



# SNL BEARINGS LIMITED







**CIN NO. L99999MH1979PLC134191**

**BOARD OF DIRECTORS**

Ms. Harshbeena Zaveri - Chairman  
Mr. Satish Rangani  
Mr. Jayavardhan Dhar Diwan  
Mr. Vivek Sahai  
Mr. Arvinder Singh Kohli  
Mr. Claude Alex D'Gama Rose

**KEY MANAGERIAL PERSONNEL**

Mr. Krishna kant Prasad Sinha - General Manager (CEO)  
Mr. Ram Narayan Sahu - Finance Head (CFO)  
Mr. Kamlesh Sondigala - Company Secretary & Compliance Officer

**BANKERS**

Yes Bank  
BNP Paribas

**AUDITORS**

M/s. Walker Chandiook & 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](http://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 Ninth 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 Thursday, August 8, 2019 at 3.30 p.m. to transact the following business:

### Ordinary Business

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2019 together with the reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on equity shares for the financial year ended March 31, 2019.
3. To appoint a Director in place of Ms. Harshbeena Zaveri (DIN. 00003948) who retires by rotation and being eligible offers herself for re-appointment.

### Special Business

#### 4. **Alteration of the Articles of Association of the Company**

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

**"RESOLVED THAT** pursuant to provisions of Sections 5, 14 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force) (the "Act") and subject to such other approvals, permissions and consents as may be required, the existing set of the Articles of Association of the Company be and is hereby substituted and replaced in its entirety with the new set of Articles of Association and the existing set of the Articles of Association be and is hereby rescinded.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (the "Board" which expression shall include any Committee thereof for the time being exercising powers conferred on the Board by this resolution) be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and also to delegate all or any of the above powers to one or more director(s) of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution."

#### 5. **Approval of Material Related Party Transactions**

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

**"RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 ("Act") and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23 of the Securities and Exchange



Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), approval of the Company be and is hereby accorded in respect of material related party transaction(s) for purchase / sale of raw materials, components, consumables, bushes, finished goods, fixed assets etc. between the Company and its holding Company NRB Bearings Limited in the ordinary course of business and at arm's length basis for a consideration estimated at Rs. 30 crore for the Financial Year 2019-20.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution."

By order of the Board

**Kamlesh Sondigala**  
Company Secretary

Place: Mumbai

Date : May 21, 2019

### Notes:

- 1. A MEMBER 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.**

Proxies in order to be effective must be received by 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 August 2, 2019 to August 8, 2019 (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 Scrutinizer for the e-voting process. Instructions and manner of the process have been detailed in the para 8 below. The Scrutinizer 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 Scrutinizer'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 August 1, 2019 and to the shareholders holding shares in demat form whose names appear in the Register of Members beneficiary position with NSDL and CDSL as on August 1, 2019.



The 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 August 1, 2019 shall be entitled to participate in e-voting/ballot at the AGM.

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 Private Limited, 21, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai 400 093 before August 1, 2019.

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.
7. SEBI has decided that securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialise shares held by them in physical form.
8. **PROCESS FOR MEMBERS OPTING FOR E-VOTING:**
  - (i) The voting period begins on Monday, August 5, 2019 at (9.00 am IST) and ends on Wednesday, August 7, 2019 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 August 1, 2019, 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](http://www.evotingindia.com)
- (iv) Click on "Shareholders / Members" 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](http://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.

Dividend Bank details or Date of Birth: Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.

- If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (vi).
- (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 (190704010) 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.

**Note for Non – Individual Shareholders and Custodians**

- Non – Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> 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](mailto: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](mailto: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. (xix) 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.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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.
9. 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

Place: Mumbai

Date : May 21, 2019


**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**
**Item No. 4**
**Alteration of the Articles of Association of the Company**

The existing Articles of Association of the Company ("AoA") are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956. Upon enactment of the Companies Act, 2013 ("Act"), certain clauses in the existing AoA are no longer in conformity with the Act. With the coming into force of the Act, several regulations of the existing AoA of the Company require alterations or deletions. Hence, it is considered expedient to replace wholly the existing AoA by a new set of articles of association and align the same with the provisions of Table F of the Act to the extent possible. Pursuant to Section 14 of the Act, the consent of the Members by way of Special Resolution is required for alteration of AoA of the Company.

The Board of Directors (Board) recommends the passing of the Special Resolution set forth in Item No. 4 of the Notice for approval of the Members. The draft of the proposed new articles of association is being uploaded on the Company's website for perusal by the Members. Further, a copy the proposed set of new articles of association and the existing set of AoA of the Company would be available for inspection for the Members at the registered office of the Company during the office hours on any working day, except Saturdays, Sundays and public holidays, between 11.00 am to 5.00 p.m. upto date of the AGM.

None of the Directors or Key Managerial Personnel of the Company including their relatives are interested in or concerned with the Special Resolution at Item No. 4.

As required by SEBI (Listing Obligation and Disclosure requirements) Regulation, 2015 entered into with the Stock Exchanges, the statement below gives the relevant details of the Directors being appointed/re-appointed under the accompanying notice.

Name of Director	Ms. Harshbeena Zaveri
DIN	00003948
Date of Birth and Age	01.03.1960. 59 years
Nationality	Indian
Date of appointment on Board	31.7.2000
Qualification	AB,USA
Experience and Expertise	Rich experience in various areas of business, technology, operations, business development and governance matters. Having been the Managing Director of NRB, she has valuable experience in managing issues of growth, across strategy and execution, and has demonstrated leadership capability and general business acumen.
Number of Meeting of the Board attended during the year	4 out of 4
List of Directorships held in other Companies (excluding foreign, private and section 8 companies)	NRB Bearings Limited NRB Industrial Bearings Limited
Memberships/Chairmanships of Audit and Stakeholders Relationship Committees across public companies	NRB Bearings Limited – Member of Audit Committee and Stakeholders Relationship Committee
No. of Shares held in SNL Bearings Limited	34011
Relationship between Directors - interse	Nil



## Item No.5

### Approval of Material Related Party Transactions

Under Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Related Party Transactions shall require prior approval of the Audit Committee and all material Related Party Transactions shall require approval of the Shareholders through resolution. The said Regulation further provides a definition of the term 'Material' as follows:

"A transaction with a related party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company."

As a part of its operations, the Company purchases certain raw materials, components, fixed assets etc. from its holding Company to obtain the benefit of competitive pricing for the bulk purchases by the holding Company. The Company also sells components, finished goods, special machines etc. to its holding Company as it enables higher capacity utilisation of its plant. These are at arm's length basis under the purchase orders raised from time to time and in the Financial Year 2019-20, the aggregate value of these transactions is likely to be around Rs. 30 crore.

The Audit Committee of the Board of Directors of the Company reviewed the on-going transactions and recommended the same for approval by the Board of Directors and Members of the Company at their meeting held on May 21, 2019. The Board of Directors also at their meeting held on May 21, 2019 reviewed and approved the same and proposed to be placed before the Members for their approval.

The Members' approval to the above material related party transactions is sought in terms of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, particulars of the transaction(s) with NRB are as follows:

Sr. No.	Particulars	Remarks
1	Name of the Related Party	NRB Bearings Limited
2	Name of the Director or KMP who is related	Ms. Harshbeena Zaveri and Mr. Satish Rangani*
3	Nature of Relationship	Holding Company (holds 74.39% of paidup Equity Share Capital)
4	Nature, material terms, monetary value and particulars of the contract or arrangement	Contract for purchase and sale of raw materials, components, bushes, consumables, finished goods, fixed assets, special machines etc. shall be on a continuous basis. Monetary value of proposed aggregate transaction(s) during financial year 2019-20 is expected to be Rs. 30 Crore.
5	Any other information relevant or important for the members to take a decision on the proposed resolution	Holding Company has supported the subsidiary since takeover from SRF group in June, 2000, for better utilisation of its capacity.



\*Ms. Harshbeena Zaveri is deemed to be concerned or interested in the transaction entered between NRB and SNL, being a Managing Director of NRB and Chairman in SNL.

Mr. Satish Rangani is deemed to be concerned or interested in the transaction entered between NRB and SNL, being a Executive Director of NRB and Director in SNL.

Apart from the above, none of the other Directors or Key Managerial Personnel, or their relatives are, in any way, are concerned or interested in the resolution as set out at Item No. 5 of the Notice.

The Board recommends the Ordinary Resolution as set out at Item No. 5 for the approval of the Shareholders.

By Order of the Board

**Kamlesh Sondigala**  
Company Secretary

Place: Mumbai

Date : May 21, 2019



## BOARD'S REPORT

To,  
The Members  
SNL Bearings Limited

Your Directors have pleasure in presenting their Thirty-Ninth Annual Report together with Audited Accounts for the year ended 31st March, 2019.

### 1. Financial Results

	Year ended 31st March, 2019 ₹ in lakhs	Year ended 31st March, 2018 ₹ in lakhs
Revenue from operations (Net)	<b>4064.17</b>	3831.45
Profit before tax	<b>1140.64</b>	1137.04
Provision for taxation:		
Current (net)	<b>321.38</b>	313.94
In respect of earlier years	-	3.10
Deferred tax	<b>4.90</b>	-2.02
Profit after taxation	<b>814.36</b>	822.02
Add: Balance brought forward	<b>1467.51</b>	629.91
Add: Other Comprehensive Income for the year	<b>-1.64</b>	15.58
	<b>2280.22</b>	1467.51
Appropriation:		
Dividend	<b>180.58</b>	-
Tax on distributed profits	<b>37.12</b>	-
General Reserve	-	-
Debenture Redemption Reserve	-	-
Capital Redemption Reserve	-	-
Outside basis Tax	-	-
Profit & Loss Account	<b>2062.52</b>	1467.51
Total	<b>2280.22</b>	1467.51

### 2. Operations

India has remained one of the fastest growing major economies in F.Y. 2018-19, in spite of pressures from global market conditions, with challenges in terms of escalation in tariffs and protectionist policies, the US-China trade war, looming threat of a 'no-deal' Brexit, and a slowdown in China. The outlook for F.Y. 2019-20, is also clouded with uncertainty after the sharp slowdown across all segments of the Automotive industry in H2FY19, the outcome of the general elections and the implementation of BS-VI emission norms.



There is still optimism of an improvement in H2FY20, with India's main driving force for economic growth being its strong consumption base and the expected benefit from low oil prices and the pro-agriculture and pro- infrastructure budget, and easing of inflationary pressures.

Net revenues during the year at Rs. 4064 lakhs (previous year Rs. 3831 lakhs) are higher by 6% helped by higher volumes and higher income from short term investments. Profit after tax (PAT) at Rs. 814 lakhs (previous year Rs. 822 lakhs) has not kept pace with top line growth, as operating and administrative expenses have been higher.

With the support of the holding company, plans are being prepared to increase production capacities which will help in improving our standards of quality and service and also give more flexibility, and simultaneously enhancing our engineering capabilities and people competencies to improve competitiveness for the coming years.

### 3. **Dividend**

Directors are pleased to recommend a final equity dividend @ Rs. 5/- per share of Rs. 10/- each (Rs. 5 per share for the previous year) involving an outgo of Rs. 217.70 lakhs (inclusive of dividend distribution tax), which shall be payable to members/ beneficial owners as per the Register of Members as on August 01, 2019.

Your directors have proposed not to transfer any sum to the General Reserve.

### 4. **Finance**

Your Company has been rated '**CRISIL A1**' for the Short-term Bank facility and the Company's long-term facilities have been rated at '**CRISIL A/POSITIVE**' (Upgraded from '**CRISIL A/STABLE**') as on September, 2018.

The Company continues to focus on judicious management of its working capital. Receivables, inventories and other working capital parameters are continuously monitored and the management is working on reducing inventories which arose as a result of the sudden drop in demand in H2 F.Y. 2018-19.

#### **a. 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 31.3.2019 there are no fixed deposits with the Company.

#### **b. Particulars of Loans, Guarantees or Investments**

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.

### 5. **Directors and Key Managerial Personnel**

#### **Retirement by Rotation**

In accordance with the provisions of Section 152 and the Articles of Association of the Company, Ms. Harshbeena Zaveri (DIN.00003948) will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, has offered herself for re-appointment. The Board recommends her re-appointment. Her brief profile is forming the part of the Corporate Governance Report annexed to this report.



### **Independent Directors Declaration**

All independent Directors have submitted the Declaration of Independence, as required pursuant to Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 stating that they meet the criteria of independence provided therein. The composition of the Board duly meets the criteria stipulated in Section 152 of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **Board evaluation**

For the F.Y. 2018-19, 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. Jayvardhan Dhar Diwan, Mr. Vivek Sahai and Mr. Claude Alex D'Gama Rose have met separately on 8th March, 2019 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. Krishnakant Prasad Sinha - General Manager  
(Designated as CEO w.e.f. 21.05.2019)
- Mr. Ram Narayan Sahu - Manager - Finance & Accounts  
(Designated as Finance Head – CFO w.e.f. 21.05.2019)
- Mr. Kamlesh Sondigala - Company Secretary and Compliance Officer

### **Familiarization Programme for Independent Directors**

In order to familiarize the Independent Directors with the business, the Company makes a presentation covering nature and scope of business, nature of industry in which Company operates, profitability and future scope. Regularly at meetings updates are given to the Board, by the Company's Senior Management in areas of operations, industry and regulatory trends, competition and future outlook.

### **Remuneration policy**

The Board has on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, senior management and their remuneration. As part of its policy the company strives to ensure that the Remuneration to Directors, KMP's and Senior Management involves a balance between fixed and incentive pay, reflecting short and long term performance objectives appropriate to the working of the Company and its goals. The remuneration policy is posted on the company website [www.snlbearings.in](http://www.snlbearings.in).

Details of remuneration paid to Directors, KMP and the independent Directors form part of the Corporate Governance Report attached to this Report.



## Meetings

During the year 4 Board meetings and 4 Audit committee meetings were convened and held (details in Corporate Governance Report). The intervening gap between the meetings was less than 120 days. The date for the next meeting is fixed in advance at the previous meeting for both board and committee meetings.

### 6. **Subsidiary, Associate and Joint Venture Companies**

As of March 31, 2019, the Company does not have any Subsidiary, Associate and Joint Venture Companies.

### 7. **Business Risk Management**

The Company has in place an enterprise risk management framework to identify risks and minimize their adverse impact on business and strives to create transparency which in turn enhances the Company's competitive advantage. The Company has identified high share of sales to the holding company as a concern area associated with its operations and is working towards progressively reducing this share. Another risk to operations arises from the expiry of leases in respect of certain portions of the company's factory land and buildings as the Lessor is under liquidation proceedings by the Official Liquidator in the Delhi High Court. The High Court order could affect operations. As part of its action plan for risk mitigation, the Company has been successfully impleaded in the proceedings and has filed its application seeking certain reliefs. The company is hopeful that there will be a favourable outcome to its offer to renew the leases for reasonable terms and at favourable rates.

### 8. **Conservation of energy, technology absorption, foreign exchange earnings and outgo**

Information pursuant to Section 134(3)(m) of the Companies Act, 2013 and Rule no. 8 of Companies (Accounts) Rules, 2014 are given as below:

#### 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. 2018-19, Energy Savings were achieved to the tune of 215360 KWH & Rs. 30.38 lakhs annually by replacing old blackening furnace of 54 KW with a new furnace of 30 KW, old 1000 KVA Transformer with new 1000 KVA and transformer installation of SGV + APFC system in HT Line to bring the KVAH in line with KWH (unity).

