same has been included in the AGM notice annexed. A certificate from the auditors has been received to the effect that their appointment, if made would be within the limits prescribed under section 139 of the Companies Act, 2013.

Secretarial Auditors

The Board had appointed Mr. Upendra Shukla, Company Secretary in whole-time practice, to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the Financial Year 2017-18. The report of the Secretarial Auditor is annexed to this report as **Annexure V**.

Cost Auditor

Pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014 the products manufactured by the Company and based on the criteria laid down under the aforesaid rules, your Company is not covered for Cost Audit. However from F.Y. 2018-19, maintenance of prescribed Cost records is applicable to your Company. The Company has initiated measures to ensure that the same are implemented.

Explanation or Comments on disqualifications, reservations, adverse remarks or disclaimers in the auditor's reports

There have been no disqualifications, reservations, adverse remarks or disclaimers in the auditor's reports, requiring explanation or comments by the Board.

19. Acknowledgements

The Board wishes to acknowledge and express their gratitude for the whole hearted support and cooperation extended by the Shareholders, NRB group, Company's bankers, customers, suppliers and all employees of the Company for their efforts.

On behalf of the Board

H S ZAVERI
Chairman

Mumbai: May 17, 2018



Annual Report on Corporate Social Responsibility (CSR) Activities

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

Sr. No.	Particulars	Remark
1	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs	Promotion of education, Employment enhancing vocational skills. Promoting social business projects, Contribution to funds set up by Central/State Government's for social economic development and relief.
2	The Composition of the CSR Committee.	1) Ms. H S Zaveri – Chairman, (NE/NID) 2) Mr. J D Diwan – Member (NE/ID) 3) Mr. S C Rangani – Member (NE/NID) 4) Mr. Vivek Sahai – Member (NE/ID)*
3	Average net profit of the company for last three financial years	Rs. 844.92 lakhs
4	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	Rs. 16.90 lakhs
5	Details of CSR spent during the financial year. (a) Total amount to be spent for the financial year; (b) Amount unspent, if any; (c) Manner in which the amount spent during the financial year is detailed below	Rs.16.90 lakhs (includes Rs. 0.75 lakhs committed to NSDL - ('Vidyasaarathi' (VSS) for launching scholarship scheme on VSS portal.) Nil

* Mr. Vivek Sahai co-opted as member of CSR Committee w.e.f. 6th February, 2018

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local Area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub –heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency*
1	Sankalp - A pledge to change	Provides free education to underprivileged children in slums & villages, free medical camps.	The Co's plant is located in Ranchi, Jharkhand and the CSR project programs were conducted in Dhanbad, Jharkhand	₹ 7.50 lakhs	₹ 7.50 lakhs	₹ 7.50 lakhs	Sankalp - A pledge to change



2	TISS (Tata Institute of Social Sciences)	Provides education finance in the country through an online platform.	The Co's plant is located in Ranchi, Jharkhand and the CSR project programs were conducted in Jharkhand	₹ 5.75 lakhs	₹ 5.75 lakhs	₹ 5.75 lakhs	Through Vidyasaarathi-NSDL- Committed fees Rs. 0.75 lakhs
3	Indian Cancer Society - Rise Against Cancer	Creating Awareness, Detection, Cure and Survivorship of those affected with Cancer.	Social business activity all over India	₹ 3.65 lakhs	₹ 3.65 lakhs	₹ 3.65 lakhs	Indian Cancer Society - Direct
	Total			₹ 16.90 lakhs	₹ 16.90 lakhs	₹ 16.90 lakhs	

*Give details of implementing agency

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report. **Not Applicable**
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company

SD/-	SD/-	Not Applicable
Mr. S C Rangani (Director)	Ms. H S Zaveri (Chairman CSR Committee)	[Person specified under clause (d) of sub-section (1) of section 380 of the Act] (wherever applicable)



Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on 31/03/2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : L99999MH1979PLC134191
- ii) Registration Date : 05/03/1979
- iii) Name of the Company : SNL BEARINGS LIMITED
- iv) Category / Sub-Category of the Company : Company limited by shares / Indian Non - Government Company.
- v) Address of the Registered office and contact details :
 Dhannur, 15, Sir P. M. Road, Fort, Mumbai 400 001, Maharashtra
 Email i.d. : kamlesh.Sondigala@snlbearings.in
 Web address : www.snlbearings.in
 Telephone No. : 022 22663698
 Fax No. : 022 22660412
- vi) Whether listed company Yes / No: Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any
 Mr. Devanand Dalvi
 M/s. Universal Capital Securities Pvt. Ltd.,
 21 Shakil Niwas, Opp. Satya Saibaba Temple,
 Mahakali Caves, Andheri (East),
 Mumbai 400 093
 Maharashtra

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Bushes and Cages	2913	98%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	NRB BEARINGS LTD	L29130MH1965PLC013251	Holding	73.45	2(46)



IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) :

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	33911	--	33911	0.94	34011	--	34011	0.94	--
b) Central Govt.	--	--	--	--	--	--	--	--	--
c) State Govt.	--	--	--	--	--	--	--	--	--
d) Bodies Corp.	2652762	--	2652762	73.45	2652762	--	2652762	73.45	--
e) Banks/ FI	--	--	--	--	--	--	--	--	--
f) Any other..	--	--	--	--	--	--	--	--	--
Sub-total (A) (1)	2686673	--	2686673	74.39	2686773	--	2686773	74.39	--
(2) Foreign									
a) NRIs – Individuals	--	--	--	--	--	--	--	--	--
b) Other – Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corp.	--	--	--	--	--	--	--	--	--
d) Banks/ FI	--	--	--	--	--	--	--	--	--
e) Any Other ...	--	--	---	--	---	--	--	--	--
Sub-total (A) (2)	--	--	--	--	--	--	--	--	--
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	2686673	--	2686673	74.39	2686773	--	2686773	74.39	--



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	--	--	--	--	--	--	--	--	--
b) Banks/ FI	0	50	50	0.00	0	50	50	0.00	0.00
c) Central Govt.	--	--	--	--	--	--	--	--	--
d) State Govt.	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIIs	--	--	--	--	22521	50	22521	0.62	0.62
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (Specify)	--	--	--	--	--	--	--	--	--
Sub-total (B) (1)	0	50	50	0.00	22521	50	22571	0.62	0.62
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	53035	2975	56010	1.55	46895	2975	49870	1.38	(0.17)
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals									
i) Individual Shareholders holding nominal sharecapital upto Rs.1 Lakh	484865	138543	623408	17.26	520740	134394	655134	18.14	0.88
ii) Individual Shareholders holding nominal sharecapital in excess of Rs.1 Lakh	211845	--	211845	5.87	113535	--	113535	3.14	(2.72)



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Any Other									
i) NRI's/ OCBs	21817	600	22417	0.62	26253	600	26853	0.74	0.12
ii) Clearing Members	11137	--	11137	0.31	8744	--	8744	0.24	(0.07)
iii) LLP/ Partnership firm	--	--	--	0.00	8770	--	8770	0.24	0.24
iv) HUF	--	--	--	0.00	39290	--	39290	1.09	1.09
Sub-total (B) (2)	782699	142118	924817	25.61	764227	137969	902196	24.98	(0.63)
Total Public Shareholding (B) = (B)(1) + (B) (2)	782699	142168	924867	25.61	786748	138019	924767	25.61	0.00
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	3469372	142168	3611540	100.00	3473521	138019	3611540	100.00	0.00

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in
		No of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	Ms. Harshbeena S. Zaveri	33911	0.94	0	34011	0.94	0	0
2	NRB Bearings Ltd.	2652762	73.45	0	2652762	73.45	0	0
	Total	2686673	74.39	0	2686773	74.39	0	0

(iii) Change in Promoters' Shareholding (Please Specify, if there is no change)

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Ms. Harshbeena S. Zaveri				
	At the beginning of the Year	33911	0.94		
	16/06/2017 Purchase	100	0.00	34011	0.94
	At the End of the year			34011	0.94
2.	NRB Bearings Limited				
	At the beginning of the Year	2652762	73.45		
	Date wise increase/ decrease	Nil	Nil		
	At the End of the Year			2652762	73.45



(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Mustafa Mazahir Khedwala				
	At the beginning of the year	44000	1.22		
	26/05/2017 Purchase	4200	0.12	48200	1.33
	02/06/2017 Purchase	1004	0.03	49204	1.36
	09/06/2017 Purchase	771	0.02	49975	1.38
	16/06/2017 Purchase	25	0.00	50000	1.38
	18/08/2017 Purchase	600	0.02	50600	1.40
	25/08/2017 Purchase	100	0.00	50700	1.40
	08/09/2017 Purchase	1000	0.03	51700	1.43
	15/09/2017 Purchase	1750	0.05	53450	1.48
22/12/2017 Purchase	1	0.00	53451	1.48	
	At the end of the year			53451	1.48
2	Anil Kumar Bajaj				
	At the beginning of the year	24000	0.66		
	15/12/2017 Sell	-500	-0.01	23500	0.65
	At the end of the year			23500	0.65
3	Rimo Capital Fund LP				
	At the beginning of the year	0	0.00		
	03/11/2017 Purchase	2500	0.07	2500	0.07
	10/11/2017 Purchase	9750	0.27	12250	0.34
	17/11/2017 Purchase	1430	0.04	13680	0.38
	01/12/2017 Purchase	2341	0.06	16021	0.44
	08/12/2017 Purchase	4950	0.14	20971	0.58
	30/12/2017 Purchase	900	0.02	21871	0.61
	23/02/2018 Purchase	600	0.02	22521	0.62
		At the end of the year			22521
4	Sana Ayub Khan				
	At the beginning of the year	17500	0.48		
	28/07/2017 Sell	-1500	-0.04	16000	0.44
	18/08/2017 Purchase	850	0.02	16850	0.47
	08/09/2017 Purchase	150	0.00	17000	0.47
	15/09/2017 Purchase	750	0.02	17750	0.49
	30/09/2017 Purchase	333	0.01	18083	0.50
	09/03/2017 Purchase	1	0.00	18084	0.50
		At the end of the year			18084



Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
5	Saharsh Yarn Pvt. Ltd.				
	At the beginning of the year	20400	0.56		
	28/07/2017 Sell	-5000	-0.14	15400	0.43
	08/12/2017 Sell	-400	-0.01	15000	0.42
	At the end of the year			15000	0.42
6	Safir Anand				
	At the beginning of the year	15976	0.44		
	21/04/2017 Sell	-976	-0.03		
	At the end of the year			15000	0.42
7	Mazahir Husaini Khedwala				
	At the beginning of the year	12500	0.35		
	26/05/2017 Purchase	500	0.01	13000	0.36
	08/09/2017 Purchase	500	0.01	13500	0.37
	15/09/2017 Purchase	500	0.01	14000	0.39
	30/09/2017 Purchase	1000	0.03	15000	0.42
	At the end of the year			15000	0.42
8	Rashida Mazahir Khedwala				
	At the beginning of the year	10500	0.29		
	26.05.2017 Purchase	1100	0.03	11600	0.32
	28.07.2017 Sell	-600	-0.02	11000	0.30
	08.09.2017 Purchase	500	0.01	11500	0.32
	30.09.2017 Purchase	500	0.01	12000	0.33
	At the end of the year			12000	0.33
9	Shashi Gupta				
	At the beginning of the year	0	0.00		
	05.05.2017 Purchase	100	0.00	100	0.00
	12.05.2017 Purchase	5000	0.14	5100	0.14
	09.06.2017 Purchase	1600	0.04	6700	0.19
	07.07.2017 Purchase	3750	0.10	10450	0.29
	23.03.2018 Sell	-450	-0.01	10000	0.28
	At the end of the year			10000	0.28
10	Sriniwas Seshadri				
	At the beginning of the year	9955	0.28		
	02.06.2017 Purchase	45	0.00	10000	0.28
	At the end of the year			10000	0.28



Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
11	Lalit Kumar Poddar				
	At the beginning of the year	10500	0.29		
	09/06/2017 Sell	-500	-0.01	10000	0.28
	16/06/2017 Sell	-350	-0.01	9650	0.27
	21/07/2017 Sell	-350	-0.01	9300	0.26
	11/08/2017 Sell	-3616	-0.10	5684	0.16
	25/08/2017 Purchase	693	0.02	6377	0.18
	08/12/2017 Sell	-500	-0.01	5877	0.16
	22/12/2017 Sell	-750	-0.02	5127	0.14
	09/02/2017 Sell	-560	-0.02	4567	0.13
	At the end of the year			4567	0.13
12	Ritu Garg				
	At the beginning of the year	19250	0.53		
	14/04/2017 Sell	-1750	-0.05	17500	0.48
	26/05/2017 Sell	-1000	-0.03	16500	0.46
	02/06/2017 Sell	-100	0.00	16400	0.45
	16/06/2017 Sell	-4400	-0.12	12000	0.33
	23/06/2017 Sell	-1513	-0.04	10487	0.29
	30/06/2017 Sell	-487	-0.01	10000	0.28
	07/07/2017 Sell	-15000	-0.04	8500	0.24
	14/04/2017 Sell	-7500	-0.21	1000	0.03
	21/07/2017 Sell	-1000	0.03	0	0.00
	At the end of the year			0	0.00
13	Keshav Garg				
	At the beginning of the year	18775	0.52		
	14/04/2017 Sell	-1500	-0.04	17275	0.48
	21/04/2017 Sell	-2301	-0.06	14974	0.41
	26/05/2017 Sell	-896	-0.02	14078	0.39
	23/06/2017 Sell	-729	-0.02	13349	0.37
	30/06/2017 Sell	-703	-0.02	12646	0.35
	07/07/2017 Sell	-146	0.00	12500	0.35
	14/07/2017 Sell	-500	-0.01	12000	0.33
	17/11/2017 Sell	-206	-0.01	11794	0.33
	24/11/2017 Sell	-850	-0.02	10944	0.30
	01/12/2017 Sell	-1392	-0.04	9552	0.26
	08/12/2017 Sell	-9551	-0.26	1	0.00
	At the end of the year			1	0.00



Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
14	Rajiv Garg				
	At the beginning of the year	16250	0.45		
	26/05/2017 Sell	-4000	-0.11	12250	0.34
	09/06/2017 Sell	-349	-0.01	11901	0.33
	16/06/2017 Sell	-901	-0.02	11000	0.30
	23/06/2017 Sell	-1000	-0.03	10000	0.28
	07/07/2017 Sell	-2168	-0.06	7832	0.22
	14/07/2017 Sell	-832	-0.02	7000	0.19
	21/07/2017 Sell	-4000	-0.11	3000	0.08
	28/07/2017 Sell	-3000	-0.08	0	0.00
	At the end of the year			0	0.00
15	Kirit R Mehta				
	At the beginning of the year	12253	0.34		
	23.06.2017 Sell	-53	0.00	12200	0.34
	30.06.2017 Sell	-324	-0.01	11876	0.33
	07.07.2017 Sell	-11876	-0.33	0	0.00
		At the end of the year			0

**(v) Shareholding of Directors and Key Managerial Personnel :**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Ms. Harshbeena S. Zaveri				
	At the beginning of the year	33911	0.94		
	16/06/2017 Purchase	100	0.00	34011	0.94
	At the End of the year			34011	0.94
2	Mr. S C Rangani				
	At the beginning of the year	250	0.007		
	Date wise increase/ decrease	Nil	Nil	250	0.007
	At the End of the year			250	0.007
3	Mr. J S Maini (Resigned w.e.f. 22nd January, 2018)				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the End of the year	Nil	Nil	Nil	Nil
4	Mr. J D Diwan				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the End of the year	Nil	Nil	Nil	Nil
5	Mr. Vivek Sahai (Appointed w.e.f. 8th November, 2017)				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the End of the year	Nil	Nil	Nil	Nil
	Key Managerial Personnel				
6	Mr. Bankim Purohit (Resigned w.e.f. 30th November, 2017)				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the End of the year	Nil	Nil	Nil	Nil
7	Mr. Kamlesh Sondigala (Appointed w.e.f. 1st December, 2017)				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the End of the year	Nil	Nil	Nil	Nil
8	Mr. KKP Sinha				
	At the beginning of the year	50	0.00		
	At the End of the year			50	0.00

**(vi) Indebtedness**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness (₹ in lakhs)
Indebtedness at the beginning of the financial year				
i) Principal Amount	80.95	0	6.11	87.06
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	80.95	0	6.11	87.06
Change in Indebtedness during the financial year				
• Addition	0	0	0	0
• Reduction	62.33	0	2.20	64.43
Net Change	(62.33)	0	(2.20)	(64.43)
Indebtedness at the end of the financial year				
i) Principal Amount	18.72	0	3.91	22.63
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	18.72	0	3.91	22.63

* Security Deposits received from Customers.

(vii) Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager :

Sr. No.	Particulars of Remuneration	Name of Non-Executive/ Non-Independent Directors (₹ in lakhs)		Total Amount (₹ in lakhs)
		Ms. H.S. Zaveri	Mr. S.C. Rangani	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--
2.	Stock Option	--	--	--
3.	Sweat Equity	--	--	--
4.	Commission _ as % of profit _ others, specify...	2.00	2.00	4.00
5.	Others, please specify Sitting Fees (p.a.)	1.47	0.85	2.32
	Total (A)	3.47	2.85	6.32



B. Remuneration to Other Directors

Sr. No.	Particulars of Remuneration	Name of Directors (₹ in lakhs)			Total Amount (₹ in lakhs)
		Mr. J. S. Maini (Resigned w.e.f 22.01.2018)	Mr. J. D. Diwan	Mr. Vivek Sahai (Appointed w.e.f. 8.11.2017)	
	3. Independent Directors				
	• Fee for attending board / committee meetings	0.75	1.47	0.35	2.57
	• Commission	2.00	2.00	--	4.00
	• Others, please specify	--	--	--	--
	Total (1)	2.75	3.47	0.35	6.57
	4. Other Non-Executive Directors	--	--	--	--
	• Fee for attending board / committee meetings				
	• Commission				
	• Others, please specify				
	Total (2)	--	--		--
	Total (B)=(1+2)	2.75	3.47	0.35	6.57
	Total Managerial Remuneration (A+B)	6.22	6.32	0.35	12.89
	Overall Ceiling as per the Act	--	--	--	25.22



C. Remuneration to Key Managerial Personnel Other Than Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of Company Secretary		Name of Manager	Total Amount (₹ in lakhs)
		Mr. Bankim Purohit (resigned w.e.f. 30.11.2017)	Mr. Kamlesh Sondigala (appointed w.e.f. 01.12.2017)		
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	6.29	1.93	24.67	32.89
2.	Stock Option	--	--	--	--
3.	Sweat Equity	--	--	--	--
4.	Commission _ as % of profit _ others, specify...	--	--	--	--
5.	Others, please specify	--	--	--	--
	Total (A)	6.29	1.93	24.67	32.89

(viii) PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ Court]	Appeal made, if any (give details)
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
Other Officers in Default					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--



Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

**1. Details of contracts or arrangements or transactions not at arm's length basis:
Not Applicable**

- | | |
|--|------|
| (a) Name(s) of the related party and nature of relationship: | N.A. |
| (b) Nature of contracts/arrangements/transactions: | N.A. |
| (c) Duration of the contracts / arrangements/transactions: | N.A. |
| (d) Salient terms of the contracts or arrangements or transactions including the value, if any: | N.A. |
| (e) Justification for entering into such contracts or arrangements or transactions: | N.A. |
| (f) date(s) of approval by the Board: | N.A. |
| (g) Amount paid as advances, if any: | N.A. |
| (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: | N.A. |

2. Details of material contracts or arrangement or transactions at arm's length basis

(a) Name(s) of the related party and nature of relationship:

- | | | |
|--------------------------------------|---|-------------------|
| i) NRB Bearings Limited | - | Holding Company |
| ii) NRB Bearings (Thailand) Limited | - | Fellow Subsidiary |
| iii) NRB Industrial Bearings Limited | - | Associate Company |

(b) Nature of contracts/arrangements/transactions:

- | | | |
|--------------------------------------|---|---|
| i) NRB Bearings Limited | - | Sale of Finished Goods;
Purchase of Raw Materials;
Reimbursement of expensess
on behalf of the Company |
| ii) NRB Bearings (Thailand) Limited | - | Sale of Finished Goods;
Sales Commission; |
| iii) NRB Industrial Bearings Limited | - | Sale of Finished Goods |

(c) Duration of the contracts / arrangements/transactions:

Ongoing Related Party Transactions.



