



# SNL BEARINGS LIMITED

August 16, 2023

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

**Code No. 505827**

## **Sub: Notice of the 43<sup>rd</sup> Annual General Meeting and Annual Report for F.Y. 2022-23**

Dear Sir/ Madam,

This is to inform you that the 43<sup>rd</sup> Annual General Meeting ('AGM') of the Members of SNL Bearings Limited is scheduled to be held on Friday, September 8, 2023 at 3:30 p.m. through Video Conferencing/Other Audio Visual Means (VC/OAVM), in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and The Securities and Exchange Board of India.

Pursuant to Regulation 30(2) and Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit a copy of the Annual Report for the F.Y. 2022-23, including the Notice of the 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](http://www.snlbearings.in).

The Notice, 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**

**Harshal Patil**  
**Company Secretary**

Encl: as above

REGISTERED



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



022-22663698



022-2266 0412/ 9850



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



L99999MH1979PLC134191

WORKS



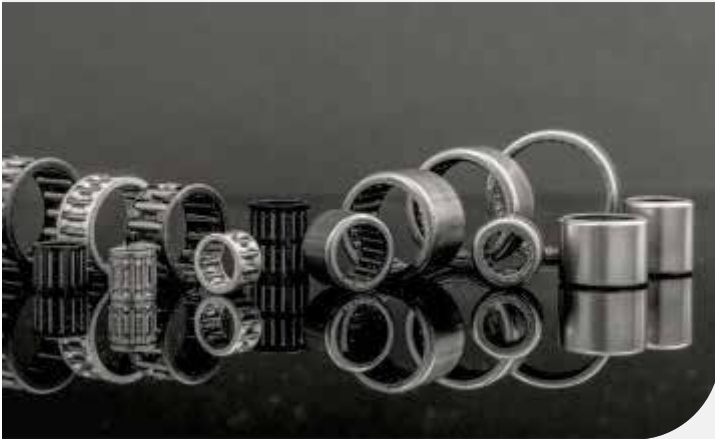
Ratu, Ranchi - 835 222



0651-2521876



0651-2521920



[www.snlbearings.com](http://www.snlbearings.com)

43<sup>rd</sup>  
**ANNUAL**  
**REPORT**  
2022-23



**SNL BEARINGS**  
**LIMITED**



**CIN NO. L99999MH1979PLC134191**

**BOARD OF DIRECTORS**

Ms. Harshbeena Zaveri - Chairperson  
Mr. Satish Rangani  
Mr. Arvinder Singh Kohli  
Mr. Claude Alex D'Gama Rose  
Mr. Kaiyomarz Minoos Marfatia  
Ms. Reshmi Panicker

**KEY MANAGERIAL PERSONNEL**

Mr. Krishna Kant Prasad Sinha - CEO  
Mr. Ram Narayan Sahu - CFO  
Mr. Harshal Anant Patil - Company Secretary & Compliance Officer

**BANKERS**

Yes Bank  
State Bank of India

**AUDITORS**

M/s. Walker Chandiook & Co LLP  
Chartered Accountants  
11th Floor, Tower II, One International Center,  
Senapati Bapat Marg, Prabhadevi (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

**WEBSITE**

Website: [www.snlbearings.in](http://www.snlbearings.in)  
Email Id: [investorcare@snlbearings.in](mailto:investorcare@snlbearings.in)

**REGISTRAR & SHARE TRANSFER AGENT**

Universal Capital Securities Private Limited  
(100% subsidiary of Link Intime India Private Limited)  
C-101, 247 Park, LBS Road, Vikhroli West,  
Mumbai - 400 083  
Tel: 022 - 49186178-79, Fax: 022 - 49186060



## CONTENTS

<b>Particulars</b>	<b>Page No.</b>
Notice .....	03
Board's Report .....	15
Report on CSR activities .....	24
Extract of Annual Return .....	28
Disclosure of Related Party Transactions.....	39
Disclosure of Managerial Remuneration .....	42
Secretarial Audit Report.....	44
Management Discussion & Analysis Report.....	47
Corporate Governance Report .....	51
Independent Auditor's Certificate on Corporate Governance .....	70
Shareholder's Information .....	71
Independent Auditor's Report .....	82
Balance Sheet as at March 31, 2023.....	94
Statement of Profit & Loss for the year ended March 31, 2023 .....	95
Statement of Cash Flow for the year ended March 31, 2023.....	96
Notes to Financial Statements.....	99
Five Years Financial Highlights.....	159



## AGM NOTICE

To,  
The Members  
SNL BEARINGS LIMITED

Notice is hereby given that the 43rd (Forty-Third) Annual General Meeting ("AGM") of the Members of SNL Bearings Limited ("the Company") will be held on Friday, September 8, 2023 at 3:30 p.m. (IST) through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India, 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, 2023 together with the reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on Equity Shares for the financial year ended March 31, 2023.
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.
4. To consider and if thought fit, to pass with or without modification, the following resolution as an

### Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and any other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, M/s. Walker Chandio & Co. LLP, Chartered Accountants (Firm Registration No. 001076N/N500013) be and are hereby appointed as the Statutory Auditors of the Company for a second term of five (5) consecutive years commencing from the conclusion of the 43rd Annual General Meeting until the conclusion of the 48th Annual General Meeting of the Company on such remuneration as recommended by the Audit Committee and as may be mutually agreed between the Board of Directors of the Company and M/s Walker Chandio & Co. LLP from time to time."

By Order of the Board of Directors

**Harshal Patil**

Company Secretary  
Membership No. A50419

Place: Mumbai  
Date : May 23, 2023

### 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 resolution 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 Saturday, September 2, 2023 to Friday, September 8, 2023 (both days inclusive).
3. The Members whose names appear in the Register of Members of the Company on Friday, September 1, 2023 shall be entitled to participate in remote e-voting / e-voting at the AGM.
4. The dividend after declaration, will be paid to those Members whose names appear in the Register of Members of the Company on (cut-off date) Friday, September 1, 2023 and to the Members holding shares in demat form whose names appear in the Register of Members beneficiary position with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on Friday, September 1, 2023.
5. Members are requested to lodge change of address communication, mandates (if any) and are requested to register their email IDs with the Company's Registrar and Share Transfer Agents (RTA) Universal Capital Securities Private Limited (100% subsidiary of Link Intime India Private Limited) situated at C 101, 247 Park, LBS Road, Vikhroli West, Mumbai 400083 or email at [info@unisec.in](mailto:info@unisec.in).
6. Pursuant to the Income-tax Act, 1961, as amended, dividend income is taxable in the hands of the Members with effect from April 1, 2020 and the Company is required to deduct tax at source from such dividend at the prescribed rates. A communication providing information and detailed instructions with respect to tax on the Final Dividend for the financial year ended March 31, 2023 has been sent separately to the Members.
7. 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 NACH to investors wherever NACH and bank details are available. In the absence of NACH facilities, the Company will print the bank account details if available, on the payment instrument for distribution of dividend. The 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.
8. The Company was not required to transfer any amount of unpaid/ unclaimed dividends to Investor Education and Protection Fund, since the Company's maiden dividend was declared only for the FY 2015-16. The Company has uploaded details of unpaid/ unclaimed dividend on the website of the Company [www.snlbearings.in](http://www.snlbearings.in).
9. 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 7 (seven) consecutive years or more as on financial year ended March 31, 2023, to the IEPF Authority as the Company's maiden dividend was declared only for the FY 2015-16.
10. The statutory registers maintained under the Act will be available for inspection in electronic mode. Members seeking to inspect such registers are requested to write to the Company by sending an email at [43rdagm@snlbearings.in](mailto:43rdagm@snlbearings.in).



11. E-voting facility to all Members has been provided through the e-voting platform of CDSL and the Company has appointed Mr. Upendra Shukla, Practicing Company Secretary (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 Chairperson of the Company, of the votes cast in favour/against and the results on the resolutions along with the scrutinizer's report will be available on the website of the Company at [www.snlbearings.in](http://www.snlbearings.in) and the website of the BSE Ltd at [www.bseindia.com](http://www.bseindia.com) within 2 working days of the same being passed.
12. In pursuant to the MCA Circular No. 14/ 2020 dated April 8, 2020, MCA Circular No. 17/ 2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 5, 2020, MCA Circular No. 02/2021 dated January 13, 2021, MCA Circular No. 21/2021 dated December 14, 2021 and MCA Circular No. 3/2022 dated May 05, 2022, (collectively referred to as "MCA Circulars") and SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, 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 VC/ OAVM are being sent by email to those Members whose email addresses have been made available to the RTA. For Members who have not registered their email addresses, kindly send an email at [43rdagm@snlbearings.in](mailto:43rdagm@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.

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 the documents will be sent by email only to those Members who have registered their email addresses.

13. **The Company is pleased to provide two-way facility of VC/OAVM and live webcast of the proceedings of the AGM on Friday, September 8, 2023 from 3:30 p.m. (IST) 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.**

The AGM is being convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 and the MCA Circulars.

14. 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 the relevant MCA Circulars, 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.
15. Since the AGM will be held through VC/ OAVM, the Route Map is not annexed in this Notice.
16. 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 (Members 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.



17. 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.
18. In conformity with the applicable regulatory requirements, the facility to appoint a 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.
19. The Notice calling the AGM has been uploaded on the website of the Company at [www.snlbearings.in](http://www.snlbearings.in) and can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://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](http://www.evotingindia.com).

### **INSTRUCTIONS FOR MEMBERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:**

**Step 1:** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

**Step 2:** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on Tuesday, September 5, 2023 at 9:00 a.m. (IST) and ends on Thursday, September 7, 2023 at 5:00 p.m. (IST). During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, September 1, 2023, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

### **Electronic Voting Sequence Number (EVSN) : 230814015**

- (ii) Members who have already voted prior to the meeting date would not be entitled to vote at the meeting.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its Members, in respect of all shareholders resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.





**Step 1:** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

(iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email ID in their demat accounts in order to access e-voting facility.

Pursuant to above said SEBI Circular, login method for e-voting and joining virtual meetings for Individual Members holding securities in Demat mode CDSL/ NSDL is given below:

<b>Type of shareholders</b>	<b>Login Method</b>
Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi/Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab.</li> <li>2) After successful login the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by Company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>



<p>Individual Shareholders holding securities in demat mode with NSDL Depository Shareholders holding securities in demat mode with <b>NSDL Depository</b></p>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</li> </ol>
<p>Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b></p>	<ol style="list-style-type: none"> <li>1) You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>



	<p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a>.</p> <p>3) Visit the e-voting website of NSDL, open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a personal computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on Company name or e-voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting &amp; voting during the meeting</p>
<p>Individual Members (holding Securities in demat mode) login through their Depository Participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. After successful login, you will be able to see e-voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on Company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting &amp; voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Members holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
<p>Individual Members holding securities in Demat mode with CDSL</p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33</p>
<p>Individual Members holding securities in Demat mode with NSDL</p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 18001020 990 and 1800 22 44 30</p>

**Step 2:** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(v) Login method for e-voting and joining virtual meetings for physical Members and Members other than individual holding in Demat form.

1) The Members should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).



- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) 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.
- 6) If you are a first-time user follow the steps given below:

	For Physical Members and other than individual Members holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members 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.</li> </ul>
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. <ul style="list-style-type: none"> <li>• 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.</li> </ul>

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN (230814015) for the relevant Company Name (SNL Bearings Limited) on which you choose to vote.
- (x) 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.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.



- (xii) 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.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) 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.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) Additional Facility for Non – Individual Members and Custodians - For Remote Voting only.
- Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - 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.
  - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
  - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney 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.
  - Alternatively Non Individual Members 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; [43rdagm@snlbearings.in](mailto:43rdagm@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.

### **INSTRUCTIONS FOR MEMBERS ATTENDING THE AGM THROUGH VC/ OAVM AND E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/ OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Members who have voted through remote e-voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Members are encouraged to join the Meeting through laptops / IPads for better experience.
5. Further Members will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting.



6. 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.
7. Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 7 (seven) days prior to meeting mentioning their name, demat account number/ folio number, email id, mobile number at 43rdagm@snlbearings.in. The Members 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 43rdagm@snlbearings.in. These queries will be replied to by the Company suitably by email.
8. Those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting.
9. Only those Members, 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.
10. If any votes are cast by the Members through the e-voting available during the AGM and if the same Members have not participated in the meeting through VC/ OAVM facility, then the votes cast by such Members shall be considered invalid as the facility of e-voting during the meeting is available only to the Members attending the meeting.

### **PROCESS FOR THOSE MEMBERS WHOSE EMAIL/ MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES.**

1. For Physical Members - Please provide necessary details like Folio No., Name of Member, 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 an email to Company/ RTA email ID.
2. For Demat Members - Please update your email ID & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat Members - Please update your email ID & mobile no. with your respective Depository Participant (DP) which is mandatory while e-voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. 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](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800225533.



**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013**

**Item No. 4**

Pursuant to approval of shareholders accorded at the 38th Annual General Meeting (AGM) held on August 1, 2018, M/s. Walker Chandiook & Co., LLP, Chartered Accountants, (Firm No. 001076N/N500013) were appointed as the Statutory Auditors of the Company to hold office from the conclusion of 38th Annual General Meeting, to the conclusion of the 43rd Annual General Meeting held for the financial year ended March 31, 2023.

M/s. Walker Chandiook & Co. LLP, vide their letter dated May 22, 2023 have given their consent to act as the statutory auditors of the Company for the second term and have confirmed that their re-appointment, if made, will be within the limit specified under sections 139 and 141 of the Companies Act, 2013 (the Act). They have also confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the Section 141 of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

Based on the recommendation of the Audit Committee, the Board at its meeting held on May 23, 2023 approved the appointment of M/s. Walker Chandiook & Co, LLP, for a second term of five (5) consecutive years from the conclusion of this 43rd Annual General Meeting upto the conclusion of the 48th Annual General Meeting on such remuneration as may be mutually decided between the Company and M/s. Walker Chandiook & Co. LLP.

Accordingly, consent of the Members is sought by way of an Ordinary Resolution as set out at Item No. 4 of the Notice. None of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out in Item No. 4 of the Notice.

The Board recommends the Resolution under Item No. 4 of the Notice for approval of the Members as an Ordinary Resolution.

**As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the statement below gives the relevant details of the Director being re-appointed as per the accompanying Notice.**

Name of Director	Mr. Satish Rangani
DIN	00209069
Date of Birth	November 11, 1948
Nationality	Indian
Date of appointment on Board	July 31, 2000
Qualification	Please refer below
Brief Resume, Experience and Expertise	Please refer below
The skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Please refer below
Number of Meetings of the Board attended during FY 2022-23	4
List of Directorships held in other Companies in last three years (excluding foreign, private and section 8 companies)	1



Memberships/Chairmanships of Audit and Stakeholders Relationship Committees across public companies	-
Shareholding in the Company as on March 31, 2023	400
Relationship between Directors – interse	None

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

Mr. Satish Rangani (DIN 00209069), is the Non-Executive Director of the Company. Mr. Satish Rangani, is a qualified Company Secretary and a Fellow Member of the Institute of Company Secretaries of India and has completed Masters in Management Studies from Jamnalal Bajaj Institute of Management Studies, after completion of Bachelors of Commerce degree from University of Mumbai. He has been associated with the Company since the year 2000 and has extensive experience and expertise of more than 47 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 thirty years . He has been a member of the NRB Board since October 31, 2012 and is also a member of the Corporate Social Responcibility Committee of NRB Bearings Limited. Mr. Rangani also serves as a Director of NRB Bearings (Thailand) Limited. 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

**Harshal Patil**

Company Secretary

Membership No. A50419

Place: Mumbai

Date : May 23, 2023





## BOARD'S REPORT

To,  
The Members  
SNL Bearings Limited

Your Directors have pleasure in presenting their Forty-Third Annual Report together with Audited Financial Statements for the year ended March 31, 2023.

### 1. Financial Results

Particulars	Year ended March 31, 2023 (Rs. in Lakhs)	Year ended March 31, 2022 (Rs. in Lakhs)
Revenue from operations (Net)	4,787	4,351
Profit before tax	1,113	1,176
Provision for taxation:		
Current tax (net)	266	275
Deferred tax	18	18
Tax pertaining to earlier years	11	-
Profit after taxation	818	883
Add: Balance brought forward	3,471	2,740
Add: Other Comprehensive Income for the year	(11)	11
	4,278	3,634
Appropriation:		
Dividend	235	163
Profit & Loss Account	4,043	3,471

### 2. Dividend

Based on the Company's performance, your Board of Directors are pleased to recommend a final dividend of Rs. 6.50/- per equity share (i.e. 65.00%) of face value of Rs. 10/- each involving an outgo of Rs. 235 lakhs for the FY 2022-23, subject to approval of the Members at the ensuing Annual General Meeting.

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

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

Demand in the Indian automotive market in FY23 continued the growth trajectory from the previous year. The light vehicles segment recorded highest production levels since 2018 with many successful new model launches. The two wheelers and tractors segments were sluggish as rural incomes have not fully recovered post pandemic. On the raw material side, prices remained elevated during the year. Process re-engineering, automation and digitization with a view to improve operations went on as planned.



Further, as we exit FY 22-23, we are better placed than we were at the start clocking full year revenues of Rs. 4787 lakhs in FY 22-23, growing 10% over the previous year though profits after tax have decreased by 7% to Rs. 818 lakhs (previous year Rs. 883 lakhs) mainly because of increase in cost of material.

### **Future Outlook**

Recovery in global growth will largely be a function of how countries contain the pandemic and bounce back from its negative impact. Access to medical interventions, effectiveness of monetary policy support, exposure to cross-country business are important to drive the recovery.

FY 2024 is likely to be a better year with several economic indicators such as power demand, rail freight, e-way bills, GST collection, steel consumption, among others trending positively and could lead economic recovery. Favorable Government policies to support the Indian manufacturing industry and the emphasis on spending for building infrastructure for roads and mass rail transportation, vehicle scrappage policy and forecasts of a normal monsoon which will aid rural income are all expected to aid demand for new vehicles. Continuous innovations and new launches, by way of hybrid fuel efficient vehicles will further propel demand and allow the industry time to adjust their production facilities to meet the new requirements for the introduction of Electric vehicles, which are expected to constitute a reasonable proportion of vehicle production between 2025 and 2030.

## **4. Finance**

Rating of your Company has been reaffirmed as 'CRISIL A1' for the short-term bank facilities and CRISIL A Stable for the Company's long-term facilities as on March 8, 2023. 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 March 31, 2023, 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 the units of Mutual Funds and Fixed Deposits of NBFCs have been made with the Board's approval.

During the year under review the Company has not provided any loans or advances to firms/ Companies in which Directors are interested.

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

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.

During the year under review, Mr. Claude Alex D'Gama Rose (DIN: 01494440) was re-appointed as a Director in the category of Independent Director for a second term of 5 (five) years w.e.f. May 17, 2023 by the Board of Directors at their meeting held on May 24, 2022 which was regularized by the Members at the AGM held on September 6, 2022.



Further, Mr. Vivek Sahai (DIN: 01717502) ceased to be Director of the Company w.e.f. November 7, 2022 due to completion of his term of 5 (five) years and Ms. Reshmi Panicker was appointed as a Director in the category of Independent Director for a term of 5 (five) years w.e.f. February 9, 2023 by the Board of Directors at their meeting held on February 9, 2023 which was regularized by the Members by passing special resolution through postal ballot on April 13, 2023.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are not debarred or disqualified from being appointed as Director of companies by SEBI/ Ministry of Corporate Affairs or any such statutory authority. The composition of the Board duly meets the criteria stipulated in Section 152 of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR/Listing Regulation").

### **Key Managerial Personnel**

Pursuant to the provisions of Sections 2(51) and Section 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	-	Chief Executive Officer
Mr. Ram Narayan Sahu	-	Chief Financial Officer
Mr. Harshal Anant Patil	-	Company Secretary and Compliance Officer

### **Board evaluation**

For FY 2022-23, the Board has carried out an annual performance evaluation for itself and that of its Committees and individual directors, using various performance evaluation criteria in the forms circulated to and filled in by the directors. The feedback has been shared and discussed. The Independent Directors have met separately on March 24, 2023, and they have conveyed to the Chairperson of the Board, their satisfaction with the working of the Board.

### **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. At meetings regular updates are given to the Board, by the Company's senior management in areas of operations, industry and regulatory trends, competition and future outlook. The familiarization programme is posted on the website of the Company at [www.snlbearings.in](http://www.snlbearings.in).

### **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 to fix 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](http://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, 4 (four) Board meetings were convened and held (details in Corporate Governance Report). The date for the next meeting is fixed in advance at the previous meeting for both Board and Committee meetings.

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

As of March 31, 2023, 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 broad based its customer base and brought down the high share of sales to the holding Company and is working towards progressively reducing this share. The risk to operations arising 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, still continues as 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 8 of Companies (Accounts) Rules 2014 are given as below:

#### a. **Measures taken for conservation of energy**

During the year, the Company has taken few energy savings actions as below:

1. Replaced eight numbers of 500W Halogen street lamps with 50W LED Lamp. This has resulted in energy saving 36 KWH per day and thus saving of Rs. 90,000 per year.
2. 3 nos of 2HP pump used for circulating water for cooling purpose on machines replaced with 0.5 HP pump. This has resulted in energy saving of 54 KWH per day and thus saving of Rs. 1.35 Lakhs per annum.

#### 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 machines and many new products have been developed for prestigious export and domestic customers. The Company has developed combined bearing for export and sales cages from welded route. 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 March 31, 2023**

Foreign Exchange Earnings	: Export of goods	- Rs. 106 Lakhs
Foreign Exchange Outgo	: Raw materials & Components	- Rs. 646 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 programs are conducted for imparting understanding of bearing and engineering principles, modern manufacturing practices and in attitudinal and behavioral aspects.

The Company has formulated and implemented the Whistle Blower Policy/ Vigil Mechanism. This has provided a mechanism for Directors and employees of the Company and other persons dealing with the Company to report to the Chairperson of the Audit Committee, any instance of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. More details about this Policy are given in the Corporate Governance Report, which forms part of this Annual Report. The Whistle Blower Policy is available on the Company's website viz. [www.snlbearings.in](http://www.snlbearings.in).

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

**10. Safety, Health & Environment**

The Company is committed for establishing and maintaining 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 behavior 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), ISO 45001: 2018 (for Health & Safety) and IATF:16949:2015 (quality management system).

Work force is trained at regular intervals in preventive aspects of safety and prevention of work related accidents, by insisting upon usage of prescribed Personal Protection Equipments (PPEs) and regular sanitization of the workplace. Besides creating general awareness among employees towards environmental protection, the management encourages initiatives which are targeted towards conserving natural resources and improvements in resource efficiency across all processes.

**11. Corporate Social Responsibility**

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

- Promotion of education (particularly for the underprivileged children and girl child)
- Employment enhancing vocational skills
- Promoting social business projects
- Contribution to funds set up by Central/ State Government's for social economic development and relief.

During the year under review, an aggregate amount of Rs. 15.50 Lakhs have been contributed to various organizations doing commendable work for the cause of promoting education and social business projects for 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. **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. Over the next three years, they expected to cover 10KGBV, 150 teachers and 3900 girls students. 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.

