



SNL BEARINGS LIMITED

August 22, 2020

BSE Limited
Corporate Relationship Department
1st Floor, P. J Towers, Dalal Street,
Mumbai 400 001

Code No. 505827

Sub: Notice of the 40th Annual General Meeting and Annual Report for F.Y. 2019-20

Dear Sir/ Madam,

This is to inform you that the 40th Annual General Meeting (AGM) of the Members of SNL Bearings Limited is scheduled to be held on Monday, September 14, 2020 at 3:00 p.m. through Video Conferencing (VC)/ Other Audio Visual Means (OAVM), to transact the business as set out in the Notice of the AGM dated June 23, 2020, in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India.

Pursuant to Regulation 34(1) and Regulation 30(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit a copy of the Annual Report for the F.Y. 2019-20, including the Notice of the 40th AGM of the Company, which is being sent through electronic mode to the Members whose e-mail ID's are available with the Company.

The Annual Report is also available on the website of the Company at www.snlbearings.in.

The Notice of the AGM of the Company, inter alia, provides the process and manner of remote e-voting/ e-voting at the AGM and the instructions for participation in the AGM through VC/ OAVM.

We request you to kindly take the same on record.

Thanking you,

Yours truly,

For SNL BEARINGS LIMITED

Kamlesh Sondigala
Company Secretary

Encl: as above

REGISTERED



Dhanner, 10, Sir P. M. Road,
Fort, Mumbai - 400 001



022-22663698



022-2266 0412/ 9560



www.snlbearings.in



L99999MH1979PLC134191

WORKS



Ratu, Ranchi - 835 222



0661-2521876



0661-2521920

40th

ANNUAL REPORT

2019-20



www.snlbearings.in

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

REGISTERED OFFICE

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

FACTORY

Ratu Road, Ranchi - 835 222

INVESTORCARE & WEBSITE

Email Id: investorcare@snlbearings.in
Website: www.snlbearings.in

REGISTRAR & SHARE TRANSFER AGENT

Universal Capital Securities Private Limited
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 hereby given that the fortieth Annual General Meeting of the members of SNL Bearings Limited will be held on Monday, September 14, 2020 at 3.00 p.m. through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") in accordance with the relevant circulars issued by the Ministry of Corporate Affairs, 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, 2020 together with the reports of the Board of Directors and the Auditors thereon.
2. To confirm the payment of Interim Dividend of Rs. 3/- per equity share already paid by the Company, during the financial year 2019-20.
3. To appoint a Director in place of Mr. Satish Rangani (DIN. 00209069) who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS

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

Re-appointment of Mr. Jayavardhan Dhar Diwan as an Independent Director for a second term.

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152, Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or Re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. Jayavardhan Dhar Diwan (DIN: 01565319) as an Independent Director of the Company, not liable to retire by rotation, for his second term w.e.f. January 28, 2020 up to February 15, 2021, who has submitted a declaration confirming the criteria for independence as provided in Section 149(6) of the Act and who is eligible for re-appointment for a second term under the provisions of Companies Act, 2013 and Rules made there under.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorized to do all acts, deeds and things as may be necessary or expedient to give effect to the resolution."

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

Approval of Material Related Party Transactions

"**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, (including any statutory modification(s) or Re-enactment thereof for the time being in force) and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, approval of the Company be and is hereby accorded to the Board of Directors of the Company to enter in to material related party transaction(s) for purchase/ sale of raw materials, components, consumables, bushes, finished goods, fixed assets, services etc. with its holding Company M/s. NRB Bearings Limited, in the ordinary course of business and at arm's length basis for a consideration amount estimated at Rs. 24 crore for the Financial Year 2020-21.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to decide upon the nature and value of the goods, raw materials, components, consumables, assets or services to be transacted with M/s. NRB Bearings Limited within the aforesaid limits.

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 of Directors

Kamlesh Sondigala
Company Secretary
Membership No. A44324

Place: Mumbai
Date : June 23, 2020

Registered Office:

Dhannur, 15, Sir P.M. Road,
Fort, Mumbai 400 001
CIN: L99999MH1979PLC134191
Tel: 022-22663698
Email: investorcare@snlbearings.in
Website: www.snlbearings.in

Notes:

1. A statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") setting out all material facts relating to the relevant resolutions of this Notice is annexed herewith and the same should be taken as part of this Notice.
2. The Register of Members of the Company and Transfer Books thereof will be closed from Tuesday, September 8, 2020 to Monday, September 14, 2020 (both days inclusive).
3. The shareholders whose names appear in the Register of Members after giving effect to all valid share transfers lodged with the Company on or before Monday, September 7, 2020 shall be entitled to participate in remote e-voting / e-voting at the AGM.
4. Members are requested to lodge change of address communication, mandates (if any) and are requested to register their email id's with the Company's Registrar and Share Transfer Agents (RTA), Universal Capital Securities Private Limited, 21, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai 400 093 or email at info@unisecon.in.



5. 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 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 Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company.
6. The Company was not required to transfer any amount of unpaid/ unclaimed dividends (interim and final dividend) to Investor Education and Protection Fund, since the company's maiden dividend was declared only in F.Y. 2015-16. The Company has uploaded details of unpaid/ unclaimed dividend as on August 8, 2019 (date of last AGM) on the website of the Company www.snlbearings.in.
7. Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company was not required to transfer shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more as on financial year ended March 31, 2020, to the IEPF Authority as the company's maiden dividend was declared only in F.Y. 2015-16.
8. SEBI has decided that securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019. In view of the above and to avail various benefits of dematerialization, members are advised to dematerialize shares held by them in physical form.
9. E-voting facility to all members has been provided through the e-voting platform of Central Depository Services (India) Limited (CDSL) and the Company has appointed Mr. Upendra Shukla, Practicing Company Secretary (Membership No. FCS 2727), as Scrutinizer for the e-voting process. Instructions and manner of the process have been detailed in the paragraph 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 along with the scrutinizer's report will be available on the website of the Company 48 hours of the same being passed.
10. In accordance with the General Circular No. 20/2020 dated May 5, 2020, read with circulars dated April 8, 2020 and April 13, 2020 issued by the Ministry of Corporate Affairs (MCA) and in accordance with Circular dated May 12, 2020 issued by the SEBI, providing relaxations to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, electronic copies of the Annual Report and this Notice inter alia indicating the process and manner of e-voting along with instructions to attend the AGM through Video Conferencing/ Other Audio Visual Means are being sent by email to those Members whose email addresses have been made available to the RTA/ Depository Participants. For members who have not registered their email addresses, kindly send an email at 40thAGM@snlbearings.in as copies of this Notice as well as the other documents will not be sent to them in physical mode and will be sent only by email, in view of the applicable circulars and the Covid-19 pandemic.

Members who have not updated their latest email addresses in the records of their depository participants or to the RTA are requested to complete the same at the earliest. The Notice and documents will be sent by email only to those Members who have registered their email addresses.

The Company is pleased to provide two-way facility of Video Conferencing (VC)/ Other Audio Visual Means (OAVM) and live webcast of the proceedings of the AGM on Monday, September 14, 2020 from 3.00 p.m. onwards. The members are requested to log on to e-voting website, to access the web-link in order to join the proceedings of the AGM.



11. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 8, 2020, April 13, 2020 and May 5, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with CDSL for facilitating voting through electronic means, as the authorized e-voting agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
12. Since the AGM will be held through VC/ OAVM, the Route Map is not annexed in this Notice.
13. The Members can join the AGM in the VC/ OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/ OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
14. The attendance of the Members attending the AGM through VC/ OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
15. Pursuant to MCA Circular No. 14/ 2020 dated April 8, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/ OAVM and cast their votes through e-voting.
16. In line with the MCA Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.snlbearings.in. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
17. The AGM has been convened through VC/ OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

1. The voting period begins on Friday, September 11, 2020 at 9.00 a.m. (IST) and ends on Sunday, September 13, 2020 at 5.00 p.m. (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 Monday, September 7, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
2. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
3. The shareholders should log on to the e-voting website www.evotingindia.com.



- Click on "Shareholders" module.

Now enter your User ID

For CDSL: 16 digits beneficiary ID,

For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login-Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

- Next enter the Image Verification as displayed and Click on Login.
- If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- If you are a first time user follow the steps given below:

	For Shareholders 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) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	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 (v).

- After entering these details appropriately, click on "SUBMIT" tab.
- Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- Click on the EVSN (200821036) for the relevant Company Name <SNL Bearings Limited> on which you choose to vote.
- 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.
- Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.



14. 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.
15. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
16. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
17. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
18. Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Details shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to Company/RTA email id.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the AGM through VC/ OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/ members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops/ iPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 (seven) days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at 40thAGM@snlbearings.in. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 (seven) days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at 40thAGM@snlbearings.in. These queries will be replied to by the company suitably by email.



6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/ OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/ OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

Note for Non – Individual Shareholders and Custodians

1. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
2. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
3. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
4. The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
5. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
6. Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; 40thAGM@snlbearings.in, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL), Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013****Item No. 4****Re-appointment of Mr. Jayavardhan Dhar Diwan as an Independent Director for a second term.**

At the 35th Annual General Meeting of the Members of the Company held on July 28, 2015, Mr. Jayavardhan Dhar Diwan (DIN: 01565319) was appointed as an Independent Director of the Company for a period of five (5) years with effect from January 29, 2015. His first term has expired on January 28, 2020 as per section 149 of the Companies Act, 2013.

Mr. Jayavardhan Dhar Diwan, age 56 years, is a Chairman of the Audit Committee and Stakeholders Relationship Committee of the Company. Mr. Diwan holds a degree in BE (Metallurgy) from University of Roorkee and has completed his MBA from S P Jain Institute of Management and Research and has over 27 years of experience in business. He started his career in Indian Aluminium post his Engineering degree. He moved to a career in Finance in 1993 post his MBA, as a Senior Research Analyst covering Indian Equities for W I Carr in Mumbai and New York, moving on to KBC Financial Products as Executive Director, covering Global convertible bonds, distressed companies and special situations based out of New York. Currently, Mr. Diwan is the Managing Partner/ Advisor to Odyssey India Advisory Private Limited for New York/ Mumbai, focused on Convertible Bond/ & special situations.

Pursuant to the provisions of sections 149 and 152 and other applicable provisions of the Companies Act, 2013, Mr. Diwan, an Independent Director is eligible for re-appointment of second term up to five (5) consecutive years after obtaining the approval of the shareholders by passing a special resolution. Mr. Diwan has given his consent for re-appointment for a shorter second term up to February 15, 2021, owing to pressures of his other business commitments. Mr. Diwan does not hold any shares in the Company and is not related to any Director or Key Managerial Personnel of the Company. He has also 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 he meets the criteria of independence provided therein.

In the opinion of the Board of Directors of the Company, Mr. Diwan continues to fulfill the conditions specified in the Companies Act, 2013 and Rules made thereunder and SEBI (LODR) Regulations, 2015 for reappointment as an Independent Director and he is not debarred or disqualified from being appointed or continuing as Director of companies by SEBI/ Ministry of Corporate Affairs or any such statutory authority.

The Board of Directors at its meeting held on January 27, 2020, on the recommendation of the Nomination and Remuneration Committee and considering his qualifications, knowledge, vast business experience and contributions made by him during his tenure, have re-appointed Mr. Diwan as an Independent Director of the Company, not liable to retire by rotation, for a second term w.e.f. January 28, 2020 up to February 15, 2021 as consented by him. In the opinion of the Board, his association would be beneficial to the Company.



During his second term as an Independent Director, Mr. Diwan will be entitled to receive the Sitting Fees for attending meetings of the Directors and the Committees thereof, of which he is a member and commission, as approved by the shareholders.

The Company has received a notice from a member under Section 160 of the Act in writing proposing his candidature for the office of Director (Independent).

The relevant documents relating to the appointment of Mr. Jayavardhan Dhar Diwan, as an Independent Director are open for inspection by the members at the Registered Office of the Company at SNL Bearings Limited, Dhannur, 15, Sir P M Road, Fort, Mumbai 400 001 on all working days, during business hours up to the date of the Annual General Meeting.

Accordingly, the Board of Directors recommends passing of the Special Resolution at Item No. 4 of the Notice. None of the Directors, Key Managerial Personnel of the Company or their relatives except Mr. Jayavardhan Dhar Diwan (being appointed), are in any way, concerned or interested, financially or otherwise, in the Resolution set out in Item No. 4 of the Notice.

Item No. 5

Approval of Material Related Party Transactions

As per 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 M/s. NRB Bearings Limited 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 the additional business enables higher capacity utilization of its plant. These are at arm's length basis under the purchase orders raised from time to time and in the Financial Year 2020-21, the aggregate value of these transactions is estimate at Rs. 24 crore.

The Audit Committee and the Board of Directors of the Company, at their meetings held on June 23, 2020 have reviewed the on-going transactions and recommended the same for approval by the Members of the Company and proposed it be placed before the Members for their consent.

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 and Section 188 of the Companies Act, 2013.



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 73.45% 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 continuing basis. Monetary value of proposed aggregate transaction(s) during F.Y. 2020-21 is expected to be Rs. 24 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 utilization of its capacity

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

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

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	Mr. Satish Rangani	Mr. Jayavardhan Dhar Diwan
DIN	00209069	01565319
Date of Birth	13.11.1948	27.12.1964
Nationality	Indian	Indian
Date of appointment on Board	31.07.2000	29.01.2015
Qualification	B.Com, MMS (Bombay University), ACS	BE (Metallurgy), MBA
List of Directorships held in other Companies (excluding foreign, private and section 8 companies)	NRB Bearings Limited	Pradeep Metals Limited.



Memberships / Chairmanships of Audit and Stakeholders Relationship Committees across public companies	Nil	Pradeep Metals Limited. Member – Audit Committee
No. of Shares held	599	Nil
Relationship between Directors – interse	Nil	Nil

Brief Resume and Expertise in specific functional areas for Mr. Satish Rangani:

Mr. Satish Rangani, (DIN: 00209069), age 71 years (Date of Birth: 13/11/1948), is a qualified Company Secretary and a member of the Institute of Company Secretaries of India. He has completed Masters in Management Studies from Jamnalal Bajaj Institute of Management Studies, after completion of the Bachelors of Commerce degree from the University of Mumbai. He has been associated with the Company since the year 2000 and has extensive experience and expertise of more than 45 years in the areas of finance & accounts, strategy, legal/ secretarial and compliance. His expertise also includes execution of projects across a wide range of industries.

Currently, Mr. Rangani is designated as Executive Director of holding Company NRB Bearings Limited, and has been associated with the company for more than twenty six years. He has been a member of the NRB Board since October 31, 2012 and is also a member of the Stakeholders Relationship Committee of NRB Bearings Limited and SNL Bearings Limited. Mr. Rangani also serves as a Director of NRB Bearings (Thailand) Limited, a fellow subsidiary of the Company. Mr. Rangani is not related to any other director or key managerial personnel of the Company and he is not debarred or disqualified from being appointed or continuing as Director of companies by SEBI/ Ministry of Corporate Affairs or any such statutory authority.

By Order of the Board of Directors

Place: Mumbai
Date : June 23, 2020

Kamlesh Sondigala
Company Secretary
Membership No. A44324



BOARD'S REPORT

To,
The Members
SNL Bearings Limited

Your Directors have pleasure in presenting their Fortieth Annual Report together with Audited Financial Statements for the year ended March 31, 2020

1. Financial Results

Year ended	31st March, 2020 (₹ in lakhs)	31st March, 2019 (₹ in lakhs)
Revenue from operations (Net)	3414.18	4064.17
Profit before tax	555.10	1140.64
Provision for taxation:		
Current tax (net)	137.69	321.38
Deferred tax	0.80	4.90
Profit after taxation	416.61	814.36
Add: Balance brought forward	2062.52	1467.51
Add: Other Comprehensive Income for the year	-16.23	-1.65
	2462.90	2280.22
Appropriation:		
Dividend	288.92	180.58
Tax on distributed profits	59.39	37.12
General Reserve	-	-
Capital Redemption Reserve	-	-
Outside basis Tax	-	-
Profit & Loss Account	2114.59	2062.52
Total	2462.90	2280.22

2. Dividend

Based on the Company's performance, your Board of Directors have declared an Interim Dividend of Rs. 3/- per share (i.e. 30%) of face value of Rs. 10/- each involving an outgo of Rs. 1,30,61,708/- (inclusive of dividend distribution tax) on March 06, 2020 for the F.Y. 2019-20 and paid to the shareholders whose name appeared in the Register of Member as on March 17, 2020. Your Company had paid a Final Dividend of Rs. 5 /- per equity share (i.e. 50%) for the previous financial year 2018-19.

Further, your Directors do not recommend any final dividend for the financial year ended March 31, 2020.