(d) Salient terms of the contracts or arrangements or transactions including the value, if any:

1) Salient terms of Contract/ arrangements/ transaction:

As mentioned below:

Sr. No.	Name of the Related Parties	Nature of Contract/ arrangements/ transactions	Salient Terms of Contract/ arrangements/ transactions
1	NRB Bearings Limited	Sale/ Purchase of Goods	As per Purchase Orders placed for their requirements of Raw Materials, Components and Finished Products.
2.	NRB Bearings (Thailand) Limited	Sale of Finished Goods	As per Purchase Orders placed for their requirements of Components and/or Finished Products.
3.	NRB Industrial Bearings Limited	Sale of Finished Goods	As per Purchase Orders placed for their requirements of Components and/or Finished Products.

2) Value of the transactions with the related parties:

As mentioned below:

(₹ in lakhs)

i)	NRB Bearings Limited	Sale of Finished Goods	1930.67
		Purchases of Raw Materials	52.48
		Reimbursement of expenses on behalf of the Company	6.72
ii)	NRB Bearings (Thailand) Limited	Sale of Finished Goods	33.19
		Sales Commission	Nil
iii)	NRB Industrial Bearings Limited	Sale of Finished Goods	1.73

(e) Date(s) of approval by the Board, if any:

i) 25th May, 2017

ii) 21st July, 2017

iii) 8th November, 2017

iv) 6th February, 2018

(f) Amount paid as advances, if any:

Not Applicable

For and on behalf of the Board of Directors
SNL Bearings Limited

H S Zaveri
Director

Dated: May 17, 2018



Disclosure of Remuneration under Section 197 (12) of Companies Act, 2013 and Rule 5(1) of the Companies (Appointment And Remuneration) Rules, 2014.

A. STATEMENT SHOWING DETAILS OF MEDIAN REMUNERATION OF THE DIRECTOR/ KMP OF THE COMPANY:

a. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2017-18;

Name of Directors	Remuneration (₹ In lakhs)	Median Remuneration (₹ In lakhs)	Ratio
Ms. H S Zaveri, * Non-Executive, Non-Independent Director	Nil	N.A.	N.A.
Mr. S C Rangani, * Non-Executive, Non-Independent Director	Nil	N.A.	N.A.
Mr. J S Maini * Non-Executive, Independent Director	Nil	N.A.	N.A.
Mr. J D Diwan* Non-Executive, Independent Director	Nil	N.A.	N.A.
Mr. Vivek Sahai* Non-Executive, Independent Director	Nil	N.A.	N.A.

* No remuneration is paid except Sitting fees and Commission.

b. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2017-18;

Name of Directors	Percentage increase in remuneration in the Financial year.
Ms. H S Zaveri, Non-Executive, Non-Independent Director	Nil
Mr. S C Rangani, Non-Executive, Non-Independent Director	Nil
Mr. J S Maini* Non-Executive, Independent Director	Nil
Mr. J D Diwan Non-Executive, Independent Director	Nil
Mr. Vivek Sahai** Non-Executive, Independent Director	Nil



Mr. Bankim Purohit, Company Secretary***	12%
Mr. Kamlesh Sondigala, Company Secretary****	NA
Mr. KKP Sinha, General Manager	8%

* Mr. J S Maini resigned from the Board w.e.f. 22nd January, 2018

** Mr. Vivek Sahai has been appointed w.e.f. 8th November, 2017

*** Mr. Bankim Purohit resigned from the post of Company Secretary w.e.f. 30th November, 2017

**** Mr. Kamlesh Sondigala appointed as Company Secretary w.e.f. 1st December, 2017

- c. The percentage increase in the median remuneration of employees in the financial year ;
The median remuneration of employees of the Company was increased by 2% during the Financial year 2017-18. (from Rs. 3.68 lakhs to Rs. 3.74 lakhs p.a.).
- d. the Company has 164 number of permanent employees on the rolls of company as on 31 March, 2018;
- e. Average percentile increase already made in the salaries of employees other than the managerial personnel and its comparison with the percentile increase in the managerial remuneration and justification thereof.
Average percentile increase in the salaries of employees other than Managerial Personnel is 6% while increase in the Managerial Remuneration is 10%. Average increase in the remuneration of the employees other than the Managerial Personnel and that of the Managerial Personnel is in line with the industry practice and is within the normal range.
- f. The remuneration is as per the remuneration policy of the company.

**For and on behalf of the Board of Directors
SNL Bearings Limited**

H S Zaveri
Director

Dated: May 17, 2018



**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule no.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
SNL Bearings Limited,

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SNL Bearings Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the SNL Bearings Limited for the financial year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowing – not applicable since the Company does not have any FDI, ODI or ECB;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

I report that during the year under review there was no action/event in pursuance of –

- a) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- b) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998; and
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d) The Securities and Exchange Board of India (Issue and Listing of Debts Securities) Regulations, 2008;



- e) The Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 and/or SEBI (Share Based Employee Benefits) Regulations, 2014.
 - f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client.
- (vi) The Acts / Guidelines specifically applicable to the Company: The management has confirmed that there is no specific law as identified and applicable to the Company.

I have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards with regard to Meeting of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of the Company Secretaries of India; and
- b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I report that during the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards mentioned above.

I further report that –

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed proposal on agenda were sent in advance duly complying with the time limits specified and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- As per the minutes of the meeting duly recorded and signed by the chairperson, the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that based on the information provided by the Company, its officers and authorised representatives during the conduct of the audit and also on the review of quarterly compliance reports by respective department heads / Company Secretary, which are reviewed by the Director and taken on record by the Board of Directors of the Company, in my opinion adequate systems and processes and control mechanism exists commensurate with the size and operation of the Company to monitor and ensure compliance with applicable general laws, rules, regulations and guidelines.

I further report that the compliance by the Company of applicable financial laws like direct and indirect tax laws has not been reviewed in this audit since the same has been subject to review by statutory financial audit and other designated professionals.

I further report that during the audit period there was no specific event/action in pursuance to the above referred laws, rules, regulations, standard and guidelines, etc. referred to above, having major bearing on the Company's affairs.

Place: Mumbai

Date : 17/05/2018

(U.C. SHUKLA)
COMPANY SECRETARY
FCS: 2727/CP: 1654



MANAGEMENT DISCUSSION & ANALYSIS

Industry structure and development

Your company operates in the Antifriction bearing industry and the major user industries of antifriction bearings are automobiles, general engineering, railways, electrical equipment etc. Your company manufactures needle bearing products and operates in the following market segments:

1. Automotive OEM
2. After Market
3. Exports

For your company, the demand is approximately 90% from original equipment manufacturers (OEM) and the balance is for supplies to the replacement market/exports. The demand for roller bearings has grown in double digits – 12%, during the last year reflecting the resurgence in demand in all the segments of the automotive industry.

The automotive industry is the largest consumer of bearing products and your company supplies to the 2/3 wheeler, passenger cars, commercial vehicles and farm equipment segments. Overall demand from the Automotive industry has been buoyant with Commercial Vehicles growing 15%, 2/3 wheelers by 10%, Passenger vehicles by 8% and Farm Equipment by 15%, but your Company has grown by 14% with strong growth in the 2/3 wheeler and commercial vehicles. Overall, the Company's market share in the Needle bearing segment is estimated at 6-7%.

Roller bearings have wide ranging applications and are critical to industrial progress. Market growth in the Indian mobility industry for both people and goods has a very large potential given the geographical spread and size of population- an aspirational young population spurs personal mobility while the need to establish strong supply chains between producers and markets drives growth for goods mobility. Also new vehicle models are being constantly introduced, there is expansion of the public transport systems, dedicated freight corridors for movement of farm produce. With enhanced manufacturing capacity, your company is now in a position to offer a wider range of products to its customers -bearing solutions that are efficient and support productivity.

Economic Environment

During the year, global GDP growth momentum has been broad based with most countries experiencing a rebound in investment, manufacturing activity and trade. This positive outlook and strong performance is expected to be sustained with the IMF projecting a growth of 4% in the coming years.

In India, its economy continues to be perceived as most exciting and capable of high growth, particularly owing to the significant structural reforms like the implementation of GST, the new Bankruptcy Code and the recapitalization of the banking sector, all of which should support credit growth and kick start further investments. Foreign institutions gaining confidence arising from the bold reforms, are going to turn to be positive for the economy with the Indian financial sector witnessing a paradigm shift in business operations. There is hope that the Indian economy will witness a strong recovery path with the abating effects of earlier policy actions. Downside risks continue in the form of NPA's of the banking system and the rise in global fuel and commodity prices.

With forecasts of a normal to above normal monsoon and government spending in the economy mainly in the areas of Power (Renewables and T & D), Transportation (Roads, Railways and metro projects) and Defence (mainly towards indigenization under the "Make in India" drive) , structurally the economy is expected to be benefitted and positively impact rural demand for passenger vehicles and farm equipment, enabling your company register robust growth in sales. With overall GDP growth estimated at 7% and inflation controlled within 5%, the automotive sector is also expected to benefit, particularly with a growing middle class and rapid urbanization which will drive the need for personal and public transportation. The continued capacity expansion by major OEMs, in line with market demand is expected to encourage auto component manufacturers to invest in new capacities and expand



operations. 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.

Your company will continue to focus on manufacturing efficiencies and leverage its competitive strength to meet customer growth plans and increase market share.

Opportunities and Threats

The long term prospects for the Indian economy remain bright owing to the growth of internal consumption. Demand for personal vehicles will be driven by the aspirations of the rising middle class with improving purchasing power and disposable incomes. Rapid urbanization will drive the need for public transportation. As India addresses the twin challenges of inclusive growth and sustainability, even a normal monsoon, with improved availability of rural finance, will positively influence demand for motor cycles as well as agricultural tractors. The overall mobility sector is expected to benefit from continued growth in the longer term.

The domestic bearing industry is facing the following threats:

- a. The menace of spurious bearings continues to adversely affect the industry. As per estimates roughly one in every four bearings sold in the replacement market is fake/ of inferior quality presenting a threat to unsuspecting users. The problem continues owing to the slow legal process, in spite of industry wide efforts to thwart the unscrupulous suppliers.
- b. With global demand weakening, dumping of cheap bearings by Chinese and other South East Asian countries has intensified. The industry is working with the government for imposition of safeguard duties to protect the domestic industry. Supply chain readiness and a stronger focus on reducing costs will help counter the same.
- c. Regulatory demands on emission levels, improved safety norms and higher expectations for improved reliability of the vehicles may result in need for investments in newer technology, R & D investments. This could cause a higher burden of fixed costs.

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

Financials

The company has made a profit after tax of Rs. 822 lakhs as compared to Rs. 661 lakhs in the previous accounting year. The net sales at Rs. 3862 lakhs, show a growth of 14.70% as compared to net sales of the previous year Rs. 3366 lakhs.

With India regarded amongst the fastest growing market for bearings in the world with a bullish automotive industry aiming to become one of the world's top three producers, the company expects its new capacities will help enhance volumes, broaden its customer profile and product range. Leveraging its operational efficiencies to cope with the strong demand, the company expects its financial results to be better during the current financial year.

Risks and risk mitigation

To sustain long term competitive advantage for the company, the company has comprehensive risk management processes for identification, assessment and mitigation of all potential business risks which include operational, financial, legal and strategic risks. Depending on probability of occurrence and extent of potential damage, these risks are categorized as material risks and non critical risks. These are periodically presented to the Board. Risk mitigation measures and their implementation are regularly



reviewed and discussed, and after evaluation, improved and updated. The macro concerns which could significantly impact industry performance during the year are inflation, fiscal deficit and currency risks, government's inability to build and expand critical infrastructure and the "Make in India" drive not getting full support, 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\$ 200 billion (12% of GDP) by 2026 under the Automotive Mission Plan.

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

The Plant head and his continuing interactions with the functional heads of the holding company, employees and other stakeholders, helps management with regular monitoring and reports about the developments in the market, competition, extension of product range, and financial, legal and compliance issues.

Internal control systems and adequacy

The company has in place adequate internal control systems which ensures reliable financial reporting, safeguarding of assets, adherence to management policies and promotion of ethical conduct. During the year, the company has implemented an upgrade of the ERP system (NAV 5 to NAV 16) which helps the company to implement latest world class processes, simultaneously making it more analytical and enabling identification of processes which need improvements.

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

- a. Internal auditors who in addition to transaction audit cover operational audit and review business processes and performance
- b. Standard operating procedures and guidelines have been reviewed in the light of the ERP upgrade to ensure tighter controls. 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 auditor's reviews significant findings and follows up thereon.

Segmentwise Performance

During the current year, ball and roller bearings have been the primary business segment for the company.

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 Human Resource by providing employees a better working atmosphere and creating a culture which nurtures personal and organizational growth.

Permanent employees directly employed by the company currently total 164 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 REPORT

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2018, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (The "Listing Regulations").

COMPANY'S PHILOSOPHY

SNL Bearings Limited ("The Company") governance philosophy is based on trusteeship, transparency and accountability. As a corporate citizen, our business fosters a culture of ethical behavior and disclosures aimed at building trust of our stakeholders. The Company's Code of Conduct, Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Insiders are an extension of our values and reflect our commitment to ethical business practices, integrity and regulatory compliances.

The Company's governance framework is based on the following principles:

- Appropriate composition and size of the Board, with each member bringing in expertise in their respective domains;
- Availability of information to the members of the Board and Board Committees to enable them to discharge their fiduciary duties;
- Timely disclosure of material operational and financial information to the stakeholders;
- Systems and processes in place for internal control; and
- Proper business conduct by the Board, Senior Management and Employees.

A Report on compliance with the principles of Corporate Governance as prescribed by The Securities and Exchange Board of India (SEBI) in Chapter IV read with Schedule V of the Listing Regulations is given below:

GOVERNANCE STRUCTURE

The Corporate Governance structure at SNL Bearings is as follows:

1. **Board of Directors:** The Board is entrusted with an ultimate responsibility of the Management, directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosures.
2. **Committees of the Board:** The Board has constituted the following Committees viz, Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility (CSR) Committee and the Stakeholders' Relationship Committee. Each of the said Committee has been mandated to operate within a given framework.



THE BOARD OF DIRECTORS

Composition and category of Directors

The Board is broad-based and consists of eminent individuals from Technical, Financial and Marketing backgrounds. The Company is managed by the Board of Directors in co-ordination with the Senior Management team. The composition and strength of the Board is reviewed from time to time for ensuring that it remains aligned with statutory as well as business requirements.

As on March 31, 2018, The Company's Board consists of 4 Directors. Besides the Chairman, the Board comprises of one Non-Executive Director and two Non-Executive Independent Directors. Mr J S Maini resigned from the company in January, 2018. The composition of the Board is in conformity with Section 149 of the Companies Act, 2013 and Regulation 17 of the Listing Regulations.

At the Board meeting held on 17th May, 2018, the Board has been further broad-based with the inclusion of Mr. A S Kohli, Director, NRB Bearings (Thailand) Ltd. and diverse experience in Manufacturing, Engineering & Projects and of Mr. Claude Rose, ex country head of the Continental group with long exposure to MNC's working systems. Both the additions are expected to significantly contribute towards the company's growth plans.

Directors' Attendance Record and their other Directorships/ Committee memberships

As mandated by Regulation 26(1)(b) of the Listing Regulations, none of the Directors is a member of more than ten Board Level Committees (considering only Audit Committee and Stakeholders' Relationship Committee) or Chairman of more than five Committees across all public limited companies (listed or unlisted) in which he/she is a Director. Further all Directors have informed about their Directorships, Committee memberships/ Chairmanships including any changes in their positions. Relevant details of the Board of Directors as on March 31, 2018 are given below:

Directorship / Committee Membership as on March 31, 2018.

Name	Date of Appointment	Category of Director	Directorships in other Indian Public Limited Companies (Other than SNL Bearings)	No. of Board Committees in which Chairman / Member (Other than SNL Bearings)	
				Chairman	Member
Ms. H S Zaveri DIN: 00003948	31/07/2000	Chairman and Non-Executive Director	3	0	2
Mr. S C Rangani DIN: 00209069	31/07/2000	Non-Executive Director	1	0	0
Mr. J D Diwan DIN: 01565319	29/01/2015	Independent Director	1	0	1
Mr. Vivek Sahai* DIN: 01717502	08/11/2017	Independent Director	1	0	0

* Mr. Vivek Sahai has been appointed w.e.f. 8th November, 2017.



Notes:

1. Directorships exclude Private Limited Companies, Foreign Companies and Section 8 Companies.
2. Chairmanship/Membership of Committee only includes Audit Committee and Stakeholders Relationship Committee in Indian Public Limited companies other than SNL Bearings Limited. Members of the Board of the Company do not have membership of more than ten Board-level Committees or Chairman of more than five such Committees.
3. Details of Director(s) retiring or being re-appointed are given in notice to Annual General Meeting.