- iii. **Indian Cancer Society** - Indian Cancer Society is committed in extending holistic knowledge, treatment and rehabilitation through its "Rise Against Cancer" movement. Their activities encompass the entire continuum of Cancer Care - cancer awareness, screening for early detection, financial help for treatment, support groups, rehabilitation of cancer survivors, registry, research & education.

The Annual Report on CSR activities in pursuance of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith as **Annexure I**.

### 12. **Corporate Governance**

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Management Discussion and Analysis report, 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, Chief Financial Officer and the Chief Executive Officer of the Company. All Independent Directors have also submitted a certificate 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 the 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) is annexed herewith as **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 March 31, 2023 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, by way of an ordinary resolution through postal ballot on March 30, 2022. There were no other materially significant RPT by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons.

All RPT are placed before the Audit Committee as well as the Board for approval. Prior approval of the Audit Committee is obtained for transactions which are foreseen and repetitive in nature. Prior approval of Board and/or Members is obtained whenever necessary. 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 viz. [www.snlbearings.in](http://www.snlbearings.in). The particulars of contracts or arrangements with related parties referred to in Section 188 (1) of the Companies Act, 2013 in Form AOC-2 pursuant to Section 134 (3) (h) of the Companies Act, 2013 is annexed herewith as **Annexure-III** to this Report.

### 16. **Internal Financial Control Systems and Adequacy**

There are adequate internal financial controls in place with reference to the financial statements. The upgraded ERP system provides reports to validate the required internal finance controls. Further improvements by way of biometric attendance and linked leave records and payroll systems 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 Companies Act, 2013, 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 is annexed herewith as **Annexure IV**.

### 18. **Auditors**

#### **Statutory Auditor**

The first term of appointment of M/s. Walker Chandiook & Co. LLP, Chartered Accountants as Auditors was approved till conclusion of 43rd Annual General Meeting held for Financial Year ended March 31, 2023. The Audit Committee and the Board of Directors recommended for re-appointment of M/s. Walker Chandiook & Co. LLP, Chartered Accountants as statutory auditors and suitable resolution for the same has been included in the AGM notice annexed. A certificate from M/s. Walker Chandiook & Co. LLP has been received to the effect that their appointment, if made would be within the limits prescribed under section 139 of the Companies Act, 2013.

#### **Cost Auditor**

Pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014, the nature of 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 FY 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 the Secretarial Audit of the Company for FY 2022-23. The report of the Secretarial Auditor is annexed herewith 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 statutory auditor's reports.

The Secretarial Audit Report contains the observation regarding non-composition of Board as per SEBI (LODR) Regulations, 2015 for two days. It was clarified that there was inadvertent delay of two days in scheduling the Board meeting for appointment of new Director Ms. Reshmi Panicker, which caused delay in compliance with respect to composition of Board as per applicable Regulations of SEBI LODR.

### 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. **Details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year along with their status.**

The Company has not made any application under the Insolvency and Bankruptcy Code, 2016 during the financial year 2022-23.





21. **Details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof**

The provision regarding difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions is not applicable to the Company during the financial year 2022-23.

22. **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.

23. **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 by the Company.

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

There are no material changes and commitments affecting the financial position of the Company which have occurred between the close of the financial year on March 31, 2023 to which the financial statements relate and the date of this Report.

25. **Acknowledgements**

The Board wishes to acknowledge and express their gratitude for the whole hearted support and co-operation extended by the members, NRB group, Company's bankers, customers, suppliers and all employees of the Company for their efforts during the year.

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

Place : Mumbai  
Date : May 23, 2023

**Harshbeena Zaveri**  
Chairperson



## Annexure I Corporate Social Responsibility (CSR) Activities

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

1. Brief outline on CSR Policy of the Company.

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:

- Promotion of education (particularly for the underprivileged children and girl child)
- 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](http://www.snlbearings.in)

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Ms. Harshbeena Zaveri	Chairperson, (Non-Executive Director)	1	1
2.	Mr. Satish Rangani	Member (Non-Executive Director)	1	1
3.	Mr. Claude Alex D Gama Rose	Member (Independent Director)	1	1
4.	Mr. Vivek Sahai*	Member (Independent Director)	NA	NA

\*Ceased to be Member w.e.f. 07/11/2022

3. The web-link(s) where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company.

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

4. Details of executive summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report). **Not Applicable**

5. (a) Average net profit of the Company as per section 135(5): Rs. 815.00 Lakhs

(b) Two percent of average net profit of the Company as per section 135(5): Rs. 16.30 Lakhs.

(c) Surplus arising out of the CSR projects or programs or activities of the previous financial years: **NIL**



(d) Amount required to be set off for the financial year, if any: Rs. 0.87 Lakhs.

(e) Total CSR obligation for the financial year (b+c-d). Rs. 15.43 Lakhs.

6. (a) Amount spent on CSR Projects (both Ongoing Projects and other than Ongoing Projects)

(1) Sr. No	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local Area (Yes / No)	(5) Location of the Project		(6) Amount spent for the project (Rs. in Lakhs)	(7) Mode of implementation – Direct (Yes / No)	(8) Mode of Implementation – Through Implementing Agency	
				State	District			Name	CSR Registration Number
1.	Promotion of education	Yes	Yes	Jharkhand	Ranchi	6.00	Yes	Sankalp	CSR00010066
2.	Promotion of education	Yes	Yes	Jharkhand	Ranchi	8.00	Yes	Ugam Foundation	CSR00000003
3.	Promoting social business projects	Yes	Yes	All over India	All over India	1.50	Yes	Indian Cancer Society	CSR00000792
<b>TOTAL</b>						<b>15.50</b>			

(b) Amount spent in Administrative Overheads - **NIL**

(c) Amount spent on Impact Assessment, if applicable - **NIL**

(d) Total amount spent for the Financial Year (a+b+c) – Rs. 15.50 Lakhs

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (Rs. in Lakhs)	Amount Unspent (Rs. in Lakhs)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
15.50	Nil	Not Applicable	Not Applicable	Nil	Not Applicable



(f) Excess amount for set off, if any:

Sl. No.	Particular	Amount (Rs. in Lakhs)
(i)	Two percent of average net profit of the Company as per section 135(5)	15.43
(ii)	Total amount spent for the Financial Year	15.50
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.07
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)- (iv)]	0.07

7. (a) Details of Unspent CSR amount for the preceding three financial years: **Not Applicable**

1	2	3	4	5	6		7	8
Sl. No	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficiency, if any
					Amount (in Rs)	Date of Transfer		
1	FY-2019-20				Not Applicable			
2	FY-2020-21				Not Applicable			
3	FY-2021-22				Not Applicable			

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **No**



If Yes, enter the number of Capital assets created/ acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
1	2	3	4	5	6		
					CSR Registration Number, if applicable	Name	Registered address
Not Applicable							

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

- Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5). **Not Applicable**

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

Place : Mumbai  
Date : May 23, 2023

**Harshbeena Zaveri**  
Chairperson



**Annexure II**  
**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**As on 31/03/2023**

**[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 ID : 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 : M/s. Universal Capital Securities Private Limited (100% subsidiary of Link Intime India Private Limited) C-101, 247 Park, LBS Road, Vikhroli West, Mumbai - 400 083, Maharashtra
- Email ID : info@unisec.in
- Web address : www.unisec.in
- Telephone No. : 022-4918 6178-79
- Fax No. : 022-4918 6060

**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	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	34011	--	34011	0.94	-	--	-	--	-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..	--	--	--	--	--	--	--	--	--
<b>Sub-total (A) (1)</b>	<b>2686773</b>	<b>--</b>	<b>2686773</b>	<b>74.39</b>	<b>2652762</b>	<b>--</b>	<b>2652762</b>	<b>73.45</b>	<b>-0.94</b>
<b>(2) Foreign</b>									
a) NRIs – Individuals	--	--	--	--	34011	--	34011	0.94	0.94
b) Other – Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corp.	--	--	--	--	--	--	--	--	--
d) Banks/ FI	--	--	--	--	--	--	--	--	--
e) Any Other ...	--	--	--	--	--	--	--	--	--
<b>Sub-total (A) (2)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>34011</b>	<b>--</b>	<b>34011</b>	<b>0.94</b>	<b>0.94</b>
<b>Total Shareholding of Promoters (A) = (A)(1)+(A)(2)</b>	<b>2686773</b>	<b>--</b>	<b>2686773</b>	<b>74.39</b>	<b>2686773</b>	<b>--</b>	<b>2686773</b>	<b>74.39</b>	<b>--</b>



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	--	--	--	--	--	--	--	--	--
b) Banks/ FI	--	50	50	0.00	--	50	50	0.00	--
c) Central Govt.	--	--	--	--	--	--	--	--	--
d) State Govt.	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIIs/FPI	-	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (Specify)	--	--	--	--	--	--	--	--	--
Sub-total (B) (1)	--	<b>50</b>	<b>50</b>	<b>0.00</b>	--	<b>50</b>	<b>50</b>	<b>0.00</b>	--
<b>(2) Non-Institutions</b>									
a) Bodies Corporate									
i) Indian	29259	2950	32209	0.89	26946	2950	29896	0.83	-0.06
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals									
i) Individual Shareholders holding nominal share capital upto Rs.1 Lakh	665474	117708	783182	21.69	663115	114708	777823	21.54	0.15
ii) Individual Shareholders holding nominal share capital in excess of Rs.1 Lakh	36289	--	36289	1.00	46702	--	46702	1.29	0.29





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	43199	600	43799	1.21	50793	600	51393	1.42	0.21
ii) Clearing Members	7884	0	7884	0.21	19	-	19	0.00	-0.21
iii) LLP/ Partnership firm	-	--	-	-	-	--	-	-	--
iv) HUF	19920	0	19920	0.55	17399		17399	0.48	-0.07
v) Directors & Relatives	1434	--	1434	0.04	1434	--	1434	0.04	0.00
Sub-total (B) (2)	803459	121258	924717	25.60	806459	118258	924717	25.60	0.00
Total Public Shareholding (B) = (B)(1) + (B) (2)	803459	121308	924767	25.61	806459	118308	924767	25.61	0.00
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	3490232	121308	3611540	100.00	3493232	118308	3611540	100.00	0.00

**(ii) Shareholding of Promoters**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	Ms. Harshbeena Zaveri	34011	0.94	--	34011	0.94	--	--
2	NRB Bearings Ltd.	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.	Ms. 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	Anil Kumar Bajaj				
	At the beginning of the year	31575	0.87		
	15/04/2022 - Sale	-2472	-0.07	29103	0.81
	09/12/2022 - Sale	-1437	-0.04	27666	0.77
	At the end of the year			27666	0.77
2	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
3	Srinivas Seshadri				
	At the beginning of the year	10239	0.28		
	20/05/2022-Purchase	2836	0.08	13075	0.36
	At the end of the year			13075	0.36
4	Sunil Bodaram Luthria				
	At the beginning of the year	0	0.00	0	0.00



	05/08/2022-Purchase	2001	0.06	2001	0.06
	12/08/2022-Purchase	431	0.01	2432	0.07
	19/08/2022-Purchase	2373	0.07	4805	0.13
	26/08/2022-Purchase	195	0.00	5000	0.14
	16/09/2022- Sale	-1009	0.03	3991	0.11
	23/09/2022- Sale	-430	0.01	3561	0.09
	07/10/2022-Purchase	1540	0.04	5101	0.14
	14/10/2022-Purchase	394	0.01	5495	0.15
	21/10/2022-Purchase	2507	0.07	8002	0.22
	28/10/2022-Purchase	712	0.02	8714	0.24
	04/11/2022-Purchase	750	0.02	9464	0.26
	11/11/2022- Sale	-782	0.02	8682	0.24
	30/12/2022-Purchase	859	0.02	9541	0.26
	06/01/2023-Purchase	2287	0.06	11828	0.33
	20/01/2023-Purchase	180	0.00	12008	0.33
	03/02/2023- Sale	-73	0.00	11935	0.33
	10/02/2023- Sale	-449	0.01	11486	0.32
	At the end of the year			11486	0.32
5	Anand Rathi Global Finance Limited				
	At the beginning of the year	8770	0.24		
	Date wise increase/ decrease	Nil	Nil		
	At the end of the year			8770	0.24
6	Ali Asgar Akbar Ali Sura				
	At the beginning of the year	8420	0.23		
	Date wise increase/ decrease	Nil	Nil		
	At the end of the year			8420	0.23
7	Veenaben Rajnikant Mehta				
	At the beginning of the year	0	0.00	0	0.00
	06/05/2022-Purchase	1000	0.03	1000	0.03
	13/05/2022-Purchase	3346	0.09	4346	0.12
	20/05/2022-Purchase	2322	0.06	6668	0.18
	27/05/2022-Purchase	1332	0.04	8000	0.22
	At the end of the year			8000	0.22



8	Hasmukh Ravji Savla				
	At the beginning of the year	7900	0.22		
	Date wise increase/ decrease	Nil	Nil		
	At the end of the year			7900	0.22
9	Samarth Mohan Singh				
	At the beginning of the year	7500	0.21		
	Date wise increase/ decrease	Nil	Nil		
	At the end of the year			7500	0.21
10	Sankalp Mohan Singh				
	At the beginning of the year	7445	0.21		
	Date wise increase/ decrease	Nil	Nil		
	At the end of the year			7445	0.21
11	Rameshwar Dass Sharma				
	At the beginning of the year	7300	0.20	7300	0.20
	08/04/2022-Sale	-600	0.02	6700	0.19
	29/04/2022-Sale	-1513	0.04	5187	0.14
	20/05/2022-Sale	-177	0.00	5010	0.14
	27/05/2022-Purchase	9	0.00	5019	0.14
	03/06/2022-Sale	-1999	0.06	3020	0.08
	10/06/2022-Purchase	1	0.00	3021	0.08
	17/06/2022-Purchase	5	0.00	3026	0.08
	24/06/2022-Purchase	5	0.00	3031	0.08
	30/06/2022-Sale	-90	0.00	2941	0.08
	01/07/2022-Purchase	1	0.00	2942	0.08
	12/08/2022-Purchase	2	0.00	2944	0.08
	14/10/2022-Purchase	3	0.00	2947	0.08
	At the end of the year			2947	0.08
12	Mustafa Mazahir Khedwala				
	At the beginning of the year	8000	0.22	8000	0.22
	08/04/2022-Sale	-7999	0.22	1	0.00
	At the end of the year			1	0.00

**(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	<b>Director</b> 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	400	0.01		
	Date wise increase/ decrease	Nil	Nil		
	At the End of the year			400	0.01
3	Arvinder Singh Kohli				
	At the beginning of the year	809	0.02		
	Date wise increase/ decrease	Nil	Nil		
	At the End of the year			809	0.02
4	Claude Alex D'Gama Rose				
	At the beginning of the year	Nil	Nil		
	At the End of the year			Nil	Nil
5	Kaiyomarz Minoos Marfatia				
	At the beginning of the year	Nil	Nil		
	At the End of the year			Nil	Nil
6	Reshmi Panicker				
	At the beginning of the year	Nil	Nil		
	At the End of the year			Nil	Nil
	<b>Key Managerial Personnel</b>				
7	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
8	Ram Narayan Sahu				
	At the beginning of the year	Nil	Nil		
	At the End of the year			Nil	Nil



9	Harshal Anant Patil				
	At the beginning of the year	1	1		
	Date wise increase/ decrease	Nil	Nil		
	At the End of the year			1	0.00

**(V) Indebtedness:**

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

	<b>Secured Loans excluding deposits (Rs. in Lakhs)</b>	<b>Unsecured Loans (Rs. in Lakhs)</b>	<b>Deposits (Rs. in Lakhs)</b>	<b>Total Indebtness (Rs. in Lakhs)</b>
Indebtedness at the beginning of the financial year				
i) Principal Amount	9	-	-	9
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>9</b>	<b>-</b>	<b>-</b>	<b>9</b>
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	3	-	-	3
Net Change	(3)	-	-	(3)
Indebtedness at the end of the financial year				
i) Principal Amount	6	-	-	6
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>6</b>



**(VI) Remuneration of Directors and Key Managerial Personnel:**

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

Sr. No.	Particulars of Remuneration	Name MD/ WTD/ Manager		Total Amount (₹ in Lakhs)
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--
2.	Stock Option	--	--	--
3.	Sweat Equity	--	--	--
4.	Commission _ as % of profit _ others, specify...	--	--	--
5.	Others, please specify Sitting Fees (p.a.)	--	--	--
	Total (A)	--	--	--

B. Remuneration to Other Directors

Sr. No	Particulars of Remuneration	Name of Directors							Total Amount
		Ms. Harsh-beena Zaveri	Mr. Satish Rangani	Mr. Arvinder Singh Kohli	Mr. Claude Alex D'Gama Rose	Mr. Kaiyomarz Marfatia	Mr. Vivek Sahai*	Ms. Reshmi Panicker	
1.	Independent Directors								
	• Fee for attending Board / Committee meetings	--	--	--	1.95	2.35	1.15	0.30	5.75
	• Commission (for FY 21-22)	--	--	--	1.88	1.88	1.88	--	5.64
	• Others, please Specify	--	--	--	--	--	--	--	--
	Total (1)	--	--	--	3.83	4.23	3.03	0.30	11.39
2.	Other Non-Executive Directors								
	• Fee for attending Board /Committee meetings	2.35	1.30	0.90	--	--	--	--	5.35
	• Commission (for FY 21-22)	1.88	1.88	1.88	--	--	--	--	4.05
	• Others, please Specify	--	--	--	--	--	--	--	--
	Total (2)	4.23	3.18	2.78	--	--	--	--	10.19
	Total (B)=(1+2)	4.23	3.18	2.78	3.83	4.23	3.03	0.30	21.58
	Total Managerial Remuneration (A+B)	4.23	3.18	2.78	3.83	4.23	3.03	0.30	21.58
	Overall Ceiling as per the Act (@3% of profits calculated under Section 198 of the Companies Act, 2013)								24.00

\*Ceased to be Director w.e.f. November 7, 2022.

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. Harshal Patil (Company Secretary)	
1.	Gross salary				
	(a) Salary as per provisions contained in section 7(1) of the Income-tax Act, 1961	33.49	18.60	8.50	60.59
	(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 (A)	33.49	18.60	8.50	60.59

(VII) PENALTIES/PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2023 other than fine of Rs. 10,000/- imposed by BSE Ltd for inadvertent delay in complying Regulation 17 (1) of SEBI (LODR) Regulations 2015.

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

Place : Mumbai  
Date : May 23, 2023

**Harshbeena Zaveri**  
Chairperson





### 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 |
| iii) Key Managerial Personnel (Directors)               |   |                   |
| Ms. Harshbeena Zaveri                                   |   |                   |
| Mr. Satish Rangani                                      |   |                   |
| Mr. Vivek Sahai (upto November 7, 2022)                 |   |                   |
| Mr. Arvinder Singh Kohli                                |   |                   |
| Mr. Claude Alex D'Gama Rose                             |   |                   |
| Mr. Kaiyomarz Minoo Marfatia                            |   |                   |
| Ms. Reshmi Panicker (with effect from February 9, 2023) |   |                   |
| Mr. Krishnakant Prasad Sinha (CEO)                      |   |                   |
| iv) SNL Employee Provident Fund Trust                   | – | Trust             |
| v) SNL Officers Provident Fund Trust                    | – | Trust             |

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

- |      |                                 |   |   |
|------|---------------------------------|---|---|
| i)   | NRB Bearings Limited            | – | Sale of Finished Goods, Special Machines & Spare parts, Raw Materials     |
|      |                                 | – | Purchase of Raw Materials; Plant & Equipment, Reimbursement of Expenses   |
| ii)  | NRB Bearings (Thailand) Limited | – | Sale of Finished Goods, Special Machines & Spare parts, Sale of Equipment |
| iii) | Key Managerial Personnel        | – | Remuneration, Sitting fess, Commission                                    |
| iv)  | Trust                           | – | Contribution to Provident Fund  |

**(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:

<b>Sr. No.</b>	<b>Name of the Related Parties</b>	<b>Nature of Contract/ arrangements/ transactions</b>	<b>Salient Terms of Contract/ arrangements/ transactions</b>
1	NRB Bearings Limited	Sale of Finished Goods, Special Machines & Spare parts, Raw Material, Purchase of Raw Material, Reimbursement of Expenses, Dividend on Equity Shares	As per Purchase Orders placed for their requirements of Raw Materials, Components and Finished Products.  As per Dividend declaration
2.	NRB Bearings (Thailand) Limited	Sale of Finished Goods, Special Machines & Spare parts, Sale of Equipment Purchase of property, plant and equipment	As per Purchase Orders placed for their requirements of Components and/or Finished Products.
3.	Key Managerial Personnel	Directors Commission and Sitting fees,  Remuneration to KMP	As decided by the Board of Directors but not exceeding Rs. 2 Lakhs p.a. per Director and not exceeding an amount equal to 1% of the net profits of the Company calculated pursuant to Section 198 of the Act, 2013.  Remuneration as per CTC.
4.	Trust	Contribution to Provident fund	As per statutory provisions.



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

As mentioned below:

(₹ in lakhs)

i)	NRB Bearings Limited	Sale of Finished Goods	1572
		Sale of raw material	-
		Sale of special purpose machine / machine spare parts	3
		Purchases of Fixed Assets	26
		Purchases of Raw Materials	114
		Dividend on Equity Shares	172
		Reimbursement of Expenses	-
ii)	NRB Bearings (Thailand) Limited	Purchases of Fixed Assets	-
		Sale of raw material	-
		Sale of special purpose Machine/ Machine parts	85
		Sale of Finished Goods	14
		Commission	1
iii)	Key Managerial Personnel: Directors: Mr. Krishnakant Prasad Sinha:	Dividend	2
		Sitting fees and Commission	21
		Remuneration	33
iv)	Trust	Contribution to provident fund trust - Employer's contribution	4
		Contribution to provident fund trust - Employee's contribution	7

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

- i) May 24, 2022
- ii) August 3, 2022
- iii) November 3, 2022
- iv) February 9, 2023

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

Nil

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

Place : Mumbai  
Date : May 23, 2023

**Harshbeena Zaveri**  
Chairperson



## 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 2022-23:

<b>Name of Directors</b>	<b>Remuneration (Rs. in Lakhs)</b>	<b>Median Remuneration (Rs. in Lakhs)</b>	<b>Ratio</b>
Ms. Harshbeena Zaveri -Chairperson Non-Executive, Non-Independent Director	4.23	3.92	1.08
Mr. Satish Rangani Non-Executive, Non-Independent Director	3.18	3.92	0.81
Mr. Kaiyomarz Minoos Marfatia Non-Executive, Independent Director	4.23	3.92	1.08
Mr. Arvinder Singh Kohli Non-Executive, Non-Independent Director	2.78	3.92	0.71
Mr. Claude Alex D’Gama Rose Non-Executive, Independent Director	3.83	3.92	0.98
Ms. Reshmi Panicker** Non-Executive, Independent Director	0.30	3.92	0.08
Mr. Vivek Sahaj*** Non-Executive, Independent Director	3.03	3.92	0.77

\* No remuneration is paid except Sitting fees and Commission.