#### 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 were 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 2019**

Foreign Exchange Earnings	: Export of goods	- Rs. 94.5 lakhs
Foreign Exchange Outgo	: Raw materials & Components	- Rs. 809.05 lakhs
	Consumables, Spares, tools	- Rs. 0.66 lakhs
	Fixed Assets	- Rs. 19.39 lakhs

**9. Industrial Relations / Vigil Mechanism**

During the year, the Company maintained cordial relations with the workmen's unions. Regular training programmes are conducted for imparting understanding of bearing and engineering principles, modern manufacturing practices and for change in attitudinal and behavioral aspects.

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 as [www.snlbearings.in](http://www.snlbearings.in)

Your Company hereby affirms that no complaints were received during the year.

**10. Safety, Healthy & Environment**

The Company is committed to establish and maintain safe working environment that promotes good health and high performance of the employees, and simultaneously takes measures to protect the environment. Safety behavior is well demonstrated by our employees while working on the shop floor by using personal protective equipments as required. Work force is trained at regular intervals in preventive aspects of safety and prevention of work related accidents.

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 has adopted new external certification viz. ISO 14001:2015 (Eliminate or Minimize Environmental Impact).

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.

**11. Corporate Social Responsibility**

In line with the activities specified in schedule VII relating to the provisions of sections 135 of the Companies Act, 2013, your company has been focusing on:

- 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.

For the year ended 31.3.2019 an aggregate amount of Rs. 21.43 lakhs has been contributed to various organizations doing commendable work for the cause of promoting education to the under privileged sections of society-



- i. 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.
- ii. 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.
- iii. Ugam Foundation – Runs the Kasturba Gandhi Balika Vidyalaya (KGBV) scheme which was launched by the Government of India in August, 2004 for setting up residential schools at upper primary level for girls belonging predominantly to the SC, ST, OBC and minorities in difficult areas. Currently they are running KGBV in Jharkhand (Hazaribag District) for adolescent girls, with the project expected to reach 10 KGBV, 150 teachers and 3900 girls. At the Company's request, the Foundation is working on setting up KGBV in Ratu, Ranchi where the plant of the Company is situated.

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

### 12. 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).

During the year under review the Company has complied with all the applicable Secretarial Standards.

All pecuniary relationships or transactions of the Non-executive directors vis-à-vis the Company along with criteria for such payments and disclosures on remuneration of Directors along with their shareholding are disclosed in Form MGT-9, which forms a part of this Report.

There are no relationships between the Directors inter-se.

### 13. 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**.

### 14. 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, 2019 and of the profit of the Company for the year ended on this date;
- 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 are 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.

### 15. **Related Party transactions (RPT)**

All RPT that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant RPT by the Company with holding Company, Directors, key managerial personnel or other designated persons, other than the same.

All RPT are placed before the audit committee as also the board for approval. Prior approval of the audit committee is obtained on periodic basis for transactions which are foreseen and repetitive in nature. The compliance of the transfer pricing norms in relation to such transactions is certified by the tax advisors.

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. 34 to the Annual Accounts.

The Related Party Transactions Policy as approved by the Board is uploaded on the Company's website [www.snlbearings.in](http://www.snlbearings.in). 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.

### 16. **Internal Control System**

There are adequate internal financial controls in place with reference to the financial statements. The upgraded ERP system provides reports to validate the 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 upgraded 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.

**17. 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**.

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

Appointment of M/s Walker Chandiook & Co. LLP, Chartered Accountants as statutory auditors was approved at the Annual General Meeting held on August 1, 2018 for a term of five (5) years upto March 31, 2023.

A certificate from the auditors has been received to the effect that their appointment is within the limits prescribed under section 139 of the Companies Act, 2013.

**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, Cost Audit is not applicable to your Company. However from F.Y. 2018-19, maintenance of prescribed Cost records is applicable to your Company and accordingly such accounts and records are made and maintained by the Company.

**Secretarial Auditor**

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 2018-19. The report of the Secretarial Auditor is annexed to this report as **Annexure V**.

**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. Material changes and commitments, if any, affecting the financial position of the Company**

There are no material changes and commitments, affecting the financial position of the Company which have occurred between the close of the financial year on March 31, 2019 to which the financial statements relate and the date of this Report.

**20. Significant and Material 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.

**21. Change in nature of business**

During the year under review there was no change in the nature of the business carried on by the Company.



22. **Disclosure under Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013**

In accordance with the provisions of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company is not required to setup Internal Complaints Committees (ICC) to redress complaints as the Company has no women employees. During the year under review there were no complaints received.

23. **Acknowledgements**

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

On behalf of the Board

**Harshbeena Zaveri**  
Chairman

Place : Mumbai

Date : May 21, 2019



## Annexure I

## 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. Harshbeena Zaveri Chairman, (NE/NID) 2) Mr. Jayvardhan Dhar Diwan Member (NE/ID) 3) Mr. Satish Rangani Member (NE/NID) 4) Mr. Vivek Sahai Member (NE/ID)
3	Average net profit of the company for last three financial years	Rs. 995.64 lakhs
4	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	Rs. 19.91 lakhs + Rs. 0.75 lakhs committed to NSDL for previous year- ('Vidyasaarathi' for launching scholarship scheme on Vidyasaarathi portal.)
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. 21.43 lakhs Nil



(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	₹ 8.00 lakhs	₹ 8.00 lakhs	₹ 8.00 lakhs	Direct to Sankalp - A pledge to change
2	TISS (Tata Institute of Social Sciences)	Provides education finance in the country through an online platform.	Scholarship preference given to applicants from Jharkhand where Company's plant is located	₹ 5.43 lakhs*	₹ 5.43 lakhs*	₹ 5.43 lakhs*	Through Vidyaasarathi (NSDL)
3	Ugam Foundation	Running KGBV schools for adolescent girls.	Hazaribagh district, Jharkhand.	₹ 8.00 lakhs	₹ 8.00 lakhs	₹ 8.00 lakhs	Direct to Ugam Foundation
	Total			₹ 21.00 lakhs	₹ 21.00 lakhs	₹ 21.00 lakhs	

\* Contribution of Rs. 5.43 lakhs to TISS includes Rs. 0.43 lakhs towards the service charges of NSDL (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
Ms. Harshbeena Zaveri (Chairman CSR Committee)	Mr. Satish Rangani (Director)	[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 31/03/2019**

**[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
- Email i.d. : info@unisec.in
- Telephone No. : 022-28207203-05, 28257641
- Fax No. : 022-28207207

**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, Cages, Components and rollers	2814	97%





### 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	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	34,011	--	34,011	0.94	34,011	--	34,011	0.94	--
b) Central Govt.	--	--	--	--	--	--	--	--	--
c) State Govt.	--	--	--	--	--	--	--	--	--
d) Bodies Corp.	2,652,762	--	2,652,762	73.45	2,652,762	--	2,652,762	73.45	--
e) Banks/ FI	--	--	--	--	--	--	--	--	--
f) Any other..	--	--	--	--	--	--	--	--	--
Sub-total (A) (1)	2,686,773	--	2,686,773	74.39	2,686,773	--	2,686,773	74.39	--
<b>(2) Foreign</b>									
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)	2,686,773	--	2,686,773	74.39	2,686,773	--	2,686,773	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>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	--	--	--	--	--	--	--	--	--
b) Banks/ FI	--	50	50	--	--	50	50	--	--
c) Central Govt.	--	--	--	--	--	--	--	--	--
d) State Govt.	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIIs	22,521	--	22,521	0.62	24,871	--	24,871	0.69	0.07
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (Specify)	--	--	--	--	--	--	--	--	--
Sub-total (B) (1)	22,521	50	22,571	0.62	24,871	50	24,921	0.69	0.07
<b>(2) Non-Institutions</b>									
a) Bodies Corporate									
i) Indian	46,895	2,975	49,870	1.38	40,325	2,975	43,300	1.20	(0.18)
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals									
i) Individual Shareholders holding nominal share capital upto Rs.1 Lakh	520,740	134,394	655,134	18.14	520,134	123,988	644,122	17.84	(0.30)
ii) Individual Shareholders holding nominal share capital in excess of Rs.1 Lakh	113,535	--	113,535	3.14	132,407	--	132,407	3.67	0.52



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	26,253	600	26,853	07.74	25,672	600	26,272	0.73	(0.02)
ii) Clearing Members	8,744	--	8,744	0.24	4,777	--	4,777	0.13	(0.11)
iii) LLP/ Partnership firm	8,770	--	8,770	0.24	8,770	--	8,770	0.24	--
iv) HUF	39,290	--	39,290	1.09	39,290	--	39,290	1.09	--
v) Directors & Relatives	--	--	--	--	908	--	908	0.03	0.03
Sub-total (B) (2)	764,227	137,969	902,196	24.98	772,283	127,563	899,846	24.92	(0.07)
Total Public Shareholding (B) = (B)(1) + (B) (2)	786,748	138,019	924,767	25.61	797,154	127,613	924,767	25.61	--
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	3,473,521	138,019	3,611,540	100.00	3,483,927	127,613	3,611,540	100.00	--

**(ii) Shareholding of Promoters**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		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 Zaveri	34,011	0.94	--	34,011	0.94	--	--
2	NRB Bearings Ltd.	2,652,762	73.45	--	2,652,762	73.45	--	--
	Total	2,686,773	74.39	--	2,686,773	74.39	--	--

**(iii) Change in Promoters' Shareholding (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 Zaveri				
	At the beginning of the Year	34,011	0.94		
	Date wise increase/ decrease	Nil	Nil		
	At the End of the year			34,011	0.94
2.	NRB Bearings Limited				
	At the beginning of the Year	2,652,762	73.45		
	Date wise increase/ decrease	Nil	Nil		
	At the End of the Year			2,652,762	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	53451	1.48		
	10/08/2018 Purchase	570	0.02	54021	1.50
	17/08/2018 Purchase	180	0.00	54201	1.50
	24/08/2018 Purchase	479	0.01	54680	1.51
	31/08/2018 Purchase	115	0.00	54795	1.52
	14/09/2018 Purchase	205	0.01	55000	1.52
	05/10/2018 Purchase	165	0.00	55165	1.53
	02/11/2018 Purchase	200	0.01	55365	1.53
	15/02/2019 Purchase	635	0.02	56000	1.55
	At the end of the year			56000	1.55
2	Anil Kumar Bajaj				
	At the beginning of the year	23500	0.65		
	Date wise increase/ decrease	Nil	Nil	23500	0.65
	At the end of the year			23500	0.65
3	Rimo Capital Fund LP				
	At the beginning of the year	22521	0.62		
	04/05/2018 Purchase	1150	0.03	23671	0.66
	25/05/2018 Purchase	800	0.02	24471	0.68
	12/10/2018 Purchase	400	0.01	24871	0.69
	At the end of the year			24871	0.69
4	Sana Ayub Khan				
	At the beginning of the year	18084	0.50		
	08/02/2019 Purchase	416	0.01	18500	0.51
	15/02/2019 Purchase	1500	0.04	20000	0.55
	At the end of the year			20000	0.55
5	Mazahir Husaini Khedwala				
	At the beginning of the year	15000	0.42		
	10/08/2018 Purchase	30	0.00	15030	0.42
	17/08/2018 Purchase	150	0.00	15180	0.42
	31/08/2018 Purchase	350	0.01	15530	0.43
	29/09/2018 Purchase	170	0.00	15700	0.43
	15/02/2019 Purchase	868	0.02	16568	0.46
	22/02/2019 Purchase	1000	0.03	17568	0.49
	At the end of the year			17568	0.49



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
6	Saharsh Yarn Pvt. Ltd.				
	At the beginning of the year	15000	0.42		
	Date wise increase/ decrease	Nil	Nil		
	At the end of the year			15000	0.42
7	Safir Anand				
	At the beginning of the year	15000	0.42		
	Date wise increase/ decrease	Nil	Nil		
	At the end of the year			15000	0.42
8	Rashida Mazahir Khedwala				
	At the beginning of the year	12000	0.33		
	10/08/2018 Purchase	40	0.00	12040	0.33
	17/08/2018 Purchase	140	0.00	12180	0.34
	29/09/2018 Purchase	120	0.00	12300	0.34
	15/02/2019 Purchase	300	0.01	12600	0.35
	22/02/2019 Purchase	1000	0.03	13600	0.38
	At the end of the year			13600	0.38
9	Sriniwas Seshadri				
	At the beginning of the year	10000	0.28		
	13/04/2018 Sell	-33	0.00	9967	0.28
	20/04/2018 Sell	-128	0.00	9839	0.27
	15/02/2019 Purchase	400	0.01	10239	0.28
	At the end of the year			10239	0.28
10	Shashi Gupta				
	At the beginning of the year	10000	0.28		
	14/09/2018 Sell	-961	-0.03	9039	0.25
	02/11/2018 Sell	-19	0.00	9020	0.25
	16/11/2018 Sell	-5197	-0.14	3823	0.11
	23/11/2018 Sell	-1249	-0.03	2574	0.07
	30/11/2018 Sell	-1731	-0.05	843	0.02
	31/12/2018 Sell	-843	-0.02	0	0.00
	At the end of the year			0	0.00
11	Lalit Kumar Poddar				
	At the beginning of the year	4567	0.13		
	21/09/2018 Sell	-25	0.00	4542	0.13
	29/09/2018 Sell	-134	0.00	4408	0.12
	05/10/2018 Sell	-189	-0.01	4219	0.12
	12/10/2018 Sell	-206	-0.01	4013	0.11
	26/10/2018 Sell	-95	0.00	3918	0.11
	At the end of the year			3918	0.11



## (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
	<b>Director</b>				
1	Ms. Harshbeena Zaveri				
	At the beginning of the year	34,011	0.94		
	Date wise increase/ decrease	Nil	Nil		
	At the End of the year			34,011	0.94
2	Mr. Satish Rangani				
	At the beginning of the year	250	0.01		
	08/06/2018 Purchase	174	0.00	424	0.01
	05/10/2018 Purchase	175	0.00	599	0.02
	At the End of the year			599	0.02
3	Mr. Jayavardhan Dhar Diwan				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the End of the year	Nil	Nil	Nil	Nil
4	Mr. Vivek Sahai				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the End of the year	Nil	Nil	Nil	Nil
5	Mr. Arvinder Singh Kohli				
	At the beginning of the year	10	0.00		
	22/02/2019 Purchase	59	0.00	69	0.00
	08/03/2019 Purchase	68	0.00	137	0.00
	15/03/2019 Purchase	72	0.00	209	0.01
	30/03/2019 Purchase	100	0.00	309	0.01
	At the End of the year			309	0.01
6	Mr. Claude Alex D'Gama Rose				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the End of the year	Nil	Nil	Nil	Nil
	<b>Key Managerial Personnel</b>				
7	Mr. Kamlesh Sondigala				
	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 (₹ in lakhs)	Unsecured Loans (₹ in lakhs)	Deposits (₹ in lakhs)	Total Indebtness (₹ in lakhs)
Indebtedness at the beginning 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
<b>Total (i+ii+iii)</b>	<b>18.72</b>	<b>0</b>	<b>3.91</b>	<b>22.63</b>
Change in Indebtedness during the financial year				
• Addition	0	0	0	0
• Reduction	10.19	0	0	10.19
Net Change	(10.19)	0	0	(10.19)
Indebtedness at the end of the financial year				
i) Principal Amount	8.53	0	3.91	12.44
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>8.53</b>	<b>0</b>	<b>3.91</b>	<b>12.44</b>

\* 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 MD/ WTD/ Manager		Total Amount (₹ in lakhs)
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...	--	--	--
5.	Others, please specify Sitting Fees (p.a.)	--	--	--
	Total (A)	--	--	--



## B. Remuneration to Other Directors

Sr. No.	Name of Directors	Particulars of Remuneration (₹ in lakhs)			Total Amount (₹ in lakhs)
		Fee for attending board / committee meetings	Commission (paid for F.Y. 17-18)	Others, please specify	
1.	Independent Directors				
	- Mr. Jayavardhan Dhar Diwan	3.00	2.00	--	5.00
	- Mr. Vivek Sahai	2.90	0.50	--	3.40
	- Mr. Claude Alex D'Gama Rose	1.25	--	--	1.25
	Total (1)	7.15	2.50	--	9.65
2.	Other Non-Executive Directors				
	-Ms. Harshbeen Zaveri	2.80	2.00	--	4.80
	-Mr. Satish Rangani	2.00	2.00	--	4.00
	-Mr. Arvinder Singh Kohli	0.75	--	--	0.75
	-Mr. J S Maini*	--	1.50	--	1.50
	Total (2)	4.80	5.50	--	11.05
	Total (B)=(1+2)	12.70	8.00	--	20.70
	Total Managerial Remuneration (A+B)	12.70	8.00	--	20.70
	Overall Ceiling as per the Act	--	--	--	116.00

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





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. Kamlesh Sondigala	Mr. K K P Sinha General Manager (CEO)*	
1.	Gross salary (a) Salary as per provisions contained in section 7(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	5.80	27.13	32.93
2.	Stock Option	--	--	--
3.	Sweat Equity	--	--	--
4.	Commission - as % of profit - others, specify...	--	--	--
5.	Others, please specify	--	--	--
	Total (A)	5.80	27.13	32.93

\* Mr. KKP Sinha, General Manager designated as CEO w.e.f. 21.05.2019.

