

Dear Shareholder,

Sub.: Confirmation of your address and E-mail ID and service of documents in Electronic format.

In our constant endeavor to create awareness among our shareholders regarding updation of correspondence records. We hereby write to inform our esteemed shareholders that they are requested to kindly update and intimate us their recent change in address, e-mail id and telephone nos.(if any).

With pursuant to Section 110 of Companies Act 2013 read with Rule 18(3) (1) of The Companies (Management and Administration) Rules, 2014 and Rule 11 of Companies (Accounts) Rules, 2014 and to support the "Green Initiative in Corporate Governance" by The Ministry of Corporate Affairs (MCA) issued via. two circulars nos.17/2011 and 18/2011 dated April 21, 2011 and dated April 29, 2011 respectively, shareholders are requested to intimate their email id`s to their Depository Participants (DP) in order to update the record`s with CDSL. Also shareholders holding shares in physical form can email the addresses by sending an e-mail on investorcare@nibl.in mentioning your Name and Folio No.

Shareholders still wanting to receive the physical copies, shall be send once request received.

For **NRB Industrial Bearings Limited,**

Sd/-

Ratika Gandhi,
Company Secretary

Shareholders Declaration

To,
Company Secretary,
NRB Industrial Bearings Limited,
Mumbai.

FOLIO No.
DP ID No.

I hereby give my consent and to receive all documents, Notices, including Annual Reports and Other Future communications from Company on the email Id._____.

NAME OF SHAREHOLDER & SIGNATURE

N R B I N D U S T R I A L B E A R I N G S L T D .

REGD. OFFICE : DHANNUR, 2ND FLOOR,15, SIR P. M. ROAD, FORT, MUMBAI-400001. INDIA
TEL.: 9122-4541 7510 FAX : 9122-2270 4207 | WEBSITE : <http://www.nrbindustrialbearings.com>
CIN : L29253MH2011PLC213963

NRB

INDUSTRIAL

6th Annual Report 2016-17



MOVING THE WHEELS OF INDUSTRY

NIBL Vision



To be the leader in **Friction Management** in every market we serve, to the betterment of our **customers, employees** and our **shareholders**.

NIBL Mission



To create constant value for our customers and supply chain partners that will maximize shareholder value and long-term earnings growth.

6th ANNUAL REPORT

2016-2017

| | |
|--|--|
| Board Of Directors | : Mr. Trilochan Singh Sahney - Non-Executive Chairman Mr. Devesh Singh Sahney - Managing Director Mrs. Harshbeena Sahney Zaveri - Director Mr. Gaurav Motwane - Independent Director Mr. Manish Choksi - Independent Director Mr. Ashish Chugani - Independent Director |
| Key Managerial Personnel | : Mr. Devesh Singh Sahney - Managing Director Mr. Ratnakar G. Mehendale - Chief Financial Officer Mrs. Ratika Gandhi - Company Secretary |
| Bankers | : Standard Chartered Bank Bank of Maharashtra |
| Statutory Auditors | : M/s. Deloitte Haskins & Sells |
| Internal Auditors | : M/s. Sharp & Tannan (Goa), Chartered Accountants |
| Solicitors | : M/s. Khaitan & Co. |
| Registered Office | : 2nd floor, Dhannur building, 15, Sir P.M. Road, Fort, Mumbai – 400 001, Maharashtra, India |
| Factory Premises | : B-18, Five Star, M.I.D.C Area, D-Zone, Shendra, Aurangabad – 431154 Maharashtra, India |
| Registrar & Transfer Agents | : Universal Capital Securities Pvt. Ltd. (Formerly Known As: M/S. Mondkar Computers Pvt. Ltd.) 21, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai – 400 093 Tel.: 022-28207203/05, 28257641 |
| Website Address | : www.nrbindustrialbearings.com |
| CIN | : L29253MH2011PLC213963 |

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LETTER TO THE SHAREHOLDERS

Dear Shareholder,

The year 2016 was indeed eventful. There were several events which had impacted the global as well as the Indian economy. Events like Brexit created uncertainty in the global economy & world markets. Similarly the economic measures taken by government of India created some anxiety in the Indian economy. Though, I believe this decision will help in creating a more transparent & lean economy in the long term. The year also saw decisive actions by the government towards implementing GST, which will make industries, businesses more competitive & will help boost the GDP further.

The recently announced Union budget has further propelled the belief that India continues to be a beacon of hope in an uncertain global economy that is currently being fueled by fears of populism. The government maintained a continuous push on reforming the core infrastructure in India during the last two budgets. Union Budget 2017 carries forward the momentum of enhancing the core infrastructure, basic inputs, and connectivity across the rural and urban India. The budget also proved to be a boon for agriculture and infrastructure sector, providing much needed stimuli economic growth.

In 2016-17, NRB Industrial had explored new avenue of business in OEM, Distribution, Agency and Exports businesses, which is very encouraging in the backdrop of a tough economy. Your company have participated in key exhibitions; IMTS Chicago, IMTEX Bangalore, Pune Machine Tool Show, all of which have been successful platforms to generate awareness of our products.

Our product offerings have helped equipment manufacturers optimize their assets and increase productivity while lowering their costs and enabling to add value on each phase of production.

I wish to re-affirm my commitment towards the company, which will continue and thank all my shareholders for their absolute trust and faith in the company

We thank you for your support and look forward to the same in 2017-18.

Best Regards,

Devesh Singh Sahney
Managing Director

AGM NOTICE

To,

The Members

NRB Industrial Bearings Limited

Notice is hereby given that the Sixth Annual General Meeting of the members of NRB Industrial Bearings Limited will be held on Thursday, the 3rd August, 2017 at 11.00 a.m. at M. C. Ghia Hall, K. Dubash Marg, Mumbai – 400 001 to transact following business:

ORDINARY BUSINESS:**1. To receive, consider and adopt:**

- a. the Audited Financial Statements of the Company for the financial year ended March 31, 2017, together with the Reports of the Board of Directors and the Auditors thereon; and
- b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2017, together with the Report of the Auditors thereon.

2. To appoint a Director in place of Mrs. Harshbeena Sahney Zaveri (DIN No: 00003948) who retires by rotation at this Annual General meeting and being eligible, has offered herself for re-appointment.

3. Ratification of appointment of Statutory Auditors:

To consider and if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014, (the Rules) the ratification of appointment of Messrs Deloitte Haskins & Sells, Chartered Accountants, having ICAI Firm Registration Number 117365W, as Auditors of the Company approved by an Ordinary Resolution passed at the 4th Annual General Meeting of the Company, to hold the office from conclusion of the 4th Annual General Meeting until the conclusion of the 7th Annual General Meeting, be and is hereby ratified for the balance term and accordingly, they continue to hold the office from the conclusion of this Annual General Meeting until the conclusion of the Seventh Annual General Meeting on such remuneration as may be mutually agreed upon by the Board of Directors and the Auditors, in addition to Good and Service tax (GST) and reimbursement of out of pocket expenses as may be incurred by them in connection with the Audit of accounts of the Company.”

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Special Resolution:

Approval for remuneration of Mr. Devesh Singh Sahney, Managing Director for a further period from 1.10.2016 to 30.09.2017

“RESOLVED THAT in partial modification to the terms and conditions of remuneration payable to Mr. Devesh Singh Sahney (DIN: 00003956), Managing Director of the Company and pursuant to the provisions of Sections 197 and any other applicable provisions (if any) of the Companies Act, 2013 for the time being in force read with Schedule V of the Act and the Companies (Appointment and Remuneration) Rules, 2014 and subject to approval of the Central Government, if required, the consent of the Members of the Company be and is hereby accorded for payment of following managerial remuneration to Mr. Devesh Singh Sahney (DIN:00003956) as Managing Director of the Company with effect from 1st October, 2016 till the residual period of his appointment viz. 30th September, 2017:

a. Basic Remuneration: ₹ 3,80,000/- p.m. in the grade of ₹ 2,00,000/- p.m. - ₹ 5,00,000/- p.m.

b. Cash allowance:

Education allowance – ₹ 20,000/- p.m.

Other allowances – ₹ 18,000/- p.m.

c. Perquisites:

In addition to the Basic Salary the perquisites noted below will also be payable:

- i) Housing: Free unfurnished company owned accommodation;
- ii) The expenditure incurred by the Company on providing electricity and furnishings for the accommodation shall be valued as per the Income Tax rules 1962;
- iii) Leave Travel Assistance: Once in a year, incurred in accordance with the rules specified by the Company, subject to a ceiling of ₹ 75,000/- p.a.;
- iv) Reimbursement of Medical Expenses: Self and Family at actuals;
- v) Medical/Accident Insurance: As per rules of the Company;
- vi) Club fees: Reimbursement of membership fees for upto 2 clubs;
- vii) Provision of Car with driver and telephone at Residence will not be considered as perquisites;
- viii) Contribution to Provident Fund, Superannuation Fund will not be included in the computation of the

ceiling on perquisites to the extent these either singly or put together are not taxable, under the Income Tax Act, Gratuity payable will not exceed half a month's salary for each completed year of service; and

- ix) Commission – Such remuneration by way of Commission at the rate of 1% for each financial year, in addition to the above salary and perquisites calculated with reference to the net profit of the Company in a particular financial year, as may be determined by the Board of Directors of the Company based on the recommendation of the Nomination and Remuneration Committee at the end of each financial year, subject to the overall ceiling stipulated under Section 197 of the Companies Act 2013 and limited to half year's Basic Salary will be payable to Managing Director for the relevant year;

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be required from time to time including making application to the Central Government seeking approval to remuneration payable to the Managing Director in the prescribed form within the prescribed period to the Central Government as per the provisions of Section 196 and Section 197 of the Act for obtaining its approval to payment of remuneration as provided above in the event it exceeds the limits provided in Part II of Schedule V to the Act and any of the Directors of the Company or the Company Secretary be and are hereby severally authorized to execute and sign such forms, writings, given such notice, as may be necessary in this regard."

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

Re-appointment of Mr. Devesh Singh Sahney, Managing Director for a further period of five years from 1.10.2017 to 30.9.2022 and approval of managerial remuneration for the period of three year from 1.10.2017 to 30.09.2020.

"RESOLVED THAT pursuant to the provisions 196, 197, 198 and other applicable provisions, if any, of Companies Act, 2013 (the Act) read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Schedule V to Act (including any statutory modifications and re-enactment thereof for the time being in force) and subject to approval of the Central Government, if required, consent of the members of the Company be and is hereby accorded for the re-appointment of Mr. Devesh Singh Sahney (DIN : 00003956) as Managing Director of the Company, for a further period of five years with effect from **1st October, 2017 to 30th September, 2022**, on

the terms & conditions as set out below:

- a) **Basic Remuneration:** ₹3,80,000/-p.m. in the scale of ₹ 2,00,000/-p.m. - ₹ 7,00,000/- p.m. Annual increments effective 1st October each year as decided by the Board of Directors based on recommendation of the Nomination and Remuneration Committee
- b) **Cash allowance:**
Education allowance – ₹ 20,000/- p.m.
Other allowances – ₹ 18,000/- p.m.
- c) **Perquisites**
In addition to the Basic Salary the perquisites noted below will also be payable:
- i) Housing: Free unfurnished company owned accommodation;
- ii) The expenditure incurred by the Company on providing electricity and furnishings for the accommodation shall be valued as per the Income Tax rules 1962;
- iii) Leave Travel Assistance: Once in a year, incurred in accordance with the rules specified by the Company, subject to a ceiling of ₹ 75,000/-p.a;
- iv) Reimbursement of Medical Expenses: Self and Family at actuals;
- v) Medical/Accident Insurance: As per rules of the Company;
- vi) Club fees: Reimbursement of membership fees for upto 2 clubs;
- vii) Provision of Car with driver and telephone at Residence will not be considered as perquisites;
- viii) Contribution to Provident Fund, Super annuation Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable, under the Income Tax Act, Gratuity payable will not exceed half a month's salary for each completed year of service; and
- ix) Commission – Such remuneration by way of Commission at the rate of 1% for each financial year, in addition to the above salary and perquisites calculated with reference to the net profit of the Company in a particular financial year, as may be determined by the Board of Directors of the Company based on the recommendation of the Nomination and Remuneration Committee at the end of each financial year, subject to the overall ceiling stipulated under Section 197 of the Companies Act 2013 and limited to half year's Basic Salary will be payable to Managing Director for the relevant year;

"RESOLVED FURTHER THAT with pursuant to Part II of Schedule V of the Act, and any other applicable provisions for the time being in force and the rules made there under (including any statutory modification(s)

or re-enactment thereof for the time being in force) the terms and conditions of remuneration payable to Mr. Devesh Singh Sahney (DIN: 00003956), Managing Director of the Company, the consent of the Members be and is hereby accorded for payment of above set out Managerial Remuneration to Mr. Devesh Singh Sahney (DIN:00003956), Managing Director of the Company for a period of three years effective from October 01, 2017 to September 30,2020:

RESOLVED FURTHER THAT, if the necessary, the Company be and is hereby authorised to make an application in the prescribed form within the prescribed period to the Central Government as per the provisions of Section 196 and Section 197 of the Act for obtaining its approval to payment of remuneration as provided above in the event it exceeds the limits provided in Part II of Schedule V to the Act and any of the Directors of the Company or the Company Secretary be and are hereby severally authorized to execute and sign such forms, writings, given such notice, as may be necessary in this regard including entering into employment agreement with the Managing Director."

6. To consider and, if thought fit, to pass the following resolution as Special Resolution:

Approval for Issue and offer of Redeemable, Cumulative, Non-Convertible Preference shares on Private Placement:

"RESOLVED THAT pursuant to clause (b) of sub – section (1) of Section 23, Section 42, Section 55 and clause (c) of sub – section (1) of Section 62 and all other applicable provisions of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014, (including any statutory modification or re- enactment thereof for the time being in force) (hereinafter referred to as the "Act") as amended from time to time, enabling provisions of Memorandum and Articles of Association of the Company, shareholder hereby give their consent to issue Preference Shares to Mr. Trilochan Singh Sahney, Promoter of the Company and such other person(s), who may either be shareholder of the Company or not on such terms and conditions and in such manner as the Board may think fit."

"RESOLVED FURTHER THAT 2,00,00,000 Cumulative, Redeemable, Non-convertible Preference Shares of Rs.10/- each shall be issued and allotted subject to the following conditions:

- a) The Preference Shares shall be redeemed at the end of five years from the date of allotment;
- b) The Preference Shares shall be redeemed at par;
- c) The Preference Shares shall carry a preferential right over the Equity Shares with respect to payment of dividend and repayment of capital in case of winding-up;
- d) The shareholders of such Preference Shares shall be entitled to a fixed rate of 6% dividend as and when recommended by the Board and declared by the

shareholders of the Company;

- e) The shareholders of such Preference Shares will not be entitled to participate in surplus fund;
- f) The payment of dividend on Preference Shares shall be on cumulative basis;
- g) The shareholders of such Preference Shares shall have no option of conversion into Equity Shares;
- h) In case the dividend on such Preference Shares remains unpaid for any period, the shareholders of such Preference Shares shall not have a right to vote on any resolution placed before the Company, except on the resolutions seeking alteration in rights of preference shareholders as regards to dividend and/or redemption; and
- i) The Preference Shares shall not be listed on any stock exchange."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized to take all actions and to do all such acts, deeds, matters and things as it may at its discretion deem necessary, desirable or expedient to effect the issue and allotment of 2,00,00,000 Cumulative, Redeemable, Non-convertible Preference Shares of Rs.10/- each and to resolve and settle all questions and difficulties that may arise in the proposed issue and allotment of Preference Shares and to do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board may in its absolute discretion deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of its powers herein conferred by the above resolution to any director or to any committee of the Directors or any other officer or officers of the Company to give effect to the aforesaid resolution."

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorized to issue Offer Letter, Application Forms, sign all / any e-forms, other forms, returns, documents as may be required to be filed whether physically or electronically with the Ministry of Corporate Affairs, Registrar of Companies and to take necessary steps to give effect to the issue of Cumulative, Redeemable, Non-Convertible Preference Shares through by the Company;

RESOLVED FURTHER THAT the Company do take into record the Valuation Report from the M/s. MOK Associates Chartered Accountants for issuing the Cumulative, Redeemable, Non-Convertible Preference Shares to the Investor."

NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

PROXIES, IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF THE MEETING.

2. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. **A PROXY APPOINTED BY A MEMBER HOLDING MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS SHALL NOT ACT AS PROXY FOR ANY OTHER MEMBER.**
3. Members/ Proxies should bring the attendance slips duly filled-in for attending the meeting and deliver the same at the entrance of the meeting place. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
4. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the Securities Market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their DEMAT accounts. **Members holding the shares in physical form can submit their PAN details to the Company.** Members who wish to receive email of Documents (Notices of General Meeting/Postal Ballot, Annual Reports, Shareholders communications/ documents, etc.) and have not registered their email address for receiving the same shall give their Positive consent to receive such documents in electronic mode

Members are requested to inform and update their Depository Participants (DP) their updated email addresses in order to receive all the updates and correspondences from the Company.
5. Members may also note that the Notice of Sixth Annual General Meeting and Annual Report 2016-17 will also be available on the Company's website www.nrbindustrialbearings.com for download.
 - i. The Register of members and Share Transfer Books of the Company shall remain closed from **28th July, 2017 - 3rd August, 2017** (both days inclusive) for Annual General Meeting purposes.
 - ii. Members are requested to send all communications relating to Equity Shares, change of address etc. to the Registrar and share transfer agents at the following address:

Universal Capital Securities Pvt. Ltd.

(Formerly Known as M/s. Mondkar Computers Pvt. Ltd.)
 21, Shakil Niwas, Mahakali Caves Road,
 Andheri (East), Mumbai – 400 093
 Tel.: 022-2820 7203-05, 022-2836 6620
 Fax – 022-28369704, 022-28207207

If the shares are held in electronic form, then change of address and change in Bank Accounts etc. should be communicated to the respective depository participants.

iii. Voting through electronic means:

The instructions for shareholders voting electronically are as under:

- (i) **The voting period begins on 31st July, 2017 from 9.00 a.m. and ends on 2nd August, 2017, till 5.00 p.m.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date (record date) of 27th July, 2017** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) 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.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

| | For Members holding shares in Demat Form and Physical Form |
|-----|--|
| PAN | <p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number which is mentioned in address label as sr no affixed on Annual Report in the PAN field • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. |

| | |
|--|--|
| Dividend Bank Details OR Date of Birth (DOB) | <p>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.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv). |
|--|--|

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for 'NRB Industrial Bearings Limited' on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) 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.
- (xviii) SHAREHOLDERS CAN ALSO CAST THEIR VOTE USING CDSL'S MOBILE APP M-VOTING AVAILABLE FOR ANDROID BASED MOBILES. THE M-VOTING APP CAN BE DOWNLOADED FROM**

GOOGLE PLAY STORE. APPLE AND WINDOWS PHONE USERS CAN DOWNLOAD THE APP FROM THE APP STORE AND THE WINDOWS PHONE STORE RESPECTIVELY ON OR AFTER 30TH JUNE 2016. PLEASE FOLLOW THE INSTRUCTIONS AS PROMPTED BY THE MOBILE APP WHILE VOTING ON YOUR MOBILE.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to **www.evotingindia.com** and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **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 should be mailed to **helpdesk.evoting@cdslindia.com** and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at **www.evotingindia.com**, under help section or write an email to **helpdesk.evoting@cdslindia.com**

By the Order of the Board of Directors,

Ratika Gandhi,

Company Secretary & Compliance officer

Mumbai, May 29, 2017

Registered Office:

2nd Floor Dhannur building,

15, SIR P.M. Road, Fort,

Mumbai – 400 001.

CIN: L29253MH2011PLC213963

Tel: 022-45417500, Fax No: 22704207

Email Id: **investorcare@nibl.in**

Website: **www.nrbindustrialbearings.com**

Explanatory Statement

(Pursuant to Section 102 of the Companies Act, 2013)

As required by Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 3,4,5 and 6 of the accompanying Notice:

Item no. 3:

This explanatory statement is provided, but same is not mandatory as per Section 102 of the Act.

Messrs Deloitte Haskins & Sells LLP, (ICAI Firm Registration No. 117365W), Chartered Accountants, Mumbai were appointed as the statutory auditors of the Company for a period of three years at the Annual General Meeting (AGM) of the Company held on July 7, 2015, to hold office from the conclusion of the Fourth annual general meeting till conclusion of the Seventh annual general meeting to be held in the year 2018. As per provisions of Section 139(1) of the Act, their appointment for the above tenure is subject to ratification by members at every AGM. Accordingly, ratification of the members is being sought for appointment of statutory auditors as per the proposal contained in the Resolution set out at item no. 3 of the Notice.

The Board commends the Resolution at item No. 3 for approval by the Members.

None of the Directors or Key Managerial Personnel (KMP) or their relatives of Directors and KMPs is concerned or interested in the proposed resolution.

Item no. 4 & 5:

Mr. Devesh Singh Sahney was appointed as Managing Director for a period of five year from 1st October, 2012 to 30th September, 2017. Subsequently, the members of the Company in their 4th Annual General Meeting held on 7th July, 2015 had revised the remuneration payable to Mr. Devesh Singh Sahney as Managing Director effective from 1st April, 2014 to 31st March, 2017. On recommendation of Nomination and Remuneration Committee, the Board of Directors in its meeting held on 11th November, 2017 decided, subject to approval of the shareholders of the Company, to upward revise the Basic Salary payable to the Managing Director to Rs.3,80,000/-per month from the Rs.3,00,000/- per month, keeping all other elements of the remuneration unchanged. The upward revision is made effective from 1st October, 2016 till the residuary tenure of Mr. Devesh Singh Sahney as Managing Director i.e. 30th September, 2017.

Pursuant to the provisions of Section 197 of the Companies Act, 2013 read with the Companies (Appointment & Remuneration) Rules, 2014 and Schedule V to the Act, the Board of Directors seeks the member's approval to the proposed increase in the Basic Salary payable to Mr. Devesh Singh Sahney as Managing Director.

Mr. Trilochan Singh Sahney, Mr. Devesh Singh Sahney and Mrs. Harshbeena Sahney Zaveri, being related, be deemed to be interested to the extent of remuneration payable to

Mr. Devesh Singh Sahney as Managing Director. None of the other Directors, Key Managerial Personnel or their relatives be deemed to be interested or concerned, financially or otherwise, in this resolution.

Item no. 5:

The members of the Company at their 2nd Annual General meeting held on October 15, 2012 had approved the appointment and the terms of remuneration payable to Mr. Devesh Singh Sahney (DIN:00003956) as the Managing Director of the Company for a period of five years from 1st October, 2012 upto 30th September 2017.

The Board of Directors on the recommendation of the Nomination and Remuneration Committee has subject to approval of the members of the Company, re-appointed Mr. Devesh Singh Sahney as the Managing Director of the Company for a further period of five years with effect from 1st October, 2017.

While recommending the re-appointment of Mr. Devesh Singh Sahney as Managing Director of the Company, the Nomination and Remuneration Committee evaluated the performance of Mr. Devesh Singh Sahney on various parameters.

Principal terms of the re-appointment of Mr. Devesh Singh Sahney as Managing Director of the Company are as stated in the resolution. A draft of the agreement proposed to be entered into by the Company on approval of the appointment of and remuneration payable to the Managing Director, is open for inspection by members at the registered office of the Company on working days except on Saturday's, Sundays and public holidays, up to and including the day of the Annual General Meeting.

Mr. Trilochan Singh Sahney, Mr. Devesh Singh Sahney and Mrs. Harshbeena Sahney Zaveri, being related, be deemed to be interested to the extent of remuneration payable to Mr. Devesh Singh Sahney as Managing Director. None of the other Directors, Key Managerial Personnel or their relatives be deemed to be interested or concerned, financially or otherwise, in this resolution.

A brief profile of Mr. Devesh Singh Sahney is placed in the annexure attached hereto.

The Board recommends the resolution as set forth at item no. 5 of the Notice.

The information required to be provided in terms of Schedule V of the Companies Act, 2013 is given here under:

I. GENERAL INFORMATION

- 1) **Nature of Industry:** ENGINEERING INDUSTRY.
- 2) **Date of Commencement of Commercial Production:** 1st OCTOBER 2012.
- 3) **In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the Prospectus:** NOT APPLICABLE
- 4) **Financial Performance based on given indicators:**
Turnover of the Company

| Financial Year | 2016-17 | 2015-16 |
|---------------------|---------|---------|
| Amount (₹ in Lakhs) | 4076.67 | 4080.98 |

- 5) **Foreign investments or collaborations, if any:**
Not Applicable.

II. INFORMATION ABOUT THE APPOINTEE

1) Background Details:

He has worked with Larsen & Toubro Limited in Finance Department followed by Credit Lyonnais, French Bank in various Departments. Before joining the Company he was an Executive Director in NRB Bearings Limited

2) Past remuneration:

| Period | Salary and Perquisites |
|---|------------------------|
| Financial Year 2011-12 | 68.85 Lakhs |
| April 01, 2012 to September 30, 2012 (6 months) | 38.76 Lakhs |
| October 01, 2012 to March 31, 2014 (18 months) | 79.51 Lakhs |
| April 1, 2014 to March 31, 2015 (15 months) | 81.17 Lakhs |
| April 1, 2015 to March 31, 2016 | 72.03 Lakhs |
| April 1, 2016 to March 31, 2017 | 75.18 Lakhs |

3) Recognition or awards:

- a) Special Leadership Award given by Asian Institute of Management

4) Job Profile and his Suitability:

- a) He has more than 23 years of Experience in the Engineering Industry;
- b) He was an Executive Director of NRB Bearings Limited.

5) Remuneration Proposed:

In line with the proposed resolution set out in Item No. 4 & 5

6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:

| Name of Company | Designation | Turnover (₹ in Lakhs) | Remuneration (₹ in lakhs) |
|------------------------------|-------------------|-----------------------|---------------------------|
| * NRB Bearings Limited | Managing Director | 66,675.45 | 284.67 |
| **FAG Bearings India Limited | Managing Director | 1,88,216.00 | 135.20 |
| ***SKF India limited | Managing Director | 2,95,556.00 | 246.21 |

* Source from Annual Report 2015-16 of NRB Bearings Limited.

** Source from Annual Report 2016 of FAG Bearings India Limited.

***Source from Annual Report 2015-16 of SKF India Limited.

7) Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial Personnel:

Mr. Devesh Singh Sahney is one of the Promoters of the Company and is holding 9,67,967 (3.99%) Equity Shares as on 31st March, 2017 in the Equity Capital of the Company in his personal capacity. Mr. Devesh Singh Sahney has no pecuniary relationship with the Company or with any key managerial personnel except to the extent of remuneration he is entitled to as the Managing Director.

III. OTHER INFORMATION

1) Reasons of loss or inadequate profits:

- a) Company could not achieve targeted operational progress due to certain economic measures by government affecting our business. Our Business and targeted sales volume could not be achieved especially in quarter 3 and quarter 4.
- b) The Company's Operation was not up to its optimized levels. Further, economic slowdown during 2012 to 2015 adversely effected the growth

2) Steps taken or proposed to be taken for improvement:

- a) Improving reach to customers and extending operations in industries like Industrial electrical, material handling industry, Infrastructure industries, Steel, Cement and Power etc.
- b) Currently company is having healthy order book which will favorably impact on performance.
- c) Continuous efforts in brand building in Domestic and International markets.

3) Expected increase in productivity and profits in measurable terms:

Company expects to reach breakeven status within 1-2 years.

None of the Board of Directors, Key Managerial Personnel of the Company or their respective relatives other than Mr. Devesh Singh Sahney and his relatives, are in any way concerned or interested, financially or otherwise in the said resolution.

The Board recommends the resolution for the approval of the members of the Company.

Item No. 6:

As per sub-rule (3) of Rule 9 and Clause (d) of Sub-rule 2 of Rule 13 of Companies (Share Capital and Debentures) Rules, 2014 the disclosure required is as under:

| | |
|---|---|
| Name of the Proposed allottee | Mr. Trilochan Singh Sahney |
| % of Subscription by Proposed allottee | 100% |
| Issue Size | Rs. 20 Crore |
| Number of Preference shares | 2 Crore preference share. |
| Nominal Value of each share | Rs. 10/- each |
| Nature of Preference share | Cumulative, Non-participating and Non-convertible Preference shares. |
| Objective of the Issue | To repay loans of the Company and for other Working Capital requirements of the Company. |
| Manner of issue of shares | Shares will be issued to Mr. Trilochan Singh Sahney, Promoter, on Private Placement basis. Such shares will not be listed on any stock exchange. |
| Price at which such shares are proposed to be issued | For cash at par i.e. at Rs. 10/- per share |
| Basis on which such shares are proposed to be issued | As per the valuation certificate issued by MOK & Associates, Chartered Accountants, and the same will be redeemed at Rs.10/- per share only. |
| Relevant date with reference to which the price is arrived at. | May 29, 2017 |
| Class or class of person to whom the allotment is proposed to be made | Promoter Shareholder of the Company. |
| Intention of Promoters, Directors or Key Managerial Personnel to subscribe to the Offer | Other than Mr. Trilochan Singh Sahney, Promoter, none of the member of the promoter group, director or KMP will be subscribing the entire offer |
| Proposed time within which the allotment shall be completed | Within 12 months of passing of members resolution. |
| No. of persons to whom already allotment on preferential basis have already been made during the year, in terms of number of securities as well as price. | <p>1</p> <p>In FY 2015-16, Company has issued Redeemable, Cumulative, Non-convertible Preference shares to Mr. Trilochan Singh Sahney under private placement for 1,00,00,000 (One Crore) preference shares each having nominal value of Rs. 10/- (Ten Only) amounting to Rs. 10,00,00,000/- (Ten crore only). Further in subsequent financial year 2016-17, Company has further allotted Redeemable, Cumulative, Non-convertible Preference shares to Mr. Trilochan Singh Sahney under private placement for 1,00,00,000 (One Crore) preference shares each having nominal value of Rs. 10/- (Ten Only) amounting to Rs. 10,00,00,000/- (Ten crore only). Hence the existing paid up share capital of your company as on 27th May, 2016 is Rs. 24,84,61,300/- divided into 2,42,30,650 Equity Shares of Rs. 2/- each and 2,00,00,000 Preference Shares of Rs. 10/- each.</p> <p>No allotment is made during the financial year 2017-18</p> |

| | |
|---|---|
| Expected Dilution in Equity Share Capital upon conversion of preference shares. | As the proposed issue of Preference Shares is non-convertible and redeemable, there will not be any dilution in Equity Share Capital of the Company. |
| Change in Control, if any. | No Change in Control. |
| Terms of Issue & Rate of Dividend | <p>a) The Preference Shares will have a preferential right over the Equity Shares with respect to payment of dividend and repayment of capital in case of winding-up.</p> <p>b) The shareholders of such Preference Shares shall be entitled to a fixed rate of 6% dividend as and when recommended by the Board and declared by the shareholders of the Company.</p> <p>c) The shareholders of such preference shares will not be entitled to participate in surplus fund;</p> <p>d) The payment of dividend on the Preference Shares shall be on cumulative basis.</p> <p>e) The shareholders of such preference shares shall not have option of conversion into Equity Shares;</p> <p>f) In case of dividend on such shares remains unpaid for any period, the shareholders of such shares shall not have right to vote on any resolution placed before the Company, except on the resolutions seeking alteration in rights of preference shareholders as regard to dividend and /or redemption.</p> <p>Preference Shares shall rank prior in respect to payment of Dividend or redemption amount compared to equity shareholders of the Company without having voting powers and that in the event of winding upright over the equity shareholders in participation of surplus funds, surplus assets and profits of the Company Annual preference dividend of 6% post tax expenses. Payment of dividend will be at discretion of Board.</p> |
| Terms of Redemption | <p>The Preference Shares shall be redeemed at the end of the fifth years from the date of allotment.</p> <p>The Redemption shall be at ₹ 10/- per share for Preference shares of ₹ 20,00,00,000/- (Rupees Twenty crores only) at the end of 5th Year.</p> |
| Manner and mode of redemption | The Preference shares shall be redeemed out of profits of the Company or out of proceeds of the fresh issue of shares. The terms of aforesaid redemption shall be at discretion of the Board. |
| Expected dilution in Equity share Capital | As the proposed issue of Preference Shares is non-convertible and redeemable, there will not be any dilution in Equity Share Capital of the Company. |

| | |
|---|---------------------|
| Current and post issue Preference Share - holding pattern of the Company. | As mentioned below: |
|---|---------------------|

| Sr. No. | Category | Pre-Issue | | Post Issue | |
|----------|--------------------------------|-------------------------------|-------------------|-------------------------------|-------------------|
| | | No. of Preference Shares held | % of Shareholding | No. of Preference Shares held | % of Shareholding |
| A | Promoter' Holding | | | | |
| 1 | Indian: | | | | |
| | Individual | 2,00,00,000 | 100% | 4,00,00,000 | 100% |
| | Bodies Corporate | 0 | 0 | 0 | 0 |
| | Sub-Total | 2,00,00,000 | 100% | 4,00,00,000 | 100% |
| 2 | Foreign Promoters | 0 | 0 | 0 | 0 |
| | Sub-Total (A) | 2,00,00,000 | 100% | 4,00,00,000 | 100% |
| B | Non-Promoters' Holding: | | | | |
| 1. | Institutional Investor | 0 | 0 | 0 | 0 |
| 2. | Non-Institutional: | | | | |
| | Private Corporate Bodies | 0 | 0 | 0 | 0 |
| | Directors and Relatives | 0 | 0 | 0 | 0 |
| | Indian Public | 0 | 0 | 0 | 0 |
| | Others (Including NRIs) | 0 | 0 | 0 | 0 |
| | Sub-Total (B) | 0 | 0 | 0 | 0 |
| | GRAND TOTAL | 2,00,00,000 | 100% | 4,00,00,000 | 100% |

Company's Equity Shareholding pattern as on March 31, 2017 is as follows:

| Category | No. of Shares Held | Percentage |
|--|--------------------|------------|
| Promoters & Promoters Group | | |
| Individuals | 75,91,335 | 31.33 |
| Trust | 94,38,910 | 38.95 |
| Public & Others | | |
| Banks/Mutual Fund/UTI | 9,293 | 0.04 |
| Bodies corporate | 16,10,983 | 6.65 |
| Individual & Others | 55,80,129 | 23.05 |
| Total | 2,42,30,650 | 100 |

Entire pre- and post issue of preference share capital will be held by Mr. Trilochan Singh Sahney.