\*\* appointed w.e.f. February 9, 2023

\*\*\*ceased to be Director w.e.f. November 7, 2022.

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 2022-23;

<b>Name of Directors</b>	<b>Percentage increase in remuneration in the Financial year.</b>
Ms. Harshbeena Zaveri Chairperson, Non-Executive, Non-Independent Director	NA
Mr. Satish Rangani Non-Executive, Non-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. Kaiyomarz Minoos Marfatia Non-Executive, Independent Director	NA
Ms. Reshmi Panicker Non-Executive, Independent Director	NA
Mr. Krishan Kant Prasad Sinha Chief Executive Officer	00.00%
Mr. Ram Narayan Sahu Chief Financial Officer	17.00%
Mr. Harshal Anant Patil Company Secretary	00.00%

- c. The percentage increase in the median remuneration of employees in the financial year;  
The median remuneration of employees of the Company was decreased by 7.50% during the financial year 2022-23.
- d. The Company has 152 number of permanent employees on the rolls of Company as on March 31, 2023;
- 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 3.10% while increase in the Managerial Remuneration is -4.69%. 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**

Place : Mumbai  
Date : May 23, 2023

**Harshbeena Zaveri**  
Chairperson

**Annexure V****SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023**

[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, 2023 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, 2023 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 – (As confirmed by the management, 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, 2021;
  - b) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
  - e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - 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 subject to

During the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards mentioned above subject to the following observation:

Due to expiry of the tenure of one of the Independent Director –

- (a) the Company did not have requisite number of Independent Directors from 07/11/2022 to 08/02/2023 as required under Regulation 17(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
- (b) minimum six (6) Directors as required for top 2000 listed entities based on market cap from 07/11/2022 to 08/02/2023 under Regulation 17(1)(c) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I further report that –

- The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors, except during the period 07/11/2022 to 08/02/2023. The Company does not have any Executive Director or Managing Director. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed proposal on agenda were sent in advance duly complying with the time limits specified and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- As per the minutes of the meeting duly recorded and signed by the chairperson, the decisions of the Board were unanimous and no dissenting views have been recorded.

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

I further report that the compliance by the Company of applicable financial laws like direct and indirect tax laws has not been reviewed in this audit since the same has been subject to review by statutory financial auditors 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: F002727E000483086  
Peer Review Certificate No.1882/2022

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

**Note:** This report is to be read with my letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.



**ANNEXURE A**

To,  
The Members,  
SNL Bearings Limited,

My report of even date is to be read with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed, provide reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the management representation about the compliance of the laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. My examination was limited to the verification of procedure on test basis.
6. The secretarial audit report is neither an assurance as to future viability of the Corporation nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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





## MANAGEMENT DISCUSSION & ANALYSIS

### Industry Structure and Development

Your Company operates in the anti-friction bearings industry and the major industrial users of anti-friction bearings are automobiles, general engineering, railways, electrical equipment manufactures etc. Your Company manufactures mostly 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.

Market growth in the Indian mobility industry has a very large potential given the geographical spread, size of population and the current low penetration. Growth in the goods mobility segment is being driven by the need to establish strong supply chains between producers and markets. Improvements in road infrastructure also assist this area of business. India also has strong potential to become export hub for all segments.

The Company is well-positioned to leverage opportunities post Covid crisis. Firmly driven by its strategic focus on upgrading manufacturing facility and skilled workforce equipped to face the future with its strong resolute. This enables the Company to offer a comprehensive product portfolio to its customers, emphasizing high-quality standards and service aids, delivering value and sustainable growth.

The overall growth of the bearing industry is correlated with the automotive and industrial sectors. The demand for the bearings is derived from two key user segments - the automotive and industrial sectors. A major portion of bearings market in India is unorganized that caters to the low-end replacement market. Several main industrial sectors and user segments are expected to push the production of industrial equipment and automotive, leading to an increase in demand for automotive component, equipment and vehicles in the developing countries.

The automotive industry is the largest consumer of bearing products and your Company supplies to all the segments viz; 2/3 wheeler, passenger cars, commercial vehicles and farm equipment segments. Tractors performed much better than other segments as rise in government spending on new infrastructure and construction buildings increases the demand for tractors for transportation applications as well as increase demand of tractors for agricultural activities which in turn, drive the growth of the Indian tractor market.

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 personal contact are the focus areas to re-assure them that quality products delivered in a timely and cost efficient manner which will be our priority.

### Economic Environment/Outlook

International Monetary Fund (IMF) in its report on the global economic outlook states, "The global fight against inflation, Russia's war in Ukraine, and a resurgence of COVID-19 in China weighed on global economic activity in 2022, and the first two factors will continue to do so in 2023." The latter part of last year saw some of these risks moderate and IMF has raised its growth forecasts in January of this year compared to what they had made in October last year. Global growth is projected to fall from an



estimated 3.4% in 2022 to 2.9% in 2023, then rise to 3.1% in 2024. The forecast for 2023 is 0.2% higher than predicted in the October 2022. Inflation, the main culprit slowing down the global economy, is also expected to moderate. Global inflation is expected to fall from 8.8% in 2022 to 6.6% in 2023 and 4.3% in 2024, still above pre-pandemic (2017–19) levels of about 3.5%.

Europe was greatly affected by the war in Ukraine. Demand dropped while sanctions on Russia led to unprecedented increase in gas & power prices, fueling inflation. Central banks raised interest rates, and this further eroded demand. Power prices have moderated more than expected as Europe moved to replace Russian gas with other sources while optimizing electricity consumption, which was helped by a warmer-than usual winter. But inflation remains a concern. Growth in the euro area is projected by IMF to bottom out at 0.7% in 2023 before rising to 1.6% in 2024. There is an increase of 0.2% in 2023 forecast compared to October 2022.

IMF also estimated that growth in India is set to decline from 6.8% in 2022 to 6.1% in 2023 before picking up to 6.8% in 2024. The Indian economy has shown resilience amidst external headwinds and a weakening global economic scenario. This year's budget highlighted comfortable fiscal deficit figures and excellent tax collections. Budget forecasts for the coming financial year have been based on conservative assumptions, showing that the economy is on a strong footing. For the last few years, the government has focused on infrastructure development and its capital expenditure plan reflects this. Capex spending by the government has steadily increased in the last few years and is expected to be the highest in FY24. The private sector has also seen a capex revival with credit growth being at a four year high, even as the balance sheets of both banks and corporates remain healthy. Some of the optimism needs to be tempered. Many commentators expect the new income tax regime to put more money in the hands of people and increase consumption, but confusion between the old and new regimes persist and the jury is still out on the new regime. Domestic consumption could also moderate in FY24 due to the combination of - slower global growth, lagged effect of interest rate hikes and dissipation of 'revenge' consumption, that followed the lifting up of restrictions during the covid pandemic. Inflation continues to be higher than comfortable and rural incomes have only recovered moderately. The prospect of a K shaped economy with consumption growth in the lower income categories lagging others, is real.

### **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, higher expectations for improved reliability of the vehicles and the need for readiness to meet requirements for the new fuel efficient and environmental friendly vehicles may result in need for investments in newer technology, research and development. 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**

Your Company's revenue (net) was at Rs. 4,787 lakhs in FY 2022-23 (Previous Year: Rs. 4,351 lakhs) representing a growth of 10%. Profit after tax was at Rs. 818 lakhs (Previous Year: Rs. 883 lakhs), a decrease of 7%. There has been a renewed focus on broad basing the customers served so as to optimally utilize the company's installed capacities and also develop new products to be ready to service the new hybrid and electric vehicle models being introduced. This will help the Company to achieve its long term strategic objectives to grow rapidly.

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 non-critical risks. These are periodically presented to the Board. Risk mitigation measures and their implementation are regularly reviewed and discussed, and after evaluation, improved and updated.

The macro concerns which could significantly impact industry performance during the year are inflation, fiscal deficit and currency risks, government's inability to build and expand critical infrastructure and the 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 and 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 March 24, 2022 for 3 years with effect from January 1, 2022 to December 31, 2024, wherein the management's proposal for an overall production rise of 15% has been accepted and also provides for deductions for bad quality products produced. These provisions will help in keeping employee costs under check.

As an organization, your Company is evolving with its HR practices and policies to improve on employee engagement and experience. We strive to provide a good working environment to our employees such that they have ample opportunities to further their skills. A key focus is to maintain harmonious relations with employees at all plants in all geographies. The organization has put in place a Diversity, Equity and Inclusion conceptual model and has adopted appropriate targets in line with the practices of CIE Automotive globally. Our Employee Value Proposition (EVP) is centred on four pillars of Care & Wellness, Advancement opportunities for Career Growth, Respect & Dignity and Structured Reward and Recognition.

Permanent employees directly employed by the Company currently are total 154 in number.

### **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, 2023, 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.

#### GOVERNANCE STRUCTURE

The Corporate Governance structure 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 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, industrial 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, 2023 the Company's Board consists of 6 (six) Directors. Besides the non-executive Chairperson, the Board comprises of 2 (two) Non-Executive Director and 3 (three) 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 per Regulation 17A of the Listing Regulations, none of the Directors is on the Board of more than 7 (seven) listed entities and as mandated by Regulation 26(1) 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, 2023 are given below:

#### Directorship/Committee Membership as on March 31, 2023.

Name	Date of Appointment	Category of Director	Directorships in other Indian Public Limited Companies (Other than SNL Bearings Limited)	No. of Board Committees in which Chairman / Member (Other than SNL Bearings Limited)		Share-holding in SNL Bearings Limited
				Chairman	Member	
Ms. Harshbeena Zaveri DIN: 00003948	31/07/2000	Chairperson and Non-Executive Director	1	0	2	34011
Mr. Satish Rangani DIN: 00209069	31/07/2000	Non-Executive Director	1	0	0	400
Mr. Arvinder Singh Kohli DIN: 08135020	17/05/2018	Non-Executive Director	0	0	0	1034
Mr. Kaiyomarz Minoo Marfatia DIN: 03449627	31/05/2021	Independent Director	1	0	1	0
Mr. Claude Alex D'Gama Rose DIN: 01494440	17/05/2018	Independent Director	0	0	0	0
Ms. Reshmi Panicker DIN: 05178086	09/02/2023	Independent Director	0	0	0	0

#### Notes:

1. Directorships exclude Private Limited Companies, Foreign Companies and Section 8 Companies.
2. Chairmanship/Membership of Committee only includes Audit Committee and Stakeholders Relationship Committee in Indian Public Limited Companies other than SNL Bearings Limited. Members of the Board 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 of Annual General Meeting.

Sr. No.	Name of Director	No. of Share held
1	Ms. Harshbeena Zaveri	34011
2	Mr. Satish Rangani	400
3	Mr. Arvinder Singh Kohli	1034

Except mentioned above none of the Non-executive Directors hold Equity Shares of the Company as on March 31, 2023.

**Other Directorships held by the Directors:**

(Directorships exclude Private Limited Companies, Foreign Companies and Section 8 Companies.)

Sr. No.	Name of Directors	Details of other Directorships	Details of Committee Memberships
1.	Ms. Harshbeena Zaveri	<ul style="list-style-type: none"> <li>NRB Bearings Limited: Vice Chairman &amp; Managing Director</li> </ul>	NRB Bearings Limited: <ul style="list-style-type: none"> <li>Audit Committee - Member</li> <li>Stakeholder's Relationship Committee - Member</li> <li>Corporate Social Responsibility Committee - Chairperson</li> <li>Risk Management Committee - Member</li> </ul>
2.	Mr. Satish Rangani	<ul style="list-style-type: none"> <li>NRB Bearings Limited: Executive Director</li> </ul>	NRB Bearings Limited: <ul style="list-style-type: none"> <li>Corporate Social Responsibility Committee – Member</li> </ul>
3.	Mr. Arvinder Singh Kohli	Nil	Nil
4.	Mr. Claude Alex d’Gama Rose	Nil	Nil
5.	Mr. Kaiyomarz Minoo Marfatia	Abbott India Limited: Director	Abbott India Limited: <ul style="list-style-type: none"> <li>Stakeholder's Relationship Committee – Chairman</li> <li>Risk Management Committee-Member</li> </ul>
6.	Ms. Reshmi Panicker	Nil	Nil

**Independent Directors**

The Independent Directors fulfill the criteria of independence as specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations. A formal letter of appointment to Independent Directors as provided in Companies Act, 2013 has been issued and disclosed on website of the Company viz. [www.snlbearings.in](http://www.snlbearings.in). In the opinion of the Board, the Independent Directors fulfill the conditions specified in the Listing Regulations and are independent of the management.



### 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 2022-23, the Board of Directors met 4 (four) times i.e. on May 24, 2022, August 3, 2022, November 3, 2022 and February 9, 2023.

### 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 September 6, 2022
1.	Ms. Harshbeena Zaveri	4 of 4	Present
2.	Mr. Satish Rangani	4 of 4	Present
3.	Mr. Arvinder Singh Kohli	3 of 4	Present
4.	Mr. Claude Alex D'Gama Rose	4 of 4	Present
5.	Mr. Kaiyomarz Minoo Marfatia	4 of 4	Present
6.	Ms. Reshmi Panicker*	1 of 1	NA
7.	Mr. Vivek Sahai**	2 of 3	Present

\*Appointed w.e.f. February 9, 2023

\*\*Ceased to be Director w.e.f. November 7, 2022.

### 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 compliance with applicable laws and governance principles applicable, as also legal provisions applicable to matters under discussion.

### 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 Chairperson:** 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 and preside over all Board and 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. and 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/her, which inter alia explains the role, function, duties and responsibilities expected from him/her as a Director of the Company. The Chairperson also has a one to one discussion with the newly appointed Director to familiarize him/her 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 and interactive session with the core management team members of the Company. The details of the familiarization programme for Independent Directors are available on the Company's website, viz. [www.snlbearings.in](http://www.snlbearings.in).



### Skills matrix for the Directors

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

Skills	Definition
Business Acumen	Ability to understand business environment and economic and regulatory conditions impacting market and to formulate policies for enhancing market share, understanding of operations and organizational processes coupled with collaborative competencies, seeking and giving feedback.
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.
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.
Finance and Accounting expertise	Expertise in financial management, capital allocation, financial reporting requirements.
Technological	Ability to anticipate changes in technology, drive product and process innovation.
Legal, Regulatory and Corporate Governance	Understanding of regulatory and legal frameworks. 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 organizations, 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.

Identified Skills	HSZ	SCR	CDR	ASK	KMM	RP
Business Acumen	√	√	√	√	√	√
Leadership	√	√	√	√	√	√
Strategy and Strategic planning	√	√	√	√	√	√
Finance and Accounting expertise	-	√	√	-	-	-
Technological expertise	√	-	-	√	-	-
Legal, Regulatory and Corporate Governance	√	√	-	-	√	√

HSZ: Harshbeena Zaveri, SCR: Satish Rangani, CDR: Claude Alex D'Gama Rose, ASK: Arvinder Singh Kohli, KMM: Kaiyomarz Marfatia, RP: Reshmi Panicker.

### BOARD EVALUATION

In terms of the requirement of the Companies Act, 2013 and the Listing Regulations, an annual performance evaluation of the Board is undertaken where the Board formally assesses its own performance with the



aim to improve the effectiveness of the Board and the Committees. The evaluation process is focused on various aspects of the functioning of the Board and Committees such as composition of the Board, improving Board effectiveness, performance of Board Committees, Board knowledge sessions and time allocation for strategic issues, etc. During the year, Board Evaluation cycle was completed by the Company internally which included the evaluation of the Board as a whole, Board Committees and Peer Evaluation of the Directors. Evaluation of the performance of individual Directors on parameters such as attendance, contribution and independent judgment was also carried out during the year. The Board noted that the evaluation process showed that the Board was rated as "Good" reflecting the overall engagement and effectiveness of the Board and the Committees.

### **Performance evaluation of Independent Directors**

The Nomination and Remuneration (HR) Committee considers following criteria for performance evaluation of Independent Directors:

- a) Attendance at Board meetings and Board Committee meetings;
- b) Chairmanship of the Board and Board Committees;
- c) Contribution and deployment of knowledge and expertise at the Board and Committee meetings;
- d) Guidance and support provided to senior management of the Company outside the Board meetings;
- e) Independence of behavior and judgment; and
- f) Impact and influence

As a part of the annual Board evaluation, detailed questionnaires were circulated to all the Directors. On the basis of responses received on these questionnaires, the Chairperson of the Board and the Chairperson of the Nomination and Remuneration Committee evaluated the Board's performance and that of its committees. The Board also conducted evaluation of independent directors which included performance of directors and fulfilment of criteria as specified in Listing Regulations and their independence from the management, where the independent directors did not participate.

## **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](http://www.snlbearings.in).

### **Conflict of Interests**

Each Director informs the Company on an annual basis about the Board and the Committee positions he/ she 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 Code. The Code is displayed on the website of the Company at [www.snlbearings.in](http://www.snlbearings.in).

### COMMITTEES OF THE BOARD

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

The Company has 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

The Audit Committee of the Board of Directors 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. Claude Alex D'Gama Rose, Independent Director is the Chairperson of the Audit Committee. The other members of the Audit Committee includes Ms. Harshbeena Zaveri (Non- Executive Director) and Mr. Kaiyomarz Minoo Marfatia (Independent Director).

##### Meetings and Attendance

The Audit Committee met 4 (four) times during the financial year 2022-23, on May 24, 2022, August 3, 2022, November 3, 2022 and February 9, 2023. The maximum gap between two Meetings were not more than 120 (one hundred and twenty days). The requisite quorum was present at all the Meetings. The Chairperson of the Audit Committee was present at the last Annual General Meeting of the Company held on September 6, 2022.



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

<b>Sr. No.</b>	<b>Name of the Directors</b>	<b>Position</b>	<b>Category</b>	<b>No. of Meetings Attended</b>
1.	Mr. Claude Alex D'Gama Rose	Chairperson	Independent Director	4 of 4
2.	Ms. Harshbeena Zaveri	Member	Non-Executive Director	4 of 4
3.	Mr. Kaiyomarz Minoo Marfatia	Member	Independent Director	4 of 4
4.	Mr. Vivek Sahai*	Member	Independent Director	2 of 3

\* Ceased to be Director w.e.f. November 7, 2022.

### **Terms of Reference**

For the purpose of effective compliance of provisions of section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. 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, includes:

- 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 on any significant findings and follow up thereon.
- 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 IND-AS as applicable to the Company has been ensured in the preparation of the financial statements for the year ended March 31, 2023.

Besides the above, Mr. Satish Rangani (Director) and Mr. R N Sahu, the Chief Financial Officer and 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 Unaudited 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](http://www.snlbearings.in) and are also sent to the Stock Exchange where the Company's equity shares are listed for display at their website.

The Audit Committee also oversees and reviews the functioning of the Vigil Mechanism 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 along with CFO formulates a detailed plan for the Internal Auditors for the year, which is reviewed at the Audit Committee Meetings. The Internal Auditors attend the meetings of the Audit Committee on regular basis and submit their recommendations to the Audit Committee and provide a road map for the future.

## **(B) NOMINATION AND REMUNERATION COMMITTEE**

### **Composition**

The Nomination and Remuneration Committee comprises of 3 (three) Directors. Mr. Kaiyomarz Minoo Marfatia, Independent Director, is the Chairperson of the Committee. The other members of the Nomination and Remuneration Committee includes Mr. Claude Alex D'Gama Rose (Independent Director) and Ms. Harshbeena Zaveri (Non-Executive Director). Mr. Vivek Sahai (Independent Director) ceased to be the member of the committee w.e.f. November 7, 2022. 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 24, 2022, November 3, 2022 and February 9, 2023. The requisite quorum was present at the meetings. The Chairperson of the Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company.

Sr. No.	Name of the Directors	Position	Category	No. of Meetings Attended
1.	Mr. Kaiyomarz Minoo Marfatia	Chairperson	Independent Director	3 of 3
2.	Ms. Harshbeena Zaveri	Member	Non-Executive Director	3 of 3
3.	Mr. Claude Alex D'Gama Rose*	Member	Independent Director	1 of 1
4.	Mr. Vivek Sahai**	Chairperson	Independent Director	1 of 2

\* appointed as Member w.e.f. November 3, 2022.

\*\*Ceased to be member of Committee w.e.f. November 7, 2022.

## 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 that the directors shall be remunerated by way of sitting fees of Rs. 30,000/- 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 meetings and Rs. 10,000/- each per meeting paid for Stakeholders Relationship Committee meetings and Corporate Social Responsibility



Committee meetings. In addition, the Non- Executive Directors and Independent Directors are entitled to yearly commission upto 1% of the net profits of the Company with a ceiling of Rs. 2 lakhs p.a. per Director as determined by the Board of Directors/Nomination & Remuneration Committee, which was approved by the Members at 41st Annual General Meeting held on September 20, 2021.

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 the FY 2022-23 is Rs. 818 lakhs and based on the attendance and contribution at the meetings, the commission payable would be approximately Rs. 1.87 lakhs per Director. This will be paid out after the Members approve the financial statements for the year ended March 31, 2023.

### Remuneration to KMP, Directors and Senior Management Personnel

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

### Details of Remuneration paid to Directors and KMP

#### (I) Non Executive Directors

(Rs. in Lakhs)

Name of the Director	Sitting Fees (FY 2022-23)	Commission on profits (FY 2021-22)	Total
Ms. Harshbeena Zaveri	2.35	1.88	4.23
Mr. Satish Rangani	1.30	1.88	3.18
Mr. Vivek Sahai*	1.15	1.88	3.03
Mr. Arvinder Singh Kohli	0.90	1.88	2.78
Mr. Claude Alex D'Gama Rose	1.95	1.88	3.83
Mr. Kaiyomarz Mino Marfatia	2.35	1.88	4.23
Ms. Reshmi Panicker	0.30	-	0.30
<b>Total</b>	<b>10.30</b>	<b>11.28</b>	<b>21.58</b>

\*Ceased to be Director w.e.f. November 7, 2022.

Note :

Commission to Non-Executive Directors has been approved upto 1.00% of net profits, with a ceiling of Rs. 2,00,000/- p.a. per director as determined by the Nomination and Remuneration Committee based on net profits for FY 2022-23 (payable for 2022-23).

Commission to Non-Executive Directors has been approved Rs. 1,87,000/- at the meeting of the Nomination and Remuneration Committee held on May 23, 2023.

Other than as disclosed above, there is no pecuniary relationship or transaction between the Company and the Non- Executive Directors.





The Company is managed solely by CEO of the Company, therefore separate provision for severance fees, stock options and notice period for executive Directors is not required.

### (II) KMP, Senior Management Personnel

Name of KMP	Remuneration (Rs. in Lakhs)
Mr. KKP Sinha, General Manager (CEO)	33.49
Mr. Ram Narayan Sahu, Finance Head (CFO)	18.60
Mr. Harshal Patil, (CS)	8.50
<b>Total</b>	<b>60.59</b>

### (C) STAKEHOLDERS RELATIONSHIP COMMITTEE

#### Composition, Meetings and Attendance

The Stakeholders Relationship Committee comprises of 3 (three) Directors. Mr. Kaiyomarz Minoo Marfatia, (Independent Director) is the Chairperson of the Committee. The other members of the Stakeholders Relationship Committee includes Ms. Harshbeena Zaveri (Non- Executive Director) and Mr. Satish Rangani (Non-Executive Director). During the year under review the Committee met once on November 3, 2022. The table below highlights the composition and attendance of the Members of the Committee. The requisite quorum was present at the Meeting.