(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	--	--	--	--	--
<b>Other Officers in Default</b>					
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 |

**(b) Nature of contracts/arrangements/transactions:**

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

**(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.

**2) Value of the transactions with the related parties:**

As mentioned below:

(₹ in lakhs)

i)	NRB Bearings Limited	Sale of Finished Goods	1654.33
		Purchases of Raw Materials	52.00
ii)	NRB Bearings (Thailand) Limited	Sale of Finished Goods	36.00

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

- i) 17th May, 2018
- ii) 1st August, 2018
- iii) 30th October, 2018
- iv) 30th January, 2019

**(f) Amount paid as advances, if any:**

Not Applicable

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

**SNL Bearings Limited**

**Harshbeena Zaveri**  
Director

Place : Mumbai

Date : May 21, 2019



**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 2018-19;

Name of Directors	Remuneration (₹ In lakhs)	Median Remuneration (₹ In lakhs)	Ratio
Ms. Harshbeena Zaveri Non-Executive, Non-Independent Director	4.80	3.85	1.25
Mr. Satish Rangani Non-Executive, Non-Independent Director	4.00	3.85	1.04
Mr. J S Maini Non-Executive, Independent Director (resigned w.e.f. 22.01.2018)	1.50	3.85	0.39
Mr. Jayavardhan Dhar Diwan Non-Executive, Independent Director	5.00	3.85	1.30
Mr. Vivek Sahai Non-Executive, Independent Director	3.40	3.85	0.88
Mr. Arvinder Singh Kohli Non-Executive, Non-Independent Director	0.75	3.85	0.19
Mr. Claude Alex D'Gama Rose Non-Executive, Non-Independent Director	1.25	3.85	0.32

\* 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 2018-19;

Name of Directors	Percentage increase in remuneration in the Financial year.
Ms. Harshbeena Zaveri, Non-Executive, Non-Independent Director	NA
Mr. Satish Rangani, Non-Executive, Non-Independent Director	NA
Mr. Jayavardhan Dhar Diwan Non-Executive, Independent Director	NA
Mr. Vivek Sahai Non-Executive, Independent Director	NA
Mr. Arvinder Singh Kohli* Non-Executive, Non-Independent Director	NA
Mr. Claude Alex D'Gama Rose** Non-Executive, Non-Independent Director	NA



Mr. Kamlesh Sondigala Company Secretary	0.00
Mr. KKP Sinha General Manager (CEO)	11%

\* Mr. KKP Sinha, General Manager, Redesignated as CEO w.e.f. 21st May, 2019.

- 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 3% during the financial year 2018-19. (from Rs. 3.74 lakhs to Rs. 3.85 lakhs p.a.).
- d. the Company has 163 number of permanent employees on the rolls of company as on 31 March, 2019;
- 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 5% while increase in the Managerial Remuneration is 9%. 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**

**Harshbeena Zaveri  
Director**

Place : Mumbai  
Date : May 21, 2019



**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019**

[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, 2019 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, 2019 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 : 21/05/2019

(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 shown slower growth – 6%, during the last year reflecting the sharp slowdown in H2FY19 across 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 during FY2018-19 has been buoyant for Commercial vehicles with high growth of 18.3% arising from replacement of older vehicles and the overloading bans notified by the authorities and Farm Equipment by 10.4% as the good monsoon fuelled demand. Other segments grew moderately - 2/3 wheelers by 4.8% and Passenger vehicles by 2.4%. Your company has grown by 6% with strong growth in business to its 2/3 wheeler and Commercial vehicle OEMs. Overall, the Company's market share in the Needle Bearings segment is estimated at 6%.

Roller bearings have wide ranging applications and are critical to industrial progress. Benefiting from lower oil prices and a slower pace of monetary tightening than previously expected, and easing of inflation pressures, India still remains the fastest growing major economy in the world and is expected to be one of the top three global economic powers over the next decade. 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.

Your company continues to enhance manufacturing capacity to enable its offering a wider range of products to its customers of bearing solutions that are efficient and support productivity.

### Economic Environment

Global growth numbers for 2018-19 are estimated at 3.7%, despite weaker performance in some economies, notably Europe and Asia. Growth tapered downward towards the second half of the year, with the key reason behind the loss in momentum being the implementation of trade tariffs by major economies, and the uncertainty about trade policy weighed on future investment decisions. Going forward the global economy is likely to remain volatile in 2019-20. IMF projects a rebound in investment and a growth of 4% in the coming years. The Indian economy continues to be a bright spot among major economies. Downside risks continue in the form of NPA's of the banking system and the rise in global fuel and commodity prices.

Despite forecasts of a lower than normal to normal monsoon, government spending in the economy to strengthen infrastructure and reforms like Goods and Services Tax (GST) augur well in mid to long term. In addition, the Government has also come up with Digital India initiative. Supported by growing per capita income, higher minimum support price and farm loan waivers, improved farm sentiment and favorable government policies announced in Interim Budget 2019, there are positive signals of the rural markets coming back on track. Better crops, increased affordability and an increase in disposable income in the hands of the rural populace is raising the demand for two/three wheelers in





the country. Furthermore, the recently announced government initiatives on farming sector coupled with infrastructure creation is likely to add more purchasing power to the farmers consequently driving a positive demand for tractors in the future. 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.

Currently, with the growing focus on mass public transportation and personal mobility such as two and three wheelers, top vehicle manufacturers launch of clean-energy products, are spurring India's ambitious drive towards electric mobility. The continued capacity expansion by major OEMs, in line with market demand will help in expanding the size of market and should boost demand for auto component manufacturers. Opportunities for exports are expected to increase both for finished automobiles as well as auto components.

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. It is expected that implementation of BS VI standards will lead to demand for components like catalytic converters, electronic fuel injection systems, intelligent battery sensors.
- d. Autonomous vehicles, Electrification and Shared Mobility (ACES) are disruptive technology driven trends that could change the future of the mobility industry.

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 Automotive industry demand grew at a healthy pace in the first three quarters, but the last quarter saw a decline on account of slower industry growth and shrinking volumes. Your Company's Revenue (net) was at Rs. 4064 Lakhs in F.Y. 2018-19 (Previous Year: Rs 3831 lakhs) representing a growth of 6%. Profit after tax was at Rs. 814 lakhs (Previous Year : Rs. 822 lakhs), a fall of 1.6%, with margins being impacted by input and other cost increases as steel prices rose globally.



Arising from the sharp and unexpected slowdown in business in HY2, there has been an increase in working capital with inventories piling up. There is a renewed focus on liquidity and working capital management to sustain generation of free cash flow for the long term strategic objectives of the company. We are also concentrating on improving our quality aspects and enhancing service levels and overall leveraging our operational efficiencies to give better financial results during the current financial year. Under the given market conditions, the Company's performance is considered satisfactory.

**Details of significant changes, (i.e., change of 25 percent or more, as compared to the immediately previous Financial Year) in key financial ratio, along with detailed explanation therefor:**

Sr. No.	Particulars	Ratio as on 31st March, 2019	Ratio as on 31st March, 2018	% Change	Explanations, if any
i.	Debtors' Turnover (in no. of Days)	51	57	-11%	Improvement
ii.	Inventory Turnover	1.07%	1.56%	32%	Market slowdown led to shortfall in Production, leading to lower inventory consumption than budgeted.
iii.	Interest Coverage Ratio	NA	NA	NA	Company has no term borrowings, interest costs are negligible.
iv.	Current Ratio	7.11%	5.54%	-28%	Increase in inventories as explained above but control on liabilities resulting in improvement.
v.	Debt Equity Ratio	NA	NA	NA	Company has no term borrowings.
vi.	Operating Profit	28%	30%	5%	
vii.	Net Profit Margin (%)	19%	22%	10%	

**Details of change in Return on Net Worth as compared to the immediately previous Financial Year as follows:**

Sr. No.	Particulars	As on 31st March, 2019	As on 31st March, 2018	% Change	Explanations,if any
i.	Return on Net Worth	24%	30%	20%	Due to addition in current year's profit

### 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, the detection and prevention of frauds and errors, adequacy and completeness of accounting records and timely preparation of reliable financial information. The efficacy of the internal checks and control systems are validated by Internal as well as Statutory Auditors. The upgrade of the ERP system to NAV 16 has helped the company to implement latest world class processes and make it more analytical.

The management assesses the appropriateness and effectiveness of the Controls in place on yearly basis.

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 along with 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, though the settlement with the workmen has expired on 1st January 2019. Discussions are ongoing to arrive at a mutually acceptable balance between the workmen's demand for a wage rise and the management's proposal for an overall production rise so that employee costs for FY2019-20 do not increase beyond current levels.

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 163 no.

### **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, 2019, 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, Stakeholders' Relationship Committee, and the Corporate Social Responsibility (CSR) 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, 2019, The Company's Board consists of 6 Directors. Besides the Non-Executive Chairman, the Board comprises of two Directors and three Non-Executive Independent Directors. The composition of the Board is in conformity with Section 149 of the Companies Act, 2013 and Regulation 17 of the Listing Regulations.

### 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, 2019 are given below:

#### Directorship / Committee Membership as on March 31, 2019.

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. Harshbeena Zaveri DIN: 00003948	31/07/2000	Chairman and Non-Executive Director	2	0	2
Mr. Satish Rangani DIN: 00209069	31/07/2000	Non-Executive Director	1	0	0
Mr. Jayavardhan Dhar 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. Arvinder Singh Kohli DIN: 08135020	17/05/2018	Non-Executive Director	0	0	0
Mr. Claude Alex D'Gama Rose DIN: 01494440	17/05/2018	Independent Director	0	0	0

**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 fulfils 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](http://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 2018-19 the Board of Directors met four times i.e. on May 17, 2018, August 1, 2018, October 30, 2018, and January 30, 2019. 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 August 01, 2018
1.	Ms. Harshbeena Zaveri	4 of 4	Present
2.	Mr. Satish Rangani	4 of 4	Present
3.	Mr. Jayavardhan Dhar Diwan	4 of 4	Present
4.	Mr. Vivek Sahai	4 of 4	Present
5.	Mr. Arvinder Singh Kohli *	3 of 4	Absent
6.	Mr. Claude Alex D'Gama Rose **	4 of 4	Present

\* Mr. Arvinder Singh Kohli has been appointed w.e.f May 17, 2018

\*\* Mr. Claude Alex D'Gama Rose has been appointed w.e.f May 17, 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](http://www.snlbearings.in).

### Skills matrix for the Directors

The Board of Directors of the Company comprises members who bring in the required skills and expertise for effective functioning of the Company, the Board and its Committees. The table below summarizes key skills and attributes which are taken into consideration by the NRC while recommending appointment of Directors to the Board:

Skills	Skills definition
Business Acumen	Ability to understand business environment and economic and regulatory conditions impacting market and formulate policies for enhancing market share, Understanding of operations and organizational processes coupled with collaborative competencies , seeking and giving feedback.
Strategy and Strategic planning	Ability to identify and critically assess strategic opportunities and threats to the Company vis-à-vis the Company's objectives and develop long term growth strategies.
Financial Skills	Expertise in financial management, capital allocation, financial reporting requirements.
Technology	Ability to anticipate changes in technology, drive product and process innovation.
Leadership	Ability to develop talent and ensure succession planning; ability to bring about organizational change and improvement; ability to manage crisis, ability to be challenging yet supportive.
Legal and Regulatory knowledge	Understanding of regulatory and legal frameworks.
Corporate Governance	Willingness and ability to devote adequate time and energy to fulfil board and committee responsibilities, formulate policies which will ensure interests of the Company and shareholders are safeguarded while maintaining management accountability and adherence to high standards of corporate governance.

## 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](http://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](http://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. Jayavardhan Dhar Diwan, Independent Director is the Chairman of the Audit Committee. The other members of the Audit Committee include Mr. Vivek Sahai (Independent Director), Mr. Claude Alex D'Gama Rose (Independent Director) and Ms. Harshbeena Zaveri (Non-Executive Director).

##### **Meetings and Attendance**

The Audit Committee met four times during the Financial Year 2018-19. The maximum gap between two



Meetings was not more than 120 days. The Committee met on May 17, 2018, August 1, 2018, October 30, 2018, and January 30, 2019. 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 August 1, 2018.

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. Jayavardhan Dhar Diwan	Chairman	Independent Director	4 of 4
2.	Ms. Harshbeena Zaveri	Member	Non-Executive Director	4 of 4
3.	Mr. Vivek Sahai	Member	Independent Director	4 of 4
4.	Mr. Claude Alex D'Gama Rose*	Member	Independent Director	3 of 3

\* Mr. Claude Alex D'Gama Rose has been appointed w.e.f. 17th May, 2018.

### 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. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b. Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- c. Reviewing with management the annual financial statements before submission to the board, focusing primarily on (i) Any changes in accounting policies and practices (ii) Major accounting entries based on exercise of judgement by management (iii) Qualifications in draft audit report (iv) Significant adjustments arising out of audit (v) The going concern assumption (vi) Compliance with accounting standards (vii) Compliance with stock exchange and legal requirements concerning financial statements (viii) Any related party transactions i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of company at large.
- d. Reviewing with the management, external and internal auditors, the adequacy of company at large.
- e. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- f. Discussion with internal auditors any significant findings and follow up there on.
- g. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter of the board.
- h. Discussion with external auditors before the audit commences nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.



- i. Reviewing the company's financial and risk management policies.
- j. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.

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, 2019.