Your Directors have proposed not to transfer any sums to the General Reserve.



3. **State of Company's Affairs, Operations & Future Outlook**

The performance for the year has to be viewed in the context of the unfavorable macro-economic environment and particularly the weak demand scenario for the auto sector. During F.Y. 2019-20, the overall automobile sales reported the sharpest decline of 18 per cent, year-on-year, during the last five years on the back of price hikes in passenger vehicles and two wheeler segments due to transition to stringent BS-VI emission norms, higher insurance costs, higher ownership costs, liquidity crunch in the NBFC sector. Reduced turnaround time and increased load carrying capacity for CVs led to high inventories and slow movement in CV segment sales. Overall, the challenges impacted the company's business significantly, resulting in de-growth in our Revenues and Profits, compared to the year before.

Rating agencies have revised the outlook for auto sector from stable to negative as the overall outlook, especially in the automotive sector continues to lean towards being challenging with the Covid-19 pandemic requiring a lockdown of all business activities for a greater part of Q1. Recent relaxations in the restrictions have given hopes for gradual resumption in sales and production over the coming quarters of F.Y. 2020-21.

Net revenues during the year at Rs. 3414.18 Lakhs (previous year Rs. 4064.17 lakhs) are lower by 16% due to lower sales. Profit after tax (PAT) at Rs. 416.61 lakhs (previous year Rs. 814.36 lakhs) has also dropped by 49% due to the fall in volumes, despite continuing efforts to restrict operating and administrative expenses.

For F.Y. 2020-21, the outlook is still uncertain with the likelihood of further de-growth in revenues. Operating margins are also likely to be impacted due to lower capacity utilization and lower absorption of overheads. Company management team will be focused on driving operational efficiencies to restrict costs further. The benefits of Government support by way of a Relief package to boost slow consumer demand, increased liquidity and lower corporate taxes, are likely to accrue over the medium term, and the forecast of a normal monsoon should accelerate revival of rural demand for two wheelers and farm equipment. With the support of the holding company, we shall strive to further improve our quality and delivery of our products so as to enhance competitiveness with customers.

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/ Negative**' (outlook revised to '**Negative**' from '**Stable**' and Rating reaffirmed) as on May 22, 2020.

The Company continues to focus on judicious management of its working capital. Receivables, inventories and other working capital parameters are continuously monitored.

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 31.3.2020 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, Mr. Satish Rangani (DIN. 00209069) will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, has offered himself for re-appointment.

Independent Directors

Mr. Jayavardhan Dhar Diwan was appointed as an Independent Director of the Company on January 29, 2015 for a term of 5 years and members of the Company approved his appointment as Independent Directors of the Company at Annual General Meeting held on July 28, 2015. His first term expired on January 28, 2020 and he is eligible for re-appointment of second term up to five (5) consecutive years as per the provisions of sections 149 and 152 and other applicable provisions of the Companies Act, 2013.

The Board of Directors at its meeting held on January 27, 2020, on the recommendation of the Nomination and Remuneration Committee and considering his qualifications, knowledge, vast business experience and contributions made by him during his tenure, have re-appointed Mr. Diwan as an Independent Director of the Company, not liable to retire by rotation, for a second term w.e.f. January 28, 2020 up to February 15, 2021 as consented by him, subject to approval of the shareholders at the ensuing Annual General Meeting.

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 52 of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Board Evaluation

For the F.Y. 2019-20, 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. Jayavardhan Dhar Diwan, Mr. Vivek Sahai and Mr. Claude Alex D’Gama Rose have met separately on 6th March, 2020 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. Krishna Kant Prasad Sinha	-	General Manager (Designated as CEO w.e.f. 21.05.2019)
Mr. Ram Narayan Sahu	-	Finance Head (Designated as 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's website at www.snlbearings.in.

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

Meetings

During the year 5 (five) Board meetings and 4 (four) Audit committee meetings were convened and held (details are given in Corporate Governance Report). The intervening gap between the meetings was less than 120 (one hundred and twenty) days. The date for the next meeting is fixed in advance at the previous meeting for both Board and Audit committee meetings.

6. Subsidiary, Associate and Joint Venture Companies

As of March 31, 2020, 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 favorable outcome to its offer to renew the leases for reasonable terms and at favorable 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, Company has replaced old blackening furnace of 54 KW with a new furnace of 30 KW, which has resulted in energy saving of 17280 KWH per month amounting to Rs. 13 Lakhs.



b. Technology absorption

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

Upgradation of technology is a key focus area and the Company has initiated necessary mapping of its machines with this objective and management is taking all efforts towards developing low cost technological solutions.

c. Foreign exchange earnings & outgo for the year ended 31st March 2020

Foreign Exchange Earnings	: Export of goods	- Rs. 27.12 lakhs
Foreign Exchange Outgo	: Raw materials & Components	- Rs. 186.01 lakhs
	Consumables, Spares, tools	- Rs. 1.76 lakhs
	Fixed Assets	- Rs. 255.35 lakhs

9. Industrial Relations/ Vigil Mechanism and Whistle Blower Policy

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 in attitudinal and behavioural 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 behaviour, 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's website viz. 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. We also ensure that safety behaviour is well demonstrated by our employees while working on the shop floor by using personal protective equipment's as required.

The Company's plant at Ranchi has been awarded internationally recognized external certification viz. ISO14001:2015 (for adherence to environmental processes), OHSAS:18001:2007 (for Health & Safety) and IATF:16949:2015 (quality management system). The Company is in the process of adopting new external certification viz. ISO 45001:2018 (for Health and Safety).

Work force is trained at regular intervals in preventive aspects of safety and prevention of work related accidents. Besides creating general awareness among employees towards environmental protection, the management encourages initiatives which are targeted towards conserving natural resources and improvements in resource efficiency across all processes.



Consequent upon the re-opening of the plant post Covid-19 lockdown, the employees have painstakingly adhered to the SOPs prescribed by the authorities to ensure social distancing norms for staying safe and healthy. Usage of prescribed PPEs by all employees and frequent sanitization of the workplace / employees by washing of hands is also meticulously followed.

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 financial year ended 31.3.2020 an aggregate amount of Rs. 22.42 lakhs has been contributed to various organizations doing commendable work for the cause of promoting education to the under privileged sections of society viz;

- 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. TISS (Tata Institute of Social Sciences): Running scholarship scheme through Vidyasaarathi (VSS), an online platform operated transparently by TISS for needy students, particularly in the state of Jharkhand where the 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 has successfully completed signing of the work order with the district education department and started conducting programmes at KGBV Mandar located in Ranchi, close to the SNL Plant.

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, Finance Head (CFO) and the General Manager (CEO) 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 CEO and 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 (MGT-9) 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, 2020 and of the profit of the Company for that period;
- iii. proper and sufficient care for the maintenance of adequate accounting records has been taken in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the Annual Accounts have been prepared on a going concern basis.
- v. internal financial controls have been laid down and being followed by the Company and that such financial controls are adequate and are operating effectively.
- vi. proper systems to ensure compliance with the provisions of all applicable laws have been devised and that such systems are adequate and operating effectively.

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. The Company had obtained approval of the members of the Company for Material RPT's entered with its holding Company M/s. NRB Bearings Limited, at 39th Annual General Meeting for the F.Y. 2019-20. There were no other materially significant RPT by the Company with promoters, 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.

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



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, last improvements by way of biometric attendance and linked leave records and payroll systems have been implemented with existing system. The Internal Auditors have been regularly reviewing the same, and their recommendations for improvements have been included in the ERP upgrade implementation. During the year under review, these controls were evaluated and no significant weakness was identified either in the design or operation of the controls. This formalized system of internal control facilitates effective compliance of Section 138 of the Companies Act, 2013 and the Listing Regulations.

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

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 were approved at the 38th Annual General Meeting held on August 1, 2018 for a term of five (5) years upto March 31, 2023.

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 the 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

Pursuant to the provision of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed Mr. Upendra Shukla, Practicing Company Secretary, to carry out Secretarial Audit of the Company for the Financial Year 2019-20. 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. **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.



20. **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.

21. **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 employee and during the year under review there were no complaints received.

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

There are no material changes and commitments, other than the impact of the lockdown restrictions arising from Covid-19 pandemic, affecting the financial position of the Company which have occurred between the close of the financial year on March 31, 2020 to which the financial statements relate and the date of this Report.

However, the COVID-19 pandemic has had an unprecedented impact on the nation, the people and the economy and business. The government announced a stringent nationwide lockdown from March 25, 2020, to control the spread of COVID-19. However, even before the nationwide lockdown, various state governments and local administrations had implemented different containment measures such as sealing borders, closing public places, suspending transport services and state-specific lockdown. The operations of the Company were severely disrupted. The Company has moved at speed to support its stakeholders and maintain operations through crisis and prepare for business in a new normal. The Company's utmost priority has been the health, safety and well-being of our people and partners. The Company has rapidly implemented protocols for safe operations. However, compliance with the restrictions on number of employees and the shift working hours permitted has resulted in non-optimum capacity utilisation, which your Company expects will improve as lockdown conditions are gradually relaxed. Ranchi plant and all warehouses of the Company have on the date of this report been opened with the requisite government permissions and adherence to highest safety standards.

While we are seeing some demand revival in the farm equipment and 2 wheeler categories, the overall demand has contracted to a great extent and the exact time which these categories and the other segments, like Commercial vehicles and Passenger vehicles, will take to recover fully remains to be seen.

23. **Acknowledgements**

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

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

Harshbeena Zaveri
Chairman

Place : Mumbai
Date : June 23, 2020



Annexure I

Report on Corporate Social Responsibility (CSR) Activities

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

Sr. No.	Particulars	Remark
1	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs	SNL is committed to improving the quality of life of the people it deals with and contributing to the welfare of the communities where it operates. The CSR Policy of the Company duly approved by the Board of Directors promotes the following objectives: <ul style="list-style-type: none"> • 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. Link to the CSR Policy: www.snlbearings.in
2	The Composition of the CSR Committee.	1) Ms. Harshbeena Zaveri - Chairman (Non-Executive/ Non-Independent Director) 2) Mr. Jayvardhan Dhar Diwan - Member (Non-Executive/ Independent Director) 3) Mr. Satish Rangani - Member (Non-Executive/ Non-Independent Director) 4) Mr. Vivek Sahai - Member (Non-Executive/ Independent Director)
3	Average net profit of the company for last three financial years	Rs. 1086.21 lakhs
4	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	Rs. 21.72 lakhs
5	Details of CSR spent during the financial year. (a) Total amount to be spent for the financial year; (b) Amount unspent, if any; (c) Manner in which the amount spent during the financial year is detailed below	Rs. 22.42 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 (Rs. in lakhs)	Amount spent on the projects or programs Sub –heads: (1) Direct expenditure on projects or programs (2) Overheads (Rs. in lakhs)	Cumulative expenditure upto to the reporting period (Rs. in lakhs)	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	9.50 lakhs	9.50 lakhs	9.50 lakhs	Direct to Sankalp
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	3.75 lakhs	3.75 lakhs	3.75 lakhs	Direct to TISS
3	Ugam Foundation	Running KGBV schools for adolescent girls.	Hazaribagh district, Jharkhand.	9.17 lakhs	9.17 lakhs	9.17 lakhs	Direct to Ugam Foundation
	Total			22.42 lakhs	22.42 lakhs	22.42 lakhs	

* Give details of implementing agency

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report. **Not Applicable**

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company:

We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and CSR policy of the Company.

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

Harshbeena Zaveri
Chairman, CSR Committee

Satish Rangani
Director

Place: Mumbai
Date : June 23, 2020



Annexure II
Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on 31/03/2020

[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. : investorcare@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
- Web address : www.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.	Needle Roller, Components, Bushes and Cages	2814	96%


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 Limited Dhannur, 15, Sir P. M. Road, Fort, Mumbai 400 001, Maharashtra	L29130MH1965PLC013251	Holding	73.45	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) :
i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	34011	--	34011	0.94	34011	--	34,011	0.94	--
b) Central Govt.	--	--	--	--	--	--	--	--	--
c) State Govt.	--	--	--	--	--	--	--	--	--
d) Bodies Corp.	2652762	--	2652762	73.45	2652762	--	2652762	73.45	--
e) Banks/ FI	--	--	--	--	--	--	--	--	--
f) Any other..	--	--	--	--	--	--	--	--	--
Sub-total (A) (1)	2686773	--	2686773	74.39	2686773	--	2686773	74.39	--
(2) Foreign									
a) NRIs – Individuals	--	--	--	--	--	--	--	--	--
b) Other – Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corp.	--	--	--	--	--	--	--	--	--
d) Banks/ FI	--	--	--	--	--	--	--	--	--
e) Any Other ...	--	--	--	--	--	--	--	--	--
Sub-total (A) (2)	--	--	--	--	--	--	--	--	--
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	2686773	--	2686773	74.39	2686773	--	2686773	74.39	--



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	--	--	--	--	--	--	--	--	--
b) Banks/ FI	0	50	50	0.00	0	50	50	0.00	0.00
c) Central Govt.	--	--	--	--	--	--	--	--	--
d) State Govt.	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIIs	24871	--	24871	0.69	22772	--	22772	0.63	(0.06)
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (Specify)	--	--	--	--	--	--	--	--	--
Sub-total (B) (1)	24871	50	24921	0.69	22772	50	22822	0.63	(0.06)
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	40325	2975	43300	1.20	34972	2950	37922	1.05	(0.15)
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals									
i) Individual Shareholders holding nominal sharecapital upto Rs.1 Lakh	520134	123988	644122	17.84	501602	119958	621560	17.21	(0.62)
ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 Lakh	132407	--	132407	3.67	176923	--	176923	4.90	1.23



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	25672	600	26272	0.73	36955	600	37555	1.04	0.31
ii) Clearing Members	4777	--	4777	0.13	2159	--	2,159	0.06	(0.07)
iii) LLP/ Partnership firm	8770	--	8770	0.24	8770	--	8770	0.24	--
iv) HUF	39290	--	39290	1.09	15648	--	15648	0.43	(0.65)
v) Directors & Relatives	908	--	908	0.03	1408	--	1408	0.04	0.01
Sub-total (B) (2)	772283	127563	899846	24.92	778437	123508	901945	24.97	0.06
Total Public Shareholding (B) = (B)(1) + (B) (2)	797154	127613	924767	25.61	801209	123558	924767	25.61	0.00
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	3483927	127613	3611540	100.00	3487982	123558	3611540	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	Harshbeena Zaveri	34011	0.94	--	34011	0.94	--	--
2	NRB Bearings Limited	2652762	73.45	--	2652762	73.45	--	--
	Total	2686773	74.39	--	2686773	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.	Harshbeena Zaveri				
	At the beginning of the Year	34011	0.94		
	Date wise increase/ decrease	Nil	Nil		
	At the End of the year			34011	0.94
2.	NRB Bearings Limited				
	At the beginning of the Year	2652762	73.45		
	Date wise increase/ decrease	Nil	Nil		
	At the End of the Year			2652762	73.45



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

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Mustafa Mazahir Khedwala				
	At the beginning of the year	56000	1.55		
	05/07/2019 Purchase	1	0.00	56001	1.55
	01/11/2019 Purchase	18200	0.50	74201	2.05
	At the end of the year			74201	2.05
2	Anil Kumar Bajaj				
	Folio 1				
	At the beginning of the year	23500	0.65		
	12/04/2019 Sale	-23500	-0.65	Nil	Nil
	At the end of the year			Nil	Nil
	Folio 2				
	At the beginning of the year	7575	0.21		
	12/04/2019 Purchase	23500	0.65	31075	0.86
	At the end of the year			31075	0.86
3	Sunil Bodaram Luthria				
	At the beginning of the year	1918	0.05		
	05/04/2019 Purchase	757	0.02	2675	0.07
	12/04/2019 Purchase	282	0.01	2957	0.08
	19/04/2019 Purchase	363	0.01	3320	0.09
	26/04/2019 Purchase	313	0.01	3633	0.10
	03/05/2019 Purchase	91	0.00	3724	0.10
	10/05/2019 Purchase	325	0.01	4049	0.11
	17/05/2019 Purchase	500	0.01	4549	0.13
	07/06/2019 Purchase	448	0.01	4997	0.14
	16/08/2019 Purchase	305	0.01	5302	0.15
	23/08/2019 Purchase	654	0.02	5956	0.16
	30/08/2019 Purchase	1500	0.04	7456	0.21
	13/09/2019 Purchase	744	0.02	8200	0.23
	11/10/2019 Purchase	120	0.00	8320	0.23
	01/11/2019 Purchase	276	0.01	8596	0.24
	08/11/2019 Purchase	601	0.02	9197	0.25
	15/11/2019 Purchase	329	0.01	9526	0.26
	22/11/2019 Purchase	1081	0.03	10607	0.29
	06/12/2019 Purchase	567	0.02	11174	0.31
	20/12/2019 Purchase	22	0.00	11196	0.31