Independent Directors

The Non-Executive Independent Directors fulfil the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations. A formal letter of appointment to Independent Directors as provided in Companies Act, 2013 has been issued and disclosed on website of the Company viz. www.snlbearings.in

Number of Independent Directorships

In compliance with the Listing Regulations, Directors of the Company do not serve as Independent Director in more than seven listed companies. In case he/she is serving as a Whole-Time Director in any listed company, does not hold the position of Independent Director in more than three listed companies.

Board Meetings

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company. The Board Meetings are pre-scheduled and is known to the Directors well in advance to facilitate them to plan their schedules accordingly. In case of business exigencies, the Board's approval is taken through circular resolutions. The circular resolutions are noted at the subsequent Board Meeting.

The notice and detailed agenda along with the relevant notes and other material information are sent in advance separately to each Director and in exceptional cases tabled at the Meeting with the approval of the Board. This ensures timely and informed decisions by the Board. The Board reviews the performance of the Company vis-à-vis the budgets/targets.

Minimum four prescheduled Board meetings are held every year (one meeting in every calendar quarter). During the financial year 2017-18 the Board of Directors met four times i.e., on - May 26, 2017, July 21, 2017, November 08, 2017, February 06, 2018. The maximum gap between any two consecutive meetings was less than one hundred and twenty days, as stipulated under Section 173(1) of the Act, and Regulation 17(2) of the Listing Regulations and the Secretarial Standards issued by Institute of Company Secretaries of India.



Attendance of Directors at the Board Meetings and at the last Annual General Meeting (AGM)

Sr. No.	Name of Directors	No. of Board Meetings attended	Attendance at the AGM held on July 21, 2017
1.	Ms. H S Zaveri	4 of 4	Present
2.	Mr. S C Rangani	4 of 4	Present
3.	Mr. J D Diwan	4 of 4	Present
4.	Mr. Vivek Sahai*	1 of 1	Not a director as on AGM date.
5.	Mr. J S Maini **	3 of 3	Present

* Mr. Vivek Sahai has been appointed w.e.f. 8th November, 2017.

** Mr. J S Maini vacated his office as a Director in accordance with Section 168 of the Companies Act, 2013, effective from January 22, 2018.

Information placed before the Board

The Company provides the information as set out in Regulation 17 read with Part A of Schedule II of the Listing Regulations to the Board and the Board Committees to the extent it is applicable and relevant. Such information is submitted either as part of the agenda papers in advance of the respective Meetings or by way of presentations and discussions during the Meetings.

Post Meeting Mechanism

The important decisions taken at the Board/Board Committee Meetings are communicated to the concerned department/division.

Board Support

The Company Secretary attends the Board Meetings and advises the Board on Compliances with applicable laws and governance.

Roles, Responsibilities and Duties of the Board.

The duties of Board of Directors have been enumerated in Listing Regulations, Section 166 of the Companies Act, 2013 and Schedule IV of the said Act (Schedule IV is specifically for Independent Directors).

The Chairman: Her primary role is to provide leadership to the Board in achieving goals of the Company. She is responsible, inter-alia, for the working of the Board and for ensuring that all relevant issues are placed before the Board and that all Directors are encouraged to provide their expert guidance on the relevant issues raised in the meetings of the Board. She is also responsible for formulating the corporate strategy along with other members of the Board of Directors. Her role, inter alia, includes:

- Provide leadership to the Board & preside over all Board & General Meetings.
- Achieve goals in accordance with Company`s overall vision.
- Ensure that Board decisions are aligned with Company`s strategic policy.
- Ensure to place all relevant matters before the Board and encourage healthy participation by all Directors to enable them to provide their expert guidance.



- Monitor the core management team.

Non-Executive Directors (including Independent Directors) play a critical role in balancing the functioning of the Board by providing independent judgements on various issues raised in the Board meetings like formulation of business strategies, monitoring of performances, etc. Their role, inter-alia, includes:

- Impart balance to the Board by providing independent judgement.
- Gain feedback on Company's execution of Board directives.
- Provide effective feedback and recommendations for further improvements.

FAMILIARISATION PROGRAMME FOR DIRECTORS

At the time of appointing a Director, a formal letter of appointment is given to him, which inter alia explains the role, function, duties and responsibilities expected from him as a Director of the Company. The Director is also explained in detail the Compliance required from him under Companies Act, 2013, the Listing Regulations and other various statutes and an affirmation is obtained. The Chairman also has a one to one discussion with the newly appointed Director to familiarize him with the Company's operations. Further, on an ongoing basis as a part of Agenda of Board / Committee Meetings, presentations are regularly made to the Independent Directors on various matters inter-alia covering the Company's businesses and operations, industry and regulatory updates, strategy, finance, risk management framework. The details of the familiarisation programme for Independent Directors are available on the Company's website, viz. www.snlbearings.in.

GOVERNANCE CODES

Code of Conduct

The Company has adopted Code of Conduct ("the Code") which is applicable to the Board of Directors and all Employees of the Company. The Board of Directors and the members of Senior Management Team (one level below the Board of Directors) of the Company are required to comply with the Code. The Code requires Directors and Employees to act honestly, fairly, ethically, and with integrity, conduct themselves in professional, courteous and respectful manner. The Code is displayed on the Company's website and signed by CEO viz. www.snlbearings.in.

Conflict of Interests

Each Director informs the Company on an annual basis about the Board and the Committee positions he occupies in other companies including Chairmanships and notifies changes during the year. The Members of the Board while discharging their duties, avoid conflict of interest in the decision making process. The Members of Board restrict themselves from any discussions and voting in transactions in which they have concern or interest.

Insider Trading Code

The Company has adopted an 'Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Insiders ("the Code") in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (The PIT Regulations).

The Code is applicable to Promoters and Promoter's Group, all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company.



The Company Secretary is the Compliance Officer for monitoring adherence to the said PIT Regulations. The code is displayed on the website www.snlbearings.in

COMMITTEES OF THE BOARD

The Board of Directors have constituted Board Committees to deal with specific areas and activities which concern the Company and requires a closer review. The Board Committees are formed with approval of the Board and function under their respective Charters. These Committees play an important role in the overall Management of day-to-day affairs and governance of the Company. The Board Committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. The Minutes of the Committee Meetings are placed before the Board for noting.

The Company has four Board Level Committees:

- A) Audit Committee,
- B) Nomination and Remuneration Committee,
- C) Stakeholders Relationship Committee, and
- D) Corporate Social Responsibility Committee.

(A) AUDIT COMMITTEE

Composition

Audit Committee of the Board of Directors (“the Audit Committee”) is entrusted with the responsibility to supervise the Company’s internal controls and financial reporting process. The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 and the provisions of Regulation 18 of the Listing Regulations. All members of the Audit Committee are financially literate and bring in expertise in the fields of Finance, Accounts, Manufacturing, Risk and International Finance. It functions in accordance with its terms of reference that defines its authority, responsibility and reporting function. Mr. J D Diwan, Independent Director is the Chairman of the Audit Committee. The other members of the Audit Committee include Mr. V S Sahai (Independent Director) and Ms. H S Zaveri (Non-Executive Director).

Mr. J S Maini, Independent Director, was member of the committee till January 2018 when he ceased to be Director. His place filled by Mr. Vivek Sahai (Independent Director).

Meetings and Attendance

The Audit Committee met four times during the Financial Year 2017-18. The maximum gap between two Meetings was not more than 120 days. The Committee met on May 25, 2017, July 21, 2017, November 08, 2017, February 06, 2018. The requisite quorum was present at all the Meetings. The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on July 21, 2017.



The Table below provides the attendance of the Audit Committee members:

Sr. No.	Name of the Directors	Position	Category	No. of Meetings Attended
1.	Mr. J D Diwan	Chairman	Independent Director	4 of 4
2.	Mr. J S Maini *	Member	Independent Director	3 of 3
3.	Ms. H S Zaveri	Member	Non-Executive Director	4 of 4
4.	Mr. Vivek Sahai**	Member	Independent Director	1 of 1

* Mr. J S Maini vacated his office as a Director in accordance with Section 168 of the Companies Act, 2013, effective from January 22, 2018.

** Mr. Vivek Sahai has been appointed w.e.f. 8th November, 2017.

Terms of Reference

The Audit Committee is responsible for overseeing of the Company's financial reporting process, reviewing with management the quarterly/half yearly/annual financial statements before submission to the Board for approval. Other terms of reference, inter alia, include:

- a. Reviewing with management the quarterly/annual financial statements before submission to the Board, focusing primarily on (i) matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of section 134(3) of the Companies Act, 2013, (ii) any changes in accounting policies and practices, (iii) major accounting entries based on exercise of judgement by management, (iv) qualifications in draft audit report, (v) significant adjustments arising out of audit, (vi) compliance with Stock Exchanges and legal requirements concerning financial statements and (vii) any related party transactions i.e. transactions of the Company of material nature with promoters or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.
- b. Recommending for appointment, remuneration and terms of appointment of auditors of the Company, reviewing and monitoring the auditors independence and performance and effectiveness of the audit process and discussion with internal auditors of any significant findings and follow up thereon particularly into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature.
- c. Scrutiny of inter-corporate loans and investments.
- d. Valuation of undertakings or assets of the Company, wherever it is necessary.
- e. Evaluation of internal financial controls and risk management systems
- f. Review the functioning of the whistle blower mechanism.
- g. Approval of appointment of CFO (ie. The whole time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background of the candidate.

The Committee has acted as a link between the management, external and internal auditors and the Board of Directors of the Company and has discussed with the external auditors their audit methodology and significant observations as also major issues related to risk management and compliances.



In addition the Committee has discharged other role/function as envisaged under Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the provisions of section 177 of the Companies Act, 2013

Functions of Audit Committee

The Audit Committee, while reviewing the Annual Financial Statements also reviews the applicability of various Accounting Standards (AS) referred to in Section 133 of the Companies Act, 2013. The compliance of the Accounting Standards as applicable to the Company has been ensured in the preparation of the Financial Statements for the year ended March 31, 2018.

Besides the above, Chief Financial Officer and AGM (Finance) of the holding company, the representatives of the Statutory Auditors and the Internal Auditors are permanent invitees to the Audit Committee Meetings. The Company Secretary acts as a Secretary to the Committee as required by Regulation 18(1)(e) of the Listing Regulations.

The Company follows best practices in financial reporting. The Company has been reporting on quarterly basis, the Un-audited Financial Statements as required by the Regulation 33 of the Listing Regulations. The Company's quarterly Un-audited Standalone Financial Statements are made available on the web-site www.snlbearings.in and are also sent to the Stock Exchanges where the Company's Equity Shares are listed for display at their respective websites.

The Audit Committee also oversees and reviews the functioning of a vigil mechanism (implemented in the Company as a Insider Trading Code and Whistle Blower Policy) and reviews the findings of investigation into cases of material nature and the actions taken in respect thereof.

Internal Controls and Governance Processes

The Company continuously invests in strengthening its internal control and processes. The Audit Committee formulates a detailed plan for the Internal Auditors for the year, and his finding and recommendations are reviewed on regular basis at the Audit Committee Meetings.

(B) NOMINATION AND REMUNERATION COMMITTEE

Composition

The Nomination and Remuneration Committee comprises of Three Directors. Mr. Vivek Sahai, Independent Director, is the Chairman of the Committee. The other members of the Nomination and Remuneration Committee include Mr. J D Diwan and Ms. H S Zaveri. The Composition of Nomination and Remuneration Committee is in accordance with the provisions of Section 178(1) of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

Meeting and Attendance

The Nomination and Remuneration Committee met three times during the year on September 28, 2017, November 08, 2017, February 06, 2018. The requisite quorum was present at the Meeting. The then Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company. The table below provides the attendance of the Nomination and Remuneration Committee members:



Sr. No.	Name of the Directors	Position	Category	No. of Meetings Attended
1.	Mr. Vivek Sahai*	Chairman	Independent Director	1 of 1
2.	Mr. J S Maini**	Member	Independent Director	2 of 2
3.	Ms. H S Zaveri	Member	Non-Executive Director	3 of 3
4.	Mr. J D Diwan	Member	Independent Director	3 of 3

* Mr. Vivek Sahai has been appointed w.e.f. 8th November, 2017.

** Mr. J S Maini vacated his office as a Director in accordance with Section 168 of the Companies Act, 2013, effective from January 22, 2018.

Terms of Reference

The broad terms of reference of the Nomination and Remuneration Committee, as approved by the Board, are in compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, which are as follows.

- Reviewing the overall compensation policy, service agreements and other employment conditions of Senior Management (one level below the Board of Directors);
- To help in determining the appropriate size, diversity and composition of the Board;
- To recommend to the Board appointment/re-appointment and removal of Directors;
- To frame criteria for determining qualifications, positive attributes and independence of Directors;
- To recommend to the Board remuneration payable to the Directors;
- To create an evaluation framework for the Independent Directors and the Board;
- To provide necessary reports to the Chairman after the evaluation process is completed by the Directors;
- To assist in developing a succession plan for the Board;
- To assist the Board in fulfilling responsibilities entrusted from time-to-time; and
- Delegation of any of its powers to any Member of the Committee or the Compliance Officer.

REMUNERATION POLICY

A. Remuneration to Non-Executive Directors (including Independent Directors)

The Non-Executive Directors are paid remuneration by way of Commission and Sitting Fees. The Non-Executive Directors are paid sitting fees for each Meeting of the Board or Committee of Directors attended by them. The Non-Executive Director/Independent Directors do not have any material pecuniary relationship or transactions with the Company.

B. Remuneration to KMP, Directors and Senior Management Personnel

The KMP and Senior Management personnel are eligible for a monthly remuneration as may be approved by the board on the recommendation of the committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to PF, pension scheme, medical expenses, club fees etc are decided and approved by the board.

The Nomination and Remuneration Policy is displayed on the Company's website viz. www.snlbearings.in


DETAILS OF REMUNERATION PAID TO DIRECTORS FOR THE YEAR ENDED MARCH 31, 2018
(a) NON EXECUTIVE DIRECTORS

Name of the Director	Sitting Fees (Rs.)	No. of Shares held	Commission to Non- Executive Directors (For the F.Y. 2016-17) (Rs.)
Mr. J S Maini*	75,000	0	2,00,000
Ms. H S Zaveri	1,47,500	34011	2,00,000
Mr. J D Diwan	1,47,500	Nil	2,00,000
Mr. S C Rangani	85,000	250	2,00,000
Mr. Vivek Sahai**	35,000	Nil	Nil
Total	4,90,000		8,00,000

* Mr. J S Maini vacated his office as a Director in accordance with Section 168 of the Companies Act, 2013, effective from January 22, 2018.

** Mr. Vivek Sahai has been appointed w.e.f. 8th November, 2017.

(b) KMP, Senior Management Personnel

Particulars	Mr. KKP Sinha, General Manager	Mr. Kamlesh Sondigala* Company Secretary	Mr. Bankim Purohit Company Secretary
Term of Appointment	Contractual	Contractual	Resigned w.e.f. 30th November, 2017
Salary	8,75,400	76,613	2,18,400
Other Allowances	15,91,335	147,699	4,11,001
Total	24,66,735	2,24,312	6,29,401

* Mr. Kamlesh Sondigala has been appointed as Company Secretary in the Nomination and Remuneration Committee meeting on 8th November, 2017.

(C) STAKEHOLDERS RELATIONSHIP COMMITTEE
Composition and Attendance

The Stakeholders Relationship Committee comprises of four Directors. Mr J D Diwan, Independent Director is the Chairman of this Committee. The Stakeholders Relationship Committee met five times during the year on May 25, 2017, June 28, 2017, July 13, 2017, August 2, 2017 and February 06, 2018. The table below highlights the composition and attendance of the Members of the Committee. The requisite quorum was present at all the Meetings.

Sr. No.	Name of the Directors	Position	Category	No. of Meetings Attended
1.	Mr. J D Diwan	Chairman	Independent Director	5 of 5
2.	Ms. H S Zaveri	Member	Non-Executive Director	5 of 5
3.	Mr. S C Rangani	Member	Non-Executive Director	5 of 5
4.	Mr. Vivek Sahai*	Member	Independent Director	1 of 1

* Mr. Vivek Sahai has been appointed w.e.f. 8th November, 2017.

Mr. Kamlesh Sondigala, Company Secretary is the Compliance Officer.



Terms of Reference

The Board has clearly defined the terms of reference for this committee, which generally meets once a Quarter or as when shareholder requests are to be resolved. The Committee looks into the matters of Shareholders/ Investors grievances along with other matters listed below:

- approval of transfer of shares/debentures and issue of duplicate/split/consolidation/sub-division of share/debenture certificates;
- to fix record date/book closure of share/debenture transfer book of the Company from time to time.
- to carry out any other duties that may be delegated to the Committee by the Board of Directors from time to time.

The Registrar and Share Transfer Agent, Universal Capital Securities Pvt Ltd attend to all grievances of the shareholders received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc. The Minutes of the Stakeholders Relationship Committee Meetings are circulated to the Board and noted by the Board of Directors at the Board Meetings.

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors. Shareholders are requested to furnish their updated telephone numbers and e-mail addresses to facilitate prompt action.

DETAILS OF SHAREHOLDERS' COMPLAINTS RECEIVED, SOLVED AND PENDING SHARE TRANSFERS

The total number of complaints received and resolved during the year ended March 31, 2018 was 73. There were no complaints outstanding as on March 31, 2018. The number of pending share transfers and pending requests for dematerialization as on March 31, 2018 were Nil. Shareholders'/Investors' complaints and other correspondence are normally attended to within fifteen working days except where constrained by disputes or legal impediments. No investor grievances remained unattended /pending for more than thirty days as on March 31, 2018.

Nature of queries/complaints	2017-18 Nos.	Complaints Resolved.
Transfers (including stop transfer), Transmissions	02	02
Duplicate share certificates	05	05
Signature verification	00	00
Non receipt of share certificates	00	00
Deletion of name	03	03
Power of Attorney	00	00
Reissue of dividend warrants	53	53
Non-receipt of dividend warrants	00	00
Change in bank details	04	04
Change of address	05	05
Change of address undelivered	00	00
Non receipt of AGM reports	02	02
Total	73	73

The above table includes Complaints received from SEBI SCORES by the Company.



(D) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Composition

The Corporate Social Responsibility (CSR) Committee comprises of three Directors, Ms. H S Zaveri, Non-Independent Director, is the Chairman of the Committee. The other members of the CSR Committee include Mr. S C Rangani Non- Executive Director, Mr. J D Diwan, Independent Director. The Composition of CSR Committee is in accordance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014. As per Section 135 of the Companies Act, 2013, the Company has actually spent Rs. 16.15 lakhs during F.Y. 2017-18 on the identified activities with balance of Rs. 0.75 lakhs committed to NSDL - 'Vidyasaarathi' (VSS) for launching scholarship scheme on VSS portal.