Besides the above, Mr. Satish Rangani (Director), 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 Financial Statements are made available on the web-site [www.snlbearings.in](http://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 four Directors. Mr. Vivek Sahai, Independent Director, is the Chairman of the Committee. The other members of the Nomination and Remuneration Committee include Mr. Jayavardhan Dhar Diwan, Ms. Harshbeena Zaveri and Mr. Arvinder Singh Kohli. 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 two times during the year on May 17, 2018 and August 1, 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	2 of 2
2.	Mr. Jayavardhan Dhar Diwan	Member	Independent Director	2 of 2
3.	Ms. Harshbeena Zaveri	Member	Non-Executive Director	2 of 2
4.	Mr. Arvinder Singh Kohli*	Member	Non-Executive Director	0 of 1

\* Mr. Arvinder Singh Kohli has been appointed w.e.f. 17th May, 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](http://www.snlbearings.in)


**DETAILS OF REMUNERATION PAID TO DIRECTORS FOR THE YEAR ENDED MARCH 31, 2019**
**(a) NON EXECUTIVE DIRECTORS**

Name of the Director	Sitting Fees (Rs. in lakhs)	No. of Shares held	Commission to Non- Executive Directors (For the F.Y. 2017-18) (Rs. in lakhs)
Mr. Vivek Sahai	2.90	0	0.50
Mr. J S Maini* Resigned w.e.f. 21st January, 2018	0.00	0	1.50
Mr. Jayavardhan Dhar Diwan	3.00	0	2.00
Ms. Harshbeena Zaveri	2.80	34011	2.00
Mr. Satish Rangani	2.00	599	2.00
Mr. Arvinder Singh Kohli*	0.75	309	0.00
Mr. Claude Alex D'Gama Rose*	1.25	0	0.00
<b>Total</b>	<b>12.70</b>		<b>8.00</b>

\* Mr. Arvinder Singh Kohli has been appointed w.e.f. 17th May, 2018.

\* Mr. Claude Alex D'Gama Rose has been appointed w.e.f. 17th May, 2018.

**(b) KMP, Senior Management Personnel**

Particulars	Mr. KKP Sinha, General Manager	Mr. Kamlesh Sondigala Company Secretary
Term of Appointment	Contractual	Contractual
Salary	27.13	5.80
Other Allowances	0	0
<b>Total</b>	<b>27.13</b>	<b>5.80</b>

**(C) STAKEHOLDERS RELATIONSHIP COMMITTEE**
**Composition and Attendance**

The Stakeholders Relationship Committee comprises of four Directors. Mr. Jayavardhan Dhar Diwan, Independent Director is the Chairman of this Committee. The Stakeholders Relationship Committee met thirteen times during the year on April 27, 2018, June 1, 2018, July 4, 2018, August 1, 2018, September 3, 2018, September 26, 2018, October 26, 2018, November 19, 2018, December 5, 2018, December 28, 2018, January 16, 2019, January 30, 2019, February 27, 2019. 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. Jayavardhan Dhar Diwan	Chairman	Independent Director	13 of 13
2.	Mr. Vivek Sahai	Member	Independent Director	12 of 13
3.	Ms. Harshbeena Zaveri	Member	Non-Executive Director	11 of 13
4.	Mr. Satish Rangani	Member	Non-Executive Director	12 of 13

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:

- Redressal of shareholder and investor complaints like delays in transfer of shares, non receipt of annual report, non receipt of dividends etc.
- Approve transfer of shares lodged with the company/RTA
- Issue of duplicate share certificates
- Sub divide or consolidate share certificates
- Issue certificates in lieu of mutilated, decrepit and other certificates whose cages on the reverse have been fully utilized.

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, RESOLVED AND PENDING SHARE TRANSFERS

The total number of complaints received and resolved during the year ended March 31, 2019 was as follows:

Sr. No.	Particulars	Number of Complaints
1	No. of Investors Complaints pending at the beginning of the year	0
2	No. of Investors Complaints received during the year	1
3	No. of Investors Complaints resolved and disposed of during the year	1
4	No. of Investors Complaints those remaining unresolved at the end of the year.	0

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

There were no complaints outstanding as on March 31, 2019. The number of pending share transfers and pending requests for dematerialization as on March 31, 2019 were Nil. Shareholders'/Investors' queries 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, 2019.

## (D) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

### Composition

The Corporate Social Responsibility (CSR) Committee comprises of four Directors, Ms. Harshbeena Zaveri, Non-Independent Director, is the Chairman of the Committee. The other members of the CSR Committee include Mr. Satish Rangani, Non- Executive Director, Mr. Jayavardhan Dhar Diwan, Independent Director and Mr. Vivek Sahai, 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. 21.43 lakhs during F.Y. 2018-19 on the identified activities.



The Company has formulated CSR Policy, which is uploaded on the website of the Company viz. [www.snlbearings.in](http://www.snlbearings.in)

#### Terms of Reference

- formulate and recommend to the Board a CSR policy which indicates the activities to be undertaken by the company as specified in schedule VII ensuring that preference is given to the local areas where it operates.
- recommend the amount of expenditure to be incurred on such activities
- monitor the CSR policy from time to time

**The Composition of the CSR Committee as at March 31, 2019 and the details of Meetings of the Committee are as under:**

#### Meetings and Attendance:

The CSR Committee met once during the year on January 30, 2019. 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. Harshbeena Zaveri	Chairman	Non-Executive Director	1 of 1
2.	Mr. Satish Rangani	Member	Non-Executive Director	1 of 1
3.	Mr. Jayavardhan Dhar Diwan	Member	Independent Director	1 of 1
4.	Mr. Vivek Sahai	Member	Independent Director	1 of 1

#### (E) INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on March 8, 2019, 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. 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](http://www.snlbearings.in)

Transactions of the Company with the promoter / promoter group(s) which hold(s) 10% or more shareholding in the Company are as follows:

Name of the related party and nature of transactions	Transactions during the year ended		Balances Receivable / (Payable) As at	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
<b>Holding Company:</b>				
<b>NRB Bearings Limited</b>				
• Sale of finished goods	1,654.33	1,930.67	260.65	401.95
• Purchases of raw materials	52.00	52.48	--	--
• Dividend on equity shares	132.64	--	--	--
• Reimbursement of expenses on behalf of the Company	--	6.72	--	--

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](http://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. Disclosures of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A)**

The Company has not raised funds through preferential allotment or qualified institutions under Regulation 32(7A) during the year under review.

**i. Certificate from Practicing Company Secretary**

The Company has obtained a certificate from Mr. Upendra C Shukla, Practising Company Secretary, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs or any such statutory authority and the same forms part of this report.

**j. Recommendations given by the Committees of the Board**

During the year under review, the Board has accepted all the recommendations given by the Committees of the Board, which are mandatorily required.

**k. Total fees for all services paid to the statutory auditor**

During the financial year 2018-2019, the Company has paid the statutory fees, certification fees and other services to the statutory auditors. The details of fees paid are disclosed in Note No. 28.1 forming part of the Financial Statements.

**l. Disclosures in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

Number of Complaints pending at the beginning of financial year	Nil
Number of Complaints Filed during the financial year	Nil
Number of Complaints disposed of during the financial year	Nil
Number of Complaints pending at the end of financial year	Nil

**m. The Management Discussion and Analysis Report forms part of the Annual Report and is in accordance with the requirements laid out in Schedule V of the Listing Regulations.**

**n. The Company has complied with all the mandatory requirements specified in Listing Regulations 17 to 27 and Clauses (b) to (i) of Sub-regulation (2) of Regulation 46 of the Listing Regulations.**



**o. The status of adoption of non-mandatory requirements as specified in sub-regulation 1 of Regulation 27 of the Listing Regulations are as follows:**

i. Chairman of the Board

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

ii. Shareholder Rights

The Company has circulated the Chairman's speech at the AGM and the half yearly results to all the shareholders. The quarterly financial results are also available on the Company's web site [www.snlbearings.in](http://www.snlbearings.in).

iii. Modified opinion(s) in audit report

The Financial Statements of the Company for the financial year ended 31st March, 2019 does not contain any modified audit opinion.

iv. Separate posts of Chairman and CEO

The Chairman of the Board is a Non Executive Director and her position is separate from that of the CEO.

v. Reporting of Internal Auditor

The internal auditor reports directly to the Audit Committee and have direct access to the Audit Committee.

The Board reviews the above non-mandatory requirements of the Listing Regulations from time to time.



**Certificate pursuant to regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

The Board of Directors  
SNL Bearings Limited,  
Dhannur, 15, Sir P.M. Road,  
Fort, Mumbai - 400 001.

I have examined the registers, records, books, form, returns and disclosures received from the Directors of SNL Bearings Limited, (CIN L99999MH1979PLC134191), having Registered Office at Dhannur, 15, Sir P.M. Road, Fort, Mumbai - 400 001 (the Company), produced before me by the Company for the purpose of issuing this Certificate in pursuance to Regulation 34(3) read with Schedule V Para-C Sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verification (including Director Identification Number (DIN) status on MCA website) as considered necessary and explanation furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended on 31st March, 2019 has been debarred or disqualified from being appointed or continuing as Directors of the companies by the Securities and Exchange Board of India and/or Ministry of Corporate Affairs:

Sr. No.	Name of the Director / DIN	Designation	Date of Appointment in the Company
1)	Harshbeena Sahney Zaveri (DIN: 00003948)	Non Executive, Non-Independent Director	31/07/2000
2)	Satish Chellaram Rangani (DIN: 00209069)	Non Executive, Non-Independent Director	31/07/2000
3)	Jayavardhan Dhar Diwan (DIN: 01565319)	Non Executive, Independent Director	29/01/2015
4)	Vivek Sahai (DIN: 01717502)	Non Executive, Independent Director	08/11/2017
5)	Arvinder Singh Gurmukh Singh Kohli (DIN: 08135020)	Non Executive, Non-Independent Director	17/05/2018
6)	Claude Alex D'Gama Rose (DIN: 01494440)	Non Executive, Independent Director	17/05/2018

**Note:** Ensuring the eligibility for appointment/ continuing as Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion based on verification of documents/ information available to me. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

(UPENDRA C. SHUKLA)  
COMPANY SECRETARY  
FCS: 2727/CP No: 1654

Place: Mumbai  
Date : 21/05/2019



## 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 20 August 2018.
2. We have examined the compliance of conditions of corporate governance by SNL Bearings Limited (the 'Company') for the year ended 31 March 2019, 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 reasonable assurance in the form of an opinions 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 2019.

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: 21 May 2019



## 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
38 <sup>th</sup>	2017-18	August 1, 2018, 3.00 p.m	Conference Room, 5th Floor, Dhannur, 15, Sir P M Road, Mumbai- 400 001	• No Special Resolution has been passed.
37 <sup>th</sup>	2016-17	July 21, 2017, 12.00 Noon	Conference Room, 5th Floor, Dhannur, 15, Sir P M Road, Mumbai- 400 001	• 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 <sup>th</sup>	2015-16	July 27, 2016, 2.00 PM	Conference Room, 5th Floor, Dhannur, 15, Sir P M Road, Mumbai- 400 001	• No Special Resolution has been passed.

#### POSTAL BALLOT

During the year under review, there was no resolution passed through Postal ballot.

#### ANNUAL GENERAL MEETING FOR THE FINANCIAL YEAR 2018-19

<b>DAY AND DATE</b>	Thursday, August 08, 2019
<b>TIME</b>	3.30 pm
<b>VENUE (Registered Office of the Company)</b>	Conference Room, 5th Floor, Dhannur, 15, Sir P. M. road, Fort, Mumbai - 400001.
<b>FINANCIAL YEAR</b>	April 1, 2018 to March 31, 2019
<b>BOOK CLOSURE DATES FOR DIVIDEND</b>	August 02, 2019 to August 08, 2019 (both days inclusive)
<b>LAST DATE OF RECEIPT OF PROXY FORMS</b>	Tuesday, August 06, 2019 before 3:30 PM

#### Tentative Calendar for Financial Year ending March 31, 2020

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	July/August 2019
2.	Second Quarter & Half Yearly Results	October/ November, 2019
3.	Third Quarter & Nine-months ended Results	January/ February, 2020
4.	Fourth Quarter & Annual Results	April/ May, 2020



## Dividend

The Board of Directors at their Meeting held on May 21, 2019, recommended dividend for the financial year 2018-2019, of Rs. 5/- per share (50%) 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 August 01, 2019 in respect of physical shareholders and whose name appear in the list of Beneficial Owner on August 01, 2019 furnished by NSDL and CDSL for this purpose. The dividend if declared at the Annual General Meeting shall be paid on or before August 23, 2019.

## 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
3.	2017-18	August 01, 2018	Rs. 5.00

## 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](http://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 Investor 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, 2019 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	1,88,944	September 01, 2023
2.	2016-17 (Interim Dividend)	February 06, 2017	255,132	April 14, 2024
3.	2017-18	August 01, 2018	5,49,350	October 05, 2025

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 2010-11.

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, 2019

No. of Equity Shares	2019				2018			
	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	4429	94.88	328304	9.09	4455	94.78	332731	9.21
501-1000	109	2.33	81476	2.26	118	2.51	91776	2.54
1001-2000	71	1.52	102421	2.84	68	1.45	96533	2.67
2001-3000	15	0.32	36525	1.01	15	0.32	37895	1.05
3001-4000	7	0.15	25065	0.69	6	0.13	20183	0.56
4001-5000	11	0.24	50102	1.39	11	0.23	50480	1.40
5001-10000	15	0.32	105096	2.91	17	0.37	120613	3.34
10001 & above	11	0.24	2882551	79.81	10	0.21	2861329	79.23
TOTAL	4668	100	3611540	100	4700	100	3611540	100

As on 31<sup>st</sup> March, 2019, 3483927 no. of shares constituting 96.47% of the share capital has been dematerialized.