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
	03/01/2020 Purchase	215	0.01	11411	0.32
	17/01/2020 Purchase	1722	0.05	13133	0.36
	31/01/2020 Purchase	500	0.01	13633	0.38
	21/02/2020 Purchase	422	0.01	14055	0.39
	28/02/2020 Purchase	1833	0.05	15888	0.44
	06/03/2020 Purchase	2521	0.07	18409	0.51
	13/03/2020 Purchase	2119	0.06	20528	0.57
	20/03/2020 Purchase	1697	0.05	22225	0.62
	31/03/2020 Purchase	5783	0.16	28008	0.78
	At the end of the year			28008	0.78
4	Rimo Capital Fund LP				
	At the beginning of the year	24871	0.69		
	19/07/2019 Sale	-26	0.00	24845	0.69
	13/03/2020 Sale	-1201	-0.03	23644	0.65
	31/03/2020 Sale	-872	-0.02	22772	0.63
	At the end of the year			22772	0.63
5	Sana Ayub Khan				
	At the beginning of the year	20000	0.55		
	Date wise increase/ decrease	Nil	Nil		
	At the end of the year			20000	0.55
6	Saharsh Yarn Private Limited				
	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	Prajesh Maroo				
	At the beginning of the year	10000	0.28		
	05/07/2019 Purchase	3021	0.08	13021	0.36
	19/07/2019 Purchase	379	0.01	13400	0.37
	At the end of the year			13400	0.37
8	Mazahir Husaini Khedwala				
	At the beginning of the year	17568	0.49		
	01/11/2019 Sale	-9750	-0.27	7818	0.22
	At the end of the year			7818	0.22
9	Sriniwas Seshadri				
	At the beginning of the year	10239	0.28		
	Date wise increase/ decrease	Nil	Nil		
	At the end of the year			10239	0.28



Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
10	Safir Anand				
	At the beginning of the year	15000	0.42		
	26/07/2019 Purchase	1840	0.05	16840	0.47
	02/08/2019 Purchase	191	0.01	17031	0.47
	09/08/2019 Purchase	679	0.02	17710	0.49
	23/08/2019 Purchase	267	0.01	17977	0.50
	29/11/2019 Sale	-11322	-0.31	6655	0.18
	13/03/2020 Purchase	11322	0.31	17977	0.50
	20/03/2020 Sale	-4695	-0.13	13282	0.37
	31/03/2020 Sale	-3764	-0.10	9518	0.26
	At the end of the year			9518	0.26
11	Vitor Fund Managers LLP				
	At the beginning of the year	8770	0.24		
	Date wise increase/ decrease	Nil	Nil		
	At the end of the year			8770	0.24
12	Anand Rathi Global Finance Limited				
	At the beginning of the year	8700	0.24		
	Date wise increase/ decrease	Nil	Nil		
	At the end of the year			8700	0.24
13	Jayshree Mukesh Ruparel				
	At the beginning of the year	7605	0.21		
	30/08/2019 Purchase	175	0.00	7780	0.22
	04/10/2019 Purchase	721	0.02	8501	0.24
	22/11/2019 Purchase	33	0.00	8534	0.24
	28/02/2020 Purchase	74	0.00	8608	0.24
	At the end of the year			8608	0.24
14	Rashida Mazahir Khedwala				
	At the beginning of the year	13600	0.38		
	01/11/2019 Sale	-8450	-0.23	5150	0.14
	At the end of the year			5150	0.14
15	Lalit Kumar Poddar				
	At the beginning of the year	3918	0.11		
	Date wise increase/ decrease	Nil	Nil		
	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
1	Director Harshbeena Zaveri				
	At the beginning of the year	34011	0.94		
	Date wise increase/ decrease	Nil	Nil		
	At the End of the year			34011	0.94
2	Satish Rangani				
	At the beginning of the year	599	0.02		
	Date wise increase/ decrease	Nil	Nil		
	At the End of the year			599	0.02
3	Jayavardhan Dhar Diwan				
	At the beginning of the year	Nil	Nil		
	At the End of the year			Nil	Nil
4	Vivek Sahai				
	At the beginning of the year	Nil	Nil		
	At the End of the year			Nil	Nil
5	Arvinder Singh Kohli				
	At the beginning of the year	309	0.01		
	07/06/2019 Purchase	500	0.01	809	0.02
	At the End of the year			809	0.02
6	Claude Alex D'Gama Rose				
	At the beginning of the year	Nil	Nil		
	At the End of the year			Nil	Nil
	Key Managerial Personnel				
7	Kamlesh Sondigala				
	At the beginning of the year	Nil	Nil		
	At the End of the year			Nil	Nil
8	Krishna Kant Prasad Sinha				
	At the beginning of the year	50	0.00		
	Date wise increase/ decrease	Nil	Nil		
	At the End of the year			50	0.00
9	Ram Narayan Sahu				
	At the beginning of the year	Nil	Nil		
	At the End of the year			Nil	Nil

**(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	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
Total (i+ii+iii)	8.53	0	3.91	12.44
Change in Indebtedness during the financial year				
• Addition	300.00	0	0	300.00
• Reduction	8.53	0	0.50	9.03
Net Change	291.47	0	(0.50)	290.97
Indebtedness at the end of the financial year				
i) Principal Amount	300.00	0	3.41	303.41
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0.47	0	0	0.47
Total (i+ii+iii)	300.47	0	3.41	303.88

* Security Deposits are received from Customers and not a public deposit.

(vii) Remuneration of Directors and Key Managerial Personnel:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: **Not Applicable**

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	Particulars of Remuneration	Name of Directors						Total Amount (₹ in lakhs)
		Ms. Harshbeena Zaveri (₹ in lakhs)	Mr. Satish Rangani (₹ in lakhs)	Mr. Arvinder Singh Kohli (₹ in lakhs)	Mr. Jayavardhan Dhar Diwan (₹ in lakhs)	Mr. Vivek Sahai (₹ in lakhs)	Mr. Claude Alex D'Gama Rose (₹ in lakhs)	
	3. Independent Directors							
	• Fee for attending board /committee meetings	--	--	--	2.35	2.45	1.60	6.40
	• Commission (for F.Y. 18-19)	--	--	--	1.94	1.94	1.94	5.82
	• Others, please specify	--	--	--	--	--	--	--
	Total (1)	--	--	--	4.29	4.39	3.54	12.22
	4. Other Non-Executive Directors							
	• Fee for attending board /committee meetings	2.15	1.40	1.45	--	--	--	5.00
	• Commission (for F.Y. 18-19)	1.94	1.94	1.55	--	--	--	5.43
	• Others, please specify	--	--	--	--	--	--	--
	Total (2)	4.09	3.34	3.00	--	--	--	10.43
	Total (B)=(1+2)	4.09	3.30	3.00	4.29	4.39	3.54	22.65
	Total Managerial Remuneration (A+B)	--	--	--	--	--	--	22.65
	Overall Ceiling as per the Act (@3% of profits calculated under Section 198 of the Companies Act, 2013)	--	--	--	--	--	--	33.79



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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount (₹ in lakhs)
		Mr. K.K.P Sinha (Chief Executive Officer)	Mr. R N Sahu (Chief Financial Officer)	Mr. Kamlesh Sondigala (Company Secretary)	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	29.37	13.76	8.00	51.13
	(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	--	--	--	--
	Total	29.37	13.76	8.00	51.13

(viii) PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2020.

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

Harshbeena Zaveri
Chairman

Place : Mumbai
Date : June 23, 2020



Annexure III

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, Special Machines & Spare parts, Raw Materials
– Purchase of Raw Materials;
- ii) NRB Bearings (Thailand) Limited – Sale of Finished Goods, Special Machines & Spare parts, Raw Materials

(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 of Finished Goods, Special Machines & Spare parts, Raw Material / Purchase of Raw Material	As per Purchase Orders placed for their requirements of Raw Materials, Components and Finished Products.
2.	NRB Bearings (Thailand) Limited	Sale of Finished Goods, Special Machines & Spare parts, Raw Materials	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	1564.62
		Sale of Raw Material	22.97
		Sale of special purpose machines/ machine spare parts	0.42
		Purchases of Raw Materials	56.28
		Dividend on Equity Shares	212.22
ii)	NRB Bearings (Thailand) Limited	Sale of Finished Goods	11.54
		Sale of Raw Material	4.03
		Sale of special purpose machines spare parts	10.61

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

- i) 21st May, 2019
- ii) 8th August, 2019
- iii) 18th October, 2019
- iv) 27th January, 2020

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

Nil

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

Harshbeena Zaveri
Chairman

Place : Mumbai

Date : June 23, 2020



Annexure IV

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 2019-20:

Name of Directors	Remuneration (₹ In lakhs)	Median Remuneration (₹ In lakhs)	Ratio
Ms. Harshbeena Zaveri Chairman, Non-Executive, Non-Independent Director	4.09	4.43	0.92
Mr. Satish Rangani Non-Executive, Non-Independent Director	3.34	4.43	0.75
Mr. Jayavardhan Dhar Diwan Non-Executive, Independent Director	4.29	4.43	0.97
Mr. Vivek Sahai Non-Executive, Independent Director	4.39	4.43	0.99
Mr. Arvinder Singh Kohli Non-Executive, Non-Independent Director	3.00	4.43	0.68
Mr. Claude Alex D'Gama Rose Non-Executive, Independent Director	3.54	4.43	0.80

* 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 2019-20;

Name of Directors	Percentage increase in remuneration in the Financial year.
Ms. Harshbeena Zaveri, Chairman, 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, Independent Director	NA
Mr. Krishan Kant Prasad Sinha Chief Executive Officer	8.00 %
Mr. Ram Narayan Sahu Chief Financial Officer	25.00 %
Mr. Kamlesh Sondigala Company Secretary	38.00 %



- 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 15% during the financial year 2019-20. (i.e. from Rs. 3.85 lakhs to Rs. 4.43 lakhs p.a.).
- d. The Company has 160 number of permanent employees on the rolls of company as on 31 March, 2020;
- 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 11% while increase in the Managerial Remuneration is 5%. 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
Chairman

Place : Mumbai
Date : June 23, 2020



Annexure V
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

[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, 2020 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, 2020 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. There was no change in the composition of the Board of Directors during the year under review.
- 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.

UDIN: F002727B000367366

Place : Mumbai

Date : 23/06/2020

(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 been subdued with the global automotive industry experiencing a challenging phase in 2019-20, and OEMs especially facing multiple obstacles all over the world. China faced its first ever decline in vehicles sales in over 20 years, the USA market grew marginally, the shockwaves of Brexit are expected across global markets. With the global pandemic crisis forcing the automotive industry to shutter-down across the world, the post-lockdown scenario is bound to pose more unprecedented challenges to respond and adapt to new circumstances.

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 F.Y. 2019-20 has shown de-growth in almost all segments as the Indian economy slowed affected by events like liquidity crunch, policy uncertainties and the costs/pricing pressures arising from the implementation of the BS-VI emission norms. De-growth in production volumes have ranged from 14% to 30 % in various segments. The Company has de-grown by 15%, though the Company's market share in the Needle bearing segment continues at an estimated 6-7%.

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, With the world's industrial nations planning to move their supply chain away from China and India likely to be one of the beneficiaries of such a move, it would continue to remain a fast 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's installed manufacturing capacity will enable it to continue offering a wide range of products to its customers once demand revives. Customer relationships and contact are the focus areas to re-assure them that quality products delivered in a timely and cost efficient manner will be our priority.

Economic Environment/Outlook

The COVID 19 pandemic and the stringent nationwide lockdown from March 25, 2020 has severely impacted the economy and business. Different containment measures such as sealing borders, closing public places, suspending transport services and state-specific lockdown still continue in affected areas, disrupting supply chains for the manufacturing sector. India's automobile industry seems headed for another year of double-digit sales decline during the current fiscal F.Y. 2020-21. Overall sales volumes are likely to plunge to multi-year lows, with job-loss, pay-cut fears and restrictions on intra state &



interstate movement dampening consumer sentiment and freight demand remaining low. However, tractors and two-wheelers are likely to see relatively faster recovery from Q2 of this current fiscal. It is expected that both the segments benefit from the forecast of a normal monsoon, which augur well for rural incomes. It is expected that things will gradually improve in H2 of fiscal 2021. Volume demand from OEMs is expected to decline by 13-24 per cent across segments. Demand from the replacement market is expected to decline by 15-20 per cent (in value terms) due to limited movement of vehicles in fiscal 2021 amid the lockdown imposed.

With forecasts of a normal monsoon, government spending in the economy to strengthen infrastructure and reforms augur well in mid to long term. Supported by higher minimum support prices and liberal lending policies for the farming sector, there are positive signals of the rural markets coming back on track. Increase in disposable income in the hands of the rural populace is expected to raise the demand for 2/3 wheelers and tractors in the country.

Your company will continue to leverage its competitive strength to capture opportunities presented by the implementation of BS-VI norms.

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 resulting in idle /low utilization of installed capacities, the industry has to work on enhancing operational efficiencies and flexing costs further with Supply chain readiness to help counter these additional costs.
- c. Regulatory demands on emission levels, improved safety norms and higher expectations for improved reliability of the vehicles may result in need for investments in newer technology, R & D investments. This could cause a higher burden of fixed costs.

Of course, the industry and your company have to continuously explore ways and take all measures to produce consistently high quality products cost effectively to counter the threat of cheap imports.

Financials

After a good beginning in Q1, the automotive demand slowed with shrinking volumes and finally the Covid-19 pandemic and the containment measures in March 2020 affected last quarter sales. Your Company's Revenue (net) was at Rs. 3414.18 lakhs in F.Y. 2019-20 (Previous Year: Rs. 4064.17 lakhs) representing a de- growth of 16 %. Profit after tax was at Rs. 416.61 lakhs (Previous Year: Rs. 814.36 lakhs), a fall of 49%, with margins being impacted by the lower volumes resulting in unutilized capacities and resultant fixed expenses and other cost increases.



There has been 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 and working capital has been reduced by Rs. 384.76 lakhs. With overall leveraging of operational efficiencies and under the given market conditions, the financial results during the year are considered satisfactory.

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 noncritical 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 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. On the positive front, we have the generous package announced by the Government to boost demand, the key measures being cut in corporate tax rates, reforms in banking and financial services, liberalized lending norms at substantially reduced rates, higher crop prices for farmers for their agricultural produce. The silver lining is the good monsoon forecast which should lead to rise in rural incomes and result in higher consumer demand, and the possible shift in manufacturing from China with India being one of the major beneficiaries.

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 team with continuing interactions with the functional heads of the holding company, is charged with driving operational efficiencies and optimizing efficient allocation of financial resources – prudent & judicious capex, better inventory management and minimizing overdues.

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.

Segment wise Performance

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

Industrial Relations and Human Resource management

The company's industrial relations with employees at its Ranchi plant continued to be cordial and peaceful. The settlement with the workmen has been renewed on July 24, 2019, wherein the management's proposal for an overall production rise of 10% has been accepted and also deductions for bad quality products produced. This helps in keeping employee costs under check. With uncertainty regarding sales and production volumes during F.Y. 2020-21, negotiations are underway to adjust employee strength.

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.

Following the Covid-19 pandemic and lockdown relaxations, the Company's utmost priority has been health, safety and well-being of its employees and partners. The Company has rapidly implemented protocols for safe operations. Strict standards of access control, social distancing in supply and use of Personal Protection Equipment (PPE) as well as strict hygiene and sanitization procedures are active across all operations and adequate training has been provided to the workforce. However, compliance with the restrictions on number of employees and the shift working hours permitted, has resulted in non-optimum capacity utilisation, which your Company expects will improve as lockdown conditions are gradually relaxed.

Permanent employees directly employed by the company currently are total 160 no's.

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

Your Directors present the Company's Report on Corporate Governance for the year ended March 31, 2020, 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 behaviour and disclosures aimed at building trust of our stakeholders. The Company's Code of Conduct, Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Insiders are an extension of our values and reflect our commitment to ethical business practices, integrity and regulatory compliances.

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

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

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

GOVERNANCE STRUCTURE

The Corporate Governance structure at SNL Bearings is as follows:

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



THE BOARD OF DIRECTORS

Composition and category of Directors

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

As on March 31, 2020, The Company's Board consists of 6 (six) Directors. Besides the Non-Executive Chairman, the Board comprises of 3 (three) Non-Executive Director and 3 (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. None of the Directors are related to each other.

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 10 (ten) Board Level Committees (considering only Audit Committee and Stakeholders' Relationship Committee) or Chairman of more than 5 (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, 2020 are given below:

Directorship / Committee Membership as on March 31, 2020.