Sr. No.	Name of the Directors	Position	Category	No. of Meetings Attended
1.	Mr. Kaiyomarz Minoo Marfatia	Chairperson	Independent Director	1 of 1
2.	Ms. Harshbeena Zaveri	Member	Non-Executive Director	1 of 1
3.	Mr. Satish Rangani	Member	Non-Executive Director	1 of 1
4.	Mr. Vivek Sahai*	Member	Independent Director	1 of 1

\*Ceased to be Director w.e.f. November 7, 2022

Mr. Harshal Patil, Company Secretary and Compliance Officer monitors the share transfer process and liaison with the regulatory authorities

#### Terms of Reference

The Board has clearly defined the terms of reference for this committee, which generally meets once a quarter or as when required. The Committee looks into the matters of Members/ Investors grievances along with other matters listed below:

- Redressal of Members 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 of 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 Private Limited (100% subsidiary of Link Intime India Private Limited) attends to all grievances of the Members 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. Members are requested to update their telephone numbers and e-mail addresses with RTA to facilitate prompt action.

### **DETAILS OF MEMBERS' COMPLAINTS**

The total number of complaints received and resolved during the year ended March 31, 2023 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, 2023. The number of pending share transfers and pending requests for dematerialization as on March 31, 2023 were Nil. Members/ Investors complaints and other correspondence are normally attended to within seven 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, 2023.

### **(D) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

#### **Composition**

The Corporate Social Responsibility (CSR) Committee comprises of 3 (three) Directors, Ms. Harshbeena Zaveri, Non-Executive and Non-Independent Director, is the Chairperson of the Committee. The other members of the CSR Committee includes Mr. Satish Rangani (Non-Executive Director) and Mr. Claude Alex D'Gama Rose (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. 15.50 lakhs during FY 2022-23 on the identified activities.

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

#### **Terms of Reference**

- Formulate and recommend to the Board a CSR policy which indicates the activities to be under taken 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 during the year on February 9, 2023. 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	Chairperson	Non-Executive Director	1 of 1
2.	Mr. Satish Rangani	Member	Non-Executive Director	1 of 1
3.	Mr. Claude Alex D’Gama Rose	Member	Independent Director	1 of 1
4.	Mr. Vivek Sahai*	Member	Independent Director	NA

\*Ceased to be Director w.e.f. November 7, 2022

### (E) INDEPENDENT DIRECTORS’ MEETING

During the year under review, the Independent Directors met on March 24, 2023, inter alia, to:

- Evaluate performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluate performance of the Chairperson 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 Chairperson.

### AFFIRMATIONS AND DISCLOSURES:

#### a. Compliances with Governance Framework

The Company is in compliance with all mandatory requirements under the Listing Regulations except for an inadvertent delay of two days in scheduling the Board meeting for appointment of an Independent Director.

#### 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 Members’ approval obtained through postal ballot on March 30, 2022. Related party transactions have been disclosed under significant accounting policies and notes forming part of the Financial Statements in accordance with “IND AS”. A statement in summary form of transactions with Related Parties in ordinary course of business and arm’s length basis is periodically placed before the Audit committee for review and recommendation to the Board for their approval.



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

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

(Rs. in Lakhs)

Name of the related party and nature of transactions	Transactions during the year ended		Balances Receivable / (Payable) As at	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<b>Holding Company:</b>				
<b>NRB Bearings Limited</b>				
• Sale of finished goods	1572	1455	227	285
• Sale of raw material	-			
• Sale of special purpose machine / machine spare parts	3			
• Purchases of raw materials	114	192		
• Purchases of property, plant and equipment	26	8		
• Reimbursement of expenses		9		
• Dividend on equity shares	172	119		

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 except than regulation 17(1) since there was an inadvertent delay of two days in scheduling the Board meeting for appointment of an Independent Director. Consequently, there was nominal fine imposed by Stock Exchange.

No penalty were imposed by any statutory authority for non-compliance of any matter related to the capital markets during the last three Financial years otherwise mentioned above.

**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 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 chairperson 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. Details of Utilization of funds:**

During the year under review the Company has not raised any funds through preferential allotment or qualified institutions placement.

**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 of the Committees**

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

**k. Fees paid to Statutory Auditor**

During the financial year 2022-23, the Company has paid the statutory fees, certification fees and fees for other services to the statutory auditors. The details of fees paid are disclosed in Note No. 36.1 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 except than regulation 17 (1) more specifically mentioned in point no. c above.**
- 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. Shareholder Rights
- The Company publishes its Results on its website at [www.snlbearings.in](http://www.snlbearings.in) which is accessible to the public at large. The same are also available on the website of the Stock Exchange on which the Company's shares are listed and are published in a national English newspaper and in local language (Marathi) newspaper, within forty-eight hours of approval thereof.
- ii. Modified opinion(s) in audit report
- The Financial Statements of the Company for the financial year ended March 31, 2023 does not contain any modified audit opinion.
- iii. 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.

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

Place : Mumbai  
Date : May 23, 2023

**Harshbeena Zaveri**  
Chairperson



**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 at the portal [www.mca.gov.in](http://www.mca.gov.in)) 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, 2023 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)	Arvinder Singh Gurmukh Singh Kohli (DIN: 08135020)	Non Executive, Non-Independent Director	17/05/2018
4)	Claude Alex D'Gama Rose (DIN: 01494440)	Non Executive, Independent Director	17/05/2018
5)	Kaiyomarz Minoo Marfatia (DIN: 03449627)	Non Executive, Independent Director	31/05/2021
6)	Reshmi Panicker (DIN: 05178086)	Non Executive, Independent Director	09/02/2023

**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.

UDIN:F002727E000423994  
Peer Review Certificate No. 1882/2022

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



## 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 8 September 2022
2. We have examined the compliance of conditions of corporate governance by SNL Bearings Limited ('the Company') for the year ended on 31 March 2023, 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 ('Listing Regulations').

### Management's Responsibility

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

### Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI'), and 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

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 2023.

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

7. 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.: 23108840BGYAWB1671

Place: Mumbai

Date: May 23, 2023





## 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
42 <sup>nd</sup>	2021-22	September 6, 2022, 3.30 p.m	Through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") in accordance with the relevant circulars issued by the Ministry of Corporate Affairs.	<ul style="list-style-type: none"> <li>Re-appointment of Mr. Claude Alex D'Gama Rose as an Independent Director of the Company for a second term.</li> </ul>
41 <sup>st</sup>	2020-21	September 20, 2021, 3.30 p.m	Through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") in accordance with the relevant circulars issued by the Ministry of Corporate Affairs.	<ul style="list-style-type: none"> <li>Payment of Commission to Non-Executive Directors</li> </ul>
40 <sup>th</sup>	2019-20	September 14, 2020, 3.30 p.m	Through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") in accordance with the relevant circulars issued by the Ministry of Corporate Affairs.	<ul style="list-style-type: none"> <li>Re-appointment of Mr. Jayavardhan Dhar Diwan as an Independent Director of the Company for a second term.</li> </ul>

#### POSTAL BALLOT

During the year under review 2 (two) resolutions were passed through postal ballot, as follows:

- i) Appointment of Ms. Reshmi Panicker as an Independent Director of the Company
- ii) Resolution under Sections 188 for approval of Material Related Party Transactions with NRB Bearings Limited for Financial Year 2023-24.

Mr. Upendra C. Shukla, Practicing Company Secretary was appointed as the Scrutinizer for conducting the postal ballot process in fair and transparent manner. Upon completion of the scrutiny of Ballot Forms and electronic responses, the Scrutinizer had submitted his report to the Chairman of the Company. The results of the Postal Ballot were declared on April 14, 2023. The said result along with the Scrutinizer's Report was displayed on the website of the Company, i.e. [www.snlbearings.in](http://www.snlbearings.in) and intimated to the Stock Exchange where the shares of the Company are listed. The resolutions were approved with requisite majority.



### Details of voting pattern of the postal ballot for Resolutions

Resolution for	Voted in favour of the resolution			Voted against the resolution		
	No. of members voted through e- voting/ postal ballot	No. of votes cast (No. of shares)	Percentage of total no. of votes cast	No. of members voted through e- voting/ postal ballot	No. of votes cast (No. of shares)	Percentage of total no. of votes cast
Special Resolution for the appointment of Ms. Reshmi Panicker as an Independent Director of the Company.	37	2702660	100.00	1	50	0.00
Ordinary Resolution under Section 188 for approval of Material Related Party Transactions with NRB Bearings Limited for FY 2023-24.	38	15937	100.00	0	0	0.00

### Procedure for Postal Ballot

- Appointment of Scrutinizer who is not in the employment of the Company.
- Notice of postal ballot along with the explanatory statement to Members by registered post or speed post or courier or through electronic means like registered email ID.
- Facilitation of the communication for assent or dissent of the members within a period of 30 (thirty) days.
- Advertisement in newspaper, one English newspaper and in one vernacular language newspaper in the principal vernacular language of the district in which the registered office of the Company is situated.
- Notice should also be placed on the website of the Company.
- Declaration of results by the Scrutinizer after following due process.

### Proposed postal ballot

Currently, the Company does not have any proposal to pass any resolution through postal ballot.



### ANNUAL GENERAL MEETING FOR THE FINANCIAL YEAR 2022-23

<b>DAY AND DATE</b>	Friday, September 8, 2023
<b>TIME</b>	3.30 p.m. (IST)
<b>VENUE (Registered Office of the Company)</b>	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
<b>FINANCIAL YEAR</b>	April 1, 2022 to March 31, 2023
<b>BOOK CLOSURE DATES</b>	September 2, 2023 to September 8, 2023 (both days inclusive)

### Tentative Calendar for Financial Year ending March 31, 2024

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

<b>Sr. No.</b>	<b>Particulars of Quarter</b>	<b>Tentative dates</b>
1.	First Quarter Results	July/ August, 2023
2.	Second Quarter & Half Yearly Results	October/ November, 2023
3.	Third Quarter & Nine-months ended Results	January/ February, 2024
4.	Fourth Quarter & Annual Results	April/ May, 2024

### Dividend

The Board of Directors at their Meeting held on May 23, 2023, recommended final dividend of Rs. 6.50 per share (65%) of Rs. 10 each for the financial year 2022-23, subject to approval of the Members at the ensuing Annual General Meeting. The dividend shall be paid to the Members whose name appear on Company's Register of Members as on Friday, September 1, 2023. The dividend if declared, at the Annual General Meeting shall be paid within 30 (Thirty) days of declaration.

### Dividend History

The table below highlights the history of dividends declared by the Company its maiden equity dividend being declared for FY 2015-16 and subsequently continued at enhanced levels:

<b>Sr. No.</b>	<b>Financial year</b>	<b>Date of Declaration of Dividend</b>	<b>Amount declared per share</b>
1.	2015-16 (Final Dividend)	July 27, 2016	Rs. 2.00
2.	2016-17 (Interim Dividend)	February 6, 2017	Rs. 3.00
3.	2017-18 (Final Dividend)	August 1, 2018	Rs. 5.00
4.	2018-19 (Final Dividend)	August 8, 2019	Rs. 5.00
5.	2019-20 (Interim Dividend)	March 6, 2020	Rs. 3.00
6.	2020-21 (Final Dividend)	September 20, 2021	Rs. 4.50
7.	2021-22 (Final Dividend)	September 6, 2022	Rs. 6.50



### 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 7 (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, a fund established under sub-section (1) of section 125. The details of unclaimed/unpaid dividend are available on the website of the Company viz. [www.snlbearings.in](http://www.snlbearings.in).

As the Company's maiden dividend was only for the FY 2015-16, these provisions are currently not applicable to the Company.

### Mandatory Transfer of Shares to Demat Account of Investors Education and Protection Fund Authority 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 remains unpaid or unclaimed by a Member for a period of 7 (seven) consecutive years or more shall be credited to the Demat Account of Investor Education and Protection Fund Authority (IEPFA) within a period of 30 (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 Members from IEPFA by following the procedure prescribed under the aforesaid rules.

As the Company's maiden dividend was only for the FY 2015-16, these provisions are currently not applicable to the Company.

Sr. No.	Financial year	Date of Declaration of Dividend	Unclaimed Amount (Rs.)	Due Date for transfer to IEPF Account
1.	2015-16 (Final Dividend)	July 27, 2016	1,87,894.00	September 01, 2023
2.	2016-17 (Interim Dividend)	February 06, 2017	2,53,557.00	March 13, 2024
3.	2017-18 (Final Dividend)	August 01, 2018	5,45,225.00	September 05, 2025
4.	2018-19 (Final Dividend)	August 08, 2019	5,10,630.00	September 12, 2026
5.	2019-20 (Interim Dividend)	March 06, 2020	3,19,743.00	April 13, 2027
6.	2020-21 (Final Dividend)	September 20, 2021	4,74,396.30	October 28, 2028
7.	2021-22 (Final Dividend)	September 6, 2022	7,07,835.00	October 13, 2029



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 for the FY 2014-15.

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, 2023**

No. of Equity Shares	2023				2022			
	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	5343	94.45	402336	11.14	5392	94.55	401542	11.12
501-1000	176	3.11	135623	3.76	172	3.01	134743	3.73
1001-2000	79	1.40	117683	3.26	75	1.32	109161	3.02
2001-3000	27	0.48	70218	1.94	28	0.49	69127	1.91
3001-4000	7	0.12	25238	0.70	10	0.18	35058	0.97
4001-5000	8	0.14	37704	1.04	8	0.14	36604	1.01
5001-10000	11	0.19	74263	2.06	13	0.23	87243	2.42
10001 & above	6	0.11	2748475	76.10	5	0.08	2738062	75.82
<b>TOTAL</b>	<b>5657</b>	<b>100</b>	<b>3611540</b>	<b>100</b>	<b>5703</b>	<b>100</b>	<b>3611540</b>	<b>100</b>

As on March 31, 2023, 3493232 no. of shares constituting 96.72% of the share capital has been dematerialized.

**Shareholding Pattern as on March 31, 2023**

Category	2023				2022			
	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
<b>Individuals</b>								
Promoter group	1	0.02	34011	0.94	1	0.02	34011	0.94
Public	5354	96.22	826010	22.87	5403	97.64	820905	22.73
<b>Corporate Bodies</b>								
Promoter group	1	0.02	2652762	73.45	1	0.02	2652762	73.45
Others	96	1.73	47314	1.31	106	1.88	60013	1.66
Foreign Collaborator	-	-			-	-		
NRI/OCBs	111	1.99	51393	1.42	112	1.99	43799	1.21
FI/FII/Banks	1	0.02	50	0.01	1	0.02	50	0.01
Mutual Funds/UTI	-				-			
<b>TOTAL</b>	<b>5564</b>	<b>100.00</b>	<b>3611540</b>	<b>100.00</b>	<b>5624</b>	<b>100.00</b>	<b>3611540</b>	<b>100.00</b>



### DEMATERIALIZATION OF SHARES AND LIQUIDITY

96.72% of the equity shares of the Company have been dematerialized (NSDL: 88.36% and CDSL: 8.36%) as on March 31, 2023. The Company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby Members have an option to dematerialize their shares with either of the Depositories.

#### Dematerialization of Shares - Process

Members 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 Members, the process of getting the shares dematerialized is given hereunder:

- a) Demat account should be opened with a Depository Participant (DP).
- b) Members should submit the Dematerialization Request Form (DRF) along with share certificates in original, to their DP.
- c) DP will process the DRF and will generate a Dematerialization Request Number (DRN).
- d) DP will submit the DRF and original share certificates to the Registrar and Transfer Agents (RTA), which is Universal Capital Securities Private Limited (100% subsidiary of Link Intime India Private Limited).
- e) RTA will process the DRF and confirm or reject the request to DP/depositories.
- f) Upon confirmation of request, the Member 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 the applicable Secretarial Standard.

**The Company's shares are listed on the BSE Limited and the listing fees for Financial Year 2022-23 have been paid to the Exchange:**

Stock Exchange	Stock Code
BSE Limited P. J. Towers, Dalal Street, Mumbai - 400 001	505827



The Company has entered into agreements with NSDL during the year 2002-03 and has been allotted ISIN No. INE568F01017. The Company has also entered into agreement with CDSL during the year 2009-10.

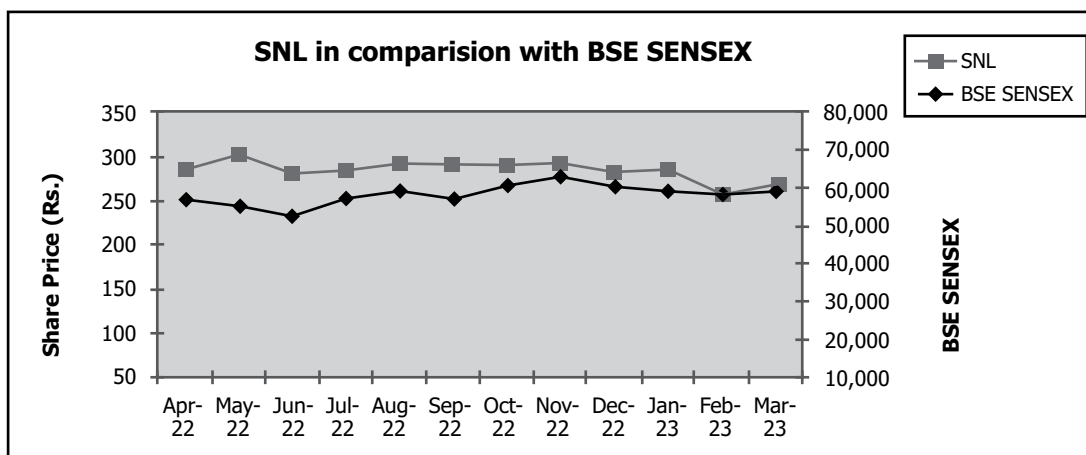
**Share Price Data**

FY 2022-23 MONTHS	BSE		
	HIGH (Rs.)	LOW (Rs.)	VOLUME (Nos.)
April 2022	317.95	285.60	57658
May 2022	309.00	302.45	50661
June 2022	305.70	281.70	22333
July 2022	300.00	285.50	19567
August 2022	327.90	293.25	44039
September 2022	320.00	291.95	60765
October 2022	307.60	290.05	17654
November 2022	319.90	292.40	54605
December 2022	303.75	283.20	39811
January 2023	298.00	284.95	24726
February 2023	295.00	258.10	25115
March 2023	273.75	262.40	19312

Particulars	BSE
Closing share price as on March 31, 2023 (Rs.)	262.40
Market Capitalization as on March 31, 2023 (Rs. in Cr)	94.76

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

The Chart below shows the comparison of your Company’s share price movement on BSE vis-à-vis the movement of the BSE Sensex for the financial year ended March 31, 2023 (based on month end closing):





During the year under review there was no suspension imposed by SEBI or stock exchange for trading in the securities of the Company.

### **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 Exchange and are published in Free Press Journal a national English newspaper and in Navshakti a local language (Marathi) newspaper, within forty-eight hours of approval thereof.
- (iii) The Company's financial results and official press releases are displayed on the Company's website-[www.snlbearings.in](http://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) Any presentation made to the institutional investors or/and analysts are also posted on the Company's website.
- (vi) The quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchange viz. BSE Limited are filed electronically through BSE Listing Centre.
- (vii) 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.
- (viii) 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.
- (ix) The Company has designated the email ID [investorcare@snlbearings.in](mailto:investorcare@snlbearings.in) exclusively for investor relation and the same is prominently displayed on the Company's website [www.snlbearings.in](http://www.snlbearings.in).

### **Share Transfer System**

In terms of Regulation 40(9) of the Listing Regulations, 2015, securities 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. Further, SEBI had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode 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.





**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 Members 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 NACH 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 Private Limited; to its dedicated e-mail ID i.e., info@unisec.in or to the Company to its dedicated email ID i.e. investorcare@snlbearings.in.

**Credit Rating**

As on March 31, 2023, the 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/ Stable' by CRISIL LIMITED.

**Address for Correspondence:**

<b>Compliance Officer</b>	<b>Universal Capital Securities Pvt Ltd</b> (100% subsidiary of Link Intime India Private Limited)	<b>Correspondence with the Company</b>
Mr. Harshal Patil Company Secretary Phone: 022-22663698 e-mail: investorcare@snlbearings.in	C-101, 247 Park, LBS Road, Vikhroli West, Mumbai - 400 083, Maharashtra Tel: 022 – 49186178-79, Fax: 022 - 49186060 e-mail: info@unisec.in	SNL Bearings Limited, Dhannur, 15, Sir P. M. Road, Fort, Mumbai - 400001 Phone: 022-22663698 Fax :022-22660412

**Plant Location:**

The Company has the following manufacturing and operating Divisions:

Ranchi	Ratu Road, Ranchi - 835222
--------	----------------------------



**COMPLIANCE CERTIFICATE OF THE AUDITORS:**

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

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

**Declaration regarding compliance by the Board Members and Senior Management Personnel with the Company Code of Conduct**

This is to confirm that the Company has adopted a Code of Conduct for all Board Members and Senior Management Personnel and the same has been placed on the Company's website. All Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct in respect of the financial year ended March 31, 2023.

**For SNL Bearings Limited**

**Krishna Kant Prasad Sinha**  
**Chief Executive Officer**

Place: Mumbai  
Date: May 23, 2023



**COMPLIANCE CERTIFICATION BY CEO AND CFO**

To,  
The Board of Directors  
SNL Bearings Limited

We, Krishna Kant Prasad Sinha and Ram Narayan Sahu, the Chief Executive Officer and Chief Financial Officer of SNL Bearings Limited (the Company) respectively, hereby certify to the Board of Directors that:

- a. We have reviewed financial statements and the cash flow statement for the year 2022-23 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. To the best of our knowledge and belief there are 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 no changes in accounting policies during the year on requiring disclosure in the notes to the financial statements; and
  - (iii) that there are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial report.