The Company has formulated CSR Policy, which is uploaded on the website of the Company viz. www.snlbearings.in

Terms of Reference

- To review the existing CSR Policy and list the activities to be undertaken by the Company, out of those specified in Schedule VII of the Companies Act, 2013;
- To provide guidance on various CSR activities to be undertaken by the Company and to monitor process.

The Composition of the CSR Committee as at March 31, 2018 and the details of Meetings of the Committee are as under:

Meetings and Attendance:

The CSR Committee met once during the year on February 6, 2018. The requisite quorum was present at the Meeting. The Table below provides the attendance of the CSR Committee members:

Sr. No.	Name	Position	Category	No. of Meetings Attended
1.	Ms. H S Zaveri	Chairman	Non-Executive Director	1 of 1
2.	Mr. S C Rangani	Member	Non-Executive Director	1 of 1
3.	Mr. J D Diwan	Member	Independent Director	1 of 1

At the last CSR Committee meeting held on 6th February, 2018, the Committee members decided to waive their sitting fees for this Committee meeting in future.

Mr. Vivek Sahai, co-opted as member of CSR committee w.e.f. 6th February, 2018.

(E) INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on March 28, 2018, inter alia, to:

- Evaluate performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluate performance of the Chairman of the Company, taking into account the views of the Non-Executive Directors;
- Evaluation of the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at this Meeting. Feedback as necessary has been provided to the Chairman.

AFFIRMATIONS AND DISCLOSURES:

a. Compliances with Governance Framework

The Company is in compliance with all mandatory requirements under the Listing Regulations.

**b. Related party transactions**

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulations during the financial year were in the ordinary course of business and on arm's length basis attracts the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with Related Parties during the financial year. Related party transactions have been disclosed under significant accounting policies and notes forming part of the Financial Statements in accordance with "IND AS". A statement in summary form of transactions with Related Parties in ordinary course of business and arm's length basis is periodically placed before the Audit committee for review and recommendation to the Board for their approval.

As required under Regulation 23(1) of the Listing Regulations, the Company has formulated a policy on dealing with Related Party Transactions. The Policy is available on the website of the Company viz. www.snlbearings.in

None of the transactions with Related Parties were in conflict with the interest of Company. All the transactions are in the ordinary course of business and have no potential conflict with the interest of the Company at large and are carried out on an arm's length or fair value basis.

c. Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during last three Financial Years.

The Company has complied with all requirements specified under the Listing Regulations as well as other regulations and guidelines of SEBI. Consequently, there were no strictures or penalties imposed by either SEBI or Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets during the last three Financial years.

d. Vigil Mechanism / Whistle Blower Policy

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the chairman of the Audit Committee in exceptional cases. None of the personnel of the Company have been denied access to the Audit Committee. The Whistle Blower Policy is displayed on the Company's website viz. www.snlbearings.in.

e. Disclosure of Accounting Treatment

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

f. Risk Management

Business risk evaluation and Management is an ongoing process within the Company. The assessment is periodically examined by the Board.

g. Commodity price risk and Commodity hedging activities

The Company is exposed to the risk of price fluctuation of raw materials as well as finished goods. The Company proactively manages its risk through forward booking of contracts, Inventory management and proactive vendor development practices.

h. Non-mandatory requirements

Adoption of non-mandatory requirements of the Listing Regulations is being reviewed by the Board from time-to-time.



INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of SNL Bearings Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 30th October, 2017.
2. We have examined the compliance of conditions of corporate governance by **SNL Bearings Limited** (the 'Company') for the year ended 31 March 2018, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations').

Management's Responsibility

3. The compliance of conditions of corporate governance is the responsibility of the management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in the Listing Regulations.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the 'ICAI'), and the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended 31 March 2018.

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.

Restriction on use

8. This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No. 001076N/N500013

per **Adi P. Sethna**

Partner

Membership No. 108840

Place: Mumbai

Date: 17th May, 2018



SHAREHOLDER'S INFORMATION

GENERAL BODY MEETING

DETAILS OF LAST THREE ANNUAL GENERAL MEETINGS HELD

AGM	Financial Year	Date and Time	Venue	Details of Special Resolution Passed
37 th	2016-17	July 21, 2017, 12.00 Noon	Conference Room, Dhannur, 15, Sir P M Road, Mumbai- 400 001	<ul style="list-style-type: none"> Special Resolution was passed for payment for payment of commission not exceeding Rs 2 lakhs p.a per director and not exceeding an amount equal to 1% of net profits of the company to Non-Executive directors.
36 th	2015-16	July 27, 2016, 2.00 PM	Conference Room, Dhannur, 15, Sir P M Road, Mumbai- 400 001	<ul style="list-style-type: none"> No Special Resolution has been passed.
35 th	2014-15	July 28, 2015, 3:00 PM	Conference Room, Dhannur, 15, Sir P M Road, Mumbai- 400 001	<ul style="list-style-type: none"> No Special Resolution has been passed.

POSTAL BALLOT

During the year under review, one resolution of appointment of Walker Chandiook & Co LLP as statutory auditors of the company for filling casual vacancy was passed through Postal ballot.

ANNUAL GENERAL MEETING FOR THE FINANCIAL YEAR 2017-18

DAY AND DATE	Wednesday, August 1, 2018
TIME	3.00 pm
VENUE (Registered Office of the Company)	Conference Room, Dhannur, 15, Sir P. M. road, Fort, Mumbai - 400001.
FINANCIAL YEAR	April 1, 2017 to March 31, 2018
BOOK CLOSURE DATES FOR DIVIDEND	July 26, 2018 to August 1, 2018 (both days inclusive)
LAST DATE OF RECEIPT OF PROXY FORMS	Monday, July 30, 2018 before 3:00 PM

Tentative Calendar for Financial Year ending March 31, 2019

The tentative dates for Board Meetings for consideration of quarterly financial results are as follows:

Sr. No.	Particulars of Quarter	Tentative dates
1.	First Quarter Results	August 2018
2.	Second Quarter & Half Yearly Results	October/ November, 2018
3.	Third Quarter & Nine-months ended Results	January/ February, 2019
4.	Fourth Quarter & Annual Results	April/ May, 2019



Dividend

The Board of Directors at their Meeting held on May 17, 2018, recommended dividend for the financial year 2017-2018, of Rs. 5/- per share of Rs. 10/- each subject to approval of the shareholders at the ensuing Annual General Meeting. The Dividend shall be paid to the members whose names appear on Company's Register of Members on July 25, 2018 in respect of physical shareholders and whose name appear in the list of Beneficial Owner on July 25, 2018 furnished by NSDL and CDSL for this purpose. The dividend if declared at the Annual General Meeting shall be paid on or before 14th August, 2018.

Dividend History

The Table below highlights the history of Dividends declared by the Company- its maiden equity dividend being declared for FY15-16 and subsequently continued at enhanced levels:

Sr. No.	Financial year	Date of Declaration of Dividend	Amount declared per share
1.	2015-16	July 27, 2016	Rs. 2.00
2.	2016-17 (Interim Dividend)	February 06, 2017	Rs. 3.00

Unclaimed Dividend/ Shares

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, if the dividend transferred to the Unpaid Dividend Account of the Company remains unpaid or unclaimed for a period of seven years from the date of such transfer then such unclaimed or unpaid dividend shall be transferred by the Company along with interest accrued, if any to the Investor Education and Protection Fund ('the IEPF'), a fund established under sub-section (1) of section 125. The details of unclaimed/unpaid dividend are available on the website of the Company viz. www.snlbearings.in

As the company's maiden dividend was only for FY15-16, these provisions are currently not applicable.

Mandatory Transfer of Shares to Demat Account of Investors Education and Protection Fund Authority (IEPFA) in case of unpaid/ unclaimed dividend on shares for a consecutive period of seven years

In terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) (IEPF Rules) shares on which dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more shall be credited to the Demat Account of Investor Education and Protection Fund Authority (IEPFA) within a period of thirty days of such shares becoming due to be so transferred. Upon transfer of such shares, all benefits (like bonus, etc.), if any, accruing on such shares shall also be credited to such Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares

Shares which are transferred to the Demat Account of IEPFA can be claimed back by the shareholders from IEPFA by following the procedure prescribed under the aforesaid rules.

As the company's maiden dividend was only for F.Y. 15-16, these provisions are currently not applicable.

Details of Unclaimed Dividend as on March 31, 2018 and due dates for transfer are as follows:



Sr. No.	Financial year	Date of Declaration of Dividend	Unclaimed Amount (Rs.)	Due Date for transfer to IEPF Account
1.	2015-16	July 27, 2016	189,194	September 01, 2023
2.	2016-17 (Interim Dividend)	February 06, 2017	255,957	April 14, 2024

During the year under review, the Company was not required to transfer any amount to Investor Education and Protection Fund since no dividend was declared in FY 2009-10.

As per Regulation 34(3) read with Schedule V of the Listing Regulations, there are no shares in the suspense account.

Distribution of Shareholding as on March 31, 2018

No. of Equity Shares	2018				2017			
	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	% of share holding
Upto 500	4455	94.78	332731	9.213	4267	94.49	336071	9.31
501-1000	118	2.51	91776	2.54	124	2.75	97687	2.71
1001-2000	68	1.45	96533	2.67	70	1.55	101381	2.81
2001-3000	15	0.32	37895	1.05	15	0.33	37519	1.04
3001-4000	6	0.13	20183	0.56	6	0.13	20473	0.56
4001-5000	11	0.23	50480	1.40	9	0.20	40654	1.12
5001-10000	17	0.362	120613	3.34	12	0.26	85154	2.35
10001 & above	10	0.21	2861329	79.23	13	0.29	2892601	80.10
TOTAL	4700	100	3611540	100	4516	100	3611540	100

As on 31st March, 2018, 3473521 no. of shares constituting 96.18% of the share capital has been dematerialised.

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



Categories of Shareholding Pattern as on March 31, 2018

Category	2018				2017			
	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	% of share holding
Individuals								
Promoter group	1	0.02	34011	0.94	1	0.02	33911	0.94
Public	4589	97.64	816703	22.61	4412	97.70	846390	23.43
Corporate Bodies								
Promoter group	1	0.02	2652762	73.45	1	0.02	2652762	73.45
Others	48	1.02	58640	1.62	52	1.15	56010	1.55
Foreign Collaborator	-	-			-	-		
NRI/OCBs	59	1.26	26853	0.74	49	1.09	22417	0.63
FI/FII/Banks	2	0.04	22571	0.62	1	0.02	50	-
Mutual Funds/ UTI	-				-			
TOTAL	4700	100.00	3611540	100.00	4516	100.00	3611540	100

DEMATERIALISATION OF SHARES AND LIQUIDITY

96.18 % of the equity shares of the Company have been dematerialized (NSDL 90.27% and CDSL 5.91%) as on March 31, 2018. The Company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby shareholders have an option to dematerialise their shares with either of the Depositories.

Dematerialization of Shares - Process

Shareholders who continue to hold shares in physical form are requested to dematerialize their shares at the earliest and avail the benefits of dealing in shares in demat form. For convenience of shareholders, the process of getting the shares dematerialized is given hereunder:

- Demat account should be opened with a Depository Participant (DP).
- Shareholders should submit the Dematerialization Request Form (DRF) along with share certificates in original, to their DP.
- DP will process the DRF and will generate a Dematerialization Request Number (DRN).
- DP will submit the DRF and original share certificates to the Registrar and Transfer Agents (RTA), which is Link Intime India Private Limited.
- RTA will process the DRF and confirm or reject the request to DP/ depositories
- Upon confirmation of request, the shareholder will get credit of the equivalent number of shares in his demat account maintained with the DP



Consolidation of folios and avoidance of multiple mailing

In order to enable the Company to reduce costs and duplicity of efforts for providing services to investors, members who have more than one folio in the same order of names are requested to consolidate their holdings under one folio. Members may write to the Registrars & Transfer Agents indicating the folio numbers to be consolidated along with the original shares certificates to be consolidated.

RECONCILIATION OF SHARE CAPITAL AUDIT REPORT

As stipulated by SEBI, a qualified Practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges where the Company's shares are listed. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form.

Compliance with Secretarial Standards

The Institute of Company Secretaries of India, a Statutory Body, has issued Secretarial Standards on various aspects of corporate law and practices. The Company has complied with each one of them.

The Company's shares are listed on the BSE and the listing fees have been paid to the Exchange:

Stock Exchange	Stock Code
BSE Limited P.J. Towers, Dalal Street, Mumbai – 400 023	505827

*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. There has been no trading since 2005 and no listing fees paid from the year 2007-08 onwards.

Share Price Data

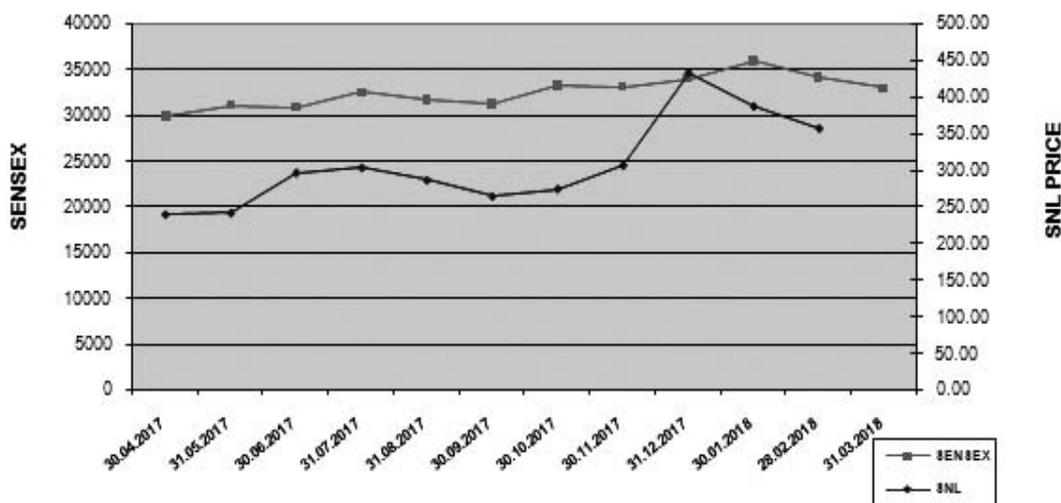
MONTH	BSE		
	HIGH (Rs.)	LOW (Rs.)	VOLUME (Nos.)
April 2017	260	230	41,110
May 2017	260	220	50,220
June 2017	328	239	59,040
July 2017	345	290	132,377
August 2017	313	270	32,679
September 2017	319	260	58,471
October 2017	292	251	37,177
November 2017	310	268	69,506
December 2017	460	303	145,183
January 2018	444	381	53,207
February 2018	418	327	29,552
March 2018	473	344	37,435



Particulars	BSE
Closing share price as on March 31, 2018 (Rs.)	415
Market Capitalisation as on March 31, 2018 (Rs. in cr)	149.8 cr

Performance of shares price in comparison with the broad-based indices viz. BSE Sensex:

The Chart below shows the comparison of your Company's share price movement on BSE vis-à-vis the movement of the BSE Sensex for the financial year ended 31st March, 2018 (based on month end closing):



	30.04.17	31.05.17	30.06.17	31.07.17	31.08.17	30.09.17	31.10.18	30.11.17	31.12.17	31.01.18	28.02.18	31.03.18
SNL	238	240	295	302	285	263	273	305	432	386	356	415
SEN SEX	29918	31146	30922	32515	31730	31284	33213	33149	34057	35965	34184	32969

MEANS OF COMMUNICATION TO SHAREHOLDERS

- The Un-audited quarterly/ half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the closure of the financial year as per the requirement of the Listing Regulations.
- The approved financial results are forthwith sent to the Stock Exchanges and are published in a national English newspaper and in local language (Marathi) newspaper, within forty-eight hours of approval thereof. Presently the same are not sent to the shareholders separately.
- The Company's financial results and official press releases are displayed on the Company's Website-www.snlbearings.in.
- Management Discussion and Analysis report forms part of the Annual Report, which is sent to the shareholders of the Company.
- The quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz. BSE Limited are filed electronically. The Company has complied with filing submissions through BSE's BSE Listing Centre.



- (vi) A separate dedicated section under “Investors”, on the Company’s website gives information on unclaimed dividends, shareholding pattern, quarterly/ half yearly results and other relevant information of interest to the investors/ public.
- (vii) SEBI processes investor complaints in a centralized web based complaints redressal system i.e. SCORES. Through this system a shareholder can lodge complaint against a company for his grievance. The Company uploads the action taken on the complaint which can be viewed by the shareholder. The Company and shareholder can seek and provide clarifications online through SEBI.
- (viii) The Company has designated the email id investorcare@snlbearings.in exclusively for investor relation, and the same is prominently displayed on the Company’s website www.snlbearings.in

Share Transfer System

The Stakeholders Relationship Committee comprising of four directors is authorized to approve transfer of shares and the said committee approves transfer of shares. The committee meets every quarter or earlier in case there are any requests for share transfers in physical form or requests for remat/issue of duplicate share certificate.

Nomination

Shareholders of physical shares can nominate a person for the shares held by them. Requisite nominations of forms have already been circulated by the company to the shareholders who are advised to avail of this facility. Share transfers in physical form are presently registered and returned within a period of 15 days from the date of receipt in case documents are complete in all respects.

Electronic Clearing Service

The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the Bank account details furnished by the Depositories for depositing dividends. Dividend will be credited to the Members’ bank account through ECS wherever complete core banking details are available with the Company. In case where the core banking details are not available, dividend warrants will be issued to the Members with bank details printed thereon as available in the Company’s records. This ensures that the dividend warrants, even if lost or stolen, cannot be used for any purpose other than for depositing the money in the accounts specified on the dividend warrants and ensures safety for the investors. The Company complies with the SEBI requirement.

Service of documents through electronic mode

As a part of Green Initiative, the members who wish to receive the notices/documents through e-mail, may kindly intimate their e-mail addresses to the Company’s Registrar and Share Transfer Agent, Universal Capital Securities Pvt Ltd; to its dedicated e-mail id i.e., investorcare@snlbearings.in

**Address for Correspondence:**

Compliance Officer	Universal Capital Securities Pvt Ltd	Correspondence with the Company
Mr. Kamlesh Sondigala Company Secretary Phone: 022-22663698 e-mail: kamlesh.sondigala@snlbearings.in	21, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai - 400093 Tel : 022-28207203/05 Fax: 022-28207207 e-mail: info@uniseq.in	The Company Secretary SNL Bearings Limited, Dhannur, 15, Sir P. M. Road, Fort, Mumbai – 400001 Phone: 022-22663698 Fax :022-22660412 e-mail: investorcare@snlbearings.in

Plant Locations:

The Company has the following manufacturing and operating Divisions:

Ranchi	Ratu Road, Ranchi 834001
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COMPLIANCE CERTIFICATE OF THE AUDITORS:

The Statutory Auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations and the same is annexed to this Report.