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)		Shareholding in SNL Bearings Limited
				Chairman	Member	
Ms. Harshbeena Zaveri DIN: 00003948	31/07/2000	Chairman and Non-Executive Director	2	0	2	34011
Mr. Satish Rangani DIN: 00209069	31/07/2000	Non-Executive Director	1	0	0	599
Mr. Jayavardhan Dhar Diwan DIN: 01565319	29/01/2015 28/01/2020*	Independent Director	1	0	1	0
Mr. Vivek Sahai DIN: 01717502	08/11/2017	Independent Director	1	0	0	0
Mr. Arvinder Singh Kohli DIN: 08135020	17/05/2018	Non-Executive Director	0	0	0	809
Mr. Claude Alex D'Gama Rose DIN: 01494440	17/05/2018	Independent Director	0	0	0	0

*Mr. Jayavardhan Dhar Diwan has been reappointed for a second term of Independent Director w.e.f. January 28, 2020, by the Board of Directors at their meeting held on January 27, 2020 subject to shareholders approval at 40th Annual General Meeting.



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.

Directorships held by the Directors in other listed Company:

Sr. No.	Name of Directors	Details of other Directorships	Details of Committee Memberships
1.	Ms. Harshbeena Zaveri	<ul style="list-style-type: none"> • NRB Bearing Limited: Vice Chairman & Managing Director • National Peroxide Limited: Non-Executive / Independent Director 	NRB Bearing Limited: <ul style="list-style-type: none"> • Audit Committee - Member • Stakeholder Relationship Committee - Member • Corporate Social Responsibility Committee - Member
2.	Mr. Satish Rangani	<ul style="list-style-type: none"> • NRB Bearings Limited: Executive Director 	NRB Bearing Limited: <ul style="list-style-type: none"> • Corporate Social Responsibility Committee - Member
3.	Mr. Jayavardhan Dhar Diwan	<ul style="list-style-type: none"> • Pradeep Metals Limited: Non-Executive/ Independent Director 	Pradeep Metals Limited: <ul style="list-style-type: none"> • Audit Committee-Member • Nomination and Remuneration Committee - Chairperson • Corporate Social Responsibility Committee - Member
4.	Mr. Vivek Sahai	Nil	Nil
5.	Mr. Arvinder Singh Kohli	Nil	Nil
6.	Mr. Claude Alex d’Gama Rose	Nil	Nil

Independent Directors

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

Number of Independent Directorships

In compliance with the Listing Regulations, Directors of the Company do not serve as Independent Director in more than 7 (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 3 (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.

During the financial year 2019-20, the Board of Directors met 5 (five) times i.e. on - May 21, 2019, August 8, 2019, October 18, 2019, January 27, 2020 and March 06, 2020. The maximum gap between any two consecutive meetings was less than 120 (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 08, 2019
1.	Ms. Harshbeena Zaveri	4 of 5	Present
2.	Mr. Satish Rangani	5 of 5	Present
3.	Mr. Jayavardhan Dhar Diwan	5 of 5	Present
4.	Mr. Vivek Sahai	5 of 5	Present
5.	Mr. Arvinder Singh Kohli	4 of 5	Absent
6.	Mr. Claude Alex D'Gama Rose	5 of 5	Present

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 judgments 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 judgment.
- 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.

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 Nomination and Remuneration Committee 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.

All Board members, with their diverse business experiences in leadership roles in their organisations, possess a majority of the skills and attributes listed above, and are well positioned to ensure effective functioning of the company and guide the company on its growth path.

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 viz. www.snlbearings.in.

Conflict of Interests

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

Insider Trading Code

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

All the Directors, employees and third parties such as auditors, consultants etc. who could have access to the unpublished price sensitive information of the Company are governed by this code. The trading window is closed during the time of declaration of results and occurrence of any material events as per the code. The Company has appointed the Company Secretary as Compliance Officer, who is responsible for setting forth procedures and implementation of the code for trading in Company’s securities. During the year under review there has been due compliance with the said code. The code is displayed on the website [HYPERLINK “http://www.snlbearings.in”](http://www.snlbearings.in) 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 4 (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 includes 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 4 (four) times during the Financial Year 2019-20. The maximum gap between two Meetings was not more than 120 (one hundred and twenty days). The Committee met on May 21, 2019, August 08, 2019, October 18, 2019, and January 27, 2020. 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 8, 2019.

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	4 of 4

Terms of Reference

For the purpose of effective compliance of provisions of section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations, 2015. 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. To fulfill its above role, the



Audit Committee has power to investigate any activity within its terms of reference, to seek information from employees and to obtain outside legal and professional advice. 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. Discussions 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 non payment 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.

Functions of Audit Committee

The Audit Committee, while reviewing the Annual Financial Statements also reviews the applicability of various Indian Accounting Standards (IND-AS) referred to in Section 133 of the Companies Act, 2013. The compliance of the Indian Accounting Standards as applicable to the Company has been ensured in the preparation of the Financial Statements for the year ended March 31, 2020.

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



The Company follows best practices in financial reporting. The Company has been reporting on quarterly basis, the Un-audited Financial Statements as required by the Regulation 33 of the Listing Regulations. The Company's quarterly Un-audited Standalone Financial Statements are made available on the website 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 an 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 includes Mr. Jayavardhan Dhar Diwan (Independent Director), Ms. Harshbeen Zaveri (Non-Executive Director) and Mr. Arvinder Singh Kohli (Non-Executive Director). 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 3 (three) times during the year on May 21, 2019, August 8, 2019 and January 27, 2020. The requisite quorum was present at the Meeting. The 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	3 of 3
2.	Mr. Jayavardhan Dhar Diwan	Member	Independent Director	3 of 3
3.	Ms. Harshbeena Zaveri	Member	Non-Executive Director	3 of 3
4.	Mr. Arvinder Singh Kohli	Member	Non-Executive Director	3 of 3

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 SEBI (LODR) Regulations, 2015, 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

Remuneration to Non-Executive Directors (including Independent Directors)

The Board has decided directors shall be remunerated by way of sitting fees of Rs. 20,000/- each per meeting being paid for the Board meetings, Rs. 15,000/- each per meeting paid for the Audit Committee meetings and Nomination and Remuneration Committee and Rs. 10,000/- each per meeting paid for Stakeholders Relationship Committee meetings and the Members of Corporate Social Responsibility Committee have waived off sitting fees for the meeting of Corporate Social Responsibility Committee. In addition, the Non-executive Directors and Independent Directors are entitled to yearly commission @ 1% of the net profits of the Company with a ceiling of Rs. 2 lakhs per Director as determined by the Board of Directors, which is approved by the shareholders at 37th Annual General Meeting held on July 21, 2017.

The Non-Executive Director/Independent Directors do not have any material pecuniary relationship or transactions with the Company.

The net profits of the company for F.Y. 2019-20 are lower at Rs. 555.10 lakhs and based on attendance at meetings, the commission payable would be between Rs. 0.73 lakhs to Rs. 0.92 lakhs per Director. This will be paid out after the shareholders have approved the financial results for the year.

Remuneration to KMP, Directors and Senior Management Personnel

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

DETAILS OF REMUNERATION PAID TO DIRECTORS AND KMP FOR THE YEAR ENDED MARCH 31, 2020

(I) NON EXECUTIVE DIRECTORS

Name of the Director	Sitting Fees (Rs. in lakhs)	Commission to Non- Executive Directors (For the F.Y. 2018-19) (Rs. in lakhs)
Ms. Harshbeena Zaveri	2.15	1.94
Mr. Satish Rangani	1.40	1.94
Mr. Jayavardhan Dhar Diwan	2.35	1.94
Mr. Vivek Sahai	2.45	1.94
Mr. Arvinder Singh Kohli	1.45	1.55
Mr. Claude Alex D'Gama Rose	1.60	1.94
Total	11.40	11.25



(II) KEY MANAGERIAL PERSONNEL (KMP)

Name of KMP	Remuneration (Rs. in Lakhs)
Mr. KKP Sinha, General Manager (CEO)	29.37
Mr. Ram Narayan Sahu Finance Head (CFO)	13.76
Mr. Kamlesh Sondigala (CS)	8.00
Total	51.13

(C) STAKEHOLDERS RELATIONSHIP COMMITTEE

Composition, Meetings and Attendance

The Stakeholders Relationship Committee comprises of 4 (four) Directors. Mr. Jayavardhan Dhar Diwan, Independent Director is the Chairman of this Committee. The Stakeholders Relationship Committee met 4 (four) times during the year on April 08, 2019, August, 08, 2019, October 18, 2019 and January 10, 2020. 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	3 of 4
2.	Mr. Vivek Sahai	Member	Independent Director	4 of 4
3.	Ms. Harshbeena Zaveri	Member	Non-Executive Director	3 of 4
4.	Mr. Satish Rangani	Member	Non-Executive Director	4 of 4

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

Pursuant to the provision laid down by SEBI regarding the frequency of the Stakeholders Relationship Committee meetings to meet at least once in a year, as requests for physical transfers of shares and approval for transmission of shares were not very frequent, it was decided by the Committee that the Company also reduce the frequency of the meeting to once in a year in addition to meetings as may be required for approving issue of duplicate share certificates or any other statutory matter.

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 any requests for transfer / transmission shares lodged with the Company/ RTA.
- Approve any request for 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 attends 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 update their updated telephone numbers and e-mail addresses with RTA 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, 2020 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	0
3	No. of Investors Complaints disposed of during the year	0
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, 2020. The number of pending share transfers and pending requests for dematerialization as on March 31, 2020 were Nil. Shareholders' / Investors' complaints and other correspondence are normally attended to within fifteen working days except where constrained by disputes or legal impediments. No investor grievances remained unattended / pending for more than thirty days as on March 31, 2020.

(D) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Composition

The Corporate Social Responsibility (CSR) Committee comprises of 4 (four) Directors, Ms. Harshbeena Zaveri, Non-Executive and 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. 22.42 lakhs during F.Y. 2019-20 on the identified activities.

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



Meetings and Attendance:

The CSR Committee met once (1) during the year on January 27, 2020. 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
2.	Mr. Satish Rangani	Member	Non-Executive Director	1
3.	Mr. Jayavardhan Dhar Diwan	Member	Independent Director	1
4.	Mr. Vivek Sahai	Member	Independent Director	1

(E) INDEPENDENT DIRECTORS’ MEETING

During the year under review, the Independent Directors met on March 06, 2020, 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. There were no materially significant transactions with Related Parties during the financial year except those for which shareholder’s approval obtained at 39th Annual General Meeting held on August 08, 2019. 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



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 2020	31 March 2019	31 March 2020	31 March 2019
Holding Company:				
NRB Bearings Limited				
• Sale of finished goods	1564.62	1599.62	281.14	260.65
• Sale of raw material	22.97	18.14	--	11.14
• Sale of special purpose machine / machine spare parts	0.42	36.56	--	--
• Purchases of raw materials	56.28	52.00	--	--
• Dividend on equity shares	212.22	132.64	--	--

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 behaviour, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the chairman of the Audit Committee in exceptional cases. None of the personnel of the Company have been denied access to the Audit Committee. The Whistle Blower Policy is displayed on the Company's website viz. www.snlbearings.in.

e. Disclosure of Accounting Treatment

In the preparation of the financial statements, the Company has followed the Indian 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 utilization 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 paid to the statutory auditor

During the financial year 2019-2020, 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:

During the year under review no complaint was received.

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.
 - iii. Modified opinion(s) in audit report
The Financial Statements of the Company for the financial year ended 31st March, 2020 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, 2020 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

UDIN: F002727B000367311

Place: Mumbai

Date : 23/06/2020



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 2019.
2. We have examined the compliance of conditions of corporate governance by SNL Bearings Limited (the 'Company') for the year ended 31 March 2020, 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 2020.

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 Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No. 001076N/N500013

per **Adi P. Sethna**

Partner

Membership No. 108840

UDIN No.: 20108840AAAACD6059

Place: Mumbai

Date: 23 June 2020



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
39 th	2018-19	August 8, 2019, 3.30 p.m	Conference Room, Dhannur, 15, Sir P M Road, Mumbai- 400 001	<ul style="list-style-type: none"> Special Resolution was passed for alteration of AOA of the Company
38 th	2017-18	August 1, 2018, 3.00 p.m	Conference Room, Dhannur, 15, Sir P M Road, Mumbai- 400 001	<ul style="list-style-type: none"> No Special Resolution has been passed.
37 th	2016-17	July 21, 2017, 12.00 Noon	Conference Room, Dhannur, 15, Sir P M Road, Mumbai- 400 001	<ul style="list-style-type: none"> Special Resolution was passed for payment for payment of commission not exceeding Rs 2 lakhs p.a per director and not exceeding an amount equal to 1% of net profits of the company to Non-Executive directors.

POSTAL BALLOT

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

ANNUAL GENERAL MEETING FOR THE FINANCIAL YEAR 2019-20

DAY AND DATE	Monday, September 14, 2020
TIME	3.00 p.m.
VENUE	The Annual General Meeting shall be held by means of Video Conferencing /Other Audio Visual Means in accordance with the relevant circulars issued by the Ministry of Corporate Affairs
FINANCIAL YEAR	April 1, 2019 to March 31, 2020
BOOK CLOSURE DATES	September 8, 2020 to September 14, 2020 (both days inclusive)

Tentative Calendar for Financial Year ending March 31, 2021

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, 2020
2.	Second Quarter & Half Yearly Results	October/ November, 2020
3.	Third Quarter & Nine-months ended Results	January/ February, 2020
4.	Fourth Quarter & Annual Results	April/ May, 2021



Dividend

The Board of Directors at their Meeting held on March 06, 2020, declared an interim dividend of Rs. 3/- per share of Rs. 10/- each for the financial year 2019-20 and has been paid to the members whose names appeared on the Company's Register of Members on March 17, 2020.

Dividend History

The table below highlights the history of Dividends declared by the Company its maiden equity dividend being declared for F.Y. 2015-16 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
4.	2018-19	August 08, 2019	Rs. 5.00
5.	2019 - 20 (Interim Dividend)	March 06, 2020	Rs. 3.00

Unclaimed Dividend/ Shares

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

As the company's maiden dividend was only for F.Y. 2015-16, these provisions are currently not applicable.

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

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

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

As the company's maiden dividend was only for F.Y. 2015-16, these provisions are currently not applicable.



Details of Unclaimed Dividend as on March 31, 2020 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	2,15,726	September 01, 2023
2.	2016-17 (Interim Dividend)	February 06, 2017	3,26,244	March 13, 2024
3.	2017-18	August 01, 2018	5,04,535	September 05, 2025
4.	2018-19	August 08, 2019	5,48,475	September 12, 2026

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 F.Y. 2011-12.

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, 2020

No. of Equity Shares	2020				2019			
	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	4253	94.785	317046	8.785	4429	94.88	328304	9.09
501-1000	109	2.429	82670	2.289	109	2.33	81476	2.26
1001-2000	69	1.538	97327	2.695	71	1.52	102421	2.84
2001-3000	14	0.312	33816	0.936	15	0.32	36525	1.01
3001-4000	6	0.134	21267	0.589	7	0.15	25065	0.69
4001-5000	9	0.201	39967	1.107	11	0.24	50102	1.39
5001-10000	17	0.379	117979	3.267	15	0.32	105096	2.91
10001 & above	10	0.223	2901468	80.339	11	0.24	2882551	79.81
TOTAL	4487	100	3611540	100	4668	100	3611540	100

As on 31st March, 2020, 3487982 no. of shares constituting 96.58% 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. INE568F 01017. The Company has also entered into agreements with CDSL during the year 2009-10.