**Krishna Kant Prasad Sinha**  
**(CEO)**

**Ram Narayan Sahu**  
**(CFO)**

Place: Mumbai  
Date : May 23, 2023



## INDEPENDENT AUDITOR'S REPORT

### To The Members of SNL Bearings Limited Report on the Audit of the Financial Statements

#### Opinion

1. We have audited the accompanying financial statements of **SNL Bearings Limited** ('the Company'), which comprise the Balance Sheet as at **31 March 2023**, 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 notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, 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 there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

5. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Report on Corporate Governance, 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 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 express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



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**

6. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation 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 Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. 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.
7. In preparing the financial statements, the Board of Directors are 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 the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
8. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

9. 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.
10. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act 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 Board of Directors' 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; and
  - 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.
11. 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.
  12. 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**

13. 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.
14. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
15. Further to our comments in Annexure I, 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) 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 2023 from being appointed as a director in terms of section 164(2) of the Act;
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2023 and the operating effectiveness of such controls, refer to our separate Report in Annexure II wherein we have expressed an unmodified opinion; and
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company, has disclosed the impact of pending litigations on its financial position as at 31 March 2023;



- 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 2023;
- 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 2023;
- iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 52 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person or entity, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
- b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 52 to the financial statements, no funds have been received by the Company from any person or entity, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The final dividend paid by the Company during the year ended 31 March 2023 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 41 to the accompanying financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31 March 2023 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

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

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

UDIN:23108840BGYAWA2310

Place: Mumbai  
Date: 23 May 2023



## **Annexure I referred to in Paragraph 14 of 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 2023**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of its property, plant and equipment and right of use assets.
- (B) The Company has maintained proper records showing full particulars of its intangible assets.
- (b) The Company has a regular programme of physical verification of its property, plant and equipment under which the assets are physically verified 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. In accordance with this programme, all property, plant and equipment were verified during the previous year by the management and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is a lessee) disclosed in the financial statements are held in the name of the Company. For properties where the Company is a lessee, the lease arrangements have been duly executed in favour of the Company except in following cases:

<b>Description of property</b>	<b>Right of Use Asset Value</b>	<b>Location</b>	<b>Details of Lessor</b>	<b>Period held</b>	<b>Reason for non-execution of lease agreement</b>
Leasehold land (partial area referred in Note 4 to the financial statements)	NIL	Ranchi-India	SBL Industries Limited	From inception	Less or under liquidation from the time lease period came up for renewal.

- (d) The Company has not revalued its Property, Plant and Equipment including Right of Use assets or intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made there under. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods in transit and inventory lying with third parties. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records. In respect of inventory lying with third parties, these have substantially been confirmed by the third parties.
- (b) The Company has been sanctioned a working capital limit in excess of Rs 5 crore by banks based on the security of current assets. The monthly statements, in respect of the working capital limits have been filed by the Company with such banks and such statements are in agreement with the books of account of the Company for the respective periods, which were not subjected to audit / review.





- (iii) (a) The Company has provided loans(interest free loan) to other parties (employees), during the year of Rs. 2.45 lakhs of which balance as at balance sheet date is Rs. 1.81 lakhs
- (b) The Company has not made any investment, provided any guarantee or given any security during the year. However, the Company has granted loans to other parties (employees), amounting to Rs. 2.45 lakhs (year-end balance Rs. 1.81 lakhs) and in our opinion, and according to the information and explanations given to us, such loans provided are, prima facie, not prejudicial to the interest of the Company.
- (c) In respect of loans granted by the Company, the schedule of repayment of principal has been stipulated and the repayments/receipts of principal are regular.
- (d) There is no overdue amount in respect of loans granted to such other parties.
- (e) The Company has granted loan to other parties (employees) which had fallen due during the year and were repaid on or before the due date. Further, no fresh loans were granted to any party to settle the overdue loans.
- (f) The Company has not granted any loan or advance in the nature of loan, which are repayable on demand or without specifying any terms or period of repayment.
- (iv) The Company has not entered into any transaction covered under sections 185 and 186 of the Act. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the products of the Company. 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 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) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, service tax, duty of customs and other material statutory dues, as applicable, have generally been regularly deposited, with the appropriate authorities, except for delay 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 are as follows
- Statement of arrears of statutory dues outstanding for more than six months (Refer note 43 (ii) to the accompanying financial statements):



### Statement of Disputed Dues

Name of the statute	Nature of the dues	Amount (₹ in lakhs)	Period to which the amount relates	Due Date
The Employees Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund	0.80	April 2019	15 May 2019
		0.78	May 2019	15 June 2019
		0.79	June 2019	15 July 2019
		0.82	July 2019	15 August 2019
		0.79	August 2019	15 September 2019
		0.73	September 2019	15 October 2019
		0.81	October 2019	15 November 2019
		0.82	November 2019	15 December 2019
		0.80	December 2019	15 January 2020
		0.79	January 2020	15 February 2020
		0.76	February 2020	15 March 2020
		0.76	March 2020	15 April 2020
		0.64	April 2020	15 May 2020
		0.62	May 2020	15 June 2020
		0.61	June 2020	15 July 2020
		0.73	July 2020	15 August 2020
		0.75	August 2020	15 September 2020
0.75	September 2020	15 October 2020		
0.93	October 2020	15 November 2020		

- (b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Gross 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	-	A.Y. 2013-14	Assistant Commissioner of Income Tax – Mumbai
		26	-	A.Y. 2017-18	
The Central Sales Tax Act, 1956	Central Sales Tax (CST)	15	3	F.Y. 2011-12 and F.Y. 2012-13	Deputy Commissioner of commercial of Taxes – Ranchi



The Jharkhand value added tax Act, 2005	Value Added Tax (VAT)	3	1	F.Y. 2011-12 and F.Y. 2012-13	Deputy Commissioner of commercial of Taxes – Ranchi
The Central Excise Tariff Tax Act, 1985	Custom Duty	46	4.60	F.Y. 2008-09 and F.Y. 2012-13	Commissioner (Appeals) Central GST & Central Excise

- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of account.
- (ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, money raised by way of term loan during the year were applied for the purpose for which these were obtained.
- (d) In our opinion and according to the information and explanations given to us, the Company has not raised any funds on short term basis during the year. Accordingly, reporting under clause 3(ix)(d) of the Order is not applicable to the Company.
- (e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under clause 3(ix)(e) and clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the period covered by our audit.
- (b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.



- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as per the provisions of section 138 of the Act which is commensurate with the size and nature of its business.
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a),(b)and(c) of the Order are not applicable to the Company.
- (xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.



(xx) According to the information and explanations given to us, the Company does not have any unspent amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as at the end of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

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

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

UDIN: 23108840BGYAWA2310

Place: Mumbai  
Date: 23 May 2023



### Annexure II

#### **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 2023, 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 controls stated in Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to 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 ('ICAI') 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 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Adi P. Sethna**

Partner

Membership No.: 108840

UDIN: 23108840BGYAWA2310

Place: Mumbai

Date: 23 May 2023

## BALANCE SHEET AS AT 31 MARCH 2023

(₹ in lakhs)

Sr. No.	Particulars	Note No.	As at 31 March 2023	As at 31 March 2022
<b>I</b>	<b>Assets</b>			
<b>1</b>	<b>Non-current assets</b>			
	Property, plant and equipment	4	1,477	1,475
	Capital work-in-progress	5	124	21
	Intangible assets	6	2	5
	Financial assets			
	Loans (*)	7	0	1
	Other financial assets	8	227	76
	Income tax assets (net)	9	29	45
	Other non-current assets	10	16	21
	<b>Total non-current assets</b>		<b>1,875</b>	<b>1,644</b>
<b>2</b>	<b>Current assets</b>			
	Inventories	11	1,211	1,135
	Financial assets			
	Investments	12	1,525	1,452
	Trade receivables	13	651	683
	Cash and cash equivalents	14	80	246
	Bank balances other than cash and cash equivalents	15	802	232
	Loans	16	1	2
	Income Tax assets (Net)	17	19	24
	Other current assets	18	70	67
	<b>Total current assets</b>		<b>4,359</b>	<b>3,841</b>
	<b>Total assets</b>		<b>6,234</b>	<b>5,485</b>
<b>II</b>	<b>Equity and Liabilities</b>			
<b>A</b>	<b>Equity</b>			
	Equity share capital	19	361	361
	Other equity	20	5,043	4,471
	<b>Total equity</b>		<b>5,404</b>	<b>4,832</b>
<b>B</b>	<b>Liabilities</b>			
<b>1</b>	<b>Non-current liabilities</b>			
	Financial liabilities			
	Borrowings	21	3	6
	Lease liabilities	22	7	7
	Deferred tax liabilities (net)	37.2	165	151
	<b>Total non-current liabilities</b>		<b>175</b>	<b>164</b>
<b>2</b>	<b>Current liabilities</b>			
	Financial liabilities			
	Borrowings	23	3	3
	Lease liabilities (*)	24	0	0
	Trade Payables			
	Total outstanding dues of micro enterprises and small enterprises		37	30
	Total outstanding dues of creditors other than micro enterprises and small enterprises	25	385	235
	Other financial liabilities	26	115	109
	Other current liabilities	27	63	65
	Provisions	28	52	47
	<b>Total current liabilities</b>		<b>655</b>	<b>489</b>
	<b>Total liabilities</b>		<b>830</b>	<b>653</b>
	<b>Total equity and liabilities</b>		<b>6,234</b>	<b>5,485</b>

(\*) ₹ 0 lakh represents amount lower than ₹ 1 lakh

The accompanying notes 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 May 2023

For and on behalf of the Board of Directors

**Harshbeena Zaveri**

Director - DIN : 00003948

**Reshmi Penicker**

Director - DIN : 05178086

**KKP Sinha**

Chief Executive Officer

Place: Mumbai

Date : 23 May 2023

**S. C. Rangani**

Director - DIN : 00209069

**K M Marfatia**

Director - DIN : 03449627

**Harshal Patil**

Company Secretary

**Arvinder Singh Kohli**

Director - DIN : 08135020

**Claude D'Gama Rose**

Director - DIN : 01494440

**Ram Narayan Sahu**

Chief Financial Officer





## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

(₹ in lakhs, except per share data)

Sr. No.	Particulars	Note No.	Year ended 31 March 2023	Year ended 31 March 2022
I.	Revenue from operations	29	4,787	4,351
II.	Other income	30	117	110
<b>III.</b>	<b>Total income</b>		<b>4,904</b>	<b>4,461</b>
<b>IV.</b>	<b>Expenses:</b>			
	Cost of materials consumed	31	1,581	1,407
	Changes in inventories of finished goods and work-in-progress	32	(18)	(191)
	Employee benefits expense	33	893	849
	Finance costs	34	1	1
	Depreciation and amortisation expense	35	152	142
	Other expenses	36	1,182	1,077
	<b>Total expenses</b>		<b>3,791</b>	<b>3,285</b>
<b>V.</b>	<b>Profit before tax</b>		<b>1,113</b>	<b>1,176</b>
<b>VI.</b>	<b>Income tax expense:</b>			
	(i) Current tax	37	266	275
	(ii) Deferred tax	37.2	18	18
	(iii) Tax pertaining to earlier years		11	-
	<b>Total income tax expenses</b>		<b>295</b>	<b>293</b>
<b>VII.</b>	<b>Net profit after tax</b>		<b>818</b>	<b>883</b>
<b>VIII.</b>	<b>Other comprehensive Income (loss) / income</b>	38		
	Items not to be reclassified subsequently to profit or loss			
	- Remeasurement gain / (loss) on defined benefit plans		(15)	15
	- Tax credit / (expense) on items that will not be reclassified to profit or loss		4	(4)
	<b>Other comprehensive income for the year (net of tax)</b>		<b>(11)</b>	<b>11</b>
<b>IX.</b>	<b>Total comprehensive income for the year, net of tax</b>		<b>807</b>	<b>894</b>
<b>X.</b>	<b>Earnings per equity share (face value : ₹ 10 each)</b>	46		
	Basic and Diluted (in ₹)		22.66	24.46
	Face value per share (in ₹)		10.00	10.00

The accompanying notes 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

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

Place: Mumbai  
Date : 23 May 2023

For and on behalf of the Board of Directors

**Harshbeena Zaveri**  
Director - DIN : 00003948

**S. C. Rangani**  
Director - DIN : 00209069

**Arvinder Singh Kohli**  
Director - DIN : 08135020

**Reshmi Penicker**  
Director - DIN : 05178086

**K M Marfatia**  
Director - DIN : 03449627

**Claude D'Gama Rose**  
Director - DIN : 01494440

**KKP Sinha**  
Chief Executive Officer

**Harshal Patil**  
Company Secretary

**Ram Narayan Sahu**  
Chief Financial Officer

Place: Mumbai  
Date : 23 May 2023



## STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2023

(₹ in lakhs)

Sr. No.	Particulars	Year ended 31 March 2023	Year ended 31 March 2022
<b>A.</b>	<b>Cash Flow from Operating Activities</b>		
	<b>Profit before tax</b>	<b>1,113</b>	1,176
	<b>Adjustments for:</b>		
	Depreciation and amortisation expenses	<b>152</b>	142
	Finance costs	<b>1</b>	1
	Interest income from other financial assets measured at amortised cost	<b>(39)</b>	(34)
	Reversal of excess provision for doubtful trade receivables (net)	<b>(1)</b>	(4)
	Liabilities no longer required written back	-	(3)
	Fair value changes on financial assets measured at FVTPL	<b>(73)</b>	(49)
	Reversal of provision towards slow-moving and non-moving inventories	<b>(22)</b>	(24)
	Provision for gratuity	<b>14</b>	12
	Provision for leave entitlement	<b>15</b>	11
	Unrealised foreign exchange gain	<b>(2)</b>	(3)
	<b>Operating profit before working capital changes</b>	<b>1,158</b>	<b>1,225</b>
	<b>Adjustment for movements in:</b>		
	Changes in working capital:		
	Adjustment for (increase)/ decrease in operating assets:		
	- Inventories	<b>(54)</b>	(454)
	- Trade receivables	<b>35</b>	140
	- Loans, other non-current / current assets	<b>(20)</b>	(11)
	- Other non current financial assets	<b>(151)</b>	(51)
	Adjustment for increase / (decrease) in operating liabilities:		
	- Trade payables	<b>157</b>	47
	- Other financial liabilities, provisions and other current liabilities	<b>(21)</b>	(6)
	<b>Cash generated from operations</b>	<b>1,104</b>	<b>890</b>
	Direct taxes paid (net of refund)	<b>(256)</b>	(299)
	<b>Net cash generated from operating activities (A)</b>	<b>848</b>	<b>591</b>
<b>B.</b>	<b>Cash Flow from Investing Activities</b>		
	Purchase of property, plant and equipment and intangible assets (net) (including movement of capital advances and capital work-in-progress)	<b>(244)</b>	(210)
	(Purchase)/sale of current investments (net)	-	(600)
	Bank deposits placed (net)	<b>(563)</b>	(151)
	Interest received	<b>32</b>	34
	<b>Net cash used in investing activities (B)</b>	<b>(775)</b>	<b>(927)</b>



## STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2023

(₹ in lakhs)

Sr. No.	Particulars	Year ended 31 March 2023	Year ended 31 March 2022
<b>C.</b>	<b>Cash flow from financing activities</b>		
	Settlement of lease liabilities		
	-Cash payments for principal portion in financing activities (*)	(0)	(0)
	-Cash payments for interest portion of lease liabilities (*)	(0)	(1)
	(Decrease)/increase in long term borrowings	(3)	6
	(Decrease)/increase in short term borrowings	-	3
	Interest paid	(1)	(1)
	Changes in unclaimed dividend bank balances	(7)	(5)
	Dividends paid on equity shares (including unclaimed)	(228)	(158)
	<b>Net cash used in financing activities (C)</b>	<b>(239)</b>	<b>(156)</b>
	<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>(166)</b>	<b>(492)</b>
	Add: Balance of cash and cash equivalents at the beginning of the year	246	738
	<b>Closing balance of cash and cash equivalents (refer note 14)</b>	<b>80</b>	246
	<b>Components of cash and cash equivalents:</b>		
	Cash on hand (*)	0	0
	Balances with banks in current accounts	21	29
	Deposits with original maturity of less than three months	59	217
	<b>Total</b>	<b>80</b>	<b>246</b>

(\*) ₹ 0 lakh represents amount lower than ₹ 1 lakh

**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.

The accompanying notes form an integral part of these 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 May 2023

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

**Harshbeena Zaveri**  
Director - DIN : 00003948

**Reshmi Penicker**  
Director - DIN : 05178086

**KKP Sinha**  
Chief Executive Officer

Place: Mumbai  
Date : 23 May 2023

**S. C. Rangani**  
Director - DIN : 00209069

**K M Marfatia**  
Director - DIN : 03449627

**Harshal Patil**  
Company Secretary

**Arvinder Singh Kohli**  
Director - DIN : 08135020

**Claude D'Gama Rose**  
Director - DIN : 01494440

**Ram Narayan Sahu**  
Chief Financial Officer



## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

### A. Equity share capital (Refer note 19)

(₹ in lakhs)

Particulars	Number of shares	Amount
<b>As at 1 April 2021</b>	<b>3,611,540</b>	<b>361</b>
Changes in equity share capital	-	-
<b>As at 31 March 2022</b>	<b>3,611,540</b>	<b>361</b>
Changes in equity share capital	-	-
<b>As at 31 March 2023</b>	<b>3,611,540</b>	<b>361</b>

### B. Other equity (Refer note 20)

(₹ in lakhs)

Particulars	Reserves and surplus		Total other equity attributable to equity holders
	Capital redemption reserve	Retained earnings	
<b>Opening balance as at 1 April 2021</b>	<b>1,000</b>	<b>2,740</b>	<b>3,740</b>
<b>Transactions during the year</b>			
Net profit for the year	-	883	883
Add: Other comprehensive income (gain) for the year (net of tax) (refer note 38)	-	11	11
Less: Dividend on equity shares for FY 2020-21 - ₹ 4.5 per share (previous year : nil)	-	(163)	(163)
<b>Balance as at 31 March 2022</b>	<b>1,000</b>	<b>3,471</b>	<b>4,471</b>
<b>Transactions during the year</b>			
Net profit for the year	-	818	818
Add: Other comprehensive income (loss) for the year (net of tax) (refer note 38)	-	(11)	(11)
Less: Dividend on equity shares for FY 2021-22 - ₹ 6.5 per share (previous year : ₹ 4.5)	-	(235)	(235)
<b>Balance as at 31 March 2023</b>	<b>1,000</b>	<b>4,043</b>	<b>5,043</b>

The accompanying notes form an integral part of the financial statements

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

For **Walker Chandniok & Co LLP**  
Chartered Accountants  
Firm Registration No. 001076N / NS00013

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

Place: Mumbai  
Date : 23 May 2023

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

**Harshbeena Zaveri**  
Director - DIN : 00003948

**Reshmi Penicker**  
Director - DIN : 05178086

**KKP Sinha**  
Chief Executive Officer

Place: Mumbai  
Date : 23 May 2023

**S. C. Rangani**  
Director - DIN : 00209069

**K M Marfatia**  
Director - DIN : 03449627

**Harshal Patil**  
Company Secretary

**Arvinder Singh Kohli**  
Director - DIN : 08135020

**Claude D'Gama Rose**  
Director - DIN : 01494440

**Ram Narayan Sahu**  
Chief Financial Officer



## **SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023**

### **1 Company information**

SNL Bearings Limited ('the Company') established in 1979, 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 authorised for issue in accordance with the resolution of the Board of Directors on 23 May 2023.

### **2 Basis of Preparation**

SNL Bearings limited is listed on Bombay Stock Exchange(BSE). The financial statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 (as amended from time to time) notified under Section 133 of the Companies Act, 2013 ('the Act'), other relevant provisions of the Act, the presentation and disclosure requirement of Division II of Schedule III to the Act and guidelines issued by the Securities and Exchange Board of India (SEBI). The accounting policies have been consistently applied for all the periods presented in the financial statements.

These financial statements of the Company as at and for the year ended 31 March 2023 were approved and authorised by the Company's board of directors. The revision to the financial statement is permitted on 23 May 2023 by the Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per the provision 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

All the amounts disclosed in financial statements and notes have been rounded off to the nearest lakhs, as per the requirement of Schedule III unless otherwise stated.

#### iii) Current versus non-current classification

(i) An asset is considered as current when it is:

- a. Expected to be realised or intended to be sold or consumed in the normal operating cycle, or
- b. Held primarily for the purpose of trading, or
- c. Expected to be realised within twelve months after the reporting period, or

d. Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

(ii) All other assets are classified as non-current.

(iii) Liability is considered as current when it is:

- a. Expected to be settled in the normal operating cycle, or



### **SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023**

- b. Held primarily for the purpose of trading, or
  - c. Due to be settled within twelve months after the reporting period, or
  - d. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- (iv) All other liabilities are classified as non-current.
- (v) Deferred tax assets and liabilities are classified as non-current assets and liabilities.
- (vi) All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Schedule III to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

### **3 Significant accounting policies**

#### **a. Foreign currency transactions**

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

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

Foreign currency monetary items are reported using the closing exchange rates. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Exchange differences on monetary items are recognised in statement of profit and loss in the year in which they arise.

#### **b. Revenue recognition**

The Company derives revenues mainly from sale of manufactured goods. Revenue is recognised on satisfaction of performance obligation upon transfer of control (as per the terms of contract) of promised goods to customers in an amount that reflects the consideration the Company expects to receive in exchange for those goods. Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, incentives and returns, etc., if any.

The Company does not expect to have any contracts where the period between the transfer of the promised goods 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.

**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023****c. Other income**

Interest income for all debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Apart from the above, the Company recognises interest income on its security deposits given to the Jharkhand State Electricity Board, on acknowledgement of credit by the Board.

Dividend are recognised in statement of 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. Current (Income) tax**

The income tax expense or credit for the period is the tax payable on the current period (Current tax) 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 by 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 realised or the deferred income tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

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

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

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

**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023****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.

On the balance sheet, right-of-use assets have been included in property, plant and equipment and lease liabilities have disclosed under financial liabilities (non-current and current).

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 liabilities, the payments in relation to these are recognised as an expense in statement of profit and 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.



**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023****f. Impairment of non-financial assets**

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

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

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

**g. Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments (original maturity less than three months) that are readily convertible into known amounts of cash, and which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash, balance in current accounts with banks and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**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 formula 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.

**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 amortised cost.

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



### **SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023**

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 initially recognised at their transaction price unless those contain significant financing component determined in accordance with Ind AS 115 and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

#### **Measurement**

At initial recognition, the Company measures a financial asset, except trade receivables, at fair value plus or minus the transaction costs. In case of financial assets classified at 'fair value through profit or loss', the initial recognition is done at fair value in accordance with para 5.1.1 of Ind AS 109. Further, as an exception to these principles, according to para 5.1.3 read with para 5.1.1 of Ind AS 109, financial assets in the form of trade receivables, are initially measured at their transaction price (as defined in Ind AS 115) unless those contain a significant financing component determined in accordance with Ind AS 115. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

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

#### **Measurement of debt instruments**

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

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

**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023**

relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

**Impairment of financial assets**

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

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

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 "Financial Instruments" requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all trade receivables that do not constitute a financing component. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the lifetime credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

**De-recognition of financial assets**

A financial asset is derecognised only when

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

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

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

**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 recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.



## SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

### k. Property plant and equipment (including capital work-in-progress) and depreciation

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

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

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

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/ amortisation on Property plant and equipment 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 or upto the date of disposal as the case may be.

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

<b>Class of asset</b>	<b>Revised useful life based on SLM (Range)</b>
Building on leasehold land	30 - 50 years
Plant and equipment	2 - 30 years
Furniture and fixtures	6 - 10 years
Vehicles	8 years
Office equipment	3 years
Electrical installations	15 years
Computer software including servers	3 - 10 years

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

Gains / losses arising from disposals of assets are measured as the difference between the net disposal proceeds and the carrying value of the asset on the date of disposal and are recognised in the statement of profit and loss, in the period of disposal.

**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023****i. Intangible assets and amortisation**

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. The amortisation expense on intangible assets with finite life is recognised in the statement of profit and loss under the head Depreciation and amortisation expense.