**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, 2019

Category	2019				2018			
	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	34011	0.94
Public	4530	97.04	816727	22.61	4589	97.64	816703	22.61
Corporate Bodies								
Promoter group	1	0.02	2652762	73.45	1	0.02	2652762	73.45
Others	63	1.35	56847	1.57	48	1.02	58640	1.62
Foreign Collaborator	-	-			-	-		
NRI/OCBs	71	1.52	26272	0.73	59	1.26	26853	0.74
FI/FII/Banks	2	0.04	24921	0.69	2	0.04	22571	0.62
Mutual Funds/ UTI	-				-			
<b>TOTAL</b>	<b>4668</b>	<b>100.00</b>	<b>3611540</b>	<b>100.00</b>	<b>4700</b>	<b>100.00</b>	<b>3611540</b>	<b>100.00</b>

### DEMATERIALISATION OF SHARES AND LIQUIDITY

96.47 % of the equity shares of the Company have been dematerialized (NSDL 91.05% and CDSL 5.42%) as on March 31, 2019. 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 Universal Capital Securities 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

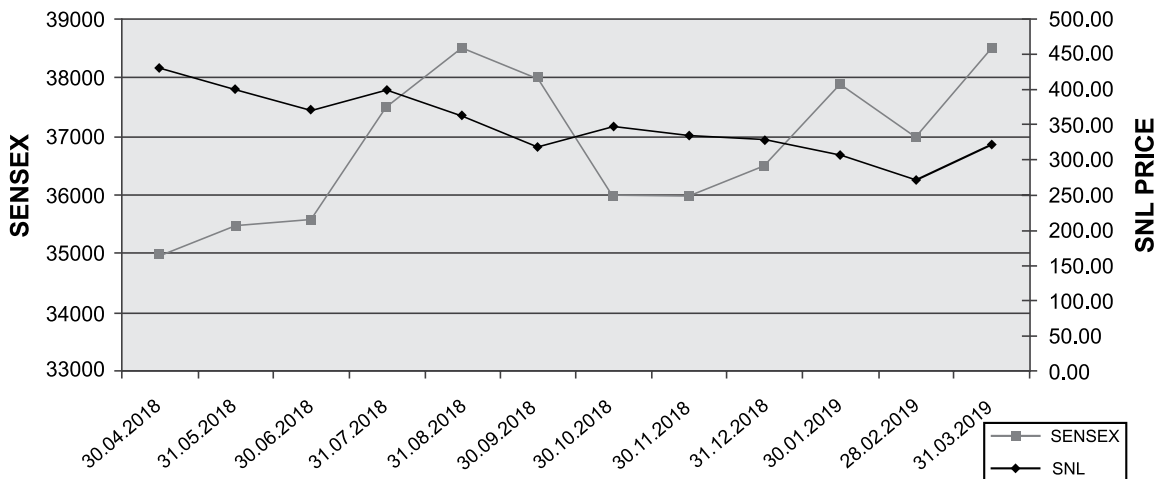
MONTH	BSE		
	HIGH (Rs.)	LOW (Rs.)	VOLUME (Nos.)
April 2018	455	401	21,260
May 2018	447	384	17,667
June 2018	436	360	10240
July 2018	425	356	16383
August 2018	399	352	29895
September 2018	394	311	16717
October 2018	369	282	29895
November 2018	366	320	31649
December 2018	394	311	19535
January 2019	359	305	9011
February 2019	312	225	25318
March 2019	342	247	13421



Particulars	BSE
Closing share price as on March 31, 2019 (Rs.)	315
Market Capitalisation as on March 31, 2019 (Rs. in Cr)	113.76

### 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, 2019 (based on month end closing):



	30.04.18	31.05.18	30.06.18	31.07.18	31.08.18	31.08.18	31.10.18	30.11.18	31.12.18	31.01.19	28.02.19	31.03.19
SNL	430	401	371	399	363	319	348	334	329	308	273	315
SEN SEX	35000	35500	35600	37500	38500	38000	36000	36000	36500	37900	37000	38500

### 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](http://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.
- 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@unisec.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.

**D E C L A R A T I O N S**

**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, 2019.

For **SNL Bearings Limited**

**Satish Rangani**

Director

Place: Mumbai

Date : May 21, 2019



**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)**

**SATISH RANGANI**  
**DIRECTOR (CFO)**

Place: Mumbai  
Date : May 21, 2019



## INDEPENDENT AUDITOR'S REPORT

To The Members of SNL Bearings Limited

Report on the Financial Statements

### Opinion

1. We have audited the accompanying financial statements of **SNL Bearings Limited** (‘the Company’), which comprise the Balance Sheet as at 31 March 2019, 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.
2. 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 Companies Act, 2013 (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 Indian Accounting Standards (‘Ind AS’) specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2019, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (‘ICAI’) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined that there are no key audit matters to communicate in our report.

### Information other than the Financial Statements and Auditor’s Report thereon

6. The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

7. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of 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 loss), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the 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 of 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.
8. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's



report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
  13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
  14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

15. As required by Section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.
16. As required by the Companies (Auditor's Report) Order, 2016 (the 'Order') issued by the Central Government of India in terms 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.
17. 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 on 31 March 2019 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 on 31 March 2019 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 36 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2019;
- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2019;
- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2019;
- 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

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

Place: Mumbai  
Date: 21 May 2019

### **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 2019**

#### **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 (PPE).
- (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of all the immovable properties (which are included under the head '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 goods-in-transit and 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
- (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, 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
The Finance Act, 1994	Service Tax	42.83	-	FY 2002-03 to FY 2006-07	Customs, Excise and Service Tax Appellate Tribunal

- (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. Accordingly, the provisions of clause 3(xv) of the Order are not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

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

Place: Mumbai  
Date: 21 May 2019



## BALANCE SHEET AS AT 31 MARCH 2019

(₹ in lakhs)

	Note No.	As at 31 March 2019	As at 31 March 2018
<b>I Assets</b>			
<b>1 Non-current assets</b>			
Property, plant and equipment	2	1,068.76	880.70
Capital work-in-progress		21.71	22.45
Intangible assets	3	7.26	10.38
Intangible assets under development		-	2.44
Financial assets			
Loans	4	25.82	25.82
Income tax (current-tax) assets (net)	5	9.72	5.70
Other non-current assets	6	3.75	-
<b>Total non-current assets</b>		<b>1,137.02</b>	<b>947.49</b>
<b>2 Current assets</b>			
Inventories	7	1,282.41	610.15
Financial assets			
Investments	8	808.37	871.99
Trade receivables	9	625.83	722.53
Cash and cash equivalents	10	6.35	17.06
Bank balances other than cash and cash equivalents	11	9.93	106.07
Loans	12	6.91	4.84
Other financial assets	13	-	2.99
Other current assets	14	71.21	112.51
<b>Total current assets</b>		<b>2,811.01</b>	<b>2,448.14</b>
<b>Total Assets</b>		<b>3,948.03</b>	<b>3,395.63</b>
<b>II Equity and Liabilities</b>			
<b>A Equity</b>			
Equity share capital	15	361.15	361.15
Other equity	16	3,062.52	2,467.51
<b>Total equity</b>		<b>3,423.67</b>	<b>2,828.66</b>
<b>B Liabilities</b>			
<b>1 Non-current liabilities</b>			
Deferred tax liabilities (net)	29.2	129.00	124.77
<b>Total non-current liabilities</b>		<b>129.00</b>	<b>124.77</b>
<b>2 Current liabilities</b>			
Financial liabilities			
Borrowings	17	8.53	-
Trade Payables			
Total outstanding dues of micro enterprises and small enterprises		35.03	4.50
Total outstanding dues of creditors other than micro enterprises and small enterprises	18	143.98	267.14
Other financial liabilities	19	123.13	102.86
Other current liabilities	20	37.39	25.55
Provisions	21	47.30	42.15
<b>Total current liabilities</b>		<b>395.36</b>	<b>442.20</b>
<b>Total Equity and Liabilities</b>		<b>3,948.03</b>	<b>3,395.63</b>

Notes 1 to 42 form an integral part of the financial statements.

This is the Balance Sheet referred to in our audit report of even date

For Walker Chandok &amp; Co LLP

Chartered Accountants

Firm Registration No. 001076N / N500013

Adi P. Sethna

Partner

Membership No.: 108840

Place: Mumbai

Date : 21 May 2019

For and on behalf of the Board of Directors

Harshbeena Zaveri

Director - DIN : 00003948

Vivek Sahai

Director - DIN : 01717502

KKP Sinha

Chief Executive Officer

S. C. Rangani

Director - DIN : 00209069

Arvinder Kohli

Director - DIN : 08135020

Kamlesh Sondigala

Company Secretary

J. D. Diwan

Director - DIN : 01565319

Claude Rose

Director - DIN : 01494440

Place: Mumbai

Date : 21 May 2019



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

(₹ in lakhs)

	Note No.	Year ended 31 March 2019	Year ended 31 March 2018
I. Revenue from operations	22	4,064.17	3,928.15
II. Other income	23	115.58	30.36
<b>III Total income (I + II)</b>		<b>4,179.75</b>	<b>3,958.51</b>
<b>IV Expenses:</b>			
Cost of materials consumed	24	1,202.83	1,001.22
Changes in inventories of finished goods and work-in-progress	25	(193.34)	33.40
Excise duty on sale of goods (Refer note 22)		-	96.70
Employee benefits expense	26	871.20	748.26
Finance costs	27	0.54	0.83
Depreciation and amortisation expense	2 & 3	92.28	79.12
Other expenses	28	1,065.60	861.94
<b>Total expenses (IV)</b>		<b>3,039.11</b>	<b>2,821.47</b>
<b>V. Profit / (loss) before tax (III-IV)</b>		<b>1,140.64</b>	<b>1,137.04</b>
<b>VI Income tax expense / (credit) :</b>	29		
(i) Current tax		321.38	313.94
(ii) Deferred tax		4.90	(2.02)
(iii) Tax pertaining to earlier years		-	3.10
		<b>326.28</b>	<b>315.02</b>
<b>VII Net profit after tax (V-VI)</b>		<b>814.36</b>	<b>822.02</b>
<b>VIII Other comprehensive income (OCI)</b>	30		
Items not to be reclassified subsequently to profit or loss			
- Remeasurement gain/(loss) on defined benefit plans		(2.32)	21.89
- Income tax effect on above		0.67	(6.31)
<b>Other comprehensive income /(loss) for the year, net of tax</b>		<b>(1.65)</b>	<b>15.58</b>
<b>IX Total comprehensive income/(loss) for the year, net of tax (VII+VIII)</b>		<b>812.71</b>	<b>837.60</b>
<b>X Earnings per equity share:</b>	39		
Basic and Diluted (in ₹)		22.55	22.76
Face value per share (in ₹)		10.00	10.00

Notes 1 to 42 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 Chandniok &amp; Co LLP

Chartered Accountants

Firm Registration No. 001076N / N500013

Adi P. Sethna

Partner

Membership No.: 108840

Place: Mumbai

Date : 21 May 2019

For and on behalf of the Board of Directors

Harshbeena Zaveri

Director - DIN : 00003948

S. C. Rangani

Director - DIN : 00209069

J. D. Diwan

Director - DIN : 01565319

Vivek Sahai

Director - DIN : 01717502

Arvinder Kohli

Director - DIN : 08135020

Claude Rose

Director - DIN : 01494440

KKP Sinha

Chief Executive Officer

Kamlesh Sondigala

Company Secretary

Place: Mumbai

Date : 21 May 2019



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

(₹ in lakhs)

	Year ended 31 March 2019	Year ended 31 March 2018
<b>A. Cash Flow from Operating Activities</b>		
<b>Profit before tax</b>	<b>1,140.64</b>	1,137.04
<b>Adjustments for:</b>		
Depreciation and amortisation	<b>92.28</b>	79.12
Finance costs	<b>0.54</b>	0.83
Interest income from other financial assets measured at amortised cost	<b>(8.26)</b>	(9.84)
Interest income from commercial paper	<b>(19.42)</b>	-
Dividend Income from financial assets measured at FVTPL	<b>(2.92)</b>	(7.43)
Gain on sale of fixed assets	<b>(1.88)</b>	-
Provision for doubtful receivable	<b>7.00</b>	3.48
Profit on sale of Investment	<b>(34.52)</b>	-
Fair value changes on financial assets measured at FVTPL	<b>(12.40)</b>	(12.84)
Unrealised foreign exchange (gain) / loss	<b>(4.50)</b>	0.40
<b>Operating profit before working capital changes</b>	<b>1,156.56</b>	<b>1,190.76</b>
<b>Adjustment for movements in:</b>		
Changes in working capital:		
Adjustment for (increase)/ decrease in operating assets:		
- Inventories	<b>(672.26)</b>	105.95
- Trade receivables	<b>89.74</b>	(41.84)
- Loans	<b>(2.07)</b>	(1.04)
- Other non-current assets	<b>(1.57)</b>	-
- Other current assets	<b>41.30</b>	(75.80)
Adjustment in increase/ (decrease) in operating liabilities		
- Trade payables	<b>(88.17)</b>	94.68
- Other financial liabilities	<b>15.18</b>	4.28
- Provision	<b>2.83</b>	12.76
- Other current liabilities	<b>11.84</b>	2.88
<b>Cash generated from operations</b>	<b>553.38</b>	<b>1,292.63</b>
Direct taxes paid (net of refund)	<b>(325.40)</b>	(319.16)
<b>Net cash generated from operating activities (A)</b>	<b>227.98</b>	<b>973.47</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of property, plant and equipment and intangibles	<b>(258.95)</b>	(64.30)
Sale / (Purchase) of current investments (net)	<b>132.88</b>	(744.99)
Sale proceeds of property, plant and equipment	<b>2.94</b>	-
Bank fixed deposits matured / (placed)	<b>101.62</b>	(101.62)
Interest received	<b>11.25</b>	6.85
<b>Net cash used in investing activities (B)</b>	<b>(10.26)</b>	<b>(904.06)</b>



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

(₹ in lakhs)

	Year ended 31 March 2019	Year ended 31 March 2018
<b>C. Cash flow from financing activities (C)</b>		
Net increase/(decrease) in cash credit	8.53	(69.92)
Interest paid	(0.54)	(0.83)
Changes in unclaimed dividend bank balances	(5.48)	-
Dividends paid on equity shares (including unclaimed)	(175.10)	-
Dividend distribution tax on equity share dividends	(37.12)	-
<b>Net Cash used in financing (C)</b>	<b>(209.71)</b>	<b>(70.75)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>8.01</b>	<b>(1.34)</b>
Add: Balance of Cash/Cash equivalents at the beginning of the year	(1.66)	(0.32)
<b>Closing balance of cash and cash equivalents (Refer note 10)</b>	<b>6.35</b>	<b>(1.66)</b>
<b>Components of cash and cash equivalents:</b>		
Cash on hand	0.21	0.20
Balances with banks on current accounts	6.14	16.86
Book overdraft	-	(18.72)
<b>Total</b>	<b>6.35</b>	<b>(1.66)</b>

**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. (Refer note 42).

Notes 1 to 42 form an integral part of the financial statements

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

For **Walker Chandiook & 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**

**Harshbeena Zaveri**

Director

DIN : 00003948

**S. C. Rangani**

Director

DIN : 00209069

**J. D. Diwan**

Director

DIN : 01565319

**Vivek Sahai**

Director

DIN : 01717502

**Arvinder Kohli**

Director

DIN : 08135020

**Claude Rose**

Director

DIN : 01494440

**KKP Sinha**

Chief Executive

Officer

**Kamlesh Sondigala**

Company Secretary

Place: Mumbai

Date : 21 May 2019

Place: Mumbai

Date : 21 May 2019



## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

### A. Equity share capital (Refer note 15)

(₹ in lakhs)

	Number of shares	Amount
<b>As at 01 April 2017</b>	3,611,540	361.15
Changes in equity share capital	-	-
<b>As at 31 March 2018</b>	3,611,540	361.15
Changes in equity share capital	-	-
<b>As at 31 March 2019</b>	3,611,540	361.15

### B. Other equity (Refer note 16)

(₹ in lakhs)

	Reserves and surplus		Total equity attributable to equity holders
	Capital redemption reserve	Retained earnings	
<b>Opening balance as at 1 April 2017</b>	1,000.00	629.91	<b>1,629.91</b>
<b>Transactions during the year</b>			
Net profit for the year	-	822.02	822.02
Add: Other comprehensive income for the year	-	15.58	15.58
<b>Balance as at 31 March 2018</b>	<b>1,000.00</b>	<b>1,467.51</b>	<b>2,467.51</b>
<b>Transactions during the year</b>			
Net profit for the year	-	814.36	814.36
Add: Other comprehensive income for the year	-	(1.65)	(1.65)
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>812.71</b>	<b>812.71</b>
Less: Dividend on equity shares - ₹ 5 per share	-	(180.58)	(180.58)
Less: Dividend Distribution tax on dividend on Equity shares	-	(37.12)	(37.12)
<b>Balance as at 31 March 2019</b>	<b>1,000.00</b>	<b>2,062.52</b>	<b>3,062.52</b>

Notes 1 to 42 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 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

**Harshbeena Zaveri**

Director

DIN : 00003948

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DIN : 08135020

**Kamlesh Sondigala**

Company Secretary

**J. D. Diwan**

Director

DIN : 01565319

**Claude Rose**

Director

DIN : 01494440

Place: Mumbai

Date : 21 May 2019

Place: Mumbai

Date : 21 May 2019





## SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

### 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 in 1 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 authorized for issue in accordance with the resolution of the directors on 21 May 2019.