Categories of Shareholding Pattern as on March 31, 2020

Category	2020				2019			
	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	4356	97.10	815539	22.58	4530	97.04	816727	22.61
Corporate Bodies								
Promoter group	1	0.02	2652762	73.45	1	0.02	2652762	73.45
Others	47	1.05	48851	1.35	63	1.35	56847	1.57
Foreign Collaborator	-	-	-	-	-	-	-	-
NRI/OCBs	79	1.76	37555	1.04	71	1.52	26272	0.73
FI/FII/Banks	3	0.07	22822	0.63	2	0.04	24921	0.69
Mutual Funds/ UTI	-	-	-	-	-	-	-	-
TOTAL	4487	100.00	3611540	100.00	4668	100.00	3611540	100.00

DEMATERIALISATION OF SHARES AND LIQUIDITY

96.58 % of the equity shares of the Company have been dematerialized (NSDL: 91.34% and CDSL: 5.24%) as on March 31, 2020. 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 dematerialize 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 dematerialized 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

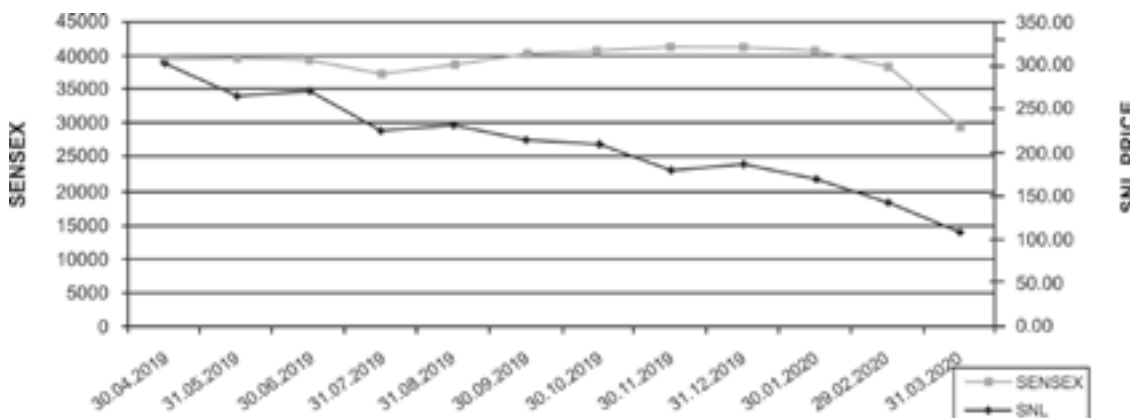
MONTH	BSE		
	HIGH (Rs.)	LOW (Rs.)	VOLUME (Nos.)
April 2019	330	282.20	6843
May 2019	314	239	14445
June 2019	290	250	10429
July 2019	290	225.30	10190
August 2019	243.95	171.10	9090
September 2019	237.95	190	5763
October 2019	224	186.60	7819
November 2019	224.95	170	11175
December 2019	215.45	164.05	8817
January 2020	205	161.05	11389
February 2020	189.80	136.25	16711
March 2020	149	65.25	31296



Particulars	BSE
Closing share price as on March 31, 2020 (Rs.)	107
Market Capitalisation as on March 31, 2020 (Rs. in Cr)	38.64

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, 2020 (based on month end closing):



	30.04.19	31.05.19	30.06.19	31.07.19	31.08.19	31.08.19	31.10.19	30.11.19	31.12.19	31.01.20	29.02.20	31.03.20
SNL	301.95	264.95	270.50	225.55	232.40	214.85	209.70	180	187.60	170.10	143.15	107
SEN SEX	39032	39714	39395	37333	38667	40129	40793	41253	41254	40724	38297	29468

MEANS OF COMMUNICATION TO SHAREHOLDERS

- (i) 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.
- (ii) 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.
- (iii) The Company’s financial results and official press releases are displayed on the Company’s Website- www.snlbearings.in.
- (iv) Management Discussion and Analysis report forms part of the Annual Report, which is sent to the shareholders of the Company.
- (v) The quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz. BSE Limited are filed electronically through BSE Listing Centre.
- (vi) A separate dedicated section under “Investors”, on the Company’s website gives information on unclaimed dividends, shareholding pattern, quarterly/ half yearly results and other relevant information of interest to the investors/ public.



(vii) SEBI processes investor complaints in a centralized web based complaints redressal system i.e. SCORES. Through this system a shareholder can lodge complaint against a company for his grievance. The Company uploads the action taken on the complaint which can be viewed by the shareholder. The Company and shareholder can seek and provide clarifications online through SEBI.

(viii) The Company has designated the email id investorcare@snlbearings.in exclusively for investor relation, and the same is prominently displayed on the Company's website www.snlbearings.in.

Share Transfer System

As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form at the earliest. Members can contact the Company or Company's Registrars and Transfer Agents, Universal Capital Securities Private Limited for assistance in this regard.

The Stakeholders Relationship Committee, comprising of four directors, is authorized to consider and resolve the grievances of security holders of the Company. The committee meets yearly or as and when required in case there are any requests for issue of duplicate share certificate.

Nomination

Shareholders of physical shares can nominate a person for the shares held by them. Requisite nominations of forms Shall be circulated by the company to the shareholders who are advised to avail of this facility.

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., info@unisec.in or to the company 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: investorcare@snlbearings.in	21, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai - 400093 Tel : 022-28207203/05 Fax: 022-28207207 e-mail: info@unisec.in	SNL Bearings Limited, Dhannur, 15, Sir P. M. Road, Fort, Mumbai – 400001 Phone: 022-22663698 Fax :022-22660412

Plant Locations:

The Company has the following manufacturing and operating Divisions:

Ranchi	Ratu Road, Ranchi - 835 222
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COMPLIANCE CERTIFICATE OF THE AUDITORS

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

DECLARATIONS

Compliance with the Code of Conduct

As provided under Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with SNL Bearings Limited Code of Conduct for the year ended March 31, 2020.

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

Harshbeena Zaveri
Chairman

Satish Rangani
Director

Place: Mumbai
Date : June 23, 2020



COMPLIANCE CERTIFICATION BY CEO AND CFO

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.

Krishna Kant Prasad Sinha
General Manager (CEO)

Ram Narayan Sahu
Finance Head (CFO)

Place: Mumbai
Date : June 23, 2020

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

1. We have audited the accompanying financial statements of SNL Bearings Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow 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 ('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 of the Company as at 31 March 2020, and its profit (including other comprehensive loss), 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.

Emphasis of Matter – Impact of COVID 19

4. We draw attention to Note 43 of the accompanying financial statements, which describes the uncertainties relating to the COVID-19 pandemic outbreak and management's evaluation of the impact on the financial statements of the Company as at the balance sheet date. The impact of these uncertainties on the Company's operations is significantly dependent on future developments. Our opinion is not modified in respect of this matter.

Key Audit Matter

5. 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.
6. 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

7. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Corporate Governance report, but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Annual Report, which is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and 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 identified above 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 on the other information that we obtained prior to the date of this auditor's report, 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.



When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

8. The accompanying financial statements have been approved by the Company's Board of Directors. 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 financial position, financial performance including other comprehensive income, 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.
9. 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.
10. Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

11. 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.
12. 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 expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements 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;
13. 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.
 14. 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.

Report on Other Legal and Regulatory Requirements

15. As required by Section 197(16) of the Act, based on our audit, 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, based on our audit, we report, to the extent applicable, 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 of the accompanying financial statements;
 - 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) the matter described in paragraph 4 under the Emphasis of Matter section, in our opinion, may have an adverse effect on the functioning of the Company;
 - f) 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 2020 from being appointed as a director in terms of Section 164(2) of the Act;
 - g) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2020 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; and
 - h) 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 has disclosed the impact of pending litigations on its financial position as at 31 March 2020;
- 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 2020;
- 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 2020; and
- 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 Chandio & Co. LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Adi P. Sethna

Partner

Membership No.: 108840

UDINo.: 20108840AAAABZ2095

Place: Mumbai

Date : 23 June 2020

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 2020

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 Company has a programme of verification of PPE to cover all the items once in every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, all PPE were physically verified by the management during the year ended 31 March 2019. According to the information and explanations given to us no material discrepancies were noticed on such verification.
 - (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 (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) Undisputed statutory dues including 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, have been regularly deposited with the appropriate authorities, except for delays in certain amounts of provident fund. Further, the amount of provident fund outstanding at the year-end for a period of more than six months from the date they became payable and which have not paid till date, are as follows:

Statement of arrears of statutory dues outstanding for more than six months

Name of the statute	Name of Dues	Amount (₹ in Lakhs)	Period to which amount relates	Due date
The Employees Provident Funds and Miscellaneous Provisions Act, 1952	Provident fund	0.87	April 2019	15 May 2019
		0.85	May 2019	15 June 2019
		0.86	June 2019	15 July 2019
		0.90	July 2019	15 August 2019
		0.85	August 2019	15 September 2019

- (b) There were no dues in respect of service tax, goods and service tax, duty of customs and duty of excise that have not been deposited with the appropriate authorities on account of any dispute.

The dues outstanding in respect of income-tax, sales-tax, value added tax on account of disputes, 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
Income-Tax Act, 1961	Income Tax	7.07	-	A.Y. 2013-14	Assistant Commissioner of Income tax – Mumbai
		26.27	-	A.Y. 2017-18	
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	



- (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 avail any term loans 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 Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Adi P. Sethna

Partner

Membership No.: 108840

UDINo.: 20108840AAAABZ2095

Place: Mumbai

Date : 23 June 2020



Annexure B to the Independent Auditor's Report of even date to the members of SNL Bearings Limited on the financial statements for the year ended 31 March 2020

Annexure B

Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of SNL Bearings Limited ('the Company') as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

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

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

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



Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Adi P. Sethna

Partner

Membership No.: 108840

UDINo.: 20108840AAAABZ2095

Place: Mumbai

Date : 23 June 2020



BALANCE SHEET AS AT 31 MARCH 2020

(₹ in lakhs)

	Note No.	As at 31 March 2020	As at 31 March 2019
I. Assets			
1 Non-current assets			
Property, plant and equipment	2	1,335.31	1,068.76
Capital work-in-progress		-	21.71
Intangible assets	3	2.25	7.26
Financial assets			
Loans	4	26.49	25.82
Income tax (current-tax) assets (net)	5	24.29	9.72
Other non-current assets	6	4.98	7.51
Total non-current assets		1,393.32	1,140.78
2 Current assets			
Inventories	7	804.03	1,282.41
Financial assets			
Investments	8	984.84	808.37
Trade receivables	9	651.81	625.83
Cash and cash equivalents	10	254.43	6.35
Bank balances other than cash and cash equivalents	11	18.83	9.93
Loans	12	3.09	3.88
Other current assets	13	67.44	70.48
Total current assets		2,784.47	2,807.25
Total Assets		4,177.79	3,948.03
II. Equity and Liabilities			
A Equity			
Equity share capital	14	361.15	361.15
Other equity	15	3,112.85	3,062.52
Total equity		3,474.00	3,423.67
B Liabilities			
1 Non-current liabilities			
Financial liabilities			
Other financial liabilities	16	8.14	-
Deferred tax liabilities (net)	29.2	123.75	129.00
Total non-current liabilities		131.89	129.00
2 Current liabilities			
Financial liabilities			
Borrowings	17	300.00	8.53
Trade payables	18		
Total outstanding dues of micro enterprises and small enterprises		20.33	35.03
Total outstanding dues of creditors other than micro enterprises and small enterprises		91.04	143.98
Other financial liabilities	19	60.42	123.13
Other current liabilities	20	53.47	37.39
Provisions	21	46.64	47.30
Total current liabilities		571.90	395.36
Total liabilities		703.79	524.36
Total Equity and Liabilities		4,177.79	3,948.03

Notes 1 to 45 form an integral part of the financial statements.
This is the Balance Sheet referred to in our audit report of even date

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

Adi P. Sethna
Partner
Membership No.: 108840

Place: Mumbai
Date : 23 June 2020

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 Singh Kohli
Director - DIN : 08135020

Claude d'Gama Rose
Director - DIN : 01494440

KKP Sinha
Chief Executive Officer

Ram Narayan Sahu
Chief Financial Officer

Kamlesh Sondigala
Company Secretary - ACS No.: A44342

Place: Mumbai
Date : 23 June 2020



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2020

(₹ in lakhs)

	Note No.	Year ended 31 March 2020	Year ended 31 March 2019
I. Revenue from operations	22	3,414.18	4,064.17
II. Other income	23	71.56	115.58
III. Total income (I + II)		3,485.74	4,179.75
IV. Expenses:			
Cost of materials consumed	24	951.81	1,202.83
Changes in inventories of finished goods and work-in-progress	25	99.98	(193.34)
Employee benefits expense	26	941.64	871.20
Finance costs	27	1.66	0.54
Depreciation and amortisation expense	2 & 3	100.51	92.28
Other expenses	28	835.04	1,065.60
Total expenses (IV)		2,930.64	3,039.11
V. Profit before tax (III-IV)		555.10	1,140.64
VI. Income tax expense / (credit) :	29		
(i) Current tax		137.69	321.38
(ii) Deferred tax		0.80	4.90
		138.49	326.28
VII. Net profit after tax (V-VI)		416.61	814.36
VIII. Other comprehensive income (OCI)	30		
Items not to be reclassified subsequently to profit or loss			
- Remeasurement (loss) / gain on defined benefit plans		(21.69)	(2.32)
- Income tax effect on above		5.46	0.67
Other comprehensive (loss) / income for the year, net of tax		(16.23)	(1.65)
IX. Total comprehensive income for the year, net of tax (VII+VIII)		400.38	812.71
X. Earnings per equity share:	39		
Basic and Diluted (in ₹)		11.54	22.55
Face value per share (in ₹)		10.00	10.00

Notes 1 to 45 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 & Co LLP**
Chartered Accountants
Firm Registration No. 001076N / N500013

For and on behalf of the Board of Directors

Harshbeena Zaveri
Director - DIN : 00003948

S. C. Rangani
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Adi P. Sethna
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Director - DIN : 01717502

Arvinder Singh Kohli
Director - DIN : 08135020

Claude d'Gama Rose
Director - DIN : 01494440

KKP Sinha
Chief Executive Officer
Place: Mumbai
Date : 23 June 2020

Ram Narayan Sahu
Chief Financial Officer

Kamlesh Sondigala
Company Secretary - ACS No.: A44342

Place: Mumbai
Date : 23 June 2020



STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2020

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
A. Cash flow from operating activities		
Profit before tax	555.10	1,140.64
Adjustments for:		
Depreciation and amortisation	100.51	92.28
Finance costs	1.66	0.54
Interest income from other financial assets measured at amortised cost	(5.77)	(8.26)
Interest income from commercial paper	(4.15)	(19.42)
Dividend Income from financial assets measured at FVTPL	-	(2.92)
Gain on sale of property, plant and equipment (net)	(1.64)	(1.88)
Provision for doubtful debts	4.45	7.00
Profit on sale of Investments	(16.49)	(34.52)
Fair value changes on financial assets measured at FVTPL	(40.67)	(12.40)
Unrealised foreign exchange loss / (gain)	1.23	(4.50)
Operating profit before working capital changes	594.23	1,156.56
Adjustments for changes in working capital:		
Adjustment for (increase) / decrease in operating assets:		
- Inventories	478.38	(672.26)
- Trade receivables	(30.72)	89.74
- Loans, other non-current / current assets	3.51	37.66
Adjustment in increase/ (decrease) in operating liabilities		
- Trade payables	(68.59)	(88.17)
- Other financial liabilities, provision and other current liabilities	(62.61)	29.85
Cash generated from operations before tax adjustments	914.20	553.38
Direct taxes paid (net of refund)	(152.26)	(325.40)
Net cash generated from operating activities (A)	761.94	227.98
B. Cash Flow from investing activities		
Purchase of property, plant and equipment and intangibles (net) (including movement of capital advances, capital work-in-progress and capital creditors)	(348.63)	(258.95)
(Purchase of) / Proceeds from sale of current investments (net)	(119.31)	132.88
Sale proceeds of property, plant and equipment	2.25	2.94
Bank fixed deposits matured	-	101.62
Interest received	9.92	11.25
Net cash used in investing activities (B)	(455.77)	(10.26)



STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2020

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
C. Cash flow from financing activities		
Settlement of lease obligations	(2.27)	-
Net increase / (decrease) in working capital facilities	291.47	8.53
Interest paid	(0.11)	(0.54)
Changes in unclaimed dividend bank balances	(8.90)	(5.48)
Dividends paid on equity shares (including unclaimed)	(280.02)	(175.10)
Dividend distribution tax on equity share dividends	(59.39)	(37.12)
Net Cash used in financing activities (C)	(59.22)	(209.71)
Net increase in cash and cash equivalents (A+B+C)	246.95	8.01
Add: Balance of cash and cash equivalents at the beginning of the year (including book overdraft)	6.35	(1.66)
Closing balance of cash and cash equivalents (Refer note 10)	253.30	6.35
Components of cash and cash equivalents:		
Cash on hand	0.86	0.21
Balances with banks in current accounts	191.59	6.14
Balances with banks in deposits with maturity of less than three months	61.98	-
Book overdraft	(1.13)	-
Total	253.30	6.35

Notes:

The statement of cash flow has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows. Also refer note 45.