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. An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal.

Computer softwares are capitalised at the amounts paid to acquire the respective license for use and the costs incurred towards its development and are amortised over the period of their useful lives, which is generally considered to be a period not exceeding three/five years, depending upon the nature of the software. The assets' useful lives are reviewed at each financial year end. Amortisation is calculated pro-rata from the date of addition or upto the date of disposal, as the case may be.

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 on the date of disposal and are recognised in the statement of profit and loss when the asset is derecognised.

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

**m. Borrowings and other financial liabilities**

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

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

Borrowings are 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 recognised in statement of profit and loss. The gain / loss is recognised in other equity in case of transaction with shareholders.

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

**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 recognised as an expense in the Statement of Profit and Loss in the period in which they are incurred.

**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023****o. Provisions, contingent liabilities and contingent assets**

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

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

**p. Employee Benefits**

Short term obligations:

Short term employee benefits, including compensated absences that are expected to be settled within twelve months from the reporting date, are recognised as an expense at the undiscounted amount in the Statement of profit and loss of the year in which the related service is rendered.

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 recognises such obligation net of fair value of plan assets as a liability/asset. Defined benefit plans provision is based on an actuarial valuation by an actuary, using the projected unit credit method. 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, equal to a specified percentage of the covered employee's salary, 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



### **SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023**

obligation to make good the shortfall, if any, between the return from the investments of the PF trust and the notified interest rate.

Defined contribution plans:

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 the Statutory 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 does not have any obligation other than the contribution made to the fund administered by the government.

Other long term employee benefit obligations:

Compensated absences (other than those considered short term): 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 are 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 realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

- (i) An asset is considered as current when it is:
  - a. Expected to be realised or intended to be sold or consumed in the normal operating cycle, or
  - b. Held primarily for the purpose of trading, or
  - c. Expected to be realised within twelve months after the reporting period, or
  - d. Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.



### **SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023**

- (ii) All other assets are classified as non-current.
- (iii) Liability is considered as current when it is:
  - a. Expected to be settled in the normal operating cycle, or
  - b. Held primarily for the purpose of trading, or
  - c. Due to be settled within twelve months after the reporting period, or
  - d. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- (iv) All other liabilities are classified as 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 recognised in the periods in which the results are known or materialised.

This note provides an overview of the areas that involved a comparatively, 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/amortisation to be recorded during any reporting period. The useful lives and residual values are determined as per schedule II to the Companies Act, 2013 or a technical evaluation which are based on the Company's historical experience with similar assets and taking into account anticipated technological changes, to the extent applicable to the asset.

##### **ii) Deferred tax assets:**

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.





### **SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023**

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) 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.

vi) Fair value measurements:

Management applies valuation techniques to determine fair value of equity shares (where active market quotes are not available). This involves developing estimates and assumptions around volatility, dividend yield which may affect the value of equity shares.

vii) Impairment of assets:

In assessing impairment, management estimates the recoverable amounts of each asset (in case of non-financial assets) based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future cash flows and the determination of a suitable discount rate.

viii) Provisions:

Provisions are recognised when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding defined benefit plan) are not discounted to their present value and are determined based on best estimate of the amount required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Estimates and judgements are continuously evaluated. They are based on historical experience and other factors including expectation of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

#### **t. Events after report date**

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Where the events are indicative of conditions that arose after the reporting period, the amounts are not adjusted, but are disclosed if those non-adjusting events are material.

**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023****u. Recent accounting pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

**i. Ind AS 1 – Presentation of Financial Statements:**

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

**ii. Ind AS 12 – Income Taxes:**

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

**iii. Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors:**

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023**
**Non-current assets**
**4 Property, plant and equipment**

(₹ in lakhs)

Particulars	Buildings on Leasehold land (^)	Plant and equipment	Furniture and fixtures	Office Equipments	Vehicles #	Computer	Total
<b>Gross carrying value</b>							
<b>As at 1 April 2021</b>	<b>198</b>	<b>2,428</b>	<b>6</b>	<b>6</b>	<b>11</b>	<b>44</b>	<b>2,693</b>
Additions	-	291	-	-	11	18	320
Disposals	-	-	-	-	(4)	(17)	(21)
<b>As at 31 March 2022</b>	<b>198</b>	<b>2,719</b>	<b>6</b>	<b>6</b>	<b>18</b>	<b>45</b>	<b>2,992</b>
Additions	-	151	-	-	-	-	151
Disposals	-	-	-	-	-	-	-
<b>As at 31 March 2023</b>	<b>198</b>	<b>2,870</b>	<b>6</b>	<b>6</b>	<b>18</b>	<b>45</b>	<b>3,143</b>
<b>Accumulated depreciation/ amortisation</b>							
<b>As at 1 April 2021</b>	101	1,239	5	6	10	38	1,399
Charge for the year(*)	3	129	0	0	2	5	139
Disposal / adjustments	-	-	-	-	(4)	(17)	(21)
<b>As at 31 March 2022</b>	<b>104</b>	<b>1,368</b>	<b>5</b>	<b>6</b>	<b>8</b>	<b>26</b>	<b>1,517</b>
Charge for the year(*)^	3	137	0	0	1	8	149
Disposal / adjustments	-	-	-	-	-	-	-
<b>As at 31 March 2023</b>	<b>107</b>	<b>1,505</b>	<b>5</b>	<b>6</b>	<b>9</b>	<b>34</b>	<b>1,666</b>
<b>Net carrying value</b>							
<b>As at 31 March 2022 (*)</b>	<b>94</b>	<b>1,351</b>	<b>1</b>	<b>0</b>	<b>10</b>	<b>19</b>	<b>1,475</b>
<b>As at 31 March 2023 (*)</b>	<b>91</b>	<b>1,365</b>	<b>1</b>	<b>0</b>	<b>9</b>	<b>11</b>	<b>1,477</b>

(^ ) Depreciation/amortisation charge for the financial year includes charge created on Right-of-use ('ROU') assets of ₹ 0 lakhs\* (previous year ₹ 0 lakhs\*) for leasehold land and NIL (previous year ₹ 1 lakhs) for vehicles. Refer note 49.

(^^) Title deeds not held in the name of the Company

Relevant line item in the balance sheet	Description of item of PPE	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company
Property, plant and equipment (PPE)	Leasehold land	Nil	SBL Industries Limited	No	From inception	Lessor under liquidation from the time lease period came up for renewal.

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 had 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.

# includes leasehold vehicles.(also refer notes 21 and 23 for information of vehicles provided as collateral or security for borrowings or finance liabilities availed by the Company)

(\*) ₹ 0 lakh represents amount lower than ₹ 1 lakh

**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023**
**5 Capital work-in-progress (CWIP) (₹ in lakhs)**

Particulars	Amount
<b>Balance as at 1st April 2021</b>	<b>127</b>
Additions	21
Assets capitalised	127
<b>Balance as at 31st March 2022</b>	<b>21</b>
Additions	212
Assets capitalised	109
<b>Balance as at 31st March 2023</b>	<b>124</b>

**Note: CWIP ageing schedule (₹ in lakhs)**

Particulars	Outstanding from the following periods from due date of payments				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>As at 31 March 2023</b>					
Projects in progress	124	-	-	-	124
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>124</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>124</b>
<b>As at 31 March 2022</b>					
Projects in progress	21	-	-	-	21
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>21</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21</b>

**Note:** Basis the assessment performed by management as at 31 March 2023, no projects from above table are overdue as on said date and cost of such projects are not expected to exceed the overall projected cost for completion.

**6 Intangible assets (₹ in lakhs)**

Particulars	Computer software	Total
<b>Gross carrying value</b>		
<b>As at 1 April 2021</b>	<b>59</b>	<b>59</b>
Additions	-	-
Disposals	(31)	(31)
<b>As at 31 March 2022</b>	<b>28</b>	<b>28</b>
Additions	-	-
Disposals	-	-
<b>As at 31 March 2023</b>	<b>28</b>	<b>28</b>


**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023**

<b>Accumulated amortisation</b>		
<b>As at 1 April 2021</b>	<b>51</b>	<b>51</b>
Charge for the year	3	3
Disposal / adjustments	(31)	(31)
<b>As at 31 March 2022</b>	<b>23</b>	<b>23</b>
Charge for the year	3	3
Disposal / adjustments	-	-
<b>As at 31 March 2023</b>	<b>26</b>	<b>26</b>
<b>Net carrying value</b>		
<b>As at 31 March 2022</b>	<b>5</b>	<b>5</b>
<b>As at 31 March 2023</b>	<b>2</b>	<b>2</b>

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
--	------------------------	------------------------

**Non-current Assets****7 Loans**

Loans and advances to employees(*)[refer note below]	0	1
<b>Total loans</b>	<b>0</b>	<b>1</b>

(\*) ₹ 0 lakh represents amount lower than ₹1 lakh

**Break up of security details**

Loans receivables considered good - secured	-	-
Loans receivables considered good - unsecured	0	1
Loans receivables which have significant increase in credit risk	-	-
Loans receivables - credit impaired	-	-
<b>Total</b>	<b>0</b>	<b>1</b>
Loss allowance	-	-
<b>Total loans</b>	<b>0</b>	<b>1</b>

Note:

There are no loans and advances in the nature of loans granted to promoters, directors and KMP's or from any other person or firm or private companies in which director or KMP is partner or director or a member.


**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023**

	(₹ in lakhs)	
	As at 31 March 2023	As at 31 March 2022
<b>8 Other financial assets</b>		
Security deposits	26	26
Bank deposits with more than 12 months maturity(*) (refer note below)	201	50
<b>Total other financial assets</b>	<b>227</b>	<b>76</b>
*Held as lien by bank against bank overdraft facility amounting to ₹ 45 lakhs (previous year : ₹ 45 lakhs)		
Notes:		
a) Refer note 40(A) for information about credit risk.		
b) There are no repatriation restrictions with regards to bank balances.		
<b>9 Income tax assets (net)</b>		
Advance taxes (net of provision for tax ₹ 1,088 lakhs, previous year ₹ 1,158 lakhs)	29	45
<b>Total non current tax assets</b>	<b>29</b>	<b>45</b>
<b>Non current income tax assets movement :</b>		
<b>Non current (Income) tax assets (net) at the beginning</b>	<b>45</b>	18
Less: Income tax refund (net)	(29)	-
Less: Tax pertaining to earlier years	(11)	-
Add: Transferred from current income tax assets	24	27
<b>Non current (Income) tax assets (net) at the end</b>	<b>29</b>	<b>45</b>
<b>10 Other non-current assets</b>		
Capital advances	-	10
Balance with government authorities	8	7
Prepayments	8	4
<b>Total other non-current assets</b>	<b>16</b>	<b>21</b>


**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023**

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
<b><u>Current assets</u></b>		
<b>11 Inventories (at cost or net realisable value whichever is lower)</b>		
Raw materials, components and packing material (includes goods-in-transit ₹ 164 lakhs (previous year: ₹ 88 lakhs)	<b>480</b>	450
Work-in-progress	<b>211</b>	238
Finished goods (includes goods-in-transit ₹ 77 lakhs (previous year: ₹ 50 lakhs)	<b>425</b>	380
Stores and spares (includes goods-in-transit ₹ 21 lakhs (previous year: ₹ Nil lakhs)	<b>95</b>	67
<b>Total inventories</b>	<b>1,211</b>	<b>1,135</b>

**Note:**

- Total provision for inventories as at 31 March 2023 is ₹ 64 lakhs (previous year ₹ 86 lakhs).
- Inventories lying with third parties as at 31 March 2023 is ₹ 5 lakhs (previous year ₹ 6 lakhs).
- There are no inventories written down to net realisable value as at 31 March 2023 (previous year ₹ Nil lakhs).

**12 Current Investments****(Unquoted):**

	As at 31 March 2023		As at 31 March 2022	
	Quantity (Nos.)	Amount (₹ in lakhs)	Quantity (Nos.)	Amount (₹ in lakhs)
<b>Investments in Mutual Funds measured at fair value through profit and loss:-</b>				
HDFC ultra short term	<b>9,137,069</b>	<b>1,197</b>	9,137,069	1,134
HDFC nifty 100 fund	<b>1,000,000</b>	<b>100</b>	1,000,000	102
ASBL short term fund	<b>65,553</b>	<b>28</b>	65,553	27
DSP ultra short term fund	<b>6,389</b>	<b>200</b>	6,389	189
<b>Total current investments</b>		<b>1,525</b>		<b>1,452</b>
<b>Aggregate amount of unquoted current investments</b>		<b>1,525</b>		1,452
<b>Aggregate amount of impairment on unquoted current investments</b>		-		-


**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023**
**Current assets (continued)**
**13 Trade receivables**

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
Receivable from:		
- Related parties [refer note 42(II)]	275	293
- Others	382	397
Less: Loss allowance	(6)	(7)
	<b>651</b>	683
<b>Total receivables</b>	<b>651</b>	<b>683</b>
Current portion	651	683
Non-current portion	-	-
<b>Break up of security details</b>		
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	651	683
Trade receivables which have significant increase in credit risk	4	6
Trade receivables - credit impaired	2	1
<b>Total</b>	<b>657</b>	<b>690</b>
Loss allowance (refer note 40(A) for information about movement in allowances)	(6)	(7)
<b>Total trade receivables</b>	<b>651</b>	<b>683</b>



**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023**
**Ageing of Trade receivables (gross of loss allowance)**

Particulars	Outstanding from the following periods from due date of payments						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at 31 March 2023</b>							
(i) Undisputed Trade Receivables – considered good(*)	495	156	0	-	-	-	651
(ii) Undisputed Trade Receivables – which have significant increase in credit risk(*)	-	4	0	-	-	-	4
(iii) Undisputed Trade Receivables – credit impaired(*)	-	-	-	1	0	1	2
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total(*)</b>	<b>495</b>	<b>160</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>657</b>
<b>As at 31 March 2022</b>							
(i) Undisputed Trade Receivables – considered good	449	232	2	-	-	-	683
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	3	3	-	-	-	6
(iii) Undisputed Trade Receivables – credit impaired(*)	-	-	-	0	0	1	1
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total(*)</b>	<b>449</b>	<b>235</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>690</b>

(\*) ₹ 0 lakh represents amount lower than ₹ 1 lakh



## SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

### Current assets (continued)

Notes;

- 1) Unbilled dues as at 31 March 2023 is ₹ nil (previous year ₹ nil)
- 2) Refer note 40(A) for information about credit risk
- 3) No trade or other receivables are due from directors or officers of the company either severally or jointly with any other person, nor any trade or other receivables are due from firm or private companies respectively in which director is a partner, a director or a member. Trade receivables are not interest bearing.

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
<b>14 Cash and cash equivalents</b>		
Cash on hand (*)	0	0
Balances with banks in:		
- Current accounts	21	29
- Deposits with maturity of less than three months	59	217
<b>Total cash and cash equivalents</b>	<b>80</b>	<b>246</b>

(\*) ₹ 0 lakh represents amount lower than ₹ 1 lakh

Note : There are no repatriation restrictions with regards to the bank balances stated above.

### **15 Bank balances other than cash and cash equivalents**

Deposits with maturity of more than 3 months but less than 12 months (refer note (a) below)	772	209
Unpaid dividend accounts(refer note (b) below)	30	23
<b>Total bank balances other than cash and cash equivalents</b>	<b>802</b>	<b>232</b>

**Notes:**

- (a) Refer note 40(A) for information about credit risk.
- (b) This represents earmarked balance in respect of unpaid dividend

### **Financial yearwise breakup of unpaid dividend**

2015-16	2	2
2016-17	3	3
2017-18	5	5
2018-19	5	5
2019-20	3	3
2020-21	5	5
2021-22	7	-
<b>Total</b>	<b>30</b>	<b>23</b>


**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023**

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
<b>16 Loans</b>		
Loans to employees	1	2
<b>Total loans</b>	<b>1</b>	<b>2</b>
<b>Break up of security details</b>		
Loans considered good - secured	-	-
Loans considered good - unsecured	1	2
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
<b>Total</b>	<b>1</b>	<b>2</b>
Loss allowance	-	-
<b>Total loans</b>	<b>1</b>	<b>2</b>
<b>Note:</b>		
a) There are no loans and advances in the nature of loans granted to promoters, directors and KMP's or from any other person or firm or private companies in which director or KMP is partner or director or a member.		
<b>17 Income Tax assets (Net)</b>		
Income Tax assets (net of provision for tax ₹ 266 lakhs, previous year ₹ 275 lakhs)	19	24
<b>Total other financial assets</b>	<b>19</b>	<b>24</b>
<b>Current income tax assets movement :</b>		
<b>Current (Income) tax assets (net) at the beginning</b>	<b>24</b>	27
Add: Advance tax and tax deducted at source (TDS)	<b>285</b>	299
Less: Current tax expense	<b>(266)</b>	(275)
Less: Transferred to non-current income tax assets	<b>(24)</b>	(27)
<b>Current (Income) tax assets (net) at the end</b>	<b>19</b>	<b>24</b>


**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023**

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
<b>18 Other current assets</b>		
Advance to suppliers	2	2
Advances to employees	1	1
Balance with government authorities	58	37
Prepayments	9	8
Gratuity plan assets(net) (refer note 44(B)(1)(iv))	-	19
<b>Total other current assets</b>	<b>70</b>	<b>67</b>
<b>19 Equity share capital</b>		
<b>Authorised:</b>		
6,000,000 (previous year : 6,000,000) equity shares of ₹ 10 each	600	600
1,000,000 (previous year: 1,000,000) 11% cumulative redeemable preference shares of ₹ 100 each	1,000	1,000
<b>Total authorised capital</b>	<b>1,600</b>	<b>1,600</b>
<b>Issued*</b>		
4,054,376 (previous year: 4,054,376) Equity shares of ₹ 10 each	405	405
<b>Total issued capital</b>	<b>405</b>	<b>405</b>
<b>Subscribed and paid-up capital:</b>		
3,611,540 (previous year: 3,611,540) equity shares of ₹ 10 each fully paid up	361	361
<b>Total subscribed and paid up capital</b>	<b>361</b>	<b>361</b>

\* Includes 442,836 equity shares of ₹ 10 each which were not subscribed.

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

Particulars	2022-23		2021-22	
	(In Nos.)	(₹ in lakhs)	(In Nos.)	(₹ in lakhs)
<b>Equity shares:</b>				
Balance as at the beginning of the year	3,611,540	361	3,611,540	361
Issued during the year	-	-	-	-
<b>Balance as at the end of the year</b>	<b>3,611,540</b>	<b>361</b>	<b>3,611,540</b>	<b>361</b>



## SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

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

- The company declares and pays dividend in Indian rupee. Dividend proposed by the board of directors is subject to approval by shareholders in the Annual General Meeting. (also refer note 41 (B))
- 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 shall have the right to vote in proportion to his share of the paid-up capital of the Company.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive assets of the Company remaining after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### (iii) Rights attached to preference shares:

The Company has one class of preference share. The preference shares have preferred right on payment of dividend and repayment of capital over equity shareholders. No preference shares are issued / subscribed during the year or as at reporting date.

### (iv) 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

### (v) Details of shareholders holding more than 5% equity shares in the company:

Name of shareholder	As at 31 March 2023		As at 31 March 2022	
	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%

### (vi) Details of shareholding of promoter and promoter group of the company:

Name of shareholder	As at 31 March 2023			As at 31 March 2022		
	Number of shares held	% of Holding	% Change during the Year	Number of shares held	% of Holding	% Change during the Year
NRB Bearings Limited - Holding company	2,652,762	73.45%	-	2,652,762	73.45%	-
Harshbeena Zaveri	34,011	0.94%	-	34,011	0.94%	-
<b>Total</b>	<b>2,686,773</b>	<b>74.39%</b>	<b>-</b>	<b>2,686,773</b>	<b>74.39%</b>	<b>-</b>


**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023**

Name of shareholder	As at 31 March 2022			As at 31 March 2021		
	Number of shares held	% of Holding	% Change during the Year	Number of shares held	% of Holding	% Change during the Year
NRB Bearings Limited - Holding company	2,652,762	73.45%	-	2,652,762	73.45%	-
Harshbeena Zaveri	34,011	0.94%	-	34,011	0.94%	-
<b>Total</b>	<b>2,686,773</b>	<b>74.39%</b>	-	<b>2,686,773</b>	<b>74.39%</b>	-

(₹ in lakhs)

**20 Other equity**
**Reserves and surplus**

	As at 31 March 2023	As at 31 March 2022
Capital redemption reserve	1,000	1,000
Retained earnings	4,043	3,471
<b>Total reserves and surplus</b>	<b>5,043</b>	<b>4,471</b>

**Capital redemption reserve**

Opening balance	1,000	1,000
<b>Closing balance</b>	<b>1,000</b>	<b>1,000</b>

**Retained earnings**

<b>Opening balance</b>	3,471	2,740
Add: Profit for the year	818	883
Less: Dividend on equity shares - ₹ 6.5 per share (FY 2021-22) (₹ 4.5 per share (FY 2020-21))	(235)	(163)
Less: Other items of other comprehensive income - gain / (loss)	(11)	11
<b>Closing balance</b>	<b>4,043</b>	<b>3,471</b>

**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.

**Retained earnings**

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


**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023**

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
<b><u>Non-current liabilities</u></b>		
<b>21 Borrowings</b>		
Term loan from bank - Secured(*)	3	6
<b>Total other financial liabilities</b>	<b>3</b>	<b>6</b>

\*Secured by first exclusive charge by way of hypothecation over vehicle purchased during the previous year.

**Terms of repayment :**

- (i) The loan is repayable in 37 monthly installments ₹ 0.30 lakhs each starting from 31 December 2021. The rate of interest of term loan was 7.73% per annum.
- (ii) During the current year, the Company has paid 12 monthly installments and there is no default in repayment of installments.
- (iii) The Company had access to the undrawn borrowing facilities amounting to ₹ 545 lakhs at the end of the reporting year, which is secured by first pari passu charge on the current assets of the Company.

**Notes:**

- (a) As at 31 March 2023, no charge is registered with Registrar of Companies-Mumbai (ROC) within the statutory period as prescribed under provisions of Companies Act 2013 for the assets hypothecated against the borrowings since there is no such mandate as per sanction letter.
- (b) As at 31 March 2023, no satisfaction of charge is registered with ROC within the statutory period as prescribed under provisions of the Companies Act 2013 for the borrowings which are fully repaid in earlier years. Company is awaiting for no due certificate from the lenders to register the satisfaction of charge with ROC.

**22 Lease liabilities**

Lease liabilities (refer note 49(iii))	7	7
<b>Total lease liabilities</b>	<b>7</b>	<b>7</b>

**Current liabilities**
**23 Short-term borrowings**

Current maturity of term loan from bank - Secured(*)	3	3
<b>Total short-term borrowings</b>	<b>3</b>	<b>3</b>

\*Secured by first exclusive charge by way of hypothecation over vehicle purchased during the previous year.

Note: The Company had access to the undrawn borrowing facilities amounting to ₹ 545 lakhs at the end of the reporting year, which is secured by first pari passu charge on the current assets of the Company.