DECLARATIONS**Compliance with the Code of Conduct**

As provided under Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with SNL Bearings Limited Code of Conduct for the year ended March 31, 2018.

For **SNL Bearings Limited**

S C Rangani
Director

Mumbai: May 17, 2018



COMPLIANCE CERTIFICATION BY GENERAL MANAGER AND DIRECTOR

To,
The Board of Directors
SNL Bearings Limited

We hereby certify that:

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

K K P SINHA
GENERAL MANAGER (CEO)

S C RANGANI
DIRECTOR (CFO)

May 17, 2018

**INDEPENDENT AUDITOR'S REPORT****To The Members of SNL Bearings Limited****Report on the Financial Statements**

1. We have audited the accompanying financial statements of **SNL Bearings Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and Perform the audit to obtain reasonable assurance about whether these financial statements are free from material misstatement.
6. 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 financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these financial statements.

Opinion

8. 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 including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2018, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

**Other Matter**

9. The comparative financial information for the year ended 31 March 2017 and the transition date opening balance sheet as at 1 April 2016 prepared in accordance with Ind AS included in these financial statements, are based on the previously issued statutory financial statements for the year ended 31 March 2017 and 31 March 2016 respectively, prepared in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) which were audited by the predecessor auditor whose reports dated 26 May 2017 and 29 April 2016 respectively, expressed unmodified opinion on those financial statements, and have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India interms of Section 143 (11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

Further to our comments in Annexure A, as required by Section 143(3) of the Act, we report that:

- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 financial statements dealt with by this report are in agreement with the books of account;
- d) in our opinion, the aforesaid financial statements comply with Ind AS specified under Section 133 of the Act;
- e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as at 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;
- f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as at 31st March, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report as per Annexure B expressed, an unmodified opinion;
- g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company, as detailed in Note 37 has disclosed the impact of pending litigations on its financial position in the financial statements.
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

per **Adi P. Sethna**

Partner

Membership No.: 108840

Place: Mumbai

Date: 17 May 2018



Annexure A to the Independent Auditor's Report of even date to the members of SNL Bearings Limited, on the financial statements for the year ended 31 March 2018

Annexure A

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) All fixed assets have not been physically verified by the management during the year, however, there is a regular program of verification once in three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (which are included under the Note 2 - 'Property, plant and equipment') are held in the name of the Company.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the management. No material discrepancies were noticed on the aforesaid verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of investments. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of loans, guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
- (b) There were no dues in respect of income-tax, service tax, duty of customs and duty of excise that have not been deposited with the appropriate authorities on account of any dispute.



The dues outstanding in respect of sales-tax and value added tax on account of dispute, are as follows:

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (₹ in Lakhs)	Amount paid under protest (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
The Central Sales Tax Act, 1956	Central sales tax	13.49	3.07	FY 2011-12 and FY 2012-13	Deputy Commissioner of Commercial taxes – Ranchi
The Jharkhand Value Added Tax Act, 2005	Value Added Tax	1.85	0.69	FY 2011-12 and FY 2012-13	Deputy Commissioner of Commercial taxes – Ranchi

- (viii) The Company has not defaulted in repayment of loans or borrowings to a bank during the year. There are no loans or borrowings payable to financial institutions or government and the Company did not have any outstanding debentures during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

per **Adi P. Sethna**

Partner

Membership No.: 108840

Mumbai

17 May 2018



Annexure B to the Independent Auditor's Report of even date to the members of SNL Bearings Limited, on the financial statements for the year ended 31 March 2018

Annexure B

Independent Auditor's report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

1. In conjunction with our audit of the financial statements of SNL Bearings Limited (the "Company") as at and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting (IFCoFR) of the Company as at that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to Company's policies, the safe guarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A Company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable



assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Adi P. Sethna**
Partner
Membership No.:108840

Place: Mumbai
Date: 17 May 2018



BALANCE SHEET AS AT 31 MARCH 2018

(₹ in lakhs)

	Note No.	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
I Assets				
1 Non-current assets				
Property, plant and equipment	2	880.70	921.33	880.91
Capital work-in-progress		22.45	7.54	2.60
Intangible assets	3	10.38	14.86	4.20
Intangible assets under development		2.44	0.82	-
Financial assets				
Loans	4	25.82	25.82	25.82
Current tax assets (net)	5	5.70	3.58	2.70
Total non-current assets		947.49	973.95	916.23
2 Current assets				
Inventories	6	610.15	716.10	612.77
Financial assets				
Investments	7	871.99	106.73	-
Trade receivables	8	722.53	684.57	645.64
Cash and cash equivalents	9	17.06	10.71	64.40
Bank balances other than cash and cash equivalents	10	106.07	5.18	-
Loans	11	4.84	3.80	3.44
Other financial assets	12	2.99	-	-
Other current assets	13	112.51	36.71	23.01
Total current assets		2,448.14	1,563.80	1,349.26
Total Assets		3,395.63	2,537.75	2,265.49
II Equity and Liabilities				
A Equity				
Equity share capital	14	361.15	361.15	361.15
Other equity	15	2,467.51	1,629.91	1,189.01
Total equity		2,828.66	1,991.06	1,550.16
B Liabilities				
1 Non-current liabilities				
Financial liabilities				
Borrowings	16	-	-	104.61
Deferred tax liabilities (net)	30.2	124.77	126.79	106.73
Total non-current liabilities		124.77	126.79	211.34
2 Current liabilities				
Financial liabilities				
Borrowings	17	-	69.92	16.36
Trade payables	18	212.83	105.20	211.86
Other financial liabilities	19	161.67	170.83	201.93
Other current liabilities	20	25.55	22.67	15.45
Provisions	21	42.15	51.28	55.93
Current tax liabilities (net)	22	-	-	2.46
Total current liabilities		442.20	419.90	503.99
Total Equity and Liabilities		3,395.63	2,537.75	2,265.49

Notes 1 to 44 form an integral part of the financial statements.
This is the Balance Sheet referred to in our audit report of even date

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm Registration No. 001076N / N500013

Adi P. Sethna
Partner
Membership No.: 108840

Place: Mumbai
Date : 17 May 2018

For and on behalf of the Board of Directors

H. S. Zaveri
Director - DIN : 00003948

Vivek Sahai
Director - DIN : 01717502

Kamlesh Sondigala -
Company Secretary

S. C. Rangani
Director - DIN : 00209069

Arvinder Kohli
Director - DIN : 08135020

J. D. Diwan
Director - DIN : 01565319

Claude Rose
Director - DIN : 01494440

Place: Mumbai
Date : 17 May 2018



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2018

(₹ in lakhs)

	Note No.	Year ended 31 March 2018	Year ended 31 March 2017
I. Revenue from operations	23	3,928.15	3,765.86
II. Other income	24	30.36	17.89
III Total income (I + II)		3,958.51	3,783.75
IV Expenses:			
Cost of materials consumed	25	1,001.22	839.67
Changes in inventories of finished goods and work-in-progress	26	33.40	(42.94)
Excise duty on sale of goods (see note 23)		96.70	417.60
Employee benefits expense	27	748.26	692.37
Finance costs	28	0.83	13.65
Depreciation and amortisation expense	2 & 3	79.12	70.77
Other expenses	29	861.94	796.61
Total expenses (IV)		2,821.47	2,787.73
V. Profit / (loss) before tax (III-IV)		1,137.04	996.02
VI Income tax expense / (credit) :	30		
(i) Current tax		313.94	310.06
(ii) Deferred tax		(2.02)	21.72
(iii) Tax pertaining to earlier years		3.10	2.64
		315.02	334.42
VII Net profit after tax (V-VI)		822.02	661.60
VIII Other comprehensive income (OCI)	31		
Items not to be reclassified subsequently to profit or loss			
- Remeasurement gain/(loss) on defined benefit plans		21.89	(5.02)
- Income tax effect on above		(6.31)	1.66
Other comprehensive income /(loss) for the year, net of tax		15.58	(3.36)
IX Total comprehensive income/(loss) for the year, net of tax (VII+VIII)		837.60	658.24
X Earnings per equity share:	40		
Basic and Diluted (in ₹)		22.76	18.32
Face value per share (in ₹)		10.00	10.00

Notes 1 to 44 form an integral part of the financial statements

This is the Statement of Profit and Loss referred to in our audit report of even date

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration No. 001076N / N500013

Adi P. Sethna

Partner

Membership No.: 108840

For and on behalf of the Board of Directors

H. S. Zaveri

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Claude Rose

Director

DIN : 01494440

Kamlesh Sondigala

Company Secretary

Place: Mumbai

Date : 17 May 2018

Place: Mumbai

Date : 17 May 2018



CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

(₹ in lakhs)

	Year ended 31 March 2018	Year ended 31 March 2017
A. Cash Flow from Operating Activities		
Profit / (loss) before tax	1,137.04	996.02
Adjustments for:		
Depreciation and amortisation	79.12	70.77
Finance cost	0.83	13.65
Interest income	(9.84)	(5.72)
Dividend income	(7.43)	(1.73)
Net loss on disposal of property plant and equipment	-	12.04
Provision for doubtful receivables	0.89	2.82
Bad debt written off	2.59	-
Unrealised foreign exchange (gain) / loss	0.40	(2.67)
Operating profit before working capital changes	1,203.60	1,085.18
Adjustment for movements in:		
Changes in working capital:		
Adjustment for (increase)/ decrease in operating assets		
- Inventories	105.95	(103.33)
- Trade receivables	(42.46)	(41.58)
- Loans and advances	(1.04)	(0.36)
- Other financial assets	(2.99)	-
- Other current assets	(76.53)	(8.52)
Adjustment in increase/ (decrease) in operating liabilities		
- Trade payables	(26.50)	(104.15)
- Other financial liabilities	(10.05)	134.75
- Provision	12.76	(9.67)
- Other current liabilities	137.64	7.21
Cash generated from operations	1,300.38	959.53
Direct taxes paid (net)	(325.48)	(316.04)
Net cash generated from operating activities	974.90	643.49
B. Cash Flow from Investing Activities		
Purchase of property, plant and equipment	(64.30)	(126.24)
Purchase of investments	(866.88)	(106.73)
Interest income	9.84	5.72
Dividend income	7.43	1.73
Sale of property, plant and equipment	-	0.35
Net cash used in investing activities	(913.91)	(225.17)



CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

(₹ in lakhs)

	Year ended 31 March 2018	Year ended 31 March 2017
C. Cash flow from financing activities		
Repayment of borrowings	-	(165.48)
Net increase/(decrease) in cash credit	(62.23)	53.56
Repayment of preference share	-	(25.00)
Interest paid	(0.83)	(14.68)
Dividends paid on equity shares (including unclaimed)	0.73	(185.76)
Dividend distribution tax on equity share dividends	-	(36.76)
Dividends paid on preference shares	-	(90.50)
Dividend distribution tax on preference share dividends	-	(18.42)
Net Cash used in financing activities	(62.33)	(483.04)
Net Decrease in Cash and cash equivalents (A+B+C)	(1.34)	(64.72)
Add: Balance of Cash/Cash equivalents at the beginning of the year	(0.32)	64.40
Closing balance of Cash and cash equivalents (Refer note 9)	(1.66)	(0.32)
Components of Cash and cash equivalents:		
Cash on hand	0.20	0.49
Balances with banks on current accounts	16.86	10.22
Book overdraft (Refer note 19)	(18.72)	(11.03)

Notes:

- The Cash Flow Statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows. Effective 1 April 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.
- Additions to property, plant and equipment include movements of capital work-in-progress and capital creditors respectively during the year.

Notes 1 to 44 form an integral part of the financial statements

This is the Cash Flow Statement referred to in our audit report of even date

For Walker Chandik & Co LLP

Chartered Accountants

Firm Registration No. 001076N / N500013

Adi P. Sethna

Partner

Membership No.: 108840

For and on behalf of the Board of Directors**H. S. Zaveri**

Director

DIN : 00003948

S. C. Rangani

Director

DIN : 00209069

J. D. Diwan

Director

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Arvinder Kohli

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DIN : 08135020

Claude Rose

Director

DIN : 01494440

Kamlesh Sondigala

Company Secretary

Place: Mumbai

Date : 17 May 2018

Place: Mumbai

Date : 17 May 2018



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

A. Equity share capital (Refer note 14)

(₹ in lakhs)

Equity share capital	Number of shares	Amount
As at 01 April 2016	3,611,540	361.15
Changes during the year	-	-
As at 31 March 2017	3,611,540	361.15
Changes during the year	-	-
As at 31 March 2018	3,611,540	361.15

B. Other equity (Refer note 15)

(₹ in lakhs)

Particulars	Reserves and surplus		Total equity attributable to equity holders
	Capital redemption reserve	Retained earnings	
Opening balance as at 01 April 2016	975.00	214.01	1,189.01
Transactions during the year			
Net profit / (loss) for the year	-	661.60	661.60
Add: Other comprehensive income for the year	-	(3.36)	(3.36)
Less: Dividend on equity shares - ₹ 2 per share	-	(72.23)	(72.23)
Less: Dividend distribution tax on dividend on equity shares	-	(14.70)	(14.70)
Less: Interim dividend on equity shares - ₹ 3 per share	-	(108.35)	(108.35)
Less: Dividend distribution tax on interim dividend on equity shares	-	(22.06)	(22.06)
Less: Transfer to Capital redemption reserve	25.00	(25.00)	-
Balance as at 31 March 2017	1,000.00	629.91	1,629.91
Transactions during the year			
Net profit / (loss) for the year	-	822.02	822.02
Add: Other comprehensive income for the year	-	15.58	15.58
Balance as at 31 March 2018	1,000.00	1,467.51	2,467.51

Notes 1 to 44 form an integral part of the financial statements

This is the Statement of Changes in Equity referred to in our audit report of even date

For **Walker Chandniok & Co LLP**

Chartered Accountants

Firm Registration No. 001076N / N500013

Adi P. Sethna

Partner

Membership No.: 108840

For and on behalf of the Board of Directors

H. S. Zaveri

Director

DIN : 00003948

S. C. Rangani

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DIN : 08135020

Claude Rose

Director

DIN : 01494440

Kamlesh Sondigala

Company Secretary

Place: Mumbai

Date : 17 May 2018

Place: Mumbai

Date : 17 May 2018



SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 Company information

SNL Bearings Limited ('the Company') established in 1983, is engaged in the manufacture and marketing of antifriction bearing products. The holding Company NRB Bearings Limited acquired the Company on 1st June, 2000.

The registered and corporate office of the company is situated at Dhannur, 15, Sir P. M. Road, Fort, Mumbai 400 001, Maharashtra.

The separate financial statements were authorised for issue in accordance with the resolution of the directors on 17 May 2018.

Basis of Preparation

The Company has prepared its financial statements to comply in all material respects with the provisions of the Companies Act, 2013 (the Act) and rules framed thereunder and the guidelines issued by Securities and Exchange Board of India. In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 under Section 133 of the Act, with effect from 1 April 2017. Till 31 March 2017, the Company used to prepare its financial statements as per Companies (Accounting Standards) Rules, 2014 (Previous GAAP) read with rule 7 and other relevant provisions of the Act. These are the first Ind AS Financial Statements of the Company. The transition from Previous GAAP to Ind AS has been accounted for in accordance with Ind AS 101 "First Time Adoption of Indian Accounting Standards", with 1 April 2016 being the transition date. The balance and transactions for the comparative period have been restated accordingly. As per Ind AS 101, the Company has presented a reconciliation of its transition from Previous GAAP to Ind AS of its total equity as at 1 April 2016 and 31 March 2017 and reconciliation of total comprehensive income and cash flow for the year ended 31 March 2017. Please refer note 42 for detailed information on the transition.

The financial statements have been prepared on a historical cost convention and accrual basis, except for the following assets and liabilities:

- i) Certain financial assets and liabilities that are measured at fair value
- ii) Defined benefit plans-plan assets measured at fair value.

1A Significant accounting policies

a. Foreign currency transactions

The functional currency of the Company is Indian national rupee (INR) which is also the presentation currency. All other currencies are accounted for as foreign currency.

Transactions denominated in foreign currencies are initially recorded at the exchange rate prevailing at the date of transaction.

Foreign currency monetary items are reported using the closing exchange rates. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Exchange differences on monetary items are recognised in Statement of Profit and Loss in the period in which they arise.

**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018****b. Revenue recognition**

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised only when it can be reliably measured and it is probable that future economic benefits will flow to the company.

Revenue from operations includes sales of goods. Revenue from sale of goods is recognised when significant risk and rewards of ownership of the goods have been passed on to the customer. Amounts disclosed as revenue are inclusive of excise duty and net of returns, goods and service tax, value added taxes and amounts collected on behalf of third parties.

c. Other income

Interest income for all debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividend are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the company, and the amount of the dividend can be measured reliably. Interest income is recognised using effective interest method.

d. Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.



SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

e. Leases

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

f. Impairment of non-financial assets

The carrying amount of the non-financial assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal /external factors. An impairment loss is recognised whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. The recoverable amount of the assets (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. Impairment loss is recognised in the statement of profit and loss.

After impairment, depreciation / amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation / amortisation if there were no impairment.

g. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

h. Trade receivable

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

i. Inventories

Raw Material and components, work in progress, finished goods and traded goods are stated at "cost or net realisable value whichever is lower". Good in transit are stated at cost. Cost formulae used is weighted average cost. Due allowance is estimated and made for defective



SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

and obsolete items, wherever necessary, based on the past experience of the company. Cost comprises of all cost of purchase, cost of conversion and other cost incurred in bringing the inventories to their present location and condition.

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.

j. Investments and financial assets

Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Measurement of debt instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the company classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent



SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

- Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

De-recognition of financial assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the company has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

k. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.



SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

I. Property plant and equipment (including Capital Work-in-Progress)

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost are stated at cost of acquisition inclusive of all attributable cost of bringing the assets to their working condition, less accumulated depreciation and accumulated impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is possible that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Schedule II to the Companies Act, 2013 prescribes useful lives for property, plant and equipments and allows Companies to use higher/lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements. The management believes that the depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of property, plant and equipment.

Depreciation/ amortisation on fixed assets has been provided on the straight-line method as per the useful life assessed based on technical advice, taking into account the nature of the asset, the estimated use of the asset on the basis of management's best estimation of getting economic benefits from those class of assets.

The Company uses its external technical expertise along with historical and industry trends for arriving at the economic life of an asset.

Class of asset	Revised useful life based on SLM (Range)
Building on Leasehold land	15 - 50 years
Plant and equipment	4 - 30 years
Furniture and fixtures	6 years
Vehicles	6 - 8 years
Office equipment	3 - 10 years
Electrical installations	15 years
Computer software	3 years

Assets not yet ready for use are recognised as capital work in progress.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

m. Intangible assets

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the intangible assets.