Notes 1 to 45 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 Chandniok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N / N500013

Adi P. Sethna
Partner
Membership No.: 108840

Place: Mumbai
Date : 23 June 2020

For and on behalf of the Board of Directors

Harshbeena Zaveri **S. C. Rangani** **J. D. Diwan**
Director - DIN : 00003948 Director - DIN : 00209069 Director - DIN : 01565319

Vivek Sahai **Arvinder Singh Kohli** **Claude d'Gama Rose**
Director - DIN : 01717502 Director - DIN : 08135020 Director - DIN : 01494440

KKP Sinha **Ram Narayan Sahu** **Kamlesh Sondigala**
Chief Executive Officer Chief Financial Officer Company Secretary - ACS No.: A44342

Place: Mumbai
Date : 23 June 2020



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

A. Equity share capital (Refer note 14)

(₹ in lakhs)

	No. of shares	Amount
As at 1 April 2018	3,611,540	361.15
Changes in equity share capital	-	-
As at 31 March 2019	3,611,540	361.15
Changes in equity share capital	-	-
As at 31 March 2020	3,611,540	361.15

B. Other equity (Refer note 15)

(₹ in lakhs)

	Reserves and surplus		Total equity attributable to equity holders
	Capital redemption reserve	Retained earnings	
Opening balance as at 1 April 2018	1,000.00	1,467.51	2,467.51
Transactions during the year			
Net profit for the year	-	814.36	814.36
Less: Other comprehensive (loss) / income for the year (Refer note 30)	-	(1.65)	(1.65)
Less: Interim dividend on equity shares - ₹ 5 per share	-	(180.58)	(180.58)
Less: Dividend distribution tax on interim dividend on equity shares	-	(37.12)	(37.12)
Balance as at 31 March 2019	1,000.00	2,062.52	3,062.52
Transactions during the year			
Net profit for the year	-	416.61	416.61
Less: Other comprehensive (loss) / income for the year (Refer note 30)	-	(16.23)	(16.23)
Less: Final dividend on equity shares (31 March 2019) - ₹ 5 per share	-	(180.58)	(180.58)
Less: Dividend distribution tax on dividend on Equity shares	-	(37.12)	(37.12)
Less: Interim dividend on equity shares - ₹ 3 per share	-	(108.34)	(108.34)
Less: Dividend distribution tax on dividend on Equity shares	-	(22.27)	(22.27)
Less: Transition impact of Ind AS 116 (net of deferred tax) (Refer note 42)	-	(1.74)	(1.74)
Balance as at 31 March 2020	1,000.00	2,112.85	3,112.85

Notes 1 to 45 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 Chandiook & Co LLP**

Chartered Accountants

Firm Registration No. 001076N / N500013

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**Adi P. Sethna**

Partner

Membership No.: 108840

Vivek Sahai
Director - DIN : 01717502**Arvinder Singh Kohli**
Director - DIN : 08135020**Claude d'Gama Rose**
Director - DIN : 01494440**KKP Sinha**
Chief Executive Officer**Ram Narayan Sahu**
Chief Financial Officer**Kamlesh Sondigala**
Company Secretary - ACS No.: A44342

Place: Mumbai

Date : 23 June 2020

Place: Mumbai

Date : 23 June 2020



SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

1 Company information

SNL Bearings Limited ('the Company') established in 1983, is engaged in the manufacture and marketing of antifriction bearing products. The holding Company NRB Bearings Limited acquired the Company on 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 financial statements were authorized for issue in accordance with the resolution of the board of directors on 23 June 2020.

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 (as amended from time to time) under Section 133 of the Act.

The financial statements have been prepared on an accrual basis using the historical cost convention, 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 and related services. Revenue is recognised on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. Revenue is measured based on the transaction price, which is the consideration, adjusted to discounts, incentives and returns, etc., if any. For

**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020**

performance obligations where one of the above conditions are not met, revenue is recognised at the point in time in which the performance obligations are satisfied.

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 is not required to adjust any of the transaction prices for the time value of money.

Revenue in excess of invoicing are classified as contract asset while invoicing in excess of revenues are classified as contract liabilities.

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, on acknowledgement of credit by the Board.

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.

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 recognised 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.

**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020**

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.

e. Leases**Measurement and recognition of leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. A lease is defined as 'a contract, or part of a contract, that convey the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition, the Company assesses whether the contract meets three key criteria which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company.
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- the Company has the right to direct the use of the identified asset throughout the period of use. The Company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use

Company as a lessee

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company and any lease payments made in advance of the lease commencement date.

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance, fixed), and payments arising from options reasonably certain to be exercised. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest expenses. It is remeasured to reflect any reassessment or modification.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or Statement of profit and loss, as the case may be.

**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020**

The Company has elected to account for short-term leases and leases of low-value assets using the exemption / practical expedient given under Ind AS 116, Leases. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term or on another systematic basis if that basis is more representative of the pattern of the Company's benefit.

On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in other financial liabilities (non-current and current).

Company as a lessor

Lease income from operating leases where the Company is a lessor is recognised as income on straight line basis over the lease term.

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 presented as part of borrowings in current liabilities in the balance sheet.

h. 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". Goods 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.

**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020****i. Investments and financial assets****Classification**

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

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

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

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. Interest income from these financial assets is included in other income using the effective interest rate method.

**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020**

- 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.

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.

j. 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.

k. 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.



SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

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 equipment 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 benefits from those class of assets. Depreciation is calculated pro-rata from the date of addition upto the date 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 recognized 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.

i. 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.

**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020**

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. Amortisation is calculated pro-rata from the date of addition upto the date of disposal.

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.

m. 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 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.

n. 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 the Statement of Profit and Loss in the period in which they are incurred.

o. 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

**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020**

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.

p. 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.

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 eligible employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting(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 compensated absences based on an actuarial valuation by an actuary, using the projected unit credit method. The Company recognises such obligation net of fair value of plan assets as a liability/asset. 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.

**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020**

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 an actuary, using the projected unit credit method. Actuarial gains and losses arising on the measurement of defined benefit obligation is charged/ credited to the Statement of Profit and loss.

q. 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.

r. 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.

s. Critical estimates and judgements

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

The Management believes that these estimates are prudent and reasonable and are based upon the Management's best knowledge of current events and actions. Actual results could differ from these estimates and differences between actual results and estimates are 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 and Intangible Assets:

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



SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

ii) Income Tax:

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

iii) Contingencies:

Management has estimated the possible outflow of resources at the end of each annual reporting financial year, if any, in respect of contingencies / claim / litigations by / 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.

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.

t. Standard issued but not yet effective

There are no standards that are issued but not yet effective on 31 March 2020.



SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

Non-current assets

2 Property, plant and equipment

(₹ in lakhs)

	Buildings on Leasehold land(**)	Plant and equipment	Furniture and fixtures	Office Equipments	Vehicles	Computer	Total
Gross carrying value (at deemed cost)							
As at 1 April 2018	180.42	1,801.30	4.81	6.04	7.73	41.12	2,041.42
Additions	12.54	259.88	1.23	-	-	1.14	274.79
Disposals	-	21.40	-	-	-	-	21.40
As at 31 March 2019	192.96	2,039.78	6.04	6.04	7.73	42.26	2,294.81
Transition impact of Ind AS 116 (Refer note 42)	5.30	-	-	-	3.17	-	8.47
Additions	-	353.81	-	0.38	-	-	354.19
Disposals	-	12.23	-	-	-	-	12.23
As at 31 March 2020	198.26	2,381.36	6.04	6.42	10.90	42.26	2,645.24
Accumulated depreciation							
As at 1 April 2018	91.68	1,028.73	4.80	5.62	5.49	24.40	1,160.72
Charge for the year	2.80	73.41	0.07	0.41	0.65	8.33	85.67
Disposal / adjustments	-	20.34	-	-	-	-	20.34
As at 31 March 2019	94.48	1,081.80	4.87	6.03	6.14	32.73	1,226.05
Charge for the year(*)	3.27	86.49	0.14	0.06	1.93	3.61	95.50
Disposal / adjustments	-	11.62	-	-	-	-	11.62
As at 31 March 2020	97.75	1,156.67	5.01	6.09	8.07	36.34	1,309.93
Net Carrying value							
As at 31 March 2019	98.48	957.98	1.17	0.01	1.59	9.53	1,068.76
As at 31 March 2020	100.51	1,224.69	1.03	0.33	2.83	5.92	1,335.31

(*) Charge for the year includes charge created on Right-of-use ('ROU') assets of ₹ 0.08 lakhs for building on leasehold land and ₹ 1.27 lakhs for vehicles.

(**) 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 2020
3 Intangible assets

(₹ in lakhs)

	Computer software	Total
Gross carrying value (at deemed cost)		
As at 1 April 2018	47.75	47.75
Additions	3.49	3.49
Disposals	-	-
As at 31 March 2019	51.24	51.24
Additions	-	-
Disposals	-	-
As at 31 March 2020	51.24	51.24
Accumulated amortisation		
As at 1 April 2018	37.37	37.37
Charge for the year	6.61	6.61
Disposal / adjustments	-	-
As at 31 March 2019	43.98	43.98
Charge for the year	5.01	5.01
Disposal / adjustments	-	-
As at 31 March 2020	48.99	48.99
Net carrying value		
As at 31 March 2019	7.26	7.26
As at 31 March 2020	2.25	2.25

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
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Non-current Assets
4 Loans

Security deposits	25.82	25.82
Loans to employees	0.67	-
Total loans	26.49	25.82

Break up of security details

Loans receivables considered good - secured	-	-
Loans receivables considered good - unsecured	26.49	25.82
Loans receivables which have significant increase in credit risk	-	-
Loans receivables - credit impaired	-	-
Total	26.49	25.82
Loss allowance	-	-
Total loans	26.49	25.82


SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
5 Income tax (current-tax) assets (net)		
Advance taxes (net of provision for tax 31 March 2020 ₹ 1,089.90 lakhs, 31 March 2019 ₹ 952.21 lakhs)	24.29	9.72
Total income tax (current-tax) assets	24.29	9.72
The gross movement in the current tax asset / (liability):		
Net income tax (current tax) assets at the beginning	9.72	5.70
Add: Advance tax and tax deducted at source (TDS)	152.26	325.40
Less: Income tax refund	-	-
Less: Current income taxes	(137.69)	(321.38)
Net non-current income tax assets/ (liabilities) at the end	24.29	9.72
6 Other non-current assets		
Capital advances	-	2.18
Balance with government authorities	3.76	3.76
Prepayments	1.22	1.57
Total non-current assets	4.98	7.51
<u>Current Assets</u>		
7 Inventories (At cost or net realisable value, whichever is lower)		
Raw materials, components and packing material	292.80	670.17
Work-in-progress	221.34	215.22
Finished goods	194.38	300.48
Stores and spares	95.51	96.54
Total inventories	804.03	1,282.41


SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020
8 Current Investments

(Unquoted):

(₹ in lakhs)

	As at 31 March 2020		As at 31 March 2019	
	Quantity (Nos.)	Amount	Quantity (Nos.)	Amount
A. Investments in Mutual Funds Measured at fair value through profit and loss:-				
HDFC Ultra Short Term Fund - Direct Growth	6,054,066	681.59	2,794,655	292.72
DSP Ultra Short Term Fund - Direct Plan - Growth	11,142	303.25	-	-
Aditya Birla Sun Life Floating Rate Fund - Growth	-	-	7,867	19.80
		984.84		312.52
	Quantity (Nos.)	Amount	Quantity (Nos.)	Amount
B. Investments in Commercial Paper Measured at amortised cost:-				
IIFL Wealth Finance Limited	-	-	100.00	495.85
		-		495.85
Total current investments		984.84		808.37
Breakup of total current investments				
Aggregate amount of quoted investments and market value thereof			-	-
Aggregate amount of unquoted investments		984.84		808.37
Aggregate amount of impairment in value of investments			-	-
Total		984.84		808.37

9 Trade receivables

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Receivable from:		
- Related parties (Refer note 34)	285.05	260.65
- Others	378.45	373.18
Less: Loss allowance	(11.69)	(8.00)
Total receivables	651.81	625.83
Current portion	651.81	625.83
Non-current portion	-	-


SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Break up of security details		
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	651.81	625.83
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	11.69	8.00
Total	663.50	633.83
Loss allowance	(11.69)	(8.00)
Total trade receivables	651.81	625.83
10 Cash and cash equivalents		
Cash on Hand	0.86	0.21
Balances with banks in:		
- Current accounts	191.59	6.14
- Deposits with maturity of less than three months	61.98	-
Total cash and cash equivalents	254.43	6.35
11 Bank balances other than cash and cash equivalents		
Unpaid dividend accounts(*)	18.83	9.93
Total bank balances other than cash and cash equivalents	18.83	9.93
(*) Unpaid dividend account includes amount of ₹ 15.05 lakhs pertaining to previous years (31 March 2019 : ₹ 9.93 lakhs).		
12 Loans		
Loans to employees	3.09	3.88
Total loans	3.09	3.88
Break up of security details		
Loans considered good - secured	-	-
Loans considered good - unsecured	3.09	3.88
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	3.09	3.88
Loss allowance	-	-
Total loans	3.09	3.88


SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
13 Other current assets		
Advance to suppliers	4.28	2.10
Advances to employees	0.81	3.03
Balance with government authorities	42.64	43.96
Prepayments	6.81	12.20
Gratuity (Refer note 37B)	12.90	9.19
Total other current assets	67.44	70.48
14 Equity share capital		
Authorised:		
6,000,000 (31 March 2019: 6,000,000) Equity shares of ₹ 10 each	600.00	600.00
1,000,000 (31 March 2019: 1,000,000) 11% Cumulative redeemable preference shares of ₹ 100 each	1,000.00	1,000.00
Total authorised capital	1,600.00	1,600.00
Issued*		
4,054,376 (31 March 2019: 4,054,376) Equity shares of ₹ 10 each	405.44	405.44
Total issued capital	405.44	405.44
Subscribed and paid-up:*		
3,611,540 (31 March 2019: 3,611,540) Equity shares of ₹ 10 each fully paid up	361.15	361.15
Total subscribed and paid up capital	361.15	361.15

* 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	2019-20		2018-19	
	(In Nos.)	(₹ in lakhs)	(In Nos.)	(₹ in lakhs)
Equity Shares:				
Balance as at the beginning of the year	3,611,540	361.15	3,611,540	361.15
Issued during the year	-	-	-	-
Balance as at the end of the year	3,611,540	361.15	3,611,540	361.15



SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

(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 allotment of shares for consideration other than cash, allotments of bonus shares and shares bought back during past five years:

- Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in cash - Nil
- Aggregate number and class of shares allotted as fully paid up by way of bonus shares - Nil
- Aggregate number and class of shares bought back - Nil

(iv) Details of shareholders holding more than 5% shares in the Company:

Particulars	As at 31 March 2020		As at 31 March 2019	
	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%

(₹ in lakhs)

As at 31 March 2020	As at 31 March 2019
------------------------	------------------------

15 Other equity

Reserves and surplus

Capital redemption reserve	1,000.00	1,000.00
Retained earnings	2,112.85	2,062.52
Total reserves and surplus	3,112.85	3,062.52

Capital redemption reserve

Opening balance	1,000.00	1,000.00
Closing balance	1,000.00	1,000.00

Nature and purpose :

Capital redemption reserve

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.


SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020
Retained earnings

Retained earnings represents the profits / losses that the Company has earned / incurred till date including gain / (loss) on fair value of defined benefits plans as adjusted for distributions to owners, transfer to other reserves etc.