#### 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.

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 recognized in Statement of Profit and Loss in the period in which they arise.

#### b. Revenue recognition

The company derives revenues from sale of manufactured goods. Effective 01 April 2018, the Company has adopted Indian Accounting Standard 115 (Ind AS 115) -'Revenue from contracts with customers selecting the cumulative catch-up transition method, applied to contracts that were not completed as on the transition date i.e. 01 April 2018. Accordingly, the comparative amounts of revenue and the corresponding contract assets / liabilities are not required to be adjusted retrospectively. However, the effect on adoption of Ind-AS 115 was insignificant. Revenue from sale of goods is recognized on satisfaction of performance obligation upon transfer of control of promised products to customers for an amount that reflects the consideration the Company expects to receive



## SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

in exchange for those products. The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money for performance obligations where one of the above conditions are not met.

### c. Other income

Interest income for all debt instruments is recognized 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. Apart from the above, the Company recognizes interest income on its Security Deposits given to the Jharkhand State Electricity Board once receipt is expected.

Dividend are recognized 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 recognized 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 realized or the deferred income tax liability is settled. Deferred tax assets are recognized 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 utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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 realize the asset and settle the liability simultaneously.

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



## SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

### 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. Refer note (u) below.

### 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 recognized 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 recognized in the statement of profit and loss.

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

A previously recognized 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 / amortization 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 recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

### i. Inventories

Raw Material and components, work in progress, finished goods and stores and spares 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 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:



## SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

- 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:

- **Amortized 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 amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized 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 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 recognized in profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized 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 amortized 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 recognized 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.



## SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

### Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized 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 recognized from initial recognition of the receivables.

### De-recognition of financial assets

A financial asset is derecognized 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 derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

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 derecognized 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 recognized 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 recognized amounts and there is an intention to settle on a net basis or realize 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.

### l. 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 recognized 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 derecognized 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/ amortization 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



## SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

benefits from those class of assets. Depreciation is calculated pro-rata from the date (Month) of addition or upto the date (Month) of disposal)

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	30 - 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 including servers	3 - 6 years

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

Gains /losses arising from disposals of assets are recognised in the statement of profit and loss, in the period of disposal.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized 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 of the asset can be reliably measured.

Computer softwares are capitalized at the amounts paid to acquire the respective license for use and are amortized 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 recognized in the statement of profit and loss when the asset is derecognized.

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 of intangible assets.

### **n. Borrowings and other financial liabilities**

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

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

Borrowings are derecognised 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



## SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss. The gain / loss is recognized 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 or sale, 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 recognized as an expense in Profit or Loss in the period in which they are incurred.

### p. Provisions, contingent liabilities and contingent assets

Provisions are recognized 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 recognized 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 recognized, but disclosed in the financial statements. However, when the realization of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognized as an asset.

### q. Employee Benefits

**Short term obligations:** Short term employee benefits are recognized 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 using the projected unit credit method. Actuarial gains and losses arising on the measurement of defined benefit obligation is charged/ credited to Statement of 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



## SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

equivalent to 15 days salary payable for each completed year of service. Vesting eligibility 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. for funding this plan 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 and experience adjustments are charged/ credited to other comprehensive income. All other costs / reversals are recognised in the statement of profit and loss.

- 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.

### 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.

### 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 realization in cash or cash equivalents, the Company has determined its operating cycle as a period not exceeding 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





## SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

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 recognized in the periods in which the results are known or materialized.

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 of 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.

### **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 standalone 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.

### **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.



**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019**

**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 37.

**u. Standard issued but not yet effective**

**Ind AS 116**

On 30th March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 Leases, under Companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from 1st April, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of profit and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. As per Ind AS 116, the lessee needs to recognise depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities. Based on management assessment, the adoption of Ind AS 116 will not have any material impact on the financial statements of the company.


**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019**
**Non-current assets**
**2 Property, plant and equipment**

(₹ in lakhs)

	Buildings on Leasehold land**	Plant and equipment	Furn-iture and fixtures	Office Equip-ments	Vehicles	Computer	Total
<b>Gross carrying value</b>							
<b>As at 1 April 2017</b>	<b>173.06</b>	<b>1,776.27</b>	<b>4.81</b>	<b>6.04</b>	<b>7.73</b>	<b>41.12</b>	<b>2,009.03</b>
Additions	7.36	25.03	-	-	-	-	32.39
Disposals	-	-	-	-	-	-	-
<b>As at 31 March 2018</b>	<b>180.42</b>	<b>1,801.30</b>	<b>4.81</b>	<b>6.04</b>	<b>7.73</b>	<b>41.12</b>	<b>2,041.42</b>
Additions	12.54	259.88	1.23	-	-	1.14	274.79
Disposals	-	21.40	-	-	-	-	21.40
<b>As at 31 March 2019</b>	<b>192.96</b>	<b>2,039.78</b>	<b>6.04</b>	<b>6.04</b>	<b>7.73</b>	<b>42.26</b>	<b>2,294.81</b>
<b>Accumulated depreciation</b>							
<b>As at 01 April 2017</b>	88.92	968.59	4.66	4.58	4.83	16.12	1,087.70
Charge for the year	2.76	60.14	0.14	1.04	0.66	8.28	73.02
Disposals	-	-	-	-	-	-	-
<b>As at 31 March 2018</b>	<b>91.68</b>	<b>1,028.73</b>	<b>4.80</b>	<b>5.62</b>	<b>5.49</b>	<b>24.40</b>	<b>1,160.72</b>
Charge for the year	2.80	73.41	0.07	0.41	0.65	8.33	85.67
Disposals	-	20.34	-	-	-	-	20.34
<b>As at 31 March 2019</b>	<b>94.48</b>	<b>1,081.80</b>	<b>4.87</b>	<b>6.03</b>	<b>6.14</b>	<b>32.73</b>	<b>1,226.05</b>
<b>Net Carrying value</b>							
<b>As at 01 April 2018</b>	<b>88.74</b>	<b>772.57</b>	<b>0.01</b>	<b>0.42</b>	<b>2.24</b>	<b>16.72</b>	<b>880.70</b>
<b>As at 31 March 2019</b>	<b>98.48</b>	<b>957.98</b>	<b>1.17</b>	<b>0.01</b>	<b>1.59</b>	<b>9.53</b>	<b>1,068.76</b>

\*\* The Company's buildings are 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. 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 AS AT AND FOR THE YEAR ENDED 31 MARCH 2019**
**3 Intangible assets**

(₹ in lakhs)

	Computer software	Total
<b>Gross carrying value</b>		
As at 1 April 2017	46.13	46.13
Additions	1.62	1.62
Disposals	-	-
<b>As at 31 March 2018</b>	<b>47.75</b>	<b>47.75</b>
Additions	3.49	3.49
Disposals	-	-
<b>As at 31 March 2019</b>	<b>51.24</b>	<b>51.24</b>
<b>Accumulated amortisation</b>		
As at 1 April 2017	31.27	31.27
Charge for the year	6.10	6.10
Disposal / adjustments	-	-
<b>As at 31 March 2018</b>	<b>37.37</b>	<b>37.37</b>
Charge for the year	6.61	6.61
Disposal / adjustments	-	-
<b>As at 31 March 2019</b>	<b>43.98</b>	<b>43.98</b>
<b>Net carrying value</b>		
As at 31 March 2018	10.38	10.38
As at 31 March 2019	7.26	7.26

(₹ in lakhs)

As at 31 March 2019	As at 31 March 2018
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**Non-current Assets**
**4 Loans**

Security deposits	25.82	25.82
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<b>Total loans</b>	<b>25.82</b>	<b>25.82</b>
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**Break up of security details**

Loans receivables considered good - secured	-	-
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Loans receivables considered good - unsecured	25.82	25.82
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Loans receivables which have significant increase in credit risk	-	-
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Loans receivables - credit impaired	-	-
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<b>Total</b>	<b>25.82</b>	<b>25.82</b>
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Loss allowance	-	-
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<b>Total loans</b>	<b>25.82</b>	<b>25.82</b>
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**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019**

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
<b>5 Income tax (current-tax) assets (net)</b>		
Advance taxes (net of provision for tax 31 March 2019 ₹ 952.34 lakhs, 31 March 2018 ₹ 630.32 lakhs)	9.72	5.70
<b>Total income tax (current-tax) assets</b>	<b>9.72</b>	<b>5.70</b>
<b>6 Other non-current assets</b>		
Capital advances	2.18	-
Prepayments	1.57	-
<b>Total non-current assets</b>	<b>3.75</b>	-
<b><u>Current Assets</u></b>		
<b>7 Inventories (At cost or net realisable value, whichever is lower)</b>		
Raw materials, components and packing material	670.17	203.69
Work-in-progress	215.22	185.71
Finished goods	300.48	136.65
Stores and spares	96.54	84.10
<b>Total inventories</b>	<b>1,282.41</b>	<b>610.15</b>

**8 Current Investments**

(unquoted):

	As at 31 March 2019		As at 31 March 2018	
	Quantity (Nos.)	Amount	Quantity (Nos.)	Amount
<b>A. Investments in Mutual Funds Measured at fair value through profit and loss:-</b>				
HDFC ultra Short term	2,794,655	292.72	-	-
Kotak Low Duration Fund Standard weekly dividend (Regular plan)	-	-	3,674.03	37.38
Reliance liquid fund - treasury plan - daily dividend option dividend reinvestment	-	-	2,433.26	37.22
Aditya Birla Sun Life Floating Rate Fund - Growth	7,867	19.80	112,470.94	260.92
Aditya Birla Sun Life Short Term Fund	-	-	152,383.74	101.82
HDFC Treasury Advantages Plan Fund	-	-	4,318,270.89	434.65
		<b>312.52</b>		<b>871.99</b>


**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019**

(₹ in lakhs)

	As at 31 March 2019		As at 31 March 2018	
	Quantity (Nos.)	Amount	Quantity (Nos.)	Amount
<b>B. Investments in Commercial Paper Measured at amortised cost:-</b>				
IIFL Wealth Finance Limited	100.00	495.85	-	-
		495.85		-
<b>Total current investments</b>		<b>808.37</b>		<b>871.99</b>

**9 Trade receivables**

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
Receivable from:		
- Related parties (Refer note 34)	260.65	423.33
- Others	373.18	305.16
Less: Loss allowance	(8.00)	(5.96)
	365.18	299.20
<b>Total receivables</b>	<b>625.83</b>	<b>722.53</b>
Current portion	625.83	722.53
Non-current portion	-	-
<b>Break up of security details</b>		
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	625.83	722.53
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	8.00	5.96
<b>Total</b>	<b>633.83</b>	<b>728.49</b>
Loss allowance	(8.00)	(5.96)
<b>Total trade receivables</b>	<b>625.83</b>	<b>722.53</b>

**Current assets****10 Cash and cash equivalents**

Cash on Hand	0.21	0.20
Balances with banks		
- Current accounts	6.14	16.86
<b>Total cash and cash equivalents</b>	<b>6.35</b>	<b>17.06</b>


**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019**

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
<b>11 Bank balances other than cash and cash equivalents</b>		
Deposits with maturity of more than 3 months but less than 12 months	-	101.62
Unpaid dividend accounts	9.93	4.45
<b>Total bank balances other than cash and cash equivalents</b>	<b>9.93</b>	<b>106.07</b>
<b>12 Loans</b>		
Loans and advances to employees	6.91	4.84
<b>Total loans</b>	<b>6.91</b>	<b>4.84</b>
<b>Break up of security details</b>		
Loans considered good - secured	-	-
Loans considered good - unsecured	6.91	4.84
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
<b>Total</b>	<b>6.91</b>	<b>4.84</b>
Loss allowance	-	-
<b>Total loans</b>	<b>6.91</b>	<b>4.84</b>
<b>13 Other financial assets</b>		
Interest accrued on fixed deposits	-	2.99
<b>Total other financial assets</b>	<b>-</b>	<b>2.99</b>
<b>14 Other current assets</b>		
Advance to suppliers	2.10	8.38
Balance with government authorities	47.72	77.97
Prepayments	12.20	4.21
Gratuity (Refer note 37)	9.19	21.95
<b>Total other current assets</b>	<b>71.21</b>	<b>112.51</b>
<b>15 Equity share capital</b>		
<b>Authorised:</b>		
6,000,000 (31 March 2018: 6,000,000) Equity shares of ₹ 10 each	600.00	600.00
1,000,000 (31 March 2018: 1,000,000) 11% Cumulative redeemable preference shares of ₹ 100 each	1,000.00	1,000.00
<b>Total authorised capital</b>	<b>1,600.00</b>	<b>1,600.00</b>


**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019**

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
<b>Issued*</b>		
4,054,376 (31 March 2018: 4,054,376) Equity shares of ₹ 10 each	405.44	405.44
<b>Total issued capital</b>	<b>405.44</b>	<b>405.44</b>
<b>Subscribed and paid-up:*</b>		
3,611,540 (31 March 2018: 3,611,540) Equity shares of ₹ 10 each fully paid up	361.15	361.15
<b>Total subscribed and paid up capital</b>	<b>361.15</b>	<b>361.15</b>

\* Includes 442,836 equity shares of ₹.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	2018-19		2017-18	
	(In Nos.)	(₹ in lakhs)	(In Nos.)	(₹ in lakhs)
<b>Equity Shares:</b>				
Balance as at the beginning of the year	3,611,540	361.15	3,611,540	361.15
Issued during the year	-	-	-	-
<b>Balance as at the end of the year</b>	<b>3,611,540</b>	<b>361.15</b>	<b>3,611,540</b>	<b>361.15</b>

**(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 2019		As at 31 March 2018	
	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%




**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019**

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
<b>16 Other equity</b>		
<b>Reserves and surplus</b>		
Capital redemption reserve	1,000.00	1,000.00
Retained earnings	2,062.52	1,467.51
<b>Total reserves and surplus</b>	<b>3,062.52</b>	<b>2,467.51</b>
<b>Capital redemption reserve</b>		
Opening balance	1,000.00	1,000.00
<b>Closing balance</b>	<b>1,000.00</b>	<b>1,000.00</b>

**Nature and purpose -**

The Company had issued preference shares in earlier years 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**

<b>Opening balance</b>	<b>1,467.51</b>	<b>629.91</b>
Add: Profit for the year	814.36	822.02
Add: Other comprehensive income for the year	(1.65)	15.58
<b>Total comprehensive Income for the year</b>	<b>812.71</b>	<b>837.60</b>
Less: Dividend on equity shares - ₹ 5 per share	(180.58)	-
Less: Dividend distribution tax on dividend on equity shares	(37.12)	-
<b>Closing balance</b>	<b>2,062.52</b>	<b>1,467.51</b>

**Nature and purpose -**

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

**Current liabilities****17 Short-term borrowings****Secured (repayable on demand)**

Cash Credit*	8.53	-
<b>Total short-term borrowings</b>	<b>8.53</b>	<b>-</b>

\* Secured by a first pari passu charge on current assets (Refer note 35) and control by holding company to remain at present level during the tenure of facility.