Pursuant to the provisions of Section 62 of the Companies Act, 2013 the shares of the Company can be issued to any person other than exiting members of the Company with prior approval of the members by way of special resolution. Also, under Section 55 of the Act prior approval of the members of the Company is required by way of special resolution. Accordingly, the Board of Directors has decided to seek approval of the members of the Company.

The valuation report as issued by M/s. MOK & Associates, Chartered Accountants, and Memorandum & Articles of Association and other relevant documents are available for inspection at the Registered Office of the Company during the normal working hours except on Saturday, Sunday and public holidays.

Mr. Trilochan Singh Sahney, Mr. Devesh Singh Sahney and Mrs. Harshbeena Sahney Zaveri, being related to each other, and their respective relatives, may be deemed to be concerned or interested to the extent of the said resolution. Save and except, none of the other Board of Directors, Key Managerial Personnel of the Company or their respective relatives are in any way concerned or interested, financially or otherwise in the said resolution.

ANNEXURE TO ITEM NOS. 2 & 5 OF THE NOTICE
Details of Directors seeking appointment and re-appointment at the forthcoming Annual General meeting
As on March 31, 2017

| | | |
|---|--|--|
| Name of Director | Mrs. Harshbeena Sahney Zaveri | Mr. Devesh Singh Sahney |
| Date of Birth | 01/03/1960 | 17/11/1968 |
| Nationality | Indian | Indian |
| Date of First Appointment on the Board | 12/10/2011 | 24/02/2011 |
| Qualifications | AB- Wellesley College, USA. B ED from Mumbai University | Bachelor in Business Administration and Economics With a double concentration in Financial Accounting and International Business; from Richmond University, London. Master's in Business Administration with a concentration in General Management from the Asian Institute Management (Philippines). Have done Management Development from Harvard Business School, London. |
| Expertise in specific functional Areas | General management; TPM & Quality; and Strategic Planning. | He possess vast experience in Bearings Industry in India & Aboard. |
| No. of Shares held in the Company as on 31st March, 2017 | 10,80,578 | 9,67,967 |
| List of Directorships held in other Companies | 1) NRB Bearings Limited; 2) SNL Bearings Limited; and 3) Karan Chand Thapar & Bros. (Coal Sales) Limited | 1) NRB Bearings Limited 2) NRB IBC Bearings Pvt Ltd 3) Sant Sahney Pvt Ltd |
| Chairman/Member in the Committee of the Boards of Companies in which he/she is a Director | Member of Audit Committee and Stakeholders Relationship Committee in NRB Bearings Ltd. and SNL Bearings Ltd. | Members of Audit Committee & Risk Management Committee in NRB Industrial Bearings Limited |
| Terms and Conditions of Appointment/ re-appointment | As per Section 149 of Companies Act, 2013. | As per Section 149 of Companies Act, 2013. |
| Remuneration paid (Paid in the last year) | N.A. | Rs. 75.18 Lakhs |
| Relationship with other Directors | Related to Mr. Trilochan Singh Sahney and Mr. Devesh Singh Sahney | Related to Mr. Trilochan Singh Sahney and Mrs. Harshbeena Sahney Zaveri |
| No. of Board Meetings attended in FY 2016-17 | 2 | 4 |

DIRECTORS' REPORT

To,
The Members,
NRB Industrial Bearings Limited,
Mumbai – 400 001

The directors submit annual report of NRB Industrial Bearings Limited (the "Company" or "NIBL") along with the audited financial statements for the financial year (FY) ended March 31, 2017. Consolidated performance of the Company and its associates has been referred to wherever required.

1. Financial Overview:**a. A summary of the Company's Financial Performance during the Financial Year:****(Rs. in Lakhs)**

| Particulars | 2016-17 | 2015-16 |
|--|-----------|------------|
| Total Revenue for the Year | 4,076.67 | 4,080.98 |
| Profit/(Loss) before Depreciation, Exceptional Items and Taxes | (697.74) | (1151.16) |
| Depreciation and Amortization Expenses | 764.57 | 768.60 |
| Profit/(Loss) before Exceptional Item | (1462.31) | (1919.76) |
| Exceptional Item | - | - |
| Profit/(Loss) before Tax | (1462.31) | (1919.76) |
| Tax expenses | NIL | NIL |
| Balance carried forward to General Reserve | (7662.69) | (6,200.38) |
| EPS | | |
| - Basic | (6.63) | (7.92) |
| - Diluted | (6.63) | (7.92) |

This report of Directors along with its Annexures, Management Discussion and Analysis Report, Corporate Governance Report, Financial Statements along with their Notes are prepared for the period April 1, 2016 to March 31, 2017 (hereinafter referred as financial year).

b. Transfer to Reserves:

No amount has been transferred to reserves, due to accumulated losses.

c. Dividend:

Your Directors do not recommend dividend for the period under review due to losses made during the year.

d. Transfer of Unclaimed Dividend to Investor Education and Protection Fund:

Not applicable as the Company has not declared any dividend in past and neither during the year under review.

e. Public Deposits:

Company has not accepted any public deposit and as such no amount on account of principle or interest on deposit from public was outstanding as on the date of the balance sheet.

f. Material changes and commitment if any affecting the financial position of the Company occurred between the ends of the Financial Year to which this financial statements relate and the date of the report:

There was no material changes and commitments affecting the financial position of the Company occurred between the Financial Year to which this financial statements relate on the date of this report.

2. Operations Overview Overall:**a) Company's Performance:**

Your Company's turnover stood at ₹ 4,076.66 Lakhs for the financial year ended March 31, 2017 as against ₹ 4,080.98 Lakhs in the previous year. Domestic market conditions remained subdued in Second half of the Financial Year, resulting in no growth in turnover.

Export market continues to grow, Export turnover of your Company for the financial year was ₹ 986.97 Lakhs as against previous year ₹ 905.36 Lakhs.

Operational Overview:

Progress in global economy in 2016 was moderate, However, the year 2017-18 promises healthy growth of Indian economy which will support the core industrial growth leading to increase in demand of your company's products and expected to accelerate growth in domestic and export market.

The Indian economy has faced traction due to economic measures taken by government in November 2016, resulting in slow down of consumer spending and reduction in investment, which tied up the purchasing power and left behind stillness in Indian economy. Introduction of the Goods and Services Tax (GST) with an intention to simplify the tax structure and transparency in business, will result in favorable growth in all sectors.

The Government has controlled inflation during the year and given a boost the foreign investments in India. During the year Government tried to simplify export/import procedures by launching Customs Electronic Commerce Interchange Gateway portal thereby simplifying border and documentary compliance procedures. This reform applies to both New Delhi and Mumbai.

With more focus on localized critical product under "Make in India", your Company has large potential to grow in industrial market.

Your company has strong focus on R&D for new

product developments in order to meet the competitive industrial market requirements.

OEM business accounts for 40% of total demand in industrial bearings and this market is characterized by requirements of high quality, stringent delivery norms and cost competitiveness. Estimated OEM market for industrial bearings in India is ₹ 2900 crore with growth rate of 3.5%. The OEM segment have been facing price competitiveness in their markets. Hence this burden is being transferred to their suppliers. The focused segments in OEM business are Textile, Material handling, Pumps & Motors, Compressors & Blowers, Mining, Gear Box, Printing & Industrial electrical. Your company has taken steps forward to be present in all above key OEM segments.

Your company's focus is to increase the distribution network to reach each potential industrial area and ensure the availability of products to all the potential customers. During the year your company has focused on segments such as Metal, Cement, Mining, Textile, Agriculture, and Paper & Pulp to start new avenues of business.

Your Company organized its 4th Dealer Symposium in February 2017, with an objective to strengthen partnership & initiate team building where high performing distributors were felicitated.

Our Focus is to build the brand and develop a quality customers base by participating in exhibitions both at a domestic and international level. Your company participated in the IMTS exhibition in Chicago, North USA in September 2016, which is well known as world's leading show for Industrial Motions, Drives and Automation which highlights innovation and value added solutions in all the key segments.

Your company in order to enhance the level of Customer satisfaction has initiated implementation of ISO 14001:2015, BS OHSAS 18001:2007 (EHS) standard requirement which focuses on minimizing environmental impacts & provide safe and healthy working environments to prevent injury and occupational health hazard. Company provides training to employees, contractual personnel, vendors & service providers for effective implementation of EHS requirement. The EHS objectives are reviewed by senior management for compliance level, adequacy & continual improvement.

b) Change in nature of business:

The Company manufactures Bearings for Industrial applications.

There has been no change in the nature of business activities of the Company during the year under review.

c) Share Capital:

In 2016-17 the Company further issued and allotted 1,00,00,000 6% Redeemable, Cumulative, Non-convertible Preference shares of Rs.10/- each aggregating to Rs.10,00,00,000/- (Rupees Ten

crores only) to Mr. Trilochan Singh Sahney under private placement. Hence, the existing paid up share capital of your Company as on 31st March, 2017 is ₹ 24,84,61,300/- divided into 2,42,30,650 Equity Shares of ₹ 2/- each and 2,00,00,000 Preference Shares of ₹ 10/- each.

3. Directors and Key managerial personnel:

- i. Pursuant to provision of section 149 of Companies Act, 2013 (the Act), Mr. Manish Choksi, Mr. Gaurav Motwane and Mr. Ashish Chugani are the Independent Directors of the company and they have submitted declaration that each of them meets the criteria of independence as provided in Section 149(7) of the Act and there has been no change in the circumstances which may affect their status as independent director during the year.
- ii. In accordance with the provisions of the Section 152 Companies Act, 2013 read with applicable Rules, Mrs. Harshbeena Sahney Zaveri (DIN No: 00003948), retires by rotation at the ensuing 6th Annual General Meeting and being eligible, offers herself for a re-appointment.
- iii. Mr. Kaushal Aggarwal (DIN 00153487) was appointed as Independent director in 4th Annual general meeting held on 7th July, 2015 for the tenure of five consecutive year. He ceased to be a director of the Company w.e.f. 7th August, 2015, hence with pursuant to Section 161(4) of Companies act 2013 Mr. Gaurav Motwane (DIN 00746165) was appointed as an Independent Director in casual vacancy w.e.f. 6th November, 2015.
- iv. Pursuant to the provisions of section 203 of the Act, the key managerial personnel of the Company are Mr. Devesh Sign Sahney, Managing Director, Mr. Ratnakar Mehendale, Chief Financial Officer and Mrs. Ratika Gandhi, Company Secretary. There has been no change in the key managerial personnel during the year.

Familiarization Programme for Independent Directors:

The Independent Directors are time to time been provided with detailed understanding of business activities of the Company. All Independent Directors are aware about terms of appointment, duties, responsibilities and expected time commitments.

Each newly appointed Independent Director is taken through a formal induction program including the presentation from the Managing Director and Chief financial officer of Company's Manufacturing, Marketing, Finance and other important aspects and structures of the Company and its functioning's.

Evaluation of the Board's Performance:

As per requirement of Companies Act, 2013 and other applicable rules and regulations, Board has a

formal mechanism for evaluating its performance annually based on the criteria laid down by Nomination and Remuneration Committee which included attendance, contribution at the meetings and otherwise, independent judgment, safeguarding of minority shareholders interest, adherence to Code of Conduct and Business ethics, monitoring of regulatory compliance, risk assessment and review of Internal Control Systems etc.

Independent directors have meet separately during the period of review.

Remuneration Policy:

The Board has framed Nomination and Remuneration policy, which is generally in line with the existing industry practice and applicable laws and is approved by the Nomination & Remuneration Committee and the Board. The main objective of the said policy is to ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the Directors, KMP and Senior management employees. The remunerations paid to Directors and KMP's forms part of Corporate Governance Report wherever applicable.

4. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings And Outgo:

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in 'Annexure I' and is attached to this Report.

5. Statement Concerning Development And Implementation of Risk Management Policy of The Company:

The Board has constituted the Risk Management Committee with pursuant to requirements of the Companies Act, 2013 along with applicable Rules and requirements under Regulation 17 (9) of SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015, in order to implement and monitor the risk management plan for the Company.

6. Details Of Policy Developed And Implemented By The Company On Its Corporate Social Responsibility Initiatives:

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

7. Particulars of Loans, Guarantees or Investments Made Under Section 186 of Companies Act, 2013:

The particulars of loans, guarantees and investments given by the Company in the year 2016-2017 as per Section 186 of Companies Act, 2013 is stated in the Notes to Account which forms part of this Annual Report.

8. Particulars of Contracts or Arrangements made with Related Parties:

a. RPT transactions:

None of the contracts or arrangements with related parties fall under the scope of Section 188 (1) of Companies Act, 2013 and Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in 'Annexure II' in Form AOC -2 and the same forms part of this report.

There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large or for which approval of the shareholders is required. All related party transactions are in the ordinary course of business and at arm's length basis, which are not material in nature. All related party transactions are with the approval of the Audit Committee and periodically placed before the Board for review.

b. Policy on Related Party Transactions:

All Related Party Transactions are presented to the Audit Committee and the Board. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions. However, the details of the transactions with Related Party are provided in the Company's financial statements in accordance with the Accounting Standards. The Company has adopted a policy on 'Related party transactions policy' and the same has been displayed on the Company's website: www.nrbindustrialbearings.com.

9 Subsidiaries /Joint Ventures/Associate Companies:

The company has framed a Policy for determining material subsidiaries. However the Company does not have any subsidiary as defined under Companies Act, 2013 at present.

A statement containing salient features of the financial statements of the Company's joint venture/associate company in Form AOC-1 is attached to the financial statements of the Company.

Company has complied with AS 23, Accounting for Investments in Associates in Consolidated Financial Statements and AS 27, Financial Reporting of Interests in Joint Ventures, respectively, hence company has provide Standalone and Consolidated financials for FY 2016-17.

NRB Industrial Bearings holds 35% equity participation in NRB –IBC Bearings Private Limited which is a joint venture with IBC Industrial Bearings and Components AG, Switzerland. Further with Pursuant to first proviso to sub-section (3) of section 129 read with rule 5

of Companies (Accounts) Rules, 2014 statement containing the financial statement of subsidiaries/ associate companies/joint ventures is annexed as 'Annexure III' in form AOC -1.

10. Explanation or comments on qualifications, reservations or adverse remarks or disclaimers made by the auditors and the practicing company secretary in their reports and management's reply for the same.

There are no qualifications in the Statutory Auditors report and Secretarial Auditor Report of the Company during the period of review.

11. Company's policy relating to directors appointment, payment of remuneration and discharge of their duties:

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are applicable to the Company and have constituted proper composition of Board & Independent directors for various committees.

The Nomination and Remuneration Policy recommended by Nomination & Remuneration Committee is duly approved and adopted by the Board of Directors. The said policy is annexed to the report as 'Annexure VIII'.

There is no material pecuniary benefits to Independent directors from Company or any Promoter group.

12. Number of Board Meetings Conducted during the year under review:

The Board met 4(Four) times and 2 (two) circular resolutions were past and one meeting of Independent Directors was held during the financial year, details of which are given in the Corporate Governance Report which forms part of this Annual Report.

The intervening gap between the Meetings was within the period prescribed under Companies Act, 2013 and other stock exchange rules and Regulations. Agenda papers were circulated to the directors in advance for each meeting. All relevant information as required under Schedule II of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 was placed before the Board from time to time.

13. Cost Compliance Report

Cost audit is not applicable to your company but, Companies (Cost Accounting Records) Rules, 2011 dt. June 03, 2011 issued by Ministry of Corporate Affairs is applicable to the Company and that the Company maintains the records in prescribed form for the period under review.

14. Disclosure of composition of Audit committee and Vigil mechanism policy:

Under provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies

(Meetings of the Board and its Powers) Rules, The Audit Committee consists of the following members:

- i Mr. Manish Choksi : Chairman
(Independent Director)
- ii Mr. Gaurav Motwane : Independent Director
- iii Mr. Ashish Chugani : Independent Director
- iv Mr. Devesh Sahney : Managing Director

The Company has established a vigil mechanism through the committee, the genuine concerns expressed by the employees and other Directors are taken on records which forms part of annual report as 'Annexure IV'. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the chairman of the Audit Committee on reporting issues concerning the interests of co-employees and the Company.

15. Internal control system:

The Company has an internal control system and conducts Internal Audit. The scope and authority of the Internal Audit function is defined by Audit committee. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board. Audit committee evaluates the efficiency and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies.

Audit committee reviews the suggestions and comments given by Internal Auditors and put in process accordingly.

16. Shares :

a. Buy back of securities

The Company has not bought back any of its securities during the year under review.

b. Sweat equity

The Company has not issued any Sweat Equity Shares during the year under review.

c. Bonus shares

No Bonus Shares were issued during the year under review.

d. Employees stock option plan

The Company has not provided any Stock Option Scheme to the employees.

e. Preference Share

In financial year 2016-17, Company has allotted Redeemable, Cumulative, Non-convertible Preference shares to Mr. Trilochan Singh Sahney under private placement for 1,00,00,000 (One Crore) preference shares each having nominal value of Rs. 10/- (Ten Only) amounting to Rs. 10,00,00,000/- (Ten crore only).

17. Auditors :

According to the Directors, there is no adverse remarks

made by the Statutory Auditors in their report. Notes to the accounts are self-explanatory to comments/ observations made by the Auditors in their report. Hence, no separate explanation is given.

The Statutory Auditors of the Company are Messrs Deloitte, Haskins & Sells, Chartered Accountants with an ICAI Firm Registration No. 117365W have audited the Financial Statements of the Company for the period April 1, 2016 to March 31, 2017. The Statutory Auditors were appointed by the members of the Company at the 4th Annual General Meeting of the Company held on July 7, 2015 to audit the Financial Accounts of the Company. Their term in the office of Statutory Auditors concludes at the Seventh Annual General Meeting and their appointment is be ratified pursuant to provisions of Section 139 of the Companies Act, 2013 read along with the applicable rules framed thereunder.

M/s. Deloitte, Haskins & Sells have expressed their willingness to continue as the Statutory Auditors of the Company and vide a letter dated May 27, 2017 have furnished a certificate of their eligibility and consent under section 141 of the Companies Act, 2013 and the rules framed thereunder to hold the office of Statutory Auditors of the Company for the FY 2017-18.

18. Secretarial Auditor :

Pursuant to the provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed AJS & Associates proprietor Mr. Ajit Sharma, Practicing Company Secretary to undertake the Secretarial Audit for the Financial Year 2016-17 of the Company. The report forms part of annual report as 'Annexure V'.

According to the Board of Directors, the report does not have any adverse remark.

19. Particulars of employees :

The statement under Section 134(3) (q) and Section 197 (12) of Companies Act, 2013 read with Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report as 'Annexure VI'.

20. Extract of Annual Return :

The extract of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in Form MGT-9 'Annexure VII' and is attached to this Annual Report.

21. Corporate Governance :

A separate report of the Board of Directors of the Company on Corporate Governance is included in the Annual Report and the Certificate from M/s AJS & Associates, Practicing Company Secretaries confirming compliance with the requirements of Corporate Governance as stipulated in Schedule V of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 forms part of annual report.

22. Management Discussion and Analysis :

The Management Discussion and Analysis Report, as required by Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are already dealt with in various sections of this Report. The Management Discussion and Analysis Report is separately annexed and forms part of this report.

23. Annexures forming part of this Annual Report :

| Annexure No. | Particulars |
|--------------|--|
| I | Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo |
| II | Form AOC-2 –Related party transactions |
| III | Form AOC-1 – Joint Ventures details |
| IV | Vigil mechanism /Whistle Blower policy |
| V | Secretarial Audit Report for the period under review |
| VI | Particulars of Employees under Section 134(3) (q) and Section 197(12) of the Companies Act, 2013. |
| VII | Form MGT-9 - Extract of the Annual Return |
| VIII | Nomination and Remuneration Policy |

24. Cautionary Statement :

Statements in this Report, Management Discussion and Analysis, Corporate Governance, Notice to the Shareholders or elsewhere in this Annual Report, describing the Company's objectives, projections, estimates and expectations may constitute 'forward looking statement' within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied in the statement depending on the market conditions and circumstances.

The Company assumes no responsibility in respect of the forward looking statements, which may undergo changes in future on the basis of subsequent developments, information or events.

25. Directors Responsibility Statement

Your Directors wish to inform Members that the Audited Accounts containing Financial Statements for the Financial Year 2016-17 are in conformity with the requirements of the Companies Act, 2013. Your company financial statements reflect fairly, the form and substance of transactions carried out during the year and reasonably present the financial condition and results of operations.

In terms of provisions of Section 134(3) (c) of the Companies Act, 2013, your Directors further confirm as under:

- Preparation of the annual accounts, the applicable accounting standards have been followed along

with proper explanation relating to material departures;

- ii) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) The Directors had prepared the annual accounts on a going concern basis;
- v) The Directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial

auditors and external consultants, including audit of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by management and the relevant Board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2016-17.

26. Appreciation

Your Directors wish to place on records their sincere appreciation to all the Employees of the Company for the efforts, efficient work management, loyal services, commitment and dedication that developed the culture of professionalism. Your Directors also thank and express gratitude to the Company's Customers, Vendors and Institutions. Your Directors also wishes to express deep sense of gratitude to the all our Bankers, Central and State Governments and their departments and the local authorities for the continued support.

Your Directors register their sincere appreciation to the Share holders of the Company for unstinted support and confidence reposed in the management of the Company.

For and on behalf of Board of Directors,

T. S. Sahney
Chairman
(00003873)

D.S.Sahney
Managing Director
(00003956)

Place: Mumbai

Date: May 29, 2017

ANNEXURE I

Information as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 forming part of Directors' Report for the year ended March 31, 2017:

- Conservation Of Energy:** Energy Conservation measures taken in each process.
- Additional Investments and proposals, if any, being implemented for reduction of consumption of energy:** NIL
- Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:** Not applicable
- Total Energy Consumption and Energy Consumption per unit of production as per Form A of the Annexure in respect of industries specified in the Schedule thereto:**

Form A: Power and Fuel Consumption

1. Electricity

| Sr. No. | Purchased | Current Year (2016-17) | Previous Year (2015-16) |
|---------------------------------|--|------------------------|-------------------------|
| 1 | Units (In KWh) | 35,17,728 | 39,98,248 |
| 2 | Total amount (₹) | 2,66,37,224 | 318,77,111 |
| 3 | Rate/unit (₹ per KWh) | 7.57 | 7.97 |
| 4 | Own Generation (In KWh) | 20,288 | 28,032 |
| Through Diesel Generator | | | |
| 5 | Unit (In KWh) | 20288 | 28032 |
| 6 | Diesel Oil consumed (In litres) | 5670 | 7376.8 |
| 7 | Generation (KWh per litres) | 3.58 | 3.8 |
| Through Steam turbine/generator | | | |
| 8 | Propane gas consumption (In tons) | 15.03 | 17.02 |
| 9 | Tons of steel heat treated per ton of propane gas consumed | 14.98 | 15.06 |
| 10 | Propane gas per tons cost | 32,289 | 34,132 |
| Consumption per unit production | | | |
| | | Standard Current Year) | Standard Previous Year) |
| 11 | Production Value of Bearings (in ₹ Lakh) | 2702 | 3489 |

| | | | |
|----|---|---------|--------|
| 12 | Electricity (purchased and own generation), KWh consumed per ₹ Lakh. Value of Bearings produced | 0.0131 | 0.0115 |
| 13 | HT Furnace production, (in Ton) | 225.115 | 256.4 |

Form B: Technology Absorption and Research & Development (R & D)

During the year, the Company has focused more on technology development of reverse extrusion to produce bearing rings, increase the range of machine and bearing assembly automation. There is a continuous development program for enhancing products, allied parts to meet the future needs by providing solutions for customer requirements with an aim to be global player in industrial bearing business. During the year the following activities were carried out by the Research & Development department:

a) Specific areas in which R&D carried out by the Company:

- 32 nos of product developed.
- Automation in Cage-less N type Cylindrical Roller Bearing assembly.
- Design of 2- Bottom roller bearings optimized for high speed application in the textile industry.
- Stud type cam follower design modified for Jute industry application.
- Special antirust coating established for customers specific application.
- High performance idler roller developed for Jute industry.

b) Benefits derived as a result of the above R&D:

- Developed 32 products to enhance business in the area of existing as well new application for existing as well as new customer base.
- New business generated.
- Improved product quality and performance.

c) Future Plan of action:

- More than 100 number of new product development.
- New range of Spherical roller bearing developed to enhance the range as well as performance for wide range of application.
- Design optimization
- Enhancing in-house product testing facility
- New types of product introduced to widen the product variety

d) Expenditure on R&D:

1. Capital : FY: 2016-17 : NIL
PY: 2015-16 – NIL
2. Recurring : FY: 2016-17 : ₹ 113.38 Lakhs
PY: 2015-16 – ₹ 103.54 Lakhs
3. Total : FY: 2016-17 : ₹ 113.38 Lakhs
PY: 2015-16 – ₹ 103.54 Lakhs
4. Total R&D as a percentage of Total turnover
FY 2016-17 – 2.78%, PY – 2.54%

e) Technology, absorption, adaption and innovation:**a) Efforts, in brief, made towards technology absorption, adaption and innovation:**

1. We made effort to absorb the new technology in above mentioned area, developed reliability estimation, data collection and data analysis.
2. Improved automation, designed and developed auto assembly of cage-less N type cylindrical roller bearings assembly.
3. Technology adoption to improve efficiency of Jute machineries.

b) Benefits derived as a result of the above efforts eg. Product improvement, cost reduction, product development, import substitution, etc:

1. Implemented the reliability estimation technique to estimate the reliability of stud type cam followers and further used for product improvement.
2. Automation in assembly reduces the assembly time and improves reliability.

c) Foreign Exchange earnings and outgo :**1. Total Foreign Exchange earnings :**

FY 2016-17 : ₹ 1011.79 Lakhs, PY: ₹ 942.15 Lakhs

2. Total Foreign Exchange outgo :

FY 2016-17 : ₹ 131.40 Lakhs PY : ₹ 448.58 Lakhs

For and on behalf of Board of Directors,

T. S. Sahney
Chairman
(00003873)

D.S.Sahney
Managing Director
(00003956)

Place: Mumbai

Date: May 29, 2017

ANNEXURE 'II'
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 arm's length transactions under third proviso thereto

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

All the transactions were at arm's length during the period under review. Company has not entered into any contract/arrangement/transaction with its related parties which is not in ordinary course of business in the FY 2016-17.

- (a) Name(s) of the related party and nature of relationship: Not Applicable
- (b) Nature of contracts/arrangements/transactions: Not Applicable
- (c) Duration of the contracts / arrangements/transactions: Not Applicable
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
- (e) Justification for entering into such contracts or arrangements or transactions: Not Applicable
- (f) Date(s) of approval by the Board: Not Applicable
- (g) Amount paid as advances, if any: Not Applicable
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: Not Applicable

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:

| Sr No. | Nature of relationship | Names of related parties |
|--------|---|---|
| (a) | Entity on which the Company can exercise significant influence | NRB-IBC Bearings Private Limited |
| (b) | Key Management Personnel (KMP) | Mr. Devesh S. Sahney, Managing Director |
| (c) | Relative of Key Management Personnel | Mr. Trilochan S. Sahney, Chairman; Mrs. Harshbeena Sahney Zaveri, Director |
| (d) | A Company over which relatives of KMP are able to exercise significant influence. | NRB Bearings Limited NRB Bearings (Thailand) Limited |

- (b) **Nature of contracts/arrangements/transactions:** Ongoing business transactions which forms part of financial statements in Notes to accounts, Note no.: 35
- (c) **Duration of the contracts / arrangements/transactions:** As per business requirements, pre-approval from audit committee taken on quarterly basis.
- (d) **Salient terms of the contracts or arrangements or transactions including the value, if any:**
Not Applicable
- (e) **Date(s) of approval by the Board, if any:** Each Quarter approval as per transactions entered.
- i. 27th May, 2016
 - ii. 4th August, 2016
 - iii. 12th November, 2016
 - iv. 11th February, 2017
- (f) **Amount paid as advances, if any:** Not applicable.

For and on behalf of Board of Directors,

T. S.Sahney
Chairman
(00003873)

D.S.Sahney
Managing Director
(00003956)

Place: Mumbai
Date: May 29, 2017

ANNEXURE 'III'
Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of
subsidiaries/associate companies/joint ventures****Part "A": Subsidiaries**

Company does not have any Subsidiaries as on March 31, 2017, hence Not Applicable.

Part "B": Associates and Joint Ventures**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to
Associate Companies and Joint Ventures**

| | | |
|-----------------------------------|--|--|
| Name of associates/Joint Ventures | | NRB-IBC Bearings Private Limited |
| 1. | Latest audited Balance Sheet Date | 31.03.2017 |
| 2. | Shares of Associate/Joint Ventures held by the company on the year end, No. of shares held | 42,00,000 |
| | Amount of Investment in Associates/Joint Venture @ face value of ₹ 10/- each share | ₹ 4,20,00,000 |
| | Extend of Holding% | 35% |
| 3. | Description of how there is significant influence | 35% shareholding of of NRB Industrial Bearings Limited (NIBL) and 35% shares held by Mr. Trilochan Singh Sahney, director of NIBL and forming part of promoter group of NIBL shareholding. |
| 4. | Reason why the associate/joint venture is not consolidated | N.A. |
| 5. | Net worth attributable to shareholding as per latest audited Balance Sheet as on March 31, 2017. | ₹ 16.82 Lakhs |
| 6. | Profit/Loss for the year | (₹ 297.46) Lakhs |
| i. | Considered in Consolidation | (₹ 22.73) Lakhs |
| ii. | Not Considered in Consolidation | (₹274.73) Lakhs |

- Names of associates or joint ventures which are yet to commence operations: **Not Applicable**
- Names of associates or joint ventures which have been liquidated or sold during the year: **Not applicable**

For and on behalf of Board of Directors,

T. S.Sahney
Chairman
(00003873)

D.S.Sahney
Managing Director
(00003956)

Place: Mumbai
Date: May 29, 2017

ANNEXURE 'IV'

VIGIL MECHANISM /WHISTLE BLOWER POLICY

1. Preface

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the employees in pointing out such violations of the Code cannot be undermined. There is a provision under the Code requiring employees to report violations, which states:

Section 177 (9) of the Companies Act, 2013 mandates the following classes of companies to constitute a vigil mechanism –

- a) Every listed company; and
- b) Every other company which accepts deposits from the public;
- c) Every company which has borrowed money from banks and public financial institutions in excess of ₹ 50 crore.

Further, Regulation 22 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 between listed companies and the Stock Exchanges has been recently amended which, inter alia, provides for a mandatory requirement for all listed companies to establish a mechanism called the 'Whistleblower Policy' for directors and employees to report concerns of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct.

Accordingly, this Whistleblower Policy ("the Policy") has been formulated with a view to provide a mechanism for directors and employees of the Company to approach the Chairman of the Audit Committee of the Company.

2. Definitions

The definitions of some of the key terms used in this Policy are given below.

- a. **"Audit Committee"** means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 and read with Regulation 18 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.
- b. **"Employee"** means every employee of the Company, including the directors in the employment of the Company.

- c. **"Investigators"** mean those persons authorised, appointed, consulted or approached by the Chairman of the Audit Committee and includes the auditors of the Company and the police.
- d. **"Disclosure"** means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
- e. **"Subject"** means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
- f. **"Whistleblower"** means an Employee making any Disclosure under this Policy.