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Retained earnings		
Opening balance	2,062.52	1,467.51
Add: Profit for the year	416.61	814.36
Add: Other comprehensive (loss) / income for the year	(16.23)	(1.65)
Less: Final dividend on equity shares (31 March 2019) - ₹ 5 per share	(180.58)	(180.58)
Less: Dividend distribution tax on dividend on equity shares	(37.12)	(37.12)
Less: Interim dividend on equity shares - ₹ 3 per share	(108.34)	-
Less: Dividend distribution tax on dividend on equity shares	(22.27)	-
Less: Transition impact of Ind AS 116 (net of deferred tax) (Refer note 42)	(1.74)	-
Closing balance	2,112.85	2,062.52
Non-Current liabilities		
16 Other financial liabilities		
Lease liabilities	8.14	-
Total other financial liabilities	8.14	-
Current liabilities		
17 Short-term borrowings		
Secured (repayable on demand)		
Working capital demand loan (WCDL)*	300.00	-
Cash credit*	-	8.53
Total short-term borrowings	300.00	8.53

* 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 2020

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
18 Trade payables		
Trade payables: micro and small enterprises (Refer note 41)	20.33	35.03
Trade payables: others	86.04	131.98
Trade payables to related parties (Refer note 34)	5.00	12.00
Total trade payables	111.37	179.01
19 Other financial liabilities		
Interest accrued but not due on borrowings	0.47	-
Security deposits from customers	3.41	3.91
Unpaid dividends (unclaimed) [Refer note (a) below]	18.83	9.93
Payables for capital goods	-	18.33
Employee related payables	35.12	90.96
Book overdraft	1.13	-
Lease liabilities	1.46	-
Total other financial liabilities	60.42	123.13
(a) There are no amounts due for payment to the Investor Education and Protection Fund Under Section 125 of the Companies Act, 2013 as at the year end.		
20 Other current liabilities		
Statutory dues	50.76	37.10
Advances received from customers	2.71	0.29
Total other current liabilities	53.47	37.39
21 Provisions		
Provision for employee benefits		
- Compensated absences	46.64	47.30
Total provision	46.64	47.30
22 Revenue from operations		
Sale of products		
Finished goods - Bearings	3,332.85	3,926.11
Other operating revenues		
Sale of Raw materials, components and packing material	27.00	18.14
Sale of Machine	11.03	36.56
Scrap sales	43.12	82.04
Duty drawback and export incentives	0.18	1.32
Total revenue from operations	3,414.18	4,064.17


SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
23 Other income		
Dividend income from financial assets measured at FVTPL	-	2.92
Fair value changes on financial assets measured at FVTPL	40.67	12.40
Interest income from commercial paper	4.15	19.42
Interest income from other financial assets measured at amortised cost	5.77	8.26
Net gain on foreign currency transactions and translation	2.56	25.58
Gain on sale of property, plant and equipment	1.64	1.88
Profit on sale of investments	16.49	34.52
Miscellaneous income	0.28	10.60
Total other income	71.56	115.58
24 Cost of materials consumed		
Raw material consumed		
Opening stock	670.17	203.69
Add: Purchases	574.44	1,669.31
Less: Closing stock	292.80	670.17
Total cost of materials consumed	951.81	1,202.83
25 Changes in inventories of finished goods and work-in-progress		
At beginning of the year		
Work-in-progress	215.22	185.71
Finished goods	300.48	136.65
	515.70	322.36
At end of the year		
Work-in-progress	221.34	215.22
Finished goods	194.38	300.48
	415.72	515.70
Total changes in inventories of finished goods and work-in-progress	99.98	(193.34)


SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
26 Employee benefits expense		
Salaries, allowances and other benefits	867.78	817.46
Contribution to provident and other funds [Refer note 37(A)]	45.43	33.07
Staff welfare expenses	28.43	20.67
Total employee benefits expense	941.64	871.20
27 Finance costs		
Interest expense on cash credit	0.58	0.54
Interest expense on lease liabilities [Refer notes 1A(e) and note 42]	1.08	-
Total finance costs	1.66	0.54
28 Other expenses		
Consumption of stores and spare parts	226.93	275.67
Processing charges	45.34	77.19
Power and fuel	215.99	281.56
Repairs and maintenance		
Buildings	7.68	15.33
Plant and machinery	64.03	94.37
Others	7.21	6.53
Printing and stationery	2.25	1.76
Rent	4.26	4.34
Rates and taxes	8.00	0.23
Legal and professional fees	27.13	27.77
Directors fees and commission (Refer note 34)	15.65	24.70
Commission on sales	11.24	14.06
Travelling and conveyance	47.92	48.50
Postage, telephone and fax	3.42	2.97
Expenditure on Corporate Social Responsibility (Refer note 40)	22.42	21.43
Security charges	23.09	22.17
Forwarding charges	32.38	54.05
IT support services	15.86	37.14
Bad debts written off (net of amounts provided thereagainst ₹ 0.76 lakhs; 31 March 2019 ₹ 4.95 lakhs)		
Provision for doubtful debts	4.45	7.00
Auditors' remuneration (Refer note 28.1 below)	10.07	8.97
Miscellaneous	39.72	39.86
Total other expenses	835.04	1,065.60


SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
28.1 Auditors' remuneration (excluding Goods and service tax)		
As auditors - Audit and limited review	6.50	8.00
Tax audit	1.50	0.50
GST Audit	1.50	-
Reimbursement of expenses	0.57	0.47
Total auditors' remuneration	10.07	8.97
29 Tax expense / (credit)		
Current tax expense		
Current tax for the year	137.69	321.38
Total current tax expense	137.69	321.38
Deferred taxes		
Change in deferred tax liabilities	(4.66)	4.23
Net deferred tax expense	(4.66)	4.23
Total tax expense	133.03	325.61
29.1 Tax reconciliation (for profit and loss)		
Profit before income tax expense	555.10	1,140.64
Tax at the rate of 25.17% (31 March 2019 : 29.12%)	139.72	332.15
<u>Tax effect of amounts which are not deductible/ not taxable in calculating taxable income</u>		
Non deductible expenses for tax purpose	2.82	3.12
Fair value of current investments	8.72	(9.27)
Income exempted from income taxes	-	(0.85)
Transition impact of Ind AS 116	0.59	-
Adjustment due to change in tax rates	(17.51)	1.08
Others	(1.31)	(0.62)
Income tax expense	133.03	325.61


SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020
29.2 Deferred tax related to the following:
(₹ in lakhs)

Deferred tax liability (net)	As at 31 March 2020	Recognised through profit and loss	Recognised through Other com- prehensive income	As at 31 March 2019
Deferred tax liabilities on account of:				
Difference between book and tax depreciation*	130.66	(13.88)	2.13	142.41
Provision for gratuity	3.25	6.03	(5.46)	2.68
Capital gain on mutual funds	9.53	9.53	-	-
Total deferred tax liabilities	143.44	1.68	(3.33)	145.09
Deferred tax assets on account of:				
Lease liability*	2.42	(0.30)	2.72	-
Provision for doubtful debts	2.94	0.62	-	2.32
Provision for compensated absence	11.74	(2.03)	-	13.77
Provision for provident fund	2.59	2.59	-	-
Total deferred tax assets	19.69	0.88	2.72	16.09
Total deferred tax liability (net)	123.75	0.80	(6.05)	129.00

*Amount of deferred tax recognised through retained earnings is on account of adoption of Ind AS 116 [Refer notes 1A(e) and 42].

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

Note:

The Company has elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has re-measured its deferred tax liabilities / assets basis the rate prescribed in the aforesaid section. The re-measurement of accumulated deferred tax liabilities (net) has resulted in reversal of deferred tax expenses (net) of ₹ 17.51 lakhs and has been recognised in the Statement of profit and loss for the year.


SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

(₹ in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
30 Other comprehensive income (OCI)		
Items that will not be reclassified to profit or loss		
Actuarial gain/(loss) on remeasurements of net defined benefit plans [Refer note 37(B)(vi)]	(21.69)	(2.32)
Tax on above	5.46	0.67
Total Other comprehensive (loss)/income	(16.23)	(1.65)

31 Fair value measurements**Financial instruments by category:**

(₹ in lakhs)

Particulars	31 March 2020		31 March 2019	
	FVTPL	Amortised cost	FVTPL	Amortised cost
<u>Financial Assets - Non-current</u>				
Loans	-	26.49	-	25.82
<u>Financial Assets - Current</u>				
Investments	984.84	-	312.52	495.85
Trade receivables	-	651.81	-	625.83
Cash and cash equivalents	-	254.43	-	6.35
Other bank balance	-	18.83	-	9.93
Loans	-	3.09	-	3.88
<u>Financial Liabilities - Non-Current</u>				
Other non-current financial liabilities	-	8.14	-	-
<u>Financial Liabilities - Current</u>				
Borrowings	-	300.00	-	8.53
Trade payables	-	111.37	-	179.01
Other current financial liabilities	-	60.42	-	123.13

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 2020**

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 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 2020

Age of receivables that are past due:

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Upto 3 months	652.57	622.26
3 - 6 months	8.74	3.60
6 - 12 months	0.83	5.72
More than one year	1.36	2.25
Total receivables	663.50	633.83
Provision for expected credit loss created	(11.69)	(8.00)

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 2020

(₹ in lakhs)

	Within 1 year	Between 1 and 2 years	Beyond 2 years	Total
Lease liabilities	1.46	0.75	7.39	9.60
Borrowings	300.00	-	-	300.00
Trade payables	111.37	-	-	111.37
Other current financial liabilities	58.96	-	-	58.96
Total	471.79	0.75	7.39	479.93

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
Total	310.67	-	-	310.67

C Other risk - Impact of COVID-19

Financial instruments carried at fair value as at 31 March 2020 is ₹ 984.84 lakhs and financial instruments carried at amortised cost as at 31 March 2020 is ₹ 1,434.58 lakhs. Financial assets are classified as Level 1 as at 31 March 2020. The fair value of these assets is marked to an active



SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

market which factors the uncertainties arising out of COVID-19. The financial assets carried at fair value by the Company are mainly investments in debt securities and accordingly, any material volatility is not expected.

Financial assets of ₹ 273.26 lakhs as at 31 March 2020 are carried at amortised cost in the form of cash and cash equivalents, bank deposits where the Company has assessed the counterparty credit risk. Trade receivables of ₹ 651.81 lakhs as at 31 March 2020 forms a significant part of the financial assets carried at amortised cost, which is valued considering provision for allowance using expected credit loss method. In addition to the historical pattern of credit loss, the Company has considered the emerging situations due to COVID-19. This assessment is not based on any mathematical model but an assessment considering the financial strength of the customers from whom amounts are receivable. The Company closely monitors its customers and assesses actions such as the frequency of receipts, subsequent orders being placed, change in payment conditions, recognition of revenue on delivery basis etc., depending on severity of each case. The same assessment is done in respect of arriving at the level of provision that is required. Basis this assessment, the allowance for doubtful trade receivables of ₹ 11.69 lakhs as at 31 March 2020 is considered adequate.

D Market risk

(i) Foreign currency risk

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

Foreign currency risk management

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

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

	(₹ in lakhs)			
	31 March 2020		31 March 2019	
	USD	EURO	USD	EURO
Financial liabilities				
Trade payable	-	20.61	-	69.02
Financial assets				
Trade receivable	3.91	-	3.03	1.92
Net exposure to foreign currency assets / (liabilities)	3.91	(20.61)	3.03	(67.10)

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:


SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

Currencies	31 March 2020		31 March 2019	
	Increase by 2%	Decrease by 2%	Increase by 2%	Decrease by 2%
USD	0.08	(0.08)	0.06	(0.06)
EURO	(0.41)	0.41	(1.34)	1.34

(₹ in lakhs)

(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 and working capital demand loan 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:

	As at	
	31 March 2020	31 March 2019
Variable rate borrowings	300.00	8.53
Total	300.00	8.53

(₹ in lakhs)

Exposure to interest rate risk:

	As at	
	31 March 2020	31 March 2019
Total borrowings	300.00	8.53
% of total borrowings out of above bearing variable rate of interest	100%	100%

(₹ in lakhs)

Sensitivity - Variable rate borrowings:

	As at	
	31 March 2020	31 March 2019
Impact on profit before tax for 50 bps increase in interest rates*	(1.50)	(0.04)
Impact on profit before tax for 50 bps decrease in interest rates*	1.50	0.04

(₹ in lakhs)

*Sensitivity is calculated based on the assumption that amount outstanding as at reporting dates were utilised for the whole financial year.



SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

(iii) Price risk

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

Sensitivity	(₹ in lakhs)	
	As at 31 March 2020	As at 31 March 2019
Impact on profit after tax for 5% increase in price of underlying shares	49.24	15.63
Impact on profit after tax for 5% decrease in price of underlying shares	(49.24)	(15.63)

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 shareholders, 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:

Particulars	(₹ in lakhs)	
	As at 31 March 2020	As at 31 March 2019
Gross debt	300.00	8.53
Less: Cash and cash equivalents (excluding book overdraft)	(254.43)	(6.35)
Net debt (A)	45.57	2.18
Equity (B)	3,474.00	3,423.67
Gearing ratio (A / B)	0.01	0.00

Dividends

Equity Shares

Final dividend for the year ended 31 March 2018 of ₹ 5 per share	-	180.58
Dividend distribution tax on final dividend	-	37.12
Final dividend for the year ended 31 March 2019 of ₹ 5 per share	180.58	-
Dividend distribution tax on final dividend	37.12	-


SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Interim dividend for the year ended 31 March 2020 of ₹ 3 per share	108.34	-
Dividend distribution tax on interim dividend	22.27	-
In addition to above dividend, at year end the directors have recommended the payment of a final dividend of ₹ Nil (31 March 2019: ₹ 5) per fully paid equity share. The proposed dividend of previous year was subject to the approval of shareholders at the ensuing annual general meeting.	-	180.58

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 D Diwan	Director
	Mr. Vivek Sahai	Director
	Mr. Arvinder Singh 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 2020	31 March 2019	31 March 2020	31 March 2019
(i)	Holding company: NRB Bearings Limited**				
	Sale of finished goods	1,564.62	1,599.62	281.14	249.51
	Sale of raw material	22.97	18.14	-	11.14
	Sale of special purpose machine / machine spare parts	0.42	36.56	-	-
	Purchases of raw materials	56.28	52.00	-	-
	Dividend on equity shares	212.22	132.64	-	-

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

(ii) Fellow subsidiary: NRB Bearings (Thailand) Limited**	Sale of finished goods*	11.54	36.00	3.91	0.00
	Sale of raw material	4.03	-	-	-
	Sale of special purpose machine spare parts	10.61	-	-	-
(iii) Company over which KMP or relatives of KMP are able to exercise significant influence: NRB Industrial Bearings Limited	Sale of finished goods	-	2.14	-	-
(iv) Key managerial personnel compensation:	Dividend paid to Ms. Harshbeena Zaveri	2.72	1.70	-	-
	Dividend paid to Mr. S. C. Rangani	0.05	0.02	-	-
	Dividend paid to Mr. Arvinder Singh Kohli*	0.06	0.00	-	-
	Commission and sitting fees to non-executive directors	15.65	24.70	(5.00)	(12.00)
(v) Trust:	Contribution to provident fund trust - Employer's Contribution	5.31	5.29	-	-
	Contribution to provident fund trust - Employee's Contribution	9.47	9.66	-	-

* 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 borrowings of the Company are as follows:

Particulars	(₹ in lakhs)	
	31 March 2020	31 March 2019
Current assets	2,784.47	2,807.25
Total current assets pledged	2,784.47	2,807.25

36 Contingent liabilities, Capital and other commitments
Contingent liabilities not provided for

- (i) The Company had received an Order dated 6 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 had 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 ₹ 208.45 lakhs and ₹ 87.07 lakhs respectively as at 31 March 2019 as reflected in their latest 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

**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020**

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.

- (ii) 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) 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 2019: ₹ 15.34 lakhs).
- (iv) Service tax demand towards machines given on lease ₹ Nil (31 March 2019: ₹ 42.83 lakhs).

(v) Income tax matters**For Assessment years 1998-99, 2008-09 and 2011-12: - Amount unascertainable**

During the year, the Company has received reminder from Income tax department for above assessment years towards outstanding demands under Section 220(2) of the Income Tax Act (the 'IT Act') raised, as per the reminder, during the financial years 2016-17 and 2017-18. The Company has not received these demands and hence is in the process of reaching out to the department for obtaining these demands mentioned in the reminder letter. In absence of any details of such demands from the department, the Company is unable to ascertain liability, if any, towards the same.

For Assessment year 2013-14:

Income tax demand raised of ₹ 7.07 lakhs under Section 143(3) of the Income Tax Act (the 'IT Act') for AY 2013-14 for dividend distribution tax (DDT) payable by the Company on dividends distributed during financial year 2012-13. This dispute is pending with the forum of Assistant Commissioner of Income tax – Mumbai. The Company filed a letter with the income-tax department dated 24 October 2018 in response to the notice received for recovery of tax demand of earlier years.