**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019**

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
<b>18 Trade payables</b>		
Trade payables: micro and small enterprises (Refer note 41)	35.03	4.50
Trade payables: others	131.98	259.14
Trade payables to related parties (Refer note 34)	12.00	8.00
<b>Total trade payables</b>	<b>179.01</b>	<b>271.64</b>
<b>19 Other financial liabilities</b>		
Security deposits from customer	3.91	3.91
Unpaid dividends (unclaimed)	9.93	4.45
Payables for capital goods	18.33	-
Employee related payables	90.96	75.78
Book overdraft	-	18.72
<b>Total other financial liabilities</b>	<b>123.13</b>	<b>102.86</b>
<b>20 Other current liabilities</b>		
Statutory dues	37.10	24.54
Advances received from customers	0.29	1.01
<b>Total other current liabilities</b>	<b>37.39</b>	<b>25.55</b>
<b>21 Provisions</b>		
Provision for employee benefits		
- Compensated absences	47.30	42.15
<b>Total provision</b>	<b>47.30</b>	<b>42.15</b>
<b>22 Revenue from operations</b>		
<b>Sale of products</b>		
Finished goods - Bearings	3,926.11	3,828.23
Sale of Raw Materials	18.14	12.95
Sale of Machine	36.56	36.56
<b>Other operating revenues</b>		
Scrap sales	82.04	49.17
Duty drawback and export incentives	1.32	1.24
<b>Total revenue from operations</b>	<b>4,064.17</b>	<b>3,928.15</b>

**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.


**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019**

(₹ in lakhs)

	Year ended 31 March 2019	Year ended 31 March 2018
<b>23 Other income</b>		
Dividend income from financial assets measured at FVTPL	2.92	7.43
Fair value changes on financial assets measured at FVTPL	12.40	12.84
Interest income from commercial paper	19.42	-
Interest income from other financial assets measured at amortised cost	8.26	9.84
Net gain on foreign currency transactions and translation	25.58	-
Gain on sale of fixed assets	1.88	-
Profit on sale of investments	34.52	-
Miscellaneous income	10.60	0.25
<b>Total other income</b>	<b>115.58</b>	<b>30.36</b>
<b>24 Cost of materials consumed</b>		
<b>Raw material consumed</b>		
Opening stock	203.69	261.28
Add: Purchases	1,669.31	943.63
Less: Closing stock	670.17	203.69
<b>Total cost of materials consumed</b>	<b>1,202.83</b>	<b>1,001.22</b>
<b>25 Changes in inventories of finished goods and work-in-progress</b>		
<b>At beginning of the year</b>		
Work-in-progress	185.71	152.94
Finished goods	136.65	202.82
	<b>322.36</b>	<b>355.76</b>
<b>At end of the year</b>		
Work-in-progress	215.22	185.71
Finished goods	300.48	136.65
	<b>515.70</b>	<b>322.36</b>
<b>Total changes in inventories of finished goods and work-in-progress</b>	<b>(193.34)</b>	<b>33.40</b>



**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019**

(₹ in lakhs)

	Year ended 31 March 2019	Year ended 31 March 2018
<b>26 Employee benefits expense</b>		
Salaries, allowances and other benefits	769.32	635.58
Contribution to provident and other funds [Refer note 37(A)]	42.92	50.52
Staff welfare expenses	58.96	62.16
<b>Total employee benefits expense</b>	<b>871.20</b>	<b>748.26</b>
<b>27 Finance costs</b>		
Interest expense on cash credit	0.54	0.83
<b>Total finance costs</b>	<b>0.54</b>	<b>0.83</b>
<b>28 Other expenses</b>		
Consumption of stores and spare parts	275.67	256.44
Processing charges	77.19	59.57
Power and fuel	281.56	246.48
Repairs and maintenance		
Buildings	15.33	9.76
Plant and machinery	94.37	70.95
Others	6.53	2.74
Advertising	12.33	1.06
Printing and stationery	1.76	1.73
Rent	4.34	4.34
Rates and taxes	0.23	2.71
Legal and professional fees	27.77	17.97
Directors fees and commission (Refer note 34)	24.70	20.90
Commission on sales	14.06	9.79
Travelling and conveyance	48.50	46.94
Postage, telephone and fax	2.97	2.74
Expenditure on Corporate Social Responsibility (Refer note 40)	21.43	16.15
Security charges	22.17	20.02


**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019**

(₹ in lakhs)

	Year ended 31 March 2019	Year ended 31 March 2018
Forwarding charges	54.05	26.40
IT support services	37.14	21.26
Bad debts written off (net of amounts provided thereagainst ₹ 4.95 lakhs; 31 March 2018 ₹ 2.59 lakhs)	-	-
Provision for doubtful debts	7.00	3.48
Excise duty on Increase/ (decrease) in inventories of finished goods	-	(17.52)
Net loss on foreign currency transactions and translation	-	0.20
Auditors' remuneration (Refer note 28.1 below)	8.97	13.85
Miscellaneous expenses	27.53	23.98
<b>Total other expenses</b>	<b>1,065.60</b>	<b>861.94</b>
<b>28.1 Auditors' remuneration (excluding Goods and service tax)</b>		
As auditors - Audit and limited review	8.00	5.50
Tax audit	0.50	0.50
Other matters	-	1.55
Reimbursement of expenses	0.47	0.34
Fees to erstwhile auditors'	-	5.96
<b>Total auditors' remuneration</b>	<b>8.97</b>	<b>13.85</b>
<b>29 Tax expense / (credit)</b>		
<b>Current tax expense</b>		
Current tax for the year	321.38	313.94
Tax adjustment in respect of earlier years	-	3.10
<b>Total current tax expense</b>	<b>321.38</b>	<b>317.04</b>
<b>Deferred taxes</b>		
Change in deferred tax liabilities	4.23	(2.02)
<b>Net deferred tax expense</b>	<b>4.23</b>	<b>(2.02)</b>
	<b>325.61</b>	<b>315.02</b>



**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019**

(₹ in lakhs)

Year ended 31 March 2019      Year ended 31 March 2018

**29.1 Tax reconciliation (for profit and loss)**

Profit before income tax expense	1,140.64	1,137.04
Tax at the rate of 29.12% (for 31 March 2018 - 28.84%)	332.15	327.92
<b><u>Tax effect of amounts which are not deductible / not taxable in calculating taxable income</u></b>		
Non deductible expenses for tax purpose	3.12	2.33
Fair value of current investments	(9.27)	-
Income exempted from income taxes	(0.85)	(2.14)
Tax adjustment of prior years	-	3.10
Adjustment due to change in tax rates	1.08	(16.19)
Others	(0.62)	-
<b>Income tax expense</b>	<b>325.61</b>	<b>315.02</b>

**29.2 Deferred tax related to the following:**

(₹ in lakhs)

Deferred tax liability (net)	As at 31 March 2019	Recognised through profit and loss	Recognised through Other comprehensive income	As at 31 March 2018
<b>Deferred tax liabilities on account of:</b>				
Difference between book and tax depreciation	142.41	10.10	-	132.31
Provision for Gratuity	2.68	(2.98)	(0.67)	6.33
<b>Total deferred tax liabilities</b>	<b>145.09</b>	<b>7.12</b>	<b>(0.67)</b>	<b>138.64</b>
<b>Deferred tax assets on account of:</b>				
Provision for doubtful debts	2.32	0.60	-	1.72
Provision for compensated absence	13.77	1.62	-	12.15
<b>Total deferred tax assets</b>	<b>16.09</b>	<b>2.22</b>	<b>-</b>	<b>13.87</b>
<b>Total deferred tax liability (net)</b>	<b>129.00</b>	<b>4.90</b>	<b>(0.67)</b>	<b>124.77</b>


**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019**

(₹ in lakhs)

	Year ended 31 March 2019	Year ended 31 March 2018
<b>30 Other comprehensive income (OCI)</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Actuarial gain/(loss) on remeasurements of net defined benefit plans [Refer Note 38(B)(vi)]	(2.32)	21.89
Tax on above	0.67	(6.31)
<b>Total Other comprehensive (loss)/income</b>	<b>(1.65)</b>	<b>15.58</b>

**31 Fair value measurements** (₹ in lakhs)
**Financial instruments by category:**

Particulars	31 March 2019		31 March 2018	
	FVTPL	Amortised cost	FVTPL	Amortised cost
<b><u>Financial Assets - Non-current</u></b>				
Other non current financial assets	-	25.82	-	25.82
<b><u>Financial Assets - Current</u></b>				
Investments	312.52	495.85	871.99	-
Trade receivables	-	625.83	-	722.53
Cash and cash equivalents	-	6.35	-	17.06
Other Bank Balance	-	9.93	-	106.07
Loans	-	6.91	-	4.84
Other current financial assets	-	-	-	2.99
<b><u>Financial Liabilities - Current</u></b>				
Current borrowings	-	8.53	-	-
Trade payables	-	179.01	-	271.64
Other current financial liabilities	-	123.13	-	102.86

**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 company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.



## SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

**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.

### II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

The fair values for investment in mutual fund are based on the published NAV's 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.

### 32 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 and other bank balances 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 and other financial instruments).

##### 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.




**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019**
**Age of receivables that are past due:**

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
Upto 3 months	622.26	721.01
3 - 6 months	3.60	0.52
6 - 12 months	5.72	1.13
More than one year	2.25	5.83
<b>Total receivables</b>	<b>633.83</b>	<b>728.49</b>
<b>Provision for expected credit loss created</b>	<b>(8.00)</b>	<b>(5.96)</b>

**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 2019**

(₹ in lakhs)

	Within 1 year	Between 1 and 2 years	Beyond 2 years	Total
Current borrowings	8.53	-	-	8.53
Trade payables	179.01	-	-	179.01
Other current financial liabilities	123.13	-	-	123.13
<b>Total</b>	<b>310.67</b>	<b>-</b>	<b>-</b>	<b>310.67</b>

**As at 31 March 2018**

(₹ in lakhs)

	Within 1 year	Between 1 and 2 years	Beyond 2 years	Total
Trade payables	271.64	-	-	271.64
Other current financial liabilities	102.86	-	-	102.86
<b>Total</b>	<b>374.50</b>	<b>-</b>	<b>-</b>	<b>374.50</b>

**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.



## SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

### 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 2019		31 March 2018	
	USD	EURO	USD	EURO
<b>Financial liabilities</b>				
Trade payable	-	69.02	-	136.10
<b>Financial assets</b>				
Trade receivable	-	1.92	21.38	8.55

### 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)

Currencies	31 March 2019		31 March 2018	
	Increase by 2%	Decrease by 2%	Increase by 2%	Decrease by 2%
USD	-	-	0.43	(0.43)
EURO	(1.34)	1.34	(2.55)	2.55

### (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.

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

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
Variable rate borrowings	8.53	-
<b>Total</b>	<b>8.53</b>	<b>-</b>



## SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

### (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)	
Sensitivity	As at 31 March 2019	As at 31 March 2018
Impact on profit after tax for 5% increase in price of underlying shares	15.63	43.60
Impact on profit after tax for 5% decrease in price of underlying shares	(15.63)	(43.60)

### 33 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 cash equivalents 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 2019	As at 31 March 2018
Gross debt	8.53	-
Less: Cash and cash equivalents (excluding book overdraft)	(6.35)	-
<b>Net debt (A)</b>	<b>2.18</b>	-
<b>Equity (B)</b>	<b>3,423.67</b>	<b>2,828.66</b>
<b>Gearing ratio (A / B)</b>	<b>0.00</b>	-
<b>Dividends</b>		
<b>Equity Shares</b>		
	<b>31 March 2019</b>	<b>31 March 2018</b>
Final dividend for the year ended 31 March 2018 of ₹ 5 per share	180.58	-
Dividend distribution tax on final dividend	37.12	-
In addition to above dividend, at year end the director have recommended the payment of a final dividend of ₹ 5 (31 March 2018: ₹ 5) per fully paid equity share. This proposed dividend is subject to the approval of shareholders at the ensuing annual general meeting.	180.58	180.58



## SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

### 34 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 transactions have taken place during the year and relationships of control)

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. Harshbeena Zaveri	Director
	Mr. S. C. Rangani	Director
	Mr. J S Maini upto 22 January 2018	Director
	Mr. J D Diwan	Director
	Mr. Vivek Sahai w.e.f. 8 November 2017	Director
	Mr. Arvinder Kohli	Director
	Mr. Claude D'Gama Rose	Director
Trust:	SNL Employee Provident Fund Trust	
	SNL Officers Provident Fund Trust	

(₹ in lakhs)

(II)	Name of the related party and nature of transactions	Transactions during the Year ended		Balances Receivable / (Payable) As at	
		31 March 2019	31 March 2018	31 March 2019	31 March 2018
(i)	<b>Holding company:</b> <b>NRB Bearings Limited **</b>				
	Sale of finished goods	1,654.33	1,930.67	260.65	401.95
	Purchases of raw materials	52.00	52.48	-	-
	Dividend on equity shares	132.64	-	-	-
	Reimbursement of expenses on behalf of the Company	-	6.72	-	-
(ii)	<b>Fellow subsidiary:</b> <b>NRB Bearings (Thailand) Limited</b>				
	Sale of finished goods	36.00	33.19	0.00	21.38
(iii)	<b>Company over which KMP or relatives of KMP are able to exercise significant influence:</b> <b>NRB Industrial Bearings Limited</b>				
	Sale of finished goods	2.14	1.73	-	-


**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019**

<b>(iv) Key managerial personnel compensation</b>				
Dividend paid to Ms. Harshbeena Zaveri	<b>1.70</b>	-	-	-
Dividend paid to Mr. S. C. Rangani	<b>0.02</b>	-	-	-
Dividend paid to Mr. Arvinder Kohli*	<b>0.00</b>	-	-	-
Directors commission and sitting fees	<b>24.70</b>	20.90	(12.00)	(8.00)
<b>(v) Trust</b>				
Contribution to provident fund trust - Employer's Contribution	<b>5.29</b>	4.74	-	-
Contribution to provident fund trust - Employee's Contribution	<b>9.66</b>	9.35	-	-

\* Amount less than ₹ 1,000

\*\* Also refer note 17 for security

**35 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)

<b>Particulars</b>	<b>31 March 2019</b>	<b>31 March 2018</b>
Current assets	<b>2,811.01</b>	2,448.14
<b>Total current assets pledged</b>	<b>2,811.01</b>	<b>2,448.14</b>

**36 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.



## SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

### (ii) Provident fund

The Honourable Supreme Court, has passed a decision on 28 February 2019 in relation to inclusion of certain allowances within the scope of "Basic wages" for the purpose of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The Company, has been advised to wait for further clarifications in this matter in order to reasonably assess the impact on its financial statements, if any. Accordingly, the applicability of the judgement to the Company, with respect to the period and the nature of allowances to be covered, and resultant impact on the past provident fund liability, cannot be reasonably ascertained, at present.

### (iii) Service tax matters

Service tax demand towards machines given on lease ₹ 42.83 lakhs (31 March 2018: ₹ 42.83 lakhs).