**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023**
**Current liabilities (continued)**

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
<b>24 Lease liabilities</b>		
Lease liabilities (refer note 49(iii))(*)	0	0
<b>Total lease liabilities</b>	<b>0</b>	<b>0</b>
<b>25 Trade payables</b>		
Total outstanding dues of micro enterprises and small enterprises (also refer note 48)	37	30
Total outstanding dues to creditors other than micro enterprises and small enterprises(*)	385	235
<b>Total trade payables</b>	<b>422</b>	<b>265</b>

(\*) It also includes amount due to related party amounting to ₹ 13 lakhs (previous year: ₹ 14 lakhs) (refer note 42)

**Ageing of trade payables**

Particulars	Outstanding from the following periods from due date of payments					Total
	Not due (refer note below)	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at 31 March 2023</b>						
(i) MSME	30	7	-	-	-	37
(ii) Others(*)	46	339	0	-	-	385
(iii) Disputed dues (MSMEs)	-	-	-	-	-	-
(iv) Disputed dues (Others)	-	-	-	-	-	-
<b>Total(*)</b>	<b>76</b>	<b>346</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>422</b>
<b>As at 31 March 2022</b>						
(i) MSME(*)	0	30	-	-	-	30
(ii) Others(*)	91	144	0	-	-	235
(iii) Disputed dues (MSMEs)	-	-	-	-	-	-
(iv) Disputed dues (Others)	-	-	-	-	-	-
<b>Total(*)</b>	<b>91</b>	<b>174</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>265</b>

(\*) ₹ 0 lakh represents amount lower than ₹ 1 lakh

Note : From total payables mentioned above, payables against unbilled dues are ₹ nil (previous year : nil)




**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023**

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
<b>26 Other financial liabilities</b>		
Unpaid dividends (unclaimed) (refer note(a) below)	30	23
Employee related payables	85	86
<b>Total other financial liabilities</b>	<b>115</b>	<b>109</b>
(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.		
<b>27 Other current liabilities</b>		
Statutory dues	62	60
Revenue received in advance	1	1
Contract liabilities (Unearned revenue)	-	4
<b>Total other current liabilities</b>	<b>63</b>	<b>65</b>
<b>Changes in contract liabilities are as follows:</b>		
<b>Balance at the beginning of the year</b>	<b>4</b>	-
Revenue recognised that was included in the contract liability balance at the beginning of the year	4	-
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	-	4
<b>Balance at the end of the year</b>	<b>-</b>	<b>4</b>
Note : Significant changes in contract liabilities is due to the difference between opening and closing balance of the contract assets and liabilities resulting from the timing differences between the performances obligation and customer payment.		
<b>28 Provisions</b>		
Provision for employee benefits		
- Compensated absences (refer note 44(C))	51	47
- Gratuity (refer note 44(B)(1)(iv))	1	-
<b>Total provision</b>	<b>52</b>	<b>47</b>


**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023**

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
<b>29 Revenue from operations</b>		
<b>Sale of products</b>		
Finished goods - Bearings (also refer note 42 (II))	4,584	4,250
<b>Other operating revenues</b>		
Sale of machinery (also refer note 42 (II))	89	-
Scrap sales	114	100
Duty drawback and export incentives	-	1
<b>Total revenue from operations</b>	<b>4,787</b>	<b>4,351</b>
<b>Disaggregated revenue</b>		
<b>Revenue based on geography (also refer note 45(b))</b>		
Within India	4,681	4,234
Outside India	106	117
	<b>4,787</b>	<b>4,351</b>
<b>Revenue based on timing of recognition</b>		
Point in time	4,787	4,351
Over period of time	-	-
	<b>4,787</b>	<b>4,351</b>
Note		
(a) Also refer note 27 for significant changes in contract liabilities. There are no contract assets as at and for the year ended 31 March 2023.		
(b) Revenue is recognised on satisfaction of performance obligation upon transfer of control (as per the terms of contract) of promised goods to customers in an amount that reflects the consideration the Company expects to receive in exchange for those goods.		
<b>30 Other income</b>		
Fair value changes on financial assets measured at FVTPL	73	49
Interest income from other financial assets measured at amortised cost	39	34
Net gain on foreign currency transactions and translation	-	20
Reversal of excess provision on doubtful trade receivables	1	4
Miscellaneous income	4	3
<b>Total other income</b>	<b>117</b>	<b>110</b>


**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023**

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
<b>31 Cost of materials consumed</b>		
<b>Raw material consumed</b>		
Opening stock	450	150
Add: Purchases (also refer note 42(II))	1,611	1,707
Less: Closing stock (also refer note 11)	(480)	(450)
<b>Total cost of materials consumed</b>	<b>1,581</b>	<b>1,407</b>
<b>32 Changes in inventories of finished goods and work-in-progress</b>		
<b>At beginning of the year</b>		
Work-in-progress	238	207
Finished goods	380	220
	<b>618</b>	<b>427</b>
<b>At end of the year (also refer note 11)</b>		
Work-in-progress	211	238
Finished goods	425	380
	<b>636</b>	<b>618</b>
<b>Total changes in inventories of finished goods and work-in-progress</b>	<b>(18)</b>	<b>(191)</b>
<b>33 Employee benefits expense</b>		
Salaries, allowances and other benefits	811	753
Contribution to provident and other funds (refer note 44(A))	46	59
Staff welfare expenses	36	37
<b>Total employee benefits expense</b>	<b>893</b>	<b>849</b>
<b>34 Finance costs</b>		
<b>On financial liabilities measured at amortised cost</b>		
Interest expense on term loan (*)	0	0
Interest expense on lease liabilities [refer note 3 (e) and note 49 (ii)]	1	1
<b>Total finance costs</b>	<b>1</b>	<b>1</b>

(\*) ₹ 0 lakh represents amount lower than ₹ 1 lakh


**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023**

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
<b>35 Depreciation and amortisation expense</b>		
Depreciation on property, plant and equipment (refer note 4)	<b>149</b>	138
Depreciation on right to use assets (refer note 4) (*)	<b>0</b>	1
Amortisation on intangible assets (refer note 6)	<b>3</b>	3
<b>Total Depreciation and amortisation expense</b>	<b>152</b>	<b>142</b>
(*) ₹ 0 lakh represents amount lower than ₹ 1 lakh		
<b>36 Other expenses</b>		
Consumption of stores and spare parts	<b>396</b>	353
Processing charges	<b>82</b>	85
Power and fuel	<b>313</b>	272
Repairs and maintenance		
Buildings (*)	<b>0</b>	11
Plant and equipment	<b>109</b>	100
Others	<b>2</b>	3
Printing and stationery	<b>1</b>	1
Rent (also refer note 49 (ii))	<b>4</b>	5
Rates and taxes	<b>5</b>	3
Legal and professional fees (also refer note 42)	<b>70</b>	61
Directors sitting fees and commission (also refer note 42 (II))	<b>21</b>	23
Commission on sales	<b>15</b>	13
Travelling and conveyance	<b>14</b>	5
Postage, telephone and fax	<b>1</b>	2
Expenditure on Corporate Social Responsibility (refer note 47)	<b>16</b>	15
Security charges	<b>26</b>	26
Forwarding charges	<b>43</b>	45
IT support services	<b>9</b>	11
Net loss on foreign currency transactions and translation	<b>11</b>	-
Auditors' remuneration (refer note 36.1 below)	<b>10</b>	10
Miscellaneous expenses	<b>34</b>	33
<b>Total other expenses</b>	<b>1,182</b>	<b>1,077</b>

(\*) ₹ 0 lakh represents amount lower than ₹ 1 lakh


**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023**

(₹ in lakhs)

	As at 31 March 2023	As at 31 March 2022
<b>36.1 Auditors' remuneration (excluding goods and service tax)</b>		
Statutory audit and limited review	7	7
Tax audit	1	1
Goods and service tax audit	2	2
Reimbursement of expenses (*)	0	0
<b>Total auditors' remuneration</b>	<b>10</b>	<b>10</b>
(*) ₹ 0 lakh represents amount lower than ₹ 1 lakh		
<b>37 Tax expense</b>		
<b>Current tax expense</b>		
Current tax for the year	266	275
Tax adjustment in respect of earlier years	11	-
<b>Total current tax expense</b>	<b>277</b>	<b>275</b>
<b>Deferred taxes</b>		
Relating to origination and reversal of temporary differences through statement of profit and loss	18	18
Relating to origination and reversal of temporary differences through Other Comprehensive Income	(4)	4
<b>Net deferred tax expense</b>	<b>14</b>	<b>22</b>
	<b>291</b>	<b>297</b>
<b>37.1 Tax reconciliation (for profit and loss)</b>		
<b>Profit before income tax expense</b>	<b>1,113</b>	<b>1,176</b>
Tax at the rate of 25.17% (previous year : 25.17%)	280	296
<b>Adjustments</b>		
Tax adjustment in respect of earlier years	11	-
Others	-	1
<b>Income tax expense</b>	<b>291</b>	<b>297</b>

**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023**
**37.2 Deferred tax related to the following:**

(₹ in lakhs)

Deferred tax liabilities (net)	As at 31 March 2023	Recognised through profit and loss charge/ (credit)	Recognised through other comprehensive income charge/ (credit)	As at 31 March 2022
<b>Deferred tax liabilities on account of:</b>				
Difference between book and tax depreciation	146	4	-	142
Remeasurement gain on defined benefits plan towards gratuity	-	(1)	(4)	5
Unrealised capital gain on mutual funds	40	17	-	23
<b>Total deferred tax liabilities</b>	<b>186</b>	<b>20</b>	<b>(4)</b>	<b>170</b>
<b>Deferred tax assets on account of:</b>				
Provision for IND AS 116 (Lease liabilities)	2	1	-	1
Provision for doubtful trade receivables	2	-	-	2
Provision for compensated absence	13	1	-	12
Provision for provident fund	4	-	-	4
<b>Total deferred tax assets</b>	<b>21</b>	<b>2</b>	<b>-</b>	<b>19</b>
<b>Total deferred tax liabilities (net)</b>	<b>165</b>	<b>18</b>	<b>(4)</b>	<b>151</b>

Deferred tax liability (net)	As at 31 March 2022	Recognised through profit and loss charge/ (credit)	Recognised through other comprehensive income charge/ (credit)	As at 31 March 2021
<b>Deferred tax liabilities on account of:</b>				
Difference between book and tax depreciation	142	5	-	137
Remeasurement gain on defined benefits plan towards gratuity	5	(4)	4	5
Unrealised capital gain on mutual funds	23	13	-	10
<b>Total deferred tax liabilities</b>	<b>170</b>	<b>14</b>	<b>4</b>	<b>152</b>
<b>Deferred tax assets on account of:</b>				
Provision for IND AS 116 (Lease liabilities)	1	(1)	-	2
Provision for doubtful trade receivables	2	(2)	-	4
Provision for compensated absence (*)	12	(0)	-	12
Provision for provident fund	4	(1)	-	5
<b>Total deferred tax assets</b>	<b>19</b>	<b>(4)</b>	<b>-</b>	<b>23</b>
<b>Total deferred tax liabilities (net)</b>	<b>151</b>	<b>18</b>	<b>4</b>	<b>129</b>

(\*) ₹ 0 lakh represents amount lower than ₹ 1 lakh


**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023**

(₹ in lakhs)

	Year ended 31 March 2023	Year ended 31 March 2022
<b>38 Other comprehensive Income (loss) / gain</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Actuarial gain / (loss) on remeasurements of defined benefit plans (refer Note 44(B)(vi))	(15)	15
Tax on above	4	(4)
<b>Total Other comprehensive income</b>	<b>(11)</b>	<b>11</b>

**39 Fair value measurements** (₹ in lakhs)

**Financial instruments by category:**

Particulars	31 March 2023		31 March 2022	
	FVTPL	Amortised cost	FVTPL	Amortised cost
<b>Financial assets - Non-current</b>				
Loans (*)	-	0	-	1
Other financial assets	-	227	-	76
<b>Financial assets - Current</b>				
Investments	1,525	-	1,452	-
Trade receivables	-	651	-	683
Cash and cash equivalents	-	80	-	246
Bank balance other than cash and cash equivalents	-	802	-	232
Loans	-	1	-	2
	<b>1,525</b>	<b>1,761</b>	<b>1,452</b>	<b>1,240</b>
<b>Financial liabilities - Non-current</b>				
Borrowings	-	3	-	6
Lease liabilities	-	7	-	7
<b>Financial liabilities - Current</b>				
Borrowings	-	3	-	3
Lease liabilities(*)	-	0	-	0
Trade payables	-	422	-	265
Other financial liabilities	-	115	-	109
	-	<b>550</b>	-	<b>390</b>

Note:- The carrying value of borrowings, trade payables, lease liabilities and other current financial liabilities recorded at amortised cost, is considered to be a reasonable approximation of fair value.

(\*) ₹ 0 lakh represents amount lower than ₹ 1 lakh



## SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

### 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.

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. For example, listed equity instruments / unlisted mutual funds 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.

#### Financial assets and liabilities measured at fair value - recurring fair value measurements

(₹ in lakhs)

#### As at 31 March 2023

##### Financial assets

##### Investments at fair value through profit or loss

Mutual funds

**Total**

	Level 1	Level 2	Level 3	Total
Mutual funds	1,525	-	-	1,525
<b>Total</b>	<b>1,525</b>	<b>-</b>	<b>-</b>	<b>1,525</b>

(₹ in lakhs)

#### As at 31 March 2022

##### Financial assets

##### Investments at fair value through profit or loss

Mutual funds

**Total**

	Level 1	Level 2	Level 3	Total
Mutual funds	1,452	-	-	1,452
<b>Total</b>	<b>1,452</b>	<b>-</b>	<b>-</b>	<b>1,452</b>





## SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

### 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 3.

### 40 Financial risk management

The Company's principal financial liabilities comprise borrowings, lease liabilities, 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 other than cash and cash equivalents that derive directly from its operations.

The Company is exposed to credit risk, liquidity risk and market 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 0-75 days credit to the domestic and export 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.

#### Expected credit loss on trade receivables as on 31 March 2023 (₹ in lakhs)

	0-90 days	91-180 days	181-270 days	271-365 days	Credit impaired	Total
<b>Gross trade receivables (a) (*)</b>	<b>646</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>657</b>
Expected loss rate	0%	22%	-	-	100%	
Expected credit loss (b) (*)	2	2	0	0	2	6
<b>Carrying amount of trade receivables (a-b) (*)</b>	<b>644</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>651</b>


**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023**
**Expected credit loss on trade receivables as on 31 March 2022 (₹ in lakhs)**

	0-90 days	91-180 days	181-270 days	271-365 days	Credit impaired	Total
<b>Gross trade receivables (a) (*)</b>	<b>683</b>	<b>1</b>	<b>5</b>	<b>0</b>	<b>1</b>	<b>690</b>
Expected loss rate	0%	0%	60%	-	100%	
Expected credit loss (b) (*)	3	0	3	0	1	7
<b>Carrying amount of trade receivables (a-b) (*)</b>	<b>680</b>	<b>1</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>683</b>

(\*) ₹ 0 lakh represents amount lower than ₹ 1 lakh

**Movement in expected credit loss allowance on trade receivables (₹ in lakhs)**

	As at 31 March 2023	As at 31 March 2022
Opening provision	7	17
Add: Additional provision made during the year	-	-
Less : Provision write back (including bad debts written off Nil (previous year 6 Lakh)	(1)	(10)
<b>Closing provisions</b>	<b>6</b>	<b>7</b>

**Expected credit loss on other financial assets as on 31 March 2023 (₹ in lakhs)**

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Investments	1525	-	1,525
Cash and cash equivalents	80	-	80
Bank balances other than cash and cash equivalents	802	-	802
Loans	1	-	1


**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023**
**Expected credit loss on other financial assets as on 31 March 2022**

(₹ in lakhs)

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Investments	1,452	-	1,452
Cash and cash equivalents	246	-	246
Bank balances other than cash and cash equivalents	232	-	232
Loans	2	-	2

**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, lease liabilities, 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.

**Financing arrangements**

The Company had access to the following undrawn borrowing facilities at the end of the reporting year:

	(₹ in lakhs)	
	As at 31 March 2023	As at 31 March 2022
Expiring within three years (Over Draft facility)	45	45
Expiring within one year (Cash Credit facility)	500	500
<b>Total</b>	<b>545</b>	<b>545</b>

**Maturities of financial liabilities (non-derivative)**
**As at 31 March 2023**

(₹ in lakhs)

	Within 1 year	Between 1 and 2 years	Beyond 2 years	Total
Lease liabilities(*)	0	0	7	7
Borrowings	3	3	-	6
Trade payables^	422	-	-	422
Other financial liabilities	115	-	-	115
<b>Total</b>	<b>540</b>	<b>3</b>	<b>7</b>	<b>550</b>


**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023**

As at 31 March 2022

(₹ in lakhs)

	Within 1 year	Between 1 and 2 years	Beyond 2 years	Total
Lease liabilities(*)	0	0	7	7
Borrowings	3	3	3	9
Trade payables^	265	-	-	265
Other financial liabilities	109	-	-	109
<b>Total</b>	<b>377</b>	<b>3</b>	<b>10</b>	<b>390</b>

^Trade payables within 1 year includes payables which are not due as at respective reporting dates.

(\*) ₹ 0 lakh represents amount lower than ₹ 1 lakh

**C Market risk**
**(i) Foreign currency risk**

The Company is exposed to foreign exchange risk on its receivables and 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 2023		31 March 2022	
	USD	EURO	USD	EURO
<b>Financial liabilities</b>				
Trade payable	-	(81)	-	(61)
<b>Financial assets</b>				
Trade receivable	48	1	8	-
<b>Other current assets</b>				
Advance to suppliers	-	-	1	-
<b>Net exposure to foreign currency assets / (liabilities)</b>	<b>48</b>	<b>(80)</b>	<b>9</b>	<b>(61)</b>



## SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

### Sensitivity to foreign currency risk

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

(₹ in lakhs)

Currencies	31 March 2023		31 March 2022	
	Increase by 2%	Decrease by 2%	Increase by 2%	Decrease by 2%
USD (*)	1	(1)	0	(0)
EUR	(2)	2	(1)	1

(\*) ₹ 0 lakh represents amount lower than ₹ 1 lakh

### (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 has not availed any current borrowings with floating interest rate during the year.

### (iii) Price risk

The Company is exposed to price risk from its investment in mutual fund of ₹ 1,525 lakhs (Previous year : ₹ 1452 lakhs) measured at fair value through profit and loss.

(₹ in lakhs)

Sensitivity	As at	As at
	31 March 2023	31 March 2022
Impact on profit after tax for 5% increase in price of underlying units	76	73
Impact on profit after tax for 5% decrease in price of underlying units	(76)	(73)

## 41 Capital Management

### (A) Risk management

The Company's objectives when managing capital are to:

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

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



## SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

The capital composition is as follows:

(₹ in lakhs)

Particulars	As at	As at
	31 March 2023	31 March 2022
Gross debt	6	9
Less: Cash and cash equivalents (excluding book overdraft)	(80)	(246)
<b>Net debt (A)</b>	<b>(74)</b>	<b>(237)</b>
<b>Equity (B)</b>	<b>5,404</b>	<b>4,832</b>
<b>Gearing ratio (A / B)</b>	<b>(0.01)</b>	<b>(0.05)</b>

### (B) Dividends

#### Equity shares

Final dividend paid for the year ended 31 March 2022 of ₹ 6.5 per share (31 March 2021 : ₹ 4.5 per share)

235 163

#### Dividends not recognised at the end of the reporting period

In addition to above dividend, after the year end the Board of directors have recommended the payment of a final dividend of ₹ 6.5 (31 March 2022: ₹ 6.5) per fully paid equity share. This proposed dividend is subject to the approval of shareholders at the ensuing annual general meeting.

235 235

### 42 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	
Key Management Personnel	Ms. Harshbeena Zaveri	Director
	Mr. S. C. Rangani	Director
	Mr. Vivek Sahai (upto 07 November 2022)	Director
	Mr. Arvinder Singh Kohli	Director
	Mr. Claude D'Gama Rose	Director
	Ms. Reshmi Ramesh Panicker (w.e.f. 09 February 2023)	Director
	Mr. K M Marfatia	Director



**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023**

Key Management Personnel	Mr. Ram Narayan Sahu	Chief Financial Officer (CFO)
	Mr. Kamlesh Sondigala (upto 10 November 2021)	Company Secretary (CS)
	Mr. Harshal Patil (w.e.f. 01 February 2022)	Company Secretary (CS)
	Mr. K K P Sinha	Chief Executive Officer (CEO)
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 2023	31 March 2022	31 March 2023	31 March 2022
(i)	<b>Holding company:</b> <b>NRB Bearings Limited</b>				
	Sale of finished goods	1,572	1,455	227	285
	Sale of special purpose machine and machine spare parts	3	-	-	-
	Purchases of raw materials	114	192	-	-
	Purchases of property, plant and equipment	26	8	-	-
	Reimbursement of expenses	-	9	-	-
	Dividend on equity shares	172	119	-	-
(ii)	<b>Fellow subsidiary:</b> <b>NRB Bearings (Thailand) Limited</b>				
	Sale of finished goods	14	88	5	8
	Sale of special purpose machine and machine spare parts	85	-	43	-
	Commission Paid	1	-	-	-
	Purchases of property, plant and equipment	-	3	-	-
(iii)	<b>Key managerial personnel</b>				
	Dividend paid to Ms. Harshbeena Zaveri	2	2	-	-
	Dividend paid to Mr. S. C. Rangani(*)	0	0	-	-
	Dividend paid to Mr. Arvinder Singh Kohli(*)	0	0	-	-
	Dividend paid to Mr. K K P Sinha(*)	0	0	-	-
	Commission and sitting fees paid to Ms. Harshbeena Zaveri	4	5	(2)	(2)
	Commission and sitting fees paid to Mr. S. C. Rangani	3	3	(2)	(2)
	Commission and sitting fees paid to Mr. Kaiyomarz Minoos Marfatia	4	4	(2)	(2)

**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023**

	Commission and sitting fees paid to Ms. Reshmi Penicker (*)	<b>0</b>	-	<b>(0)</b>	-
	Commission and sitting fees paid to Mr. Vivek Sahai	<b>3</b>	4	<b>(1)</b>	(2)
	Commission and sitting fees paid to Mr. Arvinder Singh Kohli	<b>3</b>	3	<b>(1)</b>	(2)
	Commission and sitting fees paid to Mr. Claude D'Gama Rose	<b>4</b>	4	<b>(2)</b>	(1)
	Remuneration paid to Mr. Ram Narayan Sahu (CFO)	<b>19</b>	16	<b>(2)</b>	(1)
	Remuneration paid to Mr. Kamlesh Sondigala (CS)	-	7	-	-
	Remuneration paid to Mr. Harshal Patil (CS)(*)	<b>8</b>	1	<b>(1)</b>	(0)
	Retainership fees to Mr. K K P Sinha (CEO)	<b>33</b>	34	<b>(3)</b>	(3)
<b>(iv)</b>	<b>Trust</b>				
	Contribution to provident fund trust - Employer's Contribution	<b>4</b>	23	<b>(10)</b>	(10)
	Contribution to provident fund trust - Employee's Contribution	<b>7</b>	7	<b>(1)</b>	(1)

**Notes:**

1. There are no commitments with any related party during the year or as at the year end.
2. All the related party transactions are made on terms equivalent to those that prevail in arm's length transactions.