3. Scope

- a. The Whistleblower's role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.
- b. Whistleblowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Chairman of the Audit Committee or the Investigator
- c. Disclosure will be appropriately dealt with by the Chairman of the Audit Committee, as the case may be.

4. Eligibility

All Employees of the Company are eligible to make Disclosures under the Policy in relation to matters concerning the Company.

5. Disqualifications

- a. While it will be ensured that genuine Whistleblowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.
- b. Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistleblower knowing it to be false or bogus or with a mala fide intention.
- c. Whistleblowers, who make three or more Disclosures, which have been subsequently

found to be mala fide, frivolous, baseless, malicious, or reported otherwise than in good faith, will be disqualified from reporting further Disclosures under this Policy. In respect of such Whistleblowers, the Company/Audit Committee would reserve its right to take/recommend appropriate disciplinary action.

6. Procedure

- a. All Disclosures concerning financial/accounting matters should be addressed to the Chairman of the Audit Committee of the Company for investigation.

The Chairman of the Audit Committee of the Company is Mr. Manish Choksi (Independent Director).

- b. If a disclosure is received by any executive of the Company other than Chairman of Audit Committee, the same should be forwarded to the Chairman of the Audit Committee for further appropriate action. Appropriate care must be taken to keep the identity of the Whistleblower confidential.
- c. Disclosures should preferably be reported in writing so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English, Hindi or Marathi.
- d. The Disclosure should be forwarded by the Chairman of the Audit Committee to the Investigators for investigation.
- e. Disclosures should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern and the urgency of a preliminary investigative procedure.
- f. The Whistleblower must disclose his/her identity in the covering letter forwarding such Protected Disclosure. Anonymous disclosures will not be entertained as it would not be possible to interview the Whistleblower

7. Investigation

- a. All Disclosures reported under this Policy will be thoroughly investigated by the Chairman of the Audit Committee of the Company who will investigate / oversee the investigations under the authorization of the Audit Committee. If any member of the Audit Committee has a conflict of interest in any given case, then he/she should excuse itself and the other members of the Audit Committee should deal with the matter on hand.

- b. The Chairman of the Audit Committee may at its discretion, consider involving any Investigators for the purpose of investigation.
- c. The decision to conduct an investigation taken by the Chairman of the Audit Committee is by itself not an accusation and is to be treated as a neutral fact-finding process. The outcome of the investigation may not support the conclusion of the Whistleblower that an improper or unethical act was committed.
- d. The identity of a Subject will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- e. Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- f. Subjects shall have a duty to co-operate with the Chairman of the Audit Committee or any of the Investigators during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.
- g. Subjects have a right to consult with a person or persons of their choice, other than the Investigators and/or members of the Audit Committee and/or the Whistleblower. Subjects shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings.
- h. Subjects have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated by the Subjects.
- i. Unless there are compelling reasons not to do so, Subjects will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.
- j. Subjects have a right to be informed of the outcome of the investigation. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.
- k. The investigation shall be completed normally within 45 days of the receipt of the Disclosure.

8. Protection

- a. No unfair treatment will be meted out to a Whistleblower by virtue of his/her having reported any Disclosure under this Policy. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistleblower. Complete protection will, therefore, be given to Whistleblowers against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistleblower's right to continue to perform his/her duties/functions including making further Protected Disclosure. The Company will take steps to minimize difficulties, which the Whistleblower may experience as a result of making the Protected Disclosure. Thus, if the Whistleblower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistleblower to receive advice about the procedure, etc.
- b. A Whistleblower may report any violation of the above clause to the Chairman of the Audit Committee, who shall investigate into the same and recommend suitable action to the management.
- c. The identity of the Whistleblower shall be kept confidential to the extent possible and permitted under law. Whistleblowers are cautioned that their identity may become known for reasons outside the control of the Chairman of the Audit Committee (e.g. during investigations carried out by Investigators).
- d. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistleblower.

9. Investigators

- a. Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from the Audit Committee when acting within the course and scope of their investigation.
- b. Technical and other resources may be drawn upon

as necessary to augment the investigation. All Investigators shall be independent and unbiased both in fact and as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior, and observance of legal and professional standards.

- c. Investigations will be launched only after a preliminary review which establishes that:
 - i. the alleged act constitutes an improper or unethical activity or conduct, and
 - ii. either the allegation is supported by information specific enough to be investigated, or matters that do not meet this standard may be worthy of management review, but investigation itself should not be undertaken as an investigation of an improper or unethical activity.

10. Decision

If an investigation leads the Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, it shall recommend to the management of the Company to take such disciplinary or corrective action as it deems fit. It is clarified that any disciplinary or corrective action initiated against the Subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.

11. Reporting

The Chairman of Audit Committee should give a report on the Disclosures received/referred together with the results of investigations, if any, to the Board of Director

12. Retention of documents

All Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by the Company for a minimum period of seven year

13. Amendment

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the Employees and directors unless the same is notified to the Employees and directors in writing.

ANNEXURE 'V'

Form No. MR - 3

SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED ON 31st MARCH 2017****[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies****(Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,
The Members,
NRB INDUSTRIAL BEARINGS LIMITED
2nd Floor, Dhannur, 15, Sir P. M. Road, Fort
Mumbai - 400001 INDIA

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practice by **M/s. NRB INDUSTRIAL 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, Minutes 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 financial year ended 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes 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 **NRB INDUSTRIAL BEARINGS LIMITED** ("the Company") as given in **Annexure I**, for the financial year ended on 31st March, 2017, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder for specified sections notified and came into effect from 12th September, 2013 and sections and Rules notified and came into effect from 1st April, 2014 and amendments thereof;
- (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) Reserve Bank of India Act, 1934;
- (v) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment.

(vi) 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, 1992;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Regulations, 2009, and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28th October 2014 **(not applicable to the Company during the Audit period)**;
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(not applicable to the Company during the Audit period)**;
- f. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 **(not applicable to the Company during the Audit period)**, and
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(not applicable to the Company during the Audit period)**, and;

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

- a. Secretarial Standards issued by The Institute of Company Secretaries of India and
- b. The Simplified Listing Agreements, entered into by the Company with Bombay Stock Exchange Limited and new SEBI (LODR) 2015, effective from 01st December, 2015.

During the financial year under report, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent 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 notes on agenda were sent at least seven days in advance, 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.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

This report is to be read with my letter of even date submitted to the Company and forms an integral part of this report.

For AJS & ASSOCIATES

Date : - 29 May, 2017

Place: - Mumbai

(A.J. SHARMA)

Proprietor

M. No.: 32696

COP No.: 12028

ANNEXURE - I

List of documents verified:

1. Memorandum & Articles of Association of the Company.
2. Annual Report for the financial year ended 31st March, 2016.
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, Share Transfer Committee, and Stakeholders' Relationship Committee along with Attendance Register held during the financial year under report.
4. Minutes of General Body Meetings held during the financial year under report.
5. Statutory Registers viz.
 - Register of Directors & KMP
 - Register of Directors' Shareholding
 - Register of loans, guarantees and security and acquisition made by the Company
6. Agenda papers submitted to all the directors / members for the Board Meetings and Committee Meetings.
7. Declarations received from the Directors of the Company pursuant to the provisions of 184 of the Companies Act, 2013.
8. Intimations received from directors under the prohibition of Insider Trading Code.
9. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report.
10. Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the provisions of Listing Agreement during the financial year under report.
11. Filings made with Reserve Bank of India by the Company.
12. With respect to other applicable laws like Labour Laws, I have verified the payment receipt of statutory payments including PF, Gratuity, though they were paid but there were some delay in payment.

For AJS & ASSOCIATES

(A.J. SHARMA)

Proprietor

M. No.: 32696

COP No.: 12028

Date : May 29, 2017

Place: Mumbai

ANNEXURE VI

Particulars of Employees Pursuant To Section 134(3) (q) And Section 197 (12) of The Companies Act, 2013 Read With Rule 5(1) Of The Companies (Appointment And Remuneration Of Managerial Personnel) Rules, 2014

| Requirements of Rule 5(1) | | Details |
|---------------------------|---|---|
| (i) | the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year; | : Mr. Devesh Singh Sahney - 39 : 1 None of the other Directors were in receipt of any remuneration except sitting fees. |
| (ii) | the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year; | : Directors: Mr. Devesh Singh Sahney - 4% Mr. R.G. Mahendale, CFO - Nil Mrs. Ratika Gandhi, Company Secretary - 4% |
| (iii) | the percentage increase in the median remuneration of employees in the financial year; | : 4.20% |
| (iv) | the number of permanent employees on the rolls of company; | 278 employees as on 31.03.2017 |
| (v) | average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration; | : Average Salary Increase for KMPs (other than CMD and WTD): 4% Average Salary Increase for non KMPs : 6% |
| (vi) | Affirmation that the remuneration is as per the remuneration policy of the company. | : Remuneration paid during the year ended March 31, 2017 is as per the Remuneration Policy of the Company |

Details of Directors/ KMP/Appointed/Resigned during the Year as per Section 134 (3) (q) Read with Rule 8 (5) (Iii) Of Companies(Account) Rules, 2014:

| Name | Designation | % of equity shares | Relationship with other Directors | Nature of Duties (Employment) | Gross Remuneration (Rs.) | Qualifications | Date of Commencement of Employment | Total Experience | Last Employment |
|-------------------------------|-------------|--------------------|-----------------------------------|-------------------------------|--------------------------|----------------|------------------------------------|------------------|-----------------|
| Not Applicable for FY 2016-17 | | | | | | | | | |

ANNEXURE VII

Extract of the Annual Return in Form MGT-9

As on the Financial Year ended 31st March, 2017

[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 | L29253MH2011PLC213963 |
| ii. | Registration Date | 24/02/2011 |
| iii. | Name of the Company | NRB Industrial Bearings Limited |
| iv. | Category / Sub-Category of the Company | Company Limited by Shares |
| v. | Address of the Registered Office and Contact Details | 2nd floor, Dhannur Building, 15, Sir P.M. Road, Fort, Mumbai – 400 001 |
| vi. | Whether Listed | Yes (Bombay Stock Exchange Limited & National Stock Exchange Limited) |
| vii. | Name, Address and Contact details of Registrar and Share Transfer Agents, if any | Universal Capital Securities Pvt. Ltd. 21, Shakil Niwas, Opp. Satya Saibaba Temple, Mahakali Caves Road, Andheri (E), Mumbai – 400 093. Tel.: 022-2820 7203-05 / 2825 7641, E-mail: info@uniseq.in |

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:-

| SN | Name and Description of main products / services | NIC Code of the Product / service | % of total turnover of the Company |
|----|--|-----------------------------------|------------------------------------|
| 1 | Ball and Roller bearings | 2814 | 97.13% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| SN | Name And Address Of The Company | Company Identification number | Holding / Subsidiary / Associate | % of shares held | Applicable Section |
|----|---|-------------------------------|----------------------------------|------------------|--------------------|
| 1 | NRB-IBC Bearings Private Limited 15, Dhannur, Sir P. M. Road, Fort, Mumbai – 400 001 | U29268MH2011PTC214811 | Associate | 35 | 2(6) |

V. Shareholding Pattern (Equity Share Capital Breakup as percentage of total equity) as on 31st March, 2017
i. Category wise Shareholding Pattern :

| Category Of Shareholders | No. of shares held at the beginning of the year – 1st April, 2016 | | | | No. of shares held at the end of the year – 31st March, 2017 | | | | % Change during the Year |
|---|--|----------|----------|-------------------------|---|----------|----------|-------------------------|-----------------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| 1. Indian | | | | | | | | | |
| Individual/ HUF | 7590135 | 0 | 7590135 | 31.33 | 7591335 | 0 | 7591335 | 31.33 | 0.01 |
| Central Govt. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| State Govt.(s) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Bodies Corp | 9438910 | 0 | 9438910 | 38.95 | 9438910 | 0 | 9438910 | 38.95 | 0.00 |
| Banks / FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 |
| Any Other | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 |
| Sub-total(A)(1):- | 17029045 | 0 | 17029045 | 70.28 | 17030245 | 0 | 17030245 | 70.28 | 0.01 |
| Foreign | | | | | | | | | |
| NRIs-Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Other-Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Bodies Corp. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Banks / FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Any Other | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Sub-total (A)(2):- | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Total Shareholding of Promoter (A) = (A) (1) + (A) (2) | 17029045 | 0 | 17029045 | 70.28 | 17030245 | 0 | 17030245 | 70.28 | 0.01 |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| Mutual Funds | 0 | 1750 | 1750 | 0.01 | 0 | 1750 | 1750 | 0.01 | 0.00 |
| Banks / FI | 200 | 0 | 200 | 0.00 | 200 | 0 | 200 | 0.00 | 0.00 |
| Central Govt. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| State Govt.(s) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Insurance Companies | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| FII's / Foreign Portfolio | 7343 | 0 | 7343 | 0.03 | 7343 | 0 | 7343 | 0.03 | 0.00 |
| Foreign Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Others (specify) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Sub-total(B)(1) | 7543 | 1750 | 9293 | 0.04 | 7543 | 1750 | 9293 | 0.04 | 0.00 |
| 2. Non-Institutions | | | | | | | | | |
| Bodies Corporate | | | | | | | | | |
| (i) Indian | 1774234 | 1000 | 1775234 | 7.33 | 1609983 | 1000 | 1610983 | 6.65 | -0.68 |
| (ii) Overseas | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |

| | | | | | | | | | |
|--|-----------------|---------------|-----------------|--------------|-----------------|---------------|-----------------|---------------|-------------|
| Individuals | | | | | | | | | |
| i. Individual shareholders holding nominal share capital up to Rs 1 lakh | 2586961 | 133232 | 2720193 | 11.22 | 2615839 | 129207 | 2745046 | 11.33 | 0.11 |
| ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh. | 2541014 | 0 | 2541014 | 10.48 | 2394568 | 0 | 2394568 | 9.88 | -0.60 |
| NBFC | 775 | 0 | 775 | 0.00 | 775 | 0 | 775 | 0.00 | 0.00 |
| Others (Specify) | | | | | | | | | |
| Clearing members | 11177 | 0 | 11177 | 0.05 | 91370 | 0 | 91370 | 0.38 | 0.33 |
| NRI's | 120366 | 859 | 121225 | 0.50 | 118474 | 859 | 119333 | 0.49 | -0.01 |
| Trust | | | | | | | | | |
| LLP/Partnership Firm | 22694 | 0 | 22694 | 0.09 | 21154 | 0 | 21154 | 0.09 | 0.00 |
| HUF | 0 | 0 | 0 | 0 | 207883 | 0 | 207883 | 0.86 | 0.86 |
| Sub-Total (B) (2) | 7057221 | 135091 | 7192312 | 29.68 | 7060046 | 131066 | 7191112 | 29.68 | 0.00 |
| Total Public Shareholding (B) = (B) (1) + (B) (2) | 7064764 | 136841 | 7201605 | 29.72 | 7067589 | 132816 | 7200405 | 29.72 | 0.00 |
| C. Shares held by Custodian for GDR's & ADR's | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Grand Total (A+B+C) | 24093809 | 136841 | 24230650 | 100 | 24097834 | 132816 | 24230650 | 100.00 | 0.00 |

ii. Shareholding of Promoters -

| SN | Shareholders Name | Shareholding at the beginning of the Year – 1st April, 2016 | | | Shareholding at the end of the Year – 31st March, 2017 | | | % change in shareholding |
|----|------------------------|---|----------------------------------|--|--|----------------------------------|---|--------------------------|
| | | 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 | Aarti D. Sahney | 101750 | 0.42 | - | 101750 | 0.42 | - | - |
| 2 | Ambita Sahney | 373175 | 1.54 | - | 373175 | 1.54 | - | - |
| 3 | Anjana Sahney Thakkar | 373200 | 1.54 | - | 373200 | 1.54 | - | - |
| 4 | Bhupinder Singh Sahney | 284864 | 1.18 | - | 284864 | 1.18 | - | - |
| 5 | Brijween Kaur Sahney | 629850 | 2.60 | - | 629850 | 2.60 | - | - |
| 6 | Devesh S Sahney | 967967 | 3.99 | - | 967967 | 3.99 | - | - |
| 7 | Deepika Sahney | 373425 | 1.54 | - | 373425 | 1.54 | - | - |
| 8 | Hanwantbir Kaur Sahney | 97000 | 0.40 | - | 97000 | 0.40 | - | - |

| | | | | | | | | |
|----|--------------------------------|---------|-------|---|---------|-------|---|---|
| 9 | Harshbeena Sahney Zaveri | 1080578 | 4.46 | - | 1080578 | 4.46 | - | - |
| 11 | Jasmin Sahney Pillai | 376725 | 1.55 | - | 376725 | 1.55 | - | - |
| 13 | Trilochan Singh Sahney | 2929101 | 12.04 | - | 2929101 | 12.04 | - | - |
| 14 | Trilochan Singh Sahney (Trust) | 9438910 | 38.95 | - | 9438910 | 38.95 | - | - |
| 15 | Mallika Sahney | 3700 | 0.02 | - | 3700 | 0.02 | - | - |

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

| SN | Particulars | Shareholding at the start of the Year – 1st April, 2016 | | Shareholding at the end of Year – 31st March, 2017 | |
|-----|---|---|----------------------------------|--|----------------------------------|
| | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| 1. | ICICI Prudential Life Insurance Company | 1326786 | 5.48 | 1326786 | 5.48 |
| 2. | Narendra Anupchand Mehta | 240000 | 0.99 | 480000 | 1.98 |
| 3. | Shobha Lodha | 240000 | 0.99 | 240000 | 0.99 |
| 4. | Prakash Kishanlal Lodha | 240000 | 0.99 | 240000 | 0.99 |
| 5. | Meenaxi Mehta | 240000 | 0.99 | 240000 | 0.99 |
| 6. | Narendra Anupchand Mehta | 240000 | 0.99 | 0 | 0.00 |
| 7. | Innovator FAB Tex Pvt. Ltd. | 239058 | 0.99 | 0 | 0.00 |
| 8. | Jagruti Dutia | 246500 | 1.02 | 300000 | 1.24 |
| 9. | Nikunj Mehta | 240000 | 0.99 | 240000 | 0.99 |
| 10. | Shivani Tejas Trivedi | 154514 | 0.64 | 154514 | 0.64 |
| 11. | Pooja Prakash Lodha | 0 | 0 | 140000 | 0.58 |
| 12. | Namrata Prakash Lodha | 120000 | 0.50 | 120000 | 0.50 |

Shareholding of Directors and Key Managerial Personnel

| SN | Name of the Director / KMP | Shareholding at the beginning of the Year – 1st April, 2016 | | Shareholding at the end of the Year – 31st March, 2017 | |
|----|----------------------------|---|----------------------------------|--|----------------------------------|
| | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| 1 | Devesh Sahney | 967967 | 3.99 | 967967 | 3.99 |
| 2 | Harshbeena Sahney Zaveri | 1080578 | 4.46 | 1080578 | 4.46 |
| 3 | Trilochan Singh Sahney | 2929101 | 12.09 | 2929101 | 12.09 |
| 4 | Ratnakar Mehendale | 10 | 0.00 | 10 | 0.00 |

VI. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment are as follows:

Secured Loans : Rs.4438.46 Lakhs;

Unsecured Loan : Rs. 7197.48 Lakhs

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to MD, Whole-Time Director and / or Manager as on March, 2017:

(Rs. in Lakhs)

| Sr. No. | Particulars of Remuneration | Name of MD | |
|---|---|---------------------|--------------|
| | | Devesh Singh Sahney | |
| 1. | Gross Salary | | |
| a) | Salary as per provisions contained in section 17(1) of the Income Tax Act | | 69.78 |
| b) | Value of perquisites u/s 17(2) of Income Tax Act, 1961 | | - |
| 2 | Stock Option | | - |
| 3 | Sweat Equity | | - |
| 4 | Commission - As % of Profit - Others, specify | | - |
| 5 | Others, please specify - Provident Fund & Other Funds - Performance Bonus | | 5.4 |
| | Total | | 75.18 |
| Ceiling as per the Act – 5% of the Net Profit of the Company. <i>Company has taken approval from shareholders in 4th AGM of company for limits exceeding under Part II of Schedule V under Companies act 2013. Paid remuneration is within the prescribed approved limits.</i> | | | |

Your Company vide letter dated. 4th April, 2014 has accorded the approval of the Central Government for remuneration to MD in absence of adequacy of profits.

B. Remuneration To Key Managerial Personnel Other Than MD/MANAGER/WTD

(Amount in Rupees)

| Sr. No. | Particulars of Remuneration | Name of KMP | |
|---------|---|--------------------|---------------------------------|
| | | Ratnakar Mehendale | Ratika Gandhi Company Secretary |
| 1. | Gross Salary | | |
| a) | Salary as per provisions contained in section 17(1) of the Income Tax Act | 36,00,000 | 8,00,000 |
| b) | Value of perquisites u/s 17(2) of Income Tax Act, 1961 | - | - |
| 2 | Stock Option | - | - |
| 3 | Sweat Equity | - | - |
| 4 | Commission - As % of Profit - Others, specify | - | - |
| 5 | Others, please specify - Provident Fund & Other Funds - Performance Bonus | - | 33,595 |
| | Total | 36,00,000 | 8,33,595 |

VIII. Penalties / Punishment / Compounding Of Offences

There are no Penalties, Punishment or Compounding of Offences done by the Company in the previous Financial Year.

ANNEXURE VIII**NOMINATION AND REMUNERATION POLICY**

This Nomination and Remuneration Policy is being formulated in compliance with Under Section 178 of the Companies Act, 2013 and Regulation 19(4) & Schedule II Part D (A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

This policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been placed and approved by the Board of Directors on NRB Industrial Bearings Limited.

A) DEFINITIONS:

“Remuneration” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;

“Key Managerial Personnel” means:

- i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- ii) Chief Financial Officer;
- iii) Company Secretary; and
- iv) such other officer as may be prescribed.

“Senior Managerial Personnel” means the personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management, including all functional heads.

B) OBJECTIVE:

- i) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- iii) remuneration to directors, key managerial personnel 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.

C) MEMBERS OF COMMITTEE:

The Committee shall consist of a minimum three (3) non-executive directors, majority of them being independent. Minimum two (2) members shall constitute a quorum for the Committee meeting. Constitution of the committee must be mentioned in Annual report. Termination of this committee shall be sole decision of Board of Directors of NIBL.

D) FREQUENCY OF MEETINGS:

The meeting of the Committee shall be held at such regular intervals as may be required.

E) COMMITTEE MEMBERS’ INTERESTS:

A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

- a) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

F) VOTING:

- a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

G) ROLE OF THE COMMITTEE:

- (1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- (2) Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (3) Devising a policy on diversity of board of directors;
- (4) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- (5) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- (6) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

H) APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT:

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.

- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- c) The Company shall not appoint or continue the employment of any person as Managing Director/ Whole-time Director/Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

I) TERMS AND TENURE OF APPOINTMENT:

1. Managing Director/Whole-time Director/ Manager (Managerial Person): -

The Company shall appoint or re-appoint any person as its Managerial Person for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

2. Independent Director: -

- a. An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- b. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company
- c. At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

3. Evaluation:

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management at regular interval (yearly).

4. Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and LODR regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations.

5. Retirement:

- a. The Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company.
- b. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

6. Remuneration:

- a. Remuneration to Non- Executive & Independent Directors: The remuneration payable to Directors who are neither Managing Director nor Whole time Directors will be governed as per the provisions of the Companies Act, 2013 and the Rules framed thereunder from time to time.
- b. Remuneration may be paid by way of commission within the monetary limit approved by Members, subject to the limit as per the applicable provisions of the Companies Act, 2013.
- c. Annual increment to KMP and Senior Management shall be based on annual appraisal and shall be determined and approved by Managing Director.
- d. Independent directors shall not be entitled to any stock options of the Company under the Companies Act, 2013.
- e. Sitting fees: These Directors may receive remuneration by way of fees for attending meetings of the Board or any Committee thereof. Provided that the amount of such fees shall not exceed ₹ 1 lakh (One lakh) per meeting of the Board or Committee or such amount as may be prescribed by Central Government from time to time.

J) Secretary: The Company secretary shall act as Secretary of the Committee.

K) Minutes of the Committee: Proceedings of all meetings must be minuted and signed by the Chairman of the Committee and tabled at the subsequent Board and Committee meeting.

ANNUAL COMPLIANCE WITH THE CODE OF CONDUCT FOR THE FINANCIAL YEAR 2016-2017

Pursuant to the Schedule V (Part D) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, we hereby confirm that the Company has received affirmations on compliance with the Code of Conduct for the financial year ended March 31, 2017 from all the Board Members and Senior Management Personnel. These Codes are available on the Company's website.

MD / CFO CERTIFICATION

We the undersigned, in our respective as and Managing Director and Chief Financial Officer of NRB Industrial Bearings Limited ("the Company") to the best of our knowledge and belief certify that:

- a) We have reviewed financial statements and the cash flow statement for the financial year ended 31st March, 2017 and that to the best of our knowledge and belief, we state that:
 - i) These statements do not contain any materially untrue statements or omit any material fact or contain any 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 existing accounting standards, applicable laws and regulations.
- b. We further state that 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 violation of the Company's Code of Conduct.
- c. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- d. We have indicated, based in our most recent evaluation, wherever applicable, to the Auditors and the Audit Committee:
 - i. Significant changes, if any, in internal control over financial reporting during the year;
 - ii. Significant changes in accounting policies during the period and that the same have been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over the financial reporting.

For and on behalf of Board of Directors,

Ratnakar Mehendale
Chief Financial Officer

D.S.Sahney
Managing Director
(00003956)

Place : Mumbai
Date : May 29, 2017

PRACTICING COMPANY SECRETARIES CERTIFICATE TO THE MEMBERS OF NRB INDUSTRIAL BEARINGS LIMITED ON COMPLIANCE OF THE CONDITION CORPORATE GOVERNANCE FOR THE YEAR ENDED 31ST MARCH, 2017.

To
The Members,
NRB Industrial Bearings Ltd.,
Mumbai.

1. We have examined the compliance of conditions of Corporate Governance by NRB INDUSTRIAL BEARINGS LTD ("the Company"), for the year ended on March 31, 2017.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016.
4. We state that such compliance 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.

For AJS & ASSOCIATES

(A.J. SHARMA)
Proprietor
M. No.: 32696
COP No.: 12028

Date : May 29, 2017

Place: Mumbai

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

I. Outlook / Business Overview

Bearings are used to reduce friction between rotating equipment, hence has significant role in all engineering and automotive machines. Bearings are mainly manufactured using high grade steel or alloy steel, which exposes them to global steel price movement. Steel constitutes to be basic raw material which accounts to 44% of company's cost structure. Out of bearing raw material cost, bearing rings/races constitute major share of raw material followed by that of rolling elements, cages and seals. The complexity of bearing differs in each stage depending to its utility in applications with high load and high speed which governs the performance parameters of the anti-friction bearings.

Global Bearings Market was valued USD 79.3 billion in 2014, with estimation of USD 142 billion by 2022, growing at 7.6% from 2015 to 2022. Currently market is dominated by multinational companies like AB SKF (Sweden), Schaeffler Group (Germany), The Timken Company (USA) and Japanese companies like NSK, NTN and JTEKT.

Industrial production in India increased by 2.7 percent year-on-year in March 2017. In 2016-17 fiscal year, industrial output increased by 5 percent. The Industrial Production in India averaged 6.11 percent from 1994 until 2017.

The Indian bearing market is estimated at Rs 85 billion and it constitutes less than 4% of global bearing demand. In terms of consumption, about 60% requirement is catered through domestic production while remaining is met through imports. Increasing automation in manufacturing units, the thrust by Government's 'Make in India' program and planned budgetary expenditure forengineering industry will support the growth. Bearing industry is a technology and capital intensive industry, as end products used in critical applications.

Your Company strive to provide value added solutions to its customers as it competes with major brands and also Chinese bearing market which leverage their mass supply in India. In view of major reforms introduced by Indian Government in 2017 healthy growth is expected in the Industrial sector in coming years.

II. Financial Condition

Sources of Funds

1. Changes in Share Capital:

During the FY 2015-16 Company has increased its authorized capital from ₹ 5,00,00,000 to ₹ 55,00,00,000 passed by the shareholders at its 4th Annual General Meeting on 7th July, 2015.

The Company vide passing a resolution through Postal Ballot on 12th March, 2016 has issued 2,00,00,000 Redeemable Non-Convertible Preference Shares on Private Placement basis to Mr. Trilochan Singh Sahney, Non-Executive Chairman of the Company.

At present, company have issued two class of shares – Equity Shares of par value ₹ 2/- each and Preference Shares of par value at ₹ 10/- each.

The Authorised Share Capital is ₹ 55 Crore, divided into 2.42 Crore Equity Shares of ₹ 2/- each and 2 Crore Preference Shares of ₹ 10/- each. The issued, subscribed and paid up capital stood at ₹ 24.84 Crore as on 31st March, 2017.

2. Reserves and Surplus

The balance of Capital Reserve as at 31st March, 2017 amounted to Rs.5,700 Lakhs. General Reserve of the Company for the financial year ended March 31, 2017 stood at negative Rs.1,962.53 Lakhs.

Shareholders Fund is at Rs. 522.08 Lakhs decreased from Rs. 984.39 Lakhs y-o-y basis.

3. Fixed Assets

During the year, we capitalized ₹ 41.30 Lakhs to our gross block comprising ₹ 10.65 Lakhs for Leasehold Improvements and ₹ 14.16 Lakhs for Furniture & Fixture and, ₹9.16 Lakhs for Computer and ₹7.33 Lakhs for office equipment's.

4. Deferred tax assets / liabilities

Deferred tax asset and liabilities primarily comprise deferred taxes on fixed assets, unavailed leave, trade receivables, accrued compensation to employees and other provisions which are not tax-deductible in the current year.

5. Trade receivables

Trade receivables amounted to ₹1,049.46 Lakhs as at March 31, 2017 compared to ₹ 1,218.58 Lakhs as March 31, 2016. Debtors are at 25.74% of revenues for the year ended March 31, 2017, compared to 29.86% as March 31, 2016.

6. Cash and cash equivalents

The bank balances in India include both rupee accounts and foreign currency accounts.

7. Loans and advances and other non-current assets

The following tables give the details of our long-term and short-term loans, advances and other non-current assets.

Loans and advances

(Rs. In Lakhs)

| Particulars | 31st March, 2017 | 31st March, 2016 |
|-------------------|------------------|------------------|
| Capital advance | 23.66 | 13.06 |
| Security deposits | 46.42 | 45.22 |
| Total | 70.08 | 58.28 |

Capital advances represent amount paid in advance on capital expenditure.

Non-current Investments

The Company has invested 42,00,000 equity shares of ₹ 10/- each comprising 35% of paid-up capital in its associate viz. NRB-IBC Bearings Private Limited for the year ended 31st December, 2013.

Further there's no change for the year ended 31st March, 2017.

8. Liabilities

Long term Liabilities

(Rs. In Lakhs)

| Particulars | 31st March, 2017 | 31st March, 2016 |
|-------------------|------------------|------------------|
| Secured Term Loan | 648.27 | 426.65 |
| Other Loan | 15.60 | 23.70 |
| Total | 663.87 | 450.35 |

Term Loan from Bank

- (a) Rs. 417.04 Lakhs (Previous year Rs. 710.82 Lakhs) secured by exclusive first charge over immovable fixed assets (leasehold land and buildings thereon) of the Company and its movable plant & machinery, furniture & fixtures and other movables at its factory at Shendra (near Aurangabad). The term loan is repayable in remaining 6 equal quarterly instalments by September 2018 and carries floating interest rate of LIBOR + 350 bps. The present rate of interest is 4.45%
- (b) Previous year Rs. 1,918.92 Lakhs was secured by security stated in (a) above. The term loan is fully repaid in November 2016.
- (c) Rs. 1,000 Lakhs (Previous year Rs. Nil) secured by subservient charge on current assets and movable fixed assets and pledge of 24,46,808 shares of NRB Bearings Limited held and personal guarantee by a director of the Company. The working capital term loan is repayable in two equal installments of Rs. 500 Lakhs

each on 30th June, 2017 and on 30th December, 2017 and carries interest rate of one year MCLR + 70 bps. The present rate of interest is 10.40 % .

- (d) Rs. 1,100 Lakhs (Previous year Rs. Nil) secured by subservient charge on current assets and movable fixed assets and pledge of 20,95,238 shares of NRB Bearings Limited held by a promoter of the Company and personal guarantee by two directors and promoter of the Company. The working capital term loan is repayable in monthly installments of Rs. 10 Lakhs from April 2017 to June 2017, of Rs. 15 Lakhs from July 2017 to September 2017, of Rs. 86 Lakhs October 2017 to August 2018 and of Rs. 79 Lakhs in September 2018 and carries interest rate of one year MCLR + 85 bps. The present rate of interest is 10.55 %.