Identifiable intangible assets are recognised when it is probable that future economic benefits attributed to the asset will flow to the Company and the cost (including accumulated depreciation / amortisation) of the asset can be reliably measured.



SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

Computer softwares are capitalised at the amounts paid to acquire the respective license for use and are amortised over the period of useful lives or period of three years, whichever is less. The assets' useful lives are reviewed at each financial year end.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost (including accumulated amortisation) of intangible assets.

n. Borrowings and other financial liabilities

Borrowings and other financial liabilities are initially recognised at fair value (net of transaction costs incurred). Difference between the fair value and the transaction proceeds on initial recognition is recognised as an asset / liability based on the underlying reason for the difference.

Subsequently all financial liabilities are measured at amortised cost using the effective interest rate method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss. The gain / loss is recognised in other equity in case of transaction with shareholders.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

o. Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time the assets are substantially ready for their intended use. All other borrowing costs are recognised as an expense in Profit or Loss in the period in which they are incurred.

p. Provisions, Contingent Liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the statement of profit and loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognised, but disclosed in the financial statements. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.



SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

q. Employee Benefits

Short term obligations: Short term employee benefits are recognised as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

Other long term employee benefit obligations:

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. Actuarial gains and losses arising on the measurement of defined benefit obligation is charged/ credited to Profit and loss account.

Post employment obligations:

The Company operates the following post employment schemes:

Defined benefit plans:

- i) **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 done as per projected unit credit method by an actuary. Actuarial gains and losses arising on the remeasurement of defined benefit obligation is charged/ credited to other comprehensive income.
- ii) **Provident fund:** For certain employees, the monthly contribution for Provident Fund is made to a Trust administered by the Company. Both the eligible employees and the Company make monthly contributions to the provident fund equal to a specified percentage of the covered employee's salary. The Company contributes a portion to the Employees' Provident Fund Trust ('The PF trust'). The PF trust invests in specific designated instruments as permitted by Indian Law. The rate at which the annual interest is payable to the beneficiaries by the PF trust is being administrated by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the PF trust and the notified interest rate. The Company makes provision for Provident fund based on an actuarial valuation done as per projected unit credit method by an actuary. Actuarial gains and losses on shortfall, if any, arising on the remeasurement of defined benefit obligation is charged/ credited to other comprehensive income.

Defined contribution plans:

- i) **Provident fund and family pension fund:** Defined contribution plans such as Provident Fund and family pension fund are charged to the Statement of Profit and Loss as incurred. The Company's contribution to Provident Fund and family pension fund is determined based on a fixed percentage of the eligible employees' salary and charged to the Statement of Profit and Loss on accrual basis. The Company's contributions to Defined Contribution Plan are charged to the statement of profit and loss as incurred. The Company does not have any obligation other than the contribution made to the fund administered by the government.



SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

r. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss (excluding other comprehensive income) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a right issue, shares split and reserve share splits (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss (excluding other comprehensive income) for the year attributable to equity share holders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

s. Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

t. Critical estimates and judgements

The preparation of Financial Statements in conformity with Ind AS which requires management to make estimates, assumptions and exercise judgement in applying the accounting policies that affect the reported amount of assets, liabilities and disclosure of contingent liabilities at the date of financial statements and the reported amounts of income and expenses during the year.

The Management believes that these estimates are prudent and reasonable and are based upon the Management's best knowledge of current events and actions. Actual results could differ from these estimates and differences between actual results and estimates are recognised in the periods in which the results are known or materialised.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

i) Property, plant and equipment, Investment Properties and Intangible Assets:

Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values as per schedule II to the Companies Act, 2013 or are based on the Company's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate, based on technical evaluation.

ii) Income Tax:

The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to an adjustment to the amounts reported in the financial statements.

iii) Contingencies:

Management has estimated the possible outflow of resources at the end of each annual reporting financial year, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.



SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

iv) Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

v) Impairment of non-financial assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent to those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

vi) Defined benefit obligation

The cost of post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rate of return on assets, future salary increases and mortality rates. Due to the long term nature of these plans such estimates are subject to significant uncertainty. The assumptions used are disclosed in Note 38.

u. Standard issued but not yet effective

Ind AS 115

On 28 March 2018, the Ministry of Corporate Affairs (MCA), in consultation with the National Advisory Committee on Accounting Standards, has issued Companies (Indian Accounting Standards) Amendment Rules, 2018 to amend the Companies (Indian Accounting Standards) Rules, 2015. This results in introduction of Ind AS 115, Revenue from Contracts with customers, that comprehensively revamps the revenue recognition guidance. Consequently, Ind AS 18 and Ind AS 11 have been withdrawn, and other standards are suitably modified. The amendment is applicable to the Company from 01 April 2018. The Company is currently assessing the potential impact of this amendment.

Appendix B of Ind AS 21

This appendix is for determining the date of transaction where the entity has received / paid any foreign currency advances. This appendix states that the date of transaction shall be the date on which such advance is received or paid. Therefore these non-monetary advances will not be restated at the time of their adjustment against the particular transaction. The Company is currently assessing the potential impact of this amendment.


SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018
2 Property, plant and equipment

(₹ in lakhs)

	Buildings on Leasehold land**	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computers	Electrical Installation	Total
Gross carrying value								
As at 01 April 2016	181.61	1,828.82	4.81	7.73	8.14	23.89	72.51	2,127.51
Additions	-	94.07	-	-	-	26.91	-	120.98
Disposals	8.55	146.62	-	-	2.10	9.68	72.51	239.46
As at 31 March 2017	173.06	1,776.27	4.81	7.73	6.04	41.12	-	2,009.03
Additions	7.36	25.03	-	-	-	-	-	32.39
Disposals	-	-	-	-	-	-	-	-
As at 31 March 2018	180.42	1,801.30	4.81	7.73	6.04	41.12	-	2,041.42
Accumulated depreciation								
As at 01 April 2016	93.36	1,050.84	4.34	3.96	2.54	22.67	68.89	1,246.60
Charge for the year	2.59	57.12	0.32	0.87	2.04	5.23	-	68.17
Disposals	7.03	139.37	-	-	-	11.78	68.89	227.07
As at 31 March 2017	88.92	968.59	4.66	4.83	4.58	16.12	-	1,087.70
Charge for the year	2.76	60.14	0.14	0.66	1.04	8.28	-	73.02
Disposals	-	-	-	-	-	-	-	-
As at 31 March 2018	91.68	1,028.73	4.80	5.49	5.62	24.40	-	1,160.72
Net Carrying value								
As at 01 April 2016	88.25	777.98	0.47	3.77	5.60	1.22	3.62	880.91
As at 31 March 2017	84.14	807.68	0.15	2.90	1.46	25.00	-	921.33
As at 31 March 2018	88.74	772.57	0.01	2.24	0.42	16.72	-	880.70

**The Company's building is constructed on leasehold land, lessor being SBL Industries Limited, which is under liquidation with its assets under control of the Official Liquidator. The details of the lease period expired/ expiring are as follows:

Out of the leasehold land of 1.46 acres plus 139,481 sq. ft., in respect of 1.46 acres and 88,320 sq. ft. lease period is valid till 29 August 2081 and in respect of 39,225 sq. ft. lease has expired on 30 September 2017. In respect of 11,936 sq. ft. the lease had expired on 29 August 2012 and the Company continues to retain possession as monthly lessee and has been regularly depositing the monthly lease rents.


SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018
3 Intangible assets

(₹ in lakhs)

	Computer software	Total
Gross carrying value		
As at 01 April 2016	32.87	32.87
Additions	13.26	13.26
Disposals	-	-
As at 31 March 2017	46.13	46.13
Additions	1.62	1.62
Disposals	-	-
As at 31 March 2018	47.75	47.75
Accumulated amortisation		
As at 01 April 2016	28.67	28.67
Charge for the year	2.60	2.60
Disposals	-	-
As at 31 March 2017	31.27	31.27
Charge for the year	6.10	6.10
Disposals	-	-
As at 31 March 2018	37.37	37.37
Net carrying value		
As at 01 April 2016	4.20	4.20
As at 31 March 2017	14.86	14.86
As at 31 March 2018	10.38	10.38

(₹ in lakhs)

As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
------------------------	------------------------	------------------------

Non-current Assets
4 Loans

Security deposits	25.82	25.82	25.82
Total loans	25.82	25.82	25.82

5 Current tax assets (net)

Advance taxes paid (net of provision for tax ₹ 320.24 lakhs; 31 March 2017 ₹ 310.06 lakhs; 01 April 2016 ₹ 270.46 lakhs)	5.70	3.58	2.70
Total current income-tax assets	5.70	3.58	2.70


SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

	(₹ in lakhs)		
	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
6 Current Assets			
Inventories (At cost or net realisable value, whichever is lower)			
Raw materials, components and packing material	203.69	261.28	191.05
Work-in-progress	185.71	152.94	153.48
Finished goods	136.65	202.82	159.34
Stores and spares	84.10	99.06	108.90
Total inventories	610.15	716.10	612.77

	(₹ in lakhs)					
	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Quantity (Nos.)	Amount	Quantity (Nos.)	Amount	Quantity (Nos.)	Amount
7 Current Investments						
Investment in Mutual Funds Measured at fair value through profit and loss (unquoted):						
HDFC liquid fund - regular plan - Dividend - Daily reinvest	-	-	3,474.72	35.44	-	-
Kotak Low Duration Fund Standard weekly dividend (Regular plan)	3,674.03	37.38	3,513.05	35.68	-	-
Reliance liquid fund - treasury plan - daily dividend option dividend reinvestment	2,433.26	37.22	2,329.54	35.61	-	-
Aditya Birla Sun Life Floating Rate Fund - Growth	112,470.94	260.92	-	-	-	-
Aditya Birla Sun Life Short Term Fund	152,383.74	101.82	-	-	-	-
HDFC Treasury Advantage Plan fund	4,318,270.89	434.65	-	-	-	-
Total current investments		871.99		106.73		-

	(₹ in lakhs)		
	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
8 Trade receivables			
Unsecured, considered good	722.53	684.57	645.64
Unsecured, considered doubtful	5.96	12.64	9.82
Less : Provision for doubtful debts	(5.96)	(12.64)	(9.82)
Total trade receivables	722.53	684.57	645.64


SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
9 Cash and cash equivalents			
Cash on Hand	0.20	0.49	0.16
Balances with banks			
- Current Accounts	16.86	10.22	64.24
Total cash and cash equivalents	17.06	10.71	64.40
10 Bank balances other than cash and cash equivalents			
Deposits with maturity of more than 3 months but less than 12 months	101.62	-	-
Unpaid dividend accounts	4.45	5.18	-
Total bank balances other than cash and cash equivalents	106.07	5.18	-
11 Loans			
Unsecured, considered good			
Loans and advances to employees	4.84	3.80	3.44
Total current loans	4.84	3.80	3.44
12 Other financial assets			
Interest accrued on fixed deposits	2.99	-	-
Total other financial assets	2.99	-	-
13 Other current assets			
Advance to suppliers	8.38	1.93	4.86
Balance with government authorities	77.97	33.11	16.32
Prepaid expenses	4.20	1.67	1.83
Gratuity (Refer note 38)	21.96	-	-
Total other current assets	112.51	36.71	23.01
14 Equity share capital			
Authorised:			
6,000,000 (31 March 2017 and 01 April 2016: 6,000,000) Equity shares of ₹ 10 each	600.00	600.00	600.00
1,000,000 (31 March 2017 and 01 April 2016: 1,000,000) 11% Cumulative Redeemable preference shares of ₹ 100 each	1,000.00	1,000.00	1,000.00
Total share capital	1,600.00	1,600.00	1,600.00



SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

Issued*	(₹ in lakhs)		
	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
4,054,376 (31 March 2017 and 01 April 2016: 4,054,376) Equity shares of ₹ 10 each	405.44	405.44	405.44
Nil (31 March 2017 and 01 April 2016: 1,000,000) 11% Cumulative redeemable preference shares of ₹ 100 each (Refer notes 19, 19a, 19b, and 19c)	-	1,000.00	1,000.00
Total issued capital	405.44	1,405.44	1,405.44
Subscribed and paid-up:*			
3,611,540 (31 March 2017 and 1 April 2016: 3,611,540) Equity shares of ₹ 10 each	361.15	361.15	361.15
Total subscribed and paid up capital	361.15	361.15	361.15

* Includes 442,836 equity shares of Rs. 10 each on which calls were not made.

(i) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year:

Particulars	2017-18		2016-17		2015-16	
	(In Nos.)	(₹ in lakhs)	(In Nos.)	(₹ in lakhs)	(In Nos.)	(₹ in lakhs)
Shares outstanding at the beginning of the year	3,611,540	361.15	3,611,540	361.15	3,611,540	361.15
Shares outstanding at the end of the year	3,611,540	361.15	3,611,540	361.15	3,611,540	361.15

(ii) 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, 2013.
- 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.

(iii) Details of shareholders holding more than 5% shares in the company:

Particulars	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Number of shares held	% of Holding	Number of shares held	% of Holding	Number of shares held	% of Holding
NRB Bearings Limited - Holding company	2,652,762	73.45%	2,652,762	73.45%	2,652,762	73.45%


SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

	(₹ in lakhs)		
	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
15 Other equity			
Reserves and surplus			
Capital redemption reserve	1,000.00	1,000.00	975.00
Retained earnings	1,467.51	629.91	214.01
Total	2,467.51	1,629.91	1,189.01

	As at 31 March 2018	As at 31 March 2017
Capital redemption reserve		
Opening balance	1,000.00	975.00
Transfer from retained earnings	-	25.00
Closing balance	1,000.00	1,000.00

Nature and purpose -

The Company had issued preference shares and accordingly Capital redemption reserve has been created pursuant to the Companies Act 2013 and the same will be utilised as per the provisions of the Act.

Retained earnings

Opening balance	629.91	214.01
Add: Net profit / (loss) for the year	822.02	661.60
Add: Other comprehensive income for the year	15.58	(3.36)
Less: Dividend on equity shares - ₹ 2 per share	-	(108.35)
Less: Dividend distribution tax on dividend on equity shares	-	(22.06)
Less: Interim dividend on equity shares - ₹ 3 per share	-	(72.23)
Less: Dividend distribution tax on interim dividend on equity shares	-	(14.70)
Less: Transfer to Capital redemption reserve	-	(25.00)
Closing balance	1,467.51	629.91

Nature and purpose -

Retained earnings represents the accumulated profits / losses made by the Company over the years.


SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

	(₹ in lakhs)		
	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
16 Non-current borrowings			
Secured			
Term Loan from bank (refer note below)	-	-	104.61
Total long-term borrowings	-	-	104.61
Note:			
a) Secured against property, plant and equipments purchased out of the borrowings (Refer note 36).			
b) The term loan carries an interest rate of 12.25% per annum. The loan amount has been repaid during the year ended 31 March 2017.			
Current Liabilities			
17 Short-term borrowings			
Secured - repayable on demand			
Cash Credit*	-	69.92	16.36
Total short-term borrowings	-	69.92	16.36
* Secured by a pari passu charge on trade receivable and inventories (Also refer note 36)			
18 Trade payables			
Micro and Small Enterprises (Refer note 43)	4.50	1.39	3.70
Other than Micro and Small Enterprises	208.33	103.81	208.16
Total trade payables	212.83	105.20	211.86
19 Other financial liabilities			
Current Maturities of Long term debt	-	-	60.87
11 % Cumulative redeemable preference shares (Refer note 19a,19b and 19c)	-	-	133.21
Interest accrued but not due on borrowings	-	-	1.74
Security deposits from customer	3.91	6.11	6.11
Unpaid dividends (unclaimed)	4.45	5.18	-
Capital payables	-	13.76	-
Salary payable	48.78	43.20	-
Accrued expenses	27.00	24.00	-
Bonus	58.81	67.55	-
Book overdraft	18.72	11.03	-
Total other financial liabilities	161.67	170.83	201.93



SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

19a. Terms of redemption of 11% cumulative redeemable preference shares of ₹ 100 each:

Preference shares (FV ₹ 100 each) for a total value of ₹ 1,000 lakhs were issued in the year 2002 with a maximum tenure of 12 years. Till the completion of 12th year, the Company has repaid ₹ 950 lakhs. Thereafter, terms were re-negotiated and balance of ₹ 50 lakhs was to be redeemed equally over the period of two years on 18th June, 2015 and 18th June, 2016. Company has repaid as per these revised terms.