### (iii) 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 lakhs (31 March 2018: ₹ 15.34 lakhs).

## 37 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 ₹ 31.89 lakhs (31 March 2018 ₹ 31.24 lakhs) is recognized as expense and included in "Note No. 26 - Employee Benefits Expenses"

(₹ in lakhs)

	<u>31 March 2019</u>	<u>31 March 2018</u>
i) Employer's Contribution to Provident Fund	13.94	12.89
ii) Employer's Contribution to Employees' Pension Fund	17.95	18.35

### (B) Defined Benefit Plan :

The Company has the following defined benefits plans:

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



## SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

### (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:-

Particulars	(₹ in lakhs)	
	31 March 2019	31 March 2018
<b>(i) Actuarial assumptions</b>		
Mortality rate	<b>Indian Assured Lives Mortality (2006-08)</b>	Indian Assured Lives Mortality (2006-08)
Discount rate (per annum)	7.50%	7.70%
Salary growth rate	8.00%	8.00%
Attrition / Withdrawal rate (per annum)	7.00%	7.00%
<b>(ii) Changes in the present value of defined benefit obligation</b>		
Present value of obligation at the beginning of the year	<b>276.84</b>	279.76
Interest expense	<b>21.30</b>	19.57
Current service cost	<b>12.71</b>	11.77
Actuarial (gain) /loss	<b>(0.14)</b>	(21.89)
Past service cost	-	7.12
Benefits paid	<b>(21.45)</b>	(19.49)
<b>Present value of obligation at the end of the year</b>	<b>289.26</b>	<b>276.84</b>
<b>(iii) Changes in the Fair value of Plan Assets</b>		
Fair value of plan assets at beginning of the year	<b>298.79</b>	274.01
Investment income	<b>22.99</b>	19.17
Contributions	<b>0.58</b>	25.10
Benefits paid	<b>(21.45)</b>	(19.49)
Return on plan assets, excluding amount recognised in net interest expense	<b>(2.46)</b>	-
<b>Fair Value of Plan Assets at the end of the year</b>	<b>298.45</b>	298.79


**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019**

(₹ in lakhs)

Particulars	31 March 2019	31 March 2018
<b>(iv) Assets and liabilities recognised in the balance sheet</b>		
Present value of the defined benefit obligation at the end of the year	289.26	276.84
Less: Fair value of plan assets at the end of the year	(298.45)	(298.79)
Net (asset)/liability recognised	(9.19)	(21.95)
<b>Recognised under provision</b>	-	-
<b>Recognised under other current assets</b>	(9.19)	(21.95)
<b>(v) Expenses recognised in the Statement of Profit and Loss</b>		
<b>Particulars</b>		
Current Service Cost	12.71	11.77
Past Service Cost	-	7.12
Net interest (income)/ expense	(1.69)	0.40
<b>Net gratuity cost recognised in the current year</b>	11.02	19.29
Included in note 26 'Employee benefits expense'	11.02	19.29
<b>(vi) Expenses recognised in the Statement of Other comprehensive income (OCI)</b>		
<b>Particulars</b>		
Actuarial (gains) / losses		
Change in assumptions	(0.14)	(21.89)
Remeasurement for the year - Plan asset (gain)/loss	2.46	-
<b>Total remeasurement cost / (credit) for the year recognised in OCI</b>	2.32	(21.89)
<b>(vii) Reconciliation of Net asset / (liability) recognised:</b>		
<b>Particulars</b>		
Net asset / (liability) recognised at the beginning of the period	21.95	(5.75)
Company contributions	0.58	25.10
Amount recognised in other comprehensive income	(2.32)	21.89
Expenses recognised at the end of period	(11.02)	(19.29)
<b>Net asset/(liability) recognised at the end of the period</b>	<b>9.19</b>	<b>21.95</b>
<b>(viii) Major categories of Plan Assets (as percentage of Total Plan Assets)</b>		
<b>Particulars</b>		
Funds managed by Insurer	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>




**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019**
**(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:

Particulars	31 March 2019		31 March 2018	
	Decrease	Increase	Decrease	Increase
Change in Discount Rate by - / + 1%	302.13	277.40	290.01	264.70
Change in Salary Growth Rate by - / + 1%	277.35	301.94	264.62	289.85
Change in Attrition Rate by - / + 50%	290.20	288.52	277.25	276.52
Change in Mortality Rate by - / + 50%	289.26	289.25	276.84	276.84

(₹ in lakhs)

**(x) Maturity Profile of Defined Benefit Obligation:**

**Weighted average duration (based on discounted cash flows)**

5 years                      5 years

(₹ in lakhs)

	31 March 2019	31 March 2018
<b>Expected cash flows over the next (valued on undiscounted basis):</b>		
1 year	66.04	39.05
2 to 5 years	154.56	170.68
6 to 10 years	149.11	152.05
More than 10 years	51.20	56.27

**(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 AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

### (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 2019	31 March 2018
<b>(i) Actuarial assumptions</b>		
Mortality rate	<b>Indian Assured Lives Mortality (2006-08)</b>	Indian Assured Lives Mortality (2006-08)
Discount rate (per annum)	6.94%	7.70%
Interest rate guarantee (per annum)	8.65%	8.55%
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%
<b>(ii) Assets and liabilities recognised in the balance sheet</b>		
Present value of the defined benefit obligation at the end of the year	289.11	273.04
Less: Fair value of plan assets at the end of the year	(295.45)	(274.07)
Net (asset)/liability recognised by the Trust	(6.34)	(1.03)
<b>Shortfall of asset recognised by the Company</b>	-	-
<b>(iii) Major categories of Plan Assets (as percentage of Total Plan Assets)</b>		
<b>Particulars</b>		
Government of India securities	7%	8%
State Government securities	21%	23%
High quality corporate bonds	29%	28%
Equity shares of listed companies	9%	9%
Property	0%	0%
Special Deposit Scheme	24%	26%
Funds managed by Insurer	2%	2%
Bank balance and others	8%	4%
<b>Total</b>	<b>100%</b>	<b>100%</b>



## SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

### (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 2019		31 March 2018	
	Decrease	Increase	Decrease	Increase
Change in Discount Rate by - / + 1%	289.85	288.37	273.74	272.34
Change in Salary Growth Rate by - / + 1%	284.39	294.01	268.58	277.66

31 March 2019 31 March 2018

### (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 recognized in the statement of profit and loss for the current year, under the employee cost in Note 26, is ₹ 14.62 lakhs (31 March 2018: ₹ 8.03 lakhs).

## 38 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

(₹ in lakhs)

Particulars	Year ended	Year ended
	31 March 2019	31 March 2018
1) Segment revenue		
- Within India	4,000.91	3,866.99
- Outside India	63.26	61.16
Particulars	Year ended	Year ended
	31 March 2019	31 March 2018
2) Carrying amount of segment assets		
- Within India	3,111.74	2,364.88
- Outside India	1.92	29.93

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 customer during the year is ₹ 2,715.30 lakhs (31 March 2018: ₹ 2,661.54 lakhs).



## SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

### 39 Earnings per share

(₹ in lakhs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Net Profit after tax for the year	<b>814.36</b>	822.02
Profit attributable to equity share holders	<b>814.36</b>	822.02
Weighted Average Number of equity shares outstanding during the year	<b>3,611,540</b>	3,611,540
Basic and Diluted Earnings Per Share (₹)	<b>22.55</b>	22.76
Face Value per Share (₹)	<b>10.00</b>	10.00

#### Note:

The Company does not have any outstanding dilutive potential equity shares as at 31 March 2019 and 31 March 2018. Consequently, basic and diluted earnings per share of the Company remains the same.

### 40 Contribution towards Corporate Social Responsibility (CSR)

(₹ in lakhs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Average net profit of the Company for last three financial years	<b>995.64</b>	844.92
Prescribed CSR expenditure (2% of average net profit as computed above)	<b>19.91</b>	16.90
<u>Details of CSR expenditure during the financial year</u>		
Total Amount to be spent for the financial year	<b>20.66</b>	16.90
Amount Spent	<b>21.43</b>	16.15
Amount Unspent	-	0.75

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

- (i) An amount of ₹ 35.03 lakhs (31 March 2018: ₹ 4.50 lakhs) was due and outstanding to suppliers as at the end of the accounting year on account of principal and ₹ Nil (31 March 2018 ₹ Nil) on account of interest.
- (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, Small and Medium 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 AS AT AND FOR THE YEAR ENDED 31 MARCH 2019**
**42 Net debt reconciliation**

(₹ in lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Cash and cash equivalents (net of book overdraft)	6.35	(1.66)
Current borrowings	(8.53)	-
Interest payable	-	-
<b>Net debt</b>	<b>(2.18)</b>	<b>(1.66)</b>

(₹ in lakhs)

Particulars	Cash and cash equivalents (net of book overdraft)	Current borrowings	Interest payable	Total
<b>Net debt as at 01 April 2017</b>	<b>(0.32)</b>	<b>(69.92)</b>	-	<b>(70.24)</b>
Cash flows	(1.34)	-	-	(1.34)
Repayment of borrowings	-	69.92	-	69.92
Interest cost recognised	-	-	0.83	0.83
Interest cost paid	-	-	(0.83)	(0.83)
<b>Net debt as at 31 March 2018</b>	<b>(1.66)</b>	-	-	<b>(1.66)</b>
Cash flows	8.01	(8.53)	-	(0.52)
Interest cost recognised	-	-	0.54	0.54
Interest cost paid	-	-	(0.54)	(0.54)
<b>Net debt as at 31 March 2019</b>	<b>6.35</b>	<b>(8.53)</b>	-	<b>(2.18)</b>

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

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

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

Place: Mumbai  
Date : 21 May 2019

For and on behalf of the Board of Directors

<b>Harshbeena Zaveri</b> Director DIN : 00003948	<b>S. C. Rangani</b> Director DIN : 00209069	<b>J. D. Diwan</b> Director DIN : 01565319
<b>Vivek Sahai</b> Director DIN : 01717502	<b>Arvinder Kohli</b> Director DIN : 08135020	<b>Claude Rose</b> Director DIN : 01494440
<b>KKP Sinha</b> Chief Executive Officer	<b>Kamlesh Sondigala</b> Company Secretary	

Place: Mumbai  
Date : 21 May 2019



## FIVE YEARS FINANCIAL HIGHLIGHTS

(Rs. in lakhs)

Year Ended	31.03.15	31.03.16	31.03.17	31.03.18	31.03.19
<b>Sales (Net)</b>					
Domestic	2584.89	2985.73	3732.40	3866.99	3996.00
Exports	63.40	20.94	33.46	61.16	68.17
<b>Sales Total</b>	<b>2648.29</b>	<b>3006.67</b>	<b>3765.86</b>	<b>3928.15</b>	<b>4064.17</b>
Operating Profit (EBITDA)	789.97	941.52	1080.44	1216.99	1233.46
Profit Before Tax	673.47	850.83	996.02	1137.04	1140.64
Tax (Net)	218.51	283.07	334.42	315.02	326.28
Profit After Tax	454.96	567.76	661.60	822.02	814.36
Net profit after OCI	454.96	567.76	658.24	837.60	812.71
Retained Earnings	177.19	372.89	440.90	837.60	595.37
Dividend	230.56	162.14	180.58	-	180.58
Tax on dividend	47.21	32.73	36.76	-	36.76
Earnings per share (FV Rs.10)	12.37	15.61	18.23	22.76	22.55
Dividend /Interim Dividend%	-	20.00	30.00	50.00	50.00
Shareholders' Funds	1140.34	1550.16	1991.06	2828.66	3423.67
Funds Employed	1407.03	1761.50	2117.85	2953.43	3552.67
Fixed Assets (Gross)	2312.79	2162.98	2063.52	2114.06	2367.76
Fixed Assets (Net)	925.19	887.71	944.55	915.97	1097.73
Fixed Asset Turnover (times)	2.86	3.39	3.99	4.29	3.70
Net Current Assets (Excluding short term Investments)	446.92	845.27	1037.17	1133.95	1607.28
Working Capital Turnover (times)	5.93	3.56	3.63	3.46	2.53
Shareholder Nos	4286	4070	4516	4700	4668
Employee Nos	143	148	153	164	163









# SNL BEARINGS LIMITED

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

## ATTENDANCE SLIP

I hereby record my presence at the **39<sup>TH</sup> ANNUAL GENERAL MEETING** of the Company held on Thursday, August 8, 2019 at 3.30 p.m. at the Conference Room, 5th Floor, 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 **39<sup>th</sup> ANNUAL GENERAL MEETING** of the Company, to be held on Thursday, August 8, 2019 at 3.30 p.m. at the Conference Room, 5th Floor, 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

<b>Resolutions</b>	<b>For</b>	<b>Against</b>
1. Receive, consider and adopt the Audited Financial Statements, of the Company for the financial year ended March 31, 2019 together with the reports of the Board of Directors and the Auditors thereon.		
2. Declaration of Dividend on Equity Shares for the financial year ended March 31, 2019.		
3. Reappointment of Ms. Harshbeena Zaveri (DIN. 00003948) who retires by rotation and being eligible offers herself for re-appointment.		
4. Alteration of the Articles of Association of the Company.		
5. Approval of Material Related Party Transactions.		

Signed this..... day of..... 2019

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.

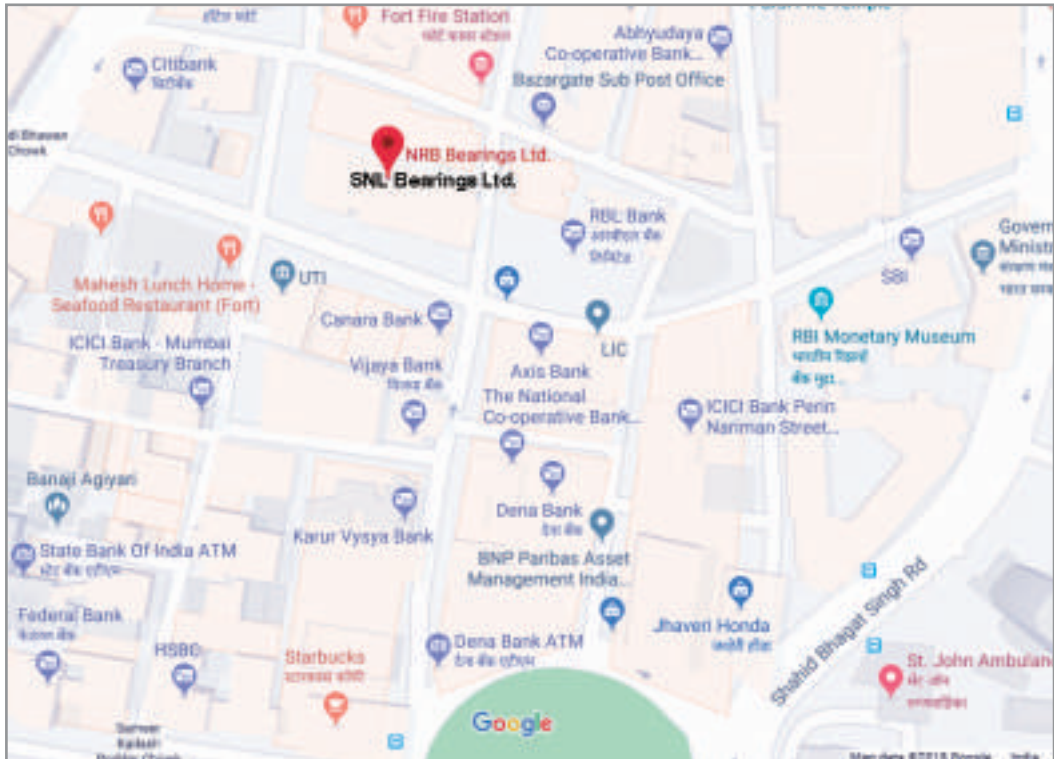


  
S N L BEARINGS LIMITED  
SNL Bearings Ltd.  
Ranchi, Ranchi - 832022  
Tel: (0651) 2521874, 2521876  
Fax: (0651) 2521825

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