Term loan from others

Rs. 23.70 Lakhs (Previous year Rs. 30.88 Lakhs) secured by hypothecation of vehicles. Out of these, the term loan of Rs. 3.83 Lakhs (Previous year Rs. 6.06 Lakhs) carrying interest rate of 10.71 % is repayable in remaining 18 equal monthly instalments by September, 2018 and the term loan of Rs. 19.87 Lakhs (previous year Rs. 24.82 Lakhs) carrying interest rate of 12.75 % is repayable in remaining 37 equal monthly instalments by April, 2020.

Short term Liabilities

(Rs. In Lakhs)

| Particulars | 31st March, 2017 | 31st March, 2016 |
|--|------------------|------------------|
| Maturities of Long Term Debt | 1876.87 | 2210.27 |
| Interest accrued but not due on borrowings | 1.36 | 23.75 |
| Other Payable | 113.96 | 205.02 |
| Total | 1992.19 | 2439.04 |

Other Payables includes – payables on purchase of fixed assets, statutory remittances (Contribution to PF, PT, Withholding Tax, Service Tax, VAT, Excise Duty etc.), Advance received from customers, advance against assignment of certain Rights, Premium on call Spread.

9. Provisions

Short term provisions for the previous financial year ended 31st March, 2016 was Rs. 12.47 Lakhs compared to Rs. 19.10 Lakhs for the financial year ended 31st March, 2017.

10. Revenue from Operations

The classification of the Statement of Profit and Loss is as follows:

(Rs. In Lakhs)

| Particulars | 31st March, 2017 | 31st March, 2016 |
|---|------------------|------------------|
| Revenue from Operations | 4076.67 | 4,080.98 |
| Expenses | (5538.98) | (6000.74) |
| Other Expenses | (1230.54) | (1619.03) |
| Depreciation and amortization | (764.57) | (768.60) |
| Operating Loss before Exceptional items and Tax | (1462.31) | (1919.76) |
| Exceptional Items | - | - |
| Loss Before Tax | (1462.31) | (1919.76) |
| Tax Expenses | - | - |
| Loss after Tax | (1462.31) | (1919.76) |
| Earnings Per Share | (6.63) | (7.92) |

III. Environment, Health & Safety

We are in the process of obtaining ISO – 14001- 2015 , and OHSAS 18001 – 2007 certification and have completed all the training & documentation under Health and safety measures, and towards conservation of environment. We hope to receive the certification soon. Environment, Health, and Safety policy was discussed and deliberated vigorously at various stages in the meetings of employees and later on released by the top management. All the employees have been appraised about the needs and requirements of the system by conducting number of training programmes, displays and mail communication.

IV. Human Resources

Your Company has good cordial relations with employees.

We have adequate Number of personnel at various levels to carry out the functions competently. Human resource department has successfully implemented policies such as Employee Referral Policy & Dosti Scheme for the benefits of employees, which are duly approved by the Management.

Corporate Medical check-up camps were arranged for the all employees at plant. The ESIC scheme has become applicable and all the eligible employees were enrolled under the scheme and have started taking the benefits available under the scheme. Training programme was arranged on 08th March 2017 and we invited by Ms. Meera Ghatwai - Branch Manager of ESIC local office wherein she

elaborated the scheme benefits to all the participants. We also felicitated her on the occasion of Women's Day. On occasion of World Environment Day Tree Plantation was done in Factory Premises.

We have a state of the art fire hydrant system in the plant and it was used as model unit by the local fire offices at Shendra MIDC for conducting training for neighboring industry representatives as well as their own officers.

We also arranged training programme by the official from Maharashtra Labour welfare Board wherein the elaborated about the scheme, facilities available and process to obtain benefits. Accordingly one of our Employee received medical assistance for the treatment of his father.

Festivals and other get together programmes are arrange for the employees to bring them together.

V. Segment wise Performance

Your Company has a single reportable segment of Industrial Bearings as the primary business segment for the purposes of Accounting Standards -17. The assets and liabilities of the Company are all expended towards this business segment.

VI. Risks and concern:

The economic and business environment is fast evolving, and with the rapid transformation of technology and the impact of cultural changes, society and consumers are also transforming on multiple dimensions. Your Company is operating in an industry that faces price volatility in raw materials and is dependent on agricultural commodities that need to meet stringent quality standards and on natural resources where alternatives are not viable.

VII. Internal control systems and their adequacy:

Company has in process vigilant process to monitor the internal control. The management has devised its Internal Control Systems to safeguard its assets, controlling costs, efficiency in operations, compliance of statutes, and effective management of working Capital. These systems are designed keeping in mind the Business plans and overall growth of the company and its stakeholders.

CORPORATE GOVERNANCE REPORT

The Company's philosophy on code of Corporate Governance:

The Governance Philosophy of your Company is embedded with ethical values and professionalism since its existence. Corporate governance is creation and enhancing long-term sustainable value for the stakeholders, through ethically driven business process.

The Company's Code of Business Conduct, its Ethical View Reporting Policy and its well-structured internal control systems which are subjected to regular review for their effectiveness, reinforces accountability and integrity of reporting and ensures transparency and fairness in dealing with the Company's stakeholder.

The Company ensures that it evolve and follow the corporate governance guidelines and best practices and not defaulting in any trigger point. We consider it our inherent

responsibility to disclose timely and accurate information regarding our financials and performance as well as the leadership and governance of the Company.

A Report on compliance with the principles of Corporate Governance as prescribed by The Securities and Exchange Board of India (SEBI) in Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Regulations") is given below:

I. Composition and Category of Directors, attendance of the Directors at the Board Meetings and the last Annual General Meeting, Outside Directorships and other Membership or Chairmanship of Board Committees

Above information as 31st March, 2017 is tabulated as under:

| Particulars | DIN | Category | No. of Directorship held in Indian Public Companies (including NRB Industrial) | No. of Membership(s) / Chairmanship(s) in Board Committees` |
|-------------------------------|----------|--------------------------|--|---|
| Mr. Trilochan Singh Sahney | 00003873 | Chairman / Non-Executive | 2 | Nil |
| Mrs. Harshbeena Sahney Zaveri | 00003948 | Non-Executive | 4 | 8 (2 as a Chairman) |
| Mr. Devesh Singh Sahney | 00003956 | Executive | 2 | 2 (1 as a Chairman) |
| Mr. Manish Choksi | 00026496 | Independent | 5 | 5 (3 as a Chairman) |
| Mr. Ashish Chugani | 00009654 | Independent | 1 | 4 (1 as a Chairman) |
| ^Mr. Gaurav Motwane | 00746165 | Independent | 2 | 1 (as a Chairman) |

Mr. Devesh Singh Sahney and Mrs. Harshbeena Sahney Zaveri are son and daughter respectively of Mr. Trilochan Singh Sahney.

^Mr. Gaurav Motwane were appointed as Independent Director w.e.f. 6th November, 2015 in casual vacancy of Mr. Kaushal Aggrawal who ceased to be director of the Company w.e.f. 7th August, 2015.

Directorship in companies is registered under the Companies Act, 2013 (earlier Companies Act, 1956), excluding companies under Section 8 of the Companies Act, 2013 (earlier Section 25 of the Companies Act, 1956).

As at 31st March, 2017, in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company's Board of

Directors headed by its Chairman, Mr. Trilochan Singh Sahney comprised five other directors, out of which three are Independent Non-Executive Directors, one Managing Director and one Non-Executive Non-Independent Director. None of the Independent Directors of the Company serve as an Independent Director in more than seven listed companies.

Board Meeting & Procedures:

Number of Board Meeting & Attendance

During the financial year ended 31st March, 2016, four (4) meetings of the Board of Directors were held and the maximum time gap between two (2) meetings did not exceed four (4) months. Board Meetings were held on 27th May, 2016, 4th August, 2016, 12th November, 2016 and 11th February, 2017.

Details of attendance at the Board meetings and the last Annual General Meeting (AGM):

| Particulars | Attendance at the Board Meeting held on | | | | Attendance at the AGM held 19th July, 2016 |
|--------------------------|---|------------------|---------------------|----------------------|--|
| | 27th May, 2016 | 4th August, 2016 | 12th November, 2016 | 11th February, 2017. | |
| Trilochan Singh Sahney | ✓ | ✓ | ✓ | ✓ | ✓ |
| Harshbeena Sahney Zaveri | ✓ | LOA | LOA | ✓ | LOA |
| Devesh Singh Sahney | ✓ | ✓ | ✓ | ✓ | ✓ |
| Manish Choksi | ✓ | ✓ | ✓ | ✓ | ✓ |
| Ashish Chugani | ✓ | ✓ | LOA | ✓ | ✓ |
| ^Gaurav Motwane | LOA | ✓ | ✓ | ✓ | ✓ |

^Mr. Gaurav Motwane was appointed as Independent Director in Casual Vacancy w.e.f. 6th November, 2015 as Mr. Kaushal Aggarwal, ceased to be the Director of the Company w.e.f. 7th August, 2015.

All material information was circulated to the directors before the meeting or placed at the meeting, including minimum information required to be made available to the Board as prescribed under Part A of Schedule II of Sub- Regulation 7 of Regulation 17 of the Listing Regulations.

The Company has proper systems to enable the Board to periodically review compliance reports of all laws applicable to the Company, as prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances on a half-yearly basis.

During the year there was no change in Board of Directors

The Company has familiarization programme for Independent Directors with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company etc.

None of the Independent Directors held any equity shares or convertible instruments of the Company during the financial year ended 31st March, 2017.

II. Compliance with the Code of Conduct

The Company has "NRB Industrial Bearings Business Conduct" (Code). The Code is available on the website of the Company (web link <http://www.nrbindustrialbearings.com/shareholder.php>)

The Managing Director and CFO has given a declaration that the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code during the year 2016-17.

III. Profile of Directors:

1. Trilochan Singh Sahney :

He is a Post-Graduate having secured his degree of Master of Arts from University School of Economics and Sociology, Bombay. He is an Alumni of International Institute of Management Development - Lausanne (Switzerland) Mr. Trilochan Singh Sahney is Founder,

Managing Director and later Chairman of NRB Bearings Ltd. He possesses vast experience in Bearings Industry in India and Abroad.

Member – Executive Committee:

- Indo French Chamber of Commerce & Industry (Past Vice-President)
- Textile Machinery Manufacturers Association (India)
- Ball & Roller Bearing Manufacturers Association of India (BRBMA) - (Past President).

2. Devesh Singh Sahney : Managing Director

2005- Program for Management Development (Harvard Business School, (Comprehensive Leadership Course)

2003-(Executive) Masters in Business Administration, with a concentration in General Management; from the Asian Institute of Management (Philippines).

1992-Bachelor in Business Administration and Economics With a double concentration in Financial Accounting and International Business; from Richmond University, London.

Experience:

1992-Bachelor in Business Administration and Economics. With a double concentration in Financial Accounting and International Business; from Richmond University, London.

Recognition or awards:

After his Bachelors graduation from UK, Devesh worked with Larsen & Toubro (Bombay) in the Finance department, L&T is a technology, engineering, construction and manufacturing company; one of the largest and most respected companies in India's private sector. Followed by working with Credit Lyonnais, French Bank in Bombay in various departments.

He had won a Special Award for Leadership and gave the Valedictorian Speech during the graduation ceremony at Philippines.

3. Harshbeena Sahney Zaveri :

Harshbeena Sahney Zaveri graduated with freshman distinction and as a Wellesley Scholar with honors in Urban Studies and Anthropology from Wellesley College, an institution renowned for developing women leaders. She has 28 years of experience in the industry at NRB Bearings Ltd where she is the Vice Chairman & Managing Director. She spearheaded NRB's foray into R&D, leading NRB to become a global supplier to Daimler, Volvo, ZF, Honda, Audi, and Mazda. Under her leadership NRB Bearings won the Forbes Best under USD 1bn award in 2007. She is currently Chairman of the Board of SNL Bearings Limited and an independent director of Karamchand Thapar & Bros (Coal Sales) Ltd, and past Board member of IL&FS Asset Management Company Limited.

Fortune Magazine ranked Harshbeena amongst the 17 most powerful Indian businesswomen since 2011. She was awarded the best CEO by the Quality Circle Forum of India and The Innovator of the Year (Manufacturing) by International Women's Leadership Forum. She has also been ranked amongst most powerful women in Indian business by 'India Today' and 'Business Today'. She was a keynote speaker at IMD Business School's Innovation Forum: "The Hunt for New Ideas", a joint program between IMD and MIT Sloan held in 2012.

Harshbeena was part of the delegation led by the President of India, Mr. Pranab Mukherjee to Sweden on June 2, 2015 and was part of the select group participating in bi-lateral discussions. In 2016 on behalf of CII, she chaired the event that launched the latest international best-seller "Frugal Innovation" written by NaviRadjou, Winner of the 2013 Thinker50 Innovation Award.

In addition to her organizational responsibilities she is actively engaged with the Ball and Roller Bearing Manufacturers Association (BRBMA) as Past President. Harshbeena is an elected member of the Automotive Component Manufacturer's Association of India and the CII Western Region Council, and The Maharashtra State Council and the Convener of their Manufacturing Committee. She is a patron member of Indo American Chamber of Commerce and a member of The Wellesley College, Business Leadership Council.

Harshbeena is the only women founder of Ashoka University, India's first liberal Art University.

4. Ashish Chugani

Mr. Chugani has more than 20 years of experience in private equity, investment banking. Previously, MD-India of Cambridge Place Investment Management LLC.

Currently, Head-Private Equity Investing of Centrum Group joined Centrum in 2008.

He has over 20 years of experience spanning private equity, venture capital, investment banking and commercial banking of which 11 years have been directly in venture capital and private equity banking.

Prior to joining Centrum, He was MD of India Cambridge Place Investment Management LLC, a UK based investment management firm investing in equity and debt of financial services companies.

He has also been MD of Ankar Capital in India and before that MD of Antfactory India.

His areas of expertise include private equity investments and exits, early stage venture capital, distressed bank turnarounds, investing in consumer finance, real estate and infrastructure service companies and portfolio management.

He has led landmark deals such as turnaround of distressed bank – Centurion Bank, Shriram City Union Finance, Magma Fincorp and Customer asset, one of India's first BPO Companies which was sold to Firstsource.

He is a qualified MBA from Duke University and M.Com from Mumbai University.

Areas of expertise include:

- Private equity / Venture Capital Investments in technology / BPO, financial services, infrastructure & real estate.
- Post investment portfolio monitoring, mentoring and support.
- Managing and implementing exits.
- Fund raising for various investment strategies.

5. Manish Choksi

Manish joined our Board w.e.f 02nd May, 2014. He joined Asian Paints in 1992 and has held various posts across Sales, Engineering, Marketing in the Decorative and Industrial paint businesses and in his last position he was the Chief – Corporate Strategy & CIO and was responsible for corporate planning and information technology. In this position he guided Asian Paints strategic direction and as Chief Information Officer, he has spearheaded the move to leverage new IT solutions across the Extended Enterprise for growth and achieving improved business performance.

He currently is a member of the Executive Council of Asian Paints group and is on the Board of several operating companies of Asian Paints group including the 17 year old automotive and industrial coatings joint venture with PPG Industries Inc., the world's largest coatings company.

6. Gaurav Motwane

Mr. Motwane holds a Bachelor's Degree from The Wharton School, University of Pennsylvania, USA. Mahindra Sona Limited (MSL) is an ISO/TS 16949 certified Tier ONE supplier of automotive components to the leading OEM's both domestic and International. He is a member of various Business Organizations namely the Confederation of Indian Industries, Automotive Components Manufacturers Association and YPO Bombay Chapter.

IV. COMMITTEES OF THE BOARD**1. Audit Committee**

The Audit Committee of the Company acts as a supervisor to the Accounting system of the Company which it reports to the Board of Directors of the Company.

FREQUENCY:

The Audit Committee shall meet at least four times in a year and not more than four months shall elapse between two meetings.

INVITEE:

The Audit Committee shall invite such executives particularly head of the Accounts / Finance Department, the External Auditors and Internal Auditors to be present at the meetings of the Committee whenever required.

FUNCTION / ROLE:

The role of the Audit Committee shall include the following:

1. 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;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management

- d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
 6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
 8. Approval or any subsequent modification of transactions of the company with related parties;
 9. Scrutiny of inter-corporate loans and investments;
 10. Valuation of undertakings or assets of the company, wherever it is necessary;
 11. Evaluation of internal financial controls and risk management systems;
 12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 13. Reviewing the adequacy of internal audit function, if any, 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;
 14. Discussion with internal auditors of any significant findings and follow up there on;
 15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
 16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

17. 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;
18. To review the functioning of Vigil mechanism / Whistle Blower mechanism, in case the same is existing;
19. Approval of appointment of CFO (i.e. Whole-time Financial Director or any other person heading the finance function) after assessing the qualifications, experience and background etc. of the candidate; and
20. To look into any other matter as may be provided by the Board.
- (ii) To seek information from any employee.
- (iii) To obtain outside legal or other professional advice.
- (iv) To secure attendance of outsiders with relevant expertise, if it considers necessary.
- Our Audit Committee (the committee) comprises of three (3) Independent Directors and one (1) Managing Director:
- | | | | |
|-----|--------------------|---|----------------------|
| i | Mr. Manish Choksi | : | Chairman |
| ii | Mr. Gaurav Motwane | : | Independent Director |
| iii | Mr. Ashish Chugani | : | Independent Director |
| iv | Mr. Devesh Sahney | : | Managing Director |

POWERS:

Attendances for the Audit Committee Meeting of the Company for the Financial Year are as follows:

- (i) To investigate any activity within its terms of reference.

| Particulars | Attendance at the Audit Committee | | | |
|---------------------|-----------------------------------|-------------------|---------------------|---------------------|
| | 27th May, 2016 | 04th August, 2016 | 12th November, 2016 | 11th February, 2017 |
| ~Manish Choksi | ✓ | ✓ | ✓ | ✓ |
| Devesh Singh Sahney | ✓ | ✓ | ✓ | ✓ |
| Ashish Chugani | ✓ | ✓ | NA | ✓ |
| ^Gaurav Motwane | NA | ✓ | ✓ | ✓ |

~ Mr. Manish Choksi was made Chairman of the Audit Committee w.e.f 7th August, 2015

^ Mr. Gaurav Motwane were inducted as a member w.e.f 6th November, 2015

2. Stakeholders Relationship Committee

The Stakeholders Relationship Committee oversees, inter-alia, redressal of shareholder and investor grievances, transfer/transmission of shares, issue of duplicate shares, exchange of new design share certificates, recording dematerialisation/rematerialization of shares and related matter

Mr. Gaurav Motwane, Independent Director, is the Chairman of Stakeholders Relationship Committee. Mr. Ashish Chugani, and Mr. Manish Choksi are the members of the Committee. Company Secretary of the Company acts as the Compliance Officer to the Committee

During the year under review the Company has not received any complaint and there's NIL status of pending complaints with the Company.

The Company has acted upon all valid requests for share transfer received during the Financial Year 2016-17 and no such transfer is pending.

Attendances for the Stakeholders Relationship Committee Meeting of the Company are as follows:

| Particulars | Attendance at the Stakeholders Relationship Committee | | | |
|-----------------|---|-------------------|---------------------|---------------------|
| | 27th May, 2016 | 04th August, 2016 | 12th November, 2016 | 11th February, 2017 |
| Manish Choksi | ✓ | ✓ | ✓ | ✓ |
| Ashish Chugani | ✓ | ✓ | LOA | ✓ |
| ^Gaurav Motwane | NA | ✓ | ✓ | ✓ |

^ Mr. Gaurav Motwane were made Chairman of the Stakeholders Committee w.e.f 6th November, 2015.

3. Risk Management Committee

Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a risk management framework to identify, monitor, mitigate and minimize risks as also identify business opportunities.

The Risk Management Committee was constituted by the Board of Directors in 2014, pursuant to the requirement of erstwhile Listing Agreement with the Stock Exchanges which has now been replaced by the SEBI Listing Obligations and Disclosure Requirements.

The Committee was formed on November 05, 2014 and comprises of Mr. Devesh Singh Sahney, Managing Director of the Company, being the Chairman of the Committee, Mr. Ashish Chugani, Independent Director and Mr. R.G.Mehendale, Chief Financial Officer of the Company.

4. Nomination & Remuneration Committee

As per Section 178 (1) of the Companies Act, 2013, every listed Company shall constitute a Nomination & Remuneration Committee consisting of a chairperson who shall be a non-executive director and such other members as may be decided by the Board.

Identification of persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommendation to the Board about their appointment and removal and carrying out evaluation of every Director's performance. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommendation to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

Formulate a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees and while formulating the policy the Committee to ensure that the:

- Level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- Remuneration to Directors, Key Managerial Personnel 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.

- In cases where any services rendered by a Director are of a professional nature to opine whether the Director possesses the requisite qualification for the practice of the profession;
- Approve the payment of remuneration of Managing Director or Whole-time Director or a Manager (Managerial Person) for the purposes of Section II (dealing with remuneration payable by companies having no profit or inadequate profit without Central Government approval) of Part II of the Schedule V (under sections 196 and 197); to decide on the commission payable to the Directors within the prescribed limit and as approved by the shareholders of the Company.

➤ Composition

Your Company's Nomination & Remuneration Committee comprises of two (2) independent directors and one non-executive director:

Mr. Trilochan Singh Sahney (Chairman)
Mr. Ashish Chugani,
Mr. Manish Choksi

➤ Meeting of the Committee

The meeting of the Committee was held on 12th November, 2016.

On 12th November, 2016, Mr. Ashish Chugani was granted leave of absence.

➤ Policy for selection of Non-Executive Directors / Independent Directors and their remuneration

The Nomination and Remuneration (N&R) Committee has adopted a policy which, deals with the manner of selection of Board of Directors and Managing Directors and their remuneration. The selection of the Non-Executive Directors / Independent Directors is derived from the N&R policy.

- The Non-Executive / Independent Director should not be disqualified under section 164 of Companies Act, 2013.
- He should possess immense integrity with relevant experience in the field of law, finance and manufacturing sector.
- N&R Committee ensures that the Director about to be appointed be independent
- Nature with respect to the affairs of the Company.
- The potential Director shouldn't himself / or through its relative should be associated with the Company through himself, relatives, body corporate, partnership firms or any association of individuals.

V. Performance Evaluation

The criteria for performance evaluation cover the areas relevant to the functioning as Independent Directors such as preparation, participation, conduct and effectiveness. The performance evaluation of Independent Directors was done by the entire Board of Directors and in the evaluation the Directors who are subject to evaluation had not participated.

VI. REMUNERATION OF DIRECTORS FOR 2016-17

Company has a Managing Director – Mr. Devesh Singh Sahney has been paid Rs. 75.18 Lakhs as a Managerial Remuneration for the Financial Year ended 31st March, 2017.

None of the other Directors were paid any remuneration or sitting fees for attending Board Meetings or Committee Meetings.

VII. GENERAL BODY MEETINGS:

Particulars of past three Annual General Meetings of the Company

| Financial Year | Venue | Date | Time |
|----------------|---|------------|------------|
| 31.12.2013 | M. C. Ghia Hall, K. Dubash Marg, Mumbai 400 001 | 11.04.2014 | 11.00 A.M. |
| 31.03.2015 | | 07.07.2015 | |
| 31.03.2016 | | 19.07.2016 | |

At the ensuing Annual General Meeting e-voting facility will be provided.

Four Special Resolutions were passed by the Shareholders at the 4th Annual General Meeting held on 7th July, 2015 of the Company for the following:

1. Increase in borrowing powers u/s 180(1)(a) not exceeding ₹ 150 Crore;
2. Partial Modification in terms and conditions for the remuneration payable to Managing Director of the Company;
3. Increase in Authorized Capital of the Company by ₹ 50 Crore;
4. Issuance of Preference Shares on Private Placement basis to Mr. Trilochan Singh Sahney.

POSTAL BALLOT / E-VOTING

During the financial year 2015-16, under review the Company passed resolution through postal ballot for issuance of Redeemable Cumulative Non-Convertible Preference Shares on Private Placement basis to Mr. Trilochan Singh Sahney.

Salient features of the Postal Ballot are as follows:

- Mr. Upendra Shukla, Practicing Company Secretary were appointed as Scrutinizer for conducting the postal ballot / e-voting.
- Notice along with accompanying documents were dispatched electronically / by post to the Shareholders whose names appeared on the Register of Members of the Company on 29th January, 2016. Such dispatch was completed on 9th February, 2016;
- The last date for receipt of postal ballot forms was 10th March, 2016; the period for e-voting started on 10th February, 2016 and ended on 10th March, 2016;
- The Scrutinizer declared the results of postal ballot / e-voting on 12th March, 2016 at the Registered Office of the Company, as follows:

| SUMMARY REPORT FOR RESOLUTION APPROVING THE SPECIAL RESOLUTION | | | | | | | |
|--|--------------------|-------------|---------------|--------------------|---------------|--------------------|---------------|
| Sr. No. | Particulars | Total Forms | % of Total | Shares Held | % of Holding | Shares Voted | % of Voted |
| 1 | Assent (Physical) | 1 | 2.17 | 27 | Negligible | 27 | Negligible |
| | Assent (E-voting) | 45 | 97.83 | 1,71,51,110 | 99.999 | 1,71,51,110 | 99.999 |
| 1 | SUB TOTAL | 46 | 100.00 | 1,71,51,137 | 99.999 | 1,71,51,137 | 99.999 |
| 2 | Dissent (Physical) | 0 | 0 | 0 | 0 | 0 | 0 |
| | Dissent (E-voting) | 0 | 0 | 0 | 0 | 0 | 0 |
| 2 | SUB TOTAL | 0 | 0 | 0 | 0 | 0 | 0 |
| 3 | Invalid | 0 | 0 | 0 | 0 | 0 | 0 |
| | TOTAL | 46 | 100.00 | 1,71,51,137 | 100.00 | 1,71,51,137 | 100.00 |

Means of Communication:

The quarterly results of the Company was widely published in leading newspapers such as Financial Express and Mumbai Tarun Bharat and also displayed at the Company's website www.nrbindustrialbearings.in. All official press releases and other general information about the Company are also available on the Company's website.

General Shareholder Information:

| | | | |
|--------------------------------|--|----------------|-------------|
| AGM | 3rd August, 2017 | | |
| Financial Year | 1st April, 2016 – 31st March, 2017 | | |
| Date of Book Closure | 28/07/2017 TO 03/08/2017 | | |
| Listed on Stock Exchange | BSE & NSE | ISIN No. | INE04O01014 |
| Scrip Code | 535458 | Scrip Id: NIBL | |
| Registrar Transfer Agent (RTA) | Universal Capital Securities Pvt. Ltd., 21, Shakil Niwas, Opp. Satyasaibaba Temple, Mahakali Caves Road, Andheri (East), Mumbai, Maharashtra, 400093 | | |

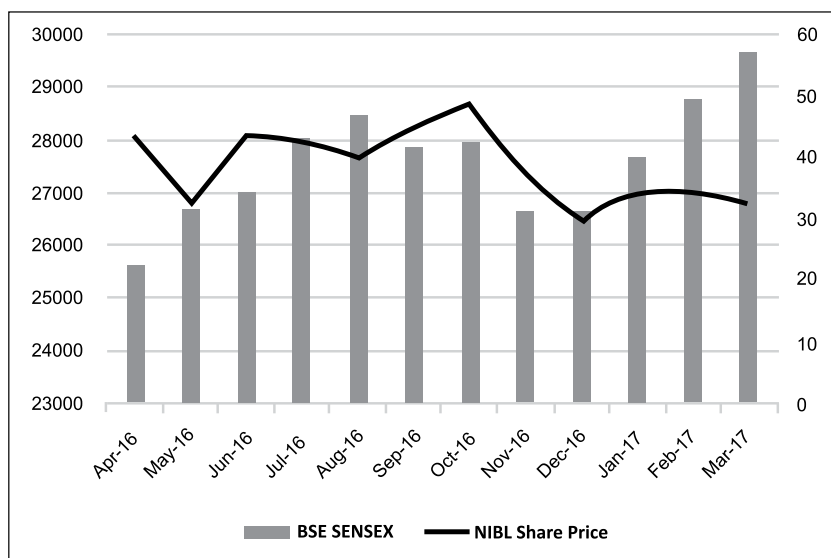
The mandatory information is including various additional information of interest to investors is voluntarily furnished in the section on investor information in this report.

Market Price Data: High, Low during each month in last Financial Year

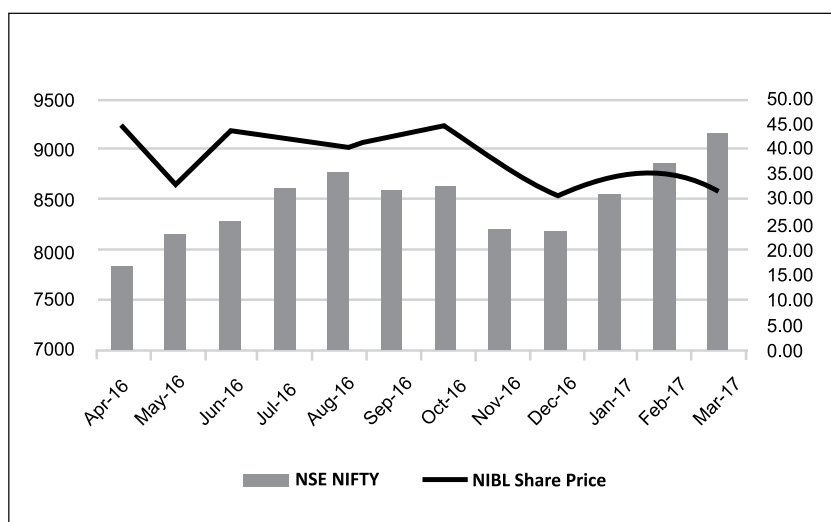
| NSE | | | |
|--------|------------|-----------|-------------|
| Month | High Price | Low Price | Close Price |
| Apr-16 | 49.65 | 43.40 | 43.50 |
| May-16 | 46.00 | 31.10 | 33.00 |
| Jun-16 | 44.50 | 31.50 | 43.80 |
| Jul-16 | 44.00 | 38.55 | 42.25 |
| Aug-16 | 45.75 | 38.00 | 40.15 |
| Sep-16 | 49.80 | 37.65 | 44.95 |
| Oct-16 | 51.00 | 42.65 | 48.40 |
| Nov-16 | 48.90 | 31.15 | 36.85 |
| Dec-16 | 39.80 | 29.00 | 30.00 |
| Jan-17 | 38.00 | 29.30 | 34.30 |
| Feb-17 | 37.70 | 34.15 | 34.55 |
| Mar-17 | 35.90 | 31.00 | 32.25 |

| BSE | | | |
|--------|------------|-----------|-------------|
| Month | High Price | Low Price | Close Price |
| Apr-16 | 45.00 | 43.00 | 44.45 |
| May-16 | 38.00 | 31.20 | 33.05 |
| Jun-16 | 44.80 | 40.30 | 43.95 |
| Jul-16 | 42.80 | 38.60 | 42.20 |
| Aug-16 | 41.00 | 40.15 | 40.20 |
| Sep-16 | 44.00 | 42.20 | 42.75 |
| Oct-16 | 44.70 | 44.60 | 44.70 |
| Nov-16 | 39.40 | 34.05 | 36.70 |
| Dec-16 | 31.50 | 29.95 | 30.35 |
| Jan-17 | 35.05 | 34.05 | 34.20 |
| Feb-17 | 35.90 | 34.00 | 35.25 |
| Mar-17 | 34.30 | 28.30 | 32.10 |

Performance in Comparison of BSE Index



Performance in Comparison of NSE NIFTY



Shares Transfer System:

99.45% of the equity shares of the Company are in electronic form. Transfers of these shares are done through depositories with no involvement of the Company. As regards transfer of shares held in physical form the transfer documents can be lodged with Universal Capital Securities Pvt. Ltd ,21, Shakil Niwas, Opp. Satyasaibaba Temple, Mahakali Caves Road, Andheri (East), Mumbai, Maharashtra, 400093. Tel: 022-2836 66 20, 28207203-05, Fax: 022-2836 9704, 28207207.

Transfer of shares in physical form is normally processed within 15 days from the date of receipt, if the documents

are complete in all respects. The Directors and certain Company Officials (Company Secretary), under the authority of the Board, severally approve transfers in Stakeholders Relationship Committee Meeting and subsequent Board Meetings.

There are no Outstanding GDRs/ADRs/Warrants or any Convertible instruments, which are pending for conversion.

Company's Plant is situated at B-18, Five Star, MIDC Area, D-Zone, Shendra, Aurangabad – 431154.

Distribution of Shareholding as on 31st March, 2017:

| No. of Shares | No. of Shareholders | No. of Shares | Percentage of Total Shares |
|------------------|---------------------|---------------|----------------------------|
| 1 to 500 | 6798 | 782556 | 3.230 |
| 501 to 1000 | 329 | 270426 | 1.116 |
| 1001 to 2000 | 192 | 290723 | 1.200 |
| 2001 to 3000 | 69 | 174940 | 0.722 |
| 3001 to 4000 | 40 | 141214 | 0.583 |
| 4001 to 5000 | 31 | 148254 | 0.612 |
| 5001 to 10000 | 76 | 536008 | 2.212 |
| 10,001 and above | 78 | 21886529 | 90.326 |
| Total | 7613 | 24230650 | 100.00 |

Shareholding Pattern as on 31st March, 2017:

| Category | No. of Shares Held | Percentage |
|---------------------------------------|--------------------|------------|
| Promoter & Promoters Group | | |
| Individuals | 75,90,135 | 31.33 |
| Trust | 94,38,910 | 38.95 |
| Public & Others | | |
| Institutions | 9,293 | 0.04 |
| Individuals & Others | 71,91,112 | 29.68 |
| Total | 2,42,30,650 | 100 |

Address for Correspondence:

Mrs. Ratika Gandhi (Company Secretary & Compliance Officer)

NRB Industrial Bearings Limited
15, Dhannur, Sir P. M. Road, Mumbai 400 001
Email ID - investors@nrbil.in

VIII. DISCLOSURES

All Transactions with related parties were in the ordinary course of business and on an arm's length pricing basis. The policy on related party transaction has been placed on the Company's website and can be accessed through <http://www.nrbindustrialbearings.com/shareholder.php>.

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three year.

Fraud and corruption-free work culture has been the core of the Company. In view of the potential risk of fraud, corruption and unethical behavior consequent to rapid growth and geographical spread of operations, which could adversely impact the Company's business operations, performance and reputation, the Company has put an even greater emphasis to address these risks. To meet this objective, a

comprehensive vigil mechanism or the whistleblower policy has been laid down. The Vigil Mechanism Policy is available on the Company website: www.nrbindustrialbearings.com

Commodity price risk or foreign exchange risk and hedging activities

During the year 2016-17, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The details of foreign currency exposure are disclosed in Notes to the Annual Accounts.

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub – regulation (2) of Regulation 46 of the Listing Regulations.

This Corporate Governance Report of the Company for the year 2016-17 or as on 31st March, 2017 are in compliance with the requirements of Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NRB INDUSTRIAL BEARINGS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **NRB INDUSTRIAL BEARINGS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its loss and its cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to Note 39 to the Financial Statements. As stated in the Note, the remuneration paid to the Managing Director of Rs. 34.81 lacs for the period from 01 October, 2012 to 31 March, 2014 is subject to the approval of the Central Government.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. 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 purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
 - e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - 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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in the standalone financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the November 08, 2016 of the Ministry of Finance, during the period from November 08, 2016 to December 30, 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management. Refer Note 42 to the Standalone Financial Statements.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 117365W)

Uday M. Neogi
(Partner)
(Membership No. 30235)

Place: Mumbai
Date : 29 May, 2017

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of NRB Industrial Bearings limited on the standalone financial statements for the year ended March 31, 2017)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of NRB Industrial Bearings Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 its business, including adherence to 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "GuidanceNote") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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.

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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting 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 control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells

Chartered Accountants
(Firm's Registration No.117365W)

Uday M. Neogi
Partner
(Membership No. 30235)

Place: Mumbai
Date: 29 May, 2017

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of NRB Industrial Bearings limited on the standalone financial statements for the year ended March 31, 2017)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) The Company has a program of verification of property, plant and equipment to cover all the items once over a period of three years, which, in our opinion, is reasonable having regards to the size of the Company and the nature of its assets. In accordance with the programme some of the items of property, plant and equipment were physically verified during the current period.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered title deed provided to us, we report that the title deed of the flat is held in the name of the company as at the balance sheet date.

In respect of immovable property of land taken on lease and building constructed thereon, disclosed as property, plant and equipment in the financial statements, the lease agreement has been pledged as security for loans, based on the confirmation directly received by us from Lenders, the lease agreement is in the name of the Company where the company is lessee in the agreement.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided guarantees. In respect of investments made, the Company has complied with the provisions of section 186 of the Companies Act, 2013.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.

(vi) The maintenance of cost records has been specified by

the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The dues of tax deducted at source and Service tax have not been regularly deposited during the year with the appropriate authorities, the delay in deposit have been serious. The Company has generally been regular in depositing other undisputed statutory dues, including Provident Fund, Excise Duty, Sales Tax, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Income Tax, Sales Tax, Service tax, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.

(c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax as on March 31, 2017 on account of disputes.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institution and banks. The Company has not issued any debentures.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans during the year and hence reporting under clause (ix) of the Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

- (xi) In our opinion and according to the information and explanations given to us, the Company has paid managerial remuneration for the year in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has made private placement of shares during the year under review.
- b) The amounts raised have been applied by the Company during the year for the purposes for which the funds were raised.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells

Chartered Accountants

(Firm's Registration No. 117365W)

In respect of the above issue, we further report that:

- a) The requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and

Uday M. Neogi

(Partner)

(Membership No. 30235)

Place: Mumbai

Date: 29 May, 2017

BALANCE SHEET AS AT 31st MARCH, 2017

| | Note No. | As at 31.03.2017 | As at 31.03.2016 |
|--|----------|------------------|------------------|
| | | Rs.Lakhs | Rs.Lakhs |
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholders' Funds | | | |
| (a) Share Capital | 3 | 2,484.61 | 1,484.61 |
| (b) Reserves and Surplus | 4 | (1,962.53) | (500.22) |
| | | 522.08 | 984.39 |
| (2) Non-Current Liabilities | | | |
| (a) Long term borrowings | 5 | 663.87 | 450.35 |
| (b) Deferred tax liabilities (Net) | 6 | - | - |
| (c) Long term provisions | 7 | 34.32 | 37.62 |
| | | 698.19 | 487.97 |
| (3) Current Liabilities | | | |
| (a) Short term borrowings | 8 | 9,095.19 | 10,014.75 |
| (b) Trade payables | | | |
| i) Total outstanding dues of Micro Enterprises and Small Enterprises | | - | - |
| ii) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises | 9 | 1,345.45 | 1,638.33 |
| (c) Other current liabilities | 10 | 1,992.19 | 2,439.04 |
| (d) Short-term provisions | 11 | 19.10 | 12.47 |
| | | 12,451.93 | 14,104.59 |
| Total | | 13,672.20 | 15,576.95 |
| II. ASSETS | | | |
| (1) Non-current assets | | | |
| (a) Property, plant and equipment | | | |
| (i) Tangible assets | 12 | 9,560.57 | 10,270.12 |
| (ii) Intangible assets | 12 | 37.64 | 52.01 |
| (iii) Capital work-in-progress | | 14.50 | - |
| | | 9,612.71 | 10,322.13 |
| (b) Non-current investments | 13 | 420.00 | 420.00 |
| (c) Long term loans and advances | 14 | 70.08 | 58.28 |
| | | 10,102.79 | 10,800.41 |
| (2) Current assets | | | |
| (a) Inventories | 15 | 1,981.06 | 2,298.10 |
| (b) Trade receivables | 16 | 1,049.46 | 1,218.58 |
| (c) Cash and cash equivalents | 17 | 26.39 | 28.33 |
| (d) Short-term loans and advances | 18 | 492.63 | 740.30 |
| (e) Other current assets | 19 | 19.87 | 491.23 |
| | | 3,569.41 | 4,776.54 |
| Total | | 13,672.20 | 15,576.95 |

See accompanying notes forming part of the financial statements

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Uday M. Neogi
Partner

Mumbai: 29 May, 2017

For and on behalf of the Board of Directors

T. S. Sahney
Chairman

D. S. Sahney
Managing Director

R. G. Mehendale
Chief Financial Officer

Ratika Gandhi
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

| Particulars | Note No. | For the Year From 01.04.2016 to 31.03.2017 | | For the Year From 01.04.2015 to 31.03.2016 | |
|---|----------|--|------------|--|------------|
| | | Rs. Lakhs | Rs. Lakhs | Rs. Lakhs | Rs. Lakhs |
| I. Revenue from operations (gross) | 20 | 4,279.49 | | 4,340.65 | |
| Less: Excise duty | | 319.53 | | 352.56 | |
| Revenue from operations (net) | | | 3,959.96 | | 3,988.09 |
| II. Other Income | 21 | | 116.71 | | 92.89 |
| III. TOTAL REVENUE (I + II) | | | 4,076.67 | | 4,080.98 |
| IV. EXPENDITURE | | | | | |
| Cost of materials consumed | 22A | | 1,210.17 | | 1,774.66 |
| Purchase of stock in trade | | | 257.06 | | 102.18 |
| Changes in inventories of finished goods and Work-in-progress | 22B | | 232.91 | | (295.23) |
| Employee benefits expense | 23 | | 1,330.60 | | 1,237.97 |
| Finance costs | 24 | | 513.13 | | 793.53 |
| Depreciation and amortization expense | 12 | | 764.57 | | 768.60 |
| Other expenses | 25 | | 1,230.54 | | 1,619.03 |
| Total Expenses | | | 5,538.98 | | 6,000.74 |
| V. LOSS BEFORE TAX (III-IV) | | | (1,462.31) | | (1,919.76) |
| VI. Tax expense : | | | | | |
| - Current tax | | | - | | - |
| - Deferred tax | | | - | | - |
| VII. LOSS AFTER TAX (V- VI) | | | (1,462.31) | | (1,919.76) |
| Earnings per share (of Rs. 2 each) | 37 | | | | |
| Basic, as well as diluted (In Rs.) | | | (6.63) | | (7.92) |

See accompanying notes forming part of the financial statements

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Uday M. Neogi
Partner

Mumbai: 29 May, 2017

For and on behalf of the Board of Directors

T. S. Sahney
Chairman

D. S. Sahney
Managing Director

R. G. Mehendale
Chief Financial Officer

Ratika Gandhi
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

| | Note No. | For the year ended 31.03.2017 | | For the year ended 31.03.2016 | |
|--|-------------|----------------------------------|------------|----------------------------------|------------|
| | | Rs.Lakhs | Rs.Lakhs | Rs.Lakhs | Rs.Lakhs |
| CASH FLOW FROM OPERATING ACTIVITIES: | | | | | |
| LOSS BEFORE TAX | | | (1,462.31) | | (1,919.76) |
| Adjustments for: | | | | | |
| Depreciation/amortisation | | 764.57 | | 768.60 | |
| Foreign exchange loss/(gain) - unrealised | | 45.90 | | 166.95 | |
| Finance costs | | 513.13 | | 793.53 | |
| Liability no longer required written back | | (25.55) | | (9.72) | |
| Provision for doubtful debts (net) / advances | | (8.77) | | 43.50 | |
| Interest Income | | (5.59) | | (3.66) | |
| Loss on sale of property, plant and equipment | | 0.30 | 1,283.99 | | 1,759.20 |
| OPERATING LOSS BEFORE WORKING CAPITAL CHANGES AND OTHER ADJUSTMENTS | | | (178.32) | | (160.56) |
| Changes in working capital: | | | | | |
| Adjustment for (increase)/ decrease in operating assets | | | | | |
| - Trade receivables | | 163.35 | | (464.93) | |
| - Short-term loans and advances | | 267.04 | | 302.22 | |
| - Long-term loans and advances | | (1.20) | | (21.50) | |
| - Other current assets | | 184.49 | | (143.11) | |
| - Inventories | | 317.04 | | (415.54) | |
| Adjustment in increase/ (decrease) in operating liabilities | | | | | |
| - Trade payables | | (275.76) | | 421.99 | |
| - Other current liabilities and provisions | | (72.23) | 582.73 | 88.70 | (232.17) |
| CASH USED IN OPERATIONS | | | 404.41 | | (392.73) |
| Direct taxes paid (net) | | | (19.37) | | (2.81) |
| NET CASH FLOW FROM /(USED IN) OPERATING ACTIVITIES (A) | | | 385.04 | | (395.54) |

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

| | Note No. | For the year ended 31.03.2017 | | For the year ended 31.03.2016 | |
|---|-------------|----------------------------------|-----------------|----------------------------------|-----------------|
| | | Rs.Lakhs | Rs.Lakhs | Rs.Lakhs | Rs.Lakhs |
| CASH FLOW FROM INVESTING ACTIVITIES: | | | | | |
| Purchase of fixed assets (including adjustments on account of capital advances) | | | (72.44) | | (248.56) |
| Sale of property, plant and equipment | | | 0.35 | | - |
| Bank Balance not considered for cash and cash equivalents | | | (9.81) | | (0.64) |
| Interest Income | | | 3.17 | | 3.48 |
| NET CASH (USED IN) INVESTING ACTIVITIES (B) | | | (78.73) | | (245.72) |
| CASH FLOW FROM FINANCING ACTIVITIES: | | | | | |
| Proceeds from issue of Preference Shares (Refer Note 41) | | | 1,000.00 | | 1,000.00 |
| Proceeds from long term borrowings | | | 2,100.00 | | - |
| Repayment of long term borrowings | | | (1,979.06) | | (2,334.23) |
| Proceeds from short term borrowings (net) | | | (919.56) | | 2,805.30 |
| Finance cost paid | | | (519.44) | | (819.62) |
| NET CASH (USED IN) / FROM FINANCING ACTIVITIES (C) | | | (318.06) | | 651.45 |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C) | | | | | |
| | | | (11.75) | | 10.19 |
| Cash and cash equivalents as at the beginning of the year | | | 22.69 | | 12.50 |
| Cash and cash equivalents as at the end of the year | | | 10.94 | | 22.69 |

Notes :

- (i) Cash and cash equivalents at the end of the year comprises:
- | | | |
|---------------------|--------------|--------------|
| Cash in Hand | 1.02 | 1.05 |
| Balances with banks | | |
| In current accounts | 9.92 | 21.64 |
| | 10.94 | 22.69 |
- (ii) Figures for the previous period have been regrouped / restated where necessary to confirm to the current period's classification.
See accompanying notes forming part of the financial statements.

**In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants**

**Uday M. Neogi
Partner**

Mumbai: 29 May, 2017

For and on behalf of the Board of Directors

**T. S. Sahney
Chairman**

**D. S. Sahney
Managing Director**

**R. G. Mehendale
Chief Financial Officer**

**Ratika Gandhi
Company Secretary**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**NOTE****1. Corporate Information:**

NRB Industrial Bearings Limited (the Company) was incorporated on 24th day of February, 2011 as a Private Limited Company under the provisions of the Companies Act, 1956 (the 1956 Act). On the acquisition of equity shares of the Company on 4th November, 2011 by NRB Bearings Limited, a public limited company, the Company in terms of Section 3 (1) (iv) (c) of the 1956 Act became a Public Limited Company and the name of the Company was changed from "NRB Industrial Bearings Private Limited" to "NRB Industrial Bearings Limited"

The Company is engaged in the business of manufacturing and selling of all types of industrial bearings.

The Scheme of Arrangement (the Scheme) for the transfer of Industrial Bearings Undertaking of NRB Bearings Limited (NRB) to the Company under section 391 to 394 read with section 100 to 103 of the Companies Act, 1956 was sanctioned by the Hon'ble High Court of Judicature, Bombay on 24th August 2012. The Scheme, which has become operative from 25th September, 2012 upon filing of the certified copies of the Orders of the Hon'ble High Court with the Registrar of Companies became effective from 1st October, 2012 (the Appointed Date).

Pursuant to the Scheme, with effect from the Appointed date the Industrial Bearings Undertaking of NRB is transferred and vested in the Company as a going concern, with all its assets, liabilities, properties, rights, benefits and interest therein subject to existing charges thereon.

In terms of the Scheme, in consideration of the transfer and vesting of the Industrial Bearings Undertaking of NRB, in respect of every 4 equity shares of Rs. 2 each, held by the shareholders of NRB, 1 equity share of Rs. 2 each fully paid up aggregating 24,230,650 equity shares have been issued and allotted on 31st October, 2012, to the shareholders of NRB whose names appeared in the Register of Members, as on 25th October, 2012, being the record date.

All the staff, workmen and employees of Industrial Bearings Undertaking of NRB in service as on 1st October, 2012 have become staff, workmen and employees of the Company without any break in their service.

In terms of the Scheme, the Company recorded all the assets and liabilities pertaining to the Industrial Bearings Undertaking, at the respective book values appearing in the books of NRB as on the Appointed Date. The Company credited to its share capital account, the aggregate face value of the equity shares issued by it pursuant to the Scheme. The difference of Rs. 5,700.16 lakhs between excess of net assets and the amount credited as share capital after adjusting the cancellation of existing share capital of the Company held by NRB has been credited to Capital Reserve. The equity shares allotted have been listed on the Bombay Stock Exchange and the National Stock Exchange on 9th April, 2013.

2. Significant accounting policies:**i. Basis of accounting**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the 2013 Act. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

ii. Use of estimates

The preparation of the financial statements, in conformity with the generally accepted accounting principles, requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known/materialized.

iii. Property, plant and equipment and depreciation/amortisation

(a) All property, plant and equipment are stated at cost of acquisition, including any attributable cost for bringing the asset to its working condition for its intended use less accumulated depreciation.

(b) Depreciation/amortization

i. Tangible Assets

a. Leasehold land is amortised over the remaining period of the lease.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- b. Depreciation on other tangible fixed assets has been provided on the straight-line method as per the useful life stated below which has been determined based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset etc.:

| Category | Useful life in years |
|-------------------------|----------------------|
| Building | |
| a) Factory Building | 29 |
| b) Office Building | 58 |
| Plant & Machinery | 26 |
| Furniture & Fixture | 15 |
| Office Equipments | 5 |
| Electrical Installation | 26 |
| Vehicle | 10 |
| Computer | 6 |

ii. Intangible Assets

Computer Software is amortised on straight line method over the estimated useful life of 6 years. The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

(c) Also see Note 2(xi) below.

iv. Impairment

The carrying values of assets at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

v. Foreign currency transactions

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the

transaction. Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the period-end rates. Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

vi. Investments

Long-term investments are stated at cost less provision for diminution, other than temporary, in the value of investments, if any. Current investments are stated at lower of cost and fair value.

vii. Inventories

Inventories are valued at the lower of cost (weighted average method) and net realisable value. Costs of conversion and other costs are determined on the basis of standard cost method adjusted for variances between standard costs and actual costs.

viii. Sale of products

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales exclude sales tax and value added tax.

ix. Other Income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

x. Employee benefits

(a) Short term employee benefits are recognised as an expense at the undiscounted amount in the statement of profit and loss of the period in which the related service is rendered.

(b) Long term benefits:

(i) Defined Contribution Plans :

1. Provident and Family Pension Fund

The eligible employees of the company are entitled to receive post employment benefits in respect of provident and family pension fund, in which both employees and the company make monthly contributions at a specified percentage of the employees' eligible salary (currently 12%

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

of employees' eligible salary). The contributions are made to the Regional Provident Fund Commissioner. Provident Fund and Family Pension Fund are classified as Defined Contribution Plans as the company has no further obligations beyond making the contribution.

2. Superannuation

The eligible employees of the company are entitled to receive post employment benefits in respect of superannuation scheme, in which the company makes quarterly contributions at 15% of employees' eligible salary. Superannuation scheme is classified as Defined Contribution Plan as the Company has no further obligations beyond making the contribution.

The Company's contributions to Defined Contribution Plans are charged to the statement of profit and loss as incurred.

(ii) Defined Benefit Plan / Other Employee Benefit :**1. Gratuity**

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service

Vesting occurs upon completion of five years of service. The Trust established for the purpose has arrangement with insurance company (currently HDFC Standard Life Insurance Company Limited) for future payments of gratuities on behalf of the Trust. The Company accounts for gratuity benefits based on an independent actuarial valuation as at the period end. Actuarial gains and losses are recognized in the statement of profit and loss.

2. Compensated absences

The Company provides for 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 liability is provided based on the number of days of unutilised leave at each balance sheet date on the basis of an independent actuarial valuation as at year end. Actuarial gains and losses are recognized in the statement of profit and loss.

xi. Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets.

xii. Operating Lease

Lease, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset during the lease term, is classified as operating lease. Operating lease payments and receipts are recognised as an expense and income respectively in the Statement of Profit and Loss on a straight-line basis over the lease term.

xiii. Taxation

Taxation expenses comprise current tax and deferred tax.

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation, carry forward of losses and items relating to capital losses are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

xiv. Provisions and Contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements

xv. Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

xvi. Derivative Contracts

The Company enters into derivative contracts in the nature of foreign currency swaps, currency options, forward contracts with an intention to hedge its existing assets and liabilities and firm commitments. Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the balance sheet date. All other derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised on grounds of prudence.

xvii. Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax available for equity shareholders (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

xviii. Current / Non-Current Assets and Liabilities:

Assets are classified as current when it satisfies any of the following criteria:

- a) it is held primarily for the purpose of being traded;
- b) it is expected to be realised within twelve months after the reporting date; or
- c) it is Cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

Liabilities are classified as current when it satisfies any of the following criteria:

- a) it is held primarily for the purpose of being traded;
- b) it is due to be settled within twelve months after the reporting date; or
- c) the company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as non-current.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| | As at 31.03.2017 Rs. Lakhs | As at 31.03.2016 Rs. Lakhs |
|--|----------------------------------|----------------------------------|
| NOTE 3 - Share Capital | | |
| Authorised : | | |
| Equity Shares : | | |
| 25,000,000 (as at 31 March, 2016 - 25,000,000) equity shares of Rs. 2 each | 500.00 | 500.00 |
| Preference Shares : | | |
| 50,000,000 (as at 31 March, 2016 - 50,000,000) Redeemable Cumulative Non -Convertible Preference shares of Rs. 10 each | 5,000.00 | 5,000.00 |
| | <u>5,500.00</u> | <u>5,500.00</u> |
| Issued, subscribed and fully paid up: | | |
| Equity Shares : | | |
| 24,230,650 (as at 31 March 2016 - 24,230,650) equity shares of Rs. 2 each fully paid up | 484.61 | 484.61 |
| Preference Shares : | | |
| 20,000,000 (as at 31 March, 2016 - 10,000,000) 6% Redeemable Cumulative Non -Convertible Preference shares of Rs. 10 each fully paid up | 2,000.00 | 1,000.00 |
| Per balance sheet | <u>2,484.61</u> | <u>1,484.61</u> |

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

| | For the year From 01.04.2016 to 31.03.2017 | | For the year From 01.04.2015 to 31.03.2016 | |
|--|--|-----------------|--|-----------------|
| | Number of shares | Rs. Lakhs | Number of shares | Rs. Lakhs |
| Equity Shares : | | | | |
| Shares outstanding at the beginning of the year | 2,42,30,650 | 484.61 | 2,42,30,650 | 484.61 |
| Add: Shares issued during the year. | - | - | - | - |
| Shares outstanding at the end of the year / period | <u>2,42,30,650</u> | <u>484.61</u> | <u>2,42,30,650</u> | <u>484.61</u> |
| Preference Shares : | | | | |
| Shares outstanding at the beginning of the year | 1,00,00,000 | 1,000.00 | - | - |
| Add: Shares issued during the year (Refer Note 41) | 1,00,00,000 | 1,000.00 | 1,00,00,000 | 1,000.00 |
| Shares outstanding at the end of the year | <u>2,00,00,000</u> | <u>2,000.00</u> | <u>1,00,00,000</u> | <u>1,000.00</u> |

ii) Number of shares held by each shareholder holding more than 5% shares in the Company are as follows:

| | As at 31.03.2017 | | As at 31.03.2016 | |
|---|---------------------|-----------------|---------------------|-----------------|
| Particulars | Number of shares | % of holding | Number of shares | % of holding |
| Equity shares: | | | | |
| Trilochan Singh Sahney | 29,29,101 | 12.09 | 29,29,101 | 12.09 |
| Trilochan Singh Sahney Trust 1 [held by a trustee (Trilochan Singh Sahney) in his individual name] | 94,38,910 | 38.95 | 94,38,910 | 38.95 |
| ICICI Prudential Life Insurance Company Limited | 13,26,786 | 5.48 | 13,26,786 | 5.48 |
| Preference shares: | | | | |
| Trilochan Singh Sahney | 2,00,00,000 | 100.00 | 1,00,00,000 | 100.00 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(iii) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash for the period of 5 years immediately preceding the balance sheet date

| Particulars | As at 31.03.2017 | As at 31.03.2016 |
|---|---------------------|---------------------|
| | No of Shares | No of Shares |
| Equity shares allotted as fully paid up in Consideration of transfer and vesting of Industrial Bearings Undertaking of NRB in the Company pursuant to the Scheme referred to in Note 1. | 2,42,30,650 | 2,42,30,650 |

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

- 1) The Company has only one class of equity shares having a face value of Rs. 2 each. The Equity Shareholders have all the rights of equity shares as provided by the Companies Act, 2013 and Rules & Regulations made thereunder.
- 2) The Company in General Meeting may declare dividend to be paid to members according to their respective rights, but no dividend shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend.
- 3) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts.

(iv) (b) Rights attached to Preference shares:

- 1) Preference Shares rank prior in respect to payment of Dividend or redemption amount compared to equity shareholders of the Company without having voting powers and that in the event of winding up right over the equity shareholders in participation of surplus funds, surplus assets and profits of the Company. Annual preference dividend is 6%. Preference shares shall be redeemed at the end of 5 years from the date of allotment.

(v) On account of loss for the year, no dividend is proposed on preference shares. Arrears of the preference dividend as at the year end is Rs. 143.78 Lakhs (as at 31 March, 2016 Rs. 0.24 Lakhs.)

| | | As at | | As at |
|--|------------|------------|------------|------------|
| | | 31.03.2017 | | 31.03.2016 |
| NOTE 4 - Reserves and Surplus | Rs. Lakhs | Rs. Lakhs | Rs. Lakhs | Rs. Lakhs |
| Capital reserve | | | | |
| Opening balance | 5,700.16 | | 5,700.16 | |
| Add: Addition during the year | - | | - | |
| Closing balance | | 5,700.16 | | 5,700.16 |
| Surplus in the Statement of Profit and Loss: | | | | |
| Opening balance | (6,200.38) | | (4,280.62) | |
| Add: Loss for the year | (1,462.31) | | (1,919.76) | |
| Closing balance | | (7,662.69) | | (6,200.38) |
| Per balance sheet | | (1,962.53) | | (500.22) |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| | | As at 31.03.2017 | As at 31.03.2016 |
|--|------------|---------------------|---------------------|
| NOTE 5 - Long term borrowings | Rs. Lakhs | Rs. Lakhs | Rs. Lakhs |
| Term Loans | | | |
| From Bank | | | |
| Secured | 2,517.04 | 2,629.74 | |
| Less: Current maturities of long-term debt (Refer Note 10) | (1,868.77) | (2,203.09) | |
| | | 648.27 | 426.65 |
| From Others | | | |
| Secured | 23.70 | 30.88 | |
| Less: Current maturities of long-term debt (Refer Note 10) | (8.10) | (7.18) | 23.70 |
| Per balance sheet | | 663.87 | 450.35 |

Footnotes:
Term loans from Bank

- (a) Rs. 417.04 lakhs (Previous year Rs. 710.82 lakhs) secured by exclusive first charge over immovable fixed assets (leasehold land and buildings thereon) of the Company and its movable plant & machinery, furniture & fixtures and other movables at its factory at Shendra (near Aurangabad). The term loan is repayable in remaining 6 equal quarterly instalments by September 2018 and carries floating interest rate of LIBOR + 350 bps. The present rate of interest is 4.45%.
- (b) Previous year Rs. 1,918.92 lakhs was secured by security stated in (a) above. The term loan is fully repaid in November 2016.
- (c) Rs. 1,000 lakhs (Previous year Rs. Nil) secured by subservient charge on current assets and movable fixed assets and pledge of 24,46,808 shares of NRB Bearings Limited held and personal guarantee by a director of the Company. The working capital term loan is repayable in two equal installments of Rs. 500 lakhs each on 30 June, 2017 and on 30 December, 2017 and carries interest rate of one year MCLR + 70 bps. The present rate of interest is 10.40 %.
- (d) Rs. 1,100 lakhs (Previous year Rs. Nil) secured by subservient charge on current assets and movable fixed assets and pledge of 20,95,238 shares of NRB Bearings Limited held by a promoter of the Company and personal guarantee by two directors and promoter of the Company. The working capital term loan is repayable in monthly installments of Rs. 10 lacs from April 2017 to June 2017 , of Rs. 15 lakhs from July 2017 to September 2017, of Rs. 86 lakhs October 2017 to August 2018 and of Rs. 79 lakhs in September 2018 and carries interest rate of one year MCLR + 85 bps. The present rate of interest is 10.55 % .

Term loan from Others

- (a) Rs. 23.70 lakhs (Previous year Rs. 30.88 lakhs) secured by hypothecation of vehicles. Out of these , the term loan of Rs. 3.83 lakhs (Previous year Rs. 6.06 lacs) carrying interest rate of 10.71 % is repayable in remaining 18 equal monthly instalments by September, 2018 and the term loan of Rs. 19.87 lakhs (previous year Rs. 24.82 lakhs) carrying interest rate of 12.75 % is repayable in remaining 37 equal monthly instalments by April, 2020.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
NOTE 6 - Deferred Tax Asset /(Liability)

| | Deferred tax asset / (liability) as at 01.04.2016 Rs. Lakhs | Credit/(charge) for the year Rs. Lakhs | Deferred tax asset / (liability) as at 31.03.2017 Rs. Lakhs |
|---|--|--|--|
| Nature of timing difference | | | |
| Deferred tax liability | | | |
| Depreciation | (836.43) | (52.89) | (889.32) |
| Sub - total | (836.43) | (52.89) | (889.32) |
| Deferred tax assets | | | |
| Provision for doubtful debts / advances | 46.45 | (9.35) | 37.10 |
| Provision for compensated absence | 15.48 | (1.11) | 14.37 |
| Other | 18.72 | (2.59) | 16.13 |
| Business loss ** | 755.78 | 65.94 | 821.72 |
| Sub - total | 836.43 | 52.89 | 889.32 |
| Per balance sheet | - | - | - |

** Recognised to the extent of balance in deferred tax liability net of other deferred tax assets.

| | As at 31.03.2017 Rs. Lakhs | As at 31.03.2016 Rs. Lakhs |
|-------------------------------------|----------------------------------|----------------------------------|
| NOTE 7 -Long Term Provisions | | |
| Provisions for employee benefits: | | |
| Compensated absences | 34.32 | 37.62 |
| Per balance sheet | 34.32 | 37.62 |

NOTE 8 - Short term borrowings
Secured

| | | |
|--|----------|----------|
| i) Loan repayable on demand | | |
| From Bank | 1,897.72 | 1,510.85 |
| ii) Other short term borrowings | | |
| From Bank | - | 419.82 |

Unsecured

| | | |
|-------------------------------------|----------|-----------|
| i) Loans from Related Party: | | |
| a) Director - Interest free | 7,197.47 | 7,834.08 |
| b) Inter Corporate Deposits | - | 250.00 |
| Per balance sheet | 9,095.19 | 10,014.75 |

Footnote:
(i) Loans repayable on demand from bank

- Rs. 1,897.72 lakhs (Previous year Rs. Nil) secured by first pari passu charge on all present and future stock and book debts of the Company and second pari pasu charge over immovable fixed assets (leasehold land and buildings thereon) of the Company and its movable plant & machinery, furniture & fixtures and other movables at its factory at Shendra (near Aurangabad). The present interest rate is in the range of 11.50% to 14.50 % p.a.
- Rs. Nil (Previous year Rs. 1,010.93 lakhs) secured by first exclusive charge on all present and future stock and book debts of the Company.
- Rs. Nil (Previous year Rs. 499.92 lakhs) secured by first pari pasu charge on all present and future stock and book debts of the Company.

(ii) Other short term borrowings

Previous year Rs. 419.82 lakhs was secured by security stated in footnote (i) (b) above.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| | As at 31.03.2017 Rs. Lakhs | As at 31.03.2016 Rs. Lakhs |
|--|----------------------------------|----------------------------------|
| NOTE 9 - Trade Payables | | |
| Trade payables | | |
| - Total outstanding dues of Micro Enterprises and Small Enterprises (see Footnote) | - | - |
| - Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises | 1,345.45 | 1,638.33 |
| Per balance sheet | <u>1,345.45</u> | <u>1,638.33</u> |

Footnote:

The identification of vendors as a "Supplier" under the Micro, Small and Medium Enterprises Development Act, 2006 has been done on the basis of the information to the extent provided by the vendors to the Company. This has been relied upon by the auditors.

NOTE 10 - Other Current Liabilities

| | | |
|---|-----------------|-----------------|
| Current maturities of long-term debt (Refer Note 5) | 1,876.87 | 2,210.27 |
| Interest accrued but not due on borrowings | 1.36 | 23.75 |
| Interest accrued and due on borrowings | 18.03 | 1.94 |
| Other Payables | | |
| - Payables on purchase of property, plant and equipment | 1.91 | 26.44 |
| - Statutory remittances (Contribution to PF, Profession Tax, Super annuation, Withholding tax, Service Tax, VAT etc.) | 61.91 | 115.04 |
| - Security Deposits from dealers | 2.50 | 2.50 |
| - Advance received from customers | 29.61 | 43.54 |
| - Others - Premium on Call Spread | - | 15.56 |
| Per balance sheet | <u>1,992.19</u> | <u>2,439.04</u> |

NOTE 11 - Short Term Provisions

| | | |
|----------------------------------|--------------|--------------|
| Provision for employee benefits: | | |
| - Compensated absences | 12.19 | 10.25 |
| - Gratuity | 6.91 | 2.22 |
| | <u>19.10</u> | <u>12.47</u> |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 12 - Fixed assets

Rs. Lakhs

| Description | GROSS BLOCK - AT COST | | | | DEPRECIATION / AMORTISATION | | | | NET BLOCK As at 31.03.17 |
|-----------------------------|---------------------------|--------------|-------------|---------------------------|-----------------------------|-----------------|-----------------------------------|---------------------------|--------------------------------|
| | Balance As at 01.04.16 | Additions | Deductions | Balance As at 31.03.17 | Balance As at 01.04.16 | For the year | On Deductions/ Amortisation | Balance As at 31.03.17 | |
| A. Tangible Assets | | | | | | | | | |
| Leasehold land | | | | | | | | | |
| Own Use | 687.94 | - | - | 687.94 | 26.32 | 7.22 | - | 33.54 | 654.40 |
| | (687.94) | (-) | (-) | (687.94) | (19.10) | (7.22) | (-) | (26.32) | (661.62) |
| Given under operating lease | 91.43 | - | - | 91.43 | 3.36 | 0.96 | - | 4.32 | 87.11 |
| | (91.43) | (-) | (-) | (91.43) | (2.40) | (0.96) | (-) | (3.36) | (88.07) |
| | 779.37 | - | - | 779.37 | 29.68 | 8.18 | - | 37.86 | 741.51 |
| | (779.37) | (-) | (-) | (779.37) | (21.50) | (8.18) | (-) | (29.68) | (749.69) |
| Buildings and flats | | | | | | | | | |
| Own Use | 3,409.43 | - | - | 3,409.43 | 398.43 | 113.29 | - | 511.72 | 2,897.71 |
| | (3,409.43) | (-) | (-) | (3,409.43) | (274.19) | (124.24) | (-) | (398.43) | (3,011.00) |
| Given under operating lease | 307.11 | - | - | 307.11 | 31.42 | 10.26 | - | 41.68 | 265.43 |
| | (307.11) | (-) | (-) | (307.11) | (21.16) | (10.26) | (-) | (31.42) | (275.69) |
| | 3,716.54 | - | - | 3,716.54 | 429.85 | 123.55 | - | 553.40 | 3,163.14 |
| | (3,716.54) | (-) | (-) | (3,716.54) | (295.35) | (134.50) | (-) | (429.85) | (3,286.69) |
| Leasehold Improvement | 137.39 | 10.65 | - | 148.04 | 7.76 | 7.22 | - | 14.98 | 133.06 |
| | (137.39) | (-) | (-) | (137.39) | (5.52) | (2.24) | (-) | (7.76) | (129.63) |
| Plant and equipment | | | | | | | | | |
| Own Use | 6,843.76 | - | - | 6,843.76 | 1,533.79 | 507.81 | - | 2,041.60 | 4,802.16 |
| | (6,828.74) | (15.02) | (-) | (6,843.76) | (1,024.96) | (508.83) | (-) | (1,533.79) | (5,309.97) |
| Given under operating lease | 83.62 | - | - | 83.62 | 21.63 | 6.20 | - | 27.83 | 55.79 |
| | (83.62) | (-) | (-) | (83.62) | (15.43) | (6.20) | (-) | (21.63) | (61.99) |
| | 6,927.38 | - | - | 6,927.38 | 1,555.42 | 514.01 | - | 2,069.43 | 4,857.95 |
| | (6,912.36) | (15.02) | (-) | (6,927.38) | (1,040.39) | (515.03) | (-) | (1,555.42) | (5,371.96) |
| Furniture and fixtures | | | | | | | | | |
| Own Use | 227.42 | 14.16 | - | 241.58 | 48.26 | 14.72 | - | 62.98 | 178.60 |
| | (227.42) | (-) | (-) | (227.42) | (33.64) | (14.62) | (-) | (48.26) | (179.16) |
| Given under operating lease | 2.50 | - | - | 2.50 | 0.56 | 0.16 | - | 0.72 | 1.78 |
| | (2.50) | (-) | (-) | (2.50) | (0.40) | (0.16) | (-) | (0.56) | (1.94) |
| | 229.92 | 14.16 | - | 244.08 | 48.82 | 14.88 | - | 63.70 | 180.38 |
| | (229.92) | (-) | (-) | (229.92) | (34.04) | (14.78) | (-) | (48.82) | (181.10) |
| Computers | | | | | | | | | |
| Own Use | 59.96 | 9.16 | 2.10 | 67.02 | 30.71 | 10.44 | 1.45 | 39.70 | 27.32 |
| | (58.38) | (1.58) | (-) | (59.96) | (21.19) | (9.52) | (-) | (30.71) | (29.25) |
| Given under operating lease | 0.44 | - | - | 0.44 | 0.24 | 0.07 | - | 0.31 | 0.13 |
| | (0.44) | (-) | (-) | (0.44) | (0.18) | (0.06) | (-) | (0.24) | (0.20) |
| | 60.40 | 9.16 | 2.10 | 67.46 | 30.95 | 10.51 | 1.45 | 40.01 | 27.45 |
| | (58.82) | (1.58) | (-) | (60.40) | (21.37) | (9.58) | (-) | (30.95) | (29.45) |
| Office equipments | | | | | | | | | |
| Own Use | 64.11 | 7.33 | - | 71.44 | 28.44 | 22.45 | - | 50.89 | 20.55 |
| | (63.86) | (0.25) | (-) | (64.11) | (6.99) | (21.45) | (-) | (28.44) | (35.67) |
| Given under operating lease | 0.35 | - | - | 0.35 | 0.18 | 0.09 | - | 0.27 | 0.08 |
| | (0.35) | (-) | (-) | (0.35) | (0.04) | (0.14) | (-) | (0.18) | (0.17) |
| | 64.46 | 7.33 | - | 71.79 | 28.62 | 22.54 | - | 51.16 | 20.63 |
| | (64.21) | (0.25) | (-) | (64.46) | (7.03) | (21.59) | (-) | (28.62) | (35.84) |
| Electrical installations | | | | | | | | | |
| Own Use | 558.31 | - | - | 558.31 | 145.08 | 41.43 | - | 186.51 | 371.80 |
| | (558.31) | (-) | (-) | (558.31) | (103.59) | (41.49) | (-) | (145.08) | (413.23) |
| Given under operating lease | 36.09 | - | - | 36.09 | 9.37 | 2.68 | - | 12.05 | 24.04 |
| | (36.09) | (-) | (-) | (36.09) | (6.69) | (2.68) | (-) | (9.37) | (26.72) |
| | 594.40 | - | - | 594.40 | 154.45 | 44.11 | - | 198.56 | 395.84 |
| | (594.40) | (-) | (-) | (594.40) | (110.28) | (44.17) | (-) | (154.45) | (439.95) |
| Vehicles | | | | | | | | | |
| | 54.71 | - | - | 54.71 | 8.90 | 5.20 | - | 14.10 | 40.61 |
| | (54.71) | (-) | (-) | (54.71) | (3.70) | (5.20) | (-) | (8.90) | (45.81) |
| Sub Total (A) | 12,564.57 | 41.30 | 2.10 | 12,603.77 | 2,294.45 | 750.20 | 1.45 | 3,043.20 | 9,560.57 |
| | (12,547.72) | (16.85) | (-) | (12,564.57) | (1,539.18) | (755.27) | (-) | (2,294.45) | (10,270.12) |
| B. Intangible Assets | | | | | | | | | |
| Computer Software | 88.63 | - | - | 88.63 | 36.62 | 14.37 | - | 50.99 | 37.64 |
| | (63.03) | (25.60) | (-) | (88.63) | (23.29) | (13.33) | (-) | (36.62) | (52.01) |
| Sub Total (B) | 88.63 | - | - | 88.63 | 36.62 | 14.37 | - | 50.99 | 37.64 |
| | (63.03) | (25.60) | (-) | (88.63) | (23.29) | (13.33) | (-) | (36.62) | (52.01) |
| Total (A) + (B) | 12,653.20 | 41.30 | 2.10 | 12,692.40 | 2,331.07 | 764.57 | 1.45 | 3,094.19 | 9,598.21 |
| Per balance sheet | (12,610.75) | (42.45) | (-) | (12,653.20) | (1,562.47) | (768.60) | (-) | (2,331.07) | (10,322.13) |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| | As at 31.03.2017 Rs. Lakhs | As at 31.03.2016 Rs. Lakhs |
|---|----------------------------------|----------------------------------|
| NOTE 13 - Non Current Investments | | |
| Trade | | |
| Investments in equity instruments | | |
| - Of associate | | |
| Unquoted | | |
| NRB-IBC Bearings Private. Limited (NIBC) | | |
| 42,00,000 (as at 31.03.2016 - 42,00,000) equity shares of | | |
| Rs. 10 each fully paid-up | 420.00 | 420.00 |
| Per balance sheet | 420.00 | 420.00 |
| Aggregate amount of unquoted investments | 420.00 | 420.00 |

Note : The accumulated losses of NIBC are Rs. 1,483.17 lakhs against the shareholders funds (excluding accumulated losses) of Rs 1,500 lakhs as per audited Financial statements for the year ended 31 March, 2017. The management of NIBC has formulated strategic plans for improving the position of NIBC. The revenue from operations (net) of NIBC has increased from Rs 292.51 lakhs for the year ended 31 March 2016 to Rs 700.80 lacs for the year ended 31 March 2017 and loss after tax has decreased from Rs 483.64 lacs for the year ended 31 March 2016 to Rs 297.46 lakhs for the year ended 31 March 2017, also during the year financial support is provided by a director to NIBC by way of additional interest free loan of Rs. 793 lakhs. Further, funds required for the future operations of NIBC will be made available by way of financial support by the director as and when required. Therefore, in view of the Management of the Company, the diminution in value of the Investment in NIBC is temporary.

| | As at 31.03.2017 Rs. Lakhs | As at 31.03.2016 Rs. Lakhs |
|---|----------------------------------|----------------------------------|
| NOTE 14 - Long term loans and advances | | |
| (Unsecured, considered good) | | |
| Capital advance | 23.66 | 13.06 |
| Security deposits | 46.42 | 45.22 |
| Receivables from suppliers | 21.50 | 21.50 |
| Less: Provision for doubtful advance | 21.50 | - |
| Per balance sheet | 70.08 | 58.28 |

NOTE 15 - Inventories

(at lower of cost and net realisable value)

| | | |
|------------------------------|----------|----------|
| Raw materials and components | 345.37 | 424.92 |
| - Goods in Transit | - | 424.92 |
| Work-in-progress | 654.17 | 616.03 |
| Finished goods | 946.49 | 1,217.53 |
| Stores and spares | 35.03 | 39.62 |
| Per balance sheet | 1,981.06 | 2,298.10 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| | As at 31.03.2017 Rs. Lakhs | As at 31.03.2016 Rs. Lakhs |
|---|----------------------------------|----------------------------------|
| Footnotes: | | |
| i) Raw Materials and Components Comprise of: | | |
| Steel | 95.34 | 157.47 |
| Rings | 75.53 | 141.71 |
| Roller | 29.93 | 13.56 |
| Components | 112.23 | 88.10 |
| Packing Material | 32.34 | 24.08 |
| TOTAL | 345.37 | 424.92 |
| ii) Work-in-Progress Comprise of: | | |
| Bearings | 49.52 | 28.68 |
| Roller | 90.23 | 58.15 |
| Rings | 211.70 | 233.08 |
| Manufactured components | 302.72 | 296.12 |
| TOTAL | 654.17 | 616.03 |
| iii) Finished Goods Comprise of: | | |
| Ball & roller bearings | 907.36 | 1,202.41 |
| Roller | 39.13 | 15.12 |
| TOTAL | 946.49 | 1,217.53 |

| | As at 31.03.2017 Rs. Lakhs | As at 31.03.2016 Rs. Lakhs |
|---|----------------------------------|----------------------------------|
| NOTE 16 -Trade Receivables | | |
| Trade receivables outstanding for a period exceeding six months from the date they are due for payment: | | |
| Secured, considered good | - | - |
| Unsecured, considered good | 208.69 | 228.05 |
| Unsecured, considered doubtful | | |
| *(includes transferred under the Scheme (Refer Note 1) | | |
| Rs. 21.44 lakhs (previous year Rs. 29.75 lakhs) | *120.05 | *128.82 |
| | 328.74 | 356.87 |
| Provision for doubtful debts | 120.05 | 128.82 |
| | 208.69 | 228.05 |
| Other trade receivables: | | |
| Secured, considered good | - | - |
| Unsecured, considered good | 840.77 | 990.53 |
| | 840.77 | 990.53 |
| Per balance sheet | 1,049.46 | 1,218.58 |

NOTE 17 - Cash and Cash Equivalents

| | | |
|--|-------|-------|
| Cash on hand | 1.02 | 1.05 |
| Balances with banks: | | |
| - In current accounts | 9.92 | 21.64 |
| - In fixed deposit accounts * | 15.45 | 5.64 |
| Per balance sheet | 26.39 | 28.33 |
| Of the above, the balances that meet the definition of cash and cash equivalents as per AS 3 Cash Flow Statements is | 10.94 | 22.69 |

* Balance with bank held as security against the guarantee

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| | As at 31.03.2017 Rs. Lakhs | As at 31.03.2016 Rs. Lakhs |
|--|---|---|
| NOTE 18 - Short Term Loans and Advances (Unsecured, considered good) | | |
| Loans and advance to employees | 3.01 | 4.99 |
| Prepaid expenses | 60.99 | 8.92 |
| Exice receivable | 55.44 | 80.56 |
| VAT receivable | 52.80 | 108.16 |
| Balances with government authorities | | |
| CENVAT/ Service tax | 284.46 | 508.24 |
| Others | | |
| Advance to suppliers | 3.50 | 16.37 |
| Income taxes paid | 32.33 | 12.96 |
| Receivables from suppliers | 0.10 | 0.10 |
| Per balance sheet | <u>492.63</u> | <u>740.30</u> |
| NOTE 19 - Other Current Assets | | |
| Receivable from related party | - | 197.39 |
| Exchange loss on long term loan covered under call spread option | - | 289.29 |
| Export benefits | 17.05 | 4.15 |
| Interest accrued on Fixed Deposit | 2.82 | 0.40 |
| Per balance sheet | <u>19.87</u> | <u>491.23</u> |
| | | |
| | For the year From 01.04.2016 to 31.03.2017 Rs. Lakhs | For the year From 01.04.2015 to 31.03.2016 Rs. Lakhs |
| NOTE 20 - Revenue from operations | | |
| Sale of products | 4,163.92 | 4245.46 |
| Other operating revenues: | | |
| Agency Commission | 24.82 | 36.79 |
| Sale of scrap | 13.32 | 20.93 |
| Export incentives | 49.84 | 20.13 |
| Job work charges | 6.30 | 2.30 |
| Royalty Income | 6.29 | 3.04 |
| Service Charges | 15.00 | 12.00 |
| | <u>115.57</u> | <u>95.19</u> |
| | 4,279.49 | 4,340.65 |
| Less: Excise Duty | 319.53 | 352.56 |
| Per statement of profit and loss | <u>3,959.96</u> | <u>3,988.09</u> |
| Revenue from operations comprise of: | | |
| Ball & roller bearings | 3,267.96 | 3,492.69 |
| Roller | 275.29 | 233.13 |
| Trading | 301.14 | 167.08 |
| | <u>3,844.39</u> | <u>3,892.90</u> |
| Other operating revenues | 115.57 | 95.19 |
| Total | <u>3,959.96</u> | <u>3,988.09</u> |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| | For the year From 01.04.2016 to 31.03.2017 | | For the year From 01.04.2015 to 31.03.2016 | |
|---|--|------------------|--|------------------|
| | <u>Rs. Lakhs</u> | <u>Rs. Lakhs</u> | <u>Rs. Lakhs</u> | <u>Rs. Lakhs</u> |
| NOTE 21 - Other income | | | | |
| Rent | | 76.80 | | 76.80 |
| Interest Income: | | | | |
| Interest from banks on deposits | | 0.67 | | 0.44 |
| Interest other | | 4.92 | | 3.22 |
| Liability no longer required written back | | 25.55 | | 9.72 |
| Provision for doubtful debts written back | | 8.77 | | - |
| Other | | - | | 2.71 |
| Per statement of profit and loss | | <u>116.71</u> | | <u>92.89</u> |

NOTE 22A - Cost of materials consumed

| | | | | |
|----------------------------------|--|-----------------|--|-----------------|
| Opening Stock | | 424.92 | | 300.93 |
| Add: Purchases | | <u>1,130.62</u> | | <u>1,898.65</u> |
| | | 1,555.54 | | 2,199.58 |
| Less: Closing stock | | 345.37 | | 424.92 |
| Per statement of profit and loss | | <u>1,210.17</u> | | <u>1,774.66</u> |

Footnotes:
i) Materials and components consumed comprises of:

| | | | | |
|------------------|--|-----------------|--|-----------------|
| Steel | | 324.16 | | 495.94 |
| Rings | | 416.06 | | 408.57 |
| Roller | | 1.38 | | 38.53 |
| Components | | 406.83 | | 745.84 |
| Packing Material | | 61.74 | | 85.78 |
| TOTAL | | <u>1,210.17</u> | | <u>1,774.66</u> |

NOTE 22B - Changes in inventories of finished goods and work-in-progress

| | | | | |
|--|-----------------|-------------------|-------------------|-------------------|
| Opening stock | | | | |
| Work - in - progress | 616.03 | | 653.10 | |
| Finished goods | <u>1,217.54</u> | <u>1,833.57</u> | <u>885.23</u> | <u>1,538.33</u> |
| Closing stock | | | | |
| Work - in - progress | (654.17) | | (616.03) | |
| Finished goods | <u>(946.49)</u> | <u>(1,600.66)</u> | <u>(1,217.53)</u> | <u>(1,833.56)</u> |
| Per statement of profit and loss - Net (increase) / decrease | | <u>232.91</u> | | <u>(295.23)</u> |

NOTE 23 - Employee benefit expenses

| | | | | |
|--|--|-----------------|--|-----------------|
| Salaries and wages | | 1,184.33 | | 1,093.77 |
| Contribution to provident fund and other funds | | 90.23 | | 88.62 |
| Staff welfare | | 56.04 | | 55.58 |
| Per statement of profit and loss | | <u>1,330.60</u> | | <u>1,237.97</u> |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| | For the year From 01.04.2016 to 31.03.2017 | | For the year From 01.04.2015 to 31.03.2016 | |
|--|--|-----------------|--|-----------------|
| | Rs. Lakhs | Rs. Lakhs | Rs. Lakhs | Rs. Lakhs |
| NOTE 24 - Finance costs | | | | |
| Interest expenses: | | | | |
| On borrowings | | 448.68 | | 566.65 |
| Other | | 9.46 | | 9.00 |
| Net loss on foreign currency transactions (considered as finance cost) | | 7.84 | | 185.28 |
| Other borrowing costs | | 47.15 | | 32.60 |
| Per statement of profit and loss | | <u>513.13</u> | | <u>793.53</u> |
| NOTE 25 - Other expenses | | | | |
| Consumption of stores and spare parts | | 206.36 | | 240.95 |
| Power and fuel | | 263.28 | | 343.88 |
| Rent | | 5.77 | | 2.82 |
| Repairs and maintenance - | | | | |
| Buildings | 0.54 | | 3.04 | |
| Plant and machinery | 0.42 | | 19.51 | |
| Others | <u>41.98</u> | | <u>28.67</u> | |
| | | 42.94 | | 51.22 |
| Insurance | | 10.31 | | 7.82 |
| Rates and taxes | | 21.83 | | 75.23 |
| Travelling and conveyance expense | | 105.86 | | 97.68 |
| Printing and stationary | | 17.78 | | 20.36 |
| Freight and forwarding | | 92.82 | | 76.06 |
| Business promotion | | 42.68 | | 31.85 |
| Legal and professional expenses | | 82.36 | | 56.61 |
| Auditors' remuneration (see Footnote below) | | 29.06 | | 27.10 |
| Foreign exchange fluctuation (gain) / loss | | 30.03 | | 33.31 |
| Premium on Call Spread Option | | 35.68 | | 166.58 |
| Provision for doubtful debts (net) / advances | | - | | 43.50 |
| Security charges | | 32.30 | | 32.09 |
| IT related expenses | | 70.33 | | 65.18 |
| Bank charges | | 10.08 | | 6.42 |
| Loss on sale of property, plant and equipment | | 0.30 | | - |
| Excise duty on closing stock | | (55.74) | | 41.02 |
| Turnover discount | | 43.75 | | 68.67 |
| Miscellaneous expenses | | 142.76 | | 130.68 |
| Per statement of profit and loss | | <u>1,230.54</u> | | <u>1,619.03</u> |
| Footnote: | | | | |
| Details of Auditors' remuneration: | | | | |
| (excluding service tax) | | | | |
| As auditors (for audit, review of unaudited quarterly results and audit of consolidated financial statement) | | 23.50 | | 21.50 |
| Taxation matters | | 5.50 | | 5.50 |
| Out of pocket expenses | | 0.06 | | 0.10 |
| Total | | <u>29.06</u> | | <u>27.10</u> |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| | As at 31.03.2017 Rs. Lakhs | As at 31.03.2016 Rs. Lakhs |
|--|----------------------------------|----------------------------------|
|--|----------------------------------|----------------------------------|

NOTE 26 - Contingent liabilities not provided for:

| | | |
|---|-------|------|
| a) Bank guarantees | | |
| - To Maharashtra Pollution Control Board | 15.00 | 5.00 |
| - To President of India through Commissioner of Customs | 0.45 | 0.45 |

NOTE 27 - Commitments

| | | |
|---|-------|-------|
| 1. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 31.19 | 16.59 |
| 2. Other commitment | | |
| - Premium payable for remaining period of Call Spread Option Contract. | - | 50.93 |

NOTE 28 - Value of imported and indigenous materials consumed

| | For the year Ended 31.03.2017 Rs. Lakhs (%) | | For the Year Ended 31.03.2016 Rs. Lakhs (%) | |
|--------------|---|------------|---|------------|
| Imported | 12.46 | 1 | 50.35 | 3 |
| Indigenous | 1,197.71 | 99 | 1,724.31 | 97 |
| TOTAL | 1,210.17 | 100 | 1,774.66 | 100 |

NOTE 29 - Value of imported and indigenous stores & spare parts consumed

| | | | | |
|--------------|---------------|------------|---------------|------------|
| Imported | 7.74 | 4 | 24.02 | 10 |
| Indigenous | 198.62 | 96 | 216.93 | 90 |
| TOTAL | 206.36 | 100 | 240.95 | 100 |

NOTE 30 - CIF value of imports

| | For the Year Ended 31.03.2017 Rs. Lakhs | For the Year Ended 31.03.2016 Rs. lakhs |
|---------------------------------|---|---|
| i) Raw materials and components | 15.50 | 10.14 |
| ii) Stores & spares | 6.90 | 24.70 |

NOTE 31 - Expenditure in foreign currency

| | | |
|---|-------|--------|
| i) Foreign travel | 15.54 | 13.96 |
| ii) Interest expense | 80.18 | 268.04 |
| iii) Premium on long term loan covered under Call Spread Option | 35.68 | 166.58 |

NOTE 32 - Earnings in foreign exchange:

| | | |
|--|--------|--------|
| i) Export of goods calculated on F.O.B basis | 986.97 | 905.36 |
| ii) Agency commission | 24.82 | 36.79 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
NOTE 33 - Financial and Derivative Instruments

i) Call spread option entered into by the company outstanding as at 31 March, 2017:

| Currency | Amount in foreign currency | Buy/Sell | Cross Currency |
|----------|----------------------------------|----------|----------------|
| USD | - | Buy | INR |
| | (28,92,857) | Buy | INR |

This Call Spread Option Contract is entered into for hedging purposes and not for speculation purposes

ii) Interest rate swaps to hedge against fluctuations in interest rate changes: No. of contracts: Nil (as at 31 March, 2016: 1)

iii) Foreign currency exposures that have not been hedged by a derivative instrument or other wise outstanding as at 31 March, 2017:

| | Currency | Amount | Equivalent Rs. Lakhs as at 31st March 2017 |
|--|----------|-------------|---|
| a) Amount receivable in foreign currency : | | | |
| Receivables | EURO | 4,50,487 | 311.95 |
| | | (4,40,992) | (331.14) |
| | USD | 37,121 | 24.07 |
| | | (25,024) | (16.60) |
| | GBP | 33,340 | 26.97 |
| | | (21,945) | (20.86) |
| | JPY | 2,66,820 | 1.55 |
| | | (-) | (-) |
| Advance to Supplier | EURO | - | - |
| | | (266) | (0.20) |
| b) Amounts payable in foreign currency : | | | |
| Payables | EURO | 1,12,997 | 78.25 |
| | | (1,77,614) | (133.38) |
| Advance from Customer | EURO | 3,897 | 2.70 |
| | | (3,750) | (2.82) |
| c) Term Loan from Bank | USD | 6,43,200 | 417.04 |
| | | (10,71,600) | (710.82) |
| d) Short Term borrowings from Bank | EURO | - | - |
| | | (5,59,050) | (419.82) |

iv) Figures in brackets are the corresponding figures in respect of the previous period.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
NOTE 34 - Details of Employee Benefits as required by the Accounting Standard - 15
"Employee Benefits" are as follows :-
1) Defined contribution plans :

Contribution to Defined Contribution Plans, recognised in the statement of profit and loss for the year under employee benefits expense, are as under :

| | For the Year Ended 31.03.2017 Rs. Lakhs | For the Year Ended 31.03.2016 Rs. Lakhs |
|---|---|---|
| i) Employer's Contribution to Provident Fund | 36.20 | 29.09 |
| ii) Employer's Contribution to Family Pension Fund | 21.95 | 21.39 |
| iii) Employer's Contribution to Superannuation Fund | 20.49 | 22.69 |

2) Defined Benefit Plans : (Funded)

Gratuity- as per actuarial valuation as at the period end (based on Projected Unit Benefit Method).

The Company has an obligation towards gratuity, a funded defined benefit retirement plan covering eligible employees. The plan provides for lump sum payment to vested employees at retirement, death while in employment or on termination of the employment of an amount equivalent to 15 days salary, as applicable, payable for each completed year of service, without any payment ceiling. Vesting occurs upon completion of five years of service.

| Particulars | For the Year Ended 31.03.2017 Rs. Lakhs | For the Year Ended 31.03.2016 Rs. Lakhs |
|---|---|---|
| i) Components of employer expenses | | |
| a) Current Service cost | 17.83 | 15.88 |
| b) Interest cost | 8.42 | 7.20 |
| c) Expected return on plan assets | (8.26) | (7.85) |
| d) Actuarial Losses/ (Gains) | (13.30) | 0.14 |
| Total expenses recognised in the Statement of Profit and Loss | 4.69 | 15.37 |
| ii) Actual contribution and benefit payments for the year/ period | | |
| a) Actual benefit payments | (1.14) | 0.00 |
| b) Actual Contributions | - | - |
| iii) Net asset/(liability) recognised in the Balance Sheet | | |
| a) Fair Value of plan assets at the end of the year/ period | 122.08 | 109.22 |
| b) Present Value of defined benefit obligation | 128.99 | 111.44 |
| Net assets/(liability) recognised on the Balance Sheet | (6.91) | (2.22) |
| iv) Change in Defined Benefit Obligations (DBO) during the year/ period | | |
| a) Present Value of DBO at the beginning of the current year/ period | 111.44 | 89.77 |
| b) Current Service cost | 17.83 | 15.88 |
| c) Interest cost | 8.42 | 7.20 |
| d) Actuarial Losses/ (Gains) | (7.56) | (1.41) |
| e) Benefits paid | (1.14) | 0.00 |
| Present Value of DBO as at the end of the year / period | 128.99 | 111.44 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| | | |
|---|--|--|
| v) Change in Fair Value of Assets during the year/ period | | |
| a) Plan assets at beginning of the year/ period | 109.22 | 97.92 |
| b) Expected return on plan assets | 8.26 | 7.85 |
| c) Actuarial (Losses)/ Gains | 5.74 | (1.55) |
| d) Actual Company contributions | 0.00 | 5.00 |
| e) Benefits paid | (1.14) | 0.00 |
| Plan assets as at the end of the year/period | 122.08 | 109.22 |
| vi) Actuarial Assumptions | | |
| a) Discount Rate | 7.12% | 7.56% |
| b) Expected rate of return on Plan assets | 7.12% | 7.56% |
| c) Salary escalation | 6.00% | 8.00% |
| d) Mortality Table | Indian Assured Lives Mortality (2006-08) | Indian Assured Lives Mortality (2006-08) |
| e) Attrition rate | 8.00% | 8.00% |
| vii) Composition of plan assets | | |
| -Insurer Managed Funds | 100% | 100% |

| | For the year From 01.04.2016 to 31.03.2017 Rs. Lakhs | For the Year From 01.04.2015 to 31.03.2016 Rs. Lakhs | For the Period From 01.01.2014 to 31.03.2015 Rs. Lakhs | For the Period From 01.10.2012 to 31.12.2013 Rs. Lakhs |
|--|--|--|--|--|
| viii) Experience Adjustments | | | | |
| a) Defined Benefit Obligation | 128.99 | 111.44 | 89.77 | 73.67 |
| b) Fair Value of Plan assets | 122.08 | 109.22 | 97.92 | 98.53 |
| c) Funded status [surplus / (deficit)] | (6.91) | (2.22) | 8.15 | 24.86 |
| d) Experience adjustment arising on : | - | - | - | - |
| 1) Plan Liabilities [Losses / (Gains)] | 6.69 | (2.35) | 2.26 | (12.96) |
| 2) Plan Assets [(Losses) / Gains] | 5.74 | (1.55) | 4.79 | (9.74) |

Footnotes:

- The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.
- The assumption of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion, increment and other relevant factors.
- The discount rate is based on the benchmark rate yield of government of India security as at the Balance sheet date.

NOTE 35 - Disclosure under Accounting Standard 18 - " Related Parties " :-
A) Name of the related party and nature of relationship where control exists :

| Sr. no | Nature of relationship | Names of related parties |
|--------|---|---|
| (a) | Entity on which the Company can exercise significant influence | NRB IBC Bearings Private Limited |
| (b) | Key Management Personnel (KMP) | Mr. Devesh S. Sahney, Managing Director |
| (c) | Relative of Key Management Personnel | Mr. Trilochan S. Sahney, Chairman |
| (d) | A Company over which relatives of KMP are able to exercise significant influence. | NRB Bearings Limited NRB Bearings (Thailand) Limited |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
B) Related Party Transactions :

| Name of the related parties | Nature of Transactions | Volume of Transactions For the year Ended 31.03.2017 Rs. Lakhs | Receivable as at 31.03.2017 Rs. Lakhs | Payable as at 31.03.2017 Rs. Lakhs |
|----------------------------------|--|---|--|---------------------------------------|
| NRB Bearings (Thailand) Limited | Sale of finished Goods | 3.61 (9.58) | 5.06 (5.62) | - - |
| NRB Bearings Limited | Purchase of Raw material | 137.49 (95.54) | - (-) | 26.79 (-) |
| | Sale of finished Goods | 3.20 (0.81) | - (4.09) | - (-) |
| | Income from job work | 1.87 (2.30) | - (-) | - (-) |
| | ICD repaid | 250.00 (972.00) | - (-) | - (250.00) |
| | Interest paid on ICD | 5.19 (70.83) | - (-) | - (1.94) |
| | Guarantee to third party for loan taken by the company and outstanding as at the year end Rs. 417.04 lakhs (previous period Rs. 2629.74 lakhs) | - (-) | - (-) | - (-) |
| NRB IBC Bearings Private Limited | Payments made/ expenses incurred on behalf of related party | 52.95 (57.31) | - (-) | - (-) |
| | Rent Income | 76.80 (76.80) | - (-) | - (-) |
| | Sale of Semi Finished Material | 381.45 (345.04) | 10.64 (187.78) | - (-) |
| | Income from job work | 4.43 (-) | - (-) | - (-) |
| | Service Charges | 15.00 (12.00) | - (-) | - (-) |
| | Recoverable for sale of fixed assets, expenses and other income | - (-) | - (197.39) | - (-) |
| | Royalty income | 6.29 (3.04) | - (-) | - (-) |
| | Purchase of material | 0.62 (0.68) | - (-) | - (-) |
| Mr. D. S. Sahney | Remuneration | 75.18 (72.03) | - (-) | - (-) |
| | Loan taken | 562.45 (2,725.23) | - (-) | 2,947.63 (2,480.23) |
| | Loan repayment | 95.05 (245.00) | - (-) | - (-) |
| Mr. T. S. Sahney | Loan taken | 541.00 (2,545.00) | - (-) | 4,249.85 (5,353.85) |
| | Loan repayment | 1,645.00 (1,173.00) | - (-) | - (-) |
| | Issue of Preference shares | 1,000.00 (1,000.00) | - (-) | - (-) |

Footnote:

- Figures in brackets are in respect of the previous period.
- No amounts pertaining to related parties have been provided for as doubtful debts. Further, no amounts have either been written off or written back during the period.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**NOTE 36 - Disclosure under Accounting Standard 19 - "Leases"****1) Lease Expense**

- (a) The company has taken office and residential premises on operating lease. Lease rental charged to the Statement of Profit and Loss for the year ended 31 March, 2017 Rs. 5.77 lakhs (previous year Rs. 2.82 lakhs).
- (b) (i) Under some agreements, refundable interest free deposit have been given and contain a provision for renewal.
- (ii) The agreements provide for early termination by either party with a notice period which varies from 1 month to 6 months.