19b. Details of shares in the Company held by each shareholder holding more than 5% shares: (₹ in lakhs)

Name of the shareholder	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Number of shares held	% of Holding	Number of shares held	% of Holding	Number of shares held	% of Holding
NRB Bearings Limited-Holding company	1,000,000	100.00%	1,000,000	100.00%	1,000,000	100.00%

19c. Reconciliation of number of Preference shares outstanding at the beginning and at the end of the year:

Particulars	As at 31 March 2017		As at 01 April 2016	
	(In Nos.)	(₹ in lakhs)	(In Nos.)	(₹ in lakhs)
Shares outstanding at the beginning of the year	1,000,000	25.00	1,000,000	50.00
Less: Partial redemption of preference shares	1,000,000	25.00	*1,000,000	25.00
Shares outstanding at the end of the year	-	-	1,000,000	25.00

* Equal installment of ₹ 25 lakhs

	(₹ in lakhs)		
	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
20 Other current liabilities			
Statutory dues	24.54	20.36	13.91
Advances received from customers	1.01	2.31	1.54
Total other current liabilities	25.55	22.67	15.45
21 Provisions			
Provision for employee benefits (Refer note 38)			
- Compensated Absences	42.15	45.53	42.53
- Gratuity	-	5.75	13.40
Total provisions	42.15	51.28	55.93
22 Current tax liabilities (net)			
Provision for tax less advance tax (net of advance tax ₹ Nil; 31 March 2017 ₹ Nil)	-	-	2.46
Total current tax liabilities (net)	-	-	2.46


SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(₹ in lakhs)

	Year ended 31 March 2018	Year ended 31 March 2017
23 Revenue from operations		
Sale of products		
Finished goods - Bearings	3,877.74	3,723.39
Other operating revenues		
Scrap sales	49.17	41.87
Duty drawback and export incentives	1.24	0.60
Total revenue from operations	3,928.15	3,765.86
Note:		
Excise duty on sales was included under Revenue from operations and disclosed separately under Expenses upto all reporting periods ending 30 June 2017. Post implementation of Goods and Services Tax (GST) from quarter ended 30 September 2017, revenue from operations is reported net of GST and hence to that extent is not comparable.		
24 Other income		
Dividend Income from financial assets measured at FVTPL	7.43	1.73
Fair value changes on financial assets measured at FVTPL	12.84	-
Interest income from financial assets measured at amortised cost	9.84	5.72
Net gain on foreign currency transactions and translation	-	10.44
Miscellaneous Income	0.25	-
Total other income	30.36	17.89
25 Cost of materials consumed		
Raw material, component and packing material consumed		
Opening stock	261.28	191.05
Add: Purchases	943.63	909.90
Less: Closing stock	203.69	261.28
Total cost of materials consumed	1,001.22	839.67


SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

	(₹ in lakhs)	
	Year ended 31 March 2018	Year ended 31 March 2017
26 Changes in inventories of finished goods and work-in-progress		
At beginning of the year		
Work-in-progress	152.94	153.48
Finished goods	202.82	159.34
	355.76	312.82
At end of the year		
Work-in-progress	185.71	152.94
Finished goods	136.65	202.82
	322.36	355.76
Total changes in inventories of finished goods and work-in-progress	33.40	(42.94)
27 Employee benefits expense		
Salaries, allowances and other benefits	635.58	590.41
Contribution to provident and other funds (Refer note 38)	50.52	47.61
Staff welfare expenses	62.16	54.35
Total employee benefits expense	748.26	692.37
28 Finance costs		
Interest expense on financial liabilities measured at amortised cost		
- Borrowings	-	12.41
- Others	0.83	0.53
Dividend on financial liabilities measured at amortised cost and related dividend distribution tax	-	0.71
Total finance costs	0.83	13.65


SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

	(₹ in lakhs)	
	Year ended 31 March 2018	Year ended 31 March 2017
29 Other expenses		
Consumption of stores and spare parts	256.44	231.21
Processing charges	59.57	55.51
Power and fuel	246.48	207.29
Repairs and maintenance -		
Buildings	9.76	14.82
Plant and machinery	70.95	71.59
Others	2.74	1.62
Printing and stationery	1.73	2.60
Rent	4.34	4.34
Rates and taxes	2.71	3.05
Legal and professional fees	20.77	24.41
Directors' fees and commission	20.90	5.53
Commission on sales	9.79	10.37
Travelling and conveyance	46.94	48.10
Postage, telephone and fax	2.74	3.09
Expenditure on Corporate Social Responsibility (Refer note 41)	16.15	13.50
Security charges	20.02	19.22
Forwarding charges	26.40	14.89
Bad debts written off	2.59	-
Provision for doubtful debts	0.89	2.82
Excise duty on Increase/ (decrease) in inventories of finished goods	(17.52)	4.58
Net loss on foreign currency transactions and translation	0.20	-
Loss on disposal of property, plant and equipments	-	12.04
Auditors' remuneration (refer note 29.1 below)	11.05	10.47
Miscellaneous expenses	46.30	35.56
Total other expenses	861.94	796.61


SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

	(₹ in lakhs)	
	Year ended 31 March 2018	Year ended 31 March 2017
29.1 Auditors' remuneration (excluding Goods and service tax/service tax)	5.50	5.60
For statutory audit (including limited review)		
For tax audit	0.50	1.50
For other services	-	3.15
For reimbursement of expenses	1.88	0.22
Fees to erstwhile auditors'	3.17	-
Total auditors' remuneration	11.05	10.47
30 Tax expense		
Current tax expense		
Current tax for the year	320.25	310.06
Tax adjustment in respect of earlier years	3.10	2.64
Total current tax expense	323.35	312.70
Deferred taxes		
Change in deferred tax liabilities	(8.33)	21.72
Net deferred tax expense	(8.33)	21.72
	315.02	334.42
30.1 Tax reconciliation (for profit and loss)		
Profit before income tax expense	1,137.04	996.02
Tax at the rate of 28.84% (for 31 March 2017 - 33.063%)	327.92	329.31
<u>Tax effect of amounts which are not deductible / not taxable in calculating taxable income</u>		
Depreciation	-	8.05
Non deductible expenses for tax purpose	2.33	6.21
Income exempted from income taxes	(2.14)	(0.57)
Expenses deductible for tax purpose	-	(12.03)
Tax adjustment of prior years	3.10	2.64
Adjustment due to change in tax rates	(16.19)	-
Others	-	0.81
Income tax expense	315.02	334.42


SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018
30.2 Deferred tax related to the following:

(₹ in lakhs)

Deferred tax liability (net)	As at 31 March 2018	Recognised through profit and loss	As at 31 March 2017	Recognised through profit and loss	As at 1 April 2016
Deferred tax liabilities on account of:					
Difference between book and tax depreciation	132.31	(15.61)	147.92	19.45	128.47
Provision for Gratuity	6.33	6.33	-	-	-
Total deferred tax liabilities	138.64	(9.28)	147.92	19.45	128.47
Deferred tax assets on account of:					
Provision for Gratuity	-	(1.90)	1.90	(2.53)	4.43
Provision for doubtful debts	1.72	(2.46)	4.18	0.93	3.25
Provision for compensated absence	12.15	(2.90)	15.05	0.99	14.06
Total deferred tax assets	13.87	(7.26)	21.13	(0.61)	21.74
Total deferred tax liability (net)	124.77	(2.02)	126.79	20.06	106.73

(₹ in lakhs)

Year ended 31 March 2018	Year ended 31 March 2017
-----------------------------	-----------------------------

31 Other comprehensive income (OCI)
Items that will not be reclassified to profit or loss

Actuarial gain/(loss) on remeasurements of the net defined benefit plans [Refer note 38 B (vi)]

21.89	(5.02)
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Tax on above

(6.31)	1.66
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Total Other comprehensive income

15.58	(3.36)
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SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

32 Fair value measurements

(₹ in lakhs)

Financial instruments by category:

Particulars	31 March 2018		31 March 2017		01 April 2016	
	FVTPL	Amortised cost	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial Assets - Non-current						
Other non current financial assets	-	25.82	-	25.82	-	25.82
Financial Assets - Current						
Investments	871.99	-	106.73	-	-	-
Trade receivables	-	722.53	-	684.57	-	645.64
Cash and cash equivalents	-	17.06	-	10.71	-	64.40
Bank balances other than cash and cash equivalents	-	106.07	-	5.18	-	-
Loans	-	4.84	-	3.80	-	3.44
Other current financial assets	-	2.99	-	-	-	-
Financial Liabilities - Non-Current						
Non-current borrowings (including current maturities)	-	-	-	-	-	298.69
Financial Liabilities - Current						
Current borrowings	-	-	-	69.92	-	16.36
Trade payables	-	212.83	-	105.20	-	211.86
Other financial liabilities	-	161.67	-	170.83	-	7.85

I. Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. For example, listed equity instruments that have quoted market price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.



SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.

The fair values for investment in mutual fund are based on the quoted market prices and other financial assets/liabilities are based on discounted cash flows using a discount rate determined considering company's incremental borrowing rate.

The carrying amounts of all the above assets are considered to be approximately equal to the fair value.

Mutual fund investment have been categorised into level 1 (recurring fair value measurement) of fair value hierarchy. All the other items have been categorised into level 2.

33 Financial risk management

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, investments and cash and cash equivalents that derive directly from its operations.

The Company is exposed to credit risk, market risk and liquidity risk. The Company's senior management oversees the management of these risks.

A Credit risk

The Company is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities (deposits with banks).

Credit risk management

To manage credit risk, the Company follows a policy of providing 0-45 days credit to the domestic customers basis the nature of customers. The credit limit policy is established considering the current economic trends of the industry in which the company is operating.

However, the trade receivables are monitored on a periodic basis for assessing any significant risk of non-recoverability of dues and provision is created accordingly.

Bank balances are held with only high rated banks and majority of other security deposits are placed majorly with government agencies/public sector undertakings.

Age of receivables that are past due:

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Upto 3 months	721.01	679.00	612.21
3 - 6 months	0.52	5.57	0.58
6 - 12 months	1.13	2.38	32.44
More than one year	5.83	10.26	10.23
Total receivables	728.49	697.21	655.46
Provision for expected credit loss created	(5.96)	(12.64)	(9.82)



SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

B Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities – borrowings, trade payables and other financial liabilities.

Liquidity risk management

The Company's corporate treasury department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Maturities of non – derivative financial liabilities

As at 31 March 2018

	(₹ in lakhs)			
	Within 1 year	Between 1 and 2 years	Beyond 2 years	Total
Trade payables	212.83	-	-	212.83
Other financial liabilities	161.67	-	-	161.67
Total	374.50	-	-	374.50

As at 31 March 2017

	(₹ in lakhs)			
	Within 1 year	Between 1 and 2 years	Beyond 2 years	Total
Current borrowings	69.92	-	-	69.92
Trade payables	105.20	-	-	105.20
Other current financial liabilities	170.83	-	-	170.83
Total	345.95	-	-	345.95

As at 01 April 2016

	(₹ in lakhs)			
	Within 1 year	Between 1 and 2 years	Beyond 2 years	Total
Non-current borrowings (including current maturities)	298.69	-	-	298.69
Current borrowings	16.36	-	-	16.36
Trade payables	211.86	-	-	211.86
Other current financial liabilities	7.85	-	-	7.85
Total	534.76	-	-	534.76



SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

C Market risk

(i) Foreign currency risk

The Company is exposed to foreign exchange risk on their receivables, payables which are held in USD and EURO. The fluctuation in the exchange rate of INR relative to these currencies may have a material impact on the company's assets and liabilities.

Foreign currency risk management

In respect of the foreign currency transactions, the company does not hedge the exposures since the management believes that the same is insignificant in nature and also it will be offset to some extent by the corresponding receivables and payables.

The Company's exposure to foreign currency risk at the end of reporting period are as under:

	(₹ in lakhs)					
	31 March 2018		31 March 2017		01 April 2016	
	USD	EURO	USD	EURO	USD	EURO
Financial liabilities						
Trade payable	-	136.10	-	49.87	-	13.89
Financial assets						
Trade receivable	21.38	8.55	4.35	2.15	2.72	4.55
Net exposure to foreign currency assets / (liabilities)	21.38	(127.55)	4.35	(47.72)	2.72	(9.34)

Sensitivity to foreign currency risk

The following table demonstrates the sensitivity in USD and EURO with all other variables held constant. The below impact on the Company's profit before tax is based on changes in the fair value of unhedged foreign currency monetary assets and liabilities at balance sheet date:

	(₹ in lakhs)			
	31 March 2018		31 March 2017	
Currencies	Increase by 2%	Decrease by 2%	Increase by 2%	Decrease by 2%
USD	0.43	(0.43)	0.09	(0.09)
EURO	(2.55)	2.55	(0.95)	0.95

(ii) Cash flow and fair value interest rate risk

Interest rate risk arises from the sensitivity of the financial liabilities to changes in market rate of interest. The entity's exposure to the risk of changes in market interest rate relates primarily to the current borrowings with floating interest rate.

The entity availed a short term debt upto a tenure of one year, in the nature of cash credit for meeting its working capital requirement. However, the entity expects that the interest rate risk is insignificant considering the tenure of borrowing.



SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

The Company's borrowing structure at the end of reporting period are as follows:

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Variable rate borrowings	-	69.92	181.84
Fixed rate borrowings	-	-	133.21
Total	-	69.92	315.05

(iii) Price risk

The Company is exposed to price risk from its investment in mutual fund measured at fair value through profit and loss

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Sensitivity		
Impact on profit after tax for 5% increase in price	43.60	5.34
Impact on profit after tax for 5% decrease in price	(43.60)	(5.34)

34 Capital Management

Risk management

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The Company monitors its capital by using gearing ratio, which is net debt divided to total equity. Net debt includes non-current and current borrowings net of cash and bank balances and total equity comprises of Equity share capital, security premium, general reserve, other comprehensive income and retained earnings.

The capital composition is as follows:

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Gross debt	-	-	315.05
Less: Cash and cash equivalents (excluding book overdraft)	-	-	64.40
Net debt (A)	-	-	379.45
Equity (B)	2,828.66	1,991.06	1,550.16
Gearing ratio (A / B)	-	-	24.48%


SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Dividends		
Equity Shares		
Final dividend for the year ended 31 March 2016 of ₹ 2 per share	-	72.23
Dividend distribution tax on final dividend	-	14.70
Interim dividend ₹ 3 per share	-	108.35
Dividend distribution tax on interim dividend	-	22.06

Dividends not recognised at the end of the reporting period

In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹ 5 per fully paid equity share (31st March 2017 – ₹ Nil). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

180.58	-
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35 Related Party Disclosure:

As per Ind AS 24 "Related Party Disclosures", disclosure of transactions with the related parties as defined in the Accounting Standard are given below:

(I) Names of related parties and description of relationship with the Company (where transaction have taken place, except for control relationship)

Holding Company:	NRB Bearings Limited	
Fellow Subsidiary:	NRB Bearings (Thailand) Limited	
Company over which relatives of KMP are able to exercise significant influence:	NRB Industrial Bearings Limited	
Key Management Personnel:	Ms. H. S. Zaveri	Director
	Mr. S. C. Rangani	Director
	Mr. J D Diwan	Director
	Mr. Vivek Sahai w.e.f. 8 November 2017	Additional Director
	Mr. J S Maini upto 22 January 2018	Director
	Mr. V S Iyer upto 12 January 2017	Director


SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(₹ in lakhs)

(II)	Name of the related party and nature of transactions	Transactions during the Year ended		Balances Receivable / (Payable) As at		
		31 March 2018	31 March 2017	31 March 2018	31 March 2017	01 April 2016
(i)	Holding company:					
	NRB Bearings Limited					
	Sale of finished goods	1,930.67	2,001.08	401.95	425.09	395.02
	Purchases of raw materials	52.48	17.23	-	-	-
	Reimbursement of expense on behalf of the Company	6.72	-	-	-	-
	11 % Cumulative redeemable preference shares*	-	133.92	-	-	133.21
	Redemption of cumulative redeemable preference shares	-	77.97	-	-	-
	Preference shares outstanding	-	-	-	-	(25.00)
	Dividend on cumulative redeemable preference shares	-	0.59	-	-	-
	Dividend on equity share	-	80.60	-	-	-
(ii)	Fellow subsidiary:					
	NRB Bearings (Thailand) Limited					
	Sale of finished goods	33.19	7.20	21.38	4.35	2.97
(iii)	Company over which KMP or relatives of KMP are able to exercise significant influence:					
	NRB Industrial Bearings Limited					
	Sale of finished goods	1.73	0.25	-	-	-
(iv)	Key managerial personnel compensation					
	Dividend paid to Ms. H. S. Zaveri	-	1.02	-	-	-
	Dividend paid to Mr. S. C. Rangani	-	0.01	-	-	-
	Directors commission and sitting fees	20.90	5.54	(8.00)	-	-

* Includes ₹ 0.71 lakhs for the year 31 March 2017.

36 Collateral / Security pledged

The carrying amount of assets pledged as security for current and non-current borrowings of the Company are as follows:

(₹ in lakhs)

Particulars	31 March 2018	31 March 2017	01 April 2016
Property, plant and equipment	-	-	887.71
Inventories	610.15	716.10	612.77
Trade receivables	722.53	684.57	645.64
Total assets pledged	1,332.68	1,400.67	2,146.12



SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

37 Contingent liabilities, Capital and other commitments

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 ₹ 161.36 lakhs including interest of ₹ 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 ₹ 162.40 lakhs and ₹ 92.25 lakhs respectively as at 31st March, 2017 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 ₹ 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.

(₹ in lakhs)

31 March 2018 31 March 2017 01 April 2016

(ii) Sales Tax Matters

Sales tax demand against the non submission of C forms/VAT forms for the financial year 2011-12 and 2012-13

15.34

18.80

-

38 Employee benefits

As per Indian Accounting Standard-19 'Employee Benefits', the disclosure of Employee benefits as defined in the Standard are given below:

- (A) Defined Contribution Plan:** Amount of ₹ 31.23 lakhs (P.Y ₹ 30.15 lakhs) is recognised as expense and included in "Note No. 27 - Employee Benefits Expenses"

(₹ in lakhs)

31 March 2018 31 March 2017

i) Employer's Contribution to Provident Fund

8.13

7.65

ii) Employer's Contribution to EPS

18.36

18.16

(B) Defined Benefit Plan :

The Company has the following defined benefits plans:

Particulars	Remarks
Gratuity	Funded through LIC
Provident Fund (PF)	Funded through Trust



SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(1) Contribution to Gratuity fund (funded scheme)

In accordance with Indian Accounting Standard 19, actuarial valuation was done in respect of the aforesaid defined benefit plan of gratuity based on the following assumptions:-

	(₹ in lakhs)	
	31 March 2018	31 March 2017
(i) Actuarial assumptions		
Mortality rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Discount rate (per annum)	7.70%	7.00%
Salary growth rate	8.00%	8.00%
Attrition / Withdrawal rate (per annum)	7.00%	7.00%
(ii) Changes in the present value of defined benefit obligation		
Present value of obligation at the beginning of the year	279.76	255.68
Interest expense	19.57	20.18
Current service cost	11.77	11.03
Actuarial (gain) /loss	(21.89)	8.11
Past service cost	7.12	-
Benefits paid	(19.49)	(15.24)
Present value of obligation at the end of the year	276.84	279.76
(iii) Changes in the Fair value of Plan Assets		
Fair value of plan assets at beginning of the year	274.01	242.28
Investment income	19.17	19.13
Contributions	25.10	24.91
Benefits paid	(19.49)	(15.39)
Return on plan assets, excluding amount recognised in net interest expense	(0.00)	3.09
Fair Value of Plan Assets at the end of the year	298.79	274.01


SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

Particulars	(₹ in lakhs)	
	31 March 2018	31 March 2017
(iv) Assets and liabilities recognised in the balance sheet		
Present value of the defined benefit obligation at the end of the year	276.84	279.76
Less: Fair value of plan assets at the end of the year	(298.79)	(274.01)
Net liability recognised	(21.96)	5.75
Recognised under provisions		
Current assets	(21.96)	-
Current provisions	-	5.75
(v) Expenses recognised in the Statement of Profit and Loss		
Particulars		
Current Service Cost	11.77	11.03
Past Service Cost	7.12	-
Net interest (income)/ expense	0.40	1.05
Net gratuity cost recognised in the current year	19.29	12.08
Included in note 27 'Employee benefits expense'	19.29	12.08
(vi) Expenses recognised in the Statement of Other comprehensive income (OCI)		
Particulars		
Actuarial (gains) / losses		
Change in assumptions	(21.89)	8.11
Remeasurement for the year - Plan asset (gain)/loss*	0.00	(3.09)
Total remeasurement cost / (credit) for the year recognised in OCI	(21.89)	5.02
* Amount lower than ₹ 1,000		
(vii) Reconciliation of Net asset / (liability) recognised:		
Particulars		
Net asset / (liability) recognised at the beginning of the period	(5.75)	(13.40)
Company contributions	25.10	24.91
Benefits paid directly by company	-	(0.15)
Amount recognised in other comprehensive income	21.89	(5.02)
Expenses recognised at the end of period	(19.29)	(12.08)
Mortality charges and taxes	-	-
Net asset/(liability) recognised at the end of the period	21.96	(5.75)


SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(₹ in lakhs)

Particulars	31 March 2018	31 March 2017
	(viii) Major categories of Plan Assets (as percentage of Total Plan Assets)	
Funds managed by Insurer	100%	100%
Total	100%	100%

(ix) Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined benefit of obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

(₹ in lakhs)

Particulars	31 March 2018		31 March 2017	
	Decrease	Increase	Decrease	Increase
Change in Discount Rate by -/+1%	290.01	264.70	294.58	266.17
Change in Salary Growth Rate by -/+1%	264.62	289.85	266.67	293.76
Change in Attrition Rate by -/+50%	277.25	276.52	281.34	278.53
Change in Mortality Rate by -/+10%	276.84	276.84	279.78	279.75

(x) Maturity Profile of Defined Benefit Obligation:

Weighted average duration (based on discounted cash flows)

5 years 5 years

(₹ in lakhs)

Expected cash flows over the next (valued on undiscounted basis):

	31 March 2018	31 March 2017
1 year	39.05	34.72
2 to 5 years	170.68	170.46
6 to 10 years	152.05	153.11
More than 10 years	56.27	63.32

(xi) General descriptions of Significant Defined plans:

The Company operates gratuity plan wherein every employee is entitled to the benefit as per scheme of the Company, for each completed year of service. The same is payable on retirement or termination whichever is earlier. The benefit vests only after five years of continuous service. The scheme is funded with an insurance company in the form of qualifying insurance policy.



SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(2) Provident Fund (PF) :

In accordance with Indian Accounting Standard 19, actuarial valuation was done in respect of the aforesaid defined benefit plan of Provident fund based on the following assumptions:-

(₹ in lakhs)

	31 March 2018	31 March 2017
(i) Actuarial assumptions		
Mortality rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Discount rate (per annum)	7.70%	7.00%
Interest rate guarantee (per annum)	8.55%	8.65%
Attrition rate based on ages :		
Upto 30 years	3.00%	3.00%
31 to 40 years	2.00%	2.00%
Above 40 years	1.00%	1.00%
(ii) Assets and liabilities recognised in the balance sheet		
Present value of the defined benefit obligation at the end of the year	273.04	267.04
Less: Fair value of plan assets at the end of the year	(274.07)	(266.67)
Net liability recognised	(1.03)	0.37
Recognised under provisions		
Current assets	1.03	-
Current provisions	-	0.37
(iii) Major categories of Plan Assets (as percentage of Total Plan Assets)		
Government of India securities	8%	8%
State Government securities	23%	20%
High quality corporate bonds	28%	26%
Equity shares of listed companies	9%	10%
Property	0%	0%
Special Deposit Scheme	26%	26%
Funds managed by Insurer	2%	6%
Bank balance and others	4%	4%
Total	100%	100%



SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(iv) Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

(₹ in lakhs)

Particulars	31 March 2018		31 March 2017	
	Decrease	Increase	Decrease	Increase
Change in Discount Rate by +/-1%	273.74	272.34	267.48	266.35
Change in Interest Rate guarantee by +/- 1%	268.58	277.66	263.05	271.42
	<u>31 March 2018</u>		<u>31 March 2017</u>	

(v) Maturity Profile of Defined Benefit Obligation:

Weighted average duration
(based on discounted cash flows) 7 years 7 years

(3) Other Long Term Benefits:

Compensated absences recognised in the Statement of profit and loss for the current year, under the employee cost in Note 27, is ₹ 8.03 lakhs (31 March 2017: ₹ 11.29 lakhs).

39 Segment reporting

a) Primary segment: Business segment

The Company is primarily engaged in manufacturing of bearings and other activities having similar economic characteristics, primarily operated out of India and regularly reviewed by the Chief Operating Decision Maker for assessment of Company's performance and resource allocation. For the purpose of disclosure of segment information, the Company considers these operations as a single business segment as all the product groups are mainly having similar risks and returns.

The information relating to revenue from external customers and location of non-current assets of its single reportable segment has been disclosed as below:

b) Secondary segment: Geographical segment

Secondary segments have been identified with reference to geographical areas in which company operates. Composition of secondary segments is as follows:

- i) within India
- ii) outside India

Particulars	(₹ in lakhs)	
	<u>Year ended</u> <u>31 March 2018</u>	<u>Year ended</u> <u>31 March 2017</u>
1) Segment revenue		
- Within India	3,866.99	3,732.40
- Outside India	61.16	33.46
2) Carrying amount of segment assets		
- Within India	915.97	944.55
- Outside India	-	-

The Company has two customers who contributed more than 10% of the Company's total revenue during the current and previous year. The revenue from such major customers during the year is ₹ 2,661.54 lakhs (31 March 2017: ₹ 2,596.02 lakhs).


SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018
40 Earnings per share

(₹ in lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Net profit after tax for the year	822.02	661.60
Profit attributable to equity share holders	822.02	661.60
Weighted average number of equity shares outstanding during the year	3,611,540	3,611,540
Basic and Diluted earnings per share (₹)	22.76	18.32
Face value per Share (₹)	10.00	10.00

Note:

The Company does not have any outstanding dilutive potential equity shares as at 31 March 2018 and 31 March, 2017. Consequently, basic and diluted earnings per share of the Company remains the same.

(₹ in lakhs)

Particulars	31 March 2018	31 March 2017
41 Contribution towards Corporate Social Responsibility (CSR)		
Average net profit of the Company for last three financial years	844.92	675.69
Prescribed CSR expenditure (2% of the average net profit as computed above)	16.90	13.51
<u>Details of CSR expenditure during the financial year</u>		
Total amount to be spent for the financial year	16.90	13.51
Amount spent	16.15	13.50
Amount unspent	0.75	0.01

42 First time adoption of Ind AS
A First Ind AS Financial statements

These are the Company's first separate financial statements prepared in accordance with Ind AS applicable as at 31 March 2018.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 1 April 2016 (the date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2014 and other relevant provisions of the Act (previous GAAP or Indian GAAP).

An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position and financial performance is given below. All the adjustments on account of Ind AS are non-cash in nature, hence there is no material impact on the Cash Flow Statement.



SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

i) Optional exemptions availed

Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Property.

Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets at their previous GAAP carrying value.

Business combinations

The Company has availed the business combination exemption on first time adoption of Ind AS and accordingly the business combinations prior to date of transition have not been restated to the accounting prescribed under Ind AS 103 – Business combinations.

The Company applies the requirements of Ind AS 103 – Business combinations to business combinations occurring after the date of transition to Ind AS.

ii) Mandatory exceptions applied

Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP except where Ind AS required a different basis for estimates as compared to the previous GAAP.

De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has applied the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

The Company has classified its financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.


SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(₹ in lakhs)

B First time adoption reconciliations		Equity as at 31 March 2017	Equity as at 01 April 2016
<u>Reconciliation of equity from previous GAAP to Ind AS</u>			
	Note		
Equity as per previous GAAP		1,991.06	1,488.23
GAAP adjustments:			
Impact on account of reversal of proposed dividend on equity share and tax thereon	B.1	-	86.93
Impact due to reclassification of cumulative preference share to financial liability	B.2	-	(25.00)
Total - GAAP adjustments		-	61.93
Equity as per Ind AS		1,991.06	1,550.16
Reconciliation of total comprehensive income / (loss) for the year			(₹ in lakhs)
	Note		31 March 2017
Net profit / (loss) after tax as per previous GAAP			658.95
GAAP adjustments:			
Dividend on preference shares treated as finance costs	B.2		(0.71)
Impact of recognising actuarial loss on defined benefit obligations in OCI	B.3		5.02
Impact of deferred taxes on the above adjustments	B.4		(1.66)
Total - GAAP adjustments			2.65
Net profit / (loss) after tax as per Ind AS			661.60
Impact of recognising actuarial loss on defined benefit obligations in other comprehensive income	B.3		(5.02)
Impact of deferred taxes on the above adjustments	B.4		1.66
Total comprehensive income / (loss) after tax as per Ind AS			658.24

Explanations to reconciliations
B.1 Impact on account of reversal of proposed dividend on equity share and tax thereon

Previous GAAP – Dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events and accordingly, provision for proposed dividend was recognised as a liability.

Ind AS – Dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend of ₹ 86.93 lakhs as at 01 April 2016 included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity has been increased by an equivalent amount.



SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

B.2 Impact due to reclassification of cumulative preference share to financial liability

Previous GAAP – Preference shares are treated as a part of share capital.

Ind AS – Since the preference shares are redeemable in nature, the same will be treated as financial liability and is to be measured at amortised cost as per Ind AS 109. Any dividend payable and tax thereon to be considered as finance cost.

Consequent to this change, the impact on equity at transition date is ₹ (25) lakhs and impact in the Statement of profit and loss for the year ended 31 March 2017 is ₹ (0.71) lakhs.

B.3 Impact of recognising actuarial gains / (losses) on defined benefit obligations in other comprehensive income

Previous GAAP - Actuarial gains / (losses) on defined benefit obligations is recognised in the Statement of profit and loss.

Ind AS - Actuarial gains / (losses) on defined benefit obligations is recognised in other comprehensive income (OCI). Consequently, actuarial loss of ₹ 5.02 lakhs has been recognised in OCI during the year ended 31 March 2017.

B.4 Impact on account of deferred taxes

The impact of transition adjustments together with Ind AS mandate of using balance sheet approach (against profit and loss approach in the previous GAAP) for computation of deferred tax has impacted the reserves on date of transition, with consequential impacts to the Statement of profit and loss for the subsequent periods.

Consequent to the change, the impact of ₹ 1.66 lakhs was shifted from the Statement of profit and loss to OCI for the year ended 31 March 2017.

43 Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006:

- (i) An amount of ₹ 4.50 lakhs (31 March 2017 ₹ 1.39 lakhs, 01 April 2016 ₹ 3.70 lakhs) was due and outstanding to suppliers as at the end of the accounting year on account of principal and interest respectively.
- (ii) No interest was paid during the year in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 and no amount was paid to the supplier beyond the appointed day.
- (iii) No amount of interest is due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.
- (iv) No interest was accrued and unpaid at the end of the accounting year.
- (v) No further interest remaining due and payable even in the succeeding years for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.

The above information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.


SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(₹ in lakhs)

Short-term borrowings
44 Net debt reconciliation

Net debt (including cash and cash equivalents) as at 01 April 2017	69.92
Cash flows	(62.23)
Interest paid	(0.83)
Finance cost	0.83
Increase in book overdraft	(7.69)
Net debt as at 31 March 2018	-

This is a summary of significant accounting policies and other explanatory information referred to in our report of even date

For **Walker Chandniok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N / N500013

Adi P. Sethna
Partner
Membership No.: 108840

Place: Mumbai
Date : 17 May 2018

For and on behalf of the Board of Directors

H. S. Zaveri Director DIN : 00003948	S. C. Rangani Director DIN : 00209069	J. D. Diwan Director DIN : 01565319
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Vivek Sahai Director DIN : 01717502	Arvinder Kohli Director DIN : 08135020	Claude Rose Director DIN : 01494440
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Kamlesh Sondigala
Company Secretary

Place: Mumbai
Date : 17 May 2018



FIVE YEARS FINANCIAL HIGHLIGHTS

Financial Highlights	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs
Year Ended	31.03.14	31.03.15	31.03.16	31.03.17	31.03.18
Sales (Net)					
Domestic	2250.13	2584.89	2985.73	3732.40	3866.99
Exports	53.83	63.40	20.94	33.46	61.16
Sales Total	2303.96	2648.29	3006.67	3765.86	3928.15
Operating Profit (EBITDA)	610.02	789.97	941.52	1080.44	1216.99
Profit Before Tax	496.05	673.47	850.83	996.02	1137.04
Tax (Net)	157.20	218.51	283.07	334.42	315.02
Profit After Tax	338.85	454.96	567.76	661.60	822.02
Net profit after OCI	338.85	454.96	567.76	658.24	837.60
Retained Earnings	268.65	177.19	372.89	658.24	837.60
Dividend	60.00	230.56	162.14	180.58	-
Tax on dividend	10.20	47.21	32.73	36.76	-
Earnings per share (FV Rs.10)	8.90	12.37	15.61	18.23	22.76
Dividend /Interim Dividend%	0.00	0.00	20.00	30.00	50.00
Shareholders' Funds	1113.15	1140.34	1550.16	1991.06	2828.66
Funds Employed	1414.52	1407.03	1761.50	2117.85	2953.43
Fixed Assets (Gross)	2159.86	2312.79	2162.98	2063.52	2114.06
Fixed Assets (Net)	832.45	925.19	887.71	944.55	915.97
Fixed Asset Turnover (times)	2.77	2.86	3.39	3.99	4.29
Net Current Assets* (Excluding short term investments)	560.27	446.92	845.27	1037.17	1133.95
Working Capital Turnover (times)	4.11	5.93	3.56	3.63	3.46
Shareholder Nos	4235	4286	4070	4516	4700
Employee Nos	145	143	148	153	164

Fixed Asset Turnover - Net sales/Net Fixed Assets as at year end

Working capital Turnover - Net sales/Net current assets as at year end

* During the year Company has invested Rs. 871.99 Lakhs in short term investments.

Note: The figures shown for the F.Y. 31.03.2017 & F.Y. 31.03.2018 are as per IND AS.



ATTENDANCE SLIP

SNL BEARINGS LIMITED

Regd. Off. : Dhannur, 15, Sir P. M. Road, Fort, Mumbai - 400 001.
CIN: L99999MH1979PLC134191

I hereby record my presence at the **38TH ANNUAL GENERAL MEETING** of the Company held on Wednesday, August 1, 2018 at 3.00 p.m. at the Conference Room, Dhannur, 15, Sir P.M. Road, Fort, Mumbai 400 001

Name of Shareholders _____	DP ID* _____	:	_____
Registered Address _____	CLIENT ID* _____	:	_____
_____	FOLIO NO _____	:	_____
_____	NO.OF SHARES: _____	:	_____

Signature of Shareholder/ Proxy

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of Annual Report to the meeting.

*Applicable for investors holding shares in electronic form.

TEAR HERE

TEAR HERE



SNL BEARINGS LIMITED

Regd. Off. : Dhannur, 15, Sir P. M. Road, Fort, Mumbai - 400 001.
CIN: L99999MH1979PLC134191

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration Rules, 2014)]

I/We being the members of _____ shares of SNL Bearings Limited, hereby appoint:

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

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **38th ANNUAL GENERAL MEETING** of the Company, to be held on Wednesday, August 1, 2018 at 3.00 p.m. at the Conference Room, Dhannur, 15, Sir P.M. Road, Fort, Mumbai 400 001 and at any adjournment thereof in respect of such resolutions as are indicated in the box below:

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

Name of Shareholders _____	DP ID* _____	:	_____
Registered Address _____	CLIENT ID*/ _____	:	_____
_____	FOLIO NO _____	:	_____
_____	Email Id _____	:	_____

TEAR HERE

TEAR HERE

Resolutions	For	Against
1. Consider and adopt Audited Financial Statements, Reports of the Board of Directors and Auditors.		
2. Declaration of Dividend on Equity Shares for the year ended March 31, 2018.		
3. Reappointment of Mr. S C Rangani (DIN.00209069) who retires by rotation.		
4. Appointment of Auditors and fixing their remuneration.		
5. Appointment of Mr. Vivek Sahai as an Independent Director.		
6. Appointment of Mr. Arvinder Singh Kohli as Non-Executive & Non-Independent Director.		
7. Appointment of Mr. Claude Alex d’Gama Rose as an Independent Director.		

Signed this..... day of..... 2018

Signature of shareholder

Affix
Revenue
Stamp

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

Notes:

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

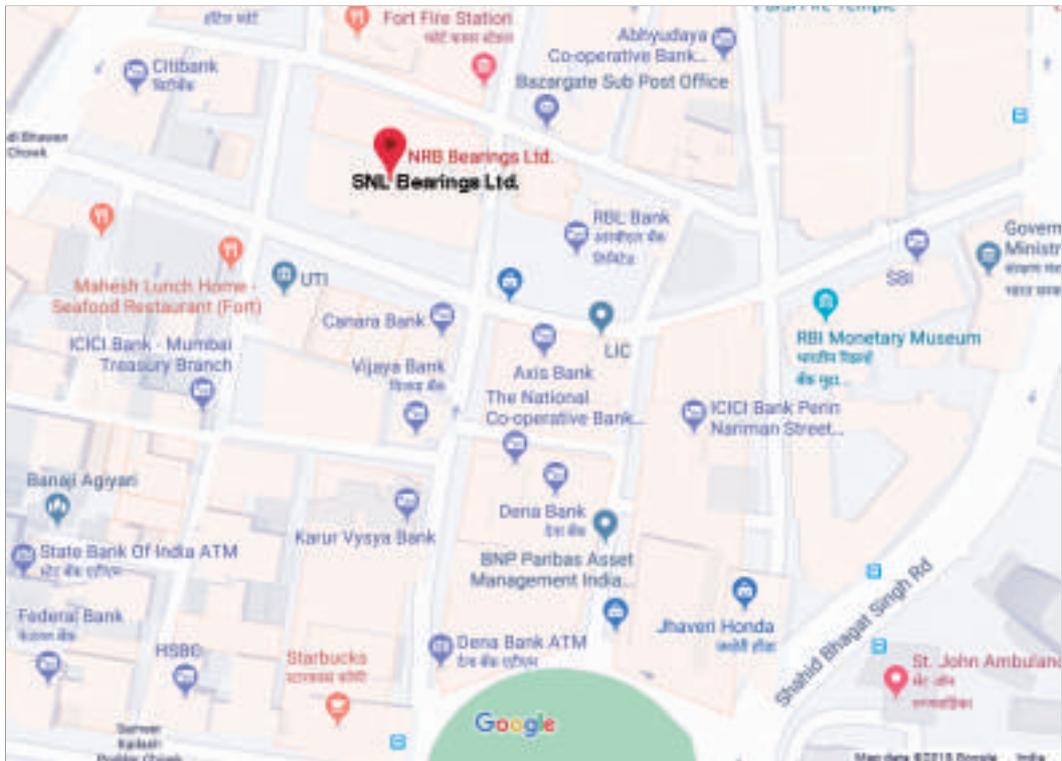



S N L BEARINGS LIMITED
SNL Bearings Ltd
Ranchi, Ranchi - 833022
Tel: (0651) 2521874, 2521876
Fax: (0651) 2521107

SNL Factory Building at Ranchi

Book - Post

Location Map - to reach at the venue of Annual General Meeting



If undelivered, please return to:

SNL Bearings Ltd.

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