For Assessment year 2017-18:

Income tax demand raised of ₹ 26.27 lakhs under Section 143(3) of the IT Act for AY 2017-18 for non collection of tax collected at source (TCS) and double disallowance of loss on sale of property, plant and equipment. This dispute is pending at the forum of Assistant Commissioner of Income tax – Mumbai



SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

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 ₹ 45.43 lakhs (31 March 2019 ₹ 33.07 lakhs) is recognised as expense and included in "Note No. 26 - Employee Benefits Expenses"

(₹ in lakhs)

	31 March 2020	31 March 2019
i) Employer's Contribution to Provident Fund	28.16	15.11
ii) Employer's Contribution to Employees' Pension Fund	17.27	17.96

(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

(1) Gratuity (funded scheme)

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

(₹ in lakhs)

Particulars	31 March 2020	31 March 2019
(i) Actuarial assumptions		
Mortality rate	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2006-08)
Discount rate (per annum)	6.60%	7.50%
Salary growth rate	8.00%	8.00%
Attrition / Withdrawal rate (per annum)	7.00%	7.00%
(ii) Changes in the present value of defined benefit obligation		
Present value of obligation at the beginning of the year	289.26	276.84
Interest expense	21.74	21.30
Current service cost	13.86	12.71
Actuarial (gain) /loss	19.98	(0.14)
Benefits paid	(53.81)	(21.45)
Present value of obligation at the end of the year	291.03	289.26


SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

Particulars	(₹ in lakhs)	
	31 March 2020	31 March 2019
(iii) Changes in the Fair value of Plan Assets		
Fair value of plan assets at beginning of the year	298.45	298.79
Investment income	22.43	22.99
Contributions	38.57	0.58
Benefits paid	(53.81)	(21.45)
Return on plan assets, excluding amount recognised in net interest expense	(1.71)	(2.46)
Fair Value of Plan Assets at the end of the year	303.93	298.45
(iv) Assets and liabilities recognised in the balance sheet		
Present value of the defined benefit obligation at the end of the year	291.03	289.26
Less: Fair value of plan assets at the end of the year	(303.93)	(298.45)
Net (asset) / liability recognised	(12.90)	(9.19)
Recognised under provision	-	-
Recognised under other current assets (included in Note 13)	(12.90)	(9.19)
(v) Expenses recognised in the Statement of Profit and Loss		
Particulars		
Current Service Cost	13.86	12.71
Net interest (income)/ expense	(0.69)	(1.69)
Net gratuity cost recognised in the current year	13.17	11.02
Included in note 26 'Employee benefits expense'	13.17	11.02
(vi) Expenses recognised in the Statement of Other comprehensive income (OCI)		
Actuarial (gains) / losses		
Change in assumptions	19.98	(0.14)
Return on plan assets, excluding amount recognised in net interest expense	1.71	2.46
Total remeasurement cost / (credit) for the year recognised in OCI	21.69	2.32


SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

(₹ in lakhs)

Particulars	31 March 2020		31 March 2019	
	Decrease	Increase	Decrease	Increase
(vii) Reconciliation of Net asset / (liability) recognised:				
Net asset / (liability) recognised at the beginning of the year		9.19		21.95
Company contributions		38.57		0.58
Loss recognised in other comprehensive income		(21.69)		(2.32)
Expenses recognised in the statement of profit and loss		(13.17)		(11.02)
Net asset / (liability) recognised at the end of the year		12.90		9.19
(viii) Major categories of Plan Assets (as percentage of Total Plan Assets)				
Funds managed by Insurer		100%		100%
Total		100%		100%

(ix) Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined benefit are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on 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 2020		31 March 2019	
	Decrease	Increase	Decrease	Increase
Change in Discount Rate by - / + 1%	304.75	278.47	302.13	277.40
Change in Salary Growth Rate by - / + 1%	278.51	304.43	277.35	301.94
Change in Attrition Rate by - / + 50%	294.06	288.76	290.20	288.52
Change in Mortality Rate by - / + 50%	291.05	291.00	289.26	289.25

(₹ in lakhs)

Particulars	31 March 2020		31 March 2019	
	Decrease	Increase	Decrease	Increase
(x) Maturity Profile of Defined Benefit Obligation:				
Weighted average duration (based on discounted cash flows)		4 years		5 years


SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

Particulars	(₹ in lakhs)	
	31 March 2020	31 March 2019
Expected cash flows over the next (valued on undiscounted basis):S		
1 year	62.23	66.04
2 to 5 years	170.46	154.56
6 to 10 years	130.74	149.11
More than 10 years	48.23	51.20

(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.

(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 2020	31 March 2019
(i) Actuarial assumptions		
Mortality rate	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2006-08)
Discount rate (per annum)	5.66%	6.94%
Interest rate guarantee (per annum)	8.50%	8.65%
Attrition rate based on ages :		
Upto 30 years	3.00%	3.00%
31 to 40 years	2.00%	2.00%
Above 40 years	1.00%	1.00%
(ii) Assets and liabilities relating to defined benefit provident fund		
Present value of the defined benefit obligation at the end of the year	269.41	289.11
Less: Fair value of plan assets at the end of the year	(275.76)	(295.45)
Net (asset) / liability recognised by the Trust	(6.35)	(6.34)

Note:

An entity cannot offset the asset relating to the above plan against the liability relating to another plan as the entity does not have a legally enforceable right to use a surplus in one plan to settle obligations under the other plan.



SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

(₹ in lakhs)

	31 March 2020	31 March 2019
(iii) Major categories of Plan Assets S (as percentage of Total Plan Assets)		
Government of India securities	8%	7%
State Government securities	23%	21%
High quality corporate bonds	27%	29%
Equity shares of listed companies	10%	9%
Special Deposit Scheme	26%	24%
Funds managed by Insurer	1%	2%
Bank balance and others	5%	8%
Total	100%	100%

(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, whileholding all other assumptions constant. The results of sensitivity analysis is given below:

(₹ in lakhs)

Particulars	31 March 2020		31 March 2019	
	Decrease	Increase	Decrease	Increase
Change in Discount Rate by - / + 1%	269.92	268.89	289.85	288.37
Change in Interest Rate Guarantee by - / + 1%	265.02	275.15	284.39	294.01

(v) General descriptions of Significant Defined plans:

The Company operates provident fund plan wherein every employee is entitled to the benefit of interest etc. as per scheme of the Company. The same 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 scheme is funded in various securities as mentioned in note (iii) above.

(C) 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 ₹ 9.67 lakhs (31 March 2019: ₹ 14.62 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 within 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.



SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

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

b) Secondary segment: Geographical segment

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

- i) within India
- ii) outside India

Particulars	(₹ in lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
1) Segment revenue		
- Within India	3,382.15	4,000.91
- Outside India	32.03	63.26

The Company has two (31 March 2019: two) customers who contributed more than 10% of the Company's total revenue during the current and previous year. The revenue from such major customers during the year is ₹ 2,263.38 lakhs (31 March 2019: ₹ 2,704.36 lakhs).

Geographical non-current assets (property, plant and equipment, other intangible assets and other non-current assets) are allocated based on the location of the assets.

Information regarding geographical non-current assets is as follows:

Particulars	(₹ in lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
2) Carrying amount of segment assets		
- Within India	1,342.54	1,105.24
- Outside India	-	-

39 Earnings per share

(₹ in lakhs)

Particulars	(₹ in lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
Net Profit /(loss) after tax for the year	416.61	814.36
Profit / loss attributable to equity share holders	416.61	814.36
Weighted Average Number of equity shares outstanding during the year	3,611,540	3,611,540
Basic and Diluted Earnings Per Share (₹)	11.54	22.55
Face Value per Share (₹)	10.00	10.00

Note:

The Company does not have any outstanding dilutive potential equity shares as at 31 March 2020 and 31 March 2019. Consequently, basic and diluted earnings per share of the Company remains the same.


SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020
40 Contribution towards Corporate Social Responsibility (CSR)

(₹ in lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Average net profit of the Company for last three financial years	1,086.21	995.64
Prescribed CSR expenditure (2% of average net profit as computed above)	21.72	19.91
Unspent amount brought forward from previous year	-	0.75
<u>Details of CSR expenditure during the financial year</u>		
Total Amount to be spent for the financial year	21.72	20.66
Amount Spent	22.42	21.43
Amount Unspent	-	-

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

- (i) An amount of ₹ 20.33 lakhs (31 March 2019: ₹ 35.03 lakhs) was due and outstanding to suppliers as at the end of the accounting year on account of principal and ₹ Nil (31 March 2019 ₹ 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.

42. Ind AS 116
Transitional Provision- Ind AS 116 Leases

The Company has adopted the new accounting standard i.e. Ind AS 116- Leases, which has become effective from 1 April 2019 (transition date). This new standard replaces earlier standard on leases i.e. Ind AS 17.

The adoption of this new Standard has resulted in the Company recognising a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.



SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

The Company has opted to apply the new standard using the modified retrospective approach, with the cumulative effect of adopting Ind AS 116 being recognised in equity as an adjustment to the opening balance of retained earnings for the current period. Prior periods have not been restated. The Company has recognised lease liability on the date of initial application at the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. The Company has recognised a right-of-use asset on the date of initial application at its carrying amount as if the Standard had been applied since the commencement date of lease but discounted using the incremental borrowing rate at the date of initial application. On transition to Ind AS 116, the weighted average incremental borrowing rate applied to lease liabilities recognised was 10% p.a.

a. Practical expedient opted by Company:

- For contracts in place at the date of transition, the Company has elected to apply the definition of a lease from Ind AS 17 and Appendix C to Ind AS 17 and has not applied Ind AS 116 to arrangements that were previously not identified as lease under Ind AS 17 and Appendix C to Ind AS 17.
- The Company has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of transition to Ind AS 116, being 1 April 2019.
- On transition, Company has elected not to apply Ind AS 116 to leases previously accounted for as operating leases, with a remaining lease term of less than 12 months and not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.

b. Exemptions availed by Company:

The Company has elected not to recognise right-of-use assets in below mentioned cases but to account for the lease expense on a straight-line basis over the remaining lease term or on another systematic basis if that basis is more representative of the pattern of the Company's benefit:

- A lease that, at the commencement date, has a lease term of 12 months or less i.e. short-term leases and
- Leases for which the underlying asset is of low value.

The Company has used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

The Company has discounted lease payments using the incremental borrowing rate as at 1 April 2019 for measuring lease liabilities at ₹ 10.79 lakhs and accordingly recognised right-of-use assets at ₹ 8.46 lakhs by adjusting retained earnings by ₹ 1.74 lakhs (net of tax), including adjustments for prepaid / accrued rent and lease equalisation reserve, if any, as at the aforesaid date.

(i) Right-of-use assets (ROU)

Included in Property, plant and equipment)

(₹ in lakhs)

	Land and Buildings	Vehicles	Total
Gross carrying value			
As at 1 April 2019	5.29	3.17	8.46
Additions	-	-	-
Disposals	-	-	-
As at 31 March 2020	5.29	3.17	8.46


SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

(₹ in lakhs)

	Land and Buildings	Vehicles	Total
Accumulated depreciation and impairment			
As at 1 April 2019	-	-	-
Charge for the year	0.09	1.27	1.36
Disposal / adjustments	-	-	-
As at 31 March 2020	0.09	1.27	1.36
Net Carrying value			
As at 1 April 2019	5.29	3.17	8.46
As at 31 March 2020	5.20	1.90	7.10

(ii) Breakdown of lease expenses

(₹ in lakhs)

	Year ended 31 March 2020
Short-term lease expense	4.26
Low value lease expense	-
Total lease expense	4.26

The amount charged to the Statement of profit and loss includes rent paid to Official Liquidator for leases that have expired on 29 August 2012 and 30 September 2017 (Refer note 2). The Company continues to retain possession as monthly lessee and has been regularly depositing the monthly lease rents.

Hence, Company has applied the practical expedient and elected not to apply Ind AS 116 to leases (partial leasehold land) previously accounted for as an operating leases, with a remaining lease term of less than 12 months and not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term (identified as leases under Ind AS 17).

(iii) Cash outflow from leases

The actual outflow for leases considered under the pervue of Ind AS 116 have been disclosed in one line, as cash outflow from leases in the single note on leases.

(iv) Maturity Analysis

(₹ in lakhs)

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Lease liabilities				
Land and Buildings*	0.00	0.00	0.01	7.38
Other equipments	1.46	0.75	-	-
As at 31 March 2020	1.46	0.75	0.01	7.38

*Amount less than ₹ 1,000


SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020
(v) Impact of adoption of new accounting standard
a. Balance Sheet

(₹ in lakhs)

	As previously disclosed	Adjustments	Current disclosure
As at 1 April 2019			
Right-of-use assets	-	8.46	8.46
Lease Liabilities	-	10.79	10.79
Retained Earnings [Refer note 1A(e)]	-	2.33	2.33
As at 31 March 2020			
Right-of-use assets	-	7.10	7.10
Lease Liabilities (non-current)	-	8.14	8.14
Lease Liabilities (current)	-	1.46	1.46
Retained Earnings [Refer note 1A(e)]	-	2.33	2.33

b. Statement of profit and loss and OCI

(₹ in lakhs)

	As previously disclosed	Adjustments	Current disclosure
For the year ended 31 March 2020			
Rent	6.53	(2.27)	4.26
Depreciation	-	1.36	1.36
Interest expense on leases	-	1.08	1.08
Total	6.53	0.17	6.70

(vi) Extract of effect on both basic and diluted earnings per share

(₹ in lakhs)

	Increase/ (decrease) in profit for the year attributable to owners of the Company	Increase/ (decrease) in basic earnings per share	Increase/ (decrease) in diluted earnings per share
For the year ended 31 March 2020			
Changes in accounting policies relating to:			
- adoption of Ind AS 116 (net of tax) (*)	(0.13)	(0.00)	(0.00)

(*) Amount lower than ₹ 1,000.



SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

43 COVID-19 Impact

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying values of its property, plant and equipment, inventories and receivables and carried out a detailed assessment of its liquidity position for the next one year including recoverability of carrying value of its assets, as at 31 March 2020. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources on the expected future performance of the Company. The Management believes it has taken into account all the possible impacts of known events arising from COVID 19 pandemic in the preparation of its financial statements and does not foresee any incremental risk towards recoverability of its assets, at present. However, the estimated impact of the global health pandemic might vary from the date of approval of these financial statements, and the Company will continue to monitor any material changes due to future economic conditions.

44 Previous year figures

Previous year figures have been regrouped or rearranged, wherever considered necessary to make them comparable with those of the current year.

45 Net debt reconciliation

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Cash and cash equivalents (net of book overdraft)	253.30	6.35
Current borrowings	(300.00)	(8.53)
Interest payable	(0.47)	-
Lease liabilities	(9.60)	-
Net debt	(56.77)	(2.18)


SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020

(₹ in lakhs)

Particulars	Cash and cash equivalents (net of book overdraft)	Current borrowings	Interest payable	Lease Liabilities	Total
Net debt as at 01 April 2018	(1.66)	-	-	-	(1.66)
Cash flows	8.01	(8.53)	-	-	(0.52)
Interest cost recognised	-	-	(0.54)	-	(0.54)
Interest cost paid	-	-	0.54	-	0.54
Net debt as at 31 March 2019	6.35	(8.53)	-	-	(2.18)
Recognised on adoption of Ind AS 116 (Refer note 42)	-	-	-	(10.79)	(10.79)
Cash flows	246.95	(291.47)	-	2.27	(42.25)
Interest cost recognised	-	-	(0.58)	(1.08)	(1.66)
Interest cost paid	-	-	0.11	-	0.11
Net debt as at 31 March 2020	253.30	(300.00)	(0.47)	(9.60)	(56.77)

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

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

Adi P. Sethna
Partner
Membership No.: 108840

Place: Mumbai
Date : 23 June 2020

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 Singh Kohli
Director - DIN : 08135020

Claude d'Gama Rose
Director - DIN : 01494440

KKP Sinha
Chief Executive Officer

Ram Narayan Sahu
Chief Financial Officer

Kamlesh Sondigala
Company Secretary - ACS No.: A44342

Place: Mumbai
Date : 23 June 2020



FIVE YEARS FINANCIAL HIGHLIGHTS

(Rs. in lakhs)

Year Ended	31.03.16	31.03.17	31.03.18	31.03.19	31.03.20
Sales (Net)					
Domestic	2985.73	3732.40	3866.99	4000.91	3382.15
Exports	20.94	33.46	61.16	63.26	32.03
Sales Total	3006.67	3765.86	3928.15	4064.17	3414.18
Operating Profit (EBITDA)	941.52	1080.44	1216.99	1233.46	657.27
Profit Before Tax	850.83	996.02	1137.04	1140.64	555.10
Tax (Net)	283.07	334.42	315.02	326.28	138.49
Profit After Tax	567.76	661.60	822.02	814.36	416.61
Net profit after OCI	567.76	658.24	837.60	812.71	400.38
Retained Earnings	372.89	440.90	837.60	595.37	269.77
Dividend	162.14	180.58	-	180.58	108.34
Tax on dividend	32.73	36.76	-	36.76	22.27
Earnings per share (FV Rs.10)	15.61	18.23	22.76	22.55	11.54
Dividend /Interim Dividend%	20.00	30.00	50.00	50.00	30.00
Shareholders' Funds	1550.16	1991.06	2828.66	3423.67	3474.00
Funds Employed	1761.50	2117.85	2953.43	3552.67	3605.89
Fixed Assets (Gross)	2162.98	2063.52	2114.06	2367.76	2696.48
Fixed Assets (Net)	887.71	944.55	915.97	1097.73	1337.56
Fixed Asset Turnover (times)	3.39	3.99	4.29	3.70	2.55
Net Current Assets* (Excluding short term investments)	845.27	1037.17	1133.95	1607.28	1227.73
Working Capital Turnover (times)	3.56	3.63	3.46	2.53	2.78
Shareholder Nos	4070	4516	4700	4668	4487
Employee Nos	148	153	164	163	160




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