2) Lease Income

The Company has entered into lease agreement effective from 8 March, 2013 for certain portion of its factory and office premises including furniture and fixtures, electrical installation, etc. During the year, Rs. 76.80 lakhs (previous Rs. 76.80 lakhs) recognised as rental income in the Statement of Profit and Loss. The agreement contain renewal clause. The agreement provide for termination prior to the expiry of the term, as per mutual understanding of the parties or due to breach of terms and conditions as mentioned in the agreement.

NOTE 37 - Disclosure under Accounting Standard 20 - "Earnings per shares"

| | For the Year Ended 31.03.2017 | For the Year Ended 31.03.2016 |
|--|----------------------------------|----------------------------------|
| (i) Loss after tax | (1,462.31) | (1,919.76) |
| Less:- Dividend on redeemable cumulative non-convertible preference share (Rs. in lakhs) | 143.54 | 0.24 |
| Loss after tax attributable to equity shares (Rs. in lakhs) | (1,605.85) | (1,920.00) |
| (ii) Number of Equity Shares | 2,42,30,650 | 2,42,30,650 |
| (iii) Par value per share (Rs.) | 2 | 2 |
| (iv) Earnings per share - Basic and diluted (Rs.) | (6.63) | (7.92) |

NOTE 38 - Disclosure under Accounting Standard 17 - "Segment Reporting"

The operations of the Company fall within a single primary segment viz. Industrial bearings.

Geographical segment information is given as follows:

| | Within India Rs. Lakhs | Outside India Rs. Lakhs | Total Rs. Lakhs |
|-------------------------|---------------------------|----------------------------|--------------------------|
| Revenue from operations | 2,948.17 (3,045.94) | 1,011.79 (942.15) | 3,959.96 (3,988.09) |
| Segment Assets | 12,855.34 (14,775.39) | 364.53 (368.60) | 13,219.87 (15,143.99) |

Footnote:

Figures in brackets are in respect of the previous period.

NOTE 39 - Managerial Remuneration

The Board of Directors and the Members of the Company had approved the appointment and remuneration of Mr. Devesh Singh Sahney as Managing Director of the Company ("hereinafter MD") for a term of 5 years effective October 01, 2012 to September 30, 2017 at their meetings held on October 04, 2012 and October 15, 2012 respectively.

The Central Government vide letter dated August 28, 2014 approved the appointment of MD for a term of five years and partially addressed the remuneration payable (Basic remuneration & Cash allowances) for the period upto March 31, 2014 and has not specifically addressed Perquisites payable for that period. The Company has submitted an

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

application for obtaining clarification/approval from the Central Government in respect of perquisites paid for the period upto March 31, 2014.

Accordingly remuneration paid to the MD of Rs. 34.81 lakhs for the period from October 01, 2012 to March 31, 2014 is subject to approval by the Central Government.

In terms of Clause 12.1 of the Scheme referred to in Note 1 above to the financial statement, the terms and conditions of the employment of all the employees transferred from NRB shall not be less favourable than those applicable to them with reference to NRB in relation to Industrial Bearing Undertaking on the effective date. Since the remuneration paid to the Managing Director is the same as that was paid to him by NRB as Executive Director, the Company is confident of getting approval from the Central Government for the remuneration paid / payable for the relevant period. Pending such clarification / approval, the Managing Director holds the remuneration paid in trust for the company.

Pursuant to provisions of section 197 read with Schedule V of the Companies Act, 2013, the Company has obtained approval by way of a special resolution from the members in the Annual General Meeting held on July 7, 2015 and amended the terms of remuneration of MD by reducing the tenure of remuneration payable to three years (April 01, 2014 to March 31, 2017). The Nomination & Remuneration Committee and Board of Directors of the Company have approved remuneration payable to the MD from April 01, 2014 to March 31, 2017.

NOTE 40 Expenditure on Research and Development (R & D)

| | For the year Ended 31.03.2017 Rs. Lakhs | For the year Ended 31.03.2016 Rs. Lakhs |
|--|---|---|
| a) Charged to Statement of Profit and Loss | 113.38 | 103.54 |
| b) Capitalized to Fixed Assets | - | - |

Footnote:

The Department of Scientific and Industrial Research has given recognition to the In- House R & D unit of the Company at B -18, Five star MIDC area, Shendra, Aurangabad from 28 October, 2014.

NOTE 41 - Issue of Preference Shares

The members of the Company have given their consent by passing special resolution through Postal Ballot on 12 March, 2016 to issue Preference Shares to Mr. Trilochan Singh Sahney, in one or more tranches, within one year from the approval of members, for an amount not exceeding Rs. 20,00,00,000/- (Rupees Twenty Crores Only) through private placement by issuance of 2,00,00,000 Cumulative, Redeemable, Non-convertible Preference Shares at face value of Rs. 10/- each and that the preference dividend be paid annually at 6% p.a. post tax expenses and shall be redeemed at the end of 5 years from the date of allotment.

The Company has allotted Cumulative, Redeemable, Non-convertible Preference Shares at face value of Rs. 10/- in four tranches. In previous year, 1st tranche of 50,00,000 Preference shares was allotted on 30 March, 2016 and 2nd Tranche of 50,00,000 Preference shares on 31 March, 2016. In Current year, 3rd tranche of 50,00,000 Preference shares was allotted on 5 April, 2016 and 4th and last tranche of 50,00,000 Preference shares on 6 April, 2016.

NOTE 42 - Details of the specified Bank Notes (SBN) held and transected during the period from November 8, 2016 to December 30, 2016.

(Rs. Lakhs)

| Particulars | SBNs | Other Denomination Notes | Total |
|--|------|--------------------------|-------|
| Closing cash in hands on November 8, 2016 | 2.35 | 0.09 | 2.44 |
| Add:-Permitted Receipts (Withdrawal from Banks) | - | 6.50 | 6.50 |
| Less:-Permitted Payments | - | 4.90 | 4.90 |
| Less:-Amount deposited in Banks | 2.35 | - | 2.35 |
| Closing cash in hands as on December 30, 2016 | - | 1.69 | 1.69 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 43 -

The figures for the previous year have been regrouped / restated where necessary to conform to the current year's classification.

Signatures to Notes 1 to 43 which form an integral part of the financial statements.

For and on behalf of the Board of Directors

T. S. Sahney
Chairman

D. S. Sahney
Managing Director

Mumbai: 29 May, 2017

R. G. Mehendale
Chief Financial Officer

Ratika Gandhi
Company Secretary

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NRB INDUSTRIAL BEARINGS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **NRB INDUSTRIAL BEARINGS LIMITED** (hereinafter referred to as the Holding Company / Company) and its associate, comprising of the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Holding Company and its associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act. The respective Board of Directors of the Holding Company and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Holding Company and its associate and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act.

Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Holding Company and its associates as at March 31, 2017, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to Note 34 to the Financial Statements. As stated in the Note, the remuneration paid to the Managing Director of the Holding Company of Rs. 34.81 lacs for the period from October 01, 2012 to March 31, 2014 is subject to the approval of the Central Government.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements
 - b) In our opinion, proper books of account as required

by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

- c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss, and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
- e) On the basis of the written representations received from the directors of the Holding Company and its associate as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and its associate incorporated in India, none of the directors of the Holding company and its associate incorporated in India is disqualified as on March 31, 2017 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 over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' report of the Holding Company and its associate incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's and its associate's internal financial controls over financial reporting.
- 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. There were no pending litigations which

would impact the consolidated financial position of the Holding Company and its associate.

- ii. The Holding Company and its associate did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.
- iv. The Holding Company has provided requisite disclosures in the consolidated financial statements as regards the holding and dealings by it, in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the November 08, 2016 of the Ministry of Finance, during the period from November 08, 2016 to December 30, 2016 of the Holding Company and its associate. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the relevant books of accounts maintained by those entities for the purpose of preparation of the consolidated financial statements and as produced to us by the Management. Refer Note 37 of the consolidated financial statements.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 117365W)

Uday M. Neogi
(Partner)
(Membership No. 30235)

Place: Mumbai
Date : 29 May, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of NRB Industrial Bearings Limited on the consolidated financial statements for the year ended March 31, 2017)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial

controls over financial reporting of **NRB INDUSTRIAL BEARINGS LIMITED** (hereinafter referred to as the Holding Company / Company) and its Associate Company, which is company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its Associate Company, which is incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the

Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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 its business, including adherence to the respective 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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.

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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting 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 control over financial reporting includes those policies and procedures that (1) pertain

to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company and its Associate Company, which is incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For DELOITTE HASKINS & SELLS

Chartered Accountants
(Firm's Registration No.117365W)

Uday M. Neogi

Partner

(Membership No. 30235)

Place: Mumbai

Date: 29 May, 2017

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2017

| | Note No. | | As at 31.03.2017 Rs.Lakhs |
|---|-------------|------------|---------------------------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholders' Funds | | | |
| (a) Share Capital | 3 | 2,484.61 | |
| (b) Reserves and Surplus | 4 | (2,382.53) | 102.08 |
| (2) Non-Current Liabilities | | | |
| (a) Long term borrowings | 5 | 663.87 | |
| (b) Deferred tax liabilities (Net) | 6 | - | |
| (c) Long term provisions | 7 | 34.32 | 698.19 |
| (3) Current Liabilities | | | |
| (a) Short term borrowings | 8 | 9,095.19 | |
| (b) Trade payables | | | |
| i) Total outstanding dues of Micro Enterprises and Small Enterprises | | - | |
| ii) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises | 9 | 1,345.45 | |
| (c) Other current liabilities | 10 | 1,992.19 | |
| (d) Short-term provisions | 11 | 19.10 | |
| Total | | | 12,451.93 |
| | | | 13,252.20 |
| II. ASSETS | | | |
| (1) Non-current assets | | | |
| (a) Property, plant and equipment | | | |
| (i) Tangible assets | 12 | 9,560.57 | |
| (ii) Intangible assets | 12 | 37.64 | |
| (iii) Capital work-in-progress | | 14.50 | |
| | | 9,612.71 | |
| (b) Non-current investments | 13 | - | |
| (c) Long term loans and advances | 14 | 70.08 | 9,682.79 |
| (2) Current assets | | | |
| (a) Inventories | 15 | 1,981.06 | |
| (b) Trade receivables | 16 | 1,049.46 | |
| (c) Cash and cash equivalents | 17 | 26.39 | |
| (d) Short-term loans and advances | 18 | 492.63 | |
| (e) Other current assets | 19 | 19.87 | |
| Total | | | 3,569.41 |
| | | | 13,252.20 |

See accompanying notes forming part of the financial statements

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Uday M. Neogi
Partner

Mumbai: 29 May, 2017

For and on behalf of the Board of Directors

T. S. Sahney
Chairman

D. S. Sahney
Managing Director

R. G. Mehendale
Chief Financial Officer

Ratika Gandhi
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

| Particulars | Note No. | For the Year From 01.04.2016 to 31.03.2017 | |
|--|----------|--|-------------------|
| | | Rs.Lakhs | Rs.Lakhs |
| I. Revenue from operations (gross) | 20 | 4,279.49 | |
| Less: Excise duty | | 319.53 | |
| Revenue from operations (net) | | | 3,959.96 |
| II. Other Income | 21 | | 116.71 |
| III. TOTAL REVENUE (I + II) | | | 4,076.67 |
| IV. EXPENDITURE | | | |
| Cost of materials consumed | 22A | | 1,210.17 |
| Purchase of stock in trade | | | 257.06 |
| Changes in inventories of finished goods and Work-in-progress | 22B | | 232.91 |
| Employee benefits expense | 23 | | 1,330.60 |
| Finance costs | 24 | | 513.13 |
| Depreciation and amortization expense | 12 | | 764.57 |
| Other expenses | 25 | | 1,230.54 |
| Total Expenses | | | 5,538.98 |
| V. LOSS BEFORE TAX (III-IV) | | | (1,462.31) |
| VI. Tax expense : | | | |
| - Current tax | | - | |
| - Deferred tax | | - | - |
| VII. LOSS AFTER TAX (V- VI) | | | (1,462.31) |
| VIII. SHARE OF LOSS OF ASSOCIATE | | | (22.73) |
| IX. LOSS FOR THE YEAR (VII -VIII) | | | (1,485.04) |
| Earnings per share (of Rs. 2 each) | 32 | | |
| Basic, as well as diluted (In Rs.) | | | (6.72) |

See accompanying notes forming part of the financial statements

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Uday M. Neogi
Partner

Mumbai: 29 May, 2017

For and on behalf of the Board of Directors

T. S. Sahney
Chairman

D. S. Sahney
Managing Director

R. G. Mehendale
Chief Financial Officer

Ratika Gandhi
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

| | Note No. | Rs.Lakhs | As at 31.03.2017 Rs.Lakhs |
|--|-------------|-----------------|---------------------------------|
| CASH FLOW FROM OPERATING ACTIVITIES: | | | |
| LOSS BEFORE TAX | | | (1,462.31) |
| Adjustments for: | | | |
| Adjustments for: | | | |
| Depreciation/amortisation | | 764.57 | |
| Foreign exchange loss/(gain) - unrealised | | 45.90 | |
| Finance cost | | 513.13 | |
| Liability no longer required written back | | (25.55) | |
| Provision for doubtful debts (net) / advances | | (8.77) | |
| Interest Income | | (5.59) | |
| Loss on sale of property, plant and equipment | | 0.30 | 1,283.99 |
| OPERATING LOSS BEFORE WORKING CAPITAL CHANGES AND OTHER ADJUSTMENTS | | | (178.32) |
| Changes in working capital: | | | |
| Adjustment for (increase)/ decrease in operating assets | | | |
| - Trade receivables | | 163.35 | |
| - Short-term loans and advances | | 267.04 | |
| - Long-term loans and advances | | (1.20) | |
| - Other current assets | | 184.49 | |
| - Inventories | | 317.04 | |
| Adjustment in increase/ (decrease) in operating liabilities | | | |
| - Trade payables | | (275.76) | |
| - Other current liabilities and provisions | | (72.23) | 582.73 |
| CASH USED IN OPERATIONS | | | 404.41 |
| Direct taxes paid (net) | | | (19.37) |
| NET CASH FLOW USED IN OPERATING ACTIVITIES (A) | | | 385.04 |

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

| | As at 31.03.2017 |
|---|---------------------|
| Rs.Lakhs | Rs.Lakhs |
| CASH FLOW FROM INVESTING ACTIVITIES: | |
| Purchase of fixed assets (including adjustments on account of capital advances) | (72.44) |
| Sale of property, plant and equipment | 0.35 |
| Bank Balance not considered for cash and cash equivalents | (9.81) |
| Interest Income | 3.17 |
| NET CASH (USED IN) INVESTING ACTIVITIES (B) | (78.73) |
| CASH FLOW FROM FINANCING ACTIVITIES: | |
| Proceeds from issue of Preference Shares (Refer Note 36) | 1,000.00 |
| Proceeds from long term borrowings | 2,100.00 |
| Repayment of long term borrowings | (1,979.06) |
| Proceeds from short term borrowings (net) | (919.56) |
| Finance cost paid | (519.44) |
| NET CASH (USED IN) FROM FINANCING ACTIVITIES (C) | (318.06) |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C) | (11.75) |
| Cash and cash equivalents as at the beginning of the year | 22.69 |
| Cash and cash equivalents as at the end of the year | 10.94 |
| Notes : | |
| Cash and cash equivalents at the end of the year comprises: | |
| Cash in Hand | 1.02 |
| Balances with banks | |
| In current accounts | 9.92 |
| | 10.94 |

See accompanying notes forming part of the financial statements.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Uday M. Neogi
Partner

Mumbai: 29 May, 2017

For and on behalf of the Board of Directors

T. S. Sahney
Chairman

D. S. Sahney
Managing Director

R. G. Mehendale
Chief Financial Officer

Ratika Gandhi
Company Secretary

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**NOTE****1. Basis of accounting and preparation of the Consolidated Financial Statements**

The Consolidated Financial Statements of NRB Industrial Bearings Limited (the Company/ Holding Company) and its associate have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the 2013 Act. The financial statements have been prepared on accrual basis under the historical cost convention.

i. Principles of consolidation

The consolidated financial statements relate to the Company and share of profit / loss in its associate. The consolidated financial statements have been prepared on the following basis:

- a) The consolidated financial statements include the share of profit / loss of the associate company which has been accounted for using equity method as per AS 23 "Accounting for Investments in Associates in Consolidated Financial Statements". Accordingly, the share of profit/ loss of the associate company (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investments.
- b) The difference between the cost of investment in the associate and the share of net assets at the time of acquisition of shares in the associate is identified in the consolidated financial statements as Goodwill or Capital reserve as the case may be.
- c) The following associate have been considered in preparation of consolidated financial statements.

| Particulars | Country of Incorporation | % of ownership interest |
|---|--------------------------|-------------------------|
| NRB – IBC Bearings Private Limited (NIBC) | India | 35% |

ii. About the holding company:

The Company was incorporated on 24th day of February, 2011 as a Private Limited Company under the provisions of the Companies Act, 1956 (the 1956 Act). On the acquisition of equity shares of the Company on 4th November, 2011 by NRB Bearings Limited, a public limited company, the Company in terms of Section 3 (1) (iv) (c) of the 1956 Act became a Public Limited Company and the name of the Company was changed

from "NRB Industrial Bearings Private Limited" to "NRB Industrial Bearings Limited"

The Company is engaged in the business of manufacturing and selling of all types of industrial bearings.

The Scheme of Arrangement (the Scheme) for the transfer of Industrial Bearings Undertaking of NRB Bearings Limited (NRB) to the Company under section 391 to 394 read with section 100 to 103 of the Companies Act, 1956 was sanctioned by the Hon'ble High Court of Judicature, Bombay on 24th August 2012. The Scheme, which has become operative from 25th September, 2012 upon filing of the certified copies of the Orders of the Hon'ble High Court with the Registrar of Companies became effective from 1st October, 2012 (the Appointed Date).

Pursuant to the Scheme, with effect from the Appointed date the Industrial Bearings Undertaking of NRB is transferred and vested in the Company as a going concern, with all its assets, liabilities, properties, rights, benefits and interest therein subject to existing charges thereon.

In terms of the Scheme, in consideration of the transfer and vesting of the Industrial Bearings Undertaking of NRB, in respect of every 4 equity shares of Rs. 2 each, held by the shareholders of NRB, 1 equity share of Rs. 2 each fully paid up aggregating 24,230,650 equity shares have been issued and allotted on 31st October, 2012, to the shareholders of NRB whose names appeared in the Register of Members, as on 25th October, 2012, being the record date.

All the staff, workmen and employees of Industrial Bearings Undertaking of NRB in service as on 1st October, 2012 have become staff, workmen and employees of the Company without any break in their service.

In terms of the Scheme, the Company recorded all the assets and liabilities pertaining to the Industrial Bearings Undertaking, at the respective book values appearing in the books of NRB as on the Appointed Date. The Company credited to its share capital account, the aggregate face value of the equity shares issued by it pursuant to the Scheme. The difference of Rs. 5,700.16 lacs between excess of net assets and the amount credited as share capital after adjusting the cancellation of existing share capital of the Company held by NRB has been credited to Capital Reserve. The equity shares allotted have been listed on the Bombay Stock Exchange and the National Stock Exchange on 9th April, 2013.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

2. Significant accounting policies:

i. Use of estimates

The preparation of the financial statements, in conformity with the generally accepted accounting principles, requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known/materialized.

ii. Property, plant and equipment and depreciation / amortisation

(a) All property, plant and equipment are stated at cost of acquisition, including any attributable cost for bringing the asset to its working condition for its intended use less accumulated depreciation.

(b) Depreciation/amortization

i. Tangible Assets

a. Leasehold land is amortised over the remaining period of the lease.

b. Depreciation on other tangible assets has been provided on the straight-line method as per the useful life stated below which has been determined based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset etc.:

| Category | Useful life in years |
|-------------------------|----------------------|
| Building | |
| a) Factory Building | 29 |
| b) Office Building | 58 |
| Plant & Machinery | 26 |
| Furniture & Fixture | 15 |
| Office Equipments | 5 |
| Electrical Installation | 26 |
| Vehicle | 10 |
| Computer | 6 |

ii. Intangible Assets

Computer Software is amortised on straight line method over the estimated useful life of 6 years. The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

(c) Also see Note 2(xi) below.

iii. Impairment

The carrying values of assets at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

iv. Foreign currency transactions

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction. Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the period-end rates. Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

v. Investments

Long-term investments are stated at cost less provision for diminution, other than temporary, in the value of investments, if any. Current investments are stated at lower of cost and fair value.

vi. Inventories

Inventories are valued at the lower of cost (weighted average method) and net realisable value. Costs of conversion and other costs are determined on the basis of standard cost method adjusted for variances between standard costs and actual costs.

vii. Sale of products

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales exclude sales tax and value added tax.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**viii. Other Income**

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

ix. Employee benefits

(a) Short term employee benefits are recognised as an expense at the undiscounted amount in the statement of profit and loss of the period in which the related service is rendered.

(b) Long term benefits:

(i) Defined Contribution Plans :

1. Provident and Family Pension Fund

The eligible employees of the company are entitled to receive post employment benefits in respect of provident and family pension fund, in which both employees and the company make monthly contributions at a specified percentage of the employees' eligible salary (currently 12% of employees' eligible salary). The contributions are made to the Regional Provident Fund Commissioner. Provident Fund and Family Pension Fund are classified as Defined Contribution Plans as the company has no further obligations beyond making the contribution.

2. Superannuation

The eligible employees of the company are entitled to receive post employment benefits in respect of superannuation scheme, in which the company makes quarterly contributions at 15% of employees' eligible salary. Superannuation scheme is classified as Defined Contribution Plan as the Company has no further obligations beyond making the contribution.

The Company's contributions to Defined Contribution Plans are charged to the statement of profit and loss as incurred.

(ii) Defined Benefit Plan / Other Employee Benefit :

1. Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement

plan covering eligible employees. The plan provides a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service

Vesting occurs upon completion of five years of service. The Trust established for the purpose has arrangement with insurance company (currently HDFC Standard Life Insurance Company Limited) for future payments of gratuities on behalf of the Trust. The Company accounts for gratuity benefits based on an independent actuarial valuation as at the period end. Actuarial gains and losses are recognized in the statement of profit and loss.

2. Compensated absences

The Company provides for 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 liability is provided based on the number of days of unutilised leave at each balance sheet date on the basis of an independent actuarial valuation as at year end. Actuarial gains and losses are recognized in the statement of profit and loss.

x. Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets

xi. Operating Lease

Lease, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset during the lease term, is classified as operating lease. Operating lease payments asnd receipts are

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

recognised as an expense and income respectively in the Statement of Profit and Loss on a straight-line basis over the lease term.

xii. Taxation

Taxation expenses comprise current tax and deferred tax.

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation, carry forward of losses and items relating to capital losses are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

xiii. Provisions and Contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements

xiv. Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

xv. Derivative Contracts

The Company enters into derivative contracts in the nature of foreign currency swaps, currency options, forward contracts with an intention to hedge its existing assets and liabilities and firm commitments. Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the balance sheet date. All other derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised on grounds of prudence.

xvi. Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax available for equity shareholders (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

xvii. Current / Non-Current Assets and Liabilities:

Assets are classified as current when it satisfies any of the following criteria:

- a) it is held primarily for the purpose of being traded;
- b) it is expected to be realised within twelve months after the reporting date; or
- c) it is Cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

Liabilities are classified as current when it satisfies any of the following criteria:

- a) it is held primarily for the purpose of being traded;
- b) it is due to be settled within twelve months after the reporting date; or
- c) the company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as non-current.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

| | As at 31.03.2017 Rs. Lakhs |
|---|----------------------------------|
| NOTE 3 - Share Capital | |
| Authorised : | |
| Equity Shares : | |
| 25,000,000 equity shares of Rs. 2 each | 500.00 |
| Preference Shares : | |
| 50,000,000 Redeemable Cumulative | |
| Non -Convertible Preference shares of Rs. 10 each | 5000.00 |
| | <u>5500.00</u> |
| Issued, subscribed and fully paid up: | |
| Equity Shares : | |
| 24,230,650 equity shares of Rs. 2 each fully paid up | 484.61 |
| Preference Shares : | |
| 20,000,000 6% Redeemable Cumulative | |
| Non -Convertible Preference shares of Rs. 10 each fully paid up | 2,000.00 |
| Per balance sheet | <u>2,484.61</u> |

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

| | For the Year From 01.04.2016 to 31.03.2017 | |
|--|--|-----------------|
| | Number of shares | Rs. Lakhs |
| Equity Shares : | | |
| Shares outstanding at the beginning of the year | 24,230,650 | 484.61 |
| Add: Shares issued during the year | - | - |
| Shares outstanding at the end of the year / period | <u>2,42,30,650</u> | <u>484.61</u> |
| Preference Shares : | | |
| Shares outstanding at the beginning of the year | 1,00,00,000 | 1,000.00 |
| Add: Shares issued during the year (Refer Note 36) | 1,00,00,000 | 1,000.00 |
| Shares outstanding at the end of the year | <u>2,00,00,000</u> | <u>2,000.00</u> |

ii) **Number of shares held by each shareholder holding more than 5% shares in the Company are as follows:**

| | As at 31.03.2017 | |
|---|---------------------|-----------------|
| Particulars | Number of shares | % of holding |
| Equity shares: | | |
| Trilochan Singh Sahney | 29,29,101 | 12.09 |
| Trilochan Singh Sahney Trust 1 [held by a trustee (Trilochan Singh Sahney) in his individual name] | 94,38,910 | 38.95 |
| ICICI Prudential Life Insurance Company Limited | 13,26,786 | 5.48 |
| Preference shares: | | |
| Trilochan Singh Sahney | 2,00,00,000 | 100.00 |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(iii) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash for the period of 5 years immediately preceding the balance sheet date

| Particulars | As at 31.03.2017 No of Shares |
|---|-------------------------------------|
| Equity shares allotted as fully paid up in Consideration of transfer and vesting of Industrial Bearings Undertaking of NRB in the Company pursuant to the Scheme referred to in Note 1. | 2,42,30,650 |

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

- 1) The Company has only one class of equity shares having a face value of Rs. 2 each. The Equity Shareholders have all the rights of equity shares as provided by the Companies Act, 2013 and Rules & Regulations made thereunder.
- 2) The Company in General Meeting may declare dividend to be paid to members according to their respective rights, but no dividend shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend.
- 3) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts.

(iv) (b) Rights attached to Preference shares:

- 1) Preference Shares rank prior in respect to payment of Dividend or redemption amount compared to equity shareholders of the Company without having voting powers and that in the event of winding up right over the equity shareholders in participation of surplus funds, surplus assets and profits of the Company. Annual preference dividend is 6% .Preference shares shall be redeemed at the end of 5 years from the date of allotment.
- (v) On account of loss for the year, no dividend is proposed on preference shares. Arrears of the preference dividend as at the year end is Rs. 143.78 lakhs (as at 31 March, 2016 Rs. 0.24 lakhs.)

| | | As at |
|---|------------|------------|
| | | 31.03.2017 |
| NOTE 4 - Reserves and Surplus | Rs. Lakhs | Rs. Lakhs |
| Capital reserve | | |
| Opening balance | 5,700.16 | |
| Add: Addition during the year | - | |
| Closing balance | | 5,700.16 |
| Surplus in the Statement of Profit and Loss: | | |
| Opening balance | (6,200.38) | |
| Add: Adjustment for consolidation | (397.27) | |
| Add: Loss for the year | (1,485.04) | |
| Closing balance | | (8,082.69) |
| Per consolidated balance sheet | | (2,382.53) |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

| | | As at 31.03.2017 |
|--|------------|---------------------|
| | Rs. Lakhs | Rs. Lakhs |
| NOTE 5 - Long term borrowings | | |
| Term Loans | | |
| From Bank | | |
| Secured | 2,517.04 | |
| Less: Current maturities of long-term debt (Refer Note 10) | (1,868.77) | |
| | | 648.27 |
| From Others | | |
| Secured | 23.70 | |
| Less: Current maturities of long-term debt (Refer Note 10) | (8.10) | 15.60 |
| Per consolidated balance sheet | | 663.87 |

Footnotes:
Term loans from Bank

- (a) Rs. 417.04 lakhs secured by exclusive first charge over immovable fixed assets (leasehold land and buildings thereon) of the Company and its movable plant & machinery, furniture & fixtures and other movables at its factory at Shendra (near Aurangabad). The term loan is repayable in remaining 6 equal quarterly instalments by September 2018 and carries floating interest rate of LIBOR + 350 bps. The present rate of interest is 4.45%.
- (b) Rs. 1,000 lakhs secured by subservient charge on current assets and movable fixed assets and pledge of 24,46,808 shares of NRB Bearings Limited held and personal guarantee by a director of the Company. The working capital term loan is repayable in two equal installments of Rs. 500 lakhs each on 30 June, 2017 and on 30 December, 2017 and carries interest rate of one year MCLR + 70 bps. The present rate of interest is 10.40%.
- (c) Rs. 1,100 lakhs secured by subservient charge on current assets and movable fixed assets and pledge of 20,95,238 shares of NRB Bearings Limited held by a promoter of the Company and personal guarantee by two directors and promoter of the Company. The working capital term loan is repayable in monthly installments of Rs. 10 lakhs from April 2017 to June 2017, of Rs. 15 lakhs from July 2017 to September 2017, of Rs. 86 lakhs October 2017 to August 2018 and of Rs. 79 lakhs in September 2018 and carries interest rate of one year MCLR + 85 bps. The present rate of interest is 10.55%.

Term loan from Others

- (a) Rs. 23.70 lakhs secured by hypothecation of vehicles. Out of these, the term loan of Rs. 3.83 lakhs carrying interest rate of 10.71 % is repayable in remaining 18 equal monthly instalments by September, 2018 and the term loan of Rs. 19.87 lakhs carrying interest rate of 12.75 % is repayable in remaining 37 equal monthly instalments by April, 2020.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
NOTE 6 - Deferred Tax Asset /(Liability)

| | Deferred tax asset / (liability) as at 31.03.2017 Rs. Lakhs |
|---|--|
| Nature of timing difference | |
| Deferred tax liability | |
| Depreciation | (889.32) |
| Sub - total | (889.32) |
| Deferred tax assets | |
| Provision for doubtful debts / Advances | 37.10 |
| Provision for compensated absence | 14.37 |
| Other | 16.13 |
| Business loss ** | 821.72 |
| Sub - total | 889.32 |
| Per consolidated balance sheet | - |

** Recognised to the extent of balance in deferred tax liability net of other deferred tax assets.

| | As at 31.03.2017 Rs. Lakhs |
|-------------------------------------|----------------------------------|
| NOTE 7 -Long Term Provisions | |
| Provisions for employee benefits: | |
| Compensated absences | 34.32 |
| Per consolidated balance sheet | 34.32 |

NOTE 8 - Short term borrowings

| | |
|-------------------------------------|----------|
| Secured | |
| Loan repayable on demand | |
| From Bank | 1,897.72 |
| Unsecured | |
| i) Loans from Related Party: | |
| Director - Interest free | 7,197.47 |
| Per consolidated balance sheet | 9,095.19 |

Footnote:
(i) Loans repayable on demand from bank

Rs. 1,897.72 lakhs secured by first pari passu charge on all present and future stock and book debts of the Company and second pari pasu charge over immovable fixed assets (leasehold land and buildings thereon) of the Company and its movable plant & machinery, furniture & fixtures and other movables at its factory at Shendra (near Aurangabad). The present interest rate is in the range of 11.50% to 14.50 % p.a.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

| | As at 31.03.2017 Rs. Lakhs |
|--|----------------------------------|
| NOTE 9 - Trade Payables | |
| Trade payables | |
| - Total outstanding dues of Micro Enterprises and Small Enterprises (see Footnote) | - |
| - Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises | 1,345.45 |
| Per consolidated balance sheet | <u>1,345.45</u> |

Footnote:

The identification of vendors as a "Supplier" under the Micro, Small and Medium Enterprises Development Act, 2006 has been done on the basis of the information to the extent provided by the vendors to the Company. This has been relied upon by the auditors.

NOTE 10 - Other Current Liabilities

| | |
|---|-----------------|
| Current maturities of long-term debt (Refer Note 5) | 1,876.87 |
| Interest accrued but not due on borrowings | 1.36 |
| Interest accrued and due on borrowings | 18.03 |
| Other Payables | |
| - Payables on purchase of property, plant and equipment | 1.91 |
| - Statutory remittances (Contribution to PF, Profession Tax, Super annuation, Withholding tax, Service Tax, VAT etc.) | 61.91 |
| - Security Deposits from dealers | 2.50 |
| - Advance received from customers | 29.61 |
| Per consolidated balance sheet | <u>1,992.19</u> |

NOTE 11 - Short Term Provisions

| | |
|----------------------------------|--------------|
| Provision for employee benefits: | |
| - Compensated absences | 12.19 |
| - Gratuity | 6.91 |
| Per consolidated balance sheet | <u>19.10</u> |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
NOTE 12 - Property, plant and equipment

Rs. Lakhs

| Description | GROSS BLOCK - AT COST | | | | DEPRECIATION / AMORTISATION | | | | NET BLOCK |
|--------------------------------|------------------------|--------------|-------------|------------------------|-----------------------------|---------------|-----------------------------|------------------------|-----------------|
| | Balance As at 01.04.16 | Additions | Deductions | Balance As at 31.03.17 | Balance As at 01.04.16 | For the year | On Deductions/ Amortisation | Balance As at 31.03.17 | As at 31.03.17 |
| A. Tangible Assets | | | | | | | | | |
| Leasehold land | | | | | | | | | |
| Own Use | 687.94 | - | - | 687.94 | 26.32 | 7.22 | - | 33.54 | 654.40 |
| Given under operating lease | 91.43 | - | - | 91.43 | 3.36 | 0.96 | - | 4.32 | 87.11 |
| | 779.37 | - | - | 779.37 | 29.68 | 8.18 | - | 37.86 | 741.51 |
| Buildings and flats | | | | | | | | | |
| Own Use | 3,409.43 | - | - | 3,409.43 | 398.43 | 113.29 | - | 511.72 | 2,897.71 |
| Given under operating lease | 307.11 | - | - | 307.11 | 31.42 | 10.26 | - | 41.68 | 265.43 |
| | 3,716.54 | - | - | 3,716.54 | 429.85 | 123.55 | - | 553.40 | 3,163.14 |
| Leasehold Improvement | 137.39 | 10.65 | - | 148.04 | 7.76 | 7.22 | - | 14.98 | 133.06 |
| Plant and equipment | | | | | | | | | |
| Own Use | 6,843.76 | - | - | 6,843.76 | 1,533.79 | 507.81 | - | 2,041.60 | 4,802.16 |
| Given under operating lease | 83.62 | - | - | 83.62 | 21.63 | 6.20 | - | 27.83 | 55.79 |
| | 6,927.38 | - | - | 6,927.38 | 1,555.42 | 514.01 | - | 2,069.43 | 4,857.95 |
| Furniture and fixtures | | | | | | | | | |
| Own Use | 227.42 | 14.16 | - | 241.58 | 48.26 | 14.72 | - | 62.98 | 178.60 |
| Given under operating lease | 2.50 | - | - | 2.50 | 0.56 | 0.16 | - | 0.72 | 1.78 |
| | 229.92 | 14.16 | - | 244.08 | 48.82 | 14.88 | - | 63.70 | 180.38 |
| Computers | | | | | | | | | |
| Own Use | 59.96 | 9.16 | 2.10 | 67.02 | 30.71 | 10.44 | 1.45 | 39.70 | 27.32 |
| Given under operating lease | 0.44 | - | - | 0.44 | 0.24 | 0.07 | - | 0.31 | 0.13 |
| | 60.40 | 9.16 | 2.10 | 67.46 | 30.95 | 10.51 | 1.45 | 40.01 | 27.45 |
| Office equipments | | | | | | | | | |
| Own Use | 64.11 | 7.33 | - | 71.44 | 28.44 | 22.45 | - | 50.89 | 20.55 |
| Given under operating lease | 0.35 | - | - | 0.35 | 0.18 | 0.09 | - | 0.27 | 0.08 |
| | 64.46 | 7.33 | - | 71.79 | 28.62 | 22.54 | - | 51.16 | 20.63 |
| Electrical installations | | | | | | | | | |
| Own Use | 558.31 | - | - | 558.31 | 145.08 | 41.43 | - | 186.51 | 371.80 |
| Given under operating lease | 36.09 | - | - | 36.09 | 9.37 | 2.68 | - | 12.05 | 24.04 |
| | 594.40 | - | - | 594.40 | 154.45 | 44.11 | - | 198.56 | 395.84 |
| Vehicles | 54.71 | - | - | 54.71 | 8.90 | 5.20 | - | 14.10 | 40.61 |
| Sub Total (A) | 12,564.57 | 41.30 | 2.10 | 12,603.77 | 2,294.45 | 750.20 | 1.45 | 3,043.20 | 9,560.57 |
| B. Intangible Assets | | | | | | | | | |
| Computer Software | 88.63 | - | - | 88.63 | 36.62 | 14.37 | - | 50.99 | 37.64 |
| Sub Total (B) | 88.63 | - | - | 88.63 | 36.62 | 14.37 | - | 50.99 | 37.64 |
| Total (A) + (B) | | | | | | | | | |
| Per consolidated balance sheet | 12,653.20 | 41.30 | 2.10 | 12,692.40 | 2,331.07 | 764.57 | 1.45 | 3,094.19 | 9,598.21 |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

As at
31.03.2017
Rs. Lakhs

NOTE 13 - Non Current Investments
Trade

Investments in equity instruments

- Of associate

Unquoted

NRB-IBC Bearings Private. Limited (NIBC)

42,00,000 equity shares of Rs. 10 each fully paid-up

Per consolidated balance sheet

Aggregate amount of unquoted investments

Note : Investment in Associate.

(Rs. Lakhs)

| Name of Associate | Country of incorporation | Ownership Interest (%) | Original cost of investment | Amount of Goodwill / (Capital reserve) in original cost | Carrying amount of investment |
|----------------------------------|--------------------------|------------------------|-----------------------------|---|-------------------------------|
| NRB-IBC Bearings Private Limited | India | 35 | 420 | 420 | - |

As at
31.03.2017
Rs. Lakhs

NOTE 14 - Long term loans and advances

(Unsecured, considered good)

Capital advance

Security deposits

Receivables from suppliers

Less: Provision for doubtful advance

Per consolidated balance sheet

| Rs. Lakhs | Rs. Lakhs |
|-----------|-----------|
| | 23.66 |
| | 46.42 |
| 21.50 | |
| 21.50 | - |
| | 70.08 |

NOTE 15 - Inventories

(at lower of cost and net realisable value)

Raw materials and components

- Goods in Transit

Work-in-progress

Finished goods

Stores and spares

Per consolidated balance sheet

| | |
|--------|----------|
| 345.37 | |
| - | 345.37 |
| | 654.17 |
| | 946.49 |
| | 35.03 |
| | 1,981.06 |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

| | | As at 31.03.2017 |
|--|------------------|---------------------|
| | <u>Rs. Lakhs</u> | <u>Rs. Lakhs</u> |
| NOTE 16 - Trade Receivables | | |
| Trade receivables outstanding for a period exceeding six months from the date they are due for payment: | | |
| Secured, considered good | - | |
| Unsecured, considered good | 208.69 | |
| Unsecured, considered doubtful | 120.05 | |
| | <u>328.74</u> | |
| Provision for doubtful debts | <u>120.05</u> | |
| | | 208.69 |
| Other trade receivables: | | |
| Secured, considered good | - | |
| Unsecured, considered good | 840.77 | |
| | | <u>840.77</u> |
| Per consolidated balance sheet | | <u>1,049.46</u> |
| NOTE 17 - Cash and Cash Equivalents | | |
| Cash on hand | | 1.02 |
| Balances with banks: | | |
| - In current accounts | | 9.92 |
| - In fixed deposit accounts * | | 15.45 |
| Provision for doubtful debts | | <u>26.39</u> |
| Of the above, the balances that meet the definition of cash and cash equivalents as per AS 3 Cash Flow Statements is | | 10.94 |
| * Balance with bank held as security against the guarantee | | |
| NOTE 18 - Short Term Loans and Advances | | |
| (Unsecured, considered good) | | |
| Loans and advance to employees | | 3.01 |
| Prepaid expenses | | 60.99 |
| Exice receivable | | 55.44 |
| VAT receivable | | 52.80 |
| Balances with government authorities | | |
| CENVAT/ Service tax | | 284.46 |
| Others | | |
| Advance to suppliers | | 3.50 |
| Income taxes paid | | 32.33 |
| Receivables from suppliers | | 0.10 |
| Per consolidated balance sheet | | <u>492.63</u> |
| NOTE 19 - Other Current Assets | | |
| Export benefits | | 17.05 |
| Interest accrued on Fixed Deposit | | 2.82 |
| Per consolidated balance sheet | | <u>19.87</u> |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

| | For the year From 01.04.2016 to 31.03.2017 | |
|---|--|------------------|
| | <u>Rs. Lakhs</u> | <u>Rs. Lakhs</u> |
| NOTE 20 - Revenue from operations | | |
| Sale of products | | 4,163.92 |
| Other operating revenues: | | |
| Agency Commission | 24.82 | |
| Sale of scrap | 13.32 | |
| Export incentives | 49.84 | |
| Job work charges | 6.30 | |
| Royalty Income | 6.29 | |
| Service Charges | 15.00 | |
| | | <u>115.57</u> |
| | | 4,279.49 |
| Less: Excise Duty | | <u>319.53</u> |
| Per consolidated statement of profit and loss | | <u>3,959.96</u> |
| NOTE 21 - Other income | | |
| Rent | | 76.80 |
| Interest Income: | | |
| Interest from banks on deposits | | 0.67 |
| Interest other | | 4.92 |
| Liability no longer required written back | | 25.55 |
| Provision for doubtful debts written back | | 8.77 |
| Per consolidated statement of profit and loss | | <u>116.71</u> |
| NOTE 22A - Cost of materials consumed | | |
| Opening Stock | | 424.92 |
| Add: Purchases | | <u>1,130.62</u> |
| | | 1,555.54 |
| Less: Closing stock | | <u>345.37</u> |
| Per consolidated statement of profit and loss | | <u>1,210.17</u> |
| NOTE 22B - Changes in inventories of finished goods and work-in-progress | | |
| Opening stock | | |
| Work - in - progress | 616.03 | |
| Finished goods | <u>1,217.54</u> | 1,833.57 |
| Closing stock | | |
| Work - in - progress | (654.17) | |
| Finished goods | <u>(946.49)</u> | (1,600.66) |
| Per consolidated statement of profit and loss Net (increase) / decrease | | <u>232.91</u> |
| NOTE 23 - Employee benefit expenses | | |
| Salaries and wages | | 1,184.33 |
| Contribution to provident fund and other funds | | 90.23 |
| Staff welfare | | 56.04 |
| Per consolidated statement of profit and loss | | <u>1,330.60</u> |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

| | For the year From 01.04.2016 to 31.03.2017 | |
|--|--|---------------|
| | Rs. Lakhs | Rs. Lakhs |
| NOTE 24 - Finance costs | | |
| Interest expenses: | | |
| On borrowings | | 448.68 |
| Other | | 9.46 |
| Net loss on foreign currency transactions (considered as finance cost) | | 7.84 |
| Other borrowing costs | | 47.15 |
| Per consolidated statement of profit and loss | | <u>513.13</u> |

NOTE 25 - Other expenses

| | | |
|---|--------------|-----------------|
| Consumption of stores and spare parts | | 206.36 |
| Power and fuel | | 263.28 |
| Rent | | 5.77 |
| Repairs and maintenance - | | |
| Buildings | 0.54 | |
| Plant and machinery | 0.42 | |
| Others | <u>41.98</u> | |
| | | 42.94 |
| Insurance | | 10.31 |
| Rates and taxes | | 21.83 |
| Travelling and conveyance expense | | 105.86 |
| Printing and stationary | | 17.78 |
| Freight and forwarding | | 92.82 |
| Business promotion | | 42.68 |
| Legal and professional expenses | | 82.36 |
| Auditors' remuneration (see Footnote below) | | 29.06 |
| Foreign exchange fluctuation (gain) / loss | | 30.03 |
| Premium on Call Spread Option | | 35.68 |
| Provision for doubtful debts (net) / advances | | - |
| Security charges | | 32.30 |
| IT related expenses | | 70.33 |
| Bank charges | | 10.08 |
| Loss on sale of property, plant and equipment | | 0.30 |
| Excise duty on closing stock | | (55.74) |
| Turnover discount | | 43.75 |
| Miscellaneous expenses | | 142.76 |
| Per consolidated statement of profit and loss | | <u>1,230.54</u> |

Footnote:
Details of Auditors' remuneration:

(excluding service tax)

| | |
|--|--------------|
| As auditors (for audit, review of unaudited quarterly results and audit of consolidated financial statement) | 23.50 |
| Taxation matters | 5.50 |
| Out of pocket expenses | 0.06 |
| Total | <u>29.06</u> |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

As at
31.03.2017
Rs. Lakhs

NOTE 26 - Contingent liabilities not provided for:

- a) Bank guarantees
- To Maharashtra Pollution Control Board **15.00**
 - To President of India through Commissioner of Customs **0.45**
- b) Group share in contingent liability of an associate
- Compounding fee/penalty, if any, payable to RBI - Refer Note 38.

NOTE 27 - Commitments

1. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) **31.19**

NOTE 28 - Financial and Derivative Instruments

Foreign currency exposures that have not been hedged by a derivative instrument or other wise outstanding as at 31 March, 2017:

| | Currency | Amount | Equivalent Rs. Lakhs as at 31.03.2017 |
|--|----------|----------|---|
| a) Amount receivable in foreign currency : | | | |
| Receivables | EURO | 4,50,487 | 311.95 |
| | USD | 37,121 | 24.07 |
| | GBP | 33,340 | 26.97 |
| | JPY | 2,66,820 | 1.55 |
| b) Amounts payable in foreign currency : | | | |
| Payables | EURO | 1,12,997 | 78.25 |
| Advance from Customer | EURO | 3,897 | 2.70 |
| c) Term Loan from Bank | USD | 6,43,200 | 417.04 |

**NOTE 29 - Details of Employee Benefits as required by the Accounting Standard - 15
"Employee Benefits" are as follows :-****1) Defined contribution plans :**

Contribution to Defined Contribution Plans, recognised in the statement of profit and loss for the year under employee benefits expense, are as under :

For the Year
Ended **31.03.2017**
Rs. Lakhs

- ii) Employer's Contribution to Provident Fund **36.20**
- ii) Employer's Contribution to Family Pension Fund **21.95**
- iii) Employer's Contribution to Superannuation Fund **20.49**

2) Defined Benefit Plans : (Funded)

Gratuity- as per actuarial valuation as at the period end (based on Projected Unit Benefit Method).

The Company has an obligation towards gratuity, a funded defined benefit retirement plan covering eligible employees. The plan provides for lump sum payment to vested employees at retirement, death while in

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

employment or on termination of the employment of an amount equivalent to 15 days salary, as applicable, payable for each completed year of service, without any payment ceiling. Vesting occurs upon completion of five years of service.

| Particulars | For the Year Ended 31.03.2017 Rs. Lakhs |
|---|---|
| i) Components of employer expenses | |
| a) Current Service cost | 17.83 |
| b) Interest cost | 8.42 |
| c) Expected return on plan assets | (8.26) |
| d) Actuarial Losses/ (Gains) | (13.30) |
| Total expenses recognised in the Statement of Profit and Loss | 4.69 |
| ii) Actual contribution and benefit payments for the year/ period | |
| a) Actual benefit payments | (1.14) |
| b) Actual Contributions | - |
| iii) Net asset/(liability) recognised in the Balance Sheet | |
| a) Fair Value of plan assets at the end of the year/ period | 122.08 |
| b) Present Value of defined benefit obligation | 128.99 |
| Net assets/(liability) recognised on the Balance Sheet | (6.91) |
| iv) Change in Defined Benefit Obligations (DBO) during the year/ period | |
| a) Present Value of DBO at the beginning of the current year/ period | 111.44 |
| b) Current Service cost | 17.83 |
| c) Interest cost | 8.42 |
| d) Actuarial Losses/ (Gains) | (7.56) |
| e) Benefits paid | (1.14) |
| Present Value of DBO as at the end of the period | 128.99 |
| v) Change in Fair Value of Assets during the year/ period | |
| a) Plan assets at beginning of the year/ period | 109.22 |
| b) Expected return on plan assets | 8.26 |
| c) Actuarial (Losses)/ Gains | 5.74 |
| d) Actual Company contributions | 0.00 |
| e) Benefits paid | (1.14) |
| Plan assets as at the end of the year/ period | 122.08 |
| vi) Actuarial Assumptions | |
| a) Discount Rate | 7.12% |
| b) Expected rate of return on Plan assets | 7.12% |
| c) Salary escalation | 6.00% |
| d) Mortality Table | Indian Assured Lives Mortality (2006-08) |
| e) Attrition rate | 8.00% |
| vii) Composition of plan assets | |
| - Insurer Managed Funds | 100% |
| viii) Experience Adjustments | |
| a) Defined Benefit Obligation | 128.99 |
| b) Fair Value of Plan assets | 122.08 |
| c) Funded status [surplus / (deficit)] | (6.91) |
| d) Experience adjustment arising on : | - |
| 1) Plan Liabilities [Losses / (Gains)] | 6.69 |
| 2) Plan Assets [(Losses) / Gains] | 5.74 |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
Footnotes:

- (i) The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.
- (ii) The assumption of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion, increment and other relevant factors.
- (iii) The discount rate is based on the benchmark rate yield of government of India security as at the Balance sheet date.

NOTE 30 - Disclosure under Accounting Standard 18 - " Related Parties " :-

A) Name of the related party and nature of relationship where control exists :

| Sr. no | Nature of relationship | Names of related parties |
|--------|---|---|
| (a) | Entity on which the Company can exercise significant influence | NRB IBC Bearings Private Limited |
| (b) | Key Management Personnel (KMP) | Mr. Devesh S. Sahney, Managing Director |
| (c) | Relative of Key Management Personnel | Mr. Trilochan S. Sahney, Chairman |
| (d) | A Company over which relatives of KMP are able to exercise significant influence. | NRB Bearings Limited NRB Bearings (Thailand) Limited |

B) Related Party Transactions :

| Name of the related parties | Nature of Transactions | Volume of Transactions For the year Ended 31.03.2017 Rs. Lakhs | Receivable as at 31.03.2017 Rs. Lakhs | Payable as at 31.03.2017 Rs. Lakhs |
|----------------------------------|---|---|--|---------------------------------------|
| NRB Bearings (Thailand) Limited | Sale of finished Goods | 3.61 | 5.06 | - |
| NRB Bearings Limited | Purchase of Raw material | 137.49 | - | 26.79 |
| | Sale of finished Goods | 3.20 | - | - |
| | Income from job work | 1.87 | - | - |
| | ICD repaid | 250.00 | - | - |
| | Interest paid on ICD | 5.19 | - | - |
| | Guarantee to third party for loan taken by the company and outstanding as at the year end Rs. 417.04 lakhs. | - | - | - |
| NRB IBC Bearings Private Limited | Payments made/ expenses incurred on behalf of related party | 52.95 | - | - |
| | Rent Income | 76.80 | - | - |
| | Sale of Semi Finished Material | 381.45 | 10.64 | - |
| | Income from job work | 4.43 | - | - |
| | Service Charges | 15.00 | - | - |
| | Royalty income | 6.29 | - | - |
| | Purchase of material | 0.62 | - | - |
| Mr. D. S. Sahney | Remuneration | 75.18 | - | - |
| | Loan taken | 562.45 | - | 2,947.63 |
| | Loan repayment | 95.05 | - | - |
| Mr. T. S. Sahney | Loan taken | 541.00 | - | 4,249.85 |
| | Loan repayment | 1,645.00 | - | - |
| | Issue of Preference shares | 1,000.00 | - | - |

Footnote:

No amounts pertaining to related parties have been provided for as doubtful debts. Further, no amounts have either been written off or written back during the period.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 31 - Disclosure under Accounting Standard 19 - "Leases"

1) Lease Expense

- (a) The company has taken office and residential premises on operating lease. Lease rental charged to the Statement of Profit and Loss for the year ended 31 March, 2017 Rs. 5.77 lakhs .
- (b) (i) Under some agreements, refundable interest free deposit have been given and contain a provision for renewal.
(ii) The agreements provide for early termination by either party with a notice period which varies from 1 month to 6 months.

2) Lease Income

The Company has entered into lease agreement effective from 8 March, 2013 for certain portion of its factory and office premises including furniture and fixtures, electrical installation, etc. During the year, Rs. 76.80 lacs recognised as rental income in the Statement of Profit and Loss. The agreement contain renewal clause. The agreement provide for termination prior to the expiry of the term, as per mutual understanding of the parties or due to breach of terms and conditions as mentioned in the agreement.

NOTE 32 - Disclosure under Accounting Standard 20 - "Earnings per shares"

For the Year
Ended 31.03.2017

| | |
|---|------------|
| (i) Loss after tax (Rs. In lakhs) | (1,485.04) |
| Less:- Dividend on redeemable cumulative non convertible preference shares (Rs. In lakhs) | 143.54 |
| Loss after tax attributable to equity shares (Rs In lakhs) | (1,628.58) |
| (ii) Number of Equity Shares | 24,230,650 |
| (iii) Par value per share (Rs.) | 2 |
| (iv) Earnings per share - Basic and diluted (Rs.) | (6.72) |

NOTE 33 - Disclosure under Accounting Standard 17 - "Segment Reporting"

The operations of the Company fall within a single primary segment viz. Industrial bearings.

Geographical segment information is given as follows:

| | Within India Rs. Lakhs | Outside India Rs. Lakhs | Total Rs. Lakhs |
|-------------------------|---------------------------|----------------------------|--------------------|
| Revenue from operations | 2,948.17 | 1,011.79 | 3,959.96 |
| Segment Assets | 12,855.34 | 364.53 | 13,219.87 |

NOTE 34 - Managerial Remuneration

The Board of Directors and the Members of the Company had approved the appointment and remuneration of Mr. Devesh Singh Sahney as Managing Director of the Company ("hereinafter MD") for a term of 5 years effective October 01, 2012 to September 30, 2017 at their meetings held on October 04, 2012 and October 15, 2012 respectively.

The Central Government vide letter dated August 28, 2014 approved the appointment of MD for a term of five years and partially addressed the remuneration payable (Basic remuneration & Cash allowances) for the period upto March 31, 2014 and has not specifically addressed Perquisites payable for that period. The Company has submitted an application for obtaining clarification/approval from the Central Government in respect of perquisites paid for the period upto March 31, 2014.

Accordingly remuneration paid to the MD of Rs. 34.81 lakhs for the period from October 01, 2012 to March 31, 2014 is subject to approval by the Central Government.

In terms of Clause 12.1 of the Scheme referred to in Note 1(ii) above to the financial statements, the terms and conditions of the employment of all the employees transferred from NRB shall not be less favourable than those

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

applicable to them with reference to NRB in relation to Industrial Bearing Undertaking on the effective date. Since the remuneration paid to the Managing Director is the same as that was paid to him by NRB as Executive Director, the Company is confident of getting approval from the Central Government for the remuneration paid / payable for the relevant period. Pending such clarification / approval, the Managing Director holds the remuneration paid in trust for the company.

Pursuant to provisions of section 197 read with Schedule V of the Companies Act, 2013, the Company has obtained approval by way of a special resolution from the members in the Annual General Meeting held on July 7, 2015 and amended the terms of remuneration of MD by reducing the tenure of remuneration payable to three years (April 01, 2014 to March 31, 2017). The Nomination & Remuneration Committee and Board of Directors of the Company have approved remuneration payable to the MD from April 01, 2014 to March 31, 2017.

NOTE 35 Expenditure on Research and Development (R & D)

For the Year
Ended 31.03.2017
Rs. Lakhs

| | |
|---|--------|
| a) Charged to Consolidated Statement of Profit and Loss | 113.38 |
| b) Capitalized to property, plant and equipment | - |

Footnote:

The Department of Scientific and Industrial Research has given recognition to the In- House R & D unit of the Company at B -18, Five star MIDC area, Shendra, Aurangabad from 28 October, 2014.

NOTE 36 - Issue of Preference Shares

The members of the Company have given their consent by passing special resolution through Postal Ballot on 12 March, 2016 to issue Preference Shares to Mr. Trilochan Singh Sahney, in one or more tranches, within one year from the approval of members, for an amount not exceeding Rs. 20,00,00,000/- (Rupees Twenty Crores Only) through private placement by issuance of 2,00,00,000 Cumulative, Redeemable, Non-convertible Preference Shares at face value of Rs. 10/- each and that the preference dividend be paid annually at 6% p.a. post tax expenses and shall be redeemed at the end of 5 years from the date of allotment.

The Company has allotted Cumulative, Redeemable, Non-convertible Preference Shares at face value of Rs. 10/- in four tranches. In previous year, 1st tranche of 50,00,000 Preference shares was allotted on 30 March, 2016 and 2nd Tranche of 50,00,000 Preference shares on 31 March, 2016. In Current year, 3rd tranche of 50,00,000 Preference shares was allotted on 5 April, 2016 and 4th and last tranche of 50,00,000 Preference shares on 6 April, 2016.

NOTE 37 - Details of the specified Bank Notes (SBN) held and transected during the period from November 8, 2016 to December 30, 2016.

(Rs. Lakhs)

| Particulars | SBNs | Other Denomination Notes | Total |
|--|------|--------------------------|-------|
| Closing cash in hands on November 8, 2016 | 2.35 | 0.09 | 2.44 |
| Add:-Permitted Receipts (Withdrawal from Banks) | - | 6.50 | 6.50 |
| Less:-Permitted Payments | - | 4.90 | 4.90 |
| Less:-Amount deposited in Banks | 2.35 | - | 2.35 |
| Closing cash in hands as on December 30, 2016 | - | 1.69 | 1.69 |

NOTE 38 -

NRB Bearings Ltd (NRB), referred to in Note 1 (ii), had entered into a Joint Venture agreement in the year 2011 with IBC Industrial Bearings and Components AG, Switzerland (IBC) to form a joint venture Company for manufacture of Super Precision Angular Contact Bearings ("the Project"). Pending formation of the joint venture company, the Project was started in 2011 by NRB as a part of Industrial Bearings Undertaking and loan of USD 2.5 Million was availed for the Project. In terms of the Scheme referred to in Note 1(ii), Industrial Bearings Undertaking of NRB which included

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

the said Project was transferred and vested in the Company effective 1 October, 2012. The Project of Super Precision Angular Contact Bearings was completed in December, 2013 and the Assets pertaining to the Project were sold and liabilities (including to IBC) relating to machineries purchased for the project were transferred to NIBC by the Company on 8 December, 2013. NIBC has capitalised the project on 1 January, 2014 upon approval of trial production by the quality department.

Pursuant to the Supplementary Agreement dated 9 December, 2013 to Shareholders' Agreement dated 7 April, 2011, between the Company, IBC and Mr. T.S. Sahney, NIBC has allotted 36,00,000 equity shares of Rs. 10/- each fully paid-up to IBC against part of the liability transferred from the Company . NIBC has made an application for obtaining approval from the Foreign Investment Promotion Board (FIPB) and the Reserve Bank of India which is pending and NIBC is following up for the same. The Reserve Bank of India based on submissions at the compounding hearing do exercise their discretion for charging compounding fee/ penalty and therefore pending such hearing , compounding fee / penalty payable, if any, is not ascertainable and hence not provided for by NIBC.

NOTE 39 - Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

| Name of the entity in the | Net assets, i.e., total assets minus | | Share of profit or loss | |
|----------------------------------|--------------------------------------|--------|-------------------------------------|------------|
| | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount |
| Holding Company | | | | |
| NRb Industrial Bearings Limited | 100% | 102.08 | 98.47% | (1,462.31) |
| Associates | | | | |
| Indian | | | | |
| NRB-IBC Bearings Private Limited | - | - | 1.53% | (22.73) |
| Total | 100.00% | 102.08 | 100.00% | (1,485.04) |

NOTE 40 -

The Holding company has prepared and presented, its consolidated financial statements for the first time and hence, in terms of Accounting Standard (AS) 21 "Consolidated Financial Statements", corresponding (comparative) figures for the previous year have not been presented.

Signatures to Notes 1 to 40 which form an integral part of the financial statements

For and on behalf of the Board of Directors

T. S. Sahney
Chairman

D. S. Sahney
Managing Director

R. G. Mehendale
Chief Financial Officer

Ratika Gandhi
Company Secretary

[illegible]



SHENDRA PLANT, AURANGABAD



NRB

INDUSTRIAL

REGD. OFFICE: DHANNUR, 2ND FLOOR, 15, SIR P.M. ROAD, FORT, MUMBAI - 400 001 INDIA

TEL: (022) 4541 7500

PLANT: PLOT NO. B-18, FIVE STAR M.I.D.C. AREA, SHENDRA, AURANGABAD - 431154.

TEL: (0240) 2622180

www.nrbindustrialbearings.com

investorcare@nibl.in

MOVING THE WHEELS OF INDUSTRY

**Form MGT-11
PROXY FORM**

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

NRB INDUSTRIAL BEARINGS LTD.

Regd. Office : Dhannur, 2nd Floor, 15, Sir P. M. Road, Fort, Mumbai-400001

Ph. No. 022 45417500 **Fax No.** 022 22704207 **Email:** investorcare@nibl.in

CIN No. L29253MH2011PLC213963

Name of the Member(s): _____

Registered Address: _____

Email id: _____

Folio No./ Client Id.: _____

DP Id.: _____

I /we being the members of NRB Industrial Bearings Limited, holding _____ shares of the above named Company, hereby appoint

1) Name: _____
Address : _____ Email Id.: _____ Signature: _____ failing him

2) Name: _____
Address : _____ Email Id.: _____ Signature: _____ failing him

3) Name: _____
Address : _____ Email Id.: _____ Signature: _____ failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 6th Annual General Meeting of the Company, to be held on Thursday, August 3, 2017 at 11.00 a.m. at M C Ghia Hall, K. Dubash Marg, Mumbai – 400 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

| Sr. No. | Optional | Resolution | |
|---------|--|------------|---------|
| | | For | Against |
| | ORDINARY BUSINESS | | |
| 1 | Adoption of Financial Statement for the year ended March 31, 2017. | | |
| 2 | To appoint a Director in place of Mrs. Harshbeena Sahney Zaveri (DIN No: 00003948) who retires by rotation at this Annual General meeting and being eligible, has offered herself for re-appointment. | | |
| 3 | Ratification of appointment of Statutory Auditors up to next annual general meeting. | | |
| | SPECIAL BUSINESS | | |
| 4 | Approval of Managing Director remuneration for the period from 1.10.2016 to 30.09.2017 | | |
| 5 | Re-appointment of Mr. Devesh Singh Sahney, Managing Director for a further period of five years from 1.10.2017 to 30.9.2022 and approval of managerial remuneration for the period of three year from 1.10.2017 to 30.09.2020. | | |
| 6 | Approval for Issue and offer of Redeemable Cumulative Non-Convertible Preference shares on Private Placement | | |

Signed this _____ day of _____ 2017

Signature of Shareholder

Signature of Proxy Holder

Affix
revenue
stamp

Note:

- 1) This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- 2) A person can act as proxy on behalf of Members upto and not exceeding 50 members and holding in aggregate not more than 10% of the Total Share Capital of the Company. Further, a member holding more than 10% of the total share capital of the Company carrying voting rights, may appoint a single person as proxy and such person shall not act as proxy for any other person or member.
- 3) The EVSN (Electronic Voting Sequence Number): 170703008.

-----TEAR HERE-----

NRB INDUSTRIAL BEARINGS LTD.

Regd. Office : Dhannur, 2nd Floor, 15, Sir P. M. Road, Fort, Mumbai-400001

Ph. No. 022 45417500 **Fax No.** 022 22704207 **Email:** investorcare@nibl.in

CIN No. L29253MH2011PLC213963

ATTENDANCE SLIP

FOLIO NO. _____ DP Id. _____ CL Id. _____

Name of Member: _____

Name of Proxy Holder: _____

Number of Shares held: _____

I hereby record my presence at the Sixth Annual general Meeting of NRB Industrial Bearings Limited held on Thursday, August 3, 2017 at 11.00 a.m. at M C Ghia Hall, K. Dubash Marg, Mumbai – 400 001

Signature of Proxy Holder

Notes: 1) Members/Proxy holders are requested to produce the attendance slip duly signed for admission to the Meeting Hall.

2) Members are requested to bring their copy of Annual Report for reference at the Meeting.