(\*) ₹ 0 lakh represents amount lower than ₹ 1 lakh

**43 Contingent liabilities (claims against the company not acknowledged as debt)**

- (i) The Company had received an Order dated 6 September 2004 from the Employees Provident Fund Organisation raising a demand of ₹ 161 lakhs including interest of ₹ 47 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 ₹ 163 lakhs and ₹ 65 lakhs respectively as at 31 March 2022 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 Employee's Provident Funds and Miscellaneous Provisions Act, 1952, have been considered violative of the Act. The authorities had attached one of the Company's bank accounts and had recovered an amount of ₹ 3 lakhs in an earlier year. The Company has contested the above demand and on a writ petition filed by the Company in the High Court of Jharkhand, Ranchi, the High Court has directed the authorities not to take coercive steps till the disposal of the petition. The Company denies all the allegations made against it since the Company had made the necessary applications to grant exemption to the Trusts which was neither granted nor rejected in spite of several reminders from time to time. In view of the facts of the case, the Company does not expect any liability in this regard.



**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023**

(ii) The Honourable Supreme Court, had 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. From November 2020, the Company has started making the deduction and payment of provident fund basis the revised definition of "basic wages". For the period 1 April 2019 to 31 October 2020 the Company has recognised a provision of ₹ 14 lakhs as per the revised definition, for which it is awaiting further clarifications before depositing the same with the authorities.

**(iii) Other money for which the company is contingently liable - Income tax matters****For Assessment year 2013-14:**

Income tax demand raised of ₹ 7 lakhs under Section 143(3) of 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. In view of the facts of the case, the Company does not expect any liability in this regard.

**For Assessment year 2017-18:**

Income tax demand raised of ₹ 26 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. In view of the facts of the case, the Company does not expect any liability in this regard.

(iv) Sales tax demand against the non submission of C forms / VAT forms for the financial year 2011-12 and 2012-13 15.34 lakhs. This dispute is pending at the forum of Deputy Commissioner of Commercial Taxes. In view of the facts of the case, the Company does not expect any liability in this regard.

**Notes:**

1. The above disclosure has been made on the basis of information available with the Company.
2. It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.
3. The amounts disclosed above represent the best possible estimates arrived at on the basis of the available information and do not include any penalty payable.



## SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

### 44 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 ₹ 46 lakhs (31 March 2021 ₹ 59 lakhs) is recognised as expense and included in Note No. 33-Employee Benefits Expenses

(₹ in lakhs)

	31 March 2023	31 March 2022
i) Employer's Contribution to provident fund and others	25	40
ii) Employer's Contribution to employees' pension fund	21	19

### **(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 carried out in respect of the aforesaid defined benefit plan of gratuity based on the following assumptions:-

(₹ in lakhs)

Particulars	31 March 2023	31 March 2022
<b>(i) Actuarial assumptions</b>		
Mortality rate	<b>Indian Assured Lives Mortality (2012-14)</b>	Indian Assured Lives Mortality (2012-14)
Discount rate (per annum)	<b>7.40%</b>	6.90%
Salary growth rate (#)	<b>8.00%</b>	8.00%
Attrition / withdrawal rate (per annum)	<b>7.00%</b>	7.00%

(#) takes into account the inflation, seniority, promotions and other relevant factors. These assumptions were developed by the management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.


**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023**

(₹ in lakhs)

Particulars	31 March 2023	31 March 2022
<b>(ii) Changes in the present value of defined benefit obligation</b>		
Present value of obligation at the beginning of the year	258	264
Interest expense	18	17
Current service cost	15	13
Actuarial (gain) /loss	13	(15)
Benefits paid	(31)	(21)
<b>Present value of obligation at the end of the year</b>	<b>273</b>	<b>258</b>
<b>(iii) Changes in the Fair value of Plan Assets</b>		
Fair value of plan assets at beginning of the year	277	278
Investment income	19	18
Contributions	9	2
Benefits paid	(31)	(21)
Return on plan assets, excluding amount recognised in net interest expense (*)	(2)	(0)
<b>Fair value of plan assets at the end of the year</b>	<b>272</b>	<b>277</b>
(*) ₹ 0 lakh represents amount lower than ₹ 1 lakh		
<b>(iv) Assets and liabilities recognised in the balance sheet</b>		
Present value of the defined benefit obligation at the end of the year	273	258
Less: Fair value of plan assets at the end of the year	(272)	(277)
Net (assets)/liabilities recognised	1	(19)
<b>Recognised under provision (refer note 28)</b>	<b>1</b>	-
<b>Recognised under other current assets (refer note 18)</b>	-	(19)
<b>(v) Expenses recognised in the Statement of Profit and Loss</b>		
Current service cost	15	13
Interest income (Net)	(1)	(1)
<b>Expenses recognised in the statement of profit and loss (refer note 33)</b>	<b>14</b>	<b>12</b>


**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023**

(₹ in lakhs)

Particulars	31 March 2023	31 March 2022
<b>(vi) Income/(Expenses) recognised in the statement of other comprehensive income (OCI)</b>		
Actuarial gains / (losses)		
Change in assumptions	(13)	15
Return on plan assets, excluding amount recognised in net interest expense (*)	(2)	0
<b>Total remeasurement (cost) / credit for the year recognised in OCI (refer note 38)</b>	<b>(15)</b>	<b>15</b>
(*) ₹ 0 lakh represents amount lower than ₹ 1 lakh		
<b>(vii) Reconciliation of Net asset / (liability) recognised:</b>		
Net asset recognised at the beginning of the period	19	14
Company contributions	9	2
(Loss) / gain recognised in other comprehensive income	15	(15)
Expenses recognised in the statement of profit and loss	(14)	(12)
<b>Net (liabilities) / asset recognised at the end of the period</b>	<b>29</b>	<b>(11)</b>
<b>(viii) Major categories of plan assets (as percentage of total plan assets)</b>		
Funds managed by insurer	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**(ix) Sensitivity Analysis:**

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in an assumptions occurring at the end of the reporting period while holding all other assumption constraint. In practice it is unlikely to occur and change in some of the assumption may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.


**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023**

(₹ in lakhs)

Particulars	31 March 2023		31 March 2022	
	Decrease	Increase	Decrease	Increase
Change in Discount Rate by - / + 1%	<b>285</b>	<b>262</b>	269	248
Change in Salary Growth Rate by - / + 1%	<b>261</b>	<b>285</b>	248	269
Change in Attrition Rate by - / + 50%	<b>274</b>	<b>272</b>	260	257
Change in Mortality Rate by - / + 10%	<b>273</b>	<b>273</b>	258	258

	31 March 2023	31 March 2022
<b>(x) Maturity Profile of Defined Benefit Obligation:</b>		
<b>Weighted average duration (based on discounted cash flows)</b>	4 years	4 years

(₹ in lakhs)

	31 March 2023	31 March 2022
<b>Expected Contribution during the next annual reporting period</b>		
The Company's best estimate of contribution during the next year	16	Nil

(₹ in lakhs)

	31 March 2023	31 March 2022
<b>Expected cash flows over the future periods (valued on undiscounted basis):</b>		
1 year	<b>44</b>	45
2 to 5 years	<b>212</b>	196
6 to 10 years	<b>61</b>	70
More than 10 years	<b>100</b>	56

**(xi) General descriptions of Significant Defined plans:**

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


**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023**
**(2) Provident Fund (PF) :**

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.

(₹ in lakhs)

	31 March 2023	31 March 2022
<b>(i) Actuarial assumptions</b>		
	<b>Indian Assured Lives Mortality (2012-14)</b>	Indian Assured Lives Mortality (2012-14)
Mortality rate		
Discount rate (per annum)	<b>7.44%</b>	6.44%
Interest rate guarantee (per annum)	<b>8.15%</b>	8.10%
Attrition Rate (per annum), based on ages:		
Upto 30 years	<b>3.00%</b>	3.00%
31 - 44 years	<b>2.00%</b>	2.00%
Above 44 years	<b>1.00%</b>	1.00%

(₹ in lakhs)

	31 March 2023	31 March 2022
<b>(ii) Major categories of plan assets (as percentage of total plan assets)</b>		
Funds managed by insurer	<b>100.00%</b>	100.00%

(₹ in lakhs)

	31 March 2023	31 March 2022
<b>(iii) Assets and liabilities relating to defined benefit provident fund</b>		
Present value of the defined benefit obligation at the end of the year	<b>206</b>	216
Less: Fair value of plan assets at the end of the year	<b>(208)</b>	(217)
<b>Net (assets) / liabilities recognised by the Trust</b>	<b>(2)</b>	<b>(1)</b>

**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 2023**

	(₹ in lakhs)	
	31 March 2023	31 March 2022
<b>(iv) Major categories of plan assets (as percentage of total plan assets)</b>		
Government of India securities	7%	7%
State Government securities	26%	26%
High quality corporate bonds	12%	12%
Equity shares of listed companies	11%	10%
Property	0%	0%
Special Deposit Scheme	36%	34%
Funds managed by Insurer	1%	3%
Bank balance and others	7%	8%
Total	<b>100%</b>	<b>100%</b>

**(iv) Sensitivity Analysis:**

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in an assumption occurring at the end of the reporting period while holding all other assumption constraint. In practice it is unlikely to occur and change in some of the assumption may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Particulars	(₹ in lakhs)			
	31 March 2023		31 March 2022	
	Decrease	Increase	Decrease	Increase
Change in discount rate by - / + 1%	206	206	216	216
Change in salary growth rate by - / + 1%	206	206	213	221

**(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.

**(C) Other Long Term Benefits:**

Compensated absences recognised in the statement of profit and loss for the current year, under the employee cost in note 33, is ₹ 15 lakhs (previous year: ₹ 11 lakhs) and the obligation in note 28 as at 31 March 2023 is ₹ 51 lakhs (previous year: ₹ 47 lakhs)



## SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

### 45 Segment reporting

#### a) Primary segment: Business segment

The Company is primarily engaged in manufacturing of bearings and other activities having similar economic characteristics, primarily operating 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 as per Ind AS 108 "Operating Segments", the Company considers these operations as a single business segment as all the product groups are mainly having similar risks and returns.

The information relating to revenue from external customers and location of non-current assets of its single 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

(₹ in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
1) Segment revenue		
- Within India	4,681	4,234
- Outside India	106	117

The Company has two (31 March 2022: 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 ₹ 2,444 lakhs (previous year: ₹ 2,318 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:

(₹ in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
2) Carrying amount of segment assets (non-current)		
- Within India	1,875	1,644
- Outside India	-	-





## SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

### 46 Earnings per share

The earnings per equity share is computed by dividing the net profit attributable to the equity shareholders for the year by weighted average number of equity shares outstanding during the year.

(₹ in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Net Profit after tax for the year	818	883
Profit attributable to equity share holders	818	883
Weighted average number of equity shares outstanding during the year (numbers)	3,611,540	3,611,540
Basic and diluted earnings per Share (₹)	22.66	24.46
Nominal value per Share (₹)	10.00	10.00

#### Note:

The Company does not have any outstanding dilutive potential equity shares as at 31 March 2023 and 31 March 2022. Consequently, basic and diluted earnings per share of the Company remains the same.

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

As per section 135 of the Act, and rules there in, the Company is required to spend atleast 2% of its average net profits for three immediately preceding financial years towards corporate social responsibility (CSR) activities. The Company has CSR committee as per the Act. The funds are utilised on the activities which are specified in Schedule VII of the Act. Details of CSR expenditure are as follows:

(₹ in lakhs)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
1. Amount required to be spent by the company during the year	15	15
2. Amount approved by Board to be spent during the year	16	15
3. Amount of expenditure incurred on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	16	15
4. Shortfall at the end of the year	-	-
5. Total of previous years shortfall	-	-
6. Reason for shortfall	NA	NA
7. Nature of CSR activities	Promoting education and employment, enhancing vocational skills, promoting healthcare, COVID-19 related Activities, Upgradation of Institution (ITI)	
8. Details of related party transactions in relation to CSR expenditure as per relevant accounting standard :	-	-



## SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

Note: The Company's spent towards CSR does not involve any long term project and accordingly, disclosure requirements relating to ongoing projects is not applicable as at reporting dates.

### 48 Dues to micro enterprises and small enterprises:

The Company has certain dues to suppliers registered as Micro and Small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
a) The principal amount remaining unpaid to any supplier at the end of the year	37	30
b) Interest due remaining unpaid to any supplier at the end of the year	-	-
c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

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

### 49 Ind AS 116- Leases

- The Company's lease assets primary consist of leasehold land for manufacturing facility and vehicles for business use.
- The Company has recognised ₹ 4 lakhs (previous year ₹ 5 lakhs) as rental expenses during the year which pertains to short term/low value leases.


**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023**
**(i) Right-of-use assets (ROU)**

(Included in Property, plant and equipment)

Particulars	Leasehold land	Vehicles	Total
<b>Gross carrying value</b>			
<b>As at 1 April 2021</b>	5	3	8
Additions	-	-	-
Disposals	-	(3)	(3)
<b>As at 31 March 2022</b>	<b>5</b>	<b>-</b>	<b>5</b>
Additions	-	-	-
Disposals	-	-	-
<b>As at 31 March 2023</b>	<b>5</b>	<b>-</b>	<b>5</b>
<b>Accumulated depreciation and impairment</b>			
<b>As at 1 April 2021 (*)</b>	0	2	2
Charge for the year (*)	0	1	1
Disposal / adjustments	-	(3)	(3)
<b>As at 31 March 2022 (*)</b>	<b>0</b>	<b>-</b>	<b>0</b>
Charge for the year (*)	0	-	0
Disposal / adjustments	-	-	-
<b>As at 31 March 2023 (*)</b>	<b>0</b>	<b>-</b>	<b>0</b>
<b>Net Carrying value</b>			
As at 31 March 2022	<b>5</b>	<b>-</b>	<b>5</b>
As at 31 March 2023	<b>5</b>	<b>-</b>	<b>5</b>

(\*) ₹ 0 lakh represents amount lower than ₹ 1 lakh

**(ii) Amount recognised in statement of profit and loss for the year ended 31 March 2023**

(₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Interest cost on lease liabilities	<b>1</b>	1
Depreciation on right of use assets (*)	<b>0</b>	1
Rental expense (refer note (a) below)	<b>4</b>	5
<b>Total</b>	<b>5</b>	<b>7</b>

(\*) ₹ 0 lakh represents amount lower than ₹ 1 lakh

**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023**

(a) (₹ in lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Short-term lease expense	4	5
Low value lease expense	-	-
<b>Total lease expense</b>	<b>4</b>	<b>5</b>

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 4). The Company continues to retain possession as monthly lessee and has been regularly depositing the monthly lease rents.

**(iii) Lease liabilities**

(₹ in lakhs)

Particulars	Amount
<b>Balance as at 1 April 2021</b>	<b>8</b>
Add: Movement during the year	-
Add: Interest cost accrued during the year	1
Less: Principal payment of lease liability(*)	(0)
Less: Interest payment of lease liability	(1)
<b>Balance as at 31 March 2022</b>	<b>7</b>
Add: Movement during the year	-
Add: Interest cost accrued during the year	1
Less: Principal payment of lease liability(*)	(0)
Less: Interest payment of lease liability(*)	(0)
<b>Balance as at 31 March 2023</b>	<b>7</b>

(\*) ₹ 0 lakh represents amount lower than ₹ 1 lakh

**(iv) Cash outflow from leases**

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

**(v) Maturity analysis of undiscounted lease liabilities**

**As at 31 March 2023**

(₹ in lakhs)

Particulars	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Beyond 5 years
<b>Lease liabilities</b>				
Leashold land	1	1	2	39
<b>Total</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>39</b>


**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023**

As at 31 March 2022

(₹ in lakhs)

Particulars	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Beyond 5 years
<b>Lease liabilities</b>				
Leashold land	1	1	2	40
<b>Total</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>40</b>

**50 Analytical ratios**

Ratios for the year ended 31 March 2023 and 31 March 2022 are as follows :

Sr. No.	Particulars		Numerator	Denominator	31 March 2023	31 March 2022	Variance in %
1	Current ratio	Times	Current assets	Current liabilities	<b>6.65</b>	7.85	-15%
2	Debt-equity ratio (i)	Times	Total debt	Shareholders' equity	<b>0.00</b>	0.00	-40%
3	Debt service coverage ratio (ii)	Times	Earning available for debt service*	Debt service	<b>247</b>	829	-70%
4	Return on equity ratio	%	Net profit after tax	Average shareholder equity	<b>16%</b>	20%	-19%
5	Inventory turnover ratio	Times	Cost of goods sold**	Average inventory	<b>1.33</b>	1.36	-2%
6	Trade receivables turnover ratio	Times	Net credit sales	Average account receivables	<b>7.18</b>	5.80	24%
7	Trade payables turnover ratio (iii)	Times	Net credit purchases	Average trade payable	<b>4.69</b>	7.08	-34%
8	Net capital turnover ratio	Times	Net sales	Working capital <sup>^</sup>	<b>1.29</b>	1.30	0%
9	Net profit ratio	%	Net profit	Net sales	<b>17%</b>	20%	-16%
10	Return on capital employed	%	Earning before interest and taxes <sup>^^</sup>	Capital employed #	<b>20%</b>	24%	-15%
11	Return on investment	%	Net gain/(loss) on sale/fair value changes of current investment	Average of current investment	<b>5%</b>	4%	22%

\* Earnings for Debt Service = Earnings before finance costs, depreciation and amortisation, exceptional items and tax (EBIDTA)/(Finance cost for the year + Principal repayment of long-term debt liabilities within one year)

\*\* Cost of Good sold = Cost of materials consumed +Changes in inventories of finished goods ,work-in-progress



## SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

^ Working capital = Current assets - Current Liabilities

^^ Earnings before Interest and Tax = Profit before tax + Finance costs (recognised)

# Capital employed = Tangible Net Worth + Total Debt + Deferred Tax Liability

**Notes:** Explanations are provided below for any change in the ratio by more than 25% as compared to the ratio of preceding year.

- i) The debt equity ratio of the company has decreased due to the repayment of car loan. In the previous year, the company had repaid Rs.1 lakhs but in the current year the company has repaid loan amounting to Rs. 3 lakhs.
- ii) The company has taken a long term loan regarding purchase of car of Rs.10 lakhs in November 2021. In the previous year, the company had repaid only Rs. 1 lakhs but in the current year the company has repaid Rs. 3 lakhs.
- iii) The trade payables turnover ratio has decreased in the current year because there is decrease in the purchases of raw materials in the current year, also there is increase in average trade payables in current year as compared to previous year which has lead to decrease in this ratio.

### 51 Net debt reconciliation

(₹ in lakhs)

Particulars	As at	As at
	31 March 2023	31 March 2022
Cash and cash equivalents	80	246
Borrowings	(6)	(9)
Lease liabilities	(7)	(7)
<b>Net debt</b>	<b>(67)</b>	<b>(230)</b>


**SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023**

(₹ in lakhs)

Particulars	Cash and cash equivalents	Current and non current borrowings (including interest)	Lease liabilities (including interest)	Total
<b>Net debt as at 01 April 2021</b>	<b>738</b>	-	<b>(8)</b>	<b>730</b>
Cash flows	(492)	(9)	1	(500)
Finance cost incurred (*)	-	0	1	1
Finance cost paid (*)	-	0	(1)	(1)
<b>Net debt as at 31 March 2022</b>	<b>246</b>	<b>(9)</b>	<b>(7)</b>	<b>(230)</b>
Cash flows	(166)	3	0	(163)
Finance cost incurred (*)	-	0	1	1
Finance cost paid (*)	-	0	(1)	(1)
<b>Net debt as at 31 March 2023</b>	<b>80</b>	<b>(6)</b>	<b>(7)</b>	<b>(67)</b>

(\*) ₹ 0 lakh represents amount lower than ₹ 1 lakh

**52 Other statutory information**

- i. The Company does not have any transactions and outstanding balances during the current as well previous year with Companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- ii. The Company has not been declared a willful defaulter by any bank.
- iii. The Company does not have any Benami property, where any proceedings initiated or are pending against the Company for holding any benami property.
- iv. The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.
- v. The Company has not received any fund from any person or entity including foreign entities (funding party) with the understanding (whether recording in writing or otherwise) that the Company shall:
  - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
  - b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiary.
- vi. The Company has sanctioned borrowings/facilities from bank on the basis of security of current assets. The monthly returns or statements of current assets filed by the Company with bank are in agreement with the books of account.



### **SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2023**

- vii. During the year the Company has not disclosed or surrendered, any income other than the income recognised in the books of accounts in the tax assessments under Income Tax Act, 1961.
- viii. The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) to any other person or entity, including foreign entity ('Intermediaries') with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries') or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

This is a summary of significant accounting policies and other explanatory information 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 May 2023

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

**Harshbeena Zaveri**  
Director - DIN : 00003948

**Reshmi Penicker**  
Director - DIN : 05178086

**KKP Sinha**  
Chief Executive Officer

Place: Mumbai  
Date : 23 May 2023

**S. C. Rangani**  
Director - DIN : 00209069

**K M Marfatia**  
Director - DIN : 03449627

**Harshal Patil**  
Company Secretary

**Arvinder Singh Kohli**  
Director - DIN : 08135020

**Claude D'Gama Rose**  
Director - DIN : 01494440

**Ram Narayan Sahu**  
Chief Financial Officer





## FIVE YEARS FINANCIAL HIGHLIGHTS

(Rs. in lakhs)

Year Ended	31.03.19	31.03.20	31.03.21	31.03.22	31.03.23
<b>Sales (Net)</b>					
Domestic	4,001	3,382	3,553	4,234	4,681
Exports	63	32	94	117	106
<b>Sales Total</b>	<b>4,064</b>	<b>3,414</b>	<b>3,647</b>	<b>4,351</b>	<b>4,787</b>
Operating Profit (EBITDA)	1,233	657	944	1,319	1,266
Profit Before Tax	1,141	554	836	1,176	1,113
Tax (Net)	326	139	217	293	295
Profit After Tax	815	415	619	883	818
Net profit after OCI	813	398	627	894	807
Retained Earnings	595	50	627	731	572
Dividend	181	288	-	163	235
Tax on dividend	37	58	-	-	-
Earnings per share (FV Rs.10)	23	11	17	24	23
Dividend /Interim Dividend%	50	30	45	65	65
Shareholders' Funds	3,424	3,474	4,101	4,832	5,404
Funds Employed	3,553	3,606	4,237	4,996	5,579
Fixed Assets (Gross)	2,368	2,696	2,879	3,041	3,295
Fixed Assets (Net)	1,098	1,337	1,429	1,501	1,603
Fixed Asset Turnover (times)	4	3	3	3	3
Net Current Assets* (Excluding short term investments)	1,607	1,229	1,915	1,900	2,179
Working Capital Turnover (times)	3	3	2	2	2
Shareholder Nos	4,668	4,487	4,479	5,624	5,564
Employee Nos	163	160	156	159	152







## **Book - Post**

If undelivered, please return to:

**SNL Bearings Ltd